Worcestershire County Council

Agenda

Corporate and Communities Overview and Scrutiny Panel

Thursday, 18 January 2024, 10.00 am
County Hall, Worcester

All County Councillors are invited to attend and participate

This document can be provided in alternative formats such as Large Print, an audio recording or Braille; it can also be emailed as a Microsoft Word attachment. Please contact Scrutiny on telephone number 01905 844965 or by emailing scrutiny@worcestershire.gov.uk

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DISCLOSING INTERESTS

There are now 2 types of interests:
'Disclosable pecuniary interests' and 'other disclosable interests'

WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3rd party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

NB Your DPIs include the interests of your spouse/partner as well as you

WHAT MUST I DO WITH A DPI?
- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
  - you must **not participate** and you **must withdraw**.
  NB It is a criminal offence to participate in matters in which you have a DPI

WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?
- No need to register them but
- You must **declare** them at a particular meeting where:
  You/your family/person or body with whom you are associated have
  a **pecuniary interest** in or **close connection** with the matter under discussion.

WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?
You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?
Not normally. You must withdraw only if it:
- affects your **pecuniary interests OR**
  relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

DON'T FORGET
- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
  - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

Head of Legal and Democratic Services July 2012   WCC/SPM summary/f

![worcestershire county council logo]

Corporate and Communities Overview and Scrutiny Panel
Thursday, 18 January 2024, 10.00 am, County Hall, Worcester

Membership
Councillors:
Cllr Emma Stokes (Chairman), Cllr Emma Marshall (Vice Chairman), Cllr Laura Gretton, Cllr Natalie McVey, Cllr James Stanley, Cllr Richard Udall, Cllr Craig Warhurst and Vacancy

Agenda

Item No	Subject	Page No
1	**Apologies and Welcome**	
2	**Declarations of Interest and of any Party Whip**	
3	**Public Participation** *Members of the public wishing to take part should notify the Assistant Director for Legal and Governance in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case Wednesday 17 January 2024). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed in this agenda and on the website.*	
4	**Confirmation of the Minutes of the Previous Meeting** Previously circulated	
5	**Budget Scrutiny 2024/25**	1 - 28
6	**Public Switched Telephone Network (PSTN) Switchover**	29 - 40
7	**Work Programme**	41 - 44

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CORPORATE AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL
18 JANUARY 2024

BUDGET SCRUTINY 2024/25

Summary

1. The Panel will consider the draft Budget for 2024/25 for the for services relating to Corporate Services, Chief Executive Unit, Commercial and Change, and Community Services.

2. The Cabinet Members with Responsibility for Communities and for Corporate Services and Communication, the Strategic Director of Commercial and Change, the Strategic Director for People, the Assistant Director for Communities and the Deputy Chief Finance Officer have been invited to attend the meeting.

Background

3. Members of the Panel are reminded that they have had the benefit of quarterly performance and financial monitoring throughout the year as part of the Scrutiny Panels' role in maintaining oversight of service provision, identifying trends, budget pressures and challenges.

4. In addition, the Leader and Chief Executive attended the Overview and Scrutiny Performance Board (OSPB) on 26 July to discuss the role of Scrutiny in the 2024/25 budget setting process and this Panel was requested by the OSPB to review contract and pay inflation as part of its remit on budget scrutiny (comments attached at Appendix 1).

Budget Scrutiny 2024/25

5. As part of the Budget Scrutiny process for 2024/25, the Strategic Directors of Commercial and Change and for People, have been asked to identify the main messages from the draft 2024/25 Budget for areas within the remit of the Panel. These are set out in Appendix 2.

6. The draft Council Budget 2024/25 was presented to Cabinet on 10 January 2024 and is also available to the Panel at 4 Jan 2024 draft budget report

7. The Panel's discussions on the draft Council Budget 2024/25 will be reported to the OSPB on 29 January 2024, when the Board will formulate its comments to Cabinet for its meeting on 1 February 2024.

Purpose of the meeting

8. Following discussion of the information provided, the Panel is asked to determine any comments on the draft 2024/25 Budget for the Chairman to report back to the OSPB at its meeting on 29 January 2024.

Supporting Information

Appendix 1 – Feedback to the OSPB on contract and pay inflation
Appendix 2 - 2024/25 Draft Budget Proposals

Contact Points for this Report

Emma James / Jo Weston, Overview and Scrutiny Officers, Tel: 01905 844964 / 844965
Email: scrutiny@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) the following
are the background papers relating to the subject matter of this report:

The Council's Budget Books are available on the website here

All agendas and minutes are available on the Council's website here

Feedback to the Overview and Scrutiny Performance Board

from the Corporate and Communities Overview and Scrutiny Panel meetings on 29 September and 23 November 2023

Contract Inflation

The main issue highlighted to the Panel is that while inflation is now decreasing, budget setting for 2022/23 had been based on trajectories of an earlier reducing trend.

The fact that many contracts had already been set meant the Council was not benefitting from the recent decrease in inflation, as they were set for the year. Although inflation is now coming down, prices remain high. Of interest is the West Mercia Energy contract, which has built in a link to market price, which is bringing cost benefits as it is not tied into contract rates.

The Panel asked about contract durations and was advised that good practice pointed to contracts with short-term extensions and there was a whole range of durations. The Council uses the dynamic purchasing method, although not all are open to negotiation, for example for Microsoft options. A Commercial Board meets monthly and reviews mechanisms for how contracts are structured, which is chaired by the Chief Executive or the Strategic Director of Commercial and Change.

It has been explained that in order to support service areas across the Council as a whole, the Commercial Team are endeavouring to commit more resources, time and effort into contract and supplier relationship management, although this is constrained to an extent by recruitment challenges for this skillset, which is a regional issue.

The Panel queried whether the Council has access to providers' books when negotiating contracts, and the view is that very little is hidden, and the Council has the right to request information, although the fact remains that information could be presented which may not necessarily be the full picture.

In terms of the governance and approval process for contracts, the Council's constitution does not include a financial amount to decree when a contract should be highlighted as a key decision to the Cabinet. It would not be appropriate for all contracts to be discussed by Cabinet, and the main deciding factor is whether public discussions would be involved, such as a new school.

When setting contracts, there is a scheme of delegation and financial thresholds – those with a value up to £200,000 can be signed off by Chief Officers, but those with a value from this point up to £500,000 require consultation with the Cabinet Member with Responsibility (CMR). CMR decisions need to be documented and displayed on the website. Anything over £500,000 is for Cabinet to approve unless a pre-existing delegation, from Cabinet, is in place.

It is acknowledged that there is a role for Scrutiny in looking at the performance of individual contracts where appropriate, and that the entire budget and capital programme is discussed by Cabinet and subsequently full Council. Contract information is also communicated to local members.

The main areas of particular budget pressure are packages of care for children, adults and also school transport, where numbers and therefore demand, are not fixed, and these areas are being subject to scrutiny by the appropriate Overview and Scrutiny Panels.

The Panel would like to acknowledge and pay tribute to the efforts and competence of staff in managing budgets, in the face of unprecedented budget pressures.

Pay Inflation

The Panel has expressed concern about the delay in a pay settlement being agreed for 2023, and the impact on staff income with the current increases in costs of living. The Council's Officers remain supportive of national pay bargaining, although it is understood that a handful of local authorities have opted out.

