

Corporate and Communities Overview and Scrutiny Panel Tuesday, 2 February 2021, Online - 2.00 pm

Minutes

Present:

Mr A D Kent (Chairman), Mrs E B Tucker (Vice Chairman), Mr G R Brookes, Mr K D Daisley, Mrs A T Hingley, Mr R J Morris, Ms C M Stalker and Mr A Stafford

Also attended:

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

Andrew Spice (Strategic Director of Commercial and Change),
Michael Hudson (Chief Financial Officer),
Steph Simcox (Head of Finance),
Hannah Perrott (Assistant Director for Communities),
Jonathan Fitzgerald-Guy (Assistant Director for Transformation and Commercial),
Richard Taylor (Assistant Director for Human Resources, Organisational Development and Engagement),
Sheena Jones (Democratic Governance and Scrutiny Manager) and
Alison Spall (Overview and Scrutiny Officer)

Available Papers

The members had before them:

- A. The Agenda papers (previously circulated);
- B. The Minutes of the Meeting held on 18 November 2020 (previously circulated).

(A copy of document A would be attached to the signed Minutes).

297 Apologies and Welcome

Apologies were received from Prof J W Raine.

298 Declarations of Interest and of any Party Whip

None

299 Public Participation

None

300 Confirmation of the Minutes of the Previous Meeting

The Minutes of the Meeting held on 18 November 2020 were agreed as a correct record and would be signed by the Chairman.

301 Performance, In-Year Budget Monitoring and 2021/22 Budget

In attendance for this item were:

Karen May, CMR for Transformation and Commissioning
Lucy Hodgson, CMR for Communities
Andrew Spice, Strategic Director for Commercial and Change

Michael Hudson, Chief Financial Officer

Steph Simcox, Head of Finance

Hannah Perrott, Assistant Director for Communities

Richard Taylor, Assistant Director for Human Resources, Organisational Development and Engagement.

As part of the Council's development of the 2021/22 Budget, each of the Overview and Scrutiny Panels had been asked to consider the draft Budget proposals within their remit and the main messages from it, as identified by the Directorate. 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 the following day.

As part of the regular budget and performance monitoring information updates received by the Panel, the latest financial information for Period 8 and performance information for Quarter 3 had been included as appendices to the Budget report.

Draft Budget 2021/22

The Chief Financial Officer highlighted that the Panel had received a copy of the Council's detailed draft Budget presented to Cabinet on 7 January. A revised draft Budget for Cabinet on 4 February had now been issued, but there had been no amendments to the budget areas within the remit of this Panel.

The Chief Financial Officer set out the key issues and changes relating to the proposed 2021/22 net expenditure budget compared to the current year's budget, as follows:

- From the position of the 2020/21 net budget, there were significant additional pressures and demands faced by the Council particularly in the areas of social care and cost inflation.

- The pressures specifically relating to this Panel's remit were predominantly pay, contract and income related.
- The grant increases for this year had totalled £9m, which included the COVID-19 grant of £5.9m received for the first quarter of 2020/21 and a £2.2m social care grant.
- The overall Budget for 2021/22 was showing a £10m funding gap, which was to be balanced by the use of £7.1m savings and up to £3m reserves. The amount of reserves which would need to be used would depend on the support that was forthcoming from the Government regarding the loss of Council Tax payments.

The Chief Financial Officer confirmed the Budget planning timetable and advised that they were not expecting any changes to the Council's settlement, although the specifics of some capital grants were still awaited. The Panel was informed that the Government's Fair funding Review had been deferred until 2021/22, with more information expected to be forthcoming in the Autumn. The Council would continue to lobby the Government on the case for areas including special needs and adult care.

In response to a question about the timescale for recovering the deficit relating to Council Tax, the Chief Financial Officer explained that any deficit on the Collection Fund had to be repaid, but that the Government was now allowing that repayment to be spread over 3 years. He highlighted that any individual council taxpayers struggling with their payments, should contact their District Council where payment plan options were available to help those in need. He also referred to the Council's new hardship relief fund which had recently been established.

