

Corporate Overview and Scrutiny Committee, 28 January 2021

At its meeting on 28 January 2021, the Corporate Overview and Scrutiny Committee considered the final version of the Medium Term Financial Strategy (MTFS) 2021-2025.

As the 'parent' overview and scrutiny committee with overarching responsibility for budget scrutiny, the Corporate Overview and Scrutiny Committee took on board the feedback/concerns/comments raised by the other three overview and scrutiny committees during their respective sessions of scrutiny on the Pre-Budget Consultation 2021/22 document.

These comments and feedback were separately recorded after each overview and scrutiny committee meeting and, following the publication of the final MTFS documentation, have been updated in light of the changes that had been made to the proposed budget compared to that within the Pre-Budget Consultation 2021/22.

The Third Quarter Review (Finance) 2020/21 was also considered and comments were made for consideration by the Cabinet, also on 2 February 2021.

Third Quarter Review (Finance) 2020/21

The committee raised the following points during its consideration of this report:

- Concern regarding the underspend of £600k in Early Help, due to the council holding vacancies, and whether this correlated to the ~10% rise in the rate of cared for children in the borough, and/or the ~40% rise in the rate of young people referred to Early Help.
- Concern about the overall spend of the Best4Business Programme, in light of the reporting of an additional £200k contribution to an overall £2.3 million one-off spend on the project.
- There was agreement that it would be pertinent and beneficial for the council to undertake a detailed review of the Best4Business Programme project to obtain lessons learned. Officers confirmed this had already been agreed.
- How flexible the council would be when managing its Council Tax Support Scheme in respect of the support provided to residents who continued to struggle due to the impacts of the Covid-19 pandemic. The committee felt that it would be appropriate for Cabinet to consider a review of the current Council Tax Support Scheme.
- Whether a decision had been taken to maintain the current underspend within Highways/Car Parking services (due to held vacancies) by not filling the vacancies.

Assurance was provided by officers during the meeting that there was a relatively high turnover rate within these areas of employment and that this

was the reason for the reported vacancies. It was made clear that the council planned to fill these vacancies.

Medium Term Financial Strategy 2021 to 2025

Corporate Plan 2021-2025

The committee first of all considered the proposed Corporate Plan 2021-2025. Comments made in respect of the plan included that;

- it was a highly ambitious plan that had been well put together;
- it brought the council more in-line with what it should be – a public-focused and public-serving organisation, rather than a business operation; and
- it was positive to see such ambitious ‘green’ targets within the plan and hope that these would be achieved.

The low response rate to the public consultation was noted, response rates to previous similar strategy documents were considered and how effective engagement methods may be further developed in the future.

Members noted some of the negative feedback that had been received during the consultation in respect of the council’s carbon neutral aspirations, and agreed that this reflected that the council had to continue its efforts to raise the public awareness of the need to, and benefits of, working towards carbon neutrality and its ‘green’ ambitions.

Overall, members welcomed the ambition in the Corporate Plan and the clear articulation of priorities.

Medium Term Financial Strategy 2021-2025

Following an introduction to the report by the Director of Finance and Customer Services (s151 Officer) members put comments and asked questions in relation to;

- how important it was that the council received the additional £6.9 million of ringfenced funding for adult social care services through increasing the 2021/22 council tax precept;
- the decision by central government to allocate £0.4m Social Care Grant to this Council. (Previous allocations had resulted in pre-budget assumptions of approximately £1.2 – 1.4m);
- If Full Council resolved to raise its 2021/22 council tax precept by 4.99% (of which the 3% adult social care precept equates to £6.9 million in ringfenced funding for social care), this would have financial implications for residents;
- what the estimated percentage of the council’s spending related to Covid-19 had been funded/covered by central government grants (reported as ~97%); and

- that there could have been greater or more detailed reference to 'invest-to-save' strategies through the council's Capital Strategy.

The committee then considered in detail the changes that had been made during the Pre-Budget Consultation 2021/22 period, and made the following comments and questions:

- What the budgetary change meant for the item 'Review Staff Terms and Conditions' (Ref no. 14, p25, MTFS Appendix C) and what this review would consist of. It was clarified at the meeting that the proposal had been re-profiled and would be discussed with the trade unions.
- Whether the council had managed to undertake an evaluation of the impacts of 'Continuing Healthcare Reviews (Ref no. 9, p24, MTFS Appendix C) and if this had been incorporated into the final MTFS document.
- Why 'Urban Grass Cutting' (Ref no. 23, p26, MTFS Appendix C) had been reduced and whether this service covered the grass maintenance of parks and open spaces.