There remain two groups of staff where a pay settlement has yet to be reached between the employer/employee sides. These are education professionals employed in local authority services (Soulbury Officers) and JNC Craft Workers.

It is acknowledged that the ongoing dispute is outside the control of the Council, however the Panel has asked to be kept updated on the ongoing negotiations to reach pay settlements for these staff groups, recognising the employees' side have now requested mediation with a view to reaching an agreement.

2024/25 Draft Budget for Consultation

Corporate and Communities Overview and Scrutiny Panel

18 January 2024

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- Nationally, Local Government is under severe financial pressure due to inflationary and demand pressures in three main areas - Children's Social Care, Home to School Transport and Adults Social Care. These overspends reflect the continuing costs in these sectors which show no sign of abating.

- At the end October, our net overspend was at **£22.2m** on a £401m net budget – this was **after** using one off monies from additional income from business rates (£4.1m), £9m additional use of reserves (on top of £5.5m used to balance the budget approved before the start of this year) that were set aside in the budget to manage. Our structural deficit (*a budget deficit due to our ongoing expenditure greater than our income*) is c£35m.

- Our overspend position is not because of poor control, oversight or policy decisions. It is simply an exceptionally large increase in our costs for demand-led services, set against our constrained ability to raise additional income.

- Worcestershire County Council has had strong record of good financial management, constantly adapting to operate in a more cost-effective way, whilst continuing to deliver frontline services

- We are continuing to make savings and are on course to make around £20 million of savings in the financial year.

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- Budget Report to Cabinet on 10 January 2024 summarises the financial position for the Council and each of the service areas.
- Local Government Settlement announced on 18 December (a one-year settlement), indicated additional government funding of £21m. However, this was a net £1.6m reduction on the expected funding which was built into our MTFP, and this is not keeping pace with demand and pressures we are facing.
  - Core spending power increased to upper tier Authorities to recognise significant demand pressures which included an increase to our Settlement Funding assessment by £9.1m.
  - Further funding of £12.9m to recognise significant pressures within Adults and Children's Social Care.
  - Public Health and Substance Abuse Grants – additional £1.1m (estimated)
  - Reduction in services grant of £2.2m.
- No fundamental reforms to funding system anticipated.
- Government included a statement in settlement around Councils using reserves in this difficult period which is not sustainable in longer term.
- Proposed Council Tax increase of 2.99%, plus a 2% Adult Social Care Levy - Total 4.99%

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Financial Position 2024/25 £M
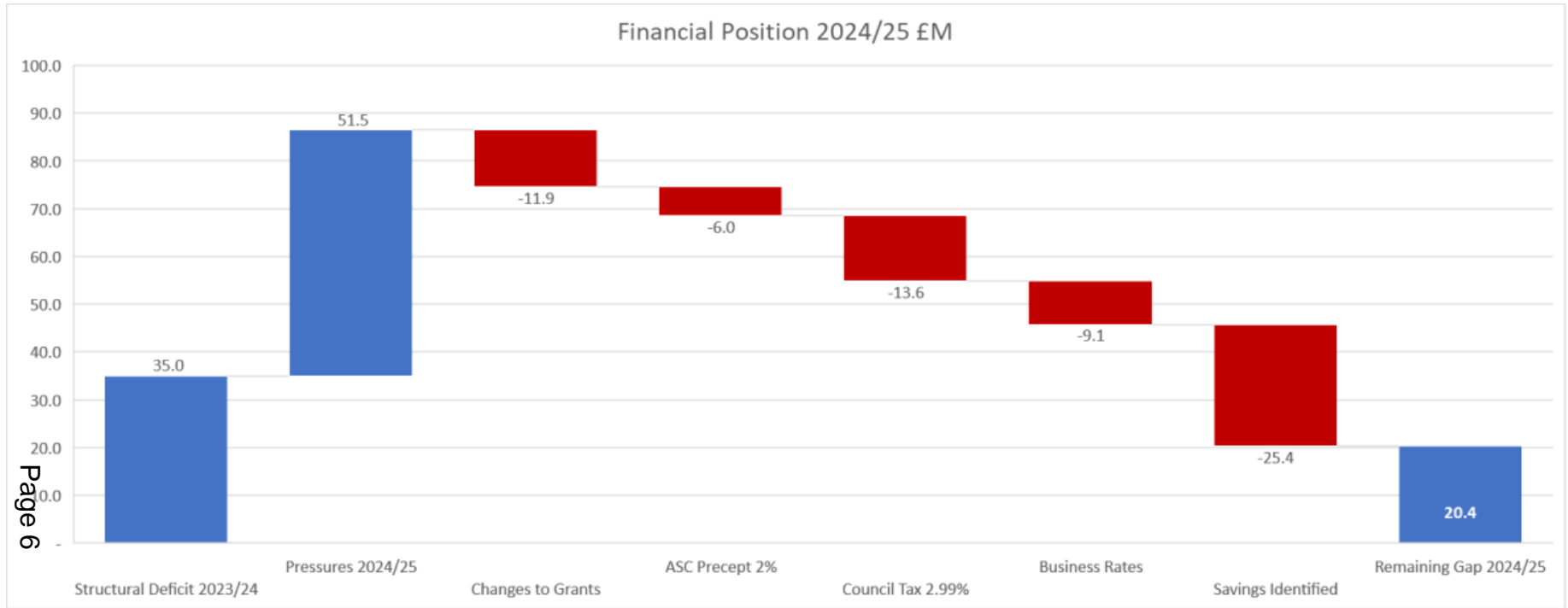
- At this point there is a gap of £20.4m that needs to be addressed
- Cabinet Members continue to work with their respective Strategic Directors to identify options to reduce the current reported gap by either additional savings or agree strategies to reduce the current growth and demand assumptions prior to the final budget report.

