

## Corporate Overview and Scrutiny Committee

Tuesday 29 March 2022

**10:30**

Oak Room, County Buildings, Stafford

**NB.** The meeting will be webcast live which can be viewed here -  
<https://staffordshire.public-i.tv/core/portal/home>

John Tradewell  
Director of Corporate Services  
21 March 2022

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## A G E N D A

### PART ONE

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of the meeting held on 20 January 2022** (Pages 1 - 6)
4. **Integrated Performance Report, Quarter 3 2021-22** (Pages 7 - 68)
5. **Work Programme** (Pages 69 - 76)
6. **Exclusion of the Public**

The Chairman to move:-

“That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of Local Government Act 1972 indicated below”.

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### PART TWO

(All reports in this section are exempt)

### **Membership**

Charlotte Atkins	Jeremy Pert
Tina Clements	Bernard Peters
Mike Davies	Bob Spencer
Colin Greateorex (Chairman)	Samantha Thompson
Gill Heath (Vice-Chairman (Scrutiny))	Conor Wileman (Vice-Chairman (Overview))
Jeremy Oates	Mike Worthington
Kath Perry, MBE	

### **Note for Members of the Press and Public**

#### **Filming of Meetings**

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#### **Recording by Press and Public**

Recording (including by the use of social media) by the Press and Public is permitted from the public seating area provided it does not, in the opinion of the chairman, disrupt the meeting.

**Scrutiny and Support Officer:** Mandy Pattinson

**Minutes of the Corporate Overview and Scrutiny Committee Meeting  
held on 20 January 2022**

Present: Colin Greatorex (Chairman)

**Attendance**

Charlotte Atkins  
Tina Clements  
Mike Davies  
Kath Perry, MBE

Jeremy Pert  
Bernard Peters  
Samantha Thompson  
Conor Wileman (Vice-  
Chairman (Overview))

**Also in attendance:** Councillors Alan White and Victoria Wilson.

**Officers:** Janene Cox, Trish Caldwell, Rachel Spain and Kerry Dove.

**Apologies:** Gill Heath and Mike Worthington

**PART ONE**

**1. Declarations of Interest**

No declarations were made at the meeting.

**2. Minutes of the two meetings held on 6 January 2022**

**RESOLVED:** That the minutes of the two meetings held on 6<sup>th</sup> January 2022, be confirmed as a correct record and signed by the Chairman.

**3. Proposed New Joint Coroners Service**

The Committee considered the report of the Cabinet Member for Communities and Culture which proposed a Joint Coroners service for Staffordshire, joining the South Staffordshire jurisdiction with that of Stoke on Trent and North Staffordshire to create a new service.

The proposed new joint service would follow national policy of merging smaller coronial areas and therefore reducing the overall number of Coronial jurisdictions in England and Wales. The retirement of the South Staffordshire Coroner had provided the opportunity to consider consolidating the coroners service into a single new service, which it was suggested, would enable a more consistent, resilient service for Staffordshire residents and, over time, deliver efficiencies through economies of scale.

It was explained that this was a decision for both the County Council and Stoke on Trent City Council. The County Councils Cabinet would consider the proposal on 16 February 2022. Following agreement from both Local Authorities, the business case would then be submitted to the Ministry of Justice for approval. This would lead to the preparation for the required laying of the statutory instrument for the legal process to commence. A period of at least 4 months was required to provide sufficient time for this to take place. The Ministry of Justice would also complete the required 4 week targeted consultation.

The Strategic decision making would take place through a Joint Executive Committee comprising of Cabinet Members from both authorities, together with appropriate Lead Officers and with support from Legal and Finance teams. The North Staffordshire and Stoke on Trent Coroner had been party to the development of the arrangements and current staff had been consulted.

During the debate on the report the following information was shared with Members:

- 1) The current staff would remain on their current contracts and remain based at their current office locations unless they wanted to move to a centralised site. Any new appointments would be placed upon a new contract with the host authority and based at the back office location. Current/ existing staff would be given the opportunity to move to the new contract but this would not be mandatory.
- 2) The proposal would not exceed the current financial commitment so would have no financial impact. The current proportion of total funding costs would remain.
- 3) A local coronial presence would remain and it was planned that the new structure would open up opportunities for more local access such as in Library's, although the locations had not been finalised yet.
- 4) Nationally agreed performance indicators regarding the statutory process are in place and these would continue in the new joint service.
- 5) Opportunities for efficiencies would be considered, for example the consolidation of contracts with hospital trusts or funeral directors and more digital technology would be used as digital autopsy is rolled out. 'Teams' was now being used for inquests where possible for the bereaved relatives although the Coroner is required to have a physical office presence.
- 6) In the aspirational structure, there were 2 new Court Support Officers and a PA post proposed. These posts should reduce the administrative role of Coroners Officers.
- 7) There should be no impact on the public or inquests processes.
- 8) It was envisaged that there would be no increase in waiting times or delays because of the changes.

- 9) During the initial consultation, there had been verbal responses from partners however not as many written responses as hoped for. The Ministry of Justice would also be carrying out a full consultation on the proposals as part of their processes.

The Committee made the following comments on the proposed merger:

- a) The principle of the merger was accepted but it was felt that the proposals still needed development and this should be reflected in the business case.
- b) It was important that there was no disruption to the process or negative effect on the public. Focus needed to be on transition with minimum disruption.
- c) There were many references to 'efficiencies in the future'. It was felt that examples of these needed to be detailed in the business case.
- d) There was concern over the limited response from partners during the consultation. This was also concern as the NHS was restructuring (Integrated Care Systems) and alignment needed to be made to ensure a smooth transfer. It was felt that further consultation would be beneficial.
- e) The business case seemed to lack ambition and that more should be done to look at different ways of working such as more agile, flexible working, better use of technology etc.
- f) Concern was expressed that there would be no scrutiny of the service, with only the Cabinet members having information on the performance of the service. It was felt that it would be hard to hold the service to account or look at efficiency if it's not reporting anywhere. It was acknowledged that scrutiny of performance and/ or any significant development within the new joint service would still take place within both Local Authorities and the report would be amended to reflect this.
- g) The proposed increase in back office staff of 3 fte was noted but there was no information on what they would do or what changes would need to take place to accommodate the loss of the South Staffordshire Coroner.
- h) The Committee was concerned that risks had been listed in the report but the proposed mitigation was missing. Although officers confirmed that these were in place, members felt that these should be more visible and it was confirmed that the full risk register would be included within the Cabinet report.

The Cabinet Member took the opportunity to thank officers for their hard work during the process.

**RESOLVED:** That the report be noted and the Committees comments as listed above in the minutes be noted prior to the submission to the Chief Coroner and Ministry of Justice.

#### **4. Strategic Plan 2022 - 26**

The Committee considered the Strategic Plan which set out the Councils ambitions and priorities for the years ahead. It was explained that whilst the Plan covered a four-year period, the ambitions contained within it set the direction of the Staffordshire envisaged for decades and generations to come.

The report included the draft Cabinet Report and the Strategic Plan for 2022-26.

It was explained that the Plan had specifically been designed to be shorter and easier to read, with more of a focus on the councils' priorities.

Following a question on the sale of land for a dementia site in the Moorlands, it was explained that meeting local need whilst being dependent on commercial development was difficult in the current economy. Working with District and Borough Councils and looking at innovative ways of working was essential.

There was a lengthy discussion on the need for information on how the priorities would be measured and monitored in order for scrutiny to challenge effectiveness and how these had been delivered. It was explained that there were action plans to support all the priorities but these may need to be looked at by the Overview and Scrutiny Committees for members to fully challenge not just if they had been delivered but also the standard reached and any adverse or positive effects for example on climate change.

It was explained that Government would continue to be lobbied for additional funding and a fair settlement.

It was explained that the public were often frustrated by what they saw as the lack of progress or the pace of delivery. An example was given of highway repairs which were highlighted as needed but then went on to a programme which could see them waiting for a considerable time. The standard of repairs also caused frustration and often lead to reaping the same patch of road many times when once should have been sufficient.

Whilst gaining values for money on all occasions was sensible and desirable, it was felt that this should not be at the expense of sustainability.

It was felt that the public should be at the heart of the plan and their views should be listened to and taken into account.

It was suggested that the information that the Committee receives in the quarterly performance reporting should highlight the improvements and pace of change. It was acknowledged that Service Overview and Scrutiny

Committees may want to look at the detailed delivery plans, but a dashboard of indicators would be useful for this committee.

The Committee made the following specific comments on the Strategic Plan:

- 1) The clear and more concise style of the Strategic Plan was welcomed. It was viewed as a positive vision and aims for the future.
- 2) Future priorities were noted and agreed.
- 3) The Councils role as Influencer and bringing partners together needed to be strengthened.
- 4) There was a need for some reference to delivery plans and how the priorities were going to be achieved.
- 5) Action plans and delivery plans needed to be considered by the relevant Overview and Scrutiny Committee
- 6) It was acknowledged that delivering the priorities, when so much depended on partners or government investment, would be a challenging. An example of highways improvements was given and the smaller than anticipated government settlement.
- 7) Detail on the standards expected when delivering some of the pledges was critical. For example, "Help partner organisations to build more homes" we need to ensure that standards are high; carbon neutral; and the impact on flooding etc considered.
- 8) The Pledge "Live within our means and deliver value for money" was viewed as the right aim but this had to be measured against the cost of sustainability. The sale of land was given as an example, where value for money was required but the future use of the land needed to be environmentally sustainable.
- 9) Working together with partners must include the public and listening to their views at an appropriate stage in developing plans was essential.
- 10) It was felt that the public don't see an acceptable pace of change, e.g., pothole repairs. There needs to be more emphasis on repairs being carried out to the correct standard, first time.
- 11) It was also noted that the means of communication of progress on programmes, like the roads maintenance one, need to improve so that residents better understand the level of progress achieved or otherwise.

**RESOLVED:**

- a) That the Committee note the progress made in developing the Strategic Plan 2022-26.
- b) That the comments of the Committee, as listed above, be referred to Cabinet at their meeting on 26 January 2022.

**5. Medium Term Financial Strategy 2022-2027 - Report of the Medium Term Financial Strategy Working Group**

The Committees Working group had been established to scrutinise the Council's budget and Medium Term Financial Strategy (MTFS). The Groups final report set out details of the work the work undertaken between October 2021 and January 2022; their conclusions and their recommendations for submission to Cabinet on 26 January 2022.

The Chairman of the Working Group, Councillor Greatorex had been invited to attend the Cabinet meeting to present the findings.

Members of the Working Group commented on the usefulness of talking to other local authority experts during their considerations and that they had learned a lot from listening to their experiences and the way they worked.

**RESOLVED:** That the Medium Term Financial Strategy (MTFS) working Group report and recommendations, be approved and submitted to the Cabinet at their meeting on 26 January 2022.

## **6. Work Programme**

**RESOLVED:** That the work programme be noted.

**Chairman**

<b>Local Members Interest</b>
N/A

## **Corporate Overview and Scrutiny Committee - Tuesday 29 March 2022**

### **Integrated Performance Report – Quarter 3, 2021/22**

#### **Recommendation(s)**

I recommend that:

- a. Committee Members note and challenge performance and advise of any further information and/or action required.

#### **Report of Leader of the Council and the Cabinet Member for Finance**

#### **Summary**

##### **What is the Overview and Scrutiny Committee being asked to do and why?**

1. This quarterly Integrated Performance Report provides an overview of Staffordshire County Council's progress, performance and financial position in delivering against our Strategic Plan and Delivery Plan.
2. We recommend that Corporate Overview and Scrutiny Committee notes and challenges performance and advises of any further information and/or action required.

#### **Report**

##### **Background**

3. The Integrated Performance report is considered by Corporate Overview and Scrutiny Committee on a quarterly basis.

## **Cabinet Meeting on Wednesday 16 February 2022**

### **Integrated Performance Report - Quarter 3, 2021/22**



**Cllr Alan White, Leader of the Council said,**

“Dealing with the Covid-19 pandemic remains a challenge and we continue to do what is required to control the spread of the virus and keep people safe. The vaccine programme has been a game changer and as of January 2022, in Staffordshire 88% of people over 18 have had their first dose, 86% have had two doses and 71% have had the booster.

“We continue to do what is necessary to support those who need us most, including vulnerable residents, the care sector, local communities and businesses.

“Growing our economy, creating better quality jobs, and supporting local businesses with their recovery through the Staffordshire Means Back to Business Programme remains a priority. Putting more money in people’s pockets and improving their financial security, especially at a time when living costs are on the increase, is vital.

“The cost of social care continues to rise, and we face capacity issues and challenges in the sector. The home care market is continuing to experience rising demand, compounded by ongoing recruitment and retention difficulties but during quarter 3 we have made good progress to mitigate this across the sector.

“In October we introduced a new model for the delivery of our Children and families service and our work through the Building Resilient Families and Communities programme continues to support vulnerable families. The programme has already achieved its target for the year. The Staffordshire Warmer Homes programme also continues to grow from strength to strength supporting households with updating heating and has attracted an additional £5.9m funding from Government.

“Despite the many pressures facing councils like ours, we will invest to keep growing the county in a sustainable way to make a positive difference in the lives of our residents. We want Staffordshire people to enjoy a better quality of life, in thriving communities, and live longer in good health.”



**Cllr Ian Parry, Cabinet Member for Finance and Resources said,**

“Coping with the Covid-19 pandemic continues to put extra pressures on our finances, but we continue to do what is necessary and to manage them effectively. A recent audit report also confirmed this alongside our sound approach to financial management during the pandemic.

“All council departments continue to deliver against their recovery priorities, whilst progressing with activities in the organisation’s Delivery Plan. The latest revenue forecast outturn shows a forecast saving of £3.963m compared to the previous forecast of a saving of £1.992m at Quarter 2.

“Like most local authorities, we still face financial challenges including in adult social care and in children’s social services. We have had the announcement from Government on the reforms to social care which was welcome, but we do need to see more details of how this will work in practice. We also have concerns that any funding available will not match the costs.

“We continue to keep our finances in as strong a position as possible and to ensure that we provide good value for money for local tax-payers. Well managed finances also mean we can invest in our future and grow our economy post pandemic”.

### **Report Summary**

This quarterly Integrated Performance Report provides an overview of Staffordshire County Council’s progress, performance, and financial position in delivering against our Strategic Plan and Delivery Plan.

### **Recommendation**

We recommend that Cabinet:

- a. Notes and challenges performance and advises of any further information and/or action required.

<b>Local Members Interest</b>
N/A

## **Cabinet – Wednesday 16 February 2022**

### **Integrated Performance Report - Quarter 3, 2021/22**

#### **Recommendation of the Leader of the Council and Cabinet Member for Finance and Resources**

We recommend that Cabinet:

- a. Notes and challenges performance and advises of any further information and/or action required.

#### **Report of the Director for Corporate Services**

#### **Reasons for Recommendations**

This is an opportunity for Cabinet to consider and discuss Staffordshire County Council's quarterly performance and finance position.

## Quarter 3 Summary

The overall Performance rating of the council for Quarter 3, 2021/22 is **AMBER**. Delivery and Finance ratings for the individual service areas are as follows:

Service Area	Delivery	Finance
Health & Care	A	G
Families & Communities	A	A
Economy, Infrastructure & Skills	G	G
Corporate Services	G	G

### Key highlights

- Children's Transformation – New model successfully went live in October 2021.
- Staffordshire Means Back to Business Programme continues to succeed for Staffordshire's businesses; popular new 'Get Started' programme launched in November 2021.
- Staffordshire has already exceeded its annual target for the number of successful family outcomes through the Building Resilient Families and Communities (BRFC) Programme.
- An additional £5.9m funding has been awarded to further support the successful Warmer Homes programme.

### Key challenges

- Demand and capacity issues in Adult Social Care.
- Home care market is continuing to experience rising demand, compounded by ongoing recruitment and retention difficulties, with mitigating actions in place.
- Ongoing COVID-19 response.
- Continued pressures relating to the number and complexity of children in care.
- Work continues to bring the day-to-day management and running of Staffordshire's Household Waste Recycling Centres back in-house.

