

Corporate Review Committee

Medium Term Financial Strategy 2021 - 2026

**Final Report of the Medium Term Financial
Strategy Working Group**

Chairman's Foreword

In any normal year, local government finds it a particularly challenging and uncertain time in relation to financial planning and strategy. The Covid-19 virus effects have provided an added dimension and the Working Group has had to take these circumstances into account and attempt to be constructive and understanding in its approach to its investigations.

Partly because of the absence of any meetings in the early part of the Covid-19 virus lockdown, the Working Group has had fewer opportunities to meet to discuss MTFS issues. This year, however, it has provided an opportunity to look more outwardly rather than inwardly, including an input from Mr Adam Lent, Chief Executive of New Local (formerly NLGN) on Sharing Best Practice. Hopefully, as well as highlighting some strong recommendations based on other local authority approaches, it will open up the idea of using more external input to financial strategy discussions. Online meetings and the absence of travel time and cost actually help to facilitate such input.

There has been a strong element of experience in the group with all four standing committee chairmen represented, as well as the current and former minority group elected Members. This has been helpful in the widespread knowledge of the group in those areas that have previously been the subject of budget pressures. The elected Member experience has also been a useful input in consideration of Covid-19 virus effects on the MTFS outlook.

While the impact on Covid-19 and economic recovery have been key elements of our investigations this year, we have also been aware of the key risk areas around the 'Care' services. The New Local input has allowed our recommendations to take in the guidance of strategies that are shaped by principles of Early Help, Prevention and the understanding of Social Determinants impacting on demand, i.e., the local environment, health and wellbeing, housing and jobs. Our approach with those Cabinet Members interviewed was to consider their understanding of these issues in order to contribute improvements to the MTFS landscape.

At the same time we took a risk based approach to our evidence gathering, allocating more time on those services which had potentially the greatest impact on the deliverability of the MTFS. The pandemic has naturally and understandably tended to focus government response to the immediate fight against the virus. However it is essential that the issues involved in addressing the longer term funding of local government are not forgotten and will invariably be an on-going part of the work of the group in future years.

The Group is grateful to all the officials who administered the process, particularly Nick Pountney, Carol Bloxham, Rob Salmon and Rachel Spain. I would like to thank Members for their enthusiasm, pleasant camaraderie and insightful work. All the above have had, this year, to operate not only within a shorter time frame but also conducting the process in a total work from home and online basis.



County Councilor Colin Greateorex
Chairman
Medium Term Financial Strategy Working Group

Conclusions and Recommendations

Conclusions

1. Overall, given the assurances we have had to date, we feel it has been demonstrated that the process of preparing the County Council's Medium Term Financial Strategy (MTFS) 2021 – 2026 and setting the 2021/22 Annual Budget and Council Tax has been thorough and robust. We have accepted assurance from the Leader and his Cabinet that they constantly monitor and review the assumptions made and we can conclude therefore that the proposals meet the principles of a good and balanced budget, subject to our comments, concerns and recommendations, which are set out in this report.
2. Over recent years the County Council has significantly reduced its running costs, whilst spending a record amount on social care for a growing ageing population as funding has reduced. The growing demand in this sector is a national challenge rather than a local one and central Government should lead on finding sustainable long term solutions. Demand continues to grow in the care sector – both adults and children.
3. This year we have faced an unprecedented challenge in the Covid-19 pandemic which has affected the running of the Council in many ways including reassigning staff to delivering food parcels and Personal Protective Equipment, delaying planned savings programmes and reducing the amount of council tax and business rates collected. Furthermore, the council has spent more than has been received in emergency support from central Government to help residents and businesses through the crisis. Like councils across the country, we are faced with significant challenges as recovery plans are worked through and the council has committed to directing all of its resources to help people and businesses get moving again.
4. It remains important to continually challenge major risk assumptions within the MTFS and this is the responsibility of the whole Council. This year the impact on Covid-19 and economic recovery will be a key element. Other key risk areas continue to be around 'Care':
 - Looked after children
 - High needs blocks in schools (SEND)
 - Care home prices
 - Public health grants
 - Delivery capacity
5. The County Council must continue to transform the way it delivers services to meet the ever increasing demand for care services, best practice and ensuring value for money. The Council must continue to work towards strategic cooperation and engagement with other public bodies to maximise potential of public funds.
6. The impact that Brexit will have on Staffordshire is difficult to assess. The County Council's risk assessment has been adjusted to take account of Covid-19 and Brexit.