- The table below show the indicative pressures including the structural deficit of £35m which has been addressed.
- Demand for services continues to increase, particularly across Adults and Children's Social Care as well as Home to School Transport. Growth figures have been obtained from the services split across inflation, demand, investment and removal one-off funding sources, along with the impact of the structural deficit
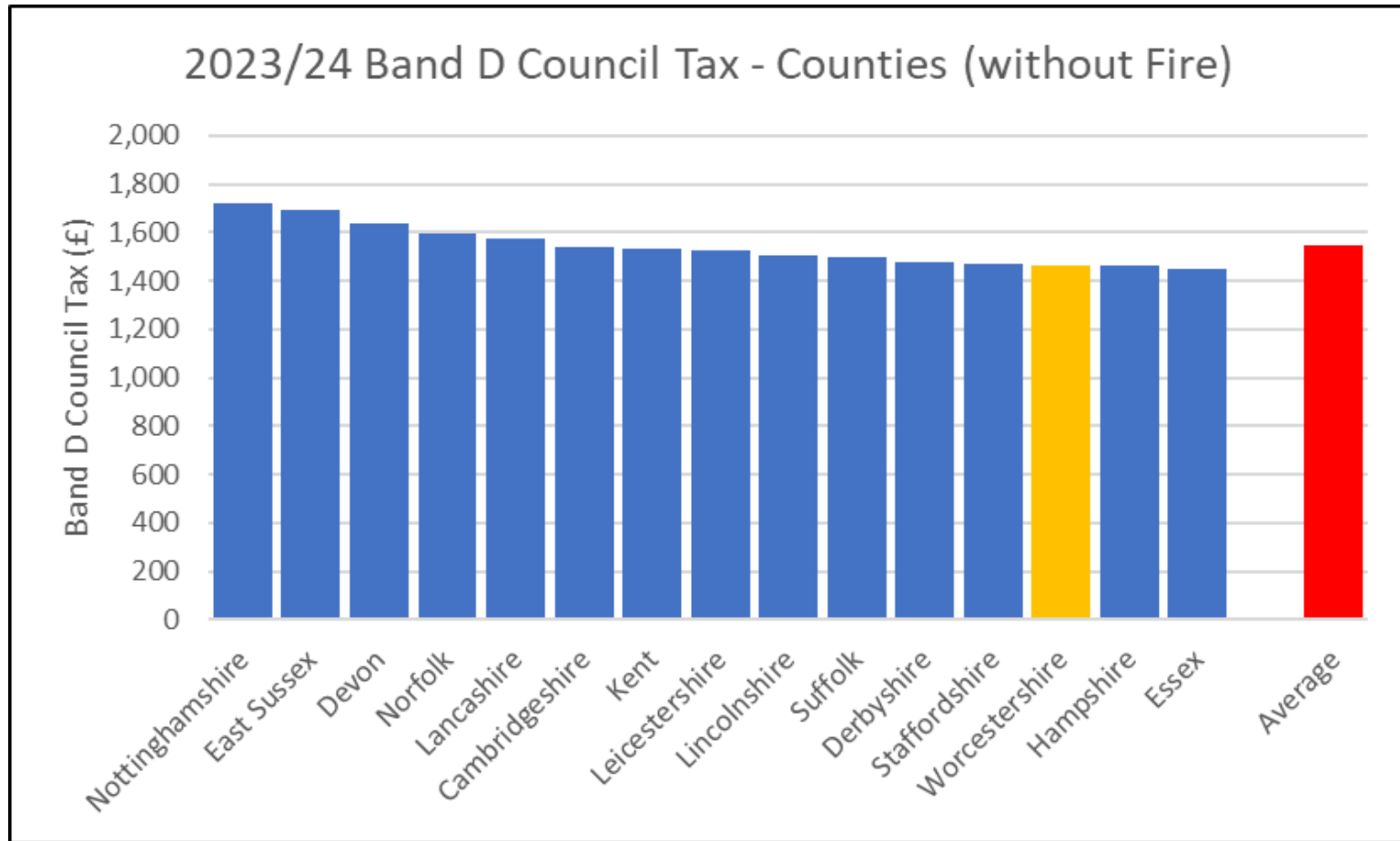
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2024/25 Pressures and Funding (Including Structural Deficit)	Adults (£m)	HTST (£m)	Childrens (£m)	Other (£m)	Total (£m)
Rebase	2.4	0.0	0.3	3.2	6.0
Pay Inflation	1.2	0.0	2.6	4.0	7.8
Contract Inflation	6.2	2.1	4.7	5.5	18.5
Demand	3.5	4.1	2.9	0.6	11.1
Investment	0.0	0.0	0.0	2.9	2.9
Capital	0.0	0.0	0.0	5.2	5.2
Additional Pressures for 2024/25	**13.4**	**6.2**	**10.5**	**21.4**	**51.5**
Structural Deficit	**5.9**	**9.5**	**19.1**	**0.5**	**35.0**
Total Pressures	**19.3**	**15.7**	**29.6**	**21.9**	**86.5**

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2% Adult Social Care Levy for 2024/25 to contribute to existing cost pressures due to Worcestershire's ageing population.

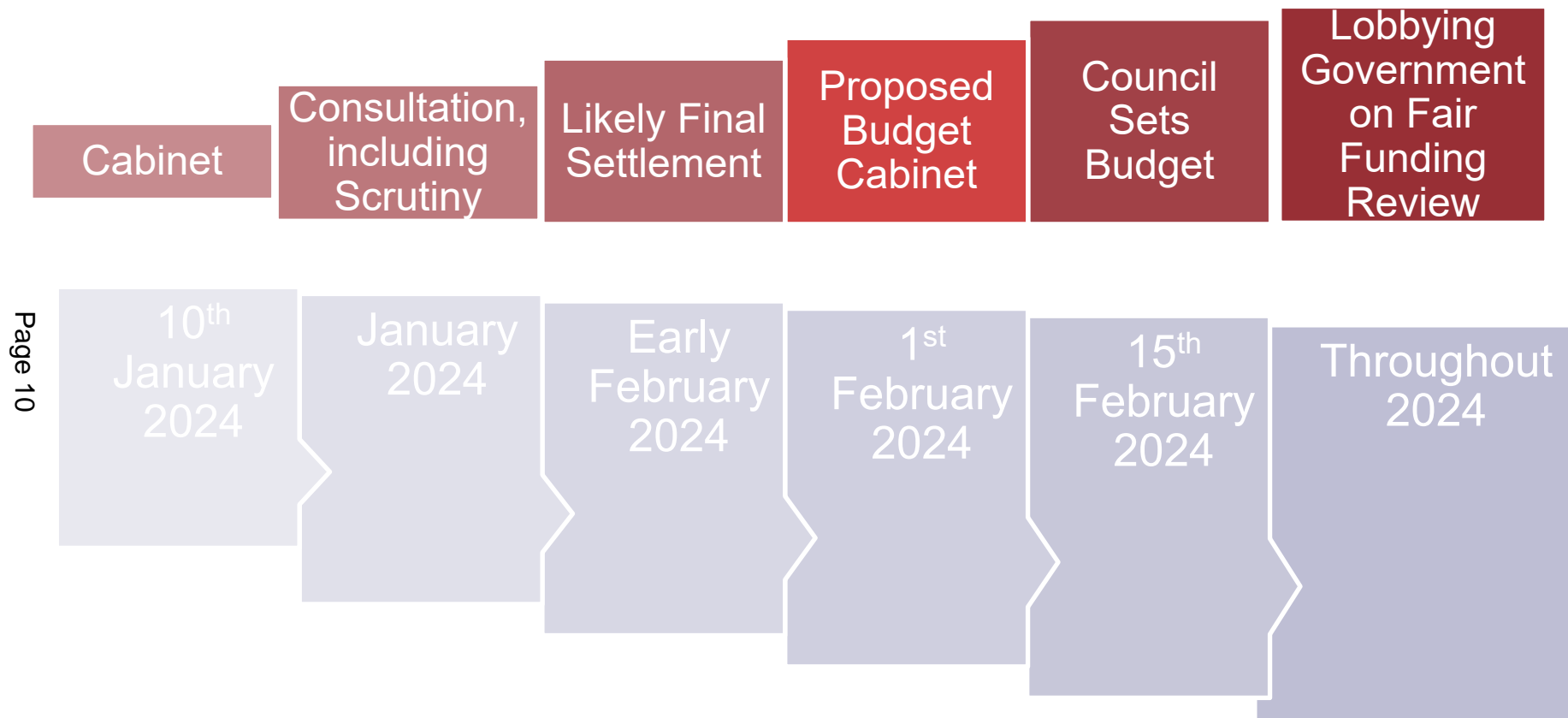**2.99%** - to provide financial support to continue to fund investments in those areas that the public have consistently highlighted as important.

