

PERFORMANCE & CORPORATE SERVICES OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the meeting held on Friday, 9 December 2022 commencing at 10.00 am and finishing at 1:50 pm

Present:

Voting Members: Councillor Eddie Reeves – in the Chair

Councillor Michael O'Connor (Deputy Chair)

Councillor Brad Baines

Councillor Neil Fawcett

Councillor Donna Ford

Councillor Damian Haywood

Councillor Bob Johnston

Councillor Kieron Mallon

Councillor Dan Levy (*Substitute*)

Also in Attendance: Councillor Tim Bearder, Cabinet Member for Adult Social Care

Councillor Liz Brighthouse, Deputy Leader of the Council and Cabinet Member for Children, Education and Young People's Services

Councillor Duncan Enright, Cabinet Member for Travel and Development Strategy

Councillor Jenny Hannaby, Cabinet Member for Community Services and Safety

Councillor Liz Leffman, Leader of the Council

Councillor Calum Miller, Cabinet Member for Finance

Councillor Glynis Phillips, Cabinet Member for Corporate Services

Councillor Pete Sudbury, Cabinet Member for Climate Change Delivery and Environment

The Scrutiny Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting [, together with a schedule of addenda tabled at the meeting/the following additional documents:] and agreed as set out below. Copies of the agenda and reports [agenda, reports and schedule/additional documents] are attached to the signed Minutes.

30/22 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

An apology for absence was submitted by Councillor Ian Middleton for whom Councillor Dan Levy attended as substitute.

31/22 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE ON THE BACK PAGE
(Agenda No. 2)

32/22 MINUTES OF THE PREVIOUS MEETING
(Agenda No. 3)

The minutes of the meeting held on 30 September 2022 were agreed as a correct record and signed by the Chair.

33/22 BUDGET PROPOSALS 2023/24 TO 2025/26
(Agenda No. 5)

The Committee was provided with a report which set out the Council's budget proposals for the period 2023/24 to 2025/26. The Committee's comments would be included in the Budget and Business Planning report to Cabinet on 24 January 2023 and would also be taken into consideration by Cabinet in setting out the proposed revenue budget for 2023/24 and the Medium-Term Financial Strategy (MTFS) to 2025/26.

Cllr Liz Leffman, Leader of the Council, introduced the budget proposals for 2023/24 to 2025/26, outlining and summarising the key aspects of report and presentation. The Leader explained that all budget assumptions and work undertaken for the MTFS were underpinned by the Administration's nine priorities and informed by budget engagement and public consultations, including Oxfordshire Conversation events and a representative residents' survey.

The Leader also reminded that Committee that it was due to consider the refreshed Strategic Plan – based on feedback received from residents - for 2023/24 at its meeting on 19 January 2023.

Cllr Calum Miller, the Cabinet Member for Finance, provided the Committee with an overview of the proposed changes for the MTFS, new budget proposals for 2023/24 – 2025/26, and the updated position for 2023/24 compared to current MTFS, all detailed in the report and presentation alongside directorate-specific proposals.

Issues raised by Members

- The Committee asked several questions regarding the potential 4.99% increase in council tax to support essential service delivery.
- The Cabinet Member for Finance stated that the Autumn Statement assumed that Local Authorities would raise higher council tax levels and take advantage of all local funding available. If the Council did not raise council tax, Government may be more reticent to provide grant funding. There would also be an £8.7m shortfall in the budget. Alternatives to meeting this shortfall were twofold: find further savings in services expenditure, or bridge costs for a single year by drawing on some of the services and balances funds. The latter was advised against.