The Head of Finance then led the meeting through the key areas within the budget report relating to the Panel's activities which included for CoaCh, Chief Executives/Finance and Communities:

- Detailed figures relating to pay inflation, contract inflation and inflation on income generation figures.
- A pay award of 2% had been budgeted in 2020/21, but a further 0.75% had been agreed, so that was incorporated into the budget for 2021/22

to reflect pay inflation and the impact of spending review protections.

In terms of specific budget areas, the Head of Finance explained details relating to:

CoaCh

- An area of growth (£60k) relating to additional cleaning of administrative buildings as a result of the pandemic.
- An anticipated saving of £400k as a result of the insourcing of the Place Partnership activities.
- The re-classification of 2 areas of 2020/21 savings now classed as unachievable and written back into the budget for 2021/22. These would be reviewed again in the future for potential efficiency savings.

Chief Executives/Finance

- A revised savings target had been included for 2021/22 for the cross council Organisational Review, the figure being reduced from £1.692m in 2020/21 to £1.5m.
- The re-classification of 2 areas of 2020/21 savings now classed as unachievable and written back into the budget for 2021/22. Again, these would be reviewed again in the medium term.

Communities (extracted from the People Services Budget)

- It was noted that there were no specific areas of growth or savings required.

The Chairman commented that he had found it really helpful to be focussing specifically on the exceptions within the proposed Budget. He hoped that moving forwards with the new digital ways of working, such as remote working, this would contribute to reducing financial pressures as well as creating better access to services for customers. He felt there was a massive opportunity for the Council to make a significant reduction in its use of paper, with the digital means of communications readily available. The Strategic Director advised that post-COVID they would be seeking to retain the increased use of digital technology, but they needed to explore ways in which this could be achieved with

resilient, productive and safe ways of working.

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 a clear Budget that was easy to understand and with a helpful focus on the exceptions. The Panel had no specific comments to feed back to OSPB the following day, but the Chairman would draw attention to a few of the highlights in the budget report and key savings achieved.

In-Year Budget Monitoring – Period 8

The Head of Finance reported that there was an overall forecasted underspend of £579k for CoaCh and £293k for the Chief Executives Unit, both which showed an improved position since Quarter 2. She also advised that there was little difference showing in the Period 9 figures currently being worked on. In terms of the Period 8, all headings were showing an underspend, with the exception of one relating to staffing in the Commercial/MIAR team.

The key variances were highlighted to the Panel including a reduction in the estimated exit costs relating to a recent Human Resources restructure. In respect of the underspend on Talent Management, the Chairman asked for further explanation as to the current situation. The Assistant Director for Human Resources, Organisational Development and Engagement (AD for Human Resources) advised effective use was made of low-cost options available within the apprenticeship strategy and that the apprenticeship levy was being used across all levels of the organisation. Consequently there was less need to draw on the Talent Management funding budget. He also added that the restructuring of the leadership and operations teams in Human Resources had resulted in some vacant posts being deleted.

With regards to the Communities areas, there was a forecasted underspend of £595k, which was an improved position from Quarter 2. The key variances related to an underspend in the libraries service and in adult learning. With the impact of the pandemic, the libraries had been closed for periods during the year which had led to reduced staffing costs, such as agency costs. This was expected to be just a short-term underspend until libraries were able to operate at full capacity again. The Assistant Director for Communities advised that libraries were currently open with a much-reduced offer, such as

reserve, click and collect and for use of the computer terminals. The digital service was proving to be very successful as were the online classes for pre-schoolers, STEM and adult learning.

A member queried the underspend on the Gypsy services budget. The Head of Finance advised that there had been a small improvement since the last quarter. The Assistant Director for Communities explained that the figures included other budgets such as green space and gave assurance that the gypsy provision was being maintained to the same standard as pre-COVID.

Performance Indicators

The Chairman commented that many of the performance indicators were 'green' and improving which was very positive. At this meeting the focus would be on those indicators currently shown as 'red' or 'amber'.

