

## Corporate Overview and Scrutiny Panel – Comments on the Budget Report

Councillor Hilton, Lead Member for Finance and Ascot, introduced the report and explained that the Panel's views were sought on the main report and five appendices. Appendix A consisted of the Medium Term Financial Plan and incorporated changes that had been made in the current years budget. £895,000 had been allocated as a pay increase for all RBWM staff, while £850,000 had been earmarked for use in corporate capacity areas, giving officers greater capacity to fulfil their roles. The impact of Covid was estimated to have a £9.2 million impact on the budget, while £6 million worth of savings had been identified to cover part of this impact.

A member of the public, Andrew Hill, had requested to speak on the item. Mr Hill said that money had been lost from venue licensing as some had chosen not to renew and asked which venues these were. For the registrars, there was reported to be a £25,000 drop in income predicted in the previous budget but this was inflated in the next budget. Mr Hill asked if these figures were used to try and disguise any financial problems. Concern was raised about the cutting of the audit budget, Mr Hill believed that councillors should be demanding more audit, not less. Regarding schools, they were being charged more and Mr Hill wanted to know what the reason for this was. There was increased data protection across the council, but Mr Hill questioned why a breach was deemed 'likely' if data protection had been enhanced. Mr Hill raised a final concern, that the fee paid to councillors who chaired council meetings was increasing, but arts funding for venues like Norden Farm was being cut.

Councillor Hilton said that he had been involved in discussions with the relevant Lead Member along with officers. It was going to be challenging for the arts sector but there was money in the budget provided which would support grants for the arts.

Adele Taylor, Director of Resources, said that she would pick up and answer Mr Hill's points as the Panel went through the relevant sections of the budget. The Medium Term Financial Plan, which was Appendix A of the report, was part of the draft budget which was presented in December 2020. The plan showed the movement and changes expected in the budget.

Councillor L Jones asked about the estimated total losses from Covid and how the mitigation funding compared to the income lost. There was payment for services at the point of demand and Councillor L Jones wanted to know how this would work for residents who were on a low income. She asked if the pay award for RBWM staff was in the contingency budget.

Adele Taylor said that Covid losses were the estimated income losses for the current financial year. The next budget monitoring report would be going to Cabinet later in the week, with most of the pressures being around the costs to contractors. Income losses had hit RBWM hard, with further detail provided in the monitoring report. Covid costs were being treated as a one off as they were being covered through one off measures. Earmarked reserves would be able to support the budget. The sales, fees and charges compensation scheme was being utilised by RBWM, the council covered the first 5% of losses and then the government covered 75p in every £1 after that. It was important to ensure that there was affordability in the services provided, costs should be covered and it was important that they were reviewed on a regular basis.

Andrew Vallance, Head of Finance, confirmed that the pay rise for RBWM staff was coming out of the contingency budget.

Councillor L Jones commented on the NNDR in Appendix A, the impact of regeneration and whether business viability had been taken into account.

Adele Taylor said the NNDR was holding up at the moment and it could only be based on information that they knew. The NNDR was managed through the collection fund but it was hard to know the future business viability. She was aware that there was the possibility that business rates could change in the future.

Councillor Werner said that the Medium Term Financial Plan showed a spiral of decline for RBWM and that services were starting to dry up. In his view, a lack of strategy to stop this decline could lead to bankruptcy. Insourcing was important to consider as Councillor Werner had seen evidence that it saved money and improved service. He asked what research had gone into looking at contracts and whether an internal bid had been investigated as a viable option. Councillor Werner mentioned 'invest to save' and asked what analysis had gone into assets to see if they could raise revenue. No CIL (Community Infrastructure Levy) being charged for developments in Maidenhead Town Centre was an issue, Councillor Werner said that the new Nicolson's Shopping Centre redevelopment not being charged CIL was a significant amount of money that had been 'given away' by the council. For commercialisation, Councillor Werner asked what analysis had been carried out for any potential commercialisation opportunities available to the council.

Councillor Hilton disagreed with Councillor Werner's comments on RBWM being a 'spiral of decline'. He said that there was a positive variance of £3.7 million and that the reserves to cover Covid stood at £3 million. Other money was also being put into the reserves, the budget was in a good place before the pandemic. RBWM had done a good job to get to this point with the current financial position and it needed to ensure that Covid costs were managed effectively over the next year.

