

Budget Scrutiny 2023/24 – Scrutiny comments (discussed at the January 2023 Scrutiny Meetings).

Adult Care and Well Being Overview and Scrutiny Panel (23 January 2023)

The Adult Care and Well Being Overview and Scrutiny Panel received the draft Council Budget for 2023/24 and budget information specific to Adult Social Care. As part of the discussion, the following comments were made:

- The service demand for Adult Social Care for 2023/24 was budgeted at £18.5m, with a £16.4m net investment into Adult Social Care including Provider Services, funded by the 2% Adult Social Care Levy, other funding streams and savings identified relevant to Adult Social Care.
- Members welcomed the 2% Adult Social Care Levy for 2023/24 and were pleased to hear that the Cabinet Member and Officers took every opportunity to lobby Government for fair funding.
- The Panel was keen to know how Worcestershire spend in Adult Social Care compared to that of other local authorities. It was agreed to provide benchmarking information to Members.
- The Council's assumption for inflation was 5%, however, there were some contracts, mainly in highways and transport, where inflation was much higher. In Adult Social Care, inflation was difficult to forecast as a number of contracts had zero uplift and would require renegotiation and also the retail price index (RPI) changed monthly.
- In terms of how the Council mitigated if inflation rates remained high, the Panel was advised that there was a balance to be achieved and that most contracts had inflation built in. However, spot contracts (care purchased at the time of need) were negotiated at the time of need. There was currently around a 20% vacancy rate in Care Homes. Costs for spot purchase beds would vary depending on supply at the time and client need, however, block purchased beds would likely be more economical if fully occupied, however, when not used, would still be charged for. Members were reminded that the Council had statutory duties to meet. In addition, patient choice was a huge and important factor for anyone requiring a Care Home placement, either on a short or long term basis.
- The Council had set a savings target of 6.5% across the organisation for vacancy management, enabling savings to be achieved between an employee leaving and their successor starting. It was acknowledged that this target will not be achievable for some areas of the Council and reserves of £5m had been earmarked to mitigate for this.
- In addition, the People Directorate had a savings target of £661,000 for the delay in recruitment to vacant posts. The Strategic Director assured the Panel that recruitment was a priority and that posts were not left unfilled to make savings. Overall, there had been an underspend by the Directorate in this area this year and it was therefore prudent to account for this.
- Recruitment was of ongoing concern in health and social care. The Council could advertise posts with salaries which could include Market Forces supplements, however, the pool of applicants was in short supply across the sector and neighbouring authorities were equally able to increase a pay offer, if that was a prominent factor for a job seeker. The Council was looking at

innovative ideas to attract people to work in Worcestershire which included the overall job package not just pay.

- The Panel agreed that care work as a career could make a huge difference to people's lives and the Council and its Members could do more to share some of the positives. A video had recently been produced to promote working in Social Care in Worcestershire which would be shared with Panel Members to enable further promotion in their communities.
- Members asked how the Council and its Members could help in slowing down the demand for adult social care. In response, one suggestion was that Members could promote and support the local community provision, such as Dementia Cafes and Clubs aimed at combatting loneliness. The Panel agreed that Members had a duty to advertise local provision to residents and where possible it was suggested that Councillors could use their Divisional Fund to support and develop community assets.
- Clarity was given that the newly announced Government Discharge Fund, allocated to support people being discharged from hospital into social care, was not a Grant, rather monies which Integrated Care Boards could claim and in the case of Herefordshire and Worcestershire, was capped at £2.6m from a national fund of £200m.

Health Overview and Scrutiny Committee (HOSC) (13 January 2023)

The HOSC considered an update on the Public Health Ring-fenced Grant and identified the following points to be highlighted to the OSPB and to Cabinet. HOSC's comments are made in the knowledge that use of the Public Health Ring-Fenced Grant (PHRFG) is ring-fenced for use on public health functions, and that at the time of the discussion, allocation for 2023/24 had not yet been confirmed.

- It is positive that historically the PHRFG allocation to Worcestershire has been favourable compared to other councils, however HOSC members are concerned about the amount received for public health, since the budget allocated by Government has remained at a similar level over several years, therefore has not kept pace with inflationary increases.
- HOSC members are keen to see the PHRFG fully made use of and are therefore pleased that there is a 3 year plan in place for the use of the reserves which had been paused during the COVID pandemic. This will include directing funds towards health and wellbeing, health inequalities and the impact of Covid.
- In respect of feedback from a HOSC member that crime against sex workers has increased significantly, reassurances have been sought that the level of funding and support will be sufficient to provide for sex workers' health.
- It has been clarified that a one-off use of £0.8m PHRFG underspend towards corporate savings for 2022/23 is entirely within the remit of the PHRFG and that the underspend was partly due to services needing to stall during Covid rather than any withdrawal of public health services.
- Other areas discussed as part of the PHRFG update included availability and access to Sexual Health Services including emergency contraception following changes during the pandemic, NHS health checks for those aged 40-74, national screening programmes and falls prevention work.

