

## **Minutes of the Cabinet**

### **County Hall**

**Thursday, 5 January 2023, 10.00 am**

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#### **Present:**

Cllr Simon Geraghty (Chairman), Cllr Marc Bayliss, Cllr Adrian Hardman, Cllr Marcus Hart (Vice Chairman), Cllr Adam Kent, Cllr Karen May, Cllr Richard Morris, Cllr Tracey Onslow and Cllr Andy Roberts

#### **Also attended:**

Cllr Mel Allcott, Cllr Lynn Denham, Cllr Paul Harrison and Cllr Tony Miller

#### **2134 Apologies and Declarations of Interest**

Apologies had been received from Mike Rouse.

#### **2135 Public Participation**

None

#### **2136 Confirmation of the Minutes of the previous meeting**

The minutes of the previous meeting on 8 December 2022 were agreed to be an accurate record and were signed by the Chairman.

#### **2137 2023/24 Draft Budget and Medium Term Financial Plan 2024-2027**

The Leader, also the Cabinet Member with responsibility for finance, introduced the report. He highlighted that the draft budget report was being launched for consultation. The draft budget was based on the latest demand and inflation data and the provisional government settlement which had been received just before Christmas.

The Council faced similar pressures to most other local authorities with staffing and inflation pressures and demand led pressures in children's and adults' services. The combined pressure in this budget was £70million.

The Leader welcomed the additional money from the Government in the provisional settlement, which recognised the pressures that were being faced by County Councils. At the same time the County Council were looking at

delivering value for money for taxpayers. There was recognition that it would be a tough year, but council tax in Worcestershire was one of the lowest in the country and even though it would be necessary to increase the amount of council tax by 2.94% for general services, and 2% for social care, it would remain one of the lowest. This increase would close the financial gap, give a balanced budget, fund essential services, and protect the ambitious capital programme so the council can deliver what it said it would in the Corporate Plan.

The Deputy Leader confirmed that the consultation would allow communities, parish councils and wider stakeholders to give their views. He agreed that it had been good news that the government had listened with regard to demand led pressures and had provided an additional overall funding package of £26.3 million. However, this had to be contrasted with the £68 million of investment which was needed for inflationary costs, social care costs and the costs of the capital programme. Investment in infrastructure was important as well as protecting the most vulnerable. Continuing support for initiatives like the divisional fund allowed Councillors to help with highways issues in their areas.

The Cabinet Member with responsibility for Children and Families explained that Worcestershire Children First worked to the objectives and aims within their business plan. He believed that people were less resistant to an increase in council tax if they knew that it was being spent on the most vulnerable. Demand had increased with more children in care and an increase in unaccompanied asylum-seeking children. Specialist residential placements were very expensive and numbers in such care could be very volatile, so there was a contingency in the budget to be used if necessary. Even though there was an increase in demand, achievements had been made, for example the fact that Worcestershire were the only County Council who were managing to hold their Children's Court procedures within 26 weeks. He acknowledged the hard work of staff behind the scenes.

The Cabinet Member with responsibility for Education confirmed that in the Autumn the Government had given the highest ever real terms investment to schools in history. She thanked staff and Councillors for the work they had done on raising awareness and ensuring funding for schools was on the Government's agenda. The Worcestershire Schools Forum was thanked for helping to gain extra funding, particularly around energy with an additional £4.68million for Worcestershire schools. The extra funds were welcome for school transport costs, which was a very large area of spend and finally she was pleased that the capital programme was continuing with the building of a new school in Worcester.

The Cabinet Member for Adult Social Care confirmed that this was a genuine consultation and things would need to change, as figures for grants such as the Better Care Fund were still not known. At present the projected overspend in Adult Social Care was £13million but £8million of in year measures had been identified to address that. He wished to thank the Worcestershire MPs and the Government who understood the pressures on social care and had increased the grants that would be received and were allowing the social care precept to

be raised by 2%. He felt that the most valuable asset of the County Council was its staff and he thanked them for their dedication.