Councillor Johnson, Leader of the Council, commented that Councillor Werner should familiarise himself with the Asset Management Strategy. The strategy was focussed on retaining valuable assets and disposing of assets that were no longer needed to raise further capital and fund capital projects. There were many risks in the commercial market and the decline was likely to continue for the foreseeable future for the council's commercial portfolio. On the claim about the Nicolson's Shopping Centre, Councillor Johnson said that if Councillor Werner had any evidence of this statement then it should be presented to support his claim. For insourcing, Councillor Johnson explained that at the point of renewal all contracts were assessed and both outsourcing and insourcing options were explored. CIL was an ongoing issue which was largely driven by market viability and increased costs. Councillor Johnson disagreed with Councillor Werner's statement that the council had given away a significant amount of money.

Councillor Rayner, Lead Member for Resident & Leisure Services, HR, IT, Legal, Performance Management & Windsor, also disagreed with the comments about RBWM being in a spiral of decline. There had been lots of innovation that had taken place across the council. The library transformation strategy was delivering what residents wanted, while there had been an increased investment in leisure services with the new Braywick Leisure Centre opening last year. The IT infrastructure had also been upgraded across the council as part of the Modern Workplace Project, this had proven to be particularly important as it allowed all RBWM staff to work from home throughout the course of the pandemic.

Adele Taylor said that a gap had been identified in the budget which could have come from a variety of options. The Transformation Strategy allowed the council to look at how things were done and how they could be done better in the future.

Councillor Luxton joined the meeting.

Councillor Werner said that the council was not looking at insourcing options because an analysis would have been produced, this analysis was not available. He had been informed by a property expert about the valuation of CIL on the Nicolson's Shopping Centre. Councillor Werner had read the Asset Management Strategy but wanted an approach where land was turned into something that could be used rather than just selling it. Councillor Werner believed that this was a Conservative ideological approach to running the council.

The Chairman said that the administration wanted a well-run council.

Councillor Hilton said that CIPFA had done a review of services across the council and made a number of recommendations, with one being to remain with shared services like Optalis and Achieving for Children. These organisations made up around 70% of spending in the council.

Councillor Johnson was disappointed by the personal attack from Councillor Werner. He said that there was no ideological vision in his view and that his aim was to deliver the best services possible to RBWM residents. The strategy allowed for land to be repurposed, for example the land next to the Town Hall in Maidenhead or the Magnet Leisure Centre.

Councillor L Jones asked if it was possible to see the net impact of Covid, with the figures split into losses and income losses which would allow her to see what impact it had on the finances. She also asked if the Medium Term Financial Plan required £14 million of savings and where these savings would come from.

Adele Taylor said that the cost and impact of Covid on the current finances of RBWM were available in the latest budget monitoring report but it was a rapidly changing situation.

Councillor Rayner said that the transformation strategy showed the direction of travel that RBWM was looking to head in. The library strategy was achievable and would be going out for consultation so it was still open to adjustments.

Councillor Sharpe said that the allowance for RBWM staff pay rise was important along with the allowance in the budget for any extra staff that would need to join the council. Adele Taylor confirmed that there was an allowance in the budget for the pay reward. In terms of growth to the council, there was also dedicated areas that would improve with new Equalities Officer and Monitoring Officer positions being created.

Councillor Werner said that Councillor Rayner, as the Lead Member for Resident & Leisure Services, HR, IT, Legal, Performance Management & Windsor, had been quoted in a news article saying that the library strategy was 'what the residents wanted'. Councillor Werner did not think residents wanted to see their local libraries be closed.

Councillor Rayner, in response, explained that a consultation had been carried out around the libraries and things like the opening times had been adjusted as a result. Under 24s had been found to use the library most often with remote access now provided for books and other resources.

The Panel moved onto Appendix B – Growth Bids.

Adele Taylor explained that a supplement had been issued as some lines had been missed off in the appendix which was included with the original agenda pack.

Councillor Werner said he was concerned that certain activities had stopped due to the current lockdown restrictions but growth issues had been factored in as a result. He expressed concern that decisions on things like licenced venues were taken while the pandemic was still prominent.

