

Report from Overview and Scrutiny Performance Board to Cabinet 3 February 2022

Budget Scrutiny 2022/23 – Scrutiny comments (discussed at the January 2022 Scrutiny Meetings).

The Overview and Scrutiny Performance Board considered the comments from each of the Scrutiny Panels (except Health Overview and Scrutiny) relating to the draft budget approved for consultation by Cabinet on 6 January 2022.

The comments came from a rigorous scrutiny process, in particular of the revenue budget, and the Board is grateful to the officers and witnesses who enabled this scrutiny to take place in a tight timescale.

Adult Care and Well Being Overview and Scrutiny Panel (14 January 2022)

The Panel heard that there were £17.1m pressures, which would be funded by the 3% Adult Social Care Council Tax Precept of £8.1m, the increase in the social care grant of £3.5m, the increase in the Improved Better Care Fund income of £0.5m and the Market Sustainability and Fair Cost of Care Fund of £1.6m. The funding to be bridged was £3.4m and the potential for joint funding with health was being explored.

The Panel appreciated the clarity of the budget presentation which picked out the salient points of the budget report to Cabinet.

During the discussion, the following main points were noted:

- In response to a query about the Council's rationale for the apportionment of the Adult Social Care Levy which, when Government had announced it, had said could be spread across 2021-23, capped at 3%, the Cabinet Member with Responsibility (CMR) for Adult Social Care explained that as a 2% increase in 2021/22 had not in fact been needed but in view of projected increased pressure on budgets further down the line, it was felt that the approach to opt for 1% in 2021/22 and a further 2% levy be applied for 2022/23, was the sensible approach. The Chief Financial Officer advised that nationally, there had been a 50/50 split between some Council's taking the same approach as Worcestershire or taking 3% at the start of the period.
- The Panel discussed with the CMR and Council's officers, the fact that a significant proportion of the Government's settlement for adult social care is in the form of grants. It is understood that many grants have been renewed/rolled over for several years because of the delays in the Government's plans to reform adult social care funding, which is an unsettling situation when planning services. The Adult Social Care Reform White Paper was recently published for Consultation; however the ensuing transition will be a key risk to local authorities.
- The adequacy of the budget and whether there would be any savings incurred from increasing the use of IT and assistive technology when planning for individual care needs was discussed. Officers confirmed that, in order to retain an individual's independence, the Council would always consider low level technology early on in the process. Officers also worked with health and district partners closely throughout the planning process. The CMR hoped that the increased use of technology would result in cost saving but thought that

there were limitations. The increased role and cost benefit of assistive technology to support people's independence and to complement the role of staff was added to the Panel's work programme.

- It is observed that any impact from the Integrated Care System development on budgets is not anticipated during the first year.
- The CMR outlined that following the recent publication of the Adult Social Care Reform White Paper (which is broadly in step with the Council's approach) the Council would be looking to update its 2018 Strategy and link with the new Corporate Plan.

Children and Families Overview and Scrutiny Panel (11 January 2022)

The Panel was advised that the full-year Worcestershire Children First (WCF) Budget was £134.9m gross, of this £109.143m related to the Council's base budget contribution to the total running costs of WCF, £23.319m related to other funding and £2.459m related to non-County Council sales, fees and charges.

Over half of the WCF Budget was the 'demand led' placements and home to school transport budgets. There was a risk that the placements budget for 2022/23 could exceed the budget by £2-3m and that this was being mitigated by a £1.9m risk reserve. Close monitoring of the situation would be maintained during the year and prompt action would be taken if required.

During the discussion, the following main points were discussed:

- For 2022/23 WCF would in part be funded by further use of Social Care Grant as well as a new one-off Services Grant.
- The Panel was informed of an additional allocation of £7.1m to the High Needs Block in 2022/23 which is Worcestershire's share of the national £780m announced in October 2021 and a further £325m announced in the settlement to support High Needs placement and top up pressures being experienced by all local authorities.
- The above would support some of the ongoing significant cost pressures in the High Needs Dedicated Schools Grant (DSG), however, it was highlighted that it would not eliminate the deficit of around £16m which would need to be carried forward into 2022/23. The Panel was advised of the key risk associated with the expectations of the Government when the statutory instrument comes to an end, that being the position for the 2023/24 financial year. The Council is continuing to actively lobby on this matter.
- It was highlighted that £1.3m had been included in the WCF 2022/23 budget for pay inflation. The 2021/22 pay award had not yet been settled, but the Panel was advised that 3% (*an estimated 1.75% for 2021/22 and 1.25% for 2022/23*) was deemed to be a realistic increase in budget, in line with the approach of other local authorities. The Panel wished to be kept informed of the negotiations.

Corporate and Communities Overview and Scrutiny Panel (17 January 2022)

A summary of the 2022/23 draft budget was presented to the Panel, which highlighted that the proposals included pressures of £44.2m. Of particular interest was £6.2m of pay inflation, £4m of contract inflation and £28.2m of net service demand. Within the remit of the Panel, £0.4m was specifically due to service demand within the Directorate

of Commercial and Change and Chief Executive's Unit. To achieve a balanced budget, the £44.2m pressures were to be funded mainly through Council Tax and Adult Social Care Levy, Settlement Grant and Directorate and Corporate efficiencies.

