

SCRUTINY FOR POLICIES AND PLACE COMMITTEE

Minutes of a Meeting of the Scrutiny for Policies and Place Committee held in the Luttrell Room, County Hall, Taunton, TA1 4DY, on Wednesday 12th January 2022 at 10.00 am

Present: Cllr A Groskop (Chair), Cllr A Bown, Cllr B Filmer, Cllr J Hunt, Cllr L Leyshon, and Cllr T Munt.

Other Members present: Cllr M Chilcott (attended virtually), Cllr D Hall, (attended virtually) Cllr C Paul, (attended virtually), Cllr D Jonson, (attended virtually), Cllr L Redman, (attended virtually), Cllr F Purbrick (attended virtually), Cllr M Rigby (attended in person) and Cllr J Woodman (attended virtually).

Apologies for absence: Apologies were received from Councillor G Verdon.

1 **Declarations of Interest** - Agenda Item 2

The Chair noted the details of all Councillors interests already declared in District, Town and Parish Councils.

2 **Minutes from the previous meeting held on 7th December 2021.** - Agenda Item 3

The minutes of the meeting held on Tuesday 7th December 2021 were approved as a correct record.

Under Committee members present, Cllr Purbrick was listed as present but not on the committee, agreed this will be changed.

3 **Public Question Time** - Agenda Item 4

There were no public questions.

4 **Scrutiny for Policies and Place Committee Work Programme** – Agenda Item 5

The Committee considered and noted the Committee's current work programme and the Council's Cabinet Forward Plan of proposed key decisions in the forthcoming months.

The Scrutiny Manager provided an update on the forward plan with the next meeting scheduled on 1st February to consider the Medium Term Financial Plan.

The March meeting would be a workshop meeting, the subject of which was to be determined.

The Chair requested if the following two Scrutiny Place meetings could be held online. The agreement of holding virtual Advisory Boards would be decided at the Full Council meeting on 19th January 2022.

It was requested for capacity to remain in the forward plan for the Business Support System needed to be revisited in March.

The work programme would be updated, as per discussions at the meeting.

5 **Climate Change Update** – Agenda Item 6

Mark Fortune provided an introduction and provided a presentation and set out the following key points:-

The Climate Emergency Strategy had been adopted in Spring 2019.

3 distinct and interrelated Goals were set out:-

Goal 1 To decarbonise the Local Authority and wider Public Sector Estates and reduce our own Carbon Footprint.

Goal 2 Work towards making Somerset a Carbon Neutral County by 2030

Goal 3 To have a Somerset which is prepared for, and resilient to the impacts of Climate Change.

The Strategy set out the following 9 workstreams and 63 related outcomes:-

- Energy,
- Transport,
- Built Environment,
- Business & Supply Chain,
- Natural Environment,
- Farming and Food,
- Water,
- Waste & Resources,
- Communications.

Shared Climate Emergency Projects set out were The Local Area Energy Plan, Commercial Waste Collection, Electric Vehicles and EV Strategy.

Key Actions of the County Council included the Climate Emergency Community Fund which had funded 44 projects, Carbon Literacy Training, Energy Assessor and Community Engagement Officer. The Public Sector Decarbonisation Scheme had provided improvements to 12 Buildings including County Hall and Taunton and Yeovil Libraries which had led to a carbon reduction of up to 27% across the non-schools estate.

Future prioritisation of funding for the Climate Emergency was explored

Future obligations and Statutory Responsibilities were set out.

During the debate the following comments and questions were raised:-

- The increasing number of FOI requests were considered, it was questioned if this was as a result of a lack of information in the public domain?
- It was considered how many requests directed responses to the website and how many requests required a response and if this could be addressed by providing further information on the website.
- Usually asking specific questions around a certain area.
- Some are general and some of the public not aware of the climate strategy.
- There had been many requests which related to EV queries and interest from potential suppliers. The EV rollout solution needed to include the rural communities and not just the main towns.
- It was acknowledged that further work was required in relation to housing and retrofitting improvements housing stock to reduce energy used by Council tenants.
- Requests to fund interventions to cut energy bills targeted to low-income households were recognised, the challenge was to transition homes to a low carbon economy was recognised.
- There had been a lack of information from central government in relation to the green homes grant, a clearer direction of travel was required from central government.
- Bid for the fund BEIS funding was regional and £5 million had been made available for the Somerset/Devon area.
- Homeowners and householders could submit a simple form to complete an energy audit with recommendations to reduce energy costs. Air source heat pumps, solar PV and cavity wall could be funded following this audit.
- It was recognised in some instances air source heat pumps could increase heating costs without increase in insulation and other upgrades.
- The Saltlands energy park, Bridgwater and a Similar project as part of the Glastonbury town deal were referenced and questioned if this was well known? It was requested to ensure the link between the two projects is made.
- It was questioned how passive house standards for new schools and homes worked with the requirement of fresh air in the backdrop of Covid in schools? If windows needed to be open, then there would be increased energy requirements required to heat the buildings.
- Clean air was used in passive house design, this was primarily an issue pressure in relation to energy saving.