Councillor L Jones said that there was a trend seen across the past few years but the target had increased again. Councillor Rayner explained that there were fewer venues requesting licenses to hold weddings in the borough. Over the past year or two the trend on weddings had decreased.

Adele Taylor said that it was important that trends were noted and connected and that these were then used to form achievable targets. Louise Freeth, Head of Revenues, Benefits, Library and Resident Services, said that licences were awarded on a three year contract. Venues that had chosen not to renew now might still do so in future and this would therefore have an impact on the budget.

Councillor Hilton commented on community grants that were being proposed in the budget. It was important to support the arts sector with grants and workable proposals had been developed. Historically, £50,000 was added to capital budget to enable the grant scheme to continue, which would allow £100,000 to be made available to local organisations. A growth bid of £21,000 was being given to the Berkshire Community Foundation, who administered grants to residents and organisations across RBWM. Councillor Hilton said that this showed that sensible decisions were being made when investing money into organisations.

The Chairman asked why the Berkshire Community Foundation grant was ongoing but community grants was a one off.

Councillor Hilton said that was the position that had been taken, but it would be reviewed at the next budget in a years' time.

The Panel moved on to consider Appendix C – Growth Proposals.

Councillor L Jones asked if the rental income losses were just discounts and waivers and it was nothing related to Covid.

Adele Taylor confirmed that it was a mixture, as commercial income was at risk. Things like discounts could be offered to tenants to keep them in the long term.

Councillor L Jones asked where the loss of income came from in relation to pool cars. Was it because the number of cars was reduced or because it would be used less going forward.

Councillor Werner said that these were real people and businesses and that it was important that this was acknowledged. He said that it was important RBWM did everything it could to help local people and businesses.

The Chairman agreed with these comments and thanked officers for all their work and help so far.

In response to Councillor L Jones question, Adele Taylor said that less cars were needed as the way the council was working had changed.

Councillor Hilton said that there were a number of properties in the council's portfolio. There was a recognition that businesses were going through hard times.

Councillor L Jones commented on the reduced wedding income and that it was ongoing. She asked why it was not estimated to return after Covid.

Adele Taylor explained that there was already issues with growth in this area before Covid. The estimation on reduced income was purely based on the Covid impact at this stage, but the note on this column in the appendix could be amended to explain this.

Councillor Rayner said that a number of weddings had been rebooked for future years but this meant less availability going forward. Louise Freeth confirmed that they had been receiving bookings for as far ahead as 2023 but overall there had been a decline in the number of people choosing to get married. This had been seen in the reduction in the number of weddings hosted by the Guildhall in Windsor pre-Covid.

The Panel considered Appendix D – Savings Proposals.

The Chairman commented on the removal of a benefit assistant post and the possible impact this might have. He asked if appointments would still be offered for both Maidenhead and Windsor despite one post being removed.

Councillor L Jones said that there had been around 1,600 visits to the Benefit Windsor website which was a high number. Given the councils climate change strategy, it did not make sense to her why residents in Windsor may have to drive to Maidenhead to gain access to appointments. Councillor L Jones said there should be a benefits assistant accessible to Windsor residents, even if it was only a few days a week.

Councillor Werner said that from an economic perspective, it made more sense to get the officer to do the travelling between Maidenhead and Windsor rather than having each Windsor resident individually travel to Maidenhead for an appointment.

Councillor Sharpe said that when making savings, the impact on residents needed to be considered. He asked if there were any services in the savings proposals that would have a big impact on residents.

Duncan Sharkey, Managing Director, clarified that the figure Councillor L Jones had quoted was the total number of enquires made to the library.

The Chairman said that it might be good to get an assurance from officers that appointments would still happen in Windsor.

Adele Taylor explained that the post had been vacant for a while and standard advice was available at Windsor Library, it was only the more complex cases which would need a benefit assistant. Residents would still be contacted by the borough for an appointment if they needed it, just this would not be face to face.

Louise Freeth added that a number of appointment slots for complex cases were not taken up, the post had been vacant for quite some time now and RBWM had been able to cope.

Councillor Werner said that he wanted to make sure that the message got through to Cabinet. He did not want residents to have to travel across the Maidenhead to have an appointment.

