

PERFORMANCE & CORPORATE SERVICES OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the meeting held on Friday, 8 December 2023 commencing at 10.00 am and finishing at 1.10 pm

Present:

Voting Members: Councillor Eddie Reeves – in the Chair

Councillor Brad Baines (Deputy Chair)

Councillor Liz Brighthouse OBE

Councillor Donna Ford

Councillor Bob Johnston

Councillor Kieron Mallon

Councillor Ian Middleton

Councillor Calum Miller

Councillor Glynis Phillips

Other Members in Attendance:

Councillor Liz Leffman

Councillor Dan Levy

Councillor Neil Fawcett

Councillor Andrew Gant

Councillor Judy Roberts

Councillor Pete Sudbury

Officers:

Martin Reeves, Chief Executive

Lorna Baxter, Executive Director (Resources)

Stephen Chandler, Executive Director (People)

Ansaf Azhar, Director of Public Health

Mark Haynes, Director of Customer and Culture

Natalie Crawford, Capital Programme Manager

Paul Fermer, Director of Highways and Operations

Kerry Middleton, Head of Comms, Marketing and Engagement

Kathy Wilcox, Head of Financial Strategy

Tom Hudson, Scrutiny Manager

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.

51/23 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

None

52/23 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE ON THE BACK PAGE

(Agenda No. 2)

None

53/23 MINUTES

(Agenda No. 3)

The minutes of the meeting held on 29 September 2023 and the extraordinary meeting held on 10 November 2023 were **AGREED** as a correct record and that that the Chair should sign them as such.

54/23 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

None

55/23 BUDGET PROPOSALS 2024/25 TO 2026/27

(Agenda No. 5)

Leader of the Council, Councillor Liz Leffman introduced the budget proposals 2024/25 to 2026/27. It was important to stress that the Council would not be informed by central government of the details of the funding settlement until late December, meaning that there was a degree of uncertainty over the level of income received from this source. Further, announcements made in the Autumn Statement had led to an increase in the Council's costs, creating a £9m gap in the current iteration of the budget which would need to be closed prior to agreeing the budget in order to meet the requirement that it be balanced.

Councillor Dan Levy, Cabinet Member for Finance, drew attention to the external consultation process being undertaken with residents - including online meetings to allow suggestions for the budget from members of the public, an online calculator to let people explore the options for balancing the budget, and sessions held to hear the specific views of young people. The budget itself was subject to enormous pressures; whilst the Autumn Statement's increase to the National Living Wage was overall welcome, it did introduce several million pounds of additional pressures to the Council's budget.

Lorna Baxter, Executive Director of Resources, reminded the Committee of the background to the budget – the decisions made to agree the existing budget and changes since. The Council expected to increase its budget by £30.2m, largely to fund demographic pressures, and its Council Tax by 4.99% in 2024/25. In-year, a further £26.9m of pressures, largely related to inflation and demand, had arisen within directorates, and £4m within contingency, leading to agreed increases to the

previously-agreed budget of £30.9m. The National Living Wage increase had been higher than the highest potential range put forward by central government and was higher than the Council had anticipated – leading to direct pay impacts, but also additional costs for providers, largely in Adult Social Care, and thus also indirect costs. The Council's position, therefore, was needing to identify how £29.8m of pressures would be addressed. A source of income, arising from the Workplace Parking Levy, would develop over time and contribute financially in the future, but would in the meantime be covered using reserves.

Kathy Wilcox, Head of Financial Strategy, explained the Council's position regarding external funding. The MTFS was expecting an increase in business rate funding through the Settlement Funding Assessment of 2%, whereas it would actually increase by 6.7%, or £3.5m. Other changes to Business Rates were expected to yield an additional £1m. Conservative forecasts suggested a £4m increase to MTFS estimates on the Council Tax Collection Fund. The discontinuation of the New Homes Bonus assumed in the MTFS had not transpired, creating £1.7m of one-off grant funding. Significant areas of income were, however, still outstanding. These included changes to the taxbase, surpluses and deficits on Council Tax, Business Rates income and surpluses and deficits, and the level of the Social Care Grant.