It was clarified within the meeting that this service was solely for highway verges in urban areas and that the reduction in funding reflected a reduction in the total number of cuts from 13 to 10 during the coming year.

- What had led to the decision to change the budget in relation to 'Reduction in cost of external placements for cared for children' (Ref no. 75, p30, MTFS Appendix C) over the coming four financial years, what kind of work was expected to be undertaken through this, and whether the council hoped to be able to bring more of its cared for children back into the borough as a result of this.

A response to these questions was provided by Councillor Flavell, Portfolio Holder for Children and Families.

- Why the new item 'Transport Management fee savings will not be delivered due to Covid-19 placing additional pressure on transport to school' (p31, MTFS Appendix C) had not been declared as Covid-19 related spending.

On the section of the report containing the main budgetary proposals, the following comments and questions were raised:

- Whether officers were confident that the £500k saving within Proposal No. 64 'Mental Health Services Review [Revised]' (p70, MTFS Appendix C) could be achieved without impacting the council's ability to provide the necessary mental health support for people during, and following, the Covid-19 pandemic.

A response was provided by the Portfolio Holder for Public Health and Corporate Services that the Cheshire NHS Clinical Commissioning Group,

Public Health and Adults Services all funded mental health services that the review would look at how this could be delivered.

- Concern regarding the implications to service delivery in respect of Proposal No. 73 'Learning Disabilities Future Service Development and Review [Revised]' (p74, MTFS Appendix C).
- What the long term plan was for providing the Family Information Service, if through Proposal No. 66 'Reduced capacity in Family Information Service' (p71, MTFS Appendix C), staffing reductions were expected to be made to Business Support Assistants and Family Service Workers.

The Corporate Overview and Scrutiny Committee concluded its deliberation of the Medium Term Financial Strategy 2021-2025 by agreeing to note the recommendations being put forward to Cabinet, and that its comments and feedback would be passed on to Cabinet in advance of its meeting on 2 February 2021.

Children and Families Overview and Scrutiny Committee, 25 January 2021

The committee made no formal recommendations with regard to the pre-consultation budget / MTFS proposals, but asked questions and put comments in relation to:

- The proposals on Children's Centres – noting that Children's Centres are key in areas of the borough where demand on services is greatest, and to support service delivery in more rural areas – and would want to understand more how a proposed income of £10k from the hire of Children's Centres could be met, particularly in the current situation regarding the Covid-19 pandemic.
- 'Prevention and Early Help Service – Reduction of frontline workers in Prevention' and considerable concern that this does not marry up with the recent 30% rise in referrals to Children's Services. Members raised further concern that this savings proposal more than doubled in the following year 2022/23 and what overall impact will be of this £953k saving.

In response, it was noted that considerable work had been undertaken to review where within the Children's Services directorate the most effective, appropriate savings could be made, and that any saving brings a risk.

- 'Prevention and Early Help Service – Locality working and changes to the management structure of the Family Service' and the fact that when the council has Children's Services that per Ofsted, 'Requires Improvement', will using greater numbers of volunteers to address this help the service to improve as it needs to.
- 'Fund the Cygnet programme for cared for children from pupil premium' and what impact this would have on the council's overall Dedicated Schools Grant for its schools.

Officers informed members that it had no impact on the Dedicated Schools Grant.

- 'Reduced capacity in Family Information Service' and concern that those households without access to broadband or other IT equipment, would not be adequately communicated with by the council following reductions to the Family Information Service.
- 'Review of the use of the Cheshire East Lifelong Learning Service' and what the exact underspend within the service had been during 2020/21, and concern that one of the council's high performing services will be impacted by less funding and resources.

Officers responded to members' queries and advised that there was no impact on the service as the savings were linked to the underspend.

- 'Reduction in cost of external placements for cared for children' and concern that the high sums proposed to be saved over the coming three financial years through 2023/24 are an unrealistic target, as the council has not been able to achieve such savings in these areas in previous years.

Members noted that within the Pre-Budget Consultation documents, the total savings regarding children's safeguarding totalled nearly £1.5 million, which was of concern particularly in light of the known increase in safeguarding issues, mental health and domestic abuse associated with the restrictions and lockdowns put in place since the beginning of the Covid-19 pandemic. The committee raised concern that reductions to these services would disadvantage the council's long-term response to the wider mental health and wellbeing impacts on children and young people from the pandemic.

