

Minutes of the Corporate and Communities

Overview and Scrutiny Panel

County Hall Worcester

Thursday, 18 January 2024, 10.00 am

Present:

Cllr Emma Marshall (Vice Chairman), Cllr Kyle Daisley, Cllr James Stanley and Cllr Craig Warhurst

Also attended:

Cllr Adam Kent, Cabinet Member with Responsibility for Corporate Services and Communication

Cllr Matt Jenkins, Green and Independent Alliance Group Leader

Steph Simcox, Deputy Chief Finance Officer

Andrew Spice, Strategic Director of Commercial and Change

Richard Taylor, Assistant Director for HR, OD and Engagement

Mark Fitton, Strategic Director for People

Hannah Perrott, Assistant Director for Communities

Sandra Taylor, Assistant Director for IT and Digital

Darius Mason, IT and Digital Programme Manager

Steve Ashton, Senior Project Manager

Samantha Morris, Interim Democratic Governance and Scrutiny Manager

Emma James, 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 23 November 2023 (previously circulated).

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

446 Apologies and Welcome

The Vice-Chairman, Cllr Emma Marshall welcomed everyone to the meeting which she would be chairing as the Chairman Cllr Emma Stokes was unable to attend.

The Chairman referred to the death of Panel member Cllr Peter Griffiths and paid tribute to his services on the Panel and as a councillor.

Cllr Kyle Daisley was welcomed as a new member of the Panel.

Apologies were received from Councillors Natalie McVey, Emma Stokes and Richard Udall.

447 Declarations of Interest and of any Party Whip

None.

448 Public Participation

None.

449 Confirmation of the Minutes of the Previous Meeting

The Minutes of the Meeting held on 23 November 2023 were agreed as a correct record and signed by the Chairman.

450 Budget Scrutiny 2024/25

The Deputy Chief Finance Officer welcomed the opportunity to set out the corporate budget position relating to the draft 2024/25 Budget, which had been reported to the Cabinet on 10 January 2024. The draft budget was now in the final stages of consultation, of which the discussion at this Panel was a part, prior to returning to Cabinet on 1 February.

Appendix 2 of the report addressed the overall Council position, followed by the main areas of proposed investment and savings for the service areas within the remit of this Panel.

Nationally, Local Government was under severe financial pressure due to inflationary and demand pressures in the main areas of Children's Social Care, Home to School Transport and Adult Social Care.

The current position for the Council was a net overspend of around £22m – after use of reserves, which was not sustainable in the long-term, and a savings plan had been implemented, which had identified savings of around £20m.

While everyone had been hopeful for additional funding in the Local Government Settlement announced in December, there was in fact a net reduction of £1.6m due to changes in a grant. The final Settlement was expected in early February, likely to be after the February Cabinet meeting, but before Council met.

Should any additional funding be announced, it was likely to be used to reduce use of reserves, therefore it was hoped that the Government would listen to the significant lobbying taking place, although there had been no indication to date.

The Panel's attention was drawn to the specific budget information provided for its remit, which showed areas of proposed investment and savings for the Commercial and Change (COaCH) directorate, Chief Executive's Unit (CEX), Communities and corporate and non-assigned items.

The Deputy Chief Finance Officer advised that an estimate of 4% had been included in the draft Budget for pay inflation. The previous pay award had been a one-off payment of £1925 which had equated to around 6%, and based on a trajectory of reducing inflation, the estimate of 4% was felt prudent.

COaCH

All contracts included a level of inflation and each had been looked at, with estimates taken although this was very difficult to do.

The total indicative investment and inflation for COaCH equalled £3.1m but these figures could change. Areas of proposed savings totalled £2.7m, therefore broadly offsetting the pressures, giving an indicative net investment of £0.4m.

The Strategic Director pointed out that after several years of identifying savings, it was impossible to identify further savings without impacting on services, although clearly Officers would endeavour to mitigate any impact as much as possible. Some small non-staff related savings had been identified, but most were predicated in a review of services, therefore a reduction in service would be inevitable.

CEX

It was pointed out that the proposed investment of £0.2m was to continue, rather than extend current wellbeing work due to the fact that the one-off use of Public Health Ring-fenced Grant funds was non-recurrent.

Similarly, areas of proposed savings broadly offset the pressures on services within Human Resources and Finance, with an indicative overall net investment of £0.6m.

The Assistant Director for Human Resources (HR), Organisational Development (OD) and Engagement echoed the fact that savings would impact on services, for example cessation of the Talent Management Programme, although some of this would be offset through apprenticeships.

Proposed savings around the reduction in working hours and voluntary redundancy scheme were obviously difficult for staff and also time consuming to implement.

Corporate and Non-assigned Items

It was explained that these were general proposed investments and savings affecting the whole Council, which were being led by the corporate approach, therefore being set out for this Panel but may eventually be part of other Panels' remits. The total investment was broadly the same figure as the proposed savings, of £5.3m.