In response the Committee sought more information about the following:

- Demographic modelling assumptions. Demographic models were always estimates and there would always be a range of potential outcomes. The Council budgeted for these fluctuations through its contingency, which could be called upon should its estimates prove lower than actual figures. The budget included a £4m top-up of contingency. The Committee noted that over the past two years, the estimates of the number of children with SEND within a particular cohort had been under-estimates in light of proportion of children presenting with SEND almost doubling from 2.1% to 4%.
- The assumptions supporting the idea the Workplace Parking Levy would begin to make positive contributions to the Council's finances after two years.
- The permissible level of Council Tax increases. The government had announced the ability to raise Council Tax by 4.99% in November 2022.
- The state of the Council's finances versus other local authorities. All county councils had experienced significant pressures following the increase to the National Living Wage, and were also facing acute funding challenges with adult social care, home to school transport and children with SEND. The Council was not at the point where there was serious near-term potential for a s.114 notice to be issued, but it remained necessary to take difficult decisions in this budget to prevent that outcome from becoming more likely.

Adult Services

Cllr Levy introduced the budget proposals for Adult Services, noting the particular impact the change to the National Living Wage would have in that service area, but recognising also the great improvements the Council had made in providing care to those in need at home.

Stephen Chandler, Executive Director for People, prefaced his introduction by recognising that the primary driver of cost within adult social care was demand. Historically, demand was often managed by not providing support until the point of eligibility, at which point needs were often complex. The Council's approach was to make information and support available earlier, to reduce and delay the severity of need. This approach, the Oxfordshire Way, allowed the Council to flatten the demand curve much more effectively than many places elsewhere in the country. Where individuals did need support, however, their needs were more complex and this needed to be recognised. The cost of providing care in Oxfordshire was also higher than in most places.

Areas where savings had been identified included staffing within commissioning budgets, reviews of care packages, using Shared Lives (the adult equivalent of fostering) to prevent care home admissions, and the removal of surplus capacity within Community Connectors.

In response, the Committee raised questions over the following:

- Whether, with previously agreed savings included, £1.2m of savings within Adult Social Care within 2024/25 was deliverable. It was explained that although the sum was significant, the sheer scale of the directorate meant that as a proportion of overall spending the sums were more manageable, at just over 1% of the budget, and the plans were therefore deliverable. This was supported by the fact that the Oxfordshire Way was not just starting but had three years of development and delivery behind it already.
- The different approaches to savings between adults and children, and whether the greater number of savings being found in children's services was a correct decision. It was explained that having been developing its Oxfordshire Way approach for a longer period, adults had already become more efficient. Further, demographically, Oxfordshire had a higher proportion of over 65s than other counties. Finally, savings totals did need to be balanced against other changes to the budget, and children's services had, although being asked to find more savings, seen its budget increase by a greater percentage owing to decisions taken previously to increase its budget (10.8% adults vs 12.4% children's in cash terms).
- Whether care package-related savings expected to be made in 25/26 might be brought forward to 24/25. The response was simply that the directorate already had significant savings to make in 24/25, as agreed in previous budgets.
- The impact of recently announced increases by central government to immigration income thresholds on both workforce and cost. As the Council did recruit overseas social workers this would have an impact. However, the impact would be felt more widely and significantly with adult social care providers also being heavily reliant on workers born overseas. Work was being undertaken to understand what it might mean for the Council.
- The status of national level reforms in adult social care and the financial impacts. Reforms around assurance were still progressing, and the Council was awaiting news whether it would be one of the next tranche of councils being subject to an assurance visit. The preparation for this had incurred cost,

and would continue to do so. However, that spend was necessary to avoid the far greater costs and upheaval if a negative assurance visit were to happen.