Councillor L Jones said virtual meetings were good but sometimes they were not enough. She asked officers if it was still possible to keep the option of face to face appointments open.

The Chairman agreed and said that it was ideal to keep the flexibility with there at least being an option there for it.

Looking at the accountancy structure, Councillor Werner commented on the efficiency savings and said it was not defined in the report what they were.

Councillor Hilton said that the Director of Resources had reviewed the situation before making any decisions. There was a long term plan which had been influenced by the CIPFA report.

Adele Taylor said that the processes had been reviewed, a recent resignation had led to the savings. All savings proposals were tested and challenged.

Councillor Werner said it was important that the process was done in a sensible way.

Councillor L Jones commented on the internal audit proposals and asked if the number of days were necessary going forward.

Adele Taylor said that RBWM needed to pay for what it received and therefore needed to be satisfied that the number of days was correct. RBWM had more days than other local authorities but it was important to have the right level of audit.

Councillor L Jones said that charges were going up for schools and asked if this could be maintained.

Councillor Rayner said that they had looked carefully at charges to schools and academies, the charges in the budget reflected the services provided. RBWM had a great relationship with schools across the borough.

Nikki Craig, Head of HR, Corporate Projects and IT, said that RBWM sold a lot of HR services to schools. It was important to ensure that the council received what it cost to deliver the service. The charges were based on ranges, for example the number of staff at the school so that smaller schools would be charged less.

Councillor L Jones asked about the changes to organisational development and also the complaints and compliments team. She asked how the changes would impact the service and if it would still be at a good level.

Councillor Rayner said that the organisation development function was being changed and RBWM would be making a saving of £30,000 this year and £15,000 next year. Complaints would still be handled in the same way, it was just a slight restructuring of the department.

Nikki Craig explained that organisational development covered various tasks. The level of resource at contact level with residents was not changing so there would not be any changes in the quality of the service.

Councillor L Jones asked about facility vehicles which were used mostly by the library. However, if libraries were closed as part of the library transformation strategy then this would not be needed.

Councillor Rayner said that it would be considered in conjunction with the library strategy. Karen Shepherd, Head of Governance, added that the lorry was also used by the facilities team on an ad-hoc basis. For example, it was prominently used at elections to move things like polling station equipment.

Councillor Sharpe asked a question on confidential waste. There were less people using the office so therefore less paper was being used, however this meant that the potential for a data breach was greater. He suggested that RBWM staff were properly trained in handling confidential data.

Karen Shepherd explained that regular training was provided for staff to complete, with reminders put in the Borough Bulletin. The international day of data protection was coming up soon and this would be used to raise awareness.

Councillor Werner said that he supported the digitisation of 'Around the Royal Borough', but more should be done to try and cut the number of paper copies further.

Councillor Sharpe said this was something that he felt residents supported but the council needed to be aware of digital exclusion. Councillor L Jones suggested it could be distributed in libraries so that residents could easily access it.

Councillor McWilliams, Lead Member for Housing, Communications and Youth Engagement, said that lots of residents still requested paper copies. Digital exclusion was a good point and something that needed to be avoided. 18,000 residents were subscribed to RBWM social media channels, 19,000 received emails and around 60,000 got 'Around the Royal Borough' updates.

Louisa Dean, Communications and Marketing Manager, said that around £14,000 was spent per issue on Around the Royal Borough which was mostly printing costs. Going digital would produce a saving of double this amount, although advertising revenue would be lost.

The Panel did not have any further questions or comments for Appendix E – proposed fees and charges or Appendix F – proposed new capital schemes.

Councillor L Jones said that she was surprised not to see cash flow included in the agenda report pack. She asked how officers were sure of cash flow figures coming in and whether they were definite or estimated. It was going to have a big impact on the budget going forward and Councillor L Jones said that she felt the Panel should have sight of it.

Adele Taylor said that some elements of cash flow monitoring would be considered by the Audit and Governance Committee. Cash flow was based on best estimates.

The comments that the Corporate Overview and Scrutiny Panel agreed:

- Revenue and benefit service in Windsor to maintain flexibility and there's an option for it should there need to be.
- To ensure that specialist advice in complex cases was always available from Windsor, whether by phone or face to face.

Councillor L Jones asked for the Equality Impact Assessment links to be included in the report so that they could be easily found.