- Members queried whether the Council would be applying for the 4.99% council tax increase to alleviate the deficit. The Committee sought reassurance that there were contingencies in place if Directorates could not meet service demands within their robust budget envelopes.
- No decision had been made regarding the council tax increase for the subsequent year. The Council used all its contingency allowance in the current year to support inflationary pressures. It was proposing to reinstate the contingency line for the 23/24 budget and was noted as an item in the Council's recurrent expenditure.
- Regarding demand estimates, Adult Social Care and Children's Services represented significant pressures. There was substantial investment expected through the Oxfordshire Way approach and the Council was working on early intervention to deal with cases quicker, delay or prevent demand arising, reduce cost, and improve outcomes for adults, children and families.
- A Member referred to the predicted in-year planned savings, the £2.1m red-rated savings and the £14m overspend in Children's Services and asked how the Council would respond to those pressures within the budget plan going forward.
- The Cabinet Member explained that the pressures on Children's Services were factored into the Directorate's budget. The in-year pressures reflected demand and inflation. Therefore, the budget presented did account for the underlying shift and pressures on Children's Services. Services were aware of areas in which they did not deliver their savings in 22/23 and that would be factored in going forward. The Council needed to ensure that the savings projected were realistic in terms of balancing the budget for the following year.
- Members asked whether the Council was implementing a way of forecasting the likelihood of Directorates achieving their planned savings in future years.
- In response, the Cabinet Member explained that the process of testing the projected savings was already underway and the savings presented in the report were calculated to be robust and achievable. Some of the savings were an attempt to increase service efficiency and deliver current services with less resource. There were relatively modest expectations of savings from the Children's Services directorate, which faced significant pressures. The Administration recognised the challenge to deliver these savings targets and continued to lobby Government regarding financial pressures. The first funding increase in 12 years for Local Government was offset – partly - by the rise in inflation, thus the Council still faced real term cuts. The Cabinet Member assured the Committee that the impact of achieving these savings on services would be monitored.
- The Committee asked whether the Council benchmarked its demand against other Local Authorities. The Cabinet Member confirmed that service level was compared with its statistical neighbours.

- Members asked how the Council was seeking and listening to the views of its residents, incorporating those views and feedback received into the budget. The Committee also emphasised the importance of engaging with service users.
- The Council had undertaken a significant amount of engagement work during the budget process and learnt a lot about how to most effectively engage with its residents. The Council valued the Oxfordshire Conversations and found that the main concern of the residents engaged with was Highways. The Administration did, however, want to refine how it achieved engagement with more service users and a wider spread of residents, particularly with regard to the bigger budget items i.e. Adult Social Care and Children's Services. The Leader reiterated that the Council would constantly refine its engagement methods and seek more responses from residents.
- In answer to a query regarding uncertainties surrounding inflation and demand, the Cabinet Member for Finance explained that the Statutory Override was only guaranteed to run until April 2023. Thus, the high costs forecast for the High Needs block could present a problem for the budget if the Council needed to use its reserves that were earmarked for future purposes. However, it was unlikely that the Government would remove the Override and the Council awaited further guidance whilst continuing its work with Government on delivering the Better Value Programme.
- The full package of Adult Social Care reforms was postponed for two years, including the Trailblazer scheme. There were other elements of the reform that were due to be enacted and the Council needed to position itself to respond positively and meet the standards required for a successful bid.
- Members were concerned that the prioritisation of frontline services meant that no additional funds were available to reinvest into the Council's other priority areas.
- The Cabinet Member for Finance agreed to provide the Committee with a written response outlining how the Committee's comments and recommendations from the previous year's budget scrutiny had been incorporated into budget management over the previous 12 months.
- Asked about why the capital budget was less detailed, the Cabinet Member explained that Authorities were incentivised to focus on revenue budgeting due to its link with council tax i.e., how the Council raises and spends its money. Significant amounts of the capital budget were the consequence of grant bids and therefore less flexible and required implementation management rather than budget setting. The Council had established capital governance monitoring arrangements to facilitate a higher degree of accountability for all schemes. However, it was recognised that the Administration needed to hone its focus on the capital budget. Capital schemes were due to be discussed in further detail at the January 2023 meeting of the Committee.

- Given the proportion of red and amber RAG rated savings, the Committee received reassurance that the Council had always had adequate contingencies and balances in place. Notwithstanding, the Committee reiterated the multiple risks and uncertainties regarding demand and inflation and enquired how the Administration modelled demand and inflation and worst- to best- case scenarios.
- The Cabinet Member explained that the budget presented the central case – it was not possible to tweak a model budget based on a set of assumptions. The Council could draw on its contingencies and general balances when necessary.
- In response, Members asked whether the Council should produce budget confidence intervals in greater detail. The Cabinet Member suggested that the Committee could explore this Directorate by Directorate and restated that the Authority always maintained robust contingency balances to cope with uncertainties.
- The Authority had been working hard under considerable pressure to maintain services and was identifying ways for early intervention to improve services for residents at lower cost to deliver its substantial savings.
- A Member suggested the development of a risk register for the clear presentation of risk hierarchy.