Recommendations

7. Throughout the Covid-19 pandemic, people have shown exemplary community spirit. The County Council must now work with wider communities collaboratively – recognising strengths and building capacity. Facilitating strong networks will result in self-sustaining communities. The Council must engage better and sufficiently with parish and town councils and the voluntary sector. This is vital and is not yet happening. Now is an opportunity for parish councils to reflect and reorganise their approach to supporting their communities especially the most vulnerable and isolated and the Council must facilitate this and encourage them to be ambitious.
8. The County Council must engender a supportive culture amongst staff in which problem solving and measured risk taking is encouraged and front line staff - who have first-hand knowledge of systems and processes - should have capacity to adapt their approach. In such an environment, decision making can be delegated, where possible, to the lowest level within a framework of cross party working.
9. The key to successfully integrating a new culture – one which builds resilient communities and limits expectations on local authorities - is good leadership and the importance of a simple message or narrative. Repetition of a message (which is incumbent on all Councillors) and Emulation (Cabinet Members and senior leaders must embody these values) can be powerful.
10. We urge Cabinet to be open to learn from best practice evidenced elsewhere via platforms such as New Local.
11. Changes in governance should be informed by the experience of front-line staff. Integration must be inclusive of the wider community and the County Council must learn from some interesting techniques which are emerging.
12. It is important that all members are regularly and comprehensively updated around progress against the Covid-19 recovery priorities and it is vital that all members recognise their role in engaging proactively with the process.
13. The MTFs is predicated on various elements which include lobbying of Members of Parliament and the County Council must be proactive to ensure it can fulfil its roles and duties and improve lives for Staffordshire people.
14. We believe there needs to be a fundamental review of the savings plan and that there may be service areas which require additional funding rather than being expected to achieve savings. In managing our assets, the focus needs to be on getting it right first time and delivering savings for the longer term.
15. To bolster Staffordshire's economic recovery, we urge Cabinet to ensure young people are retrained into growth industries, identifying skills which will be necessary and providing opportunities.
16. We believe mental health will become the next priority in terms of public health and the County Council and NHS partners must be proactive and integrated in their response.

17. We caution against transferring everything to a digital platform and assuming savings will follow – rather challenge core thinking especially around the re-modelling of the County Council; be innovative and not simply get drawn into national trends. A twin tracked strategy for example which addresses where AI can allow staff to refocus on the greatest added value services.
18. We emphasize the importance of regularly reviewing major assumptions and challenging anticipated pressures within the MTFS.

Scope

19. The County Council's five-year MTFS provides the financial framework for the delivery of the Council's Strategic Plan. The MTFS Working Group of the Corporate Review Committee is responsible for providing challenge during the development of the Council's MTFS and the annual budget and council tax setting process. The work of scrutiny helps to ensure that the Cabinet develops a good and balanced budget. This year the working group has asked searching questions of the Leader and Cabinet Members responsible for Finance, Commercial Matters and Digital and has had a discussion session with the Chief Executive of New Local (formerly NLGN) on sharing best practice in local government.
20. We strongly believe all Members have a corporate responsibility to manage expectations and towards delivering the MTFS. The Council pledges to deliver value for money for its residents and business and to live within its means.
21. This year has been overshadowed by the Covid-19 pandemic. In some areas activity has paused or changed due to national restrictions or the need to redeploy staff. The pandemic has also accelerated support for community action and volunteering and in the digital transformation of the way the council's staff work.
22. The pandemic has had an impact on planned savings which has resulted in a cost in 2020/21 of £10m in delayed or unachieved savings.
23. Accepting these difficult circumstances and the amount of uncertainty, we decided we could best add value by looking ahead and exploring key themes.
24. A good and balanced budget is one where:
 - It has a medium-term focus, supporting the Leading for a Connected Staffordshire Business Plan.
 - Resources are focused on Vision for Connected Staffordshire and priority outcomes.
 - It is not driven by short term fixes.
 - It demonstrates how the County Council has listened to consultation with local people, staff and our partners.
 - It is transparent and well scrutinised.
 - It is integrated with the capital programme.
 - It maintains financial stability.
 - Expenditure matches income levels.
 - Savings targets and investment proposals are credible and achievable.
 - Key assumptions are "stress tested".