An increase of 4.99% which is an average £1.41 per week for a Band D householder.

Worcestershire is likely to remain in the lower quartile for level of Council Tax for comparable councils.

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2023/24 Band D Council Tax - Counties (without Fire)

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Cabinet

Consultation, including Scrutiny

Likely Final Settlement

Proposed Budget Cabinet

Council Sets Budget

Lobbying Government on Fair Funding Review

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10th January 2024

January 2024

Early February 2024

1st February 2024

15th February 2024

Throughout 2024

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Corporate and Communities Panel

Specific 2024/25 Budget Information

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Commercial and Change (COaCH)

Specific 2024/25 Budget Information

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- £0.150m increase into improving the monitoring and evaluation of Health and Safety within School buildings (paragraph 41)
- £0.845m increase due to the expected reduction in external income receivable including tenancy income relating to occupation of County Hall, capitalisation of staff time and external income (rebase within Appendix 1)
- Transfer of funding from WCF support services (virement) - £0.042m)
- Pay Inflation - £0.863m
- Contract inflation including energy - £1.217m

Total indicative investment and inflation of £3.1m

NB The Council still has a £20.4m gap which needs to be addressed – so these figures may change

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Offset by

- £1.7m from a review of the services and structures within Business Support, Intelligence and Transformation
- £0.4m relating to a review of structures and contract delivery within ICT and Consumer Relations
- £0.2m relating to a review of legal services
- £0.4m relating to a review of Property and Tenancy income
- For detail see Appendix 3

Total reductions = £2.7m

Overall, there is an indicative net investment of £0.4m

NB The Council still has a £20.4m gap which needs to be addressed – so these figures may change

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COACH Draft Revenue Budget – Extract of Appendix 1

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SERVICE	Revised Budget 2023/24 £000	Directorate Virements £000	Pay Inflation £000	Contract Inflation £000	Growth (Investment) £000	Rebase Budgets £000	Savings £000	Net Budget 2024/25 £000
COACH								
COaCH Management	-55	-83	7	16	0	445	0	330
Legal & Democratic Services	3,258	-4	172	105	0	0	-200	3,330
Commercial, Management Information & Consumer Relations	2,555	52	199	0	0	0	-780	2,026
Property Services	5,242	117	122	867	150	400	-450	6,448
Digital, IT and Customer Services	5,331	0	307	229	0	0	-410	5,457
Programme Office	971	-40	56	0	0	0	-886	102
	17,302	42	863	1,217	150	845	-2,726	17,692

NB The Council still has a £20.4m gap which needs to be addressed – so these figures may change

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Chief Executive Unit (CEX)

Specific 2024/25 Budget Information

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- £0.2m increase due to the non-recurrent use of Public Health Grant within HR (rebase within Para 31)

- £0.9m expected reduction in income receivable within Finance (rebase within Para 32)

- Transfer of funding from WCF support services (virement) - £0.075m

- Pay Inflation - £0.656m

- Contract inflation including energy - £0.160m

Total indicative investment and inflation of £2m

NB The Council still has a £20.4m gap which needs to be addressed – so these figures may change

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Offset by

- £0.375m from a review of the services and structures within HR, OD and Engagement
- £0.876m relating to a review of all processes, systems, non-essential spend, vacancies and staffing within Finance.
- £0.150m relating to the cessation of the Talent Management Programme
- For detail see Appendix 3

Total reductions = £1.4m

Overall, there is an indicative net investment of £0.6m

NB The Council still has a £20.4m gap which needs to be addressed – so these figures may change

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SERVICE	Revised Budget 2023/24	Directorate Virements	Pay Inflation	Contract Inflation	Rebase Budgets	Savings	Net Budget 2024/25
	£000	£000	£000	£000	£000	£000	£000
CHIEF EXECUTIVE							
Engagement & Communications	432	-57	53	4	0	0	433
Health and Safety	138	0	16	2	0	0	156
HR, OD & Engagement	2,610	140	238	6	204	-525	2,674
Financial Services	3,932	0	340	147	900	-876	4,443
Chief Executive	271	-9	9	0	0	0	272
	7,384	75	656	160	1,104	-1,401	7,978

NB The Council still has a £20.4m gap which needs to be addressed – so these figures may change

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Corporate and Non-Assigned Items

Specific 2024/25 Budget Information

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- £5.2m increase due the additional costs relating to funding the existing Capital Programme including impact of higher interest rates (Para 34)

- Contract inflation including energy - £0.050m

Total indicative investment and inflation of £5.3m

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NB The Council still has a £20.4m gap which needs to be addressed – so these figures may change

Offset by

- £0.1m increase in New Homes Bonus income
- £0.95m Working Hours Review
- £0.5m Reduction in Hours Scheme
- £1.5m Voluntary Redundancy Scheme
- £0.3m Review of Market Forces and Responsibility Allowances
- £2m Senior Management Review
- For detail see Appendix 3

Total reductions = £5.35m

NB The Council still has a £20.4m gap which needs to be addressed – so these figures may change

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SERVICE	Revised Budget 2023/24	Changes in Grants & Funding	Contract Inflation	Growth (Investment)	Savings	Net Budget 2024/25
	£000	£000	£000	£000	£000	£000
CORPORATE						
Financing Transactions	**18,222**	0	0	1,774	0	19,996
MRP	**17,854**	0	0	3,435	0	21,289
Contributions & Precepts	**267**	0	0	0	0	267
Misc. Whole Org. Services	**770**	0	50	0	0	820
New Homes Bonus Grant Income	**-383**	-100	0	0	0	-483
Total Finance & Corporate	**36,730**	**-100**	**50**	**5,210**	**0**	**41,890**

SERVICE	Revised Budget 2023/24	Changes in Grants & Funding	Contract Inflation	Growth (Investment)	Savings	Net Budget 2024/25
	£000	£000	£000	£000	£000	£000
NON-ASSIGNED						
Cross-Council Initiatives	**-100**	0	0	0	-5,250	**-5,350**
Total Non-assigned	**-100**	**0**	**0**	**0**	**-5,250**	**-5,350**

NB The Council still has a £20.4m gap which needs to be addressed – so these figures may change

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Communities

Specific 2024/25 Budget Information

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- £0.5m due to the Structural Deficit from 2023/24 relating to income generation within libraries, archives and archaeology, communities and partnerships and registration services (paragraph 23)
- £0.037m increase due to the in-year impact of the transfer of the Coroner Service to WCC (paragraph 40)
- £0.157m relating to the continuation of funding for Warndon Libraries to offset the reduction in funding from the City Council(paragraph 40)
- £0.3m rebase due to the removal of ability to use DSG funding for support services within WCF - Council side (paragraph 31)
- Pay Inflation - £0.680m
- Contract inflation including energy - £0.665m

Total indicative investment and inflation of £2.3m

Offset by £0.052m - a proportion of the overall savings within Adults

NB The Council still has a £20.4m gap which needs to be addressed – so these figures may change