Further details of the above can be found in the main report and accompanying appendices.

## 1. Summary

This report provides an update on Quarter 3 activities for each service area: Health and Care; Families and Communities; Economy, Infrastructure and Skills; and Corporate Services.

Significant progress has been made across the organisation during Quarter 3, however challenges remain in relation to capacity and demand across all service areas. There continue to be areas of financial risk in Adult Social Care and Families and Communities, with further details included within this report and its appendices. The latest revenue forecast outturn shows a forecast saving of £3.963m (0.7%). This is compared to the previous forecast of a saving of £1.992m (0.4%) at Quarter 2.

## 2. Health and Care

Delivery Performance Assessment	Finance Performance Assessment
Amber	Green

3. Significant progress has been made across Health and Care in Quarter 3, both in leading the council's response to COVID-19, and in the recovery of key adult social care services. The GREEN finance rating reflects significant in-year underspend, despite longer term cost pressures. The AMBER delivery rating reflects progress to date, whilst continuing to manage some key challenges.



4. Following the national trend, overall demand remains high for adult social care assessments, leading to capacity issues and waiting lists, with work continuing to understand and respond to this demand. The home care market is also continuing to experience rising demand, compounded by ongoing recruitment and retention difficulties. There have been record referrals into brokerage in 2021 with December being the second highest on record. This, combined with market capacity issues, have impacted on timeliness of sourcing for brokerage, although this has improved in the last quarter of the year following a sustained fall through 2021. As of December 2021, brokerage was sourced within the agreed timescale for 71% of referrals. Capacity issues within the NHS and adult social care have also been significantly affected during Quarter 3 by Covid related pressures due to illness and staff absence.

5. There are numerous actions in place to mitigate against the ongoing recruitment, retention, and absence difficulties in the home care sector,

including grant allocations to support the programme, a recruitment campaign, a reservist campaign (involving training staff from other areas so they are able to step in to help in the care sector if necessary) and a Home Care Improvement Plan, to name a few.

6. It is also recognised once the current Adult Social Care pressures reduce, significant support will be required to enable the workforce to recuperate. In addition, recovery work will be required to remove waiting lists, replace temporary care arrangements with suitable care packages, and recommence paused transformation work.
7. In the first week of January 2022, despite the Omicron variant of COVID-19 driving up case rates to the highest levels of the pandemic, Covid hospitalisations has remained at less than half of the peak seen last January. The 12-15yr old vaccination programme and booster roll-out has continued, with vaccination rates for both above the England and West Midlands averages.
8. The number of COVID-19 cases in Staffordshire have continued to rise during Quarter 3, following national and regional trends. In the seven days to 15<sup>th</sup> January, 9,025 cases of COVID-19 were confirmed in Staffordshire, a rate of 1,021.9 per 100,000 population. This was lower than the regional rate (1,062.8) but higher than the national rate (961.4). Residents can keep up to date with the latest case figures in Staffordshire, including a district breakdown by clicking [here](#).
9. During Quarter 3, the council has continued its response to COVID-19 through Local Outbreak Control activity, including the management of COVID-19 incidents and outbreaks, and flexible and targeted testing facilities to support the asymptomatic testing model and the NHS vaccination programme. Staffordshire has made good progress with the vaccination programme with 88% of the 18+ population having received their first dose, 86% having received two doses and 71% having received the booster as of January 2022.
10. The county council's Supportive Communities programme is continuing to evolve with various projects in place to help communities meet their own needs; including the Community Champions project, where resources and information are being shared between the council and communities to improve overall health and wellbeing and encourage independence. A pilot which began in the Burton area is being rolled out incrementally across the county, starting with a network of champions being developed in Knutton and Cross Heath. Champions can be representatives from organisations, business, or local residents.

11. One of the biggest current public health initiatives coordinated by Staffordshire County Council is the Warmer Homes Fund, which installs central heating and insulation for those experiencing fuel poverty. Families in Staffordshire are being encouraged to apply for funding to help make their homes greener and more energy efficient and to help those who might be struggling with fuel bills. To date the council has secured £10.8m from the Government and the National Grid to deliver free first-time central heating (FTCH) and a range of other insulation measures for Staffordshire residents. Up to December 2021, the scheme had helped install 306 gas FTCH measures, replaced 126 broken gas boilers and provided a total of 112 insulation and low carbon measures.
12. A further £5.9m has also been secured for the Sustainable Warmth Competition which is due to start in 2022 and if successful would deliver approximately another 500 thermal measures. The programme provides financial, benefits and thermal advice and support for anyone contacting the scheme and, up to December 2021, had made residents thermal savings of c.£183k and one-off savings of over £300k, with a current rate of benefit of £3 for every £1 invested in the programme.
13. A review of the Carer's Service in November 2021 concluded that the new pathway is embedding and working well, with most referrals for both adult carers and young carers being via the preferred streamlined pathway of First Contact, which provides a clear point of contact and ensures that carers' needs are met across the services. The First Contact team carries out statutory carers assessments, as well as care needs assessments for the cared for person.
14. An engagement exercise was undertaken during Quarter 3 to help shape the new Joint Mental Health Strategy, which is being developed by Staffordshire County Council and the Clinical Commissioning Group (CCG) in collaboration with other key public sector partners in Staffordshire. Engagement was conducted with the public, partners, front line staff in mental health and social care services, and people who use mental health services and their families and carers. Over 700 people took part over a six-week period between 4th October and 12th November 2021. The project is currently on track to have the new strategy in place for April 2022.
15. From a Finance perspective, the Health and Care forecasted outturn at Quarter 3 is a saving of £0.982m, compared to a £1.012m saving in Quarter 2. There remains a range of high-risk Medium-Term Financial Strategy (MTFS) savings within this area, with the directorate seeking alternative savings where necessary. In addition, the level of client debt is above target and work is ongoing to recover this. The forecast financial impact of COVID-19 for the directorate is £3.432m.

## 16. Families and Communities

Delivery Performance Assessment	Finance Performance Assessment
Amber	Amber

17. Significant progress has been made across the Families and Communities service area in Quarter 3. The overall AMBER performance ratings reflect much work that has taken place during the quarter, balanced with managing some key issues in relation to demand and capacity.



18. Staffordshire has continued to experience pressures relating to the number and complexity of children in care, as well as challenges associated with the implementation and embedding of a large-scale children's system workforce structure that will help to address the demand. In addition, increasing cost pressures within Children in Care and the SEND High Needs Block (Dedicated Schools Grant deficit) has potential to impact on the delivery of the Medium-Term Financial Strategy.

19. The Children's Transformation programme is key to tackling the challenges of demand and capacity, particularly in relation to Children in Care. Work to progress the transformation continues across the service; a new district operating model went live in October 2021, supported by a new workforce structure and some streamlined pathways and processes. Refurbishment works have also begun on the council's new in-house residential unit and is on track for completion by the end of March 2022.

20. At the 7th of January 2021, there were 1,279 children in care in Staffordshire, which represents a slight increase compared to the position reported in Quarter 2 (1,252) and slightly higher than the revised business case number. The rate is 74.7 per 10,000 which is higher than the most recent national benchmark (67 per 10,000 - March 2021) but lower than the regional benchmark (85 per 10,000 - March 2021). The Government's mandated National Transfer Scheme to provide crucial placements to unaccompanied asylum-seeking children continues to place additional pressures on all local authorities with children's services, including an impact on children in care numbers. In Staffordshire there were an additional 20 children transferred into care, as part of the Scheme, since October 2021.

21. At the 7th of January 2021, the number of children subject of a child protection plan was 584 (34.1 per 10,000); which is a slight increase

compared to the position reported in Quarter 2 (569) and remains below the national and regional benchmarks (national – 41.4 per 10,000, regional – 42.6, March 2021).

22. The number of Education, Health and Care Plans (EHCP) issued in time (within 20 weeks) in Staffordshire has declined during Quarter 3. In December 2021, 41% of EHCPs were issued in time, compared to the most recent national benchmark of 56% (from 2020/21). The overall 12-month position is at 75%, compared to the most recent national benchmark of 56%. This reduction is partly due to delays in educational psychology, which is a national issue, along with a necessity to recruit additional SEND key worker capacity. One-third of the 'out of time' EHCPs from December were issued within 25 weeks. In response to this an additional six SEND key workers have recently been recruited to help address current capacity issues, as well as performance of this key measure continuing to be closely monitored by the SEND Service and District Operations Teams.
23. Work has begun to develop a new Staffordshire Early Help Strategy. The Strategy will set out the partnership vision to develop and implement a consistent and co-ordinated approach to identifying and responding to need as early as possible, to make sure that children and families are kept safe and achieve positive outcomes. The Early Help Strategy will be in place from April 2022.
24. In Quarter 3, the council achieved successful outcomes for a further 381 families through the Building Resilient Families and Communities (BRFC) programme, which combined with the 625 successful outcomes achieved in Quarter 1 and Quarter 2 has already exceeded the annual target for 2021/22 (817) set by the Department for Levelling Up, Housing and Communities (DLUHC).
25. The council has been allocated an additional £5.5million for the Household Support Fund (HSF) which was distributed to those most in need during the Christmas holidays, to help with the costs of food and fuel, with further work planned for the February half term and Easter break. Already £1million has been allocated to support residents with council tax arrears and over £780k on vouchers for 26,000 children eligible for Free School Meals (FSM). A further £615k has been distributed to residents across the county who have applied for additional help and support with food and emergency items and over £297k towards winter warmth.
26. The council has welcomed 178 Afghan evacuees to Newcastle-under-Lyme; 22 of these evacuees have been permanently resettled across the United Kingdom, with 14 permanently accommodated in Staffordshire

and Stoke-on-Trent. As a result of significant partnership efforts, families were welcomed and had access to healthcare, education, and jobs. In addition, Staffordshire residents kindly donated over £5,000 to ensure families have a warm welcome.

27. The Trading Standards team continues to support businesses through safeguarding and compliance advice. Between April and December 2021, the team dealt with almost 9,000 engagements and interventions with businesses; with over £500,000 prevented from being lost to scams and fraud through the council's intervention.

28. Midland Partnership NHS Foundation Trust (MPFT) took over Rising Brook library in Stafford in December. The library is one of 27 Community Managed Libraries (CML) in Staffordshire, in which the management and day-to-day running is taken on by a community group. MPFT currently manages eight other community libraries and in 2019, won the Health Service Journal's annual Health and Local Government Partnership Award for its innovative approach to supporting people through its work in community libraries. As of December 2021, 12 of the 15 CML contracts due for renewal had been re-negotiated.

29. Work is ongoing to deliver the council's 2021/22 Communities Delivery Plan which aims to promote social action in local communities and to build capacity in the voluntary and community sector. Between July and September 2021, the council's Voluntary, Community and Social Enterprise (VCSE) Strategic Capacity Building Partner saw 222 organisations provided with one-to-one development support, c.£1.7m external funding secured by VCSE organisations and 63 individuals supported to access local volunteering opportunities. In December 2021, Cabinet gave approval to go out to market for a new VCSE Capacity Building Framework early in 2022, with planning now underway.

30. The second local #DoingOurBit campaign has been successfully delivered, focusing on promoting the health and well-being benefits of volunteering to both residents and staff (#Do-It to Feel Good). There were over 100 new sign-ups on the Do It Staffordshire platform because of the campaign, and work will now begin to see if it has made a difference to their well-being. The campaign also promoted specific volunteering opportunities in local children's centres in each district.

31. In terms of the financial position at Quarter 3 for Families & Communities, there is a forecast overspend of £1.313m, compared to an overspend of £1.657m in Quarter 2, while there continues to be a rise in the number of Children in Care and the need for placements, overall placement costs are lower than forecast. The forecast financial impact of COVID-19 for the directorate is £8.319m.

### 32. **Economy, Infrastructure and Skills**

Delivery Performance Assessment	Finance Performance Assessment
<b>Green</b>	<b>Green</b>

33. Economy, Infrastructure and Skills is currently on track in terms of both Delivery and Finance in Quarter 3. The overall GREEN performance ratings reflect considerable progress made across the service against its key plans, whilst continuing to respond to ongoing challenges.



34. Work continues to bring day-to-day management and running of Staffordshire's Household Waste Recycling Centres back in-house. The haulage contract has now been awarded and Human Resources are working through the TUPE process for staff.

35. The council continues to support local businesses to survive, adapt and continue to operate as part of delivering its £6m Staffordshire Means Back to Business Support Scheme, which is a unique partnership with Staffordshire's eight boroughs and districts to prioritise support for small businesses and people whose jobs and employment prospects have been impacted.

36. As part of the Back to Business scheme, the Staffordshire Apprentice 500 initiative launched in April 2021 to provide incentives to small and non-levy employers to provide apprenticeships to Staffordshire's young unemployed residents. Between April-December 2021, 178 applications were received, resulting in a possible 295 apprenticeship starts.

37. The Nil Cost Training to Business programme provides incentives to small businesses to retrain or upskill staff to support business continuity and growth. As of the end of December 2021, 257 businesses were approved for funding, with a view to training over 2,000 staff.

38. The Staffordshire Start-Up Loan scheme is assisting those made redundant or unemployed to start up new businesses with loans of between £3,000 and £5,000, with no interest or fees. As of December 2021, 16 start-up businesses were supported through the scheme at a total of £78,000. The Staffordshire Start-Up course (delivered through Staffordshire Chamber) is also progressing. At the end of November 2021, 325 people had signed up to the course and nearly 40% had started trading.

39. Get Started is a new scheme that launched in November 2021 and complements the existing start-up mentoring and loans initiatives mentioned above. The scheme gives participants extra confidence to launch or continue with their enterprise with the backing of free expert professional support. This involves accessing the services of appointed marketing and accountancy professionals – allowing entrepreneurs to test their business model through branding packages, market testing, website guidance and financial packages to predict profitability or to create a brand or website presence for their business. The new scheme is proving extremely popular; 68 applications had been received as of 20th December 2021.
40. In Quarter 3, Staffordshire was successful in its Community Renewal Fund bid and secured £1.5m, with £737k for the county council to help fund its business support schemes, including the new Get Started scheme.
41. Staffordshire's Economic Growth Programme, which began in 2014, has continued to create and safeguard jobs and enable house builds. As of the end of November 2021, 11,001 jobs had been created or safeguarded and 4,181 new houses had been enabled.
42. In December 2021, Cabinet agreed to invest £3.5m of viability gap funding to pump prime the Chatterley Valley West development site. The site, which forms part of the Ceramic Valley Enterprise Zone is anticipated to create 1,700 jobs and up to £70m per annum of Gross Value Added to the local economy.
43. The demolition of the former Stafford Magistrate Court and Probation building was concluded in December 2021 and benefited from funding from the Government Brownfield Land Release Fund. End uses for the site are being informed by a soft market testing exercise with developers and proposals will be presented to Cabinet in due course.
44. The latest out-of-work claimant figures have decreased to 3.2% of the working age population in December 2021, continuing the downward trend seen since February 2021. Whilst Staffordshire has previously been experiencing a rise in claimant numbers due to COVID-19, the county's position remains well below regional (5.5%) and national (4.5%) averages. The proportion of young claimants, aged 18-24, has increased from 3.7% in March 2020 to 4.5% in December 2021, with 'A Plan for Jobs 2020' initiatives such as the Kickstart Scheme being put in place to support Staffordshire's young people's employment prospects, to help prevent them becoming long-term unemployed.