- Bad debt provision in light of the cost of living crisis. It was responded that bad debt had been an issue since Covid, and following that the cost of living crisis. Additional resourcing was being allocated to prevent further deterioration of the position and begin improving it.
- The Council's work to date in 'growing its own' social workers was recognised as being exemplary. However, an area of potential further development was ensuring the apprenticeship qualification pathway offered by the Council was promoted particularly to marginalised groups, and particularly providing the Council's looked-after children the opportunity to develop a stable career path.
- Whether the budget had factored in the requisite resources to support the number and needs of children, particularly within the CAMHS service transitioning to adult social care. In response, amongst other issues, it was highlighted that the recent OfSTED report on SEND provision had highlighted transitions as an area of strength for the Council,. Furthermore, a number of contracts had been renegotiated to bring costs down.
- Steps taken to support staff retention. The Council had already implemented strong workload management processes and supervision structures, and applied methods to measure and communicate the impact of staff's work on service users.

Children's Services

Cllr Levy introduced the proposed budget for Children's Services noting that it was to be given a real-terms funding increase, but this increase went alongside very significant pressures. The Committee moved straight to questions, addressing the following:

- Whether the proposed savings in Children's Services of over £13m over the course of the MTFs was deliverable in light of the Council's record of delivering savings in this area to date. In reply, measures taken already included root and branch training of managers on budget management, introduced rigorous cost-control measures and reviews by senior staff of support packages, and high-frequency budget-monitoring meetings. Future steps would relate to reductions in demand, via the new homes being established, and early-help steps being taken. As a suite of measures, therefore, the rate of savings was deemed to be deliverable; the measures had been given particular management scrutiny via a star chamber.
- Whether risk aversion meant social workers were advising greater support than necessary. In response, the impact of the OfSTED inspection was, as yet, unquantified in this regard. However, as detailed above, the Council invested much time and resource into supporting its social workers, meaning none should feel they were on their own.
- It was noted that a significant volume of important work in children's social care could be undertaken by para-professionals. In a time, for example, when speech and language therapists were in short supply and waits, therefore, for

a child to see one were lengthy, positive interventions could be made by para-professionals trained in children's language development, particularly in the early years. It was suggested that this intermediate tier of staff were sufficiently valuable to form part of the Council's grow its own offer.

- Whether additional capacity for special educational needs delivery in-county was in the capital pipeline beyond that already committed to. It was explained that yes, the intention was to continue to develop in-county capacity but it would be necessary to allow the current planned children's homes and additional school placements to be established to allow for informed understanding of the shape of demand and planning the best way to supply it. Work was also being undertaken to understand alternative models of provision, which were different to the wholly-private or wholly-public sector ownership of children's homes to increase the pace of new placement creation.
- Whether the provision of a 50% risk adjustment for planned savings was prudent or disincentivised the full delivery of savings. In response, it was explained that forecasting was, by nature, uncertain. The risk adjustment could reduce incentives to make savings, although this was being managed through high frequency budget scrutiny and reviews of the effectiveness of mitigation measures for overspending. However, it also was prudent to do so in light of the degree of uncertainty faced by the directorate.
- The justification of the assumptions that inflation would fall rapidly in the 26/27. It was explained that inflation increases were linked to demand pressures within the same budget line, and that given the impact of actions taken to reduce demand before 26/27 would begin to be felt by then. Inflation estimates for 26/27 were estimates, but would be subject to review in the next budget round to improve accuracy.

Public Health and Community Safety

Ansaf Azhar, Director of Public Health introduced the budget proposals for Public Health and Community Safety. The main focus in Community Safety had been around making the Fire and Rescue Service more efficient, with savings found in how to manage the movement of standby vehicles during incidents, and reducing the number of crew per fire engine from five to four for low-risk incidents. Public Health savings arose from the use of a government grant rather than council monies to fund domestic abuse services.

In response, the Committee raised a number of queries and issues, including:

- Whether the Community Safety savings proposals reflected a reduction in service, and whether any diminution was likely to cause increased cost, disruption and threat to life. In response, it was explained that standby vehicle movements would only be undertaken on a needs basis, rather than a matter of course, with small incidents therefore not precipitating movements of multiple other vehicles to cover. Equally, evidence had demonstrated that for low-risk incidents, deploying five firefighters representing over-resourcing and

the same outcomes could be achieved with four. This was an approach being taken elsewhere in the county already.