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SERVICE	Revised Budget 2023/24 £000	Structural Deficit £000	Pay Inflation £000	Contract Inflation £000	Growth (Investment) £000	Rebase Budgets £000	Savings £000	Net Budget 2024/25 £000
Communities								
Strategic Libraries	3,083	275	224	493	157	0	0	4,232
Museum Services	631	0	30	5	0	0	0	666
Archives & Archaeology	1,345	74	120	33	0	0	0	1,572
Greenspace & Gypsy Services	222	-6	61	0	0	0	0	278
Community Services Leadership Team	173	0	6	0	0	0	0	178
Severn Arts Music	0	0	0	0	0	0	0	0
SENDIASS	38	0	25	0	0	0	0	63
Chs Comm & Partnership	741	130	89	0	0	0	-52	908
Buildings & Pension (Chs)	-5	0	3	13	0	300	0	310
Children's S75	2,100	-30	0	4	0	0	0	2,075
Registration & Coroner	401	60	124	116	37	0	0	738
Public Analyst & Scientific Ad	0	0	0	0	0	0	0	0
Trading Standards	0	0	0	0	0	0	0	0
	8,729	503	680	665	194	300	-52	11,020

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NB The Council still has a £20.4m gap which needs to be addressed – so these figures may change

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CORPORATE AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL
18 JANUARY 2024

PUBLIC SWITCHED TELEPHONE NETWORK (PSTN) SWITCHOVER

Summary

1. The Panel has requested an update on the County Council's (the Council) position in response to the national Public Switched Telephone Network (PSTN) switchover (also referred to as the digital switchover) planned for completion in December 2025.

2. The Cabinet Member with Responsibility (CMR) for Corporate Services and Communication and the Strategic Director of Commercial and Change have been invited to the meeting to respond to any queries the Panel may have.

Background

3. Today, the UK telephony network has a copper and fibre mix of lines and will continue to do so for many years to come. The original copper lines network and the associated telephone exchanges were designed for voice calls. Today, the Internet uses broadband technology to pass data over these lines at speeds that are determined by the makeup of these lines and Fibre is a far better medium for transmitting large amounts of data quickly.

4. The PSTN is the traditional circuit-switched telephone network. PSTN comprises all the switched telephone networks around the world that are operated by local, national or international carriers. These networks provide the infrastructure and services for public telecommunication. The two largest PSTN networks in Worcestershire are the Openreach network and the Virgin Media O2 network.

5. PSTN allows calls to be made over copper telephone lines and fibre telephone lines using analogue signalling and is known as "traditional telephony". Analogue lines are also often referred to as copper wire connections used by most old telephone and broadband services. As broadband services have increased in reliability and quality over the past 10 years, the PSTN has evolved to support this change to an almost completely digital network using digital technology.

6. Openreach Limited is a company wholly owned by BT Group plc, that maintains the telephone cables, ducts, cabinets and exchanges that connect homes and businesses in the United Kingdom to the national broadband and telephone network. Openreach sell lines to Communications Providers (CPs) who then sell their product offering to the end customer (Homes and Businesses). CPs include over 650 companies including SKY, TalkTalk, BT Consumer, Daisy and Gamma.

7. In 2016, it was announced that the telecommunications industry would replace all analogue lines and upgrade to digital internet-based infrastructure by 2025. Traditional PSTN analogue lines will therefore be switched off by both Openreach and Virgin

Media O2 in December 2025, with all telephony-based services moving to digital / fibre solutions as part of this switchover.

PSTN Switchover / Digital Switchover

8. By 2025, analogue telephone services accessed by the PSTN will be switched off as the UK's telecoms infrastructure is upgraded to digital connectivity. The switchover has implications for the telecare and Technology Enabled Care (TEC) sector, and the 1.8 million people who rely on those services in the UK. All traditional devices that connect to the PSTN, such as telephone handsets, ATM machines, traffic light management systems and telecare units, will need reconnecting, with some needing upgrading or replacing, irrespective of what plans that telecare providers have to develop their service.

9. By 2025, analogue telephone services accessed by the PSTN will be switched off as the UK's telecoms infrastructure is upgraded to digital connectivity. The switchover has implications for the telecare and Technology Enabled Care (TEC) sector, and the 1.8 million people who rely on those services in the UK. All traditional devices that connect to the PSTN, such as telephone handsets, ATM machines, traffic light management systems and telecare units, will need reconnecting, with some needing upgrading or replacing, irrespective of what plans that telecare providers have to develop their service.

10. PSTN lines that have not migrated to alterative services in April 2025 will be deemed as Orphaned Assets and Openreach intends to work with CPs to identify and migrate these customers to alternative products by the December 2025 deadline, so they do not lose service. The actions to be taken are yet to be defined and the difficulties identifying the use of the line, and in some cases the end user customer, along with the contractual agreement to move is still to be confirmed but nevertheless, services will be withdrawn and customers will be impacted should they not move in time.

11. These changes are being applied nationally by Openreach and will affect all areas of the country, not just Worcestershire, requiring all businesses and residents to review their current dependency on PSTN technology and where needed upgrade to digital services to avoid any by impact to their current services.

12. Although the majority of the Council's telephony is already provided over digital services, Voice over Internet Protocols (VoIP), the Council still use a variety of PSTN services for managing some telephone lines, alarm lines, payment lines and remote monitoring equipment that will need to be replaced with a new digital services equivalent or withdrawn.

13. Residents and businesses will be affected if they still rely on any of these types of services so also need to be aware of the implications of the change, timescales, impact to them, and how to contact providers to manage their change to digital where needed.

Project to Manage the PSTN Switchover

14. Based on this background of change, the Council has undertaken a project to manage the risks posed by the PSTN switchover across the Council and this is being led by the IT and Digital department with consultation across all service areas.

15. Based on this background of change, the Council has undertaken a project to manage the risks posed by the PSTN switchover across the Council and this is being led by the IT and Digital department with consultation across all service areas.

16. CPs, like BT or Virgin Media O2, have already started to contact customers about the digital switchover and encourage early uptake of switching to digital services where these are already available. CPs will ultimately be responsible for managing the changes to digital for their customers and the Council will be signposting residents and local business to contact their providers for information specific to them, their area, and the digital options they have.

17. The Council has worked with suppliers to identify the type of solutions they will be offering to replace the PSTN line services in use today; these will include switching telephony and broadband services to new full fibre or SoGEA[1] network services or new hardware equipment that utilise data SIM connections instead of a network connection. 2G data SIMs can offer a reliable, cheaper alternative to PSTN for low data transfer requirements such as monitoring equipment and will be available for at least another 10 years.

18. Over the last 6 months, Phase One research work has been undertaken to identify services that rely on PSTN services, assess the level of risk to services, and potential switchover costs. These key service delivery risks fall into 2 areas for response:

    - **Services already known about**: These include existing PSTN lines and services paid through corporate IT & Digital telephony contracts, affecting payment lines, lift lines, alarm lines, legacy telephony, traffic signals etc. These will be migrated to the digital network as soon as possible.

    - **Services known about, but with incomplete information**: including records with missing or ambiguous data recorded against them, or telephony linked services which were historically outside of any corporate management. This included some PSTN services as well as local fax services that are no longer supported. Work has been undertaken to clarify their use, identify missing information, understand if there is an ongoing need for them or not, or prepare for migration to the digital network.