Cabinet understood that there were difficult times with the war in Ukraine, COVID and rising inflation, and wished to ensure that the whole increase in inflation was not passed on to Worcestershire residents. They were proud that a balanced budget had been produced, that the most vulnerable were being put first and that capital projects were being undertaken. The majority of enquiries received by Councillors concerned highways so it was good news that extra money was available for footpaths, roads and highways capital projects. The environment was an important issue to lots of residents and although it may not appear that lots of money was spent in that area the budget allowed the requirements of the Corporate Plan, for sustainability and carbon reduction, to be met. Cabinet Members were also pleased they had their highways funds and divisional funds which allowed them to support and motivate their communities. The Cabinet thanked people for engaging with the consultation

Some concerns from Members outside the Cabinet were raised:

- It was felt that it was difficult to view the budget in a positive light when there was such a demand for services, especially in adults and children's social care,
- The increase in the amount spent on the capital programme felt like buildings were being put before people and services, when more staff were needed to provide services
- There was concern about the decrease in the amount of reserves over the next three years and whether the amount likely to remain at the end of the period of the Medium Term Financial Plan was sustainable
- It appeared that residents were being asked to pay more for less services and that the books would only be balanced by raiding the reserves,
- Some projects such as Bromsgrove highway improvements and Redditch Library were not fully supported by residents but lots of money were still being spent on them by the Council,
- There were no details about proposed savings, efficiencies or income. It was unclear whether the proposals in Appendix 3, such as the forecast in continuing healthcare income, saving on social care staffing costs and consulting on fee proposals for domiciliary care, had been agreed as they could have a substantial effect on partners,
- There appeared to be a significant raid on the public health grant to prop up adult social care, and money had been taken away from Severn Arts,
- There was a new Health and Wellbeing Strategy which was based on prevention – but how was that going to be implemented as there was a quarter less money than when it was first set up.
- The amount of work done in producing the draft budget was appreciated.

Another Member supported the draft budget but asked the Cabinet whether there was a policy regarding the maintenance or replacement of temporary

classrooms and wanted an update on food waste collection. The CMR confirmed that the County Council was not responsible for temporary classrooms at Academy schools, however one school had been helped to apply for funding for classrooms. Otherwise, temporary classrooms were replaced on a rolling basis and there was a project that was aiming to replace temporary classrooms by 2025. With regard to food waste collection, which was part of the Environment Act 2021, the County Council was responsible for disposal but not collection and The Cabinet Member had undertaken to write to the Secretary of State to clarify details around timings and funding. A task and finish group involving District Councils had also been set up.

In response to the queries the Chairman assured the meeting that the budget plans would be explored by Scrutiny. Some reserves were earmarked which meant they were designed to be used for specific things and assurance was given that there was no financial risk to what was being proposed. There was a general reserves fund which was for unexpected eventualities and the general fund had actually grown. Members of the public did not want to pay taxes which were put into reserves and not used. A balance had to be maintained between providing services and investing in Worcestershire's future, with the details of what the Council wanted to do being laid out in the Corporate Plan. An assurance was given that all spending would be examined, and the reform journey would continue before people were asked for more. The public health ring fenced grant benefitted the Authority greatly and the money may be used on wider health and wellbeing projects rather than purely on Public Health projects. He also assured Members that there had been no decrease in the funding to Severn Arts but the funding would be coming from another source.

The CMR for Adult Services assured the questioners that a paper on fees and charges in Adult Social Care would be brought to a future meeting as Adult Social Care Reform had been paused for two years. People with disabilities would not be paying more for their care but more money was expected from health in continuing healthcare.

The CMR for Health and Wellbeing clarified that the Health Overview and Scrutiny Committee would be scrutinising the Public Health Ring Fenced Grant and looking at the outcomes from the money which was invested. Money was not being taken from Severn Arts and they were in fact doing a project on good mental health and how art can impact on that. The Adult Social Care expenditure was part of the Integrated Care Strategy to ensure the care which was needed was supplied by the different sectors working together.

The CMR for Economy, Infrastructure and Skills stated that all the money spent on capital projects and infrastructure helped people. He also pointed out that under capital rules, it was not allowed to spend capital on revenue expenditure. Bromsgrove road improvements and the potential changes to Redditch Library were both projects funded by Government and not from County Council budgets. Also, capital projects helped to create more jobs in the County which brought more money into the local economy and helped residents now and in the future.

The Chairman concluded that the budget would go through the Scrutiny process and the latest information on grants would be considered as well as other feedback before a decision was made at Council on 16 February.

**RESOLVED that Cabinet:**

- a) approved for consultation the draft budget of £400.792 million set out in Appendix 1 of the agenda report;
- b) approved for consultation the draft capital programme of £413.348 million set out in Appendix 2 of the agenda report;
- c) approved for consultation an earmarked reserves schedule set out in Appendix 5 of the agenda report; and
- d) agreed that it was minded to recommend to Council in February 2023 an increase in Council Tax precept of 2.94% and in the Adult Social Care Levy by 2.0%.

The meeting ended at 11.20 am

Chairman .....