45. Work has continued with residents and businesses in more remote parts of rural Staffordshire without superfast broadband to take advantage of the UK Gigabit Voucher Scheme, with "top-ups" where required. Whilst the original Superfast Staffordshire programme, combined with commercial roll-out, has enabled 96% of county properties to connect to superfast broadband, 4% currently miss out. Project Gigabit provides funding of up to £1,500 to eligible rural residential properties and £3,500 to eligible rural small and medium sized business properties to enable them to get connected directly to ultrafast broadband.
46. There were several Climate Change initiatives during Quarter 3, particularly during COP 26 when the council ramped up efforts to promote the work the council is doing. This included a 2-week social media campaign promoting 26 things that the council is doing to be greener, attracting 2,000 engagements, and the council also introduced a tree planting initiative with 10 flagship schools.
47. The council launched the second round of the Climate Change Action Fund in Quarter 3, which awards funds for support to not-for profit organisations, including charities, societies, voluntary and community groups, parish councils and schools. Funding must deliver against at least one of the following four categories: Reducing carbon impact or adapting to our changing climate, improving air quality, Natural environment, Reducing waste. The fund will close for applications on 25 February 2022.
48. Since the street lighting LED retrofit programme commenced in April 2021, 7,311 lanterns have been exchanged for energy efficient LED units up to November 2021, reducing the associated energy consumption for street lighting by almost 1.5m kWh per annum. This figure is slightly ahead of the planned delivery targets. The delivery programme for the project is to convert around 47,000 lanterns over a four-year delivery period against a project completion target of March 2025.
49. The Stafford Western Access Route (SWAR) and Lichfield Southern Bypass (LSB) both opened to the public during Quarter 3, on time and to budget.
50. The council continues to progress with its Highways Transformation Programme. Work is on track in the development of a future delivery model (post 2024) with a preferred approach being presented at Cabinet in summer 2022. In addition, the council continues to transform its current Highways arrangements, with agreed changes to strengthen the council's control of highway management, including the transfer of some key functions back to the county council by April 2022. As part of the wider Medium Term Financial Strategy, an extra £15.5m capital and a

minimum £1m revenue, subject to review, will be invested in the highway service during 22/23.

51. The financial position at Quarter 3 for Economy, Infrastructure and Skills is a forecast saving of £1.228m, compared to a saving of £0.367m in Quarter 2, with small forecast savings across the service. The forecast financial impact of COVID-19 for the directorate is £1.884m.

## 52. Corporate Services

Delivery Performance Assessment	Finance Performance Assessment
Green	Green

53. Corporate Services is currently on track in terms of both Delivery and Finance in Quarter 3 and continues to provide vital support to the organisation in delivering on its priorities, as well as significant activity in support of Local Outbreak Control. Whilst the overall GREEN performance ratings reflect a great deal of activity that has taken place to progress its plans, like other service areas it continues to manage challenges regarding capacity to deliver some of its day-to-day work.



54. Over a two-year period, the council aims to raise £17m through the sale of unused land and buildings to fund transformation of services and activity, in line with new Government regulation. To date the council has delivered c.£9m in year through the sale of 14 assets, including farms.

55. In addition, all work on the council's priority property projects is progressing well, including the successful completion of Greenwood House Health Centre in Lichfield and Codsall Community Hub in South Staffordshire. Work to fit out a new enterprise hub providing workspace for over 20 small businesses in Stafford's Shire Hall began in December and is due to be completed in early 2022. Furthermore, as part of the council's school's capital programme the new primary school at Anker Valley, Tamworth, opened in September 2021, as planned and work on the new schools in Uttoxeter and Fradley are progressing well for a September 2022 opening. The additional c.£5m schools maintenance funding programme was also approved by Cabinet in October 2021 with projects critical for Summer 2022 now being commissioned.

56. Digital inclusion remains a key priority and work is continuing to address barriers to this in Staffordshire. More than 150 devices have now been donated as part of 'Donate IT' Digital Device Recycling Scheme and these are now being distributed to people who are at risk of digital exclusion in the county. The next phase of this work is to link in with children's

centres, schools, colleges, and Clinical Commissioning Groups (CCGs) in early 2022.

57. The Member's Fund, called the 2021 Community Fund, was open for applications from 24 June to 26 November 2021, following an extension to the deadline. The fund was still linked to COVID-19; however, it had a broader 'recovery' remit. The fund has now closed, and remaining applications are being processed. 204 applications were received from 185 unique organisations. A full analysis and report will be presented to the council in 2022.

58. Over the last quarter there has been significant progress around promoting the Staffordshire story, building the council's network of advocates and place brand. This has included delivering a programme of strategic activity with partners and launching the Inward Investment Campaign in collaboration with Make It Stoke and Staffordshire and the district and borough councils. There are now over 100 Ambassadors registered and an Ambassador event held in November, celebrating Staffordshire's National Centres, saw over 50 businesses in attendance, plus 10 online attendees through a hybrid offer. Further external promotional events have been held and an outline strategic delivery plan for 2022/23 also developed.

59. Work to deliver the council's internal People Strategy is ongoing. In December the new employee platform for benefits and health and wellbeing support was launched in partnership with Vivup, aimed at helping the council to keep and attract talented people and promoting a positive working environment. Wellbeing of the workforce remains a key priority, with the launch of a new online occupational health management system (MYOH) during Quarter 3.

60. Absence levels continue to rise in year, although levels are lower compared with the pre-COVID period. Absences relating to diagnosed/suspected cases of COVID-19 account for 1.45 days lost per employee over this period (up to December 2021); an increase compared with the same point in 2020 (0.72). Outside of COVID related absence, 'psychological disorder' is the highest absence reason at 3.26 days lost, an increase of 15% from last year. However, 54% (2,125) of employees have had no absence and 19% (763) have had less than 5 days absence.

61. The council's Internal Audit team has carried out a review on how decisions were taken regarding the use of Covid grant monies. This review confirmed that, in general, decisions were well documented, and services ensured that senior leaders and Cabinet were kept updated regarding various Covid activities.

62. In Corporate Services the financial position at Quarter 3 is a forecast saving of £0.868m, compared to a saving of £0.9m in Quarter 2. This is largely due to staffing vacancies and increased incomes. The forecast financial impact of COVID-19 for the directorate is £0.501m.

### **63. Legal Implications**

There are no legal implications of note in relation to this report, which is for information and discussion, not for decision.

### **64. Resource and Value for Money Implications**

Please see Finance Appendices.

### **65. Climate Change Implications**

There are no direct climate change implications of note.

### **Link to Strategic Plan**

66. Cross-cutting as the performance of the Corporate Delivery Plan represents the most significant activity that directly delivers against all areas of the strategic plan.

### **Link to Other Overview and Scrutiny Activity**

67. Detailed scrutiny of the council's activity in relation to the various areas discussed in this report takes place at the Health and Care Overview and Scrutiny Committee, Prosperous Overview and Scrutiny Committee, Safeguarding Overview and Scrutiny Committee or Corporate Overview and Scrutiny Committee, as appropriate.

### **Community Impact**

68. This report represents a strategic summary of the county council's performance against key indicators, finances, and delivery of priorities. The individual projects and programmes are reported separately where specific decisions are required, and community impact assessments are completed where appropriate. As such there is no community impact presented with this report.

## List of Background Appendices:

- Appendix 1 - Key Performance Indicators
- Appendix 2 - Finance Quarter 3 Summary
- Appendix 3 - Finance Quarter 3 Detailed Report
- Appendix 4 - Corporate Checklist
- Appendix 5 - Revenue Forecast Outturn 2021/22
- Appendix 6 - Capital Forecast Outturn 2021/22
- Appendix 7 - Financial Health Indicators 2021/22
- Appendix 8 - Decision Making Arrangements COVID 19 - Internal Audit  
Position Statement – Final - September 2021
- Appendix 9 - Summary of issues

## Contact Details

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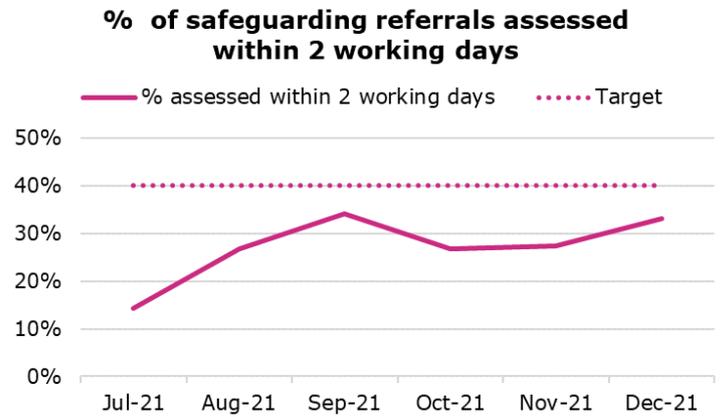
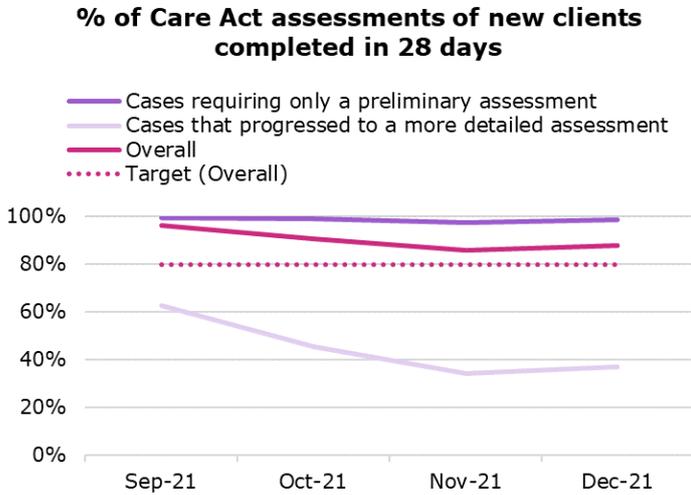
Rob Salmon, County Treasurer

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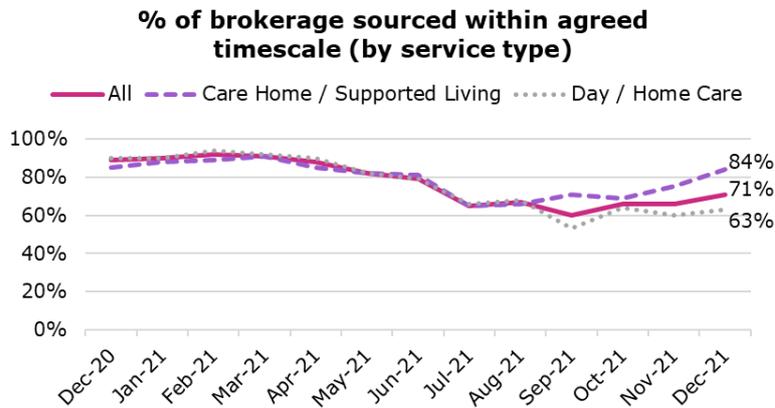
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# Health & Care Key Performance Indicators

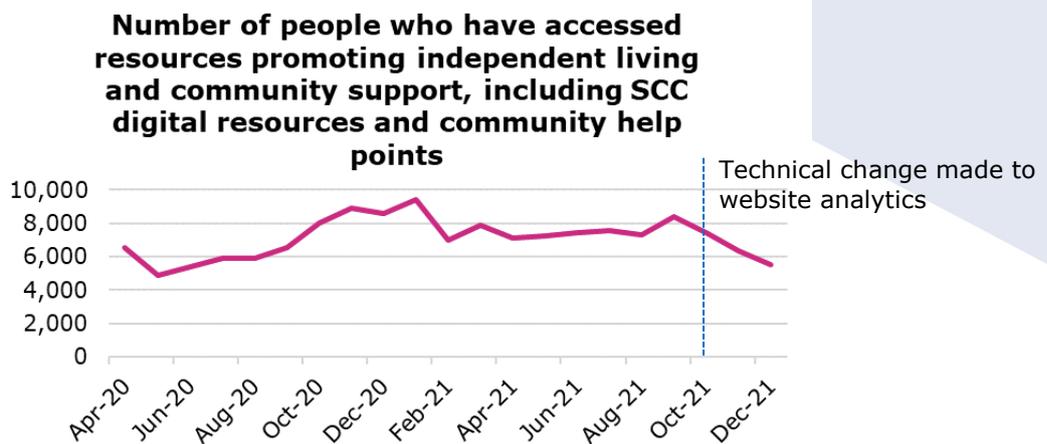
## Adult Social Care and Safeguarding



## Care Commissioning



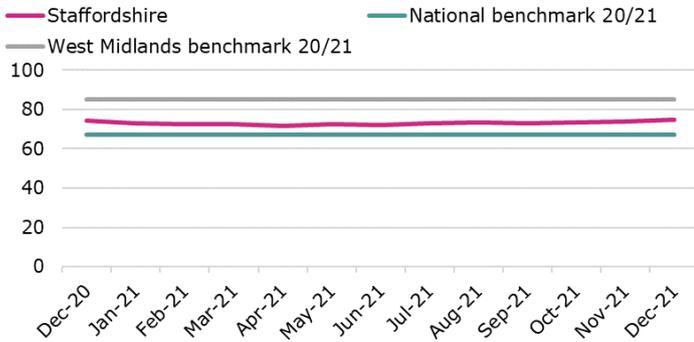
## Public Health & Prevention



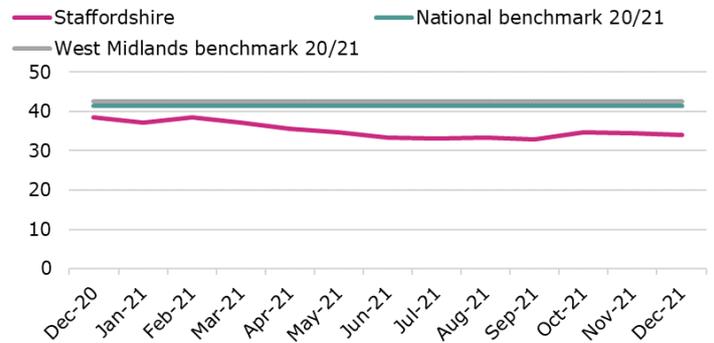
# Families & Communities Key Performance Indicators

## Safeguarding

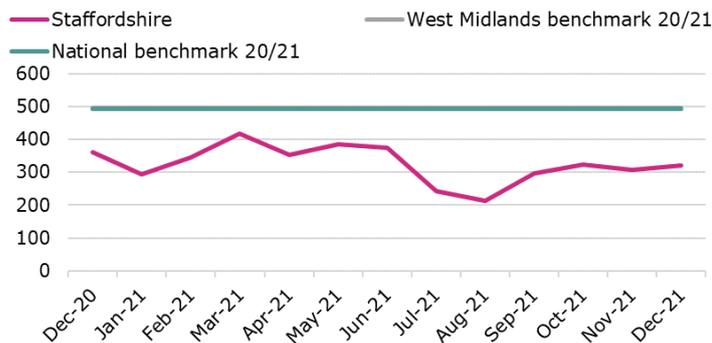
**Rate of children in care (per 10,000 population)**



**Rate of children subject of a Child Protection Plan (per 10,000 population)**



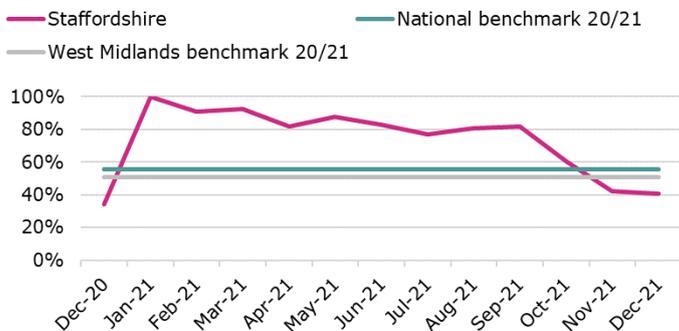
**Rate of children referred, rolling 12 month average (per 10,000 population)**



Source: SCC and Local Authority Interactive Tool (LAIT)

## Special Educational Needs and Disabilities

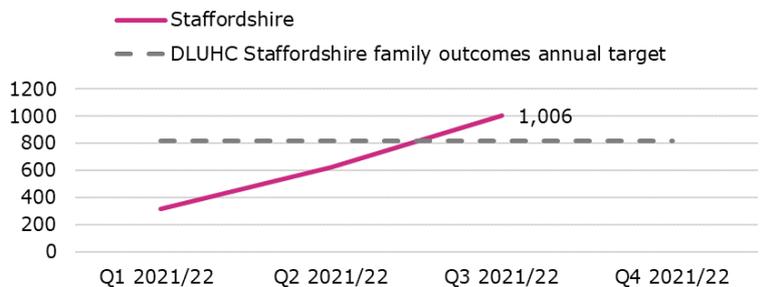
**% of Education, Health and Care Plans issued in time, each month**