19. Completion of the Phase one research included:
    - Engagement with affected business areas across the Council.
    - Identification of current assets.
    - Identification of potential early savings and costs.
    - Identification of potential technical solutions.
    - Establishing working groups to continue to assess any PSTN dependency risks and manage the replacement process.

Telephony Asset Types

20. Telephony asset types have been identified for which new digital solutions will be provided as soon as possible – as set out in the table below. Some of these may require capital investment to mitigate the risk to service, or consideration of reduced service provision to reduce costs where appropriate.

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[1] Single order Generic Ethernet Access and is the product name that Openreach use when selling this service.

Asset Type	Switch-over Strategy	Risk
Chip and Pin services	Replace the old PSTN payment lines / terminals used across the Council with data SIM machines.	**Implemented**: all payment machines now transferred. The new arrangements are cheaper overall for data SIM machines and line rental.
Landlines, Faxes and old Broadband connections to Council buildings	Transfer phone services to VoIP[2] services and old broadband services to new fibre connections. Broadband services will be replaced by the Council's new Wide Area Network contract provision for network services and/or Openreach changes to infrastructure across the county with increased fibre availability.	This will be mitigated by 2025 as all identified lines will be transferred. The Council already uses VoIP for most of its telephony, and this will be rolled out to remaining sites.
Traffic management data connections	Upgrade old ISDN/broadband copper lines with new fibre connections or use of mobile data SIMs depending on locations and availability.	Implement new fibre connections or data SIM connections. Discussions are underway to identify the most appropriate and cost-effective approach, as solutions may vary based on mobile data coverage.
Alarm monitoring lines (Fire, intruder, BEMs[3], and lift alarms)	These monitoring lines have historically been supplied through separate suppliers, with a mix of PSTN and mobile SIM services already in place. Through the recent procurement of a new facilities management contract, these will now be reprofiled for single service provision through digital services.	This will be achieved by consolidating suppliers under a new Facilities Management contract and switch to digital use single data connections for multiple monitoring services. This should result in minimal uplift to current budget costs due to the combination of contracts and data connections under one management process and supplier.

Telecare Services

21. October 2022 research by the Local Government Association (LGA) found that most councils were confident about their ability to manage the digital shift with minimal impact on their telecare services.

22. Cllr Mark Hawthorne, LGA Digital Connectivity spokesperson, said:

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[2] Voice over Internet Protocol, also called IP telephony, is a method and group of technologies for voice calls for the delivery of voice communication sessions over Internet Protocol networks, such as the Internet

[3] Building and Energy Management System (BEMS)

"Councils have a critical role to play in the digital switchover which is fast approaching and will impact on a whole range of vital services, including in adult social care.

"Our survey shows that unless action is taken now to support councils to help their residents and suppliers with this change, we face the prospect of serious disruption to people's lives, including most urgently those who use personal devices such as alarms and fall detectors to stay safe in their own homes.

"While we want to see every part of the country benefit from the digital rollout, we need to make sure no one is left behind and potentially at risk, whether it be someone living at home on their own in need of support, or people going about their daily lives waiting at the traffic lights or withdrawing cash from an ATM.

"Expanding high-speed digital access is essential to economic growth, but it should not be at the expense of those who are older and more vulnerable, who rely on their devices and other services to maintain their independence, safety and wellbeing."

23. The Council's position with Telecare and the PSTN Switchover is that the provision of Telecare and assistive technology is contracted to a company called Community Housing[4] and as part of that, has been installing digital solutions where available. Currently, approximately 20 users have been identified who need replacement technology and that is being picked up as part of business-as-usual activity. The cost of this is included within the contract and at this time no additional cost to the Council has been identified.

Support to Residents and Businesses

24. In recognition of the need to keep the wider community informed, the Council provides information on its website: The Digital Switchover is coming | Worcestershire County Council.

25. The Council recognises its role in helping the community understand the digital switchover and what that means for them. The Council has several methods of communication it will further look to use.
    - Providing information, guidance and signposting on the Council's website for residents and business focused issues.
    - Identify new opportunities to contact residents directly, new publications and mail out opportunities.
    - Emailing district economic development leads to ensure they're aware and are supporting their businesses.
    - Ensuring Chamber of Commerce is aware.
    - Utilising the Economic Development Team and Worcestershire LEP and Growth Hubs to pass the message on to businesses.
    - Using existing Council staff already supporting vulnerable people within the community to help raise awareness and signpost residents to CPs digital change over plans and ensure that the call to action is responded to.

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[4] Community Housing provide homes and services to support the local community, including care and support, housing management, maintenance and repairs, and shared ownership.

- Leveraging any other groups where messaging can be passed on.

The Forward Plan

26. Over the next two years the Council will continue to work to identify PSTN dependant services and manage the digital switchover for these services.

27. The forward plan has been defined as falling into 2 further phases to help manage the digital switchover aligned to the BT and Open Reach roll out plans.

28. Phase two (December 2023 – April 2025) focussed on implementing and responding to the change:
    - Ceasing of inactive lines and transfer of any continuing services to alternative digital solutions (VoIP, fibre, SoGEA, 2G/4G/5G data SIMS etc.).
    - Further identification of any new technical solutions becoming available through suppliers and service providers.
    - Identification of any new business process to manage new services.
    - Procurement of any required replacement PSTN technology solutions.
    - Deployment of any known required replacement PSTN technology replacement solutions
    - Communications support to the wider public and local businesses to ensure the message of change and call to action is clearly understood by CP customers.

29. Phase three: (April 2023 – December 2025) Mop-up:
    - CPs will be contacting their service users to identify remaining dependant services with a call for action.
    - Openreach 'Orphaned asset' phase will commence – during this stage Openreach will work with providers to move customers who have not yet taken action.
    - Review and sweep of Council services to identify any new known issues, where the Council have been contacted by CPs about lines previously unknown/unidentified.
    - Deployment plan for any lines identified as part of 'Orphaned Asset Phase'.

30. The delivery of this plan will fall under the overall control of the Assistant Director for IT and Digital. Progress on the implementation of the plan will be overseen by the Chief Officers Group (COG).

Financial Implications

31. The following costs are based on the services that have been identified, therefore, costs may vary slightly upon finalisation.

Asset Type	Current Revenue Costs (per annum)	Expected Revenue Cost	Expected Capital Cost	Total Revenue Savings
Chip and Pin	£7,488	£4,680	None	£2,808
Landlines, Faxes and Broadband connections	£5,904	None (included in telephony	None	£5,904

		replacement project)		
Traffic management	£6,480	£2,160	£58,374	£4,320
Broadband lines	£10,440	Not applicable	Not applicable[5]	£10,440
Fire Alarms	£2,800	£4,000	£6,000	(£1,200)
Lift Alarms	Not applicable	Not applicable	£35,750	Not applicable
Intruder Alarms	£10,460	£15,400	£26,400	(£4,940)

*Please note that the above costs are based on the services that have been identified and a like-for-like replacement of assets. If further assets are identified, then this will impact the above figures.

32. Any financial costs the Council may incur to support services switch to digital will be managed within existing budget constraints.