Communities

Regarding the £0.5m proposed investment due to the structural deficit from 2023/24 from income generation within libraries, archives and archaeology, communities and partnerships and registration services, the difficulty of income from rooms post Covid was referred to, as well as a drop in grants and schemes for archaeology and archives.

In this area only a small amount of savings was proposed, of £0.052m, a proportion of the overall savings within Adult Services.

The Chairman acknowledged the very difficult budget and pointed out that the Panel appreciated the time and effort of staff in mitigating the extremely challenging budget situation for 2024/25. She also highlighted the fact that the majority of budgets within the Panel's remit had a good record in balancing the budget.

The Cabinet Member with Responsibility (CMR) for Corporate Services and Communication pointed out that the Council's particular budget challenge for 2024/25 was purely due to overspends in children's services and home to school transport. He saw services under his remit of responsibility as an area which drove change and therefore cautioned against making any changes which impacted that ability.

The Chairman invited discussion and the following main points were made:

- A Panel member also referred to the areas such as children's services where spend was increasing and sought reassurance that all service areas of the Council were being subject to a 'deep dive' review, and the CMR advised that this was very much the case, although such scrutiny would be for the relevant Overview and Scrutiny Panel.
- The CMR referred to the breakdown of family units causing budget pressures and highlighted the role for councillors in promoting fostering, but also the issue around standards required to be a foster parent, which he believed needed fundamental review.
- The Strategic Director for People referred to a national conference he had attended recently, where the issue was raised that one of the country's top providers of children's services had made profits of approximately £300m – Government Ministers present were in agreement that policies needed to change in respect of provision of this care and transport.
- The Chairman acknowledged the wider budget issues at stake but requested everyone to restrict discussion to the Panel's remit.

- A Panel member questioned the necessity of the £0.2m increase in funding for wellbeing work in face of the budget pressures, and the Assistant Director for Human Resources, Organisational Development and Engagement explained the return on this investment, which included mental health first aiders, health checks and wellbeing events. Wellbeing work had always been a major part of the workforce strategy and was fulfilling many duties of care and was recognised nationally. The results were significant, including a reduction in all three of the main reasons for staff absence, for example a 22% reduction in musculoskeletal type conditions (the biggest cause of staff absence) and a 9% reduction in psychological type absence.
- The cessation of the Council's talent management programme was very concerning, which Officers acknowledged would have an impact, although this would be offset by using the apprenticeship programme.
- The Panel enquired about any monetary impact from the temporary changes to use of County Hall buildings while sections were closed due to the presence of RAAC, such as security personnel to check staff passes. The Officers explained that these were very temporary changes and that survey data would soon be available to enable decisions to be made for the future.
- A Panel member referred to higher interest rates and the staff pay award and asked about the impact on Council budgets of even relatively minor shifts in interest rates. The Deputy Chief Finance Officer explained that this was difficult to estimate due to the long-term nature of many Council investments. The Local Authority had debt outstanding of around £550m with borrowing rates that ranged from broadly 0.5% to just over 3.5%. Currently, every effort was made to borrow at the lowest possible rate, or not to borrow at all but it was only possible to wait so long.
- A Panel member wanted to check that every internal option had been looked at before considering reducing services to residents and the importance of procurement and contract management and the CMR stressed that this continued to be a prime area of focus for him. The Director also pointed out that procurement was one service area which would not be reduced and that the Commercial Board had been re-introduced to scrutinise every single contract due for renewal.
- Regarding energy costs now that the cost of energy was reducing, it was pointed out that savings were not yet being seen and the residential energy cap had only very recently increased, however, the Council's stake in West Mercia Energy, which was a unique model, had produced excellent results.
- The Strategic Director for Commercial and Change pointed out the importance of wellbeing work in retaining and motivating staff, many of whom were experts in their field of work.
- The Panel was reassured around management of any budget reserves, which were reported to Cabinet on a regular basis and any proposal for allocation was subject to a business case. While reserves were necessary, previous practices of reserves being held within directorates had not operated for several years and most were centralised.
- Regarding the Capital Programme, which for this Panel's remit related mainly to IT and property, the Officers reassured the Panel that any new

schemes would be subject to a business case, review by the Business Board and Cabinet; there was strong challenge and currently only schemes funded by grants or external funding were being approved.