A range of issues were raised by Members:

- Members queried the 'no status' listing in the RAG rating column and they were advised that this related to targets which were not currently being monitored.
- Registration of deaths – the Assistant Director for Communities explained that there was huge pressure on registration staff with 55% more deaths recorded from April to December 2020 compared to the previous year. She advised that there had been 100 more deaths in December 2020 than the previous December, added to which the bank holidays in December always affected the figures for death registrations. The Assistant Director commented that she was very proud of the staff and that they were very resilient and supporting each other well through this traumatic period.
- Complaints - with a report being presented to the Panel in March, it was agreed to leave discussion on this area until that meeting.
- Children's Services Improvement Plan – A query was raised as to whether the indicator should be included for this Panel. The Strategic Director advised that the MIAR team produced this report, but with additional work relating to the pandemic, this had not been a priority. He stressed that importantly the service continued to improve as

highlighted in the WCF Annual report.

- **Sickness rates** – The AD for Human Resources advised that short term sickness rates had significantly reduced, whilst there had been a slight increase in long term sickness. With long term sickness, there had been some delayed access to treatment as a result of the pandemic. The Panel was informed that regular staff updates were issued regarding the importance of looking after yourself, safe working, etc. Regular risk assessments were completed and also signposting to external agencies was carried out where appropriate. The Assistant Director was also pleased to announce that an internal mental health first aid scheme, which was nationally accredited, had just been launched within the Council. Employees had been offered the opportunity to apply for the voluntary role, and if successful, they had been given training and support to enable them to commence their role. Their services were then available to any member of staff who needed support. A Member highlighted that some staff might be reluctant to admit that their mental health was suffering with being isolated at home. The Assistant Director understood this concern and assured the Panel that regular monitoring was taking place and that proactive initiatives were being carried out to reduce the impact on staff from isolation or loneliness.
- **Staff who were self-isolating** – In response to a Member's query, the AD for Human Resources advised that the vast majority of staff who were required to self-isolate were able to work from home for that period either in their usual role or by being redeployed to other duties. There were only a few cases where staff had been required to record this time as sick leave.
- **Library E-services** – The Cabinet Member for Communities advised that a new scheme was being considered for digital newspapers to be introduced into the Council's libraries. The Assistant Director for Communities explained that the take up of digital services in libraries had continued to grow and therefore they were looking at re-prioritising some of their stock budget to invest in an E-Newspaper system. She added that it was early days, but that she would keep the

**302 Corporate
Landlord and
Facilities
Management
Delivery Model**

Panel informed of progress on this initiative.

- Use of countryside centres – The Panel was informed that increased use of the Council’s green spaces had led to a greater number of issues of wear and tear and littering. January’s weather had meant that the footfall had decreased leading to less immediate issues to contend with. The importance of the message that the public should enjoy the green spaces in a responsible way was reinforced.

The Chairman praised the Teams across all these service areas for their tremendous efforts and commitment during these difficult times, especially where there had been an increased demand for services.

The Panel received a report which set out the proposed structure and delivery model for the Corporate Landlord and Facilities Management function from 1 April 2021.

The Cabinet Member with responsibility (CMR) for Transformation and Commissioning reminded the Panel of the background to the establishment of Place Partnership Ltd (PPL) in 2015 which was to provide property management services through an innovative arrangement by which each partner would gain benefit from the strategic use of collective assets which would lead to efficiency and savings opportunities through scale and scope of the company. Unfortunately, over time some partners decided that the organisation was no longer meeting their needs and in 2018 Worcester City and Redditch Borough Councils gave notice to exit the agreement.

The CMR advised that in 2020, this Council had also made the decision to terminate its contract with PPL with effect from March 2021. Internal structures were then considered which would return direct control of the strategic activity of property services to the Members and Officers of the Council. Shortly afterwards, a meeting was held with the remaining PPL partners about the sustainability of the company moving forward and as a result of those discussions, it was agreed that it would be in the collective interests of all the remaining partners for the Company to be brought to a close from 31 March 2021. To this end the partners had committed to a solvent Members Voluntary Liquidation arrangement which would be in place until the end of the third quarter of 2021.