During the discussion on pressures and efficiencies related to the remit of the Panel, the following points were noted:

Corporate Areas

- Investment of £200k in Information Communication Technology (ICT) was required to support key systems affecting Adult and Children's services and £100k investment for Human Resources (HR) support of the Social Work Academy
- Senior Leaders were challenging Officers on non-essential spend and promoting good housekeeping
- It was anticipated that demand and inflation be mitigated by service efficiencies, including contract savings. One example was given whereby discussions with the NHS were taking place in relation to discharge into social care
- £5.1m of corporate savings related to the continuation of the Organisational Design target set in 2020/21, including the way in which the Council worked were also included
- The Panel was concerned about the Council's proposal for £6.2m for pay inflation given that a resolution on the national pay award had not yet been reached. Alongside this, recruitment continued to be a concern, especially in specialist roles such as Finance, HR and ICT. It was reported that London authorities had advertised roles based on remote working, yet included salary based on London weighting. The Panel was supportive of the Cabinet Member lobbying Govt about this concern
- The Panel was aware that the Cabinet Member encouraged succession planning across the organisation, including the expansion of Apprenticeship schemes
- When asked whether the Council was proactive in bid writing and seeking grants, it was reported that there was a good record of activity, however the Strategic Director acknowledged that more could always be done
- There was general concern about the Government funding review, at this stage parts of the allocation are based upon data going as far back as 2001, and thus any review of this will bring both opportunities but also associated risks. Likewise, there was concern about the White Paper on Adult Social Care, which proposed that residents who were self-funders would be able to access Local Authority negotiated rates, likely resulting in market rates for care levelling out.

Communities (budget within the People Directorate, remit of the Panel)

- Proposals included a £2m investment into the Here2Help scheme
- Additional £1m demand relating to pay inflation and general inflation
- The savings of £0.9m are as a result of income generation and the continuation of the library strategy e.g. 'open libraries' and partner agencies utilising buildings. Also library use was changing and evolving following the COVID-19 pandemic.

When asked about the resilience of the draft Budget the Chief Financial Officer was clear that he had a duty to present a robust and deliverable draft Budget and was confident that there should be no surprises due to the rigour of monitoring throughout the year.

The Cabinet Member supported the draft Budget and the Panel agreed with the proposals put forward.

Economy and Environment Overview & Scrutiny Panel (20 January 2022)

In summary, the Panel was advised that the proposed 2022/23 budget for Economy and Infrastructure included investment of £2.7m and an allocation of £2.635m to cover inflation (pay and contract) and waste management growth, making a total for investment and inflation of £5.335m. This was offset by use of waste reserves of £1.545m, and savings and efficiencies of £0.853m to give a net investment of £2.937m.

The proposed net 2022/23 budget for Economy and Infrastructure is £56,843,000. The additional revenue is to help fund the following improvements:

- More highway liaison officers to help progress member concerns
- Extra highway response teams to tackle local issues
- An uplift in the budget for the Parish Lengthsman
- Enhanced public transport budget
- Highway & Transport contact centre open 7am-7pm weekdays
- Increased resources for economic development & sustainability

In addition, there was £65.5m new and additional capital investment for 2022/23 and 2023/24. This includes the following additional capital programme allocations per year for the next 2 years:

- £6 million extra for resurfacing roads (on top of the existing £6m capital/year)
- £4 million more for improving the condition of pavements
- £3 million to accelerate the roll out of LED streetlights
- £1 million for highway drainage & flood mitigation
- £1.25 million for the Local Members Highways Fund
- £500k for small scale cutting congestion projects and new pedestrian crossings
- £2m for Rail station upgrades \ parking

The Panel felt this was a great budget and welcomed the investments across the board in the areas that mattered to residents and areas about which the Panel had previously expressed concern, including small flood alleviation schemes, footways and Public Rights of Way. During the discussion, the following points were noted:

- It was important to ensure better communications with Members and local residents about projects. The One.Network interactive map was a useful tool to show where there are roadworks, but a more in-depth system was needed to keep Members informed about upcoming projects in their local area; for example, which roads, and which pavements were planned to be resurfaced.

The Panel requested an update on Highway's communications at a future meeting.

- The Panel welcomed the acceleration of the ongoing investment in the rollout of LED street lighting which will reduce the Council's carbon footprint. They were also particularly pleased to hear that a Worcestershire company was being used to supply the LED lamps. Members requested an update on Street Lighting at the Panel's March meeting.
- The Panel was pleased to hear that the extension of the Waste Contract would be signed before the end of the current financial year and savings would be achieved. They asked for an update on this at a future Panel meeting.
- The increase in funding for the Public Rights of Way Team was welcomed. However the panel did stress that recruitment of more Countryside Access volunteers must be made a priority to make the most use of additional funding. The volunteers help install new gates, footbridges, stiles, footpath signs and general upkeep of paths.

Overall, the Panel welcomed the budget proposals. The Chairman wished to thank the Cabinet Members and the Officers for their help and assistance.