

RESOURCES & DELIVERING VALUE SCRUTINY BOARD

3 October 2022

MINUTES

Present Councillors: M Parker (Chairman), R Holt, J Tildesley, D Gibbin, M Allen, N Moses, A Adeyemo

Officers Paul Johnson: Director of Resources and Deputy Chief Executive
Sam Gilbert: Assistant Director, Finance & Property Services
Paul Langham: Assistant Director, Business Systems
Tim Browne: Director Children's Services and Skills
Julie Cooper: Head of Financial Operations
Sarah Cheale: Children's Services Finance Manager
Karen Cranley: (virtual) Finance Manager Resources SCH
Andrea Santer: (virtual) Finance Manager
Mohammed Irfan: (virtual) Adult Social Care Finance Manager
Adam Paterson (Virtual) Finance Manager
Paul Rogers: Democratic Services

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Y Clements and Councillor A Hodgson.

2. DECLARATIONS OF PECUNIARY OR CONFLICTS OF INTEREST

No declarations of interest were received.

3. QUESTIONS AND DEPUTATIONS

No questions or deputations were received.

4. MINUTES

The Resources and Delivering Value Scrutiny Board:

RESOLVED:

- (i) To agree the Minutes arising from the Resources and Delivering Value Scrutiny Board meeting held on 5th September 2022 to be an accurate record.

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5. REVIEW OF THE COUNCIL'S FINANCIAL POSITION, INCLUDING THE IMPACT OF FINANCIAL PRESSURES IN CHILDREN'S SERVICES

The report before the Scrutiny Board arose from a request the Scrutiny Board made to receive a report which provided a review of the Council's financial position, including the impact of financial pressures in Children's Services.

The Head of Financial Operations informed the Scrutiny Board that a report detailing the Council's financial position had been scheduled for submission to the Full Cabinet meeting on 8th September 2022 detailing the Council's financial position as at Period 4 (July). A further report would be submitted to a future meeting of Cabinet addressing Period 6.

Members attention was drawn to Section 3.2 of the report, which provided background for the next iteration of the MTFS from 2023/24 – 2025/26, specifically providing an early indication of the matters being dealt with. The report before the Scrutiny Board provided summaries of both the local and national challenges the Council faces; for example, the impact of the Covid-19 pandemic, cost of living impacts and energy supplier prices, all of which impact on the MTFS projections. Further pressures identified included growing demand placed on Children's Services and adult social care reforms planned from 2023 and in future years. Members were advised that all Cabinet Portfolio areas were facing their own specific cost pressures.

Members were advised of a technical issue relating to the auditors' sign-off of the Council's Statement of Accounts for 2021/22. The technical issue affected all local authorities and meant that the statutory sign-off date for the accounts might not be achieved.

Members were informed that in terms of the revenue forecast outturn for 2022/23, there was an adverse variance on the Core Council of £2.619M in relation to the Children and Education portfolio and an in year adverse variance of £3.585M for the Dedicated Schools Grant (DSG).

The DSG deficit was a potential significant financial risk for the Council with effect from 2023/24 if the statutory override arrangements currently in place are not continued beyond the current year. The Council responded on 18th August 2022 to a Department for Education (DfE) consultation across all councils asking for the statutory override arrangements to be continued.

The Scrutiny Board was informed that some UKC re-phasing of Capital funding was likely, which would be reported in further detail to Full Cabinet in December 2022.

It was reported that 93% of projected savings were rated as green.

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Having received the introduction to the report from the Head of Financial Operations, Members of the Scrutiny Board raised several questions related to the report, which in summary included the following matters:

Councillor Holt queried what solution was foreseen to the prospective ending of the statutory instrument in respect of the DSG. The Scrutiny Board was advised that it was hoped that the statutory override arrangements would be continued. If the statutory override arrangement did end, it would be very significant for all local authorities. For Solihull, the scenario of ending the statutory override arrangement would entail ring-fencing nearly £16.8M of reserves, which would have a serious impact on the MTFS.

