

## Minutes of the Overview and Scrutiny Performance Board

### County Hall, Worcester

**Monday, 29 January 2024, 2.00 pm**

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#### **Present:**

Cllr Tom Wells (Chairman), Cllr James Stanley (Vice Chairman),  
Cllr Alastair Adams, Cllr David Chambers, Cllr Brandon Clayton and  
Cllr Shirley Webb

#### **Also attended:**

Cllr Simon Geraghty, Leader of the Council  
Cllr Andrew Cross  
Cllr Matt Jenkins

Paul Robinson, Chief Executive  
Steph Simcox, Deputy Chief Finance Officer  
Samantha Morris, Interim Democratic Governance and Scrutiny Manager  
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 19 December 2023 (previously circulated).

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

#### **1352 Apologies and Welcome**

The Chairman welcomed everyone to the meeting.

Apologies were received from Councillors Matt Dormer, Emma Stokes and Richard Udall and from Church Representative, Tim Reid.

#### **1353 Declaration of Interest and of any Party Whip**

None.

## **1354 Public Participation**

None.

## **1355 Confirmation of the Minutes of the Previous Meeting**

The Minutes of the Meeting held on 19 December 2023 were agreed as a correct record and signed by the Chairman.

## **1356 Budget Scrutiny 2024/25**

The Leader, Chief Executive and Deputy Chief Finance Officer (DCFO) attended the meeting to update Members on the budget proposals and receive feedback following the Overview and Scrutiny Panels' discussions on the 2024/25 draft budget during the January Scrutiny meetings (noting that the 1 February Cabinet report had not been available in time for most of the Scrutiny Panel meetings).

The Board also had before them the feedback received from the Overview and Scrutiny Panels' discussions in the Autumn on the emerging cost pressures relating to their findings on placements in adult and children's social care, home to school transport and pay and contract inflation.

Following the discussion, the Board would agree comments to be considered by Cabinet on the 1 February 2024 and by Council on 15 February 2024.

The Leader highlighted that the Council's budget for 2024/25 continued to face significant demand and cost pressures in three key areas of Children's Social Care placements, Home to School Transport (HTST) and Adult Social Care. These areas had been subject to close financial monitoring by the Cabinet and through Scrutiny. The Board was advised that the Council had worked with similar councils through the County Councils Network to highlight concerns to Government about demand and costs pressures in these areas. The Councils had also been able to share their best practice in tackling these key issues.

The Board was informed that the income received from the Government as set out in the Provisional Settlement in December would increase by £21m, however it was highlighted that this was not keeping up with current levels of demand and pressures. The total pressures and investments built into the budget at this stage amounted to £86.5m, made up of the structural deficit of £35m and £51.5m for additional new year pressures. The maximum amount that could be generated by the Council Tax was £19.6m. The recent forecast for 2024/25 included a budget gap of £20.4m, but further savings had now been identified including within Children's Services Rehabilitation and Supported Living provision and from the implementation of demand and price management across adult social care. The current budget gap was at £7.2m. The Board was informed that the Government had recently announced an additional funding allocation for childcare provision for upper tier authorities, which was anticipated could be in the region of £4.9m additional funding for this authority.

During the discussion, the following main points were made:

- In response to a question about the terms of the Government's recent additional funding allocation and whether it would be ring-fenced, the Board was advised that it was likely to be related to children's social care placements but specific details were awaited.
- The importance of looking after the mental health and welfare of staff in these unsettled times was highlighted. The Leader highlighted that open discussions took place with staff, and they were made aware of the support that was available to them. It was important that they recognised the size of the challenge facing the Council and the need for change to ensure the delivery of services. The Chief Executive advised that staff morale had been good when the last staff survey was undertaken, and that the next one was due in the Spring.
- The Chief Executive provided background in respect of the transition from children's social care to adult social care. Historically, children's social care was focussed on the child whereas adult social care focussed on keeping an adult safe. Previously, a young person had been able to retain a higher-level care package when they transferred into adult care services, but this had led to a huge impact on costs going forward with care for young adults being the biggest driver of rising adult care costs. It was therefore vital that appropriate costs were put in place at the earliest stage of adult care.
- In comparison with similar Councils, the Leader explained that Worcestershire had over 1,000 children in care, which was a higher level than other similar authorities. The Board was assured that Ofsted had recently confirmed that the right children were being taken into care and the management of this process was much improved. Fewer children were, however, exiting care and their length of stay was longer than those in some other authorities. It was highlighted that during the pandemic there had been a conscious decision to leave children in care for their safety, as Officers were not able to access homes and therefore safe exits could not be managed in a way that complied with best practice.
- The Leader confirmed that the Highways maintenance budget was being protected and maintained through this budget setting process, as otherwise it would cause problems in the future.
- A question was raised as to how the level of capital borrowing compared to the previous 10 years. The Leader advised that the level of capital borrowing was broadly similar to previous years and in excess of £370m. The DCFO highlighted that approximately half of the Capital Programme was funded by the Council, with the other half funded by external sources, through developer contributions and government grants, with an overall spend level of approximately £100m a year.
- The Chairman highlighted that a District Council had increased council tax levels on second homes, a policy from which the County Council benefitted financially. It was hoped that other district/borough councils could be encouraged to take a similar approach. The Leader also highlighted that business rate pooling had continued and was also making a difference and had generated an additional £1.5m.