HOSC members are fully supportive of the preventative focus of the public health function and are keen to maintain awareness of use of learning during Covid on how to work with hard to reach groups and tackle health inequalities made worse by the pandemic.

Children and Families Overview and Scrutiny Panel (17 January 2023)

The Panel was advised that the 2023/24 Budget for Worcestershire Children First (WCF) was £147m gross, of this £111.105m related to the Council's net base budget and the balance towards the overall running costs of WCF. The £32.825m funding mainly related to specific grants for example the Social Care Grant £15.3m, DSG £6.5m, other specific grants. WCF also receive income of £3.06m related to non-County Council sales, fees and charges.

The main budget pressures related to the 'demand led' placements which is consistent with other upper tier authorities and pressure on home to school transport budgets. It was highlighted that there was a risk that the placements budget for 2023/24 could exceed the budget by £2-3m, although this would be mitigated by the £2m risk reserve and close monitoring during the year with prompt action taken if required. This approach had been taken and worked well over the last 3 years.

It was outlined that £13.7m gross investment into Children's Services for 2023/24 (net £10.1m), was largely funded by the additional Social Care Grant (£9.3m). Savings of £3.6m had been identified, which included a reduction of the employer pension fund rate from 18.6% to 17.1% which saves £0.6m, an increased vacancy factor from 2.5% to 6.5% equating to savings of £1.7m and savings proposals of £1.3m required by WCF, which were outlined in Appendix 3 of the Cabinet Report.

In relation to the provisional Dedicated Schools Grant (DSG), the Council had been notified that an extra grant of £14m, as part of the additional funding outlined in the Autumn Statement, was to be made available for schools (including academies), this is in addition to the £406m for the schools block highlighted in the report. The Panel was informed that the Government had also announced its intention to extend the statutory override for the DSG for the next 3 years to 2025/26. This was welcomed in the short term but in effect deferred the problem of funding the historical deficit for SEND and High Needs to March 2026. The Council continued to lobby on this issue and to prioritise work to reduce the deficit through the DFE programme Delivering Better Value (DBV) in SEND which has commenced and which will influence and shape future national government policy in this complex and challenging area of activity.

During the discussion the following main points were discussed:

- A number of issues were raised about the funding of Home to School Transport (HTST) including ensuring value for money for the Council, the rising costs for providers, extending use of greener vehicles and seeking to gain an understanding of the breakdown of figures for areas of spend and types of vehicles used. The Panel was informed that a deep dive review was taking place on all aspects of the Home to School Transport system. £2.4m of additional funding had been allocated for HTST to keep pace with the additional demand. With an additional £1.6m for inflation, this brings the overall additional investment to £4m for 2023/24 which increases the budget from £18.4m to £22.4m.
- The impact of the increased vacancy factor was raised. With some key vacancies already difficult to recruit to, concern was expressed that this would have a negative impact on the recruitment of key staff, and thereby the quality of service provided to children and young people. Assurance was provided that this requirement would be safely managed to ensure that there was no impact on recruitment to social worker posts. The delivery of this would be monitored

carefully across the Council and WCF during 2023/24 - with a provision set aside as a contingency.

- The Panel questioned what measures were in place to address the High Needs Block funding deficit. The Panel was informed that £5m had been allocated in this year's budget for this purpose to start to provide for the historical deficit which would need to be addressed over the next 3 years. They were advised that the DBV in SEND programme would be the key route to deliver a sustainable plan and inform future policy alongside the other 54 authorities included in the programme.

Corporate and Communities Overview and Scrutiny Panel (19 January 2023)

The Panel was advised that there had been a £27.7m increase in the Council's net budget of which, £14.1m related to the increase from Council Tax income, £8.4m from the increase in Business Rates/SFA and £5.2m net use of reserves.

The budget pressures relating to Communities were c£2m due to pay and contract inflation which would be offset by £1.64m of savings resulting in a net investment of c.£0.3m.

The Corporate areas had total revenue investment and inflation of c£10.8m, revenue savings, efficiencies and income generation of £8.6m resulting in an overall net investment of £2.2m.

During the discussion, the following points were noted:

Corporate areas

- The £0.5m increase in investment for Legal Services was to support the continuing demand for childcare cases. Previously, efficiencies had been used to offset demands in the Legal Team, but this was no longer possible with the scale of increased demand within these services.
- In terms of helping to prevent the legal demand, it was confirmed that Worcestershire Children First (WCF) continued to work on early intervention and prevention and no reductions were anticipated in this area. It was likely that the Public Health Ring Fenced Grant (when received) would increase by the rate of inflation and there would be further investment into front line services for adults and children's care.
- As a result of successful investment performance of the Pension Fund, the Council's contribution had reduced from 22.3% to 19.4%, resulting in a significant saving of £4.464m for the Council.
- In relation to the proposed move to introduce a standardising 'vacancy factor' (ie holding vacancies wherever possible) of 6.5% for all staffing budgets there is a savings target of £184,000 for CoaCh. It was however noted that this would be challenging for some areas.
- The Strategic Director for CoaCh confirmed that the revenue savings and income generation targets for CoaCh were achievable.
- There was a £800k target to maximise income generation across the County Hall Campus which would be achieved by leasing parts of County Hall.