Councillor Adeyemo sought further clarification if the statutory override arrangement was discontinued and queried whether the Council, rather than national Government, would have to cover any shortfall. The Head of Financial Operations advised that the Council would have to cover the shortfall. The Interim Director of Children's Services and Skills added that the Government was running two programmes – *Delivering Better Value* and the *Safety Valve Programme* – whereby the Government assists with local authority deficits. The Council was awaiting further confirmation as to its status within these respective programmes.

The Interim Director of Children's Services and Skills outlined the key points detailed in the report addressing the Children's Services financial position for 2022/23 and the associated implications for the MTFS. Members were advised that the forecast pressures detailed in the MTFS over the next three years for Children's Services equated to £20M, arising from an increased demand and the response to the Children's Services improvement notice. Members were advised that the fiscal implications for the service were also being worked through at the Children's Services Improvement Board. The improvement journey was estimated to be a period lasting between 3 – 5 years.

Councillor Tildesley noted that the improvement journey was likely to entail a long-term process over a period and would not be a short-term project. Officers were thanked for the detail and frankness of the report provided for the Scrutiny Board.

Councillor Parker endorsed Councillor Tildesley's comments and further stated that he had full confidence in the Children's Services and Skills Scrutiny Board in continuing to address and scrutinise the financial position of the Children's Services function. Furthermore, Councillor Parker fully endorsed the recommendation arising from the Children's Services, Education and Skills Scrutiny Board meeting held on 12th September 2022, which was:

'This committee recognises the hugely significant pressures on Solihull Council's budget from Children's Services and resolves to call upon the Cabinet to ensure resources are fully aligned with the risks identified in this report.'

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Councillor Allen endorsed Councillor Tildesley's and Councillor Parker's comments and stated that the Council had to take positive action and persevere to provide an improved Children's Services function.

Councillor Gibbins informed the meeting that the Children's Services, Education and Skills Scrutiny Board would continue to address the improvement journey being undertaken by Children's Services as well as the major risks the service faced.

Councillor Holt advised Members that the point made at the Children's Services, Skills and Education Scrutiny Board meeting held on 12th September 2022 was that a sea change was required across the service. There were many on-going issues to be addressed, the impact of which would be felt for some years to come.

Councillor Parker queried whether Officers were proceeding in anticipating and building in future cost pressures in the financial planning for Children's Services. The Interim Director of Children's Services and Skills confirmed that this was the case across the entire service area.

Having considered the report, the Resources and Delivering Value Scrutiny Board:

RESOLVED:

- i) To unanimously endorse the Recommendation arising from the Children's Services, Education and Skills Scrutiny Board meeting held on 12th September 2022, for the attention of Cabinet, which stated:

'This committee recognises the hugely significant pressures on Solihull Council's budget from Children's Services and resolves to call upon the Cabinet to ensure resources are fully aligned with the risks identified in this report'.

6. SMBC AND SCH DIGITAL STRATEGY 2022-27

The report before the Scrutiny Board provided an update for Members on the SMBC and SCH Digital Strategy 2022-2027. The Assistant Director, Business Systems introduced the report.

Members were informed that the Council's Digital Strategy was reviewed annually, with a major refresh/re-write being undertaken every 5 years. The Digital Strategy established the Council's digital vision as well as detailing its support for and relationship with other Council strategies. The Digital Strategy adopted a high-level view leading to a Digital Strategy road map for the duration of the five-year Strategy. The input and comments received from the

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Resources and Delivering Value Scrutiny Board in 2021 had been considered and reflected in the current Strategy before the Scrutiny Board.

The current Digital Strategy placed emphasis towards the Council's staff and skills programmes, leading to a wider embrace and use of digital technology available to employees. The Council's Digital Strategy also aligned with national Best Practice.