- Alternatives to build quality that were similar to passive house were requested to be considered, which could be comparable in carbon reduction with less expenditure.
- Bus Service improvements were required to reduce car use. If there were no bus services in the rural areas, residents needed to be encouraged to utilise public transport.
- The EV strategy set out the ambition, central gov had banned new petrol and diesel vehicles from 2030. Infrastructure in rural areas was a recognised challenge and part of the reasons for the cautious approach to EV rollout to ensure shared gain and not solely beneficial for urban areas.
- The cost of EV was still expensive, it was anticipated that price parity would be achieved by about 2025 with petrol and diesel fuelled cars.
- Big towns and cities had significantly transitioned to EV. A Reduction in car travel by 25% was needed to meet 2050 target.
- Significant Government funding had been assigned to the bus strategy but this had already been oversubscribed by Council's bus strategy bids.
- Utilising social media to promote messaging around climate change activity and making residents of Somerset more aware of the Climate Emergency was requested.
- Greater awareness was required and for the risks to be treated as an emergency, the restrictions around funding were understood in some respects, with greater financial support needed to be done to address the climate emergency ambitions.
- Passive House costs had reduced significantly with the technology not too different from standard construction costs, the price difference would be provided following the committee.
- Some communications had been released around community projects widely shared on social media which had received a high volume of views. The challenge around comms was recognised and acknowledged more could be done to improve this.
- The website had been refreshed to provide more information in relation to what residents could do to reduce their carbon footprint.
- Parish and Town Cllrs had received carbon literacy training, this was in the proves of being arranged for Officers and County Cllrs.
- In relation to projects such as new school builds and energy efficiency costs, moving forward these costs would be reduced with new technologies imbedded into the current budgets.
- In respect of the community fund, 9 projects had been completed with 35 projects underway, all progressing, it was questioned if more could be done and how it's monitored how these were progressing. More information would be provided on when tree planting schemes and when these will be effective.

- Over 100 applications had been received, reports and assessments on the energy efficiency of buildings which were provided to those bids that were unsuccessful
- Completed projects were visited to monitor the energy use and success with the difference in carbon reduction the projects had made
- The Trees call for action fund was set out, the bid needed to be submitted by next week, to write a strategy for how, where and when trees were planted and how these were managed.
- Treescapes fund planned and addressed planting trees on public land.
- Housing quality and planning changes were considered, further requirements were needed to ensure all new housing incorporated energy saving adaptations, along with charging units for cars, to ensure all housing built is of superior quality, including social housing.
- Concerns in relation to affordable energy and travel in rural communities was highlighted by the committee.

Recommendations:

The Scrutiny for Policies and Place Committee considered and noted the update.

6 Current Section 19 Flood Investigations - Agenda Item 7

Cllr Woodman gave a brief introduction in providing an update in relation to Flooding Investigations following the flooding in Chard in 2021.

Helen Smith provided a presentation and set out the following details of the key points:-

The role of the lead local flood authority was set out, and the role of the flood and water management team, and the instance where it was necessary to investigate a flood water event. Risk Management authorities exercising functions in these events. Publish results of the investigations and notify the risk management authorities.

The flooding was a surface water event, the Environment Agency wasn't involved in the flood event. Chard was already a known area of concern within Somerset and there was also an integrated catchment study underway before the flooding event.

A timeline of the incident response was set out. SCC was not a category 1 responder, so role was around emergency planning, recover and investigation.

