

CORPORATE AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL 29 SEPTEMBER 2023

PERFORMANCE AND 2022/23 IN YEAR BUDGET MONITORING

Summary

1. The Panel will be updated on performance and financial information for services relating to Commercial and Change, and Community Services.
2. The Panel was also asked by Overview and Scrutiny Panel to review contract and pay inflation as part of its remit on budget scrutiny.
3. 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 in order to respond to any queries from Panel Members.

Performance Information

4. Attached at Appendix 1 is a performance report for Quarter 1 (April to June 2023). It covers the performance indicators from the Directorate and corporate level and other management information (as appropriate) which relate to services relevant to this Scrutiny Panel's remit.
5. A summary of the performance information is also provided by a Power BI report. The link to the Power BI Summary report can be found here [Our performance | Worcestershire County Council](#)
6. The Scrutiny Panels consider this information on a quarterly basis and then report by exception to the Overview and Scrutiny Performance Board (OSPB) any suggestions for further scrutiny or areas of concern.

Financial Information

7. The Panel also receives in-year budget information. The information provided is for Period 4 and is attached in the form of presentation slides at Appendix 2. This information flows from the Resources Report which is contained within the agenda for the 28 September Cabinet meeting.

Pay Award

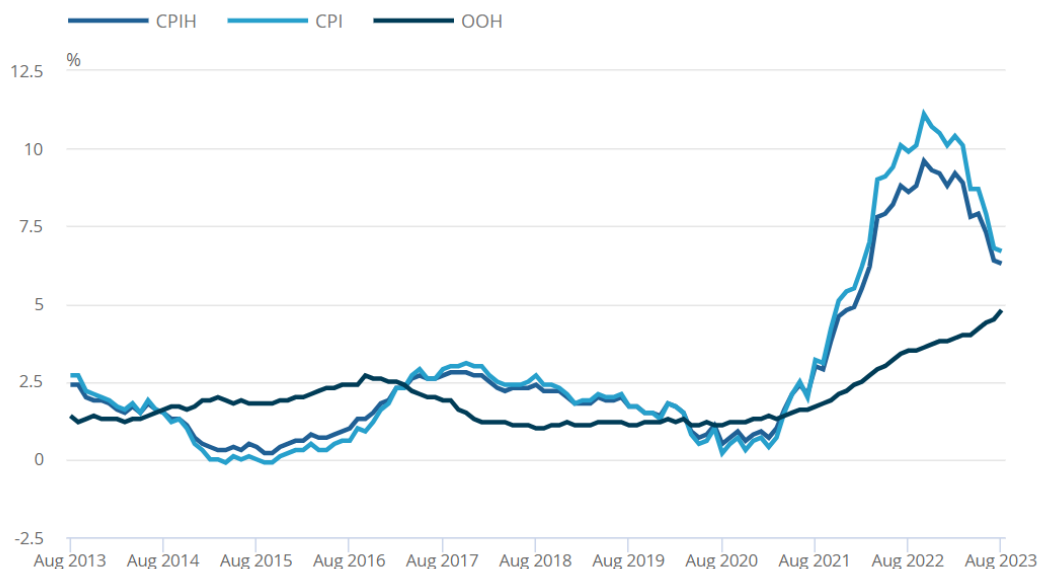
8. In February the Local Government Employers made their 'full and final' pay offer to Local Government workers in 2023-24. The offer is a second year of a fixed £1,925 (pro rata for part-time employees) on National Joint Council (NJC) pay points 2 to 43, and 3.55% for those above the maximum of the pay spine but below chief officer. There will also be a 3.88% increase on all allowances.
9. As part of the budget setting process for 2023/24, 4% was included for the pay award across all posts. It has been estimated that, should the pay award be approved as per paragraph 8, this will be a further pressure of c£2.6m to the current years budget. A provision for this amount has been made within the Finance Risk Reserve.

Contract Inflation

10. At the time of writing the Consumer Prices Index (CPI) rose by 6.7% in the 12 months to August 2023, down from 6.8% in July and the UK interest rates are 5.25%. Whilst the council made significant provision in the 2023/24 budget to support price and demand fluctuations, the on-going high inflation combined with the cost-of-living pressures and higher than budgeted prices for goods and services have significantly impacted both the local and national economy. It is important to highlight that all these pressures cannot be managed by the Council alone, for context across the country a significant number of authorities are experiencing these similar pressures that are impacting their financial position.

Figure 1 – CPI Rates

CPIH, OOH component and CPI annual inflation rates for the last 10 years,
UK, August 2013 to August 2023



Source – [Consumer price inflation, UK - Office for National Statistics](#)

11. A total of £17 million was added to the 2023/24 budget for contract inflation, however it is becoming clear that pressures relating to inflation are causing a forecast overspend on a number of budget areas. Within adult and children's social care, inflation will be based on a number of factors being seen within the market including pay inflation as well as general inflationary factors.

Purpose of the Meeting

12. Following discussion of the information provided, the Scrutiny Panel is asked to determine:

- any comments to highlight to the Cabinet Members at the meeting and/or to Overview and Scrutiny Performance Board at its meeting on 19 October 2023.
- whether any further information or scrutiny on a particular topic is required.

Supporting Information

Appendix 1 – Performance Report for Quarter 1 (April to June 2023)

Appendix 2 – Budget Monitoring Information for Period 4 (July month end)

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:

- Agendas and minutes of the Corporate and Communities Overview and Scrutiny Panel on 25 July, 28 March 2023, 13 July and 17 March 2022, 8 November, 24 September and 20 July 2021
- Agendas and minutes of the Overview and Scrutiny Performance Board on 28 April, 29 March and 30 January 2023, 7 December, 29 September, 20 July and 23 March 2022

[All agendas and minutes are available on the Council's website here.](#)