ENVIRONMENT AND PLACE

- The Corporate Director for Environment and Place summarised the Directorate's budget proposals.
- The Supported Transport budget was under significant pressure and the Directorate was struggling to meet savings in that area. It was making changes to Home to School Transport and the decarbonisation agenda to help meet its £1.2m red and amber RAG rated savings for 2022/23.
- Following a long process of testing, the Director was confident that the Directorate could achieve its proposed savings for 23/24, particularly within income areas.
- In the instance that the £1.2m savings for 22/23 were not realised, there would need to be a wider conversation about how the Directorate would account for the shortfall and the addition of further savings targets to 23/24.
- Members requested further information on the Climate Impact Review, but this was difficult to quantify owing to the mainstreaming of climate action across the whole Council and difficulty in accounting for individual actions. The Cabinet Member did agree that the Directorate could change the degree to which it reported the impact of revenue proposals on the climate impact. There were other reports which better detailed progress on climate action from a non-financial perspective, and the work being undertaken jointly with Districts

and Boroughs. Referring to the recommendation made at the Committee's budget meeting the year previous, Members re-emphasised the importance of providing an effective narrative of how the Council was embedding climate action across the whole organisation to get a sense of how the Council's budget allocations met this corporate priority.

- Members noted the absence of some schemes from the capital programme that were related to the Council's nine priority areas.
- The Corporate Director explained that many of the Council's expenditures were statutory duties, and it was not in a strong position to make discretionary investments in capital schemes. It was however looking for opportunities to release more capital to support these priorities.
- Overall, the Director and Cabinet Members were confident that planned savings would not impact the ability of the climate change team to respond to the climate crisis.

CORPORATE SERVICES

- The Cabinet Member for Corporate Services summarised the overarching themes for Corporate Services in the draft budget proposals.
- A Member asked how the budget was impacted by the termination of the Section 113 shared services agreement with Cherwell District Council. The Head of Financial Strategy agreed to provide the Committee with an analysis of the impact of that decision on the proposed budget, following the meeting.
- The £2.7m proposed savings in the Directorate equated to 4.5% of the entire budget. Cultural Services posed the greatest area of concern, in particular the Library Strategy. The reliance on agency staff represented a further risk and required investment into new strategic resourcing capability to deliver the transformation to a more permanent workforce.
- Parts of Corporate Services had been hollowed out and therefore it was difficult to find further savings in those areas. The Directorate's budget also reflected the end of the Council's long-term partnership with Hampshire IBC. There were also challenges and demand on the Law and Governance team and the budget represented an investment in those areas.
- When asked about the level of confidence the Service had regarding its contract with Hampshire reducing costs, the Director stated that the Oxfordshire County Council (OCC) was working closely with Hampshire and hoping to implement a new applicant tracking system to alleviate the previous recruitment failings of the IBC. The existing contract with Hampshire was under review and the Council was looking to retain some of the former's services, such as Payroll. The Director and Cabinet Member were confident that the restructuring of teams and greater proportion of permanent staff would improve figures. The Service was maximising the use of its Apprenticeship

Levy and was committed to improving staff retention and developing staff internally.

- Members wanted to see evidence of a clear cross-Directorate effort to tackle recruitment and agency staffing costs.
- In acknowledgement, the Director stated that there were good organisational strategies in place to meet workforce issues and that each Directorate needed a robust workforce plan.
- Members noted the increased funding for Democratic Services staff and questioned whether this was due to a restructure or an increase in services.
- The Cabinet Member explained that Legal Services had a high level of interim agency staff and permanent and additional staff were needed to support demand. The Interim Chief Executive added that there were several external factors impacting Law and Governance, including increased Scrutiny. Greater Legal capacity was needed to meet demand and the Service's responsibilities around Information Governance had also increased. More investment was needed in these areas over a two-year period.
- A Member asked how the Council determined the level of savings from each Directorate. The Interim Chief Executive explained that the budget setting process began in the summer and there had been a number of iterations on savings. More pressure was put on areas that were further along their transformation programmes.