Source: SCC and Local Authority Interactive Tool

## Building Resilient Families & Communities

**Building Resilient Families and Communities - Reported successful family outcomes in 2021/22**

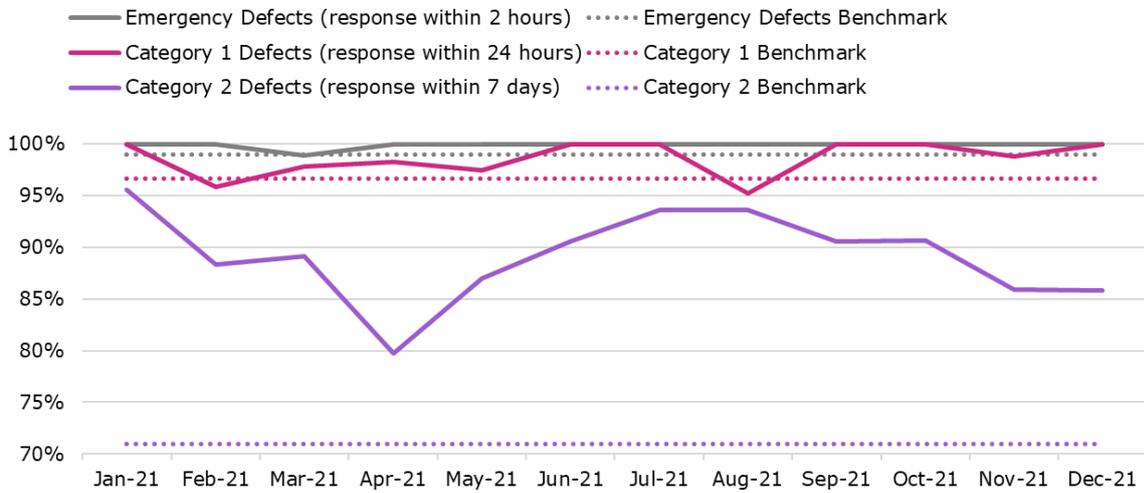


Source: SCC

# Economy, Infrastructure & Skills Key Performance Indicators

## Highways

**% of Emergency, Category 1 and Category 2 defects repaired in time**

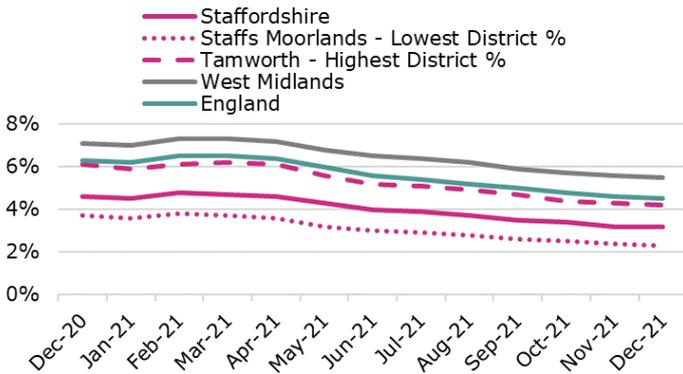


Source: Amey, Confirm

Please note, Category 3 defects information is being prepared for future reports

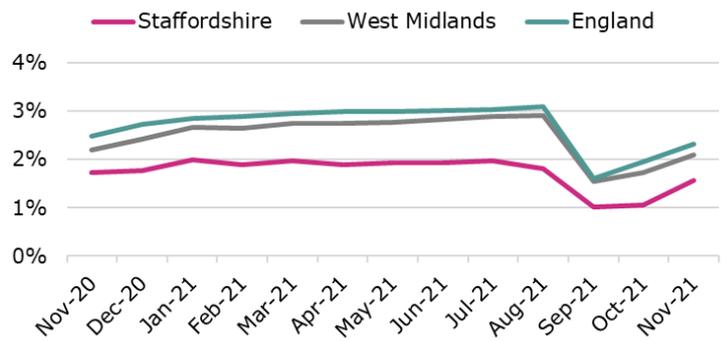
## Employment and Skills

**Claimant Count**



Source: Office for National Statistics

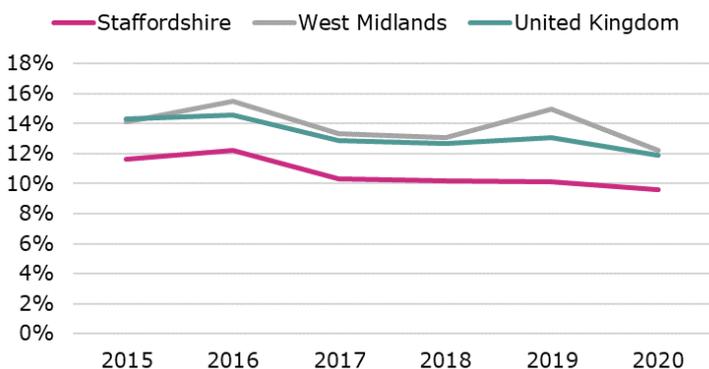
**% 16-17 year olds not in education, employment or training (NEET)**



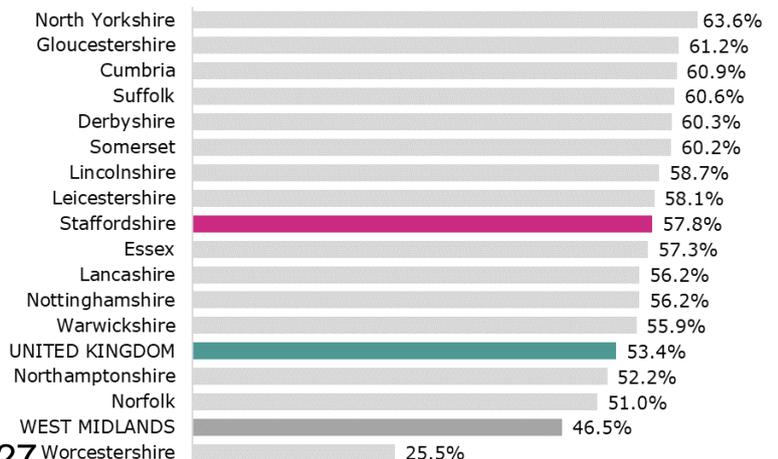
Source: National Client Caseload Information System

## Business

**Business Start-up Rates, 2015 to 2020**



**3-year business survival rates, 2020**

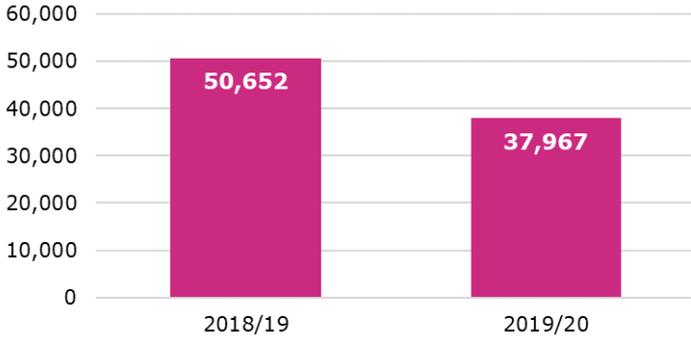


# Economy, Infrastructure & Skills

## Key Performance Indicators

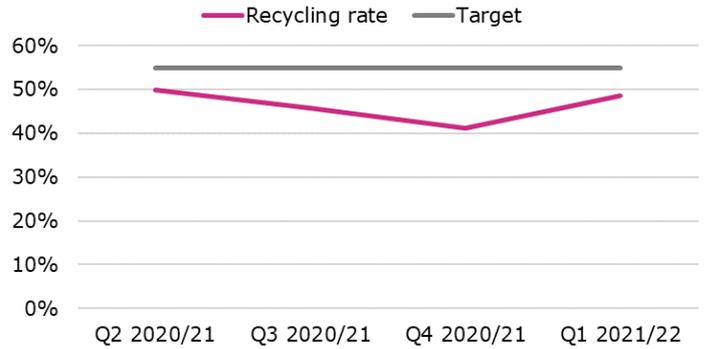
### Climate Change

**Staffordshire County Council's carbon emissions - Tonnes of carbon (tCO<sub>2</sub>e)**



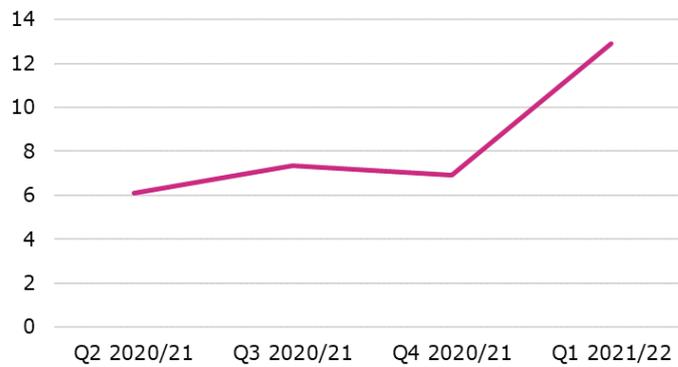
Please note, this is an annual measure which will be updated in Quarter 2, 2022/23.

**Percentage of waste recycled**



### Waste

**Tonnage of waste sent direct to landfill**



Source: SCC

# Corporate Services Key Performance Indicators

## Finance

Revenue outturn forecast variance compared to the overall budget (target no more than +/- 2%)

Quarter 1, 21/22	Quarter 2, 21/22	Quarter 3, 21/22
-1.5%	-0.4%	-0.7%

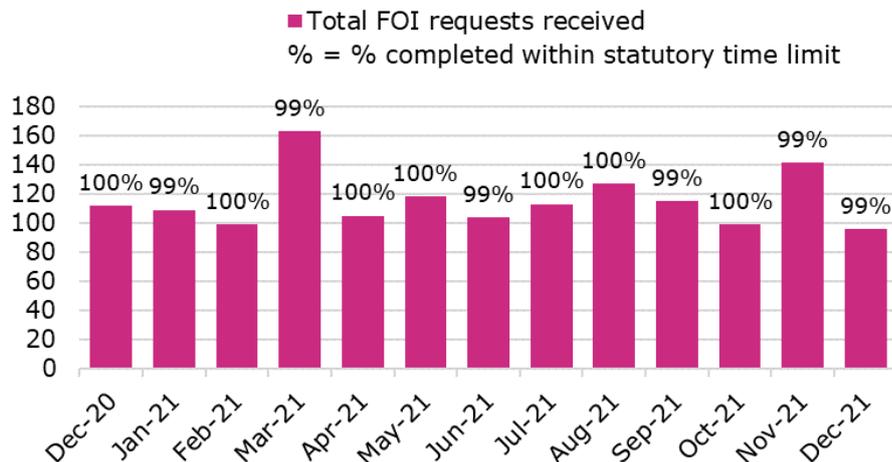
## Staff Sickness Absence

Average payroll days lost per employee



## Freedom of Information

Number of FOI requests and % completed within statutory time limit



# Latest Financial Summary

The following graphs summarise the financial performance of the council. Full details are contained in this report.

The graphs and charts are compiled using quarter 3 forecast information.

The latest revenue forecast outturn shows a saving of £4.0m (0.7%). Due to Covid 19 Central Government have issued additional grant payments to support the additional pressures of continuing to provide vital services while protecting the workforce and local residents.

There has been request for the use of £3.585m of the Exit and Transition Fund which was established in 2018/19.

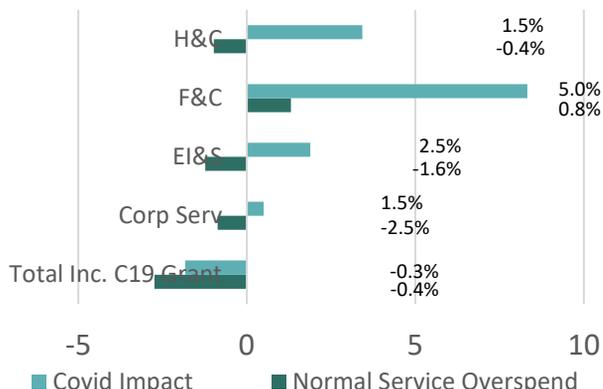
There is a forecast non-Covid saving of £9.5m on Care Commissioning Older People Placements budgets. The reduced number of placements has lead to this forecast – it does also mean that it is possible the forecast income may not be achieved and this will be monitored throughout the financial year.

Savings are categorised into confidence of delivery. There are £2.605m savings that are delivered as at quarter 3. There are £1.204m savings classes as Low confidence those savings are £1.204m of Adult Social Care Client Income savings.

The latest capital outturn projection is £122.0m, compared to the quarter 2 position of £129.5m, a decrease of 5.9%. This projection is a fully funded position. This decrease is mainly due to Basic Needs and SEND funding being rephased into 2022/23, offset by new S278 developer schemes being included into the programme. More details can be found in the report.

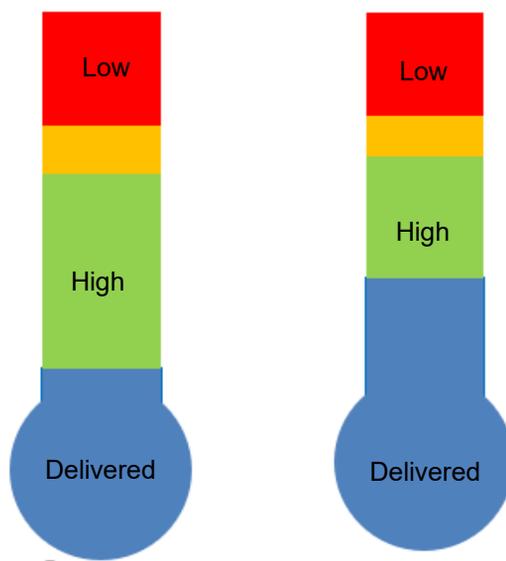
Within the national context, the retail price index is currently 7.5%, and the latest consumer price index is 5.4%. GDP is estimated to have increased by 1.1% in the three months to September 2021. Current unemployment figures show Staffordshire benefit claimant rate remains below that of the West Midlands and Great Britain.

## Revenue Budget Variance

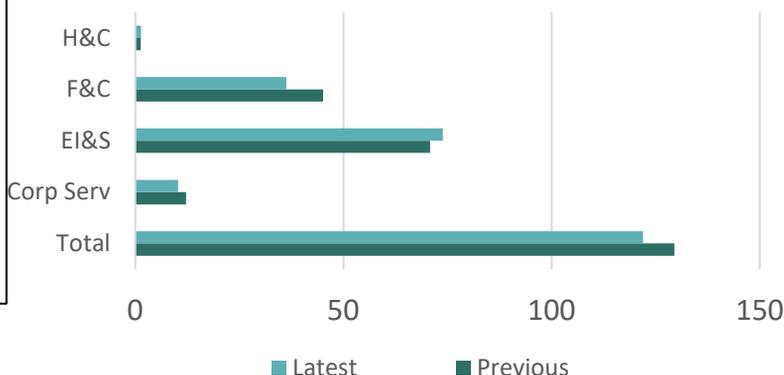


## Savings Tracker – Target £5.682m

Quarter 2 - £5.682m      Quarter 3 - £5.682m



## Capital Programme



### Introduction

#### Revenue Forecast

1. The latest revenue forecast outturn (as provided in appendix 5) shows a forecast saving of £3.963m (0.7%). This is compared to the previous forecast of a saving of £1.992m (0.4%) at quarter 2.
2. Since 2020/21, Covid 19 has been a global pandemic requiring a combined response from public sector services, which is also having a severe impact on the economy. In 2021/22 Central Government has issued general grant to local authorities, totalling £16.2m, in order to support the additional pressures of continuing to provide vital services during the pandemic while protecting both workforce and local residents.
3. The table below sets out the current forecast of additional costs relating to the pandemic, plus lost income and delayed savings caused by the crisis.