Environment & Regeneration Overview and Scrutiny Committee, 18 January 2021

On consideration of the pre-consultation budget / MTFs proposals, the committee asked questions, put comments and recommended that:

- In respect of the boroughwide consultations on the Local Transport Plan and Parking Strategy, that the consultation timeframe be extended to take into account the difficulties people without access to the internet may have experienced trying to access services such as libraries which are closed as part of the national lockdown guidance relating to the Covid-19 pandemic.
- It was noted that the budget proposals came with an attached caveat that:

Proposals marked RED / AMBER had been identified as those only being considered for consultation and any subsequent implementation if the Local Government Funding Settlement does not sufficiently increase the funding to Cheshire East Council. RED items would be removed first where possible.

The Committee agreed that for items relating to the Environment and Regeneration budget, the items marked in red and amber could represent £770+k of savings. Recommendation from the Committee was to retain those savings regardless of the outcome of the Local Government Funding Settlement.

- The Committee proposed that a plan for rural grass cutting could be developed as there was some reported road safety issues reported in certain parts of the borough. Members were keen to note from Officers when rural grass was planned to be cut and/or sprayed and also the issue of Pavements siding out' was raised, especially on major A roads where people can't walk down.

Health and Adult Social Care and Communities Overview and Scrutiny Committee, 14 January 2021

On consideration of the pre-consultation budget / MTFs proposals, the committee asked questions, put comments and recommended that:

- In relation to 'Continuing Healthcare Reviews', it was noted that some of the care packages can be very costly and therefore, was £1 million the minimum amount that the council expected to get.

In addition, members asked how much money the council had tied up in healthcare packages, and what amount the council could receive back from the NHS?

- In relation to 'Productivity and Efficiency in Adult Social Care', concern was raised that savings would be made through cuts to staffing, which would lead to even greater pressures on other council staff and also NHS staff who may also have to pick up additional work.
- In relation to 'Learning Disabilities Future Service Development and Review', concern was raised that monies would be taken away from services that support those with learning disabilities.

Officers advised that the proposal was not about cuts to services but instead about better managing the funds available.

- The committee noted the significant need within the adult social care sector for additional funding, and of the need for councils and other bodies to lobby Government to finalise and publish its Green Paper on Adult Social Care.
- The committee also noted that, due to the council's significant older population it may be more greatly disadvantaged by the growing demand and costs of adult social care services, and that any future governmental reviews of funding should try and take this into account when deciding on the allocation of funds.

Corporate Overview and Scrutiny Committee, 7 January 2021

On consideration of the pre-consultation budget / MTFS proposals, the committee made no formal recommendations, but asked questions and put comments in relation to:

- Whether the council's elected members would be informed of the memberships and subscriptions which were proposed to be withdrawn from.

It was agreed that these details would be circulated to committee members for information.

- The impacts of the national public sector pay pause for 2021/22 and whether local negotiations would take place on this.

It was noted that following the Chancellor's announcements, national negotiations were expected to take place for Local Government and that the potential pay pause would not impact NHS staff or the lowest paid.

- The improved debt recovery savings proposals, which had raised concerns regarding the impact that these new measures might have on businesses and residents that have already been greatly impacted financially by the pandemic.

It was highlighted that the proposals involved being more efficient, collecting money upfront and having better processes in place for debt recovery, which would hopefully prevent residents accruing additional late payment charges.

- The proposed restructure/efficiency savings, which raised concerns about the impacts that this would have on the already-stretched capacity of staff, as well as on teams to continue to deliver effective services, mentioning specifically the legal support for the council's enforcement activity as an area of concern.

It was highlighted that there are a number of ways costs can be reduced, for example, the number of agency staff and ongoing restructures within the Corporate Services directorate and aimed to ensure that the council had the right people in the right place to deliver what it needed to. The Director of Governance and Compliance agreed to report back to the committee on how the specific concerns raised regarding legal services and enforcement were being addressed.

- The council's spend on ICT which, whilst essential (especially in light of the remote working implications of the Covid-19 pandemic), was thought to be high by some members and that it was not clear whether the council had achieved value for money.

It was agreed that, in response to the concern raised by the committee, an item would be added to its work programme to review the council's ICT spend and whether the council had achieved cost per person value for money.