Environment and Place

Councillor Judy Roberts, Cabinet Member for Infrastructure and Development Strategy introduced the budget proposals for Environment and Place, noting the balance of invest to save items as well as savings identified. Councillor Pete Sudbury, Deputy Leader of the Council with responsibility for Climate Change, Environment and Future Generations drew attention to the outsized impact of the Council's climate-related spending, at approximately 0.16% the overall budget the spending would enable the Council to avoid the increasing impacts of climate change impairing its ability to deliver its other work.

Paul Fermer, Director of Highways and Operations, introduced more detail to the proposals. Environment and Place faced a number of pressures, the management of which was through reductions in spend, focusing on priority areas, finding ways to become more efficient and maximising opportunities for income. Sources of savings included the ability to draw down additional commuted sums to maintain new infrastructure, given that there had been a growth in the county of development, income generation opportunities from activities such as planning and pre-application advice, archaeological surveys and additional s.106 funding, and contract renegotiations within waste contracts.

- The assumptions on which the Workplace Parking Levy income was based. Income assumptions were based on the levy being applied to workplaces with 10 or more parking spaces, a charge of £600 per space and covering the 'City Plus' area. The Committee also noted the importance in convincing the Secretary of State for Transport, who would decide on whether to approve the scheme, of having the support of major employers for the project. It was agreed that more information on this would be provided to the Committee.
- The reasons behind the Council's failure to achieve planned savings in Home to School Transport through the Shepherd project. In response, the project had been an innovative one and the savings put forward before the capabilities (and limitations) of the software were fully understood. The project had, nonetheless, provided rich data in understanding where savings could be made in Home to School transport, principally in route optimisation, and real-time information on bus locations and passenger numbers. It was raised by the Committee that there were concerns over the transparency of how the project had been commissioned.
- The effect of drawdowns from the Parking Reserve. The drawdowns had been set at a figure to cover a plan of scheduled parking repairs and maintenance whilst allowing for a reserve to cover unexpected events and fluctuations in parking income.
- Whether the Council was using the monies available to it from s.106 to its best effect and what the Council was doing to prevent available monies being unspent. It was recognised that the volume of quantum of s.106 money available to the Council was at the very high end of councils nationwide but

that the process was unnecessarily siloed, hindering its efficiency. Addressing this was being taken forward by the Chief Executive as a priority area of work and had the strong support of the Cabinet Member.

- The methods by which the Council expected to improve patronage of the Park and Rides. In response, modelling suggested a likely increase in patronage via wider demand trends.
- The wider impacts of making savings around Local Flood Authority planning consultations. It was explained to the Committee that part of the saving would be around consolidating the team and not responding to all applications but instead focusing on higher-risk applications, providing more guidance and standing advice for lower-risk ones. Members of the Committee passed on frustration from residents at the current level of service and queried any reduction in capacity.
- Whether new projects, such as funding for work on the circular economy, would mean bringing in more agency staff. The reply explained the times when agency recruitment would be justified – needing to get a particular above-baseline project going, or requiring specialist expertise – but it was recognised that it was important existing staff should be reprioritised where appropriate.

Resources and Law and Governance

Lorna Baxter introduced the key proposals for Resources and Law and Governance. The major savings related to monies being reallocated within Communications, Strategy and Insight to offset the pressures of new posts, taking back budgeted but unrealised inflation pressures within the Estates team, and delaying the occupation of Banbury Library.

Members offered questions on the following issues:

- The transition away from the high reliance on agency staff and the cost-savings accrued thereby, particularly whether projected savings of £4m over two years was reasonable, or whether it might alternatively be sluggish. The figure was defended on the basis that contributions to those savings would also include vacancy management and improved processes around cost-management which made individual directors accountable and responsible for their use, and the reduction of, agency spending in their areas.
- The degree to which cost pressures around school meals were the result of the difficulty of passing costs onto paying parents, and the degree to which government funding had not kept up with the cost of providing free school meals. It was suggested that more information would be brought back to the Committee around this.
- Whether, in light of a 6.8% real terms cut in budget to the directorate, Resources and Law and Governance was sufficiently funded. The response focused on the need to deliver services as efficiently as possible whilst addressing areas where demand and supply of staffing had not been in balance. Furthermore, investment in technology and artificial intelligence would be expected to augment the output of staff and enable future cost reductions.

