

**Corporate and Communities Overview and Scrutiny Panel  
Friday, 24 January 2020, County Hall Worcester - 10.00 am**

**Present:**

**Minutes**

Mr A D Kent (Chairman), Mrs M A Rayner (Vice Chairman), Mr G R Brookes, Mr K D Daisley, Mrs A T Hingley, Prof J W Raine and Ms C M Stalker

**Also attended:**

Mrs L C Hodgson, Cabinet Member with responsibility for Communities  
Ms K J May, Cabinet Member with responsibility for Transformation and Commissioning

Andrew Spice (Strategic Director for Commercial & Change), Michael Hudson (Chief Financial Officer), Hannah Needham (Assistant Director for Communities), Paul Harbison (Consumer Relations Officer), Samantha Morris (Scrutiny Co-ordinator) and Alison Spall (Overview and Scrutiny)

**259 Apologies and Welcome**

Apologies were received from Mr R J Morris and Mr A Stafford.

**260 Declarations of Interest and of any Party Whip**

None

**261 Public Participation**

None

**262 Confirmation of the Minutes of the Previous Meeting**

The Minutes of the Meetings held on 5 November and 10 December 2019 were agreed as a correct record and signed by the Chairman.

**263 Budget Scrutiny In-Year Performance and Draft 2020/21 Budget and Medium Term Financial Plan Update**

In attendance for this item were:

Lucy Hodgson, Cabinet Member with Responsibility (CMR) for Communities  
Karen May, CMR for Transformation and Commissioning  
Andrew Spice, Strategic Director for Commercial & Change  
Michael Hudson, Chief Financial Officer (CFO)  
Hannah Needham, Assistant Director for Communities

## 2020-22 for Corporate and Communities

As part of the Council's development of the 2020/21 budget, the Overview and Scrutiny Panels and the Health Overview and Scrutiny Committee were asked to consider the draft budget proposals within their remit.

Since early 2019, the Panel has received regular budget and performance monitoring information. The latest financial information relating to Period 8 had been included as an appendix to the Budget report. The latest performance information relating to Quarter 2 had been considered by the Panel in December 2019.

The Panel's views would contribute to the Overview and Scrutiny's overall response to the budget which was being discussed by the Overview and Scrutiny Performance Board on 29 January 2020.

The CFO led the Panel through the Budget report highlighting key areas of interest including, the:

- Movement in Expenditure Budget graph which reflected the movement between 2019/20 and 2020/21. Some of the areas of significant change, included an increased demand on the adult services budget and reduction in specific grants, with the Revenue Support Grant having now ended. The overall impact was an increase in the Base Budget for 2020/21 of £4.5m compared to 2019/21. Whilst lower than previous years, there was still a £9.6m funding gap to be addressed through efficiency savings. Proposals to meet this target were set out, including an anticipated saving of £6m through the Council's redesign process.
- Draft Budget had been prepared on the basis that the Council Tax would increase by 3.99% for the coming year. The Panel was advised that this would mean that Worcestershire's Council Tax level remained in the lower quartile of comparable Councils.
- General Reserves were £12.2m (one of the lower levels of reserves amongst County Councils) with no current plans to add to or reduce this level. The earmarked Reserves (funds allocated for specific purposes), were currently at £61.8m.
- In terms of the Funding Gap Forecast for 2020-23, if all current grant income was retained, it was anticipated that there would be a funding gap of £29m over the next three years. The Chancellors statement on 11 March would give a clearer picture as to how funding was going to be

allocated. The CFO assured the Panel that his team were continually reviewing the budget and processes to seek ways to help reduce this gap.

- Budget timeline for 2020/21 was explained and the Panel was advised that Scrutiny Panels had been arranged at this stage to enable comments to be fed into the OSPB on 29 January, following which Cabinet would consider the draft Budget on 30 January. It was noted that the latest January budget papers had included some changes to reflect Directorate restructuring and changes to grants from Central Government, members asked that in future, the reporting be made clearer and easier to understand.
- The Panel were informed of some of the major efficiency and transformation schemes within the C&C Capital Programme and the latest forecasts for each. These included the Digital strategy and the Energy Efficiency 'Spend to Save' scheme.

