

## Overview and Scrutiny Performance Board

### Wednesday, 3 February 2021, Online - 10.00 am

		<b>Minutes</b>
<b>Present:</b>		Mr R M Udall (Chairman), Mrs E A Eyre (Vice Chairman), Mr A A J Adams, Mr A D Kent, Mrs J A Potter, Mr P A Tuthill, Mrs R Vale and Mr T A L Wells
<b>Also attended:</b>		Mr S E Geraghty, Leader of the Council and Cabinet Member for Finance  Paul Robinson (Chief Executive), Michael Hudson (Chief Financial Officer), Sheena Jones (Democratic Governance and Scrutiny Manager) and Samantha Morris (Scrutiny Co-ordinator)
<b>Available Papers</b>		The members had before them:  A. The Agenda papers (previously circulated); B. The Minutes of the Meeting held on 6 January 2021 (previously circulated).  (A copy of document B will be attached to the signed Minutes).
<b>1181</b>	<b>Apologies and Welcome</b>	Apologies were received from Mr B Allbut (Co-opted Church Representative for Education Matters).
<b>1182</b>	<b>Declaration of Interest and of any Party Whip</b>	None.
<b>1183</b>	<b>Public Participation</b>	None.
<b>1184</b>	<b>Confirmation of the Minutes of the Previous Meeting</b>	The Minutes of the Meeting held on 6 January 2021 were agreed as a correct record and signed by the Chairman.
<b>1185</b>	<b>Budget Scrutiny: 2021/22, Performance and In-Year</b>	The Leader, Chief Executive and Chief Finance Officer attended the meeting to update Members on the budget proposals and hear the feedback from Panel Chairmen following the Overview and Scrutiny Panels' discussions on the 2021/22 draft budget during the January/February Panel meetings.

## Budget Monitoring

### Adult Care and Wellbeing Overview and Scrutiny Panel (Cllr Jane Potter)

The Panel heard that the current financial forecast (Period 8) overspend position of c£357k (0.3%) was a significant improvement on the Q1 position of £2m overspend, for which the Directorate was to be congratulated. The main reasons for the overall improved forecast were tighter control on overall spend, managing accountability, the drop in new admissions to care and nursing homes by people leaving hospital and a decrease in projected number of people coming into the care system, although the costs of those being placed were, on average, higher.

It was noted that a 1% increase in the Adult Social Care Levy was proposed in line with inflation for 2021/22 and the additional Social Care Grant for 2021/22 c£2.2m was welcomed.

The Directorate continued to monitor budget pressures around additional costs relating to the complexity/acuity for over 65's, growth in the price and complexity of care packages for adults with a learning disability and adults with a physical disability (including those transitioning from children's to adults care) and the greater cost of mental health packages of care. It would be important to see how shifts during the COVID pandemic evolved. For example, whether the drop in numbers entering care and nursing homes continued. Services would need to continue to deliver efficiencies, transformational change and increase levels of income generation to remain within overall recommended budget.

Greater certainty over adult social care funding in the long-term to enable local authorities to plan remained very important. The Panel was aware that the Council was continuing to lobby the Government in this respect and had responded to a recent consultation.

Maintaining an appropriate level of financial reserves was important in order to have sufficient resilience.

The following main points were made:

- The Leader acknowledged that the demand for mental health packages required in the future was an unknown quantity. This (as with all demand led services) was difficult to budget for.
- The Chief Executive agreed that Mental health

issues resulting from Covid was a major concern as was the capacity within the system to cope with the demand. It was envisaged that this would be an issue of national concern (both for children and adults) and may require a national response as part of the Covid recovery. It was noted that there was a mental health transformation programme underway and to provide support to its staff, the Council had recently introduced a mental health first aiders scheme.

- The current reduction in demand for care and nursing homes was due to more people choosing to remain at home (with appropriate support) which the Leader suggested should be welcomed and encouraged. This was better in terms of outcomes for the individual and the cost of the support package too. The Council and Health partners were working well together, to quickly move people to the most appropriate setting. Despite this, there was an ongoing concern about the longer-term impact of Covid on the care sector.
- A new software tool which enabled closer monitoring of the demand for adult social care, supported by more effective budget monitoring and the additional financial support received from Government for Covid related expenses had contributed to an improved financial position for the Service. In addition, the Chief Executive believed that the stable leadership that the Council now had, alongside the balanced budget provided a level of resilience which, further supported this position.
- Members of the Board were advised that a full review of the funding arrangements between Council and health partners was also underway, which may result in some changes to funding responsibilities as further clarity was gained.
- The Chief Finance Officer confirmed that he had signed off the sufficiency of the Council's reserves and financial resilience. This would however be subject to continual review.
- A Member suggested that as the demand for residential and nursing care was reducing and the demand for independent living (with support) was increasing, it was important for the Council to work more closely with district councils to encourage them to build more suitable accommodation for care in the community. The Chief Finance Officer confirmed that the Draft Housing Strategy took this into account.