- The Leader confirmed that whilst the use of supported living for those leaving care was an established scheme, it was now being considered for some 16 and 17-year-olds where appropriate for their needs, and that consideration was being given to using the rental market to open up the pool of available properties. It was explained that this would be semi-independent living, with some limited adult guidance to prepare the young people for adulthood. The Leader gave assurance that there was a series of safeguards in place which had led to the decision that it was a reasonable and proportionate approach for the Council to take.
- The Board was advised of the work to extend the length of foster care placements and introduce specialist foster carers, to reduce the reliance on expensive residential care placements. The difficulty of retaining foster carers was also raised, with many being attracted by the financial rewards offered by private agencies. The Board was informed that this was a national problem, and it was highlighted that the top 10 foster care agencies made £300m profit in the last year. The Board was informed that there was an urgent need for a cap to be introduced to ensure that these excessive profits were not able to be made.
- The Chairman of the Children and Families Overview and Scrutiny Panel welcomed the initiatives to help ease the budget pressures in the Children's social care placements budget, which were very positive and could lead to significant savings. However, the Children's Panel was concerned about the lack of plans in place to address the Home to School Transport (HTST) budget deficit. The Chairman of the Environment Overview and Scrutiny Panel added that the inability to obtain clear timely information on this budget area in the last year had been very frustrating, whilst the budget deficit had risen from £20m to £35m in this period. The Leader explained that this area was the Council's 2nd largest budget pressure point and that the situation had not been helped by the fact that responsibility for HTST had been shared across two directorates. The budget responsibility now lay with the Economy and Infrastructure Directorate, and it was imperative that the recent excessive growth in the budget was addressed. There was a series of wide-ranging actions that the Council would take to reduce this budget pressure.
- A discussion took place about HTST resulting from an Education, Health and Care Plan (EHCP). It was highlighted that if budget growth continued at current rates, the Council would need to be supported to fund the requirements of the legislation, or to mitigate the impact of it.
- A Member questioned whether greater efficiencies could be achieved from the management of the highways maintenance contract. For instance, it was highlighted that the requirements of the design guide for highways infrastructure was being used for work on minor rural roads. On similar lines, another Member drew attention to potential significant areas of savings in this area that had been highlighted by the Developer Funded Highways Infrastructure Scrutiny Task Group. The Leader confirmed that contracted provision was used where inhouse expertise could not be justified. Such external provision was closely managed to ensure cost effectiveness and best value were achieved. It was agreed that this matter would be followed up outside of the meeting.

- A Member (who was not a member of the Board) expressed concern about the ongoing use of the reserves and if this pattern was to continue whether the Council would have sufficient reserves in the future. The Leader advised that Government was keen to ensure that Councils had used the reserves built up during the Covid-19 pandemic and that there was a commitment to ensure a significant risk reserve was in place, but not at a level that could be challenged as excessive. In light of the Government’s recent additional funding allocation for children’s social care, he reported that there would now be less reserves forecast to be used in 2024/25 than had been previously anticipated. The Chief Executive reminded the Board that the budget was a forecast and that due to a ‘perfect storm’ of issues impacting the Council this year including high inflation, pay rises and increased SEND provision, a resizing of the organisation had to be delivered within the available limits of the budget.
- Another Member (not a member of the Board) raised the issue of RAAC in the County Hall building, which was a concern in terms of the as yet unknown, budgetary implications for the Council. The Board was informed that experts were currently carrying out a review and that a report would be received in due course. In the meantime, the Board was assured that the operational efficiency of the Council was unaffected and services to the public had not been impeded
- The Member asked a further question about the potential financial consequences for the Council of Ash Dieback disease. It was agreed that this matter would be looked into, but it was highlighted that the Council had not been made aware of any specific concerns.

The Comments from the Board’s discussion would be forwarded to Cabinet for consideration on 1 February 2024 and then to Council for its meeting on 15 February 2024.

**1357 Scrutiny Chairmen (and Lead Member) Update, Work Programme and Cabinet Forward Plan**

This item was deferred.

The meeting ended at 3.43 pm

Chairman .....