

Minutes of the Cabinet

Lakeview Room, County Hall

Wednesday, 10 January 2024, 10.00 am

Present:

Cllr Simon Geraghty (Chairman), Cllr Marc Bayliss, Cllr Adrian Hardman, Cllr Marcus Hart (Vice Chairman), Cllr Adam Kent, Cllr Steve Mackay, Cllr Karen May, Cllr Richard Morris, Cllr Tracey Onslow and Cllr Mike Rouse

Also attended:

Cllrs Dan Boatright-Greene and Matt Jenkins were also present.

Available papers

The Members had before them:

- A. The Agenda papers (previously circulated); and
- B. The Minutes of the meeting held on 14 December 2023 (previously circulated).

2197 Apologies and Declarations of Interest (Agenda item 1)

Cllr Marcus Hart declared an interest on Agenda item 5 as a Non-Executive Director on the WCF Board in a non-remunerated role.

2198 Public Participation (Agenda item 2)

None.

2199 Confirmation of the Minutes of the previous meeting (Agenda item 3)

RESOLVED that the Minutes of the meeting held on 14 December 2023 be confirmed as a correct record and signed by the Chairman.

2200 2024/25 Draft Budget and Medium-Term Financial Plan 2025-28 (Agenda item 4)

The Leader of the Council introduced the report and commented that the 2024/25 draft Budget and Medium-Term Financial Plan 2025-28 was outlined in the report for consultation. All councillors would have the opportunity to comment before the final proposals were brought to the next meeting of Cabinet and then Council. Significant pressures on Council resources had been highlighted in respect of children social care placements, home to school transport, and adult social care.

He added that the total gross overspend (structural deficit) currently forecast for 2023/24 was £35.3m or 8.7% of the net revenue budget. This gross overspend was being partially mitigated by additional business rates income of £4.1 million and planned additional use of reserves of £9 million, giving a net forecast overspend of £22.2 million (5.5%). The proposed mitigation were one-off measures and therefore the Council needed to ensure that the MTP reflected these cost pressures going forward to 2024/25. The draft budget for 2024/25 was only a forecast at this stage based on the best available information.

He explained further that the Council had received the financial settlement from the Government on 18 December 2023 which represented an increase in 2024/25 by £21 million, however this was not keeping pace with the demand and pressures the Council was currently facing, despite the Council's efforts to lobby the Government. Taking into account the growth in demand for services, inflationary factors, changes in grants and the reduced flexibility of reserves, the proposed increase in Council Tax for Worcestershire for 2023/24 was 4.99%: 2% for the Adult Social Care Levy, and 2.99% for other Council Services. The Council was examining how it could improve Value for Money and become more effective and efficient.

The Government had suggested that councils use balances and reserves to address funding gaps but that was not a long-term sustainable solution to the budget pressures facing the Council. The Council would be consulting all stakeholders before producing a final budget that was balanced and a true reflection of the Council's finances.

In the ensuing debate, the following points were made:

- The Council's net revenue budget rose each year with the next budget expected to be approximately £430m in total. This demonstrated the amount of money necessary to continue to deliver demand-led services in the county. Unfortunately, Government funding had not been sufficient to meet these pressures and therefore the Council had had to set out sensible proposals to ensure continued service provision. These plans also included a request to increase Council Tax to protect the most vulnerable members of society
- The continued year-on-year increase in the cost of children social care placements emphasised the importance of continuing the drive to recruit foster carers
- A member from outside the Cabinet queried how confident the Council was about maintaining its level of reserves for the next few years, how

the level of debt would be managed, and the Council's approach to staff voluntary redundancies and reduced working hours. The Leader of the Council responded that nationally reserves had grown during Covid and therefore it was reasonable for the Government to ask councils to use them to meet budgetary shortfalls. This Council had plans to reform its services to ensure long-term viability and therefore it was sensible to use its reserves to address the budgetary shortfall in the short-term. The Council had taken a long-term investment approach to borrowing. The Council had utilised short-term internal local authority borrowing in order to keep costs down. Interest rates had peaked and were starting to come down and the Council would amend its approach to borrowing accordingly. The Council's workforce was a key resource and all measures would be examined (including the Voluntary Redundancy and reduced hours programme) before compulsory redundancies were considered

- The budgetary problems facing the Council related to statutory demand-led services. Without the requisite government funding, the Council had had to do all it could to address the budget shortfall
- It was clear that the current care system was failing at the moment. This Council needed to do all it could to achieve better outcomes for children. It was clear that this could best be achieved in a family environment hence the need to recruit foster carers
- The Adult Social Care budget was facing significant pressures as people tended to live longer and experienced more health issues. The Council needed to take prevention seriously to address this budget shortfall because lifestyle choices of people in their 30/40s had a major impact on their future health.

Cabinet:

- a) Approved for consultation the draft budget of £429.570 million set out in Appendix 1 to the report;**
- b) Requested Cabinet Members continue to work with their respective Strategic Directors to identify options to reduce the current reported gap by either additional savings or agree strategies to reduce the current growth and demand assumptions prior to the final budget report which is due to be presented to Cabinet on 1 February 2024;**
- c) Approved for consultation an earmarked reserves schedule set out in Appendix 4 to the report; and**
- d) Agreed that it was minded to recommend to Council in February 2024 an increase in Council Tax precept of 2.99% and increase in the Adult Social Care Levy by 2.0%.**

2201 Worcestershire Children First - Contract Options (Agenda item 5)

The Cabinet Member with Responsibility for Education introduced the report and commented that a full OFSTED inspection of Local Authority Childrens Services had been undertaken with an outcome of Good for overall effectiveness of the services. She thanked everyone involved for their work in achieving this rating. Worcestershire Children First (WCF) had been launched for an initial term of five years from 1 October 2019 with the option for the Council to extend for a further five years from 1 October 2024, or for the contract to end at that date. Having consulted widely, it was considered appropriate to bring the service in-house, provided that the same focus remained on the welfare of children.

The Leader of the Council thanked all the staff involved in the success of Worcestershire Children First, in particular the Board members and Tina Russell who had been undertaking two separate roles. It was appropriate to review the WCF contract after 5 years and he considered that it was right to bring children services in-house.

Cabinet approved:

- a) Not to extend the contract with Worcestershire Children First beyond September 2024 when the contract is currently due to end after the initial five-year term and:**
- b) Subject to this approval, authorises the Chief Executive and the Director of Childrens Services, in consultation with the relevant statutory officers, to take appropriate steps on behalf of the council to progress the recommended approach.**

The meeting ended at 10.45am.

Chairman