- A Member suggested that the Council should liaise with district councils about the Disabled Facilities Grant process (facilitated by district councils) which was currently was a slow process but was helpful in keeping people in their own homes longer. The Chief Executive confirmed that the Council was very aware of the situation and that there were regular conversations with district councils, but the system was cumbersome requiring many checks and balances, which resulted in delays. A change in national legislation may be required to streamline the process.

#### Children and Families Overview and Scrutiny Panel (Cllr Tom Wells)

- Members were concerned about the ongoing significant cost pressures in relation to the High Needs Block of the Dedicated Schools Grant, and the resulting deficit of around £10.5m which would be carried forward into 2021/22. The Panel was concerned about how this deficit would be dealt with when the time-limited accounting regulations expired but understood that this would be dependent on future decisions by central Government. Members noted that the Council continued to lobby on this.
- The Panel highlighted the fact that £0.1m had been included in the Worcestershire Children First (WCF) budget for pay inflation in line with the pay freeze announced by the Chancellor and noted that this would be insufficient if national negotiations between local government and trade unions resulted in a higher pay award.
- The Panel noted the pressure on the Home to School Transport budget and was concerned that continuing requirements for COVID security and social distancing on school transport once all children returned to school would result in additional costs and further budget pressures.
- Members noted the risk that the demand-led Placements budget could exceed allocated funds by up to £2m and the proposal to mitigate this risk by using the £1.1m risk reserve, leaving a £0.9m overspend. The Panel sought assurance that mitigating this risk through the use of reserves was sustainable.
- The Panel noted the postponement of the Government's Fair Funding Review and wished to support the Council's ongoing lobbying in this area.

The following points were made:

- It was clarified that the savings of £0.65m were expected from a back-office review of posts as WCF strived for continuous improvement; front line roles would be unaffected by this process. In addition, a range of service reviews to seek efficiencies of £1.75m had also commenced.
- The Leader believed that WCF was working well and that the leadership was excellent. There was an acknowledgement that home to school transport costs had been rising for a number of years as pressures increased. Looking ahead it may be necessary to review the budget in this area if the social distancing measures resulting from Covid were required to stay in place.
- A Member questioned whether the Mutability Scheme was signposted as a possible alternative to home to school transport, it was confirmed that this Scheme had been in the past.
- The Chief Finance Officer advised that the budget for pay inflation had been calculated in line with the pay freeze announced by the Chancellor and noted that this would be insufficient if national negotiations between local government and trade unions resulted in a higher pay award in which case Government would be lobbied to provide extra assistance.

Corporate and Communities Overview and Scrutiny Panel (Cllr Kent)

- The Panel congratulated the Finance Team on their hard work to achieve the budget in extremely challenging circumstances with COVID-19 and remote working.
- It was pleased with the presentation of the budget for the Panel highlighting the differences in budget heads between 20/21 and 21/22. The budget was very similar to the previous year.
- It was clear and easily understood budget with minor modifications to previous year.
- The key highlights for Commercial and Change (CoaCh) included:
  - A property saving of £400k
  - Two areas of savings that had been classed as unachievable and written back into the budget 2021/22 which were: reduction in capacity in management information and reduction in staffing in ICT

- Pressures relating to contract and pay inflation.
- The key highlights for Chief Executive Unit and Finance included:
  - Two areas of savings that had been classed as unachievable and written back into the budget 2021/22 which were: reduction in capacity within engagement and communications and centralisation of roles into finance
  - Contract and Pay inflation.
  - The positive role of programmes around enabling communities, commercial and especially digital in helping to address budget pressures, whilst meeting customer need was praised.
  - The clear IT paradigm shift at the Council, it was essential now to go further to reduce the wealth of paper produced for meetings and use more IT to disseminate it in accessible formats to members and residents.

The following points were made:

- The Leader emphasised how fundamentally ways of working had changed and transformed as a result of Covid and the importance of retaining the best parts of the new ways of working in the future. It was unlikely that there would be a return to working 5 days in an office especially when taking into account the environmental impacts of less travelling etc. It was likely that in future that would be a mix of types of working. This would require a review of the Council's buildings and assets.
- The Chief Executive went on to say how Covid had transformed the way people worked at pace, the Council was now looking at what worked well and what hadn't worked so well focusing in particular on the effects of new ways of working on staff mental health. From speaking to staff it was clear that staff wanted a mixture of office-based work and flexibility.

#### Economy and Environment Overview and Scrutiny Panel (Cllr Adams)

Overall, the Panel thought that this was a very good budget for areas relevant to the Panel.