Questions

- It was requested for future procedure to include the lessons learnt and ability to change future policy and procedure.
- Statutory obligations didn't include an obligation to provide lessons learnt and future procedure.
- A draft flood investigation policy, relating to investigation work to signpost and when a formal section 19 is instigated.
- Political and community pressure to ensure the formal section 19 investigation can be delivered so it can be resourced.
- Disused reservoir above the height of the flooded areas or is this below? This ran towards the reservoir so this wasn't a reason for the flooding.
- Flood areas experienced due to Wessex Water not replacing pipes which were at the end of their functional lifespan, with drainage systems not being able to cope with this.
- A predominant amount of time was spent with partnership working, integrated studies included Wessex water, EA and the districts Councils to ensure partnership working and agree on resourcing and priority areas.
- The Chair thanked officers for the report, with areas of concern requested to be fed into the planning department, and for a workshop to be arranged with the new organisation needing to be set up to consider flooding as a priority which needed to be addressed in the future.

Recommendations:

The Scrutiny for Policies and Place Committee noted the update.

7 **2021/22 Revenue Budget Monitoring Report – Month 7 – End of October 2021.**

Councillor Chilcott provided a brief introduction and highlighted the key points:-

The overall forecast outturn position was a £1.3m favourable variance after taking into account all service expenditure and contingencies against a net budget of £357.4m which represented a variance of 0.36%. A summary of the budget was provided, with projections and variances on a service by service basis with further detail and mitigations being taken by the responsible director outlined in the body of the report.

The significant variances were:

- Adult Services had a £1.4m adverse variance against their budget (1% of service budget); a strengthening in position of £0.2m from month six. This was due to £0.4m reduction in projected spend within Adults Social Care Operations, however, this had been offset by £0.2m adverse movement within Mental Health as a result of two new high cost packages and a reduction of income which was being challenged.
- Children's Services had a £3m adverse variance against their budget (3% of service budget); a deterioration of £0.3m from month six. This related to External Placements and was due to increased weekly costs of Secure Placements. There has been a greater complexity of need and the requirement for longer assessment periods.
- Economic & Community Infrastructure (ECI) had a £0.5m adverse variance against their budget (0.7% of service budget); a strengthening in position of £0.3m from month six. Somerset Waste Partnership had a reduction in overspend by £0.2m which related to the reduction in tonnages through the Household Waste Recycling Centres.
- Corporate Costs had a (£3.4m) favourable variance against their budget 68% of service budget; a strengthening in position of £0.1m from month six. This was attributable to not using the budget for brokerage as a result of continued internal borrowing.
- Contingencies of £3m remained uncommitted with all of Covid-19 Emergency Funding forecast to be spent by the end of the year.

Questions

- It was questioned how much remained in the outbreak management fund and carry forward. £10.9 million in total had been in the fund when allocated, around £6.5 million was understood to be committed, with £4.4 million uncommitted.
- Concerns were expressed in relation to the frequency of financial reporting being out of sync with Cabinet meetings, assurance was provided that work with corporate finance was ongoing to address this for the future workplans.
- Homecare hours delivered was considered on page 75 of the report. It was requested if up to date figures since September could be provided. There remained concerns over bed blocking in the NHS as a result of the elderly needing care.
- Figures of homecare hours delivered had been increasing and work was ongoing to ensure beds in residential settings were available as far as possible across the county to prevent bed blocking in the NHS and support adult social care.

Recommendations:

The Scrutiny for Policies and Place Committee

- a) **Noted the overall forecast underspend of £1.3m (section 12) and the key risks, future issues and opportunities detailed in the report which will be closely monitored and updated throughout the year.**
- b) **Noted that all of the £10.8m Covid- 19 Emergency Fund is expected to be fully spent within the year.**
- c) **Received a verbal update on the MTFP and Finance Settlement.**

8 Selection of Preferred Partner in relation to future business support system

Cllr Purbrick gave a brief introduction to the report.

The proposal and decision related to the first discovery phase. This would be looked at with the new councils IT requirements, working closely with the LGR team and district colleagues, progressing to the next decision gateway in March 2022. SAP end of life planning had been recognised for some time. A further decision in March would reflect the needs and ambitions for the new council.

Clare Griffiths, Head of Commercial Procurement and Andy Kennell provided a presentation which detailed the following key points:-

The Independent market assessment had been conducted which included costs, cloud support ability, good integration with Microsoft technologies. The preferred recommendation was that Microsoft dynamics was a favoured option. 98% of finance and procurement was provided within the base produced, there were not a lot of customisations required in what was being delivered.

A partner would be selected assist with delivery, there needed to be confidence this could be achieved between now and March. Further engagement was required with the requirements of District Council to consider what could be achieved for vesting day and if a fallback option could be achieved. Resource risk and timeline for solutions would be considered if agreement is reached.