	£m
Additional Costs	5.331
Lost income	2.221
Delayed savings	9.046
Grant funding	(16.204)
Remaining Grant / (Shortfall)	(0.394)

All grants received by Staffordshire County Council in 2021/22 for Covid 19 related activities are listed below. The General Covid Grant can fund activity in all service areas, the remaining grants are specific and go directly to services. All grants allocated for Covid-related activities will be utilised in full, over the medium term, in order to fund the additional expenditure caused by the pandemic.

	£m
General Covid Grant Funding	16.204
Adult Social Care Lateral Flow Testing	5.667
Adult Social Care Infection Control	9.079
Clinically Extremely Vulnerable	1.477
Local Support Grant	0.523
Practical Support Framework	0.681

### Appendix 3 – Quarter 3 Finance Report

Covid Winter Grant	0.678
Community Testing Grant	0.455
Workforce Recruitment & Retention	6.825
Vaccine Funding	0.359
ASC Omicron Support Fund	0.885
Contain Outbreak Management	4.182
<b>Total</b>	<b>47.015</b>

4. At the end of 2020/21, Internal Audit carried out a review on how decisions were taken regarding the use of Covid 19 grant monies; including if decisions have been taken in line with the County Council's corporate decision-making processes and whether there was an appropriate level of financial scrutiny over grant expenditure.
5. Overall, through testing and a review of key documentation, Internal Audit confirmed that decision making regarding the use of COVID 19 grant funding was compliant with SCC corporate decision-making processes and in general, decisions were well documented, and services ensured that SLT and Cabinet were kept updated regarding various COVID 19 activities. However, testing did identify one area for improvement and an appropriate audit recommendation was made and agreed with management. In relation to the monitoring and reporting arrangements, Internal Audit's review confirmed also that there was sufficient scrutiny of COVID 19 grant expenditure during 2020/21 via SLT, Cabinet and MHCLG via the formal reporting arrangements in place. Following Internal Audit's review, a substantial assurance opinion was awarded over the systems in place to record decision making for COVID 19 grant monies. The full report and appendix are attached as Appendices 8 and 9 to this report for Member's information.
6. The following paragraphs consider the key financial issues in each of the council's portfolios.

## Appendix 3 – Quarter 3 Finance Report

7. **Health and Care** **Covid impact - £3.432m**  
**Normal service forecast – £0.982m saving**
8. *Adults Social Care & Safeguarding* *Covid impact - £0.155m*  
*Normal service forecast – £0.707m saving*
9. Overall, the service is forecast to save £0.707m. Covid related costs are forecast to be £0.155m.
10. There are currently a number of vacancies in the Adults Learning Disability Team (ALDT) which have proven hard to fill. This has led to a forecast saving of £0.578m. A review of the ratio of qualified to unqualified staff is planned which could lead to higher costs in the future. Agency staff may also be required to maintain service delivery in the last quarter of the year. Section 75 agreements for both Mental Health North and South are in place and there is a small forecast overspend £18,000 due to the inflationary increases being slightly higher than budgeted. The £0.154m MTFS saving for Mental Health North has been delivered in full.
11. There is a forecast saving of £0.633m in the Learning Disability In-House Residential Services due to staff vacancies in advance of a planned restructure. There is also a forecast saving of £0.309m for the Specialised Day Opportunity Service due to some transport savings and some additional cross boundary income. A review of these services is taking place which may lead to changes to the way they operate and will have a financial impact in the future.
12. As mentioned in the quarter 2 report, there is an overspend of £1.078m for care systems. This is because we have repaid in full all future years Prudential Borrowing repayments for the care system, which will save £0.539m in future years.
13. Other variances amount to a saving of £0.283m.
14. *Care Commissioning* *Covid impact - £3.277m*  
*Normal service forecast – £0.275m saving*
15. Overall the service is forecast to save £0.275m, and covid related costs are forecast to be £3.277m.

### Appendix 3 – Quarter 3 Finance Report

16. The Mental Health service is forecast to overspend slightly – by £84,000 which is a reduction from the £0.263m forecast at quarter 2. The placement budget is now forecast to overspend by £0.135m a reduction from the £0.339m forecast at quarter 2, due to an increase in health income offset by increases in the cost of Residential and Supported Living placements. There is a small forecast saving of £51,000 for Mental Health contracts. There remains a risk of further increases in Mental Health referrals as a result of the impact of the pandemic.
17. The Learning Disability placement budget is now forecast to save £5.667m, an increase from the £2.882m forecast at quarter 2. The change is largely due to an increase in the forecast for health income and a reduction in the number of residential care placements as well as reductions in the number of people with learning disabilities being cared for in nursing homes and savings on homecare, direct payments and replacement residential care (respite care). We are seeing the full benefit of increases in health income negotiated in recent years and are forecast to collect significantly more income than assumed in the budget. MTFS savings expected from the Community Offer Programme are taking longer than originally planned due to the impact of the pandemic which creates a forecast underspend of £1.250m in year.
18. The council will continue to work with the local Clinical Commissioning Groups (CCGs) to support the discharge of people with learning disabilities or autism from specialist hospitals to community-based settings under the Transforming Care Partnership (TCP). Because the National Health Service England (NHSE) reduced the amount of funding that accompanied each individual, there has been a substantial cost pressure for the Staffordshire Health and Care economy. The government confirmed in September it will provide the Staffordshire and Stoke-on-Trent TCP grant funding of £0.421m for 2021/22 to support further discharges. The latest forecast is that the county council could incur a cost this year of just over £4m. There remains a risk of further pressures for the remainder of the MTFS period.
19. The new Carers service went live in April 2021 following a delay caused by the pandemic. It is forecast that there will be a small saving of £17,000 this year. There is also a saving forecast on the Advocacy contract of £77,000 and the £0.150m contract MTFS saving has been delivered in full.
20. Following the resolution of a contract dispute on the Section 75 with the Midlands Partnership NHS Foundation Trust (MPFT), there is now a small

### Appendix 3 – Quarter 3 Finance Report

forecast saving on the Reablement contract of £52,000. There is a small forecast overspend of £34,000 on the other contact elements of the Section 75 due to inflationary increases being slightly higher than budgeted.

21. There is a forecast saving of £99,000 for the Learning Disability and Mental Health Commissioning Team due to staff vacancies held during the year.
22. Prisoners related care activities are forecast to save £0.304m due to staffing savings and lower care costs, an increase from the quarter 2 forecast of £0.263m.
23. The Older Peoples placement budget is now forecast to save £9.493m compared to the £14.951m forecast saving reported at quarter 2.
24. There has been a steady increase in the number of external residential and nursing placement. The current number of placements is still 233 lower than the November position budgeted in the MTFs. Further growth in placement numbers has been assumed for the remainder of the year, resulting in a revised forecast saving of £6.761m. The Older Peoples placements budget includes £7m additional funding that was provided to mitigate risks in the care market. Given the updated activity and future estimates on the number of starters and leavers, it appears unlikely that this will be required in 2021/22.
25. The reduced number of placements has result in a forecast £2.897m income shortfall from residential and nursing client contribution. This means that it is most unlikely that we will achieve the additional growth in income that we had assumed in the financial year.
26. There is currently a forecast saving of £0.267m on the Older Peoples Home Care budget. This is a reduced saving compared to the £0.923m reported at quarter 2, which reflects the forecast on an increased number of commissioned hours as teams progress through the backlog of cases that has arisen due to the impact of the pandemic. However, forecasting demand and costs in proving extremely difficult given the ongoing impact of the pandemic in addition to challenges in the home care market (including capacity and recruitment and retention) so it is possible the position may change further as we approach the end of the financial year.

### Appendix 3 – Quarter 3 Finance Report

27. The forecast saving on the Older Peoples Direct Payments budget has risen from £0.186m reported at quarter 2 to £0.232m, reflecting the ongoing reduction on people in receipt of a direct payment.
28. The Older Peoples Day Care budget is forecast to save £0.528m compared to £0.412m reported at quarter 2. The saving has arisen as fewer people have attended day services due to the pandemic.
29. The Older Peoples In-House Residential budget is forecast to save £0.335m which is a slight increase from the £0.216m reported at quarter 2. Future demand is still uncertain so this position may change later in the year.
30. There is a forecast saving of £0.249m for Older Peoples Short Stay Respite. This saving is due to lower activity due to the pandemic.
31. The Physical Disabilities Placements budget is forecast to save £1.120m which is an increase from the £0.649m reported at quarter 2. This is mainly as a result of fewer people in residential and nursing placements, resulting in a forecast saving of £0.903m against these budgets. There are also forecast savings of £0.415m on home care, £42,000 on direct payments and £53,000 on supported housing. These forecast savings have been offset by some forecast overspends totalling £0.332m. Income forecasts are in line with budgets for the year.
32. Other variances amount to a saving of £0.280m
33. The council has been allocated a further £6.825m via the Workforce Recruitment and Retention Fund. The main purpose of this fund is to support local authorities to urgently address adult social care workforce capacity pressures in their geographical area this winter, in order to:
  - Support timely and safe discharge from hospital to where ongoing care and support is needed
  - Support providers to maintain the provision of safe care and bolster capacity within providers to deliver more hours of care
  - Support providers to prevent admission to hospital
  - Enable timely new care provision for the community
  - Support and boost the retention of staff within social care

### Appendix 3 – Quarter 3 Finance Report

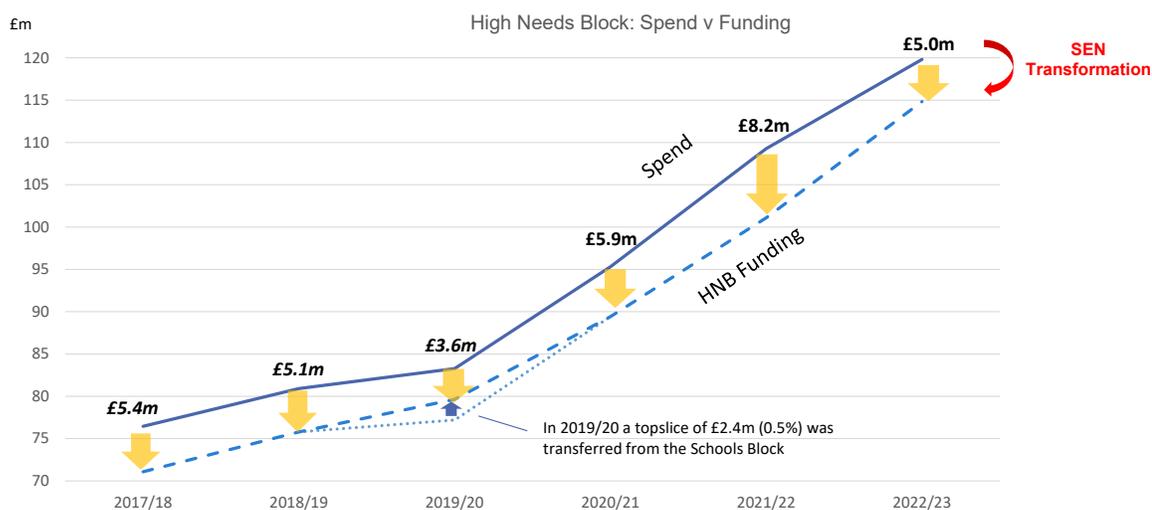
34. Funding needs to be passported to providers or spent by 31<sup>st</sup> March 2022, with any unspent allocation to be returned to the Department of Health and Social Care.
35. In addition, an announcement as made on 29<sup>th</sup> December 2022 that a further £60m of funding would be made available to support Councils with pressures faced in the adult social care sector such as significant and increasing staff shortage, due to sickness absence and isolation caused by the Omicron variant, on top of existing vacancies. The funding is intended to support infection control measures and further use of Direct Payments to meet care needs. We are currently awaiting further details for this grant.
36. The additional covid-related costs of £3.432m consist of £2.646m unachievable savings that have been reprofiled to future years, £0.333m of additional staffing costs that have been incurred to support the ongoing response to the pandemic to ensure continuity of services, £0.210m incurred to support the provider market such as providing a care home loan scheme, and £0.243m of other exceptional costs.
37. The total amount of Health and Care client debt at the end of November 2021 was £26.853m, of which £14.621m is categorised as collectable. Collectable debt has decreased by almost £1.346 since August, and the number of clients with outstanding items has reduced by 663 since October, with the total number of 5,719 being the lower since reporting began. The number of people paying by direct debit was forecast to be 1,046 in December and this number has been increasing gradually over the last few months. More recent debt it is proving easier to recover than older debt.
38. The Health and Care debt profile will be impacted in the future by the recently announced Social Care Reforms and when the Council starts to pay Care Homes on a gross basis. The debt position will be monitored closely as these changes take effect and any variances will be highlighted and dealt with through the usual reporting process.
39. **Families & Communities** **Covid impact - £8.319m**  
**Normal service forecast - £1.313m overspend**
40. *Children's Services* *Covid impact - £7.5m*  
*Normal service forecast - £3.743m overspend*

## Appendix 3 – Quarter 3 Finance Report

41. The forecast position is an overspend of £3.743m which is an increase from the position reported at quarter 2 and reflects the redundancy costs of the Transformation programme but also lower than forecast placements costs.
42. Based on latest forecast total placements spend this year is £58.4m and is forecast to overspend by £1.6m. While the current level of demand remains a concern and could put the delivery of MTFS savings at risk, this is a reduction of £0.8m from the previously reported position.
43. The reduced forecast cost of children in our care is largely within the Independent Sector Placements as a result of targeted action regarding children exiting care – since quarter 2 there has been a reduction in the number of children in residential placements and since quarter 2 some higher cost placements have ended sooner than previously forecast and some children who were already in care have moved to providers with lower weekly average costs.
44. The above overspend has been offset in part by additional grant income for Unaccompanied Asylum-Seeking Children and staffing vacancies of £1.1m.
45. Transformation
46. The Families and Communities transformation programme has now been finalised and the new design implemented from the end of October as planned.
47. The redesign which is informed by best practice, seeks to change both the practice and culture across the children's system and it has impacted on just over 2,000 staff. It will enable a whole system approach, bringing together children's social care, SEND and Inclusion, the Place Based Approach and commissioning. It is essential for the delivery of revised practices and cultures that underpin the necessary MTFS savings and stabilisation of SEND.
48. As previously reported, the forecast additional redundancy cost is £3.2m and will be funded from the Exit and Transition Fund.
49. *Education Services* *Covid impact - £0.568m*  
*Normal service forecast - £1.032m overspend*

## Appendix 3 – Quarter 3 Finance Report

50. The forecast overspend is £1.032m. This is a result of additional SEND transport cost and offset by other forecast savings in historical pension liabilities.
51. The SEND Transport retendering exercise, as a consequence of changes for the new school year and subsequent on-going changes as new entitlements arise, lead to a forecast overspend of £1.2m. On-going increased costs have now been built into the 2022/27 MTFS.
52. *SEND High Needs Block*
53. The High Needs Block is currently anticipated to overspend by £8.2m and reflects continuing growing demand for SEND support. This overspend will be charged against the DSG reserve which at the end of 2020/21 was already £2m in deficit. Staffordshire County Council is not alone in this difficult financial predicament – it is a position shared by the majority of councils across the sector.
54. In 2022/23 the Government has provided for significant additional funding that will see Staffordshire’s High Needs Block funding increase to £115m (up from £101m in 2021/22). Unfortunately, this is insufficient to close the gap and based on existing rises in demand and costs a further overspend is forecast next year.



55. Going forward, it is forecast that the SEND transformation programme, with the full roll out of the district hub model, will provide a more inclusive system that enables the necessary early support and intervention to manage demand within

## Appendix 3 – Quarter 3 Finance Report

overall resources. However, this will take time and will not generate the immediate savings required to address the current shortfall and further action (deficit recovery plan) must be taken to mitigate the existing overspend in this area.

56. *Culture & Communities* *Covid impact - £0.140m*  
*Normal service forecast - £53,000 saving*

57. This forecast saving is due to reduced transport costs.

58. *Rural County* *Covid impact - £0.111m*  
*Normal service forecast - £53,000 saving*

59. The forecast saving largely due to on off staffing vacancies of £0.3m offset by increased costs of £0.2m associated with Rights of Way and carpark repairs due to increased usage.