Members were delighted to hear that positive

adjustments had been made to the 2021/22 draft budget since the 7 January Cabinet. Proposals submitted to the 4 February Cabinet, included:

- additional funding (revenue and capital) for Public Rights of Way (PROW), with the capital investment being doubled to support the increased access to the countryside since the start of the pandemic and the positive effects walking and getting outdoors can have on Health and Well-Being
- £1m top-up to support the Gigabit voucher scheme.

Specifically, in relation to the Panel's budget areas, Members were particularly pleased to note that levels of funding were in line with the previous year +inflation.

Also, it was pleasing to see the extra Capital Funding of £6m for Highways, £4m for Footways and Cycleways, £2.5m for Flood Mitigation, £2.5m for Streetlighting and £1.25m for the Local Members Fund. In addition, revenue funding to contribute to the Environment Agency flood mitigation scheme in Bewdley £0.5m and £25k for Highway Safety Marking and Signage was welcomed.

New Directorate savings targets of £2.247m would be achieved, in the main, by additional capitalisation.

The 2020/21 financial update for Period 8 (November) forecast a year end underspend of £18k. Areas of variance remained unchanged since the last report (Q3) and included:

- Strategic Land and Economy – Reduction of income achievable in County Enterprises
- Infrastructure & Assets – underspend due to reduction in energy usage and some staff vacancies
- Operations Highways and PROW – relating to additional agency costs within highways maintenance
- Transport Operations – Surplus of income over expenditure relating to the Driver Training Service
- Planning & Regulation – Increasing overspend mainly due to the need to cover vacant posts with consultants within planning advice and development control.

The following points were discussed:

- Members urged that the additional funding for footways should also include bridleways and both urban and rural footways. The funding should be leveraged to its full extent by engaging with community and volunteer groups to carry out the works wherever possible. It was also suggested that some money should be used for signage to attract tourism into the county too.
- A Member suggested that there needed to be a focus on public rights of way enforcement to improve the current lengthy process, which could take up to 4 years.
- A Member highlighted the number of outstanding Definitive Map Modification Orders (DMMOs) which were often a result of delays in the legal process. The Chief Executive agreed to look into this matter and report back.
- It was suggested that although 97% of homes and businesses in Worcestershire were connected to superfast broadband, 3% of residents did not have access to it, which was very frustrating especially during Covid and the increased reliance on it for home schooling etc. Members thought that Gigabit Broadband Voucher Scheme was excellent but should be simplified and made less bureaucratic for Worcestershire residents to navigate. The Council was urged to lobby central Government to support this.
- In terms of reinvigorating the economy in Worcestershire, the Leader confirmed that this would be a focus for the Council as the Covid pandemic eased and that the Council was working with the Worcestershire Local Enterprise Partnership in this respect.
- The Leader confirmed that with regard to the proposed Council Tax increase, a balanced approach was needed and that he was cognisant of residents' ability to pay. In addition to the advice that was provided by district councils, the Leader also mentioned that additional resources had been put into the hardship fund.
- In general terms, the Leader commented that this year had been a 1 year budget due to future uncertainties eg when the fair funding review would take place and whether the adult social care levy would continue.
- With the assistance of Cabinet, Scrutiny would like the opportunity to explore ideas for income generation.

With regard to the general Budget Scrutiny process, Cllr



Adams expressed his disappointment at being unable to run a task group to drill down into the budget detail and in future years would like to see more transparency. Scrutiny would like to be able to access appropriate digital information to drill down to the budget areas it wished to explore in detail. The Chief Finance Officer explained that there had been minimal changes to this year's budget, however where changes were more significant there would be the opportunity to drill down to the detail which could also be provided (as required) for policy reviews. The Chief Executive confirmed that access to digital information for Scrutiny was a definite aspiration for Scrutiny in future.

The Board agreed to commend the Panels' Budget Scrutiny comments to Cabinet and in doing so would wish to highlight to Cabinet that it was content with the direction of travel of the proposed budget. Specifically, it supported and endorsed the proposal of a 2.5% increase in the Council Tax Precept.

It was agreed that the comments made to Cabinet should include:

- The Board's appreciation for the additional funding for Public Rights of Way (revenue and capital) urging that the funding was leveraged to its full extent by engaging with community and volunteer groups to carry out the works wherever possible.
- The need to lobby Government to simplify and reduce the bureaucracy around Gigabit Broadband Voucher
- The prioritisation of support to Worcestershire businesses to help them recover from the economic impact of COVID-19.
- The request for Scrutiny to have the opportunity to explore ideas for income generation.
- In future years, the opportunity for Scrutiny to access appropriate digital information to drill down to the budget areas it wished to explore in detail.

The Chairman thanked the Leader, Chief Executive and Chief Finance Officer for attending the meeting.

The Chairman requested Members to email suggestions for the Councillor Scrutiny Induction programme being run after the elections to the Scrutiny Co-ordinator.

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The meeting ended at 12.20 pm

Chairman .....