SAP would no longer be supported in the longer term. Support was scheduled to cease before but this had been extended to 2027. The contract had been extended to next year, with all possible contact extensions now utilised.

The Council had invested significantly in the Microsoft suite of apps. All requirements analysis has been undertaken to consider what solution best suited this. All five councils would be required to be merge into a single

solution. It was fully recognised the timescales were challenging, with less than a year until the implementation of the new system to commence on the vesting day of the new authority.

During the debate the following comments and questions were raised:-

- Concerns were expressed over the table set out 1.5 providing information relating to the current systems at the current councils in Somerset were incorrect.
- Further concerns were expressed that the respective District Council's SLT teams had been unaware of this, which raised alarm bells due to the amount of time spent in collaboration with the 4 district councils as part of the early-stage planning. This was concern for the future of the success of Local Government Reorganisation and the new Council.
- It was further questioned where the system replacement sat on the risk register.
- Consideration of the discovery came before the decision, this was to provide greater transparency in considering the solutions.
- The interaction across Councils had been at an IT level which may not have been fed up to SLT, this had been discussed at CEO board.
- Collaboration would be ramped up throughout the planning and Local Government Reorganisation process to identify every need ensuring all recommendations coming forward in March be considered.
- Clarification was provided that the SAP system had been extended once as part of the current contract. The was considered in 2018 and agreed it was functioning correctly and agreed to continue with the existing arrangements.
- This was a 5-year contract with a 2 year option to extend with a project team convened to review the future options. Activities were put on hold due to the pandemic but revisited in the summer 2021.
- Cllr Rigby expressed concerns in relation to questions sent on Monday which had received no responses.
- Concerns were expressed that the process had selected the outcome at the outset, not involving the district councils whose services needed supporting following vesting day. An example of successful integration was requested. Harrow's Business system replacement project had been £2 million over budget.
- Concerns were expressed that there would be a significant risk to the New Council if there was no ledger system by March 2023.
- It was questioned in what way were the district officers involved and how was the decision made in relation to MS dynamics being a primary option.
- Serious consideration was requested to proceed to include the district councils functions into SAP and extend the SAP contract for a further year to provide additional time consider alternative options in greater detail.
- Reassurance was provided that this was a decision to proceed with discovery with a partner which would consider interim solutions with partners within

district councils. The discovery phase would look at programme and risks and make a decision to proceed or not in March.

- The Discovery phase was key to build on the initial business case to make a fully informed decision in relation to all options.
- It was questioned How many southwest councils were using the Microsoft system? Harrow Borough Council was the only Council which had gone live with finance and procurement system.
- SAP, Oracle were among many options including MS Dynamics and extending SAP, Consideration would be given over the best solution and to not rush the decision.
- A Comparison of costs were requested. District functions would need to be integrated into the County council's system so a cost would need to be determined.
- Risk were high in relation to the potential issues which could be experienced with the introduction of a new system before March 2023.
- Further explanation in freedom and flexibility in the discovery stage were requested, and if other options could be considered as part of this?
- Significant concern was raised regarding the proposal of the timeframe for the implementation of the new system and the impact to services, communities and staff if the new system couldn't be delivered to support service provision of all Council services on the vesting day of the New Council. Members also questioned the ability to achieve the introduction of the new system in the current timeframe.
- Following detailed questioning and lengthy debate, significant concern was raised regarding the proposal in selecting the preferred partner in relation to the future business support system. It was requested for further work to be undertaken to consider all options with full input with the District Councils.

Recommendations:

Following a detailed debate the Scrutiny for Policies and Place Committee agreed the following recommendations by majority, which were proposed by Cllr Leyshon and seconded by Cllr Munt:

- 1. The Scrutiny for Policies and Place Committee recommends that Cabinet ensure that full integration with the District Councils occurs on this most critical of decisions, in consultation with the Senior Leadership and Political Leadership Teams.**
- 2. The Committee requested that a full exploration of a fall-back position of SAP takes place, led by the finance team.**
- 3. The risks of this decision be fully considered as part of Somerset**

**County Council's risk register and as part of the Local Government
Reorganisation risks.**

9 **Any other urgent items of business** - Agenda Item 10

There were no other items of business.

The next meeting was scheduled for 1st February 2022

(The meeting ended at 1.17pm)

CHAIR