25. In assessing whether the budget is good and balanced the Committee had reference to:

- financial strategy in the wider planning context;
- how the budget is constructed and decisions made;
- what criteria, information and consultation shape the budget;

Method of Investigation

26. A risk based approach to our evidence gathering was used this year, focussing proportionately more time on those services which had potentially the greatest impact on the deliverability of the MTFs. We decided to conduct seven interviews:

- Mr M Deaville, Cabinet Member for Commercial Opportunities
- Mr Alan White, Leader and Mr Mike Sutherland, Cabinet Member for Finance on COVID-19 recovery plans
- Mr Adam Lent, Chief Executive of New Local (formerly NLGN) on Sharing Best Practice
- Mr Mike Sutherland, Cabinet Member for Finance on the Digital Platform
- Mr Alan White, Leader of the Council and Mr Mike Sutherland, Cabinet Member for Finance interviewed in respect of MTFs and the Autumn Settlement

Budget Interviews

Date of Interview	Interviewee/s
11 August 2020	Scene setting meeting with County Treasurer
7 October 2020	Mark Deaville, Cabinet Member for Commercial
3 November 2020	Alan White, Leader of the Council Mike Sutherland, Cabinet Member for Finance
19 November 2020	Adam Lent, New Local
3 December 2020	Mike Sutherland, Cabinet Member for Finance (including Digital portfolio)
7 January 2021	Alan White, Leader of the Council Mike Sutherland, Cabinet Member for Finance

Membership

27. The membership of the MTFs Working Group is:

County Councillor Charlotte Atkins
County Councillor John Francis
County Councillor Colin Greatorex (Chairman)
County Councillor Jeremy Oates

County Councillor Ian Parry
County Councillor Jeremy Pert
County Councillor Martyn Tittley
County Councillor Sue Woodward

Findings

General

28. In addition to the anticipated significant financial impact of the pandemic across the entire public sector, a growing, ageing population, rising costs and growing demand for our services mean that more fundamental changes are required.
29. The County Council has changed significantly over the last decade and can no longer afford all the things it used to do or would like to do. It has had to look to find different ways of working that help people to help themselves, take greater personal responsibility for their own lives, health and wellbeing, and greater responsibility for improving their own communities. That pace of change must accelerate in the changing financial landscape. If we succeed in this and reduce demand on public services, the County Council can target the reducing resources where there is most need.

Learning from New Local

30. New Local (formerly New Local Government Network) is an independent think tank and network which aims to transform public services and unlock community power. Adam Lent, their Chief Executive shared his interpretation of how councils are addressing fiscal challenges. He believes there is a strong awareness across the sector of the medium and long term risks. In the wake of the pandemic, there are on-going health vulnerabilities, serious concern about the economy and disruption to the labour market especially on young people. These challenges and Brexit mean significant uncertainty and disruption to local government which is likely to last for some time.
31. He describes local authorities as stuck in a vice like grip of increasing demand and reduced funds and he complimented us as a working group for embracing the challenge in our work programme.
32. Councils are responding in different ways and there are clear measures that can be taken to mitigate fiscal challenge but we agree that the only effective and sustainable response is to reduce demand.
33. Reduce demand by identifying those who are likely to be a source of demand (Early Help) and intervene before they become a strain on resources and there are good examples of focussed work in local authorities. Secondly, Prevention is more than early help and is about setting up networks and introducing public health programmes. Thirdly, focus on the social determinants which impact on demand – the local environment, health and wellbeing, housing and jobs.
34. Councils must work with communities in a different way – collaboratively – recognising the strengths in communities and encouraging these. Facilitating strong networks will result in self sustaining communities.