Equality Impact

33. The PSTN switchover, like any major technological transition, may introduce equality risks that could disproportionately affect certain groups or communities. These risks can impact individuals in terms of access, affordability, and the ability to adapt to new technologies.

   a) **Digital Divide**: The transition to digital communication technologies may widen the existing digital divide. Some individuals, particularly those in rural or economically disadvantaged areas, may lack access to high-speed internet or may not be able to afford the necessary equipment for the switchover, leaving them at a disadvantage.
   b) **Access to Emergency Services**: Vulnerable populations, such as the elderly or those with disabilities, may face challenges accessing emergency services during the switchover. New communication technologies might not provide the same level of accessibility or ease of use for these groups.
   c) **Affordability Concerns**: The cost of transitioning to new communication technologies, such as acquiring compatible devices and paying for high-speed internet access, could pose affordability challenges for certain socio-economic groups. This may limit their ability to participate fully in the digital communication landscape.
   d) **Education and Awareness Gaps**: Individuals with lower levels of digital literacy or awareness may struggle to adapt to the new technologies. Educational outreach programs may be needed to ensure that everyone has the knowledge and skills required for effective use of the new communication systems.
   e) **Privacy and Security Concerns**: Vulnerable populations may be more susceptible to privacy and security risks associated with digital communication technologies. This includes the potential for fraud, identity theft, or other forms of exploitation.
   f) **Age Disparities**: Older individuals may experience difficulties adapting to new technologies, leading to a generation gap in communication. This can impact their social connectivity, access to services, and overall quality of life.

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[5] These costs are now mitigated against the WAN Replacement project/new contract.

g) **Rural concerns:** Rural areas may have poorer broadband connectivity and still be reliant on fibre and copper solutions e.g. Fibre to the Cabinet, which will continue to have some resilience issues. Power cuts can also be a cause for concern, with power cuts being more frequent and taking longer to be repaired in rural areas. This can be compounded when 'mobile phone services' are often poorer in rural areas too, leaving less options when there is a power cut.

34. To address these equality risks, the Council will work to identify and mitigate potential disparities during the PSTN switchover, providing targeted support to vulnerable populations, and ensuring that no group is left behind.

Risks

35. While there are potential benefits to the PSTN Switchover, such as increased efficiency and enhanced features, there are also several risks and challenges associated with the PSTN switchover. Some of these risks include:

    a) **Service Disruptions**: During the switchover process, there is a risk of service disruptions, which can impact communication for individuals, businesses, and emergency services.
    b) **Interoperability Issues**: The new digital and internet-based technologies may not be fully compatible with existing systems and devices. This can lead to interoperability issues, making it challenging for different communication systems to work seamlessly together.
    c) **Equity and Access Issues**: Not everyone may have access to or be familiar with the new communication technologies. This can lead to disparities in access and communication capabilities, particularly in rural or underserved areas.
    d) **Cost Considerations**: While the long-term benefits of the switchover may include cost savings, there are often significant upfront costs associated with infrastructure upgrades and the deployment of new technologies. Managing these costs effectively is crucial for the success of the transition.
    e) **Public Awareness and Education**: Lack of awareness and understanding among the public about the switchover can lead to confusion and resistance. Effective communication and education campaigns are essential to inform users about the changes and how to adapt to the new communication landscape.
    f) **Vendor Reliability**: Dependence on specific vendors for equipment and services can pose a risk. If a key vendor experiences issues, it could impact the overall functionality and reliability of the communication network.

Legal Implications

36. PSTN is a technological change of utility service provision that affects Council services and functions using these services, rather than something the Council is choosing to do itself. The continuity and provision of Council services and functions could; however, be affected by any change that impacts the delivery of these services.

37. The report indicates that there is a plan to address the potential effects on Council functions and services. It also notes that the potential effects on Adult Social Care service users and actions to manage this have been identified. An initial impact assessment/screening has identified equality risks associated with the switchover, and further work will continue to assess the impact and any measures that may be taken to mitigate the risks to those with protected characteristics.

Human Resource Implications

38. No HR implications have been identified.

Purpose of the Meeting

39. The Panel is asked to consider the information provided and:
- determine any comments to make to the Cabinet Member with Responsibility for Corporate Services and Communication.
- agree whether any further Scrutiny is required at this stage.

Supporting Information

Appendix 1: Glossary of Terms

Contact Points

Andrew Spice, Strategic Director of Commercial and Change
Telephone: 01905 846678
Email: aspice@worcestershire.gov.uk

Sandra Taylor, Assistant Director for IT and Digital
Telephone: 01905 845447
Email: staylor12@worcestershire.gov.uk

Emma James / Jo Weston, Overview and Scrutiny Officers
Telephone: 01905 844964
Email: scrutiny@worcestershire.gov.uk

Background Papers

Communication Provider (CP) support and information:
- Digital phones for home and business | Openreach
- We're switching from analogue to digital landlines - BT Plc
- The big analogue switch-off is underway | Virgin Media Business
- BT Openreach PSTN and ISDN 2025 Switch Off - ADWConnect
- What you need to know about Internet Calls | Sky Help | Sky.com
- Digital Voice | What is Digital Voice | TalkTalk
- The great digital switchover — Everything you need to know about the analogue switch-off (communityfibre.co.uk)

Central / Local Government support and information:
- Digital switchover hub | Local Government Association
- The closure of the public switched telephone network - Crown Commercial Service
- Telecare stakeholder action plan: preparations for the analogue to digital switchover - GOV.UK (www.gov.uk)
- Moving landline phones to digital technology: what you need to know - Ofcom
- The Digital Switchover is coming | Worcestershire County Council

Digital switchover partner toolkit:

- The LGA has created a toolkit for councils to use to raise awareness internally and with stakeholders, including residents, of the digital switchover, including resources such as a list of Digital Switchover FAQs and an A4 leaflet explaining what residents need to be aware of.
- Local government and wider stakeholders have a critical role to play in the digital switchover to support residents and businesses to prevent impact on their day-to-day life and business. The toolkit contains assets aimed at residents to raise awareness of the upcoming switchover and can be accessed and downloaded from the LGA's website.

All agendas and minutes are available on the Council's website here.

Appendix 1: Glossary of Terms

Term	Explanation
Communications provider	Openreach sell lines to Communications Providers (CPs) who then sell their product offering to the end customer (Homes and Businesses). CPs include over 650 companies including SKY, TalkTalk, BT Consumer, Daisy and Gamma.
Digital switchover	By 2025, analogue telephone services accessed by the Public Switched Telephone Network (PSTN) will be switched off as the UK's telecoms infrastructure is upgraded to digital connectivity. The switchover has implications for the telecare and TEC sector, and the 1.8 million people who rely on those services in the UK. All traditional devices that connect to the PSTN, such as telephone handsets, ATM machines, traffic light management systems and telecare units, will need reconnecting, with some needing upgrading or replacing irrespective of what plans that telecare providers have to develop their service.
FTTC and FTTP	Traditionally premises have received their services over a copper line that runs from the local telephone exchange into green cabinets in the street and then on to a local distribution point like a telegraph pole. The copper line then enters the premises. FTTC or Fibre To The Cabinet, is a service that is already available to 95 per cent of the UK. It utilises the traditional copper telephone line from the premises to the green street cabinet. However, at the cabinet, the broadband/Internet part of the customer's service is transferred onto fibre and allows greater speeds, whist the customer's voice calls continue to the exchange over the existing copper line. FTTP or Fibre To The Premises, connects the customer's premises by fibre cable all the way to the Openreach exchange, without going through the green street cabinets and provides fast broadband and VOIP. This service is being rolled out by Openreach in a programme costing billions of pounds and will continue for years to come, until it is available in the whole of the UK.
PSTN	PSTN is a privately-owned copper wired based telecoms network and the decision to upgrade it has been taken by the telecommunications industry. Fixed-line operators - such as Openreach, BT and Virgin MediaO2 - will replace analogue telephone services with Voice over Internet Protocol (VoIP) technology, which carries voice calls as data using internet technology. The upgrade will be delivered by the telecoms industry in a phased approach over the next couple of years, with the UK network expected to be fully upgraded to VoIP services in 2025. The switchover will happen on a telephone exchange by exchange basis and not on a regional basis seen in relation to the switchover of analogue television.
SOGEA	SOGEA stands for Single order Generic Ethernet Access and is the product name that Openreach use when selling this service to CPs. It is similar to FTTC but, when a customer moves to this service, they agree use the Internet for their voice calls (VoIP). The service uses the copper line from the customer's premises to the green street cabinet and then fibre cable to the telephone exchange. Unlike with FTTC, the copper line from the green street cabinet to the telephone exchange is no longer used with SOGEA. This means that to make voice calls you