The CMR stressed that in advance of the above, she had reinforced the importance of the following factors being given due consideration:

- How best to secure an optimum balance between services being provided in-house and those brought in from the market.
- How to ensure best value and savings for the Council
- How to minimise redundancies
- How best to achieve a continuation of services for schools.

The Chairman asked the Strategic Director to provide some further detail to enable the Panel to understand the changes that were taking place and the benefits which the Council would obtain from the new arrangements. In addition, the Panel were keen to know how the staffing issues were being handled and the current situation with the transfer of staff. The Strategic Director advised that there was a report to Cabinet later in the week which provided more detailed information including on the proposed new delivery model to be implemented. He commented that whilst PPL had been an innovative initiative, the partners had grown apart and this Council, as a commissioning Council, had taken action to ensure that the interests of the Council's estate and customers continued to be its main focus with best value being the key priority.

As part of the process of closing down the company, the Strategic Director explained that some elements of the workforce would not be transferred to one of the partner organisations. He assured the Panel, however, that all the partners were committed to ensuring that any suitable vacancies that they had within their organisations were made known to PPL staff to minimize redundancies. It was also noted that some staff had taken the opportunity to move on to other roles. The AD for Human Resources clarified that as PPL was the employer, it was the company which was responsible for the consultation process with staff. The partners had actively sought an earlier consultation period because of the complexity of the TUPE arrangements and to ensure staff had plenty of time to obtain answers to all their questions. The Panel was informed that the Council had been able to secure more PPL staff roles within the Council than the company had originally suggested.

The Assistant Director for Transformation and Commercial advised that 160 staff were transferring to

one of the partner organisations, (approximately 50 to this Council), with the vast majority being subject to TUPE. Through negotiation with contractors, 3 of the school staff were also set to transfer to an alternative provider, Civico. A further 30 staff were subject to a ring-fenced recruitment process, which the Assistant Director explained were those roles which didn't qualify for 50% of TUPE. He believed that there were a number of vacancies that these staff would be suited to, but the TUPE regulations required them to apply for the vacancies in the usual way.

A number of further questions and issues were raised by Members:

- In terms of how the situation had changed in the last year regarding asset management, the Strategic Director advised that this was a good time to be reviewing real estate and creating a vision for going forward. He commented that they were more ambitious about how to meet the needs of customers and staff and felt it was important to have a flexible, innovative Property services back in-house to meet the changing needs of the Council.
- A Member commented that an understanding of the cost to the Council of joining and then leaving PPL would be welcome. Questions regarding the scale of PPL and whether the Council should have left the organisation earlier were also raised.
- A Member asked whether the Council was incurring additional costs to protect buildings which were currently unoccupied as a result of the pandemic. The Panel was informed that overall costs had reduced e.g. for heating and reactive repairs and maintenance, but that there were some increased costs for cleaning buildings and signage.
- Details of the PPL contracts were sought. The Assistant Director advised that there were approximately 54 PPL contracts with all but 16 of those being less than £5k in value. As to the value of the other 16 contracts, the majority were less than £50k. The Panel was informed that suppliers were being contacted directly and new contracts were being established. Roughly half had been agreed to date, with the remainder to be dealt with in the coming weeks. It was stressed that in due course these contracts would be reviewed as to whether they are fit for purpose, but the priority at this stage was continuity of service.

303 Work Programme 2020-21

- Helpdesk arrangements – the Helpdesk support would continue to be provided by Solihull Metropolitan Borough Council, as an add-on to the Graham Facilities Management and Dodds access agreements. This service was provided on a not for profit basis and the Council would review its position over the next 12 months.
- A Member queried whether as part of 'One Worcestershire', the Council would be looking to have partnerships with the District Councils in the future. The Strategic Director advised that a One Worcestershire Estate partnership was already in place and working well with frequent meetings taking place. He added that he welcomed discussions on service delivery.

The Chairman commended the CMR and the Officers for their work and for an excellent detailed report and to the Panel for a very useful discussion. Members had no outstanding information requirements, having received detailed answers to their questions during the meeting.

The Panel reviewed and noted its current work programme.

The meeting ended at 4.00 pm

Chairman