The CFO guided the Panel through the summary of efficiencies, reforms and income proposals contained in Appendix 1C of the Cabinet December Budget paper. The Chairman had requested an additional explanatory sheet to help clarify which savings tallied with each budget reference. This was tabled at the meeting. The following main areas were discussed:

#### CoaCh 4 - Redesign of the provision, collation and use of data across the organisation

The Director highlighted that systems such as Power BI were currently underused and that with capability being centralised, savings would be gained across the Council if technology was then used to its full capacity. In response to a Members question, the Director advised that this work had an urgent timeframe and would be a top priority for Assistant Director (IT and Digital) when appointed. The Panel was very supportive of this proposal and recognised the significant impact it would have across all areas of the Council.

#### CoaCh 5 - A review of processes, income generation and structure within HR and OD.

- The Panel was reminded that the Talent Programme had been put on hold this year, but that it would be important going forward to ensure that there was appropriate investment.
- In terms of income generation, the Director commented that there was a number of services which had boosted income generation this year and that more services would be reviewed to ensure

maximum effectiveness and efficiency. It was stressed that any services provided outside of the organisation must serve a specific purpose and cover their own costs.

- The CMR (Communities) emphasised the importance of enabling services such as the Archives and Archaeology Service to extend their income generating potential. The Chairman asked to be supplied with details of their recent activity.
- The Assistant Director (Communities) advised that the Archives and Archeology Services had a balanced budget and a small surplus was expected.
- The Archaeology Service was currently going through an accreditation process, which was expected to be completed by early March and the Panel would be advised of the outcome in due course. Further opportunities for income generation would also be explored.

#### CoaCh 6 - A review of processes, income generation and structure within IT

Identifying efficiency savings in IT would be led by the new Assistant Director (IT and Digital) when appointed. An example of this may involve the Council ceasing to provide a Wi-Fi connection to schools, a service which the Council had historically carried out, but gained no income for.

#### CoaCh 7 - A review of processes, income generation and structure within Engagement and Communication Services

This was about centralising services and trying to get more for less

#### CoaCh 9 – Contract Review

The Panel was informed that the contract relating to the provision of support for education services (Babcock) was to be brought back in house and the work would be dovetailed with that of current teams, allowing for some modest savings to be achieved. In response to a question, the CMR (Transformation and Commissioning) confirmed that work was always ongoing to review the suitability of contracts to ensure value for money for Worcestershire residents.

#### CoaCh 10 – Rationalise property maintenance costs

The Director advised the Panel that the £300k of efficiency savings for 2021/22 were planned to be achieved through rationalising of property maintenance costs. Currently, two staff were based within the Council and the bulk of the Services was delivered through Place

Partnership Ltd. Every service would be reviewed when the contract was due for renewal to ensure best value

#### Corp 1 – Budget Reductions across the Council

The CFO advised that following an analysis of spend, specific contracts had been identified where efficiency savings could be achieved to meet this target.

#### Corp 2 - Review of Admin Functions

A review of administrative functions across the Council was planned, with the intention to set up a corporate Executive Support function, which would provide an efficient centralised support function.

#### Corp 3 – Centralising Finance Transactions

The Panel was informed that there were currently over 2,000 staff who could place orders, but that the number of transactions varied considerably. It was anticipated that a proposal to centralise financial transactions would allow for considerable efficiencies to be achieved and a tighter control of spend.

Members raised a number of issues and questions as follows:

- How the Council planned for the significant additional pressures faced with flooding instances was discussed and the CFO advised that both County and District Councils had earmarked reserves for this purpose and could also some additional monies through the Bellwin Fund (a Govt Scheme which provided emergency financial assistance to local authorities in England usually in response to an emergency caused by the weather, but may also be available in other circumstances).
- Members commented that they had found it challenging to tie up the headings in the Budget with the CoaCh and Corporate references to establish what service each related to. It was requested that more clarification be provided next time to enable more effective Scrutiny.
- A query was raised in respect of the £1,699k figure shown in the 'proposed withdrawal from reserves/grants' on the Forecasted Position sheet in the Period 8 update figures. The CFO advised that this was largely made up from grants received from third parties or monies from the earmarked reserves.
- Referring to the other proposed withdrawal from reserves/grants, the Panel was informed that the

figures in Property and HR were the only ones where monies would be drawn from the reserves. The Property figure related to works required on the brickwork of County Hall, for which monies had previously been set aside in earmarked reserves. The HR figure related to the organisational redevelopment work. Members requested that clarification of the headings be provided in future to aid understanding.