35. Adam Lent referred to the importance of front line workers as some councils have freed up front line social workers to take a problem solving approach mentality as they can have a greater understanding of problems and barriers. Some authorities have completely redesigned their service to enable this to happen. Kings Fund research on Wigan Council's social care service evidences the effect of front-line autonomy in both saving money and reducing demand. The County Council must engender a culture in which problem solving and measured risk taking is encouraged.
36. We are not surprised that where the NHS is fully integrated with the local authority, the best results are achieved.
37. Although evidence around Direct Payments is mixed, there is benefit in people grouping together and networks can be powerful. Parish and town councils and wider community groups should be supported in building capability. The Leader told us he has forged a good working relationship with second and third tier authorities.
38. We accept that traditionally local authorities have been risk averse, especially around children's services. There is pressure to balance safeguarding and efficiencies but there are examples of innovation in early help and prevention. Gateshead Council for example has focussed on people who repeatedly failed to pay their council tax as an indicator of a family who would likely be demanding on services. Early knowledge of such indicators is very useful.
39. Adam Lent accepts that timeframes are long – it takes time to change the culture of a council and the expectations of a community. He believes key to success is good leadership and the importance of a simple message or narrative; the power of repetition of this message (incumbent on all Councillors); and, the power of emulation, senior leaders must embody these values. Councils need to be brave!
40. We believe that a significant social determinant for good health is stable employment and this is a real challenge in the post Covid recovery period. There needs to be an integrated approach – including public health and NHS. Outcomes based commissioning is proving successful elsewhere. Adam Lent endorsed the approach of integration around front line services rather than governance. Governance change should be informed by experience on the front line. Integration must be inclusive of the wider community and we note some interesting techniques are emerging.
41. New Local is in the early stages of exploring the use of mobilised communities to generate economic growth. There is overlap, and for communities who want to support local businesses, community asset transfer is a way to rebuild.
42. Post Covid it will be important for the Council to create an environment which facilitates change and brings employment and prosperity to the county by working closely with MPs and local government networks. Growth in business will support public services and we are pleased the Leader is working with the LEP to identify and deliver projects across Staffordshire and identifying new funding streams.

43. We found the session with Adam Lent to be extremely useful and we urge Cabinet to be open to investigate, learn and adapt from best practice evidenced elsewhere and via platforms such as New Local for Staffordshire.

COVID-19 Recovery Plan

44. This year, the impact of Covid-19 has been felt across all services. In February 2020 the MTFS was in a balanced position across all 5 years by implementing a significant cost reduction programme together with using one-off resources in the early years. In the light of the pandemic, the MTFS has had to be regularly refreshed taking into account emerging pressures whilst supporting those most vulnerable residents in Staffordshire.

45. Due to its size, Staffordshire receives a significant allocation of any grant funding and it has good control over its finances and a good track record of responding positively when savings plans are introduced.

46. We have explored the Covid-19 impact, the learning from the recovery phase and the high level priorities for recovery with the Leader. It is important that all members are regularly and comprehensively updated around the recovery priorities.

47. Government grant aid was not prescriptive but could be used to alleviate any financial impact of Covid-19 – shortfall in savings or lost income - and the Council has to report to Government monthly on how it has allocated grant funds. There were three elements to the Covid-19 response:

- Direct response (Personal Protective Equipment/food distribution to shielding residents)
- Impact of lost income
- Delays to the savings plan

48. Approximately £100m has been received from Government due to the financial impact of the pandemic. Currently the additional expenditure is forecast to be around £1m more than the amount of grant received. Direct expenditure is largely covered and loss of income is managed but the impact on the savings plan is concerning and ongoing. Over £16m in Covid-19 support has been included in the MTFS.