The new Digital Strategy had led to an improved integration between digital standards and governance arrangements across the Council. Future plans for the Digital Strategy included placing an emphasis on the key themes of supporting improved data capture and management and the use of performance information leading to improved Council services. Improved collaboration with partners had also been identified as an area to explore further, for example with SCH and NHS partners. The Digital Strategy was seen as the means to deliver improved operational efficiencies, facilitating skills and training programmes, supporting inclusive social and public engagement with customers, the general public, businesses and residents. It was also recognised that digital provision / use was improving choices for people, rather than being presented as the only channel available to the Council's customers.

Having received the report introduction from the Assistant Director, Business Systems, Members of the Scrutiny Board raised several questions related to the report, which in summary included the following matters:

Councillor Gibbins queried whether digital security for residents could be reflected within the Digital Strategy e.g. in respect of on-line/digital frauds and scamming targeting the general public and residents.

The Assistant Director, Business Systems confirmed that further emphasis could be added to the Digital Strategy in terms of what activities were already taking place to counter cyber fraud; for example, the joint working taking place between the Council and Trading Standards.

Councillor Parker noted that with the Council's hybrid working arrangements now established, continuous employee training and greater degrees of accessibility to IT support was required to support the on-going development of the Council's employee skills sets. Councillor Parker sought confirmation that such a programme would be put in place.

The Assistant Director, Business Systems agreed that through hybrid working arrangements and increased working from home, the volume of help desk calls had increased. The introduction of the Smarter Ways of Working (SWoW) Programme had witnessed more ICT Support Officers assigned to the Council IT Help Desk.

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In terms of supporting the acquisition of digital skill sets, Members were advised that there was an existing hierarchy, entailing the Digital Programme Board and Digital Champions Group, both of which reviewed skills requirements and continuous training programmes. Consequently, the feedback from both these groups had fed into the new Council Digital Strategy 2022/27.

Councillor Adeyemo questioned whether the Council had plans to move towards a 'One Stop Shop' arrangement for residents to log on to access Council services and whether this would be an area the Digital Strategy would continue to address.

The Assistant Director, Business Systems confirmed that the Council vision was for a One Stop Shop arrangement to be put in place. This would entail addressing system access / user log on arrangements for residents to access an extensive range of Council services across a significant number of different ICT systems and functions, all of which would require alignment. Also, there was some constraint in delivery in the form of available budget, people and priorities; for example, implementation of Oracle cloud, Liquid Logic and the Microsoft 365 Office Suite via the council's digital programme. All newly implemented systems require a supporting business case with funding then being allocated accordingly to support a business and service led approach.

Councillor Allen queried what alternative options to digital were available for residents. Members were advised that residents had the option of continuing to communicate with the Council through the Contact Centre via telephone, or to visit Council premises in person.

Councillor Moses supported greater emphasis within the Digital Strategy around cyber protection, with the possible inclusion of user guidance addressing cyber security. The Assistant Director, Business Systems acknowledged Councillor Moses suggestion and advised that this area would be taken on board in further detail.

Having considered the report, the Resources and Delivering Value Scrutiny Board:

RESOLVED:

- (i) To note the changes made from the previous Digital Strategy 2017-2022; and,
- (ii) Agreed to support the key digital priorities for implementation.

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7. EXCLUSION OF THE PRESS AND PUBLIC

The meeting was not open to the public during discussion of the following item because the report contained exempt information as defined in Schedule 12A to the Local Government Act 1972.

8. PRIVATE MINUTES

Councillor Moses clarified for the draft Minutes that his professional designation was '*Programme and Project Manager*'.

The Resources and Delivering Value Scrutiny Board:

RESOLVED:

- i) Subject to the above amendment, to agree that the Private Minutes arising from the Resources and Delivering Value Scrutiny Board meeting held on 5th September 2022 to be a true record.

The Resources and Delivering Value Scrutiny Board meeting closed at 7:02 p.m.