CHILDREN'S SOCIAL CARE

- Children's Services was receiving the most significant cash increase of all the directorates however the effect of inflation meant a real-terms budget contraction of 2.8%.
- The Chair asked how confident the Directorate was that it could realise its £3.35m of proposed savings.
- The Director explained that the two drivers for spend were staffing and placements. Regarding the former, a large number of health staff reassigned during the Covid-19 pandemic coupled with an insufficient Early Help strategy put pressure on Children's Social Care. The Council was supporting its partners in the community to deliver Early Help, as part of the collective undertaking approach to Children's Social Care. Caseloads were falling-post Covid and were on target to decrease to a level commensurate with OCC's statistical neighbours.
- The latter overspend was a consequence of high caseloads and the high number of Looked After Children (LAC). The number of LAC was on a declining trajectory which was expected to continue and level with the Council's statistical neighbours the following year, meaning budgets to support that activity could reduce.

- Asked to explain the “noted service efficiencies”, the Director described them as modest efficiencies, largely around where vacancies were held in non-statutory posts. There was also a new IT system in the Education Directorate which improved efficiency.
- There was high demand on Special Educational Needs and Disabilities (SEND) and Children’s Social Care. Work was underway on the Social Care Academy and the delivery of the SEND strategy to improve outcomes for children. The Education Commission was due to independently review the services and make recommendations to Council, that the People Overview and Scrutiny Committee would subsequently consider. The Cabinet Member for Children, Education and Young People’s Services asked that Members acknowledge the pressure their excellent staff were under to support and keep children safe. The Cabinet Member stated that the way in which Children’s Social Care and SEND was funded was unsustainable.
- Historically, Oxfordshire had more LAC than its comparable counties. The Service was undertaking a lot of work to move support to edge of care/crisis point to deliver more support to children in their homes and avoid downstream costs. With cultural change and a permanent workforce, better decisions and outcomes for children could be achieved. The Committee emphasised the importance of responding to demand notwithstanding the cost pressures.
- A Member referred to the “Grow Your Own” Strategy and asked what level of confidence the Directorate had that this would generate long-term savings and reduce reliance on agency staff.
- The Director for Children’s Services responded that since the new academy structure had been established, only one newly qualified social worker out of 15 had left, indicating the positive impact that investment and support had on the retention of newly qualified workers. The Step Up programme aimed to provide opportunities for people working with/for the Council to take a social work qualification.
- A Member asked whether there would be a cost saving following review of the Council’s partnership working with ICB. The Director explained that the review presented an opportunity to re-set expectations and the division of responsibility. The Council could use its existing resources more efficiently and make better investment upstream.

ADULT SOCIAL CARE

- Adult Social Care (ASC) presented the Council’s biggest spend thus was the largest area of budget cuts across the organisation.
- The Corporate Director for Adults and Housing explained that the opportunities from the investments in the Oxfordshire Way transformation were fundamental

to achieving the proposed savings and the programme already creating better outcomes for residents.

- The Chair referred to the 22/23 red and amber RAG rated savings and asked what proportion related to ASC. The Cabinet Member for Adult Social Care explained that 39% of the Council's red and amber savings were held within ASC, 8.5% of which were amber. A high proportion of savings were achieved by preventative activities and the Service was intervening early with small amounts of seed funding to abate more expensive care downstream. If the existing transformation trend continued, the Directorate was confident that it would deliver on its savings. Inflation did of course present a risk.
- The majority of ASC budget was pooled with health budgets and a Member queried whether the Directorate looked at potential savings across the whole pathway of care.
- The Cabinet Member responded that the Service's contribution to the pool budget had been scrutinised. They were also working with the IBC to ensure that this joint working saved money and provided better experience and outcomes for residents.
- A Member queried the role of in-house provision within the Oxfordshire Way and whether analysis had been undertaken regarding ongoing costs and potential services being outsourced to partners.
- The Corporate Director explained that the Council's only in-house services were community support services, which focused on investing in communities and upstream prevention work. Partnership work was crucial in the delivery of services; the Corporate Director referred to the Council's partnership with AgeUK, which was delivering better outcomes for residents and reducing reliance on statutory services, as an example.
- The Chief Executive added that the Council was the system leader of the Oxfordshire Way and this approach reduced the need for funded support whilst delivering potential reductions of 3-5% in commission spend and achieving better outcomes.

Cllr Mallon left the meeting at 12:27pm.