49. We are pleased the Council is promoting Think Staffordshire First – using collective public procurement to support local businesses in community wealth building. We note that the Council will continue to promote local businesses but there is no collaborative procurement with DWP or NHS. The Council had accelerated its payment terms to help small businesses – representing about £20m acceleration.

50. We understand it would be difficult for the Council to contribute – if directed by Government – to the overall national recovery. The MTFS is predicated on various elements including lobbying of MPs to ensure we can fulfil our roles and duties and improve lives for Staffordshire people.

51. We believe there needs to be a fundamental review of the savings plan. There may be service areas which require additional funding rather than being expected to achieve savings. In addition to the £62m of savings already agreed to be delivered by 2024, a further £25.8m is included in the current MTFS for delivery by 2026.

52. We understand that despite the third lockdown, the budget for 2021-22 will be managed and that the impact would be on delayed savings - £10m in the current year and the same in the following.
53. We are aware of the significant contribution volunteers have made in their communities and the incredible uptake in volunteering since March 2020, but we are concerned about volunteer fatigue. The Council must ensure there is a sufficient and resilient source of volunteers going forward and redirect their energy as restrictions ease, our economy recovers and normality returns. The staff initiative I Care I Count has been effective. We urge Cabinet to engage better and sufficiently with parish and town councils and the third sector which can really help at ground level. This is vital and is simply not happening yet. Now is an opportunity for parish councils to think about and reorganise their approach to supporting their communities especially those most vulnerable and isolated. The Council must support parish councils to be ambitious and explore their potential.
54. We are aware that a Local Enterprise Partnership (LEP) taskforce is focussed on supporting economic recovery which would be strategic and county wide and focus on the short, medium and long term. Sectors such as Tourism and Leisure and Performing Arts which are important to Staffordshire have been badly hit during the pandemic.
55. We urge Cabinet to ensure young people are retrained into growth industries, identifying skills which will be necessary and providing opportunities. The Leader hopes that the seven investment sites being developed in the county would provide opportunities.
56. The Council has a role in delivering infrastructure to create conditions for housing and better paid jobs and in facilitating business centres although not directly providing jobs. The Council must try to attract high quality growth industry to the county and ensure schools are turning out appropriately skilled young people.
57. We hope that health partnerships are ready for greater demands in emotional health and wellbeing. We accept there is a significant challenge in balancing controlling the spread of the virus with people's emotional and physical health and wellbeing and with economic recovery. We understand that there has been a good, no-nonsense working relationship throughout the pandemic with NHS partners and this must continue. We believe mental health will become the next priority in terms of public health and the council and NHS partners must be proactive in their response. This is likely to be a long term request for many years after the pandemic.

The Digital Platform

58. In a previous interview, the Leader acknowledged that parts of the county still did not have great connectivity and improving this was a priority. 5G is new technology which would significantly improve the economy and was the subject of a bid to Government.
59. Adam Lent had shared examples of local authorities using Digital to drive innovation but every council has had to make huge leaps in their digital programme

due to the pandemic. Some councils are well on the way to becoming completely digitised and renting out unused office space.

60. The Cabinet Member with the Digital portfolio told us that Digital is streamlining business and delivering, that it needs to be an intrinsic part of every business plan and is now a key principle in the council's vision. Digitisation required culture change but huge progress had been forced on councils due to the pandemic.
61. We asked about Assistive Technology, aware that the elderly and families on low incomes were most likely to be technically challenged. While we accept that digital exclusion is a matter for Select Committee scrutiny, there are clear cost implications where it goes wrong. We understand there has not been the investment in AT as had been planned. The Cabinet Member said that the Councils' role was to provide a vibrant marketplace so that clients can understand what is available and make choices. The Happy at Home campaign enabled people to explore options on the website.
62. We were assured that the council is clear in its approach – digital first but not exclusively. Libraries were being mobilised into community information hubs where clients can continue to have face to face contact and so a blended approach will continue.
63. Digital apps – such as My Staffs – are giving people more control – for those who are able and want to engage, the council is making it easier to do so but will work to avoid any exclusion but the Council should not raise resident's expectations of quick resolutions.
64. We asked the Cabinet Member about the costs where digital falls short. The Cabinet Member agreed that more is needed in terms of infrastructure supporting such as My Staffs app.
65. We acknowledge that an all member event on Digital is scheduled as we feel all members need to be kept up to date with activity. We fear there is low confidence in some digital programmes due to poor customer experience. The Cabinet Member assures us that work is ongoing to improve the back end of digital services to match the front end. He accepts there is frustration in some cases and agrees that there needs to be robust infrastructure to ensure customer confidence. The service must build system confidence.
66. We asked the Cabinet Member if there is a focus on the big spend opportunities for digital innovation but we suggest there is no need to over invest in digital where the current system is working well. We caution against transferring everything to the digital platform and assuming savings will follow – rather challenge core thinking especially around the re-modelling of the council. We also urge the Council to be innovative and not get drawn into national trends. Artificial Intelligence advancements are likely to overtake us and the County Council must be focussed sufficiently far ahead.