60. *Community Safety* *Covid impact – nil*  
*Normal service forecast - £0.155m saving*

61. The forecast saving is due to additional income and service contract savings which have resulted from the impact of the pandemic and are likely to return to normal levels.

62. **Economy, Infrastructure & Skills** **Covid impact - £1.884m**  
**Normal service forecast - £1.228m saving**

63. *Business & Enterprise* *Covid impact - nil*  
*Normal service forecast – £0.356m saving*

64. The service is forecast to save £0.356m at quarter 3, an increase from the position reported at quarter 2. The main reasons for the increase are forecast surpluses on County Farms and Planning Policy and Development Control. Development Control are reporting an increase in the number of large planning applications which generate fees for the council. These increases are offset by a forecast reduction in income for Enterprise Centres and the Ryecroft car park in Newcastle.

## Appendix 3 – Quarter 3 Finance Report

65. The service is considering a carry forward proposal of £0.2m for Business and Enterprise, this is due to the councils successful Community Renewal Fund bid for Staffordshire Means Back to Business that allows the programme to be funded from grant in 2022/23 rather than from existing budgets. This proposal will be included in the quarter 4 report.
66. *Infrastructure & Highways* *Covid impact - £0.310m*  
*Normal service forecast – breakeven*
67. The forecast for the service is a break-even position, which is no change from quarter 2.
68. There are various forecast overspends in areas including Sustainable Development and Highways Maintenance, however these are being managed by forecast savings within Community Infrastructure and the Network Management areas. The forecast additional income from the Temporary Traffic Regulation Orders has increased from quarter 2 by just over £0.1m however this is being used for additional survey work in year. The forecast outturn position still includes transferring £0.590m of additional permit income to reserves as the estimated over-recovery for this year.
69. The forecast impact of the pandemic is largely a continued loss of income from on-street parking and bus enforcement in the Regulation and Governance area of £0.290m and a small number of increased costs for Safe Operating Procedures such as PPE. This is no change to the costs reported at quarter 2.
70. *Transport, Connectivity & Waste* *Covid impact - £1.541m*  
*Normal service forecast - £0.947m saving*
71. The Transport and Connectivity area is forecast to have a small saving of £0.171m, which includes savings in the operational Transport budgets which are offset by a making a provision of £0.2m for a further year of Local Transport Assessment Works. It should be noted that there are currently significant planned changes in the commercial Staffordshire bus network which could lead to increased costs in year if the council decide to provide financial support to keep certain bus routes running due to their essential nature.
72. Additional Covid 19 costs include providing additional cleaning on home to school transport until the end of July 2021 and additional transport capacity to avoid full and standing buses at peak time. This is no change from quarter 2.

## Appendix 3 – Quarter 3 Finance Report

73. The Sustainability and Waste areas is forecast to have a small overspend of £84,000. This forecast assumes that the £0.5m, rising to £1.1m in 2022/23 MTFs saving for Green Waste recycling credits will be achieved. This forecast also includes a provision for the additional costs (shared 50:50 with Stoke-on-Trent City Council) for consultants working on the Hanford Incinerator Project which has now risen from £0.2m to £0.6m which is a significant increase from quarter 2. Waste budgets are demand led and will need continued close monitoring throughout the year to track tonnages and costs as social restrictions are eased and any new normal are established.
74. There is £1.448m forecast for the impact of the pandemic on Waste. This is a £0.182m decrease from quarter 2 and is due to a drop in the level of tonnages in more recent months going to the Energy from Waste sites, allowing some of the additional capacity tonnages to be sold again to third parties and generate income. This forecast will continue to be reviewed in depth as there is still uncertainty around the impact of the pandemic moving forwards in these budget areas and as such a £0.5m provision has been made for potential covid related costs in 2022/23.
75. The service is considering a carry forward proposal for £0.860m for Climate Change into 2022/23 which will be included in the quarter 4 report.
76. *Skills* *Covid impact – £12,000*  
*Normal service forecast - £0.129m saving*
77. The service is forecast to save £0.129m which is a small increase of £39,000 from the position reported at quarter 2. This increase is due to savings on the Entrust IAG contract offset by expenditure on a Digital Platform to support a new Jobs Brokerage team.
78. The small amount of Covid costs in this area is due to limited placements for Supported Internships as a result of the pandemic.
79. *EI&S Business Support* *Covid impact - £21,000*  
*Normal service forecast - £0.205m overspend*
80. The forecast overspend of £0.205m includes the balance of the Health and Safety Executive fine received by Staffordshire County Council for its role in the

## Appendix 3 – Quarter 3 Finance Report

Isabel Trail incident. We will review the EI&S outturn in accordance with normal monitoring arrangements and make any adjustments, if necessary, as part of the final outturn.

81. **Corporate Services** **Covid impact - £0.501m**  
**Normal service forecast - £0.868m saving**
82. The service is forecast to save £0.868m, this is a minimal change from the forecast saving reported at quarter 2. This includes a forecast saving of £0.250m within Assets primarily due to staff vacancies. There are also staff vacancies within the Business Support and Strategy areas and forecast one off additional income in Registrars of £0.3m due to the higher number of weddings being booked as restrictions are being lifted.
83. This forecast includes a provision of £0.1m towards protentional future costs of the Electronic Document and Records Management System project and a further provision of £0.1m towards the net to gross project and the new recruitment and lone worker systems. The overall forecast savings position is also offset by a forecast overspend in HR which is the non-delivery of an MTFs saving.
84. The forecast covid impact of £0.501m includes the costs of the temporary mortuary facilities extension and the closure of the first annual leave purchase scheme window.
85. The pay award for 2021/22 is currently under negotiation but has not yet been agreed. The MTFs for the current year assumed a 0% increase for pay, following the Spending Review in November 2020 which announced a pay freeze for the public sector. Any pay award for the current year would therefore need to be funded from the Contingency budget.
86. **Centrally Controlled**
87. There is a forecast saving of £0.5m within Pooled Buildings which relates to loss of buildings, reduced usage of energy and electricity and one-off income received in year. This is offset by a forecast overspend on Insurances services as the number of buildings needing insurance is reduced.

## Appendix 3 – Quarter 3 Finance Report

88. There is also a £24,000 covid related impact which includes some forecast loss of rental income and additional cleaning costs.
89. **Capital Forecast**
90. Appendix 6 compares the latest capital forecast outturn of £122.0m, a decrease from the quarter 2 position of £129.5m. The key reasons for this decrease of £7.5m are set out in the following paragraphs.
91. **Health and Care** **Forecast spend £1.440m**
92. There has been a small increase of £97,000 due to the introduction of the cabinet approved Hawthorne House extension and refurbishment project, with the majority of forecast costs to be incurred in 2022/23 and 2023/24.
93. **Families and Communities** **Forecast spend £36.309m**
94. *Maintained Schools* *Forecast Spend £35.113m*
95. There has been a reduction of £9.194m in forecast spend since the quarter 2 report. This is due to £6m of Basic Needs funding being rephased into 2022/23, £0.252m of other refinements across smaller projects as well as £2.9m of SEND funding being rephased into next year.
96. **Economy, Infrastructure and Skills** **Forecast spend £73.849m**
97. *Economic Planning & Future Prosperity* *Forecast spend £9.103m*
98. There has been a reduction of £2.095m in forecast spend since the quarter 2 report. This is mainly due to work undertaken on the i54 Western Extension to review risk and contingency as the project nears completion, reducing forecast spend by £1.469m and slippage within the Forward Programme budget of £0.235m
99. At quarter 3 the i54 Western Extension Project is reporting a possible underspend of £13.940m against an approved budget of £38.5m. The overall budget and costs are shared with our Joint Venture partner, City of Wolverhampton Council. There has been a significant amount of savings against the delivery of the scheme which has largely occurred due the

## Appendix 3 – Quarter 3 Finance Report

efficiencies on the Plot Development works, delivery of the power supply using a specialist third party, and reductions to risk and contingency provisions. Final costs will be confirmed at the end of the project.

100. In addition to the scheme cost reduction, we have two potential occupiers lined up for next financial year with capital receipts expected in excess of the original estimates. This outcome if confirmed will deliver pay-back on the scheme ahead of schedule, in financial year 2022/23, which is just five years from the start of the project, with a full year of business rates to be received from financial year 2023/24. The business rates will be shared three ways between Staffordshire County Council, City of Wolverhampton Council and South Staffordshire District Council, as per the Business Rates Collaboration Agreement.
101. *Highways Schemes* *Forecast spend £63.687m*
102. There has been an increase of £5.869m in forecast spend since the quarter 2 report. This is mainly due to Section 278 developer schemes being introduced to the programme including Blythe Business Park of £1.336m, St Johns Development Lichfield of £1.173m, MWA Roundabout Access at Stafford Road of £1.640m, Land North of Marston Grange Stafford of £2.286m and Deanslade Farm Birmingham Road of £1.079m.
103. **Property, Finance and Resources & ICT** **Forecast spend £10.356m**
104. There has been a reduction of £1.891m since the quarter 2 report, which is predominantly as a result of the significant reduction in District Property Rationalisation programme due to the impact of the pandemic, resulting in longer lead time for materials as well as responding to accommodation changes.
105. **Financial Health**
106. Appendix 7 provides a forecast outturn performance against the key Financial Health Indicators approved as part of the 2021/22 budget setting process.
107. There have been 98.0% of invoices paid within 30 days of receiving them at the end of August, exceeding the financial health indicator target. This position also reflects early payments to suppliers to help them with cashflow during the pandemic.

## Appendix 3 – Quarter 3 Finance Report

108. The estimated level of outstanding sundry debt over 6 months old is £22.071m, this is over the target of £14.7m by £7.371m. This is an increase of £2.244m since the quarter 2 report. The debt recovery process involves chasing by a range of methods with the eventual escalation to the external collection agent or to Legal for the possibility of a court decision to recover the debt. It should be noted that a return to full debt recovery services, including legal action was only possible from September 2020 due to Covid 19.
109. The level of CCG health debt over 6 months old is £0.979m above the target figure. This is an increase of £2.130m since the quarter 1 report.
110. Client debt now stands at £9.587m and could potentially increase as a consequence of the on-going pandemic. A working group has been established to look at why clients are not paying debts and to implement ways to avoid clients getting into debt in the first instance, this includes an initiative to encourage and assist clients with setting up direct debit instructions.

Debtor Type	2021/22 Target	30/09/2021	31/12/2021 Est	Increase / (Decrease)
	£m	£m	£m	£m
Health Bodies & CCGs	3.900	2.749	4.879	<b>2.130</b>
Other Govt. and Public Bodies	2.000	3.233	3.217	<b>(0.016)</b>
Other General Debtors (Individuals & Commercial)	4.700	4.349	4.388	<b>0.039</b>
Health & Care Client Debt	4.100	9.496	9.587	<b>0.091</b>
<b>TOTAL</b>	<b>14.700</b>	<b>19.827</b>	<b>22.071</b>	<b>2.244</b>

## Appendix 4 – Corporate Checklist

### **Equalities implications:**

Through the delivery of county council business plans, service delivery is increasingly reflecting the diverse needs of our various communities.

### **Legal implications:**

There are no legal implications arising from this report.

### **Resource and Value for money implications:**

The resource and Value for money implications are set out in the report.

### **Risk implications:**

The risk implications concern the robustness of the forecast outturn which may change owing to pressures on services with a consequent effect on county council functions being able to keep within budgets and a potential call on balances.

### **Climate Change implications:**

Staffordshire's communities are places where people and organisations proactively tackle climate change, gaining financial benefit and reducing carbon emissions' is one of the county council's priority outcomes. Through the monitoring and management of this outcome; climate change and carbon emissions are being addressed in an active manner.

### **Health Impact Assessment and Community Impact Assessment screening:**

Not required for this report.

### **Report authors:**

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## Revenue Forecast Outturn 2021/22

	Revised Budget Qtr 2 £m	Forecast Outturn £m	Covid Impact	Normal Service Overspend / (Savings)	Total Variation £m
<b>Health and Care</b>					
Public Health & Prevention	0.263	0.263	0.000	0.000	0.000
Adult Social Care & Safeguarding	41.095	40.388	0.155	(0.707)	(0.552)
Care Commissioning	185.096	184.821	3.277	(0.275)	3.002
Specific Grant Allocation (Public Health)	(0.263)	(0.263)	0.000	0.000	0.000
Exit and Transition Fund	0.000	0.000	0.000	0.000	0.000
<b>Health and Care Total</b>	<b>226.191</b>	<b>225.209</b>	<b>3.432</b>	<b>(0.982)</b>	<b>2.450</b>
<b>Families and Communities</b>					
Children's Services	119.697	123.440	7.500	3.743	11.243
Children's Public Health	0.000	0.000	0.000	0.000	0.000
Education Services	30.584	31.616	0.568	1.032	1.600
Culture and Communities	5.438	5.384	0.140	(0.054)	0.086
Rural	2.356	2.303	0.111	(0.053)	0.058
Community Safety	9.257	9.102	0.000	(0.155)	(0.155)
Specific Grant Allocation (Public Health)	0.000	0.000	0.000	0.000	0.000
Exit and Transition Fund	0.000	(3.200)	0.000	(3.200)	(3.200)
<b>Families and Communities Total</b>	<b>167.332</b>	<b>168.645</b>	<b>8.319</b>	<b>1.313</b>	<b>9.632</b>
<b>Economy, Infrastructure and Skills</b>					
Business & Enterprise	2.194	1.838	0.000	(0.356)	(0.356)
Infrastructure & Highways	29.675	29.675	0.310	0.000	0.310
Transport, Connectivity & Waste	39.880	38.933	1.541	(0.947)	0.594
Skills	2.435	2.306	0.012	(0.129)	(0.117)
EI&S Business Support	1.097	1.301	0.021	0.204	0.225
Specific Grant Allocation (Public Health)	0.000	0.000	0.000	0.000	0.000
Covid related capital project costs	0.000	0.000	0.000	0.000	0.000
Exit and Transition Fund	0.000	0.000	0.000	0.000	0.000
<b>Economy, Infrastructure and Skills Total</b>	<b>75.281</b>	<b>74.053</b>	<b>1.884</b>	<b>(1.228)</b>	<b>0.656</b>
Corporate Services	34.377	33.894	0.501	(0.483)	0.018
Specific Grant Allocation (Public Health)	0.000	0.000	0.000	0.000	0.000
Exit and Transition Fund	0.000	(0.385)	0.000	(0.385)	(0.385)
<b>Corporate Services Total</b>	<b>34.377</b>	<b>33.509</b>	<b>0.501</b>	<b>(0.868)</b>	<b>(0.367)</b>
<b>Traded Services</b>	<b>(0.761)</b>	<b>(0.761)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL PORTFOLIO BUDGETS</b>	<b>502.420</b>	<b>500.655</b>	<b>14.136</b>	<b>(1.765)</b>	<b>12.371</b>
<b>Centrally Controlled Items</b>					
Interest on Balances & Debt Charges	34.669	34.669	0.000	0.000	0.000
Pooled Buildings and Insurances	27.163	26.793	0.240	(0.370)	(0.130)
Investment Fund	0.798	0.798	0.000	0.000	0.000
Covid 19 Grant	0.000	0.000	(16.204)	0.000	(16.204)
<b>TOTAL FORECAST (SAVING)/OVERSPEND</b>	<b>565.050</b>	<b>562.915</b>	<b>(1.828)</b>	<b>(2.135)</b>	<b>(3.963)</b>