Capital Spending Proposals

Natalie Crawford provided an overview of the Council's capital spending approach. Capital expenditure was facing a challenging environment, and the Council had focused its proposals on core priorities in the main, where there were statutory or health and safety requirements to deliver particular capital projects. Thus, key proposals were a new mortuary, decontamination units for fire and rescue breathing apparatus, providing and improving Gypsy and Traveller sites, repairs and maintenance at the Redbridge recycling centre, and investments in the Household Waste Recycling Centres. Additionally, revenue raising proposals, most notably around the rationalisation of the Council's estate, were to be funded. Next, a small proportion was set aside for decarbonisation-related activity. Other activities critical to the Council's operation – Witney library roof replacement, highway maintenance and IT infrastructure – were also to be funded.

The Committee sought detail on the proposal for a replacement morgue. It was explained that the Council had a statutory duty to provide such a mortuary service but its current agreement with the John Radcliffe was due to end in 2025. One idea under discussion was a regional mortuary, with Buckinghamshire, Milton Keynes and authorities in Berkshire interested in exploring working together. This idea would allow for greater technology, including new, digital autopsies to be undertaken. An options appraisal for a regional mortuary had recently been completed, with a preferred location identified, as well as a backup. The cost in the budget was predicated on the worst-case scenario, whereby the Council had to provide the mortuary on its own; were partners to come on board the costs would be shared. A meeting was expected to take place in the coming fortnight, which would give a strong steer as to which direction the project might take.

The Committee **AGREED** it would make no recommendations to Cabinet but would requested its observations concerning the following be passed on:

- The importance of transparency over assumptions and the accuracy of previous assumptions in the final budget papers, particularly in reference to the income expectations for the Workplace Parking Levy and the anticipated proportion of children requiring EHCPs
- The potential to target vulnerable groups, particularly formerly looked after children, to become social workers through the Council's 'grow your own' scheme
- The value of extending the offer of the 'grow your own' scheme to include the development of para-professional roles
- Concern over whether the budget's assumptions that demand and inflation will fall significantly in 2026/27 in Children's Services
- Concerns over the lack of coordination between different elements of the s.106 process and the resultant delays or non-delivery of infrastructure
- Concern over the impacts on service levels if flood-authority resourcing is reduced.
- A lack of hard evidence to support the expected increased to patronage of park and rides

- With the high proportion of project-specific work in this Environment and Place, the Committee's concerns that reallocation of existing staff is not sufficiently high priority.

The Committee also **AGREED** the following actions:

- To receive briefings on the following at 19 Jan meeting
 - o the impact of on the Workforce Plan and the financial implications of the recent immigration changes
 - o the level of support by major local employers for the Workplace Parking Levy at 19 Jan meeting
 - o the causes of the cost pressure (adequacy of government grants vs the ability to pass inflation increase onto parents) on free school meals
- To receive more information to the process by which the Shepherd project was agreed as part of the report for the 19 Jan meeting
- To refer issues around progress made in s.106 process-improvements to Place OSC for further consideration

56/23 COMMITTEE ACTION AND RECOMMENDATION TRACKER

(Agenda No. 6)

The Committee **NOTED** the updates from the action and recommendation tracker.

57/23 CABINET RESPONSES TO RECOMMENDATIONS

(Agenda No. 7)

The Cabinet's responses to Scrutiny's recommendations were **NOTED**.

58/23 COMMITTEE FORWARD WORK PLAN

(Agenda No. 8)

The proposed work programme was **AGREED** subject to the following amendments:

- Delay of the Transformation report from 19 January meeting to a future meeting

..... in the Chair

Date of signing 200