Commercial Opportunities

67. The Cabinet Member for Commercial said that NEXXUS had protected the Council against market failure given the fragility of the social care provider market. They

had provided quality care in an area where no service provider was available at a price the Council could afford. It was a wholly County Council owned arms-length company. The pace of growth had concerned the Cabinet Member but NEXXUS had successfully managed growth of over 290% over 12 months.

68. NEXXUS had managed to stabilise a challenging market and had even returned a small surplus which would be reinvested in the company to further benefit the service provided.
69. We asked the Cabinet Member whether there had been any adverse effect on smaller private companies providing care who may now be challenged by NEXXUS's hold on the market. He confirmed that their focus remained on filling gaps in the market. NEXXUS is a framework provider with the same terms and conditions as other providers in the marketplace.
70. The other arm of the business is re-ablement: returning people home from hospital within 6 weeks to avoid their becoming dependant on care.
71. We acknowledge the increased fragility of the social care market due to the pandemic and asked whether NEXXUS is sufficiently robust to respond to likely further challenge and demand anticipated in the care sector. The Cabinet Member realised that there were greater challenges ahead due to the ongoing pandemic and whilst he would have appreciated a period of stability, he believed NEXXUS was in a good position to step up when necessary.
72. A recent CQC inspection had rated NEXXUS as 'good' and they had undertaken a vital role in training volunteers to deliver short term care as the COVID-19 cases spiked in March 2020.
73. We reminded the Cabinet Member that NEXXUS has a responsibility to the taxpayer and must continue to strive for value for money. The adult care market is highly competitive and NEXXUS will have to ensure it stays lean and efficient. They must continually test the market and may need an exit strategy at some point. There is no room for complacency.
74. We asked what risks are associated with NEXXUS operation and understand that they have digitised the service to mitigate risk – data sharing across all contributors was comprehensive. This gives the board absolute control and facilitates better working for carers. Governance, overview and quality key performance data is shared on a monthly basis.
75. The schools support market had changed significantly since Entrust had been established. The County Council would carefully consider its position and watch market conditions across all aspects of Entrust work before making a decision on its shareholding in 2021. There was no financial liability on the Council. The MTFS did not include any dividend from Entrust and none was expected.
76. We challenged the Cabinet Member on climate change. He believes that climate change is embedded in all areas of service and business, that attitude and culture are changing in line with the green agenda and any contractor or supplier engaged must share the same focus and values.

77. Many organisations with which the council is contractually engaged are forward thinking in their policies on green issues.

MTFS - Settlement

78. The Provisional Settlement was announced on 17 December and for one year only. Reform of local government funding had been long anticipated and lobbied for and a three year settlement would have allowed for some planning but a roll over situation does not.

79. There is an additional amount of £4.4m allocated for social care, both Adults' and Children's. This is in addition to the £20.8m Social Care Support grant announced in 2020/21 which will now continue at the same level as in the current year.

80. The Revenue Support Grant will also continue in 2021-22 and has been inflated, this same lower rate of inflation has also been applied to the business rates top-up payment. The allocation for New Homes Bonus is £0.574m more than was assumed. There is further consultation on the future of this funding stream.