	will need to connect to your router in the premises either through WIFI or through a voice port in the back of the router - if one is supplied by the CP. These calls will be VoIP.
SOGFAST	SoGFAST is similar to SOGEA, but offers faster broadband speeds, as it has additional equipment at the green street cabinet which boosts the speed.
Stop sell	To constrain the use of the older analogue services and the number of lines that will need migrating, Openreach have set "stop sell" dates, which are dates after which CPs will no longer be able to obtain new supply for their customers of these analogue services. There is a national "stop sell" date of September 2023, but some exchanges will hit their "stop sell" dates earlier, as Openreach's roll out of FTTP into exchange areas reaches 75 per cent of premises. There is a list of these exchanges on the Openreach website. Stop Sell refers not only to new provision of analogue services, but also any of the following scenarios: Working Line Take overs; Start of a stopped line; Addition of lines and channels to existing installations; Migrations; CP Transfers; Bandwidth Modify and Addition of Broadband to copper voice lines.
Ultrafast Broadband	Ultrafast broadband is a brand name used by some communicators providers to highlight the potential of their product offering for very fast broadband speeds.
VOIP	Voice Over Internet Protocol (VOIP) is a service whereby voice calls are made over the Internet.
Vulnerable	OFCOM have not set rigid rules for this definition, they are leaving this to Communication Providers. More information can be found at Guidance: Protecting access to emergency organisations when there is a power cut at the customer's premises.
WLR analogue (Wholesale Line Rental	All services known as part of the WLR analogue (Wholesale Line Rental) family will be terminated. These include standard lines, ISDN 2, ISDN 30, LLU, SMPF, SLU and SMPF. Communication Providers will be able to tell customers which of these services they currently use.

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CORPORATE AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL 18 JANUARY 2024

WORK PROGRAMME

Summary

1. From time to time the Corporate and Communities Overview and Scrutiny Panel will review its work programme and consider which issues should be investigated as a priority.

Background

2. Worcestershire County Council has a rolling annual Work Programme for Overview and Scrutiny. The 2023/24 Work Programme has been developed by taking into account issues still to be completed from 2023/23, the views of Overview and Scrutiny Members and other stakeholders and the findings of the budget scrutiny process.

3. Suggested issues have been prioritised using scrutiny feasibility criteria in order to ensure that topics are selected subjectively and the 'added value' of a review is considered right from the beginning.

4. The Corporate and Communities Overview and Scrutiny Panel is responsible for scrutiny of:

   - Commissioning, contracts and commerce and ensuring the corporate commissioning cycle works well
   - Transformation
   - Finance
   - Localism and Communities
   - Organisation and employees

5. The scrutiny work programme was discussed by the Overview and Scrutiny Performance Board (OSPB) on 28 April and was agreed by Council on 18 May 2023.

Dates of Future Meetings

- 26 March 2024
- 3 June 2024
- 23 July 2024
- 1 October 2024
- 25 November 2024

Purpose of the Meeting

6. The Panel is asked to consider the 2023/24 Work Programme and agree whether it would like to make any amendments. The Panel will wish to retain the flexibility to take into account any urgent issues which may arise.

Supporting Information

Appendix 1 – Corporate and Communities Overview and Scrutiny Panel Work Programme 2023/24

Contact Points

Emma James / Jo Weston, Overview and Scrutiny Officers, Tel: 01905 844964/ 844965
Email: scrutiny@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance) the following are the background papers relating to the subject matter of this report:

Agenda and Minutes for Overview and Scrutiny Performance Board on 28 April 2023

Agenda for Council on 18 May 2023

All Agendas and Minutes are available on the Council's website weblink to Agendas and Minutes

SCRUTINY WORK PROGRAMME 2023/24

Corporate and Communities Overview and Scrutiny Panel

Date of Meeting	Issue for Scrutiny	Date of Last Report	Notes/Follow-up Action
18 January 2024	Scrutiny of 2024/25 Budget		
	Update on the Council's Preparedness for the PSTN/ISDN Switch over		Requested by Chairman November 2023
26 March 2024	Performance (Q3 October to December) and In-Year Budget Monitoring	23 November 2023	
	Worcestershire County Museum Review of Lease		Suggested at OSPB July 2023
	Council Roadshows	28 March 2023	Agenda planning January 2023

Possible Future Items			
	Income Generation including results of scoping exercise undertaken for the provision of weddings on countryside sites		Suggested at 28 March Meeting
2024 - TBC	Councillors Divisional Funding Scheme	20 July 2021	A regular report to Scrutiny on the operation of the WCDF is required under the Scheme
	Review of Museums, Arts and Culture Strategy 2023/24	1 November 2022	
	Update on Rewards System for Staff: Employer of Choice		Agenda Planning August 2023
TBC	Farming and Rural Estates		Suggested at 8 June 2023 meeting

TBC	TV and Film Policy Briefing		Raised at 18 May 2023 agenda planning meeting
TBC	Update on role of Here2Help (including the Executive Summary of the Business Plan).	19 January 2023, 24 September 2021	Suggested at 19 January 2023 meeting
TBC	Worcestershire One Public Estate		Suggested at 14 February 2022 meeting
TBC	Electric Vehicle charging points on the County Council Estate		Suggested at 14 February 2022 meeting
TBC	Council Communication	28 March 2023 (roadshows)	
TBC	West Mercia Energy Joint Committee Business Plan	17 January 2022	
November 2024 - TBC	Update on Implementation of Libraries Unlocked	23 November 2023	
Standing Items			
November/January	Budget Scrutiny		Annually
	Annual update on the Council's energy purchasing arrangement via the West Mercia Energy Joint Committee including the Business Plan	17 January 2022	Agreed at October 2021 Overview and Scrutiny Performance Board
TBC	Councillors Divisional Funding Scheme	20 July 2021	A regular report to Scrutiny on the operation of the WCDF is required under the Scheme
TBC	Performance monitoring of comments, compliments and complaints	29 September 2023 25 July 2023 28 March 2023 1 November 2022	