- The Chairman of the Overview and Scrutiny Board was invited to speak to the Panel. He expressed concern about the review of processes, income generation and structure within Legal Services (CoaCh 3) and the impact on the Scrutiny function going forward. He asked that the Panel give their consideration to the impact that reduced scrutiny support would have on the service able to be provided. The Panel noted these comments.

The Panel was invited to agree comments which the Chairman would contribute towards the OSPB's response to consultation on the 2020/21 budget on 29 January 2020. After some discussion, a summary of the key points was agreed as follows:

- Scrutiny of the draft budget was complicated by a lack of reference between the notes and the budget appendices. It would be highly beneficial moving forward for areas where savings were projected, reserves were used or where there were areas of significant change, to reference these directly in the budget pages.
- The budget preparation was hindered by the fact that Members' work had been based on the 20 December Cabinet Budget Report, and some figures had changed in the recently published Budget Report for 30 January Cabinet. Whilst acknowledging that changes were largely due to Directorate restructuring and changes to grants from Central Government, members asked that in future, the reporting be made clearer and easier to understand.
- The Panel felt that in order for the redesign of the provision, collation and use of data across the organisation (CoaCh 4) to be achieved, it was essential that the new Assistant Director for IT and Digital and appropriate Information Technology were in place as a matter of urgency, to enable this and other efficiencies and productivity improvements to be implemented.
- It was clear that the focus on all services being

**264 Statutory and Corporate Complaints and Compliments System**

delivered in the most efficient and effective way and best value for Worcestershire residents was being achieved. The Panel fully supported the continuing work to review all contracts to ensure this continued.

- The Panel acknowledged the ongoing performance was meeting expectations and complimented the Officers on the financial performance.
- The Chairman of the Overview and Scrutiny Performance Board expressed concern about the review of processes, income generation and structure within Legal Services (CoaCh 3) and the impact on the Scrutiny function. The Panel noted the Chairman's comments in respect of importance of resources for the Scrutiny function.

Following consideration of the Statutory and Corporate Complaints and Compliments system report at the Panel meeting in December, Members had requested further detailed information, which has been included in this update report.

The Consumer Relations Officer (CRO) reminded the Panel that there were three separate complaints systems, one each for Adult Social Care, Children's Social Care and Corporate complaints. He had provided schematic flow diagrams which demonstrated the process involved with each. Members asked a number of questions to which they were provided with the following clarification:

- There were no prescribed time limits for dealing with Adult Social Care complaints, although the Council aimed to have these completed in 35 days. It was noted that this could be extended depending on the complexity of the case.
- All complaints were acknowledged within 3 days, although if the complaint was made online, an automated response was issued. All complaints were then tracked through the database.
- It was highlighted that most complaints were generated as a result of a Council service that was received by the complainant.
- If a complaint involved a safeguarding issue, it would be escalated immediately.
- The Complaints Team had five members of staff which included a Manager, three Consumer Relations Officers and an Administrative Officer.
- A complaint received directly by the Chief Executive would be forwarded directly to the

**265 Work Programme 2019/20**

Complaints Team to process.

- When a compliment was received, there was a clear procedure for ensuring that the individual employee received notification of this.
- The Panel was informed that the number of compliments was incorporated in the relevant service area Annual Report. Whilst it was most important that the individual Officer received the compliment, the Panel felt there may be some scope for positive publicity to be gained in certain circumstances.

During the course of the discussion about the flow diagrams, it was suggested that more detail should be included at each of the stages to actually reflect the process in more detail and that a flow diagram be produced to represent the Compliments process.

It was agreed that a report be produced for the Panel's July meeting which outlines the stages in each of the complaints handling processes in detail.

The Panel received details of their current work programme for review.

Council's Energy providers and costs.

The Chairman updated the Panel on the preliminary work carried out so far on this matter. It was noted that as part of this work, the Members working on this would wish to speak to the Strategic Director for Commercial and Change, the Assistant Director Legal and Governance, the Chief Accountant, the relevant Procurement Officer and the Councils CMR's on the Board of West Mercia Energy and meetings would be arranged accordingly.

Organisational Review

The Chairman requested that information showing Directorate changes applicable to this Panel, be circulated.

The meeting ended at 12.15 pm

Chairman .....