81. The Spending Review includes an allocation of Covid-19 funding for local authorities for 2021-22 and this has been allocated as part of the Settlement with Staffordshire receiving £16.2m, to be kept centrally until the financial impact becomes clearer.

82. Social care needs are identified at £17.6m so the additional council tax raised by increasing the threshold will not be sufficient to cover costs. A small inflationary increase on Public Health grant is anticipated and while this will inevitably reduce the Prevent agenda slightly, it should not be significantly affected.

83. The Secretary of State has given his assurance to the leaders of local authorities that if more funding is needed to mitigate the financial impact of the pandemic then that would be found. As the Council is having to raise council tax by 0.1% below the limit, there is no headroom if this funding is not forthcoming over a short or longer term.

84. The whole of the Provisional Settlement including the allocation of social care support grant and the distribution of the Covid-19 funding is subject to consultation and amounts will not be confirmed until the final settlement is announced during February.

85. Although a stable platform has been created for the current year based on prudent assumptions, beyond that there is uncertainty and little confidence and with uncertainty, comes risk.

86. The pandemic forces difficult conversations around prioritising. In ordinary times, a strategic plan with sound financial backing would be delivered but in the current circumstances planning is difficult and a need for flexibility and quick reaction is necessary.

87. The new post-Covid world is likely to be significantly different and will be an opportunity to re-shape the County Council. Many businesses are remodelling themselves now. We questioned whether the assumptions on which the budget is

based are visionary enough and will it be fit for purpose for the post-Covid Council but we accept that there is little confidence or certainty to plan beyond one year. Furthermore, some legislative certainty from Government would be necessary - in terms of Devolution and Social Care Green paper for example – long anticipated but not priorities for a Government focussed on the pandemic and Brexit.

88. We asked to what extent Cabinet tests the validity of anticipated pressures – demographic pressure, for example – do they retrospectively check how accurate forecasts were? We are assured that previous years assumptions around spending pressures are challenged and any adjustments – up or down – are highlighted.

Community Impact Assessment – MTFS

89. A high level overarching CIA on the MTFS - a cumulative assessment of impact which identifies key issues and includes plans for mitigation - has recently been updated to consider additional savings proposals, key Covid-19 impacts and reflects the refreshed CIA priorities for the upcoming year.

Implications

90. Resources and Value for Money - Consideration of the MTFS, annual budget and Council Tax, inevitably means that this review focused on the allocation of the County Council's resources. Considering the value for money delivered by services was a central theme of the evidence gathering process. Many of our conclusions and recommendations are focused on ensuring that the County Council is achieving value for money.
91. Equalities and Legalities - Determining priorities is central to the MTFS and budget setting process, and we were conscious in our review that this means some services are identified as being a lower priority than others. Any decision to significantly change or reduce a service based on its priority level will need to be taken into account the impact on various groups (equality impact assessment). There are no specific legal implications to the report.
92. Risk - Our conclusions and recommendations draw attention to some of the key risks to the successful delivery of the MTFS. We considered the relationship between risk management and financial management and asked questions about the main financial risks to the authority and how these might be mitigated during the course of our work.
93. Climate Change - Taking action to reduce the County Council's Carbon Emissions has the potential to have a positive impact on the budget both in terms of avoiding financial penalties from Central Government and in terms of reducing energy costs. This is an issue which the Cabinet must continue to work on.

Acknowledgements

94. We would like to thank the following officers who supported the Working Group:

Rachel Spain
Nick Pountney

Corporate Finance Manager
Scrutiny and Support Manager

Carol Bloxham

Scrutiny and Support Officer

The Working Group would like to thank the Chief Executive of New Local, Cabinet Members and officers who participated in the budget interviews.

County Councillor Colin Greatorex
Chairman of the MTFs Working Group
Chairman of the Corporate Review Committee
January 2021

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List of Appendices/Background Papers

Strategic Plan and Medium Term Financial Strategy 2021 - 2026