Communities

- It was confirmed that every library (except the Hive) was being considered as part of the roll out of libraries unlocked, although it may not be appropriate for every library. The savings target for this initiative was £225k. The proposals relating to Redditch Library were not detailed in this Budget Report due to the funding being provided by external funds and also the consultation had not yet closed.

The Panel was keen to look at the individual budgets within its remit and to scrutinise through Quarterly Budget Monitoring during the 2023/2024 year with a view to feeding into the 2024/2025 budget process starting in September 2023.

Economy Overview and Scrutiny Panel (20 January 2023)

- The Panel would like to understand why a council tax increase totalling 4.94% is being proposed, as opposed to 4.96% or 4.97%.
- In terms of validating how the Council benchmarks against other areas on its proposed total increase in council tax, the Panel was reassured that the latest data is used, produced annually by the Government and that local authorities of a similar nature and function were used for comparison.
- A question was asked about how the Council's total expenditure for 2023/24 was split across the district areas. The Officers advised that this was a difficult question to answer mainly because so much of the Council's activity was cross-county, and dependent on needs at a particular time, for example major infrastructure projects.
- The Panel asked how the additional funds for adult social care were being directed to address known pressures on health and social care for example delays in patients being able to leave acute hospitals and were very pleased to hear that one of the grants is specifically for this purpose and will be directed to areas such as social workers in hospitals, capacity within the market, reablement, homecare and assistive technology.
- In relation to the proposed move to introduce a standardising 'vacancy factor' at 6.5% in all staffing budgets, to formalise the fact that in general there is a gap of several months in filling staff vacancies (projected at £419,000 for staffing areas related to the Economy Panel remit), it was explained that this was to budget for what tended to happen and was in no way budgeting for less staff. Vacancy gaps would be risk assessed and would not be appropriate for some areas such as highways, therefore there was a council fund to ensure service delivery continued.
- The Panel asked to what degree the predicted reduction in inflation would alleviate pressures on council budgets and were advised that this would vary according to the dates of contracts and loans.
- It was clarified that the £253,000 revenue increase due to the reduction in income generation abilities within traded areas related to services such as County Enterprises or renting out Council buildings.
- The funds for the Redditch Rail Quarter were warmly welcomed, and it was confirmed that the £15.038m funding contained an element of protection against likely inflationary cost increases.
- Regarding opportunities for trading with other local authorities, the Panel was advised that the Council worked closely with other councils and provided some services, however this was mainly around efficiency and economies of scale, and that most staff teams would not have that level of capacity. Tourism and events played a part.
- In relation to Malvern Technology Park, it was learned that the Council is investing in enabling infrastructure along with work being done to adapt the Park

after the pandemic – the Panel has suggested occupancy could be offered to a broader range of businesses whilst retaining the technology theme.

- A Member queried how it was possible to identify specific active travel schemes from the budget detail provided and it was explained that the detail of smaller individual schemes was not included in the draft budget as the information provided was at a higher level and such schemes may be funded from a number of sources. The Local Transport Plan (LTP) would include the detail of specific schemes and work on LTP5 was due to commence later in the year.
- In general terms, Panel members are keen for the Council to encourage new businesses, for example by ensuring available small units on flexible terms and were advised that this aim was fully supported by the Cabinet Member with Responsibility for Economy, Infrastructure and Skills.

Environment Overview and Scrutiny Panel (18 January 2023)

In summary, Members were advised that the proposed 2023/24 net revenue budget for areas within the remit of the Environment O&S Panel is £53,759m. This includes the following areas of investment:

- £500k revenue increase to maintain highways and tree pruning
- £434k increase relating to waste demand
- £519k for pay inflation
- £3.631m for contract inflation (including waste), and
- £7.4m to rebase budgets to reflect the full cost of Waste PFI financing and remove the use of one-off funding.

This is offset by £981k to cover income generation from increases in fees and charges for street works and a proportion of savings related to vacancy management. There has also been a transfer of services to areas within the remit of the Economy Overview and Scrutiny Panel totalling £120k. Overall, therefore, a net investment of £11.4m is proposed.

In addition, the currently approved Capital Investment programme totals £174m alongside £104m for Open for Business. This includes investment of £5.5m in the overall programme to ensure the cost of inflation does not affect deliverability, including £2.5m relating to highways and footways.

The Panel felt that this was a good budget for the environment and for Worcestershire and welcomed the unexpected additional grant funding from central Government. Members also welcomed the Cabinet's continued commitment to funding the Pavement Improvement Programme, flood mitigation measures and LED street lighting.

However, concerns remained about particular service areas which the Panel had identified through its quarterly monitoring of performance information, including Public Rights of Way and the backlog of Definitive Map Modification Orders (DMMOs), and issues relating to Section 278s.

Overall, the Panel welcomed the budget proposals. Looking forward to 2023/24 budget scrutiny, the Chairman requested that a budget task group be set up to allow more in-depth consideration of proposed budgets. The Chairman thanked the Cabinet Members and Officers for their help and assistance.