- A Panel member referred to Cabinet's recent agreement for Worcestershire Children First (the Council owned company providing Children's Services), to move back in-house, and asked when the contract price would be confirmed, and was advised this would be in the 1 February Cabinet Budget report.
- The Officers advised that the Council's Voluntary Redundancy scheme was on track to deliver the proposed savings target of £1.5m, with around 95 applications approved, giving a projected savings of £3.8m, however this did not include one-off costs and the scheme had not yet concluded. Because of budget pressures, some scheme applicants were leaving that week. In the main, post reductions would be felt by internal staff and Officers would seek to minimise the impact on the public.
- The Panel suggested greater development of the County Hall grounds for a wider range of events, to generate income and the Assistant Director for Communities confirmed this was being looked at, although the field areas were already quite well used and marketed. The Countryside Centre buildings would be licensed to be able to perform weddings, there was the possibility of an outdoor structure, along with a review of fees and the range of services on offer.
- The CMR for Corporate Services and Communication cautioned that profit from events was very difficult, and the Assistant Director pointed out it should help the service remain within budget but acknowledged that returns on investment would not be huge.
- A Panel member asked about possibilities for asset transfer to raise funds. The Strategic Director of Commercial and Change and CMR advised they were always receptive to ideas to sell or utilise Council assets innovatively, however, caution was exercised and there was an asset policy in place as legislation required that best value be demonstrated.
- Regarding income from meeting rooms, for example those in libraries, they were marketed as rentable spaces and a new digital system was about to be introduced which would help with marketing.
- A councillor who was not a Panel member asked about the RAAC issue at County Hall in terms of loss of tenancy income and the current occupancy level, and also referred to a recent question at full Council about the future need for the building. The Officers explained that while some tenancy space had been lost with the entire upper floor out of use, DEFRA remained the main external occupant. In the Wildwood offices, Maximus was the main client, and the company had invested around £1m in the building, while two further wings were being actively marketed. The County Hall situation was challenging, and while relatively inexpensive adaptations had been made to entrances, this was not ideal, nonetheless it remained a prime piece of real estate. It was confirmed that of the £0.845m investment in the draft budget due to the expected reduction in external income, around one half related to tenancy income.

- The CMR understood the necessity of the current arrangements to ensure staff safety, and explained that a lot of effort had been given to mitigating the impact, for example boosting use of the café. The necessary survey work was specialist and in demand but he was hopeful that the data would be available in the next few weeks to inform future decisions – it would be more than an economic decision since for many, County Hall was the County Council, however he was committed to best value for residents.

451 Public Switched Telephone Network (PSTN) Switchover

The Cabinet Member with Responsibility (CMR) for Corporate Services and Communication introduced the report, which explained the planned switch off of traditional Public Switched Telephone Network (PSTN) analogue lines, to use a fully digital system. The switchover was very much an operator-led change, however the report to the Panel provided information including any potential implications for more vulnerable residents.

The Strategic Director of Commercial and Change referred the Panel to the comprehensive report provided. He also pointed out that whereas some councils were reported to have invested large sums of money into preparation for the switchover, this was in fact not required and not the case for Worcestershire County Council.

The Assistant Director for IT and Digital summarised the main points of the report.

The Chairman invited discussion and the following main points were made:

- A Panel member sought the views of Officers about access to emergency services during the digital switchover, which he was very concerned about, and the Assistant Director for IT and Digital acknowledged there would be some people who did not already have a broadband connection or a mobile phone. The report set out the potential impact in terms of equality and cost implications, for example of broadband provision.
- When asked whether any communication with residents was planned, Officers explained that all telephone operators were contacting customers, and the Council would advise anyone receiving care from the Council through social workers, and reach out to those who were digitally excluded.
- In response to a suggestion from the Chairman to add information to council tax bills, the CMR would consult the Council's Communications lead, but was wary of duplicating communication from companies such as BT, who were already informing customers. It was important to make the public aware so that families could support more vulnerable family members, but numbers would be small.
- There was information about the switchover on the Council's website: [The Digital Switchover is coming | Worcestershire County Council](#)
- It was explained that a lot of broadband provision was delivered via copper wires but as a digital connection – there was fibre to the cabinet

and then copper is used to the home to give the internet access that was required. Ultimately the network associated with copper would be switched off but this was a separate thing.

- It was highlighted that for the vast majority of people, the only difference would be to plug their landline cable into their router.
- The Officers acknowledged that there was some fear around the impact of power cuts however this was a national issue for the industry to address.
- The CMR reminded the Panel of the huge success with broadband and superfast provision in Worcestershire.
- Whilst reassured regarding the copper network, a Panel member remained concerned about the potential implications for rural communities, in particular older people, and felt that greater awareness was needed from the industry, for example television adverts. In response, the CMR agreed there was a role for councillors in getting the message out both at district and county level, however stressed that the switchover was the responsibility of the industry operators.
- The Chairman suggested the Panel write to Openreach to express concern that the message about the PSTN switchover was not getting through, however this would be confirmed once she had consulted with Cllr Stokes.
- The CMR pointed out that councillors could share via social media, the Council's webpage, and the Panel agreed that this would be helpful for all councillors to be made aware of, although, although it was important to be clear that the switchover was not a Council responsibility.
- The Officers reminded the Panel that the switchover was a positive change with benefits for the economy.

The Chairman thanked the Officers for the report which had increased understanding.

452 Work Programme

It was noted that a report on online recording of public meetings would be brought to the Panel meeting on 26 March.

The Panel agreed to request an update on the Council's Voluntary Redundancy scheme.

The meeting ended at 12.05 pm

Chairman