**CAPITAL PROGRAMME 2021/22**

	<b><u>2nd Quarter Budget</u></b>	<b><u>Enhancements to Programme</u></b>	<b><u>3rd Quarter Budget</u></b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Health and Care</b>			
Care and Independence	1.343	0.097	1.440
<b>Health and Care Total</b>	<b>1.343</b>	<b>0.097</b>	<b>1.440</b>
<b>Families and Communities</b>			
Maintained Schools	44.307	(9.194)	35.113
Rural County (Countryside)	0.718	(0.102)	0.616
Vulnerable Children's Projects	0.084	0.138	0.222
Tourism and Culture	0.013	0.345	0.358
<b>Families and Communities Total</b>	<b>45.122</b>	<b>(8.813)</b>	<b>36.309</b>
<b>Economy, Infrastructure and Skills</b>			
Economic Planning & Future Prosperity	11.198	(2.095)	9.103
Highways Schemes	57.818	5.869	63.687
Connectivity	1.430	(0.750)	0.680
Waste & Sustainability Projects	0.379	0.000	0.379
<b>Economy, Infrastructure and Skills Total</b>	<b>70.825</b>	<b>3.024</b>	<b>73.849</b>
Trading Services - County Fleet Care	0.507	(0.050)	0.457
Finance, Resources & ICT	0.689	0.038	0.727
Property	11.050	(1.878)	9.172
<b>Total</b>	<b>129.536</b>	<b>(7.582)</b>	<b>121.954</b>

Financial Health Indicators 2021/22

Appendix 7

Indicator	Current Performance	
<p><u>Debtors</u> Level of outstanding general debtors more than 6 months old does not exceed £14.7m (Current Performance – £22.1m)</p>		
<p><u>Payments to suppliers</u> At least 90% of invoices have been paid within 30 days of us receiving them during the last quarter (Current Performance – 98.0%) This reflects early payments to suppliers to help them with cashflow during the pandemic.</p>		
<p><u>Monitoring</u> Quarterly financial monitoring reports have been issued to Cabinet during the last 12 months</p> <p>The council's most recent revenue outturn forecast did not vary by more than +/-2% when compared to the overall revenue budget</p> <p>Quarterly monitoring reports of progress against MTFS savings have been produced for the Senior Leadership Team during the last 12 months</p>	    	
 Indicator not met	 Indicator not met by small margin	 Indicator met



# Decision Making Arrangements COVID 19

Internal Audit Position Statement – Final  
September 2021



## Our Mission

To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

### **Chief Internal Auditor**

Deborah Harris

### **Lead Auditor**

Leanne Teece

### **Report Status**

Draft Position Statement Issued – 19<sup>th</sup> July 2021

Final Position Statement Issued – 28<sup>th</sup> September 2021

### **Draft Report Distribution**

Simon Ablewhite, Assistant County Treasurer (& Deputy Section 151 Officer)

Katherine Ross, Strategic Finance Business Partner (Economy, Infrastructure and Skills)

Alan Shakespeare, Strategic Finance Business Partner (Health and Care)

Anthony Humphreys, Strategic Finance Business Partner (Families and Communities)

### **Final Report Distribution**

As above plus:

Lisa Andrews, Head of Internal Audit & Adults & Children's Financial Services (ACFS)

Rob Salmon, County Treasurer & Section 151 Officer

## Table of Contents

<b>1</b>	<b>Executive Summary .....</b>	<b>1</b>
1.1	Scope and Background of Audit .....	1
1.2	Summary of Audit Findings.....	3
1.3	Summary of Control Assurance Provided .....	4
<b>2</b>	<b>Findings &amp; Recommendations .....</b>	<b>5</b>
2.7	Compliance with Decision Making Processes .....	5
2.8	Delegated Decision Forms and Publication .....	7
2.9	Supporting Documentation/Paperwork .....	9
2.10	Evidence of Financial Scrutiny .....	10
2.11	Internal Audit Coverage .....	11

# 1 Executive Summary

## 1.1 Scope and Background of Audit

1.1.1 The Head of Internal Audit and Adults & Children’s Financial Services has requested an audit review to provide assurance that decisions made regarding the use of additional funding provided in 2020/21 from Central Government, to deal with the challenges presented by the Covid-19 pandemic were appropriate and in-line with SCC’s decision - making processes. It should be noted that SCC has received both ring-fenced and non-ring fenced grants from Central Government and are required to report monthly to the Ministry of Housing, Communities and Local Government (MHCLG) regarding total funding spent. In 2020/2021 the total amount of grant funding (both specific and general) spent and reported to MHCLG was £101,066 million.

1.1.2 Management have requested that Internal Audit review how decisions were taken regarding the use of grant monies and if decisions were taken in line with the County Council’s corporate decision-making processes illustrated in the table below 1.1.2 (a):

**Table 1.1.2 (a) – County Council Corporate Decision-Making Arrangements**

Type of Decision	Decision to be taken by	Value Threshold	Other Criteria
Key Decision	Cabinet	Exceeds £2 million	Affecting 15% or more of service area budget.  Affecting more than two divisions.
Cabinet Member Delegated Decision	Relevant Cabinet Portfolio Holder	Between £500,000 and £1,999 million	Decision is in Cabinet Portfolio  Decision has been delegated from Cabinet.  Political/Reputational Significance
Executive Officer Delegated Decision	SCC Officers as per Scheme of Delegation (SOD)	Between £500,000 and £1,999 million	Affecting less than 15% of service area budget.  Involves Policy Change  Is within a Director’s Scheme of Delegation with little reputational/political impact.
Director and Officers Decisions	Directors and SCC Officers as per SOD and Sub Delegation Scheme	Under £500,000	N/A

1.1.3 However, during the COVID 19 pandemic, Cabinet delegated a significant amount of decision-making responsibilities to the Senior Leadership Team (SLT Gold) in order to ensure an efficient and timely response. Key delegations were as follows:

- Covid-19 Emergency Funding for Local Government grant (Emergency Funding) - £22.969 million; Cabinet delegated all decisions under £2 million to SLT (15 April 2020). Cabinet also delegated additional powers to the Director of Health and Care to make decisions up to £6.75 million regarding additional staffing measures and up to £5 million to prevent failure in the social care market.
- Covid-19 Emergency Funding for Local Government grant (Additional Funding) - £15.4 million; Cabinet delegated all decisions under £2 million to SLT (20 May 2020), £4.3 million of which was reserved to support measures within Health and Care.
- Additional public health delegations were given to Director of Health and Care (19 August 2020). These additional delegations were non-financial therefore no further work has been completed as part of this review.

1.1.4 For the purposes of this audit, a sample of 40 expenditure items included in the monthly MHCLG survey were selected for testing and the decision making relating to each expenditure item was reviewed. Most items selected related to expenditure within Health and Care as this area was where most expenditure was concentrated.

1.1.5 The total value of the sample was £92,911 million, therefore audit coverage was 91.9% of the overall expenditure reported to MHCLG (£101,066 million). The table below details the number of expenditure items and value of expenditure items selected per Directorate and is split across items funded from the Emergency Funding and specific grants. See below Table 1.1.5 (a)

**Table 1.1.5 (a) Audit Sample per Directorate**

Directorate	General – Covid 19 Emergency Funding		Specific Grant		Total in Sample	
	Value	Total	Value	Total	Total per Directorate	Value per Directorate
Heath and Care	£27.712 m	17	£53,270 m	9	26	£80,982 m
Families and Communities	£3.549 m	5	£3,139 m	2	7	£6.688 m
Economy, Infrastructure and Skills	£4.098 m	4	£440 k	1	5	£4.538 m
Corporate	£703 k	2	0	0	2	£703 k
<b>Total</b>	<b>£36,062 m</b>	<b>28</b>	<b>£56,849 m</b>	<b>12</b>	<b>40</b>	<b>£92.911 m</b>

1.1.6 As part of the scope of the audit the following areas were reviewed:

- A clear decision-making process was in place and decisions were taken in accordance with this process.
- Where appropriate, a delegated decision form was completed and published.
- The decision-making process was supported by appropriate paperwork and approval evidenced sufficiently.
- Appropriate financial scrutiny of expenditure was undertaken, and regular updates were provided to management.
- To identify the level of internal audit coverage for the funding received to support the Council's response to Covid, which has been completed as part of the 2020/21 internal audit plan or is planned to be completed as part of the Internal Audit Plan for 2021/2022.

## 1.2 Summary of Audit Findings

Control Objectives Examined	No of Controls Evaluated	No of Adequate Controls	No of Partial Controls	No of Weak Controls
A clear decision-making process was in place and decisions were taken in accordance with this process.	1	1	0	0
Where appropriate, a Delegated Decision Form was completed and published.	1	1	0	0
The decision-making process was supported by appropriate paperwork and approval evidenced sufficiently.	1	0	1	0
Appropriate financial scrutiny of expenditure was undertaken, and regular updates were provided to management.	1	1	0	0
To assess the level of audit coverage of funding received to support the Council's response to Covid, which has been completed or is planned for 2021/2022	1	1	0	0
<b>TOTALS</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>0</b>

1.2.1 The following issues were considered to be the key control weaknesses:

Rec Number	Risk Rating	Summary of Weakness	Agreed Action Date
1	Medium Priority	Five instances were identified where decision had not been supported by a comprehensive report detailing the rationale for expenditure and two instances were identified where decision making had not been minuted appropriately.	30/09/2021

This report focuses on the weaknesses in the Organisation's systems of control that were highlighted by this audit and recommends what Audit considers to be appropriate control improvements. This report contains the follow amount of recommendations

High	Medium	Low	Total
0	1	0	0

### 1.3 Summary of Control Assurance Provided

- 1.3.1 Overall, testing and review of key documentation has confirmed that decision making regarding the use of funding was compliant with SCC corporate decision-making processes. Decisions, in general, were well documented and services ensured that SLT and Cabinet were kept updated regarding various COVID 19 activities. The Assistant County Treasurer & Deputy S.151 officer received weekly updates regarding spend of COVID 19 monies and these were reported regularly to the MHCLG.
- 1.3.2 Regarding the adequacy of records and audit trails maintained relating to decisions regarding funding, based upon our testing, Internal Audit can give **substantial assurance** over the systems in place to record decision making. However, testing did identify seven decisions where improvements could be made.
- 1.3.3 In relation to the monitoring and reporting arrangements, our review confirmed that there was sufficient scrutiny of COVID 19 grant expenditure during 2020/21 via SLT, Cabinet and MHCLG reporting.
- 1.3.2 A summary of Internal Audit's findings for each item of expenditure tested can be found at **Appendix 1** to this report.

## 2 Findings & Recommendations

### 2.1 Compliance with Decision Making Processes

2.1.1 Decisions should be taken in line with the processes outlined in 1.1.2 (a). Cabinet is, however, able to delegate decisions to other decision-making bodies or individual members or officers. A review of Cabinet minutes for the financial year 2020/2021 confirmed that the following delegations were made regarding funding received from Central Government:

- £22.296 million Emergency Funding (15 April 2020) - Decisions for use of this funding under £2 million was delegated by Cabinet to the Council's Incident Management Team (IMT) or Senior Leader Team (SLT) Gold Command. A review of Cabinet minutes confirmed that during the same meeting (15 April 2020), Cabinet also delegated the use of a proportion of the £22.296 million (£11.75 million) Emergency Funding to the Director of Health and Care (in conjunction with the Cabinet Member for Health and Care) to be used to deploy additional staff (£6.75 million) and provide incentives to support the care market (£5 million).
- £15.4 million Additional Funding (20 May 2020) - Cabinet delegated a further £15.4 million to SLT for decisions under £2 million, £4.3 million of which was reserved to support measures within Health and Care.

2.1.2 Both additional delegations specified that decisions above £2 million remained reserved for Cabinet. A review of documentation has confirmed that SLT Gold met weekly throughout 2020/21 during which reports in relation to the allocation of grant funding were discussed regularly.

2.1.3 Central Government also provided SCC with various ring-fenced grants to address specific needs such as Test and Trace or Infection Control. Discussions with the Democracy Manager confirmed that ring fenced grant funding regardless of value would usually fall within a Director's delegated budgetary powers therefore these decisions would not be classed as key decisions and would not need to be presented to Cabinet for a decision, however Cabinet may be informed of plans for expenditure and their use.

2.1.4 A sample of 40 expenditure items from the monthly reporting to MHCLG for financial year 2020/2021 was selected for further detailed review. This sample included 28 items funded from the Emergency or Additional Funding and 12 items funded from specific ring-fenced grants. The purpose of our testing was to confirm compliance with the Council's corporate decision-making arrangements put in place during the COVID 19 pandemic.

#### **Compliant Decisions**

2.1.5 Review of Cabinet minutes, SLT meetings and discussions with staff confirmed that all 40 decisions were compliant with agreed decision-making processes it was also confirmed by the Business Operations Manager that from April 2021 all decisions will be recorded centrally as part of the SLT action tracker:

- 12 instances related to ring-fenced grants awarded by Central Government for specific activities such as Test and Trace or Infection Control. As stated earlier in the report, funding with specific grant conditions attached to their use does not usually have to be reported to Cabinet (regardless of value) and falls under a Director's general budget delegations. In 11 instances a report had been presented to SLT, detailing how funding would be spent. Internal Audit consider this process reasonable. Some reports had also been presented to Cabinet or Informal Cabinet (Home to School Transport) but

the reason for this was for a political steer rather than approval of expenditure. In the remaining instance, (Workforce Capacity Grant £1.770 million), it was confirmed with the Lead Commissioner for Older People and Physical and Sensory Disability that this grant had to be spent quickly and had very restrictive grant conditions. Whilst a plan of how monies would be spent in relation to this grant had been completed, Internal Audit were unable to evidence that this had been presented to SLT. This was due to the Department of Health and Social Care requiring the Director of Health and Care to agree and submit a plan for the grant prior to the funding being awarded.

- 16 instances were identified where expenditure was under £2 million and was funded using Emergency or Additional Funding, therefore decision making had been delegated to SLT. All expenditure related to specific projects/initiatives intended to support the Council's Covid-19 response. In all cases, the decision to spend had been presented and approved by SLT.
- 4 instances were identified where expenditure was over £2 million and was funded using Emergency or Additional Funding. Decisions over £2 million should be referred to Cabinet as key decisions. These decisions were as follows:
  - One instance, £6 million related to monies allocated to support the social care market. It was confirmed by the Strategic Business Partner that following the second lockdown in November 2020, the decision had been taken by the County Treasurer and S.151 Officer to allocate a contingency fund in case of market failure within the social care sector. Whilst a specific report had not been prepared for SLT a review of Cabinet minutes identify that this decision was included as part of the Quarter 4 Integrated Performance Report and was approved by Cabinet on the 21<sup>st</sup> April 2021.
  - Personal Protective Equipment (PPE), the total value of decision was £2.455 million and was approved by Cabinet 27 April 2020.
  - Care Fee Uplift for social care providers, the total value of the decision was £2.639 million and was approved by Cabinet as an urgent item 15 April 2020.
  - Payments to cover increased agency costs for social care providers. The total value of the decision was £5.372 million. Whilst this decision was not presented to Cabinet it is covered by the additional delegations by Cabinet (15 April 2020) giving the Director of Health and Social Care up to £6.75 million to support staffing.

All 4 decisions were made in accordance with the Council's corporate decision-making arrangements.

- 3 instances related to a loss of MTFS savings, details of loss of savings and the MTFS reset report had been presented to both SLT (18 May 2020) and Cabinet (20 May 2020). Planned Internal Audit work completed as part of the MTFS Delivery Plan audit in 2020/2021 confirmed that formal reporting has been provided to Senior Management and Cabinet which includes quantified information on the Covid 19 impact on the MTFS, with a breakdown per Directorate within Integrated Performance Reports.
- 4 instances related to lost income or additional costs incurred due to the pandemic. Discussion with the Strategic Business Partners confirmed that the rationale for expenditure was based on the variance between 2019/2020 and 2020/2021 budget monitoring. All items of expenditure were under £2 million, however, the decision to use Emergency/Additional funding to cover these had not been presented to SLT for approval but had been taken by the County Treasurer. It was confirmed that use of expenditure was in-line with the conditions of the grant which allows funding to be used to meet pressures across other services, because of reduced income, rising costs or increased demand. It should also be noted that an update on the expenditure return to MHCLG identifying total lost income, additional committed costs and unrealised MTFS

savings was presented to SLT 20 April 2020. This is considered a reasonable and transparent approach to decision making.