Business was adjourned for five minutes and resumed at 12:36 pm.

PUBLIC HEALTH

- Members struggled to get a sense of how the Council's budget was tackling inequality in Oxfordshire and asked whether Cabinet had taken on board the Committee's comments at the previous year's Budget meeting regarding the systematic mainstreaming of equality from the outset of budget development and early intervention.

- The Cabinet Member for Community Services and Safety agreed that equality needed to systematically underpin the budget development. A more detailed Equality Impact Assessment was undertaken in reflection of the budget, but the Cabinet Member acknowledged that equality needed to be considered earlier in the budget setting stage. The Director assured the Committee that Public Health took a strong system view of tackling inequality.
- In response, Members queried whether the Directorate was looking at the outcomes and outputs with regard to Public Health and working collaboratively within a whole-system approach to Public Health.
- The Leader agreed that the Council needed to look at how its policies impacted on the overall health and wellbeing of the population of Oxfordshire. The Cabinet would be thoroughly reviewing how it presented health and wellbeing data in the future. The Leader acknowledged that all work undertaken by the Council had a bearing on people's health and wellbeing.
- The annual contribution to the Community Safety reserve had been cancelled for 2023/24 and the Cabinet Member agreed to provide the Committee with the current balance of that reserve following the meeting.
- Referring to the overall joined-up working across the Council, a Member queried whether Public Health had resource for its joined-up working to achieve improved outcomes.
- The Director explained that the impact of Covid-19 would be increasingly apparent over the ensuing 5-10 years. Public Health had some leverage through the cost of living crisis to enable to look beyond organisational silos and boundaries and work across the Council to take an upstream approach.
- The Chair explained that the Committee expected to make formal recommendations following the budget consultation proposals. The Chair summarised observations made by the Committee during the discussion and thanked Directors and Cabinet Members for attending the meeting.

RESOLVED

- (1) That revenue budget proposals for 2023/24 to 2025/26 by directorate, the proposed changes to fees and charges and the high priority capital schemes subject to business cases be noted.**
- (2) That a report on the Committee's consideration of the budget proposals and subsequent observations be brought before the next meeting of the Committee for agreement, prior to submission to Cabinet for consideration.**
- (3) That the Cabinet Member for Finance write to the Committee outlining how the Committee's comments and recommendations from the previous year's budget scrutiny had been incorporated into budget management over the previous 12 months.**

(4) That the Head of Financial Strategy provide the Committee with an analysis of how the termination of the Section 113 agreement impacted the proposed budget.

(5) That the Cabinet Member for Community Services and Safety provide the Committee with the balance of the Community Safety Reserve, following cancellation of the Service's annual contribution to that fund.

Cllr Ford left the meeting at 13:39 pm

34/22 DEMOCRATIC PROCESSES WORKING GROUP

(Agenda No. 6)

RESOLVED:

The Performance and Corporate Services Overview and Scrutiny Committee:

(1) AGREED the revised project plan;

(2) AGREED that the Principal Scrutiny Officer seek membership nominations from political groups, for agreement by the Committee at its January 2023 meeting;

(3) AGREED that external participants be involved where possible.

35/22 ACTION AND RECOMMENDATION TRACKER

(Agenda No. 7)

The Principal Scrutiny Officer provided an update on the Committee's Action and Recommendations Tracker.

The Performance and Corporate Services Overview and Scrutiny Committee **NOTED** the Action and Recommendation tracker.

36/22 WORK PLAN AND FORWARD PLAN

(Agenda No. 8)

Members received an update on the Committee's proposed work programme for 2022/23.

The Principal Scrutiny Officer informed the Committee that Chairs and Vice-Chairs of Scrutiny Committees were due to consider the BMMR report. Any recommendations arising would subsequently be considered by the Performance and Corporate Services Overview and Scrutiny Committee.

RESOLVED:

(1) That the work programme be APPROVED;

- (2) That the Transformation Programme item be removed from the agenda of the January 2023 meeting of the Committee;**

- (3) That the Performance and Corporate Services Overview and Scrutiny Committee revisit budget proposals at its January 2023 meeting, and defer consideration of the Council’s proposed capital budget and programme until that meeting. Members were invited to submit their questions to the Committee Officer in advance of the meeting.**

..... in the Chair

Date of signing