- One instance related to funds allocated to support the Stafford Western Access Route (SWAR). The total value allocated was £2.360 million and this money had been used to cover the losses incurred due to delays on the project which were directly related to Covid-19 for example changes to working practices, site shut down and staff having to isolate. Due to the value of this decision it should have been presented to Cabinet, however, it was confirmed by the Strategic Business Partner for Economy, Infrastructure and Skills that final costs had not been known at the beginning of 2020/2021 however, progress of the SWAR is separately reported to Cabinet as part of the quarterly Integrated Performance Report. The final cost was reported and approved by Cabinet (16<sup>th</sup> June 2021) as part of the Final Financial Outturn Report. This is considered reasonable and the approach is transparent.

## 2.2 Delegated Decision Forms and Publication

- 2.2.1 For a decision to be made via delegated powers (see above Table 1.1.2 a), a Delegated Decision Form must be completed. All Executive Officer Delegated Decisions will be automatically published. As part of the Cabinet Member Delegated Decision process, the SLT Lead and Leader of the Opposition will be consulted and all Cabinet Member decisions are subject to the call-in process to be reviewed by Cabinet if required.

Testing was completed to confirm that where appropriate, Delegated Decisions Forms had been completed and published. From the sample of 40 expenditure items selected from the MHCLG survey, the following was found:

### **Appropriate use of Delegated Decision Forms**

#### **Decisions under £500,000**

- 11 instances were identified where the value of the decision was under £500,000, in all instances use of published delegated decision forms were appropriate. In one instance it was confirmed through discussion with the Democracy Manager that a Delegated Decision Form was not required because this related to a specific use of grant funding ring fenced for Home to School Transport. For the remaining 10 instances the following was noted:
  - In 4 instances, the decision had been documented in individual Delegated Decision Forms completed by Members or an appropriate officer. Decisions related to business start-up loans, incentive payments to early years providers, I-Care expenses and supplementary food items. These delegations had been published on the SCC website.
  - In 6 instances decisions were covered by the Delegated Decision Form detailing general delegations awarded to IMT/SLT Gold and the Director of Health and Care by Cabinet 15 April 2020 (see above Ref 2.1.1 and Ref 2.1.2). These delegations had been published on the SCC website.

#### **Decisions between £500,000 and £1,999,999**

- 15 instances were identified where the value of the decision was between £500,000 and £1,999,999. Again, in all instances use of published delegated decision forms were appropriate. In 3 of the 15 instances a Delegated Decision Form was not completed as these related to a specific use of ring-fenced grant funding and therefore were included in a Director's general delegations. In the remaining 12 instances the following was noted:

- 11 instances were covered by the Delegated Decision Form detailing general delegations awarded to IMT/SLT Gold and the Director of Health and Care by Cabinet 15 April 2020. This form was published on the SCC website.
- One instance where an Executive Officer Delegated Decision Form had been completed by the Chief Executive in relation to temporary mortuary facilities (total value £1,062 million). This had been published on the SCC website.

### **Decisions above £2 million**

- 14 instances were identified where the value of the decision was £2 million or over. Due to the value, these decisions are usually considered key decisions, however, in 7 of the 14 instances identified the decision related to ring-fenced grant funding, therefore it would not need to be presented to Cabinet as the decision regarding how to use the funding is already determined by the associated grant conditions and therefore included in a Director's general delegations. In the remaining 7 instances the following was noted:
  - Two instances, the decisions had been taken by Cabinet and a Delegated Decision Form published on the SCC website for each decision. The first related to Carers Fee Uplift (total value £2.639 million) The second related to the procurement of PPE (total value £2.455 million).
  - One instance related to the approval for use of the Winter Grant Scheme (total value £2.316 million). Review of Cabinet minutes confirmed that approval for use of the grant had been delegated by Cabinet (18 November 2020) to the Cabinet Member for Children and Young People. A Cabinet Member Delegated Decision Form had been completed and published.
  - One instance related to expenditure to support the social care market with increased agency costs due to higher levels of sickness, the total value of this was £5.372 million. It was noted that on 15 April 2020, Cabinet allocated a proportion of the additional Emergency Funding, awarded up to a maximum of £6.75 million, to the budget of the Director of Health and Care in order to deploy new employees and volunteers, therefore this decision was covered by the Delegated Decision Form detailing general delegations awarded to IMT/SLT Gold and the Director of Health and Care by Cabinet 15 April 2020.
  - One instance related to MTFs savings (total value 4.133 million) funded through Emergency or Additional Funding. Whilst there is no specific Delegated Decision Form, this information is reported to Cabinet and agreed regularly as part of the quarterly Integrated Performance Report.
  - One instance where the expenditure, relating to SWAR project costs, was funded from Emergency/Additional Funding. This decision regarding the final cost was approved by Cabinet 16<sup>th</sup> June 2021 as part of the Final Financial Outturn report 2020/2021 and subsequently a Delegated Decision Form was not required.
  - The final instance related to funding to support the care market. A contingency fund had been set aside by the County Treasurer (and S.151 Officer) in case of market failure. The total value of this expenditure included in the MCHLG return was £6 million, this additional funding was approved by Cabinet as part of the Quarter 4 Integrated Performance Report and was approved by Cabinet on the 21st April 2021, therefore a Delegated Decision Form was not required.

## 2.3 Supporting Documentation/Paperwork

2.3.1 In addition to the checks completed to confirm that appropriate decision-making processes had been followed and transparency maintained, Internal Audit also reviewed the level of paperwork in place to support the decisions made. From the sample of 40 expenditure items selected, 33 were supported by a report detailing the rationale for decision making and the decision taken had been clearly documented as part of the SLT minutes. It was noted that where required, all figures included in reports either matched the survey returns provided to MHCLG or the final values of expenditure included in the MHCLG survey were within the amounts approved at SLT/Cabinet.

2.3.2 In the remaining seven instances where no report had been completed the following was noted:

- One instance with a total value £6 million related to a contingency fund allocated from Emergency Funding in case of market failure. Whilst this decision was approved by Cabinet on 21<sup>st</sup> April 2021 and included in minutes. Review of SLT minutes could not evidence that this decision had been discussed or that a business case or rationale supporting the amount allocated had been prepared or presented to SLT.
- There were four instances where no reports had been presented to SLT as these related to increased costs or loss of income which had been funded from Emergency Funding. Discussions with the Strategic Business Partners confirmed that the rationale for decision making had been based on variances to pre Covid financial monitoring. The decision to use Emergency Funding was taken by the County Treasurer and S151 Officer, following consultation with the Deputy S151 Officer and the Strategic Finance Business Partners.
- One instance related to the Workforce Capacity Grant (total value £1.770 million). A Workforce Capacity Plan detailing use of expenditure had been prepared but there was no evidence of this being included in the relevant SLT agenda packs.
- The final instance related to the Contain Outbreak Management Fund (total grant awarded £22.113 million). This funding had initially been £7 million, however, the government had added an additional £4 million for every 28 days the County had been under restrictions. The final amount had been based on £8 per head of population. Informal Cabinet agreed to the provisional allocation of the fund on the 28 October 2020. A review of the agenda packs confirmed that an update with regard the final funding was presented to SLT on 30 November 2020 and Pre-Cabinet on 2 December 2021. However, the details of the discussion at the Pre-Cabinet meeting had not been detailed in the minutes, therefore it cannot be evidenced that the report was presented at this Pre-Cabinet meeting.

Failure to fully document the rationale for decisions weakens the audit trail and means that should a query be raised in the future about the decision made, the Council may find it more difficult to justify the decision to stakeholders such as MHCLG as the event has not been recorded in detail.

Recommendation 1		Summary Response	
<b>Risk Rating:</b>	Medium Priority	<b>Responsible Officer:</b>	Simon Ablewhite Assistant County Treasurer
<b>Summary of Weakness:</b>  Five instances were identified where decision had not been supported by a comprehensive report detailing the rationale for expenditure and a further two instances were identified where decision making had not been minuted appropriately.		<b>Agreed Actions:</b>  Given that the total covid grant expenditure has been consistently reported to and approved by Cabinet, via the quarterly Integrated performance monitoring report, it is not deemed necessary to get retrospective agreement of SLT, who see the monitoring reports prior to cabinet approval in any case.  Agreed that moving forward we will ensure items are supported by a report to SLT Gold and documented appropriately.	
<b>Suggested Action:</b>  Consideration should be given to documenting the rationale for the seven exceptions noted during the audit retrospectively and presenting this to SLT. Going forward, decision making should be documented appropriately and reports include sufficient detail relating to reasons for the expenditure.		<b>Implementation Date:</b>  30/09/2021	

## 2.4 Evidence of Financial Scrutiny

- 2.4.1 A review of the minutes for both Cabinet and SLT as well as discussions with key staff e.g. the Assistant County Treasurer (and Deputy S51 Officer) and the Strategic Finance Business Partners have confirmed that there is ongoing financial scrutiny of decision making.
- 2.4.2 The Integrated Performance Report is reported quarterly to both SLT and Cabinet. A review of these reports for the financial year 2020/2021 has identified that a high-level review of revenue expenditure and narrative documenting the impact of Covid is included as part of these reports.
- 2.4.3 The use of grant expenditure funded by both specific and Emergency/Additional Funding are reported monthly to the MHCLG, this is referred to as the MHCLG monthly survey. Details of the content to be included in the MHCLG survey is monitored by the Assistant County Treasurer (and Deputy s151 officer), through weekly discussions with the Strategic Business Partners. It has also been evidenced through review of SLT minutes that SLT have been updated regarding the items of expenditure included as part of the MHCLG survey.
- 2.4.4 Scrutiny of SLT minutes have confirmed that there are standing agenda items which are reviewed on a regular basis. SLT receives updates on various items relating to Covid-19 for example Local Outbreak Control, Health Protection Board, staffing issues and key grants e.g., Clinically Extremely Vulnerable as well as an update from each Directorate. Internal Audit has also evidenced that where there is a significant increase in funding required, separate reports have been prepared and presented to both SLT and Cabinet.
- 2.4.5 It has been confirmed by the Strategic Business Partners that detailed updates of expenditure and uses of funding are also provide to the individual Directorate SLTs and that within Directorates there are also separate monitoring groups. For example, the

activities funded through large grants e.g. Test and Trace and Infection Control are monitored through the Health Protection Board and the Local Outbreak Control plan, and regularly updated to SLT. The progress of the Local Outbreak Control Plan is also regularly reported to Cabinet.

2.4.6 It was also confirmed with the Strategic Business Partner (EIS) that there is an Economic Recovery and Renewal cell chaired by the Director of Economy Infrastructure and Skills as well as a Member led Steering group which has oversight of grant funded projects.

2.4.7 The above arrangements in place provide adequate evidence that COVID 19 grant funding has been monitored and scrutinised at various levels across the Council during 2020/2021.

## 2.5 Internal Audit Coverage

2.5.1 As part of this exercise, a review has been completed regarding the level of internal audit coverage completed in 2020/2021 or planned to be completed during 2021/2022 as part of the current Internal Audit Plan. Audit work completed or planned includes grant assurance work, specific systems audits, proactive fraud exercises, compliance audits, continuous controls monitoring and advisory pieces of work. Audit coverage across the sample of 40 expenditure items selected is detailed in the table below:

**Table 2.5.1 (a) Internal Audit Coverage of Sample**

	Specific Work completed in 2020/21 to be followed up in 2021/22		Specific Work completed in 2020/21		Specific Work to be planned in 2021/22		No audit work planned**		Total	
	No	£000	No	£000	No	£000	No	£000	No	£000
Health and Care	2	12.905	10	18.408	7	32.875	7	16.794	26	80.982
Economy, Infrastructure and Skills	1	0.440	-	-	1	0.360	3	3.738	5	4.538
Corporate Services	-	-	3	1.765	-	-	-	-	3	1.765
Families and Communities	1	0.800	4	4.465	1	0.361	-	-	6	5.626
<b>Total</b>	<b>4</b>	<b>14.145</b>	<b>17</b>	<b>24.638</b>	<b>9</b>	<b>33.596</b>	<b>10</b>	<b>20.532</b>	<b>40</b>	<b>92.911</b>

*\*\*It should be noted that where no specific piece of audit work had been completed or is planned, all expenditure items had been covered by the high level Corporate Review piece of work completed in quarter 3 2020/21 which had been requested by the County Treasurer. This work has looked at the validity of all expenditure included in MHCLG return in line with grant conditions. In addition, assurance can be taken from Internal Audit's cyclical programme of financial system audit reviews that were undertaken in 2020/21 as grant expenditure was processed and accounting for using the Council's standard financial systems.*

2.5.2 As detailed in the table above 78% (£72.379 million) of the sample of 40 expenditure areas sampled have been subject to specific Internal Audit review in 2020/21 or are planned to be reviewed in 2021/22.

### **Disclaimer**

The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. SCC neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.



Sample/Control Area	Area of Spend	General COVID 19 Emergency Funding/Specific Funding	Value of Spend Value of Spend £mm	Compliance with Corporate Decision Making	Completion and Publication of Delegated Decision Form	Supporting Evidence	Evidence of Ongoing Financial Scrutiny	Internal Audit Coverage 2020/21	Planned Internal Audit Coverage 2021/22
Sample 1	Business Start Up Funding	General Emergency Funding	£0.360m	●	●	●	●	●	●
Sample 2	Food Parcels	General Emergency Funding	£0.812m	●	●	●	●	●	●
Sample 3	Alternative Provision Support	General Emergency Funding	£0.379m	●	●	●	●	●	●
Sample 4	Temporary Mortuary Facilities	General Emergency Funding	£1.062m	●	●	●	●	●	●
Sample 5	PPE	General Emergency Funding	£2.445m	●	●	●	●	●	●
Sample 6	Incentive Payments to Early Years	General Emergency Funding	£0.361m	●	●	●	●	●	●
Sample 7	SEND Transports	General Emergency Funding	£0.800m	●	●	●	●	●	●
Sample 8	Loss of Income (Waste Tonnage)	General Emergency Funding	£0.609m	●	●	●	●	●	●
Sample 9	Loss of Income (Parking)	General Emergency Funding	£0.769m	●	●	●	●	●	●
Sample 10	SWAR	General Emergency Funding	£2.360m	●	●	●	●	●	●
Sample 11	Loss of Income (Registrars)	General Emergency Funding	£0.679m	●	●	●	●	●	●
Sample 12	H&C – Paying on commissioned hours	General Emergency Funding	£0.772m	●	●	●	●	●	●
Sample 13	H&C – Provider sickness costs	General Emergency Funding	£1.368m	●	●	●	●	●	●
Sample 14	H&C - Provider agency costs	General Emergency Funding	£5.372m	●	●	●	●	●	●
Sample 15	H&C – Planned fee uplift	General Emergency Funding	£2.639m	●	●	●	●	●	●
Sample 16	Supplementary Food Supplement	General Emergency Funding	£0.24m	●	●	●	●	●	●
Sample 17	H&C – Provider PPE	General Emergency Funding	£0.497m	●	●	●	●	●	●
Sample 18	H&C – One off PPE Grant	General Emergency Funding	£0.683m	●	●	●	●	●	●
Sample 19	H&C – Net Contributions	General Emergency Funding	£0.315m	●	●	●	●	●	●

Sample/Control Area	Area of Spend	General COVID 19 Emergency Funding/Specific Funding	Value of Spend Value of Spend £mm	Compliance with Corporate Decision Making	Completion and Publication of Delegated Decision Form	Supporting Evidence	Evidence of Ongoing Financial Scrutiny	Internal Audit Coverage 2020/21	Planned Internal Audit Coverage 2021/22
Sample 20	H&C – Provider vaccine costs	General Emergency Funding	£0.500m	●	●	●	●	●	●
Sample 21	H&C – Block Book Beds	General Emergency Funding	£0.143m	●	●	●	●	●	●
Sample 22	H&C – Home Care Providers on Commissioned Hours	General Emergency Funding	£1.195m	●	●	●	●	●	●
Sample 23	H&C – Staffing Costs	General Emergency Funding	£0.420m	●	●	●	●	●	●
Sample 24	MTFS Savings (Families and Communities)	General Emergency Funding	£0.947m	●	●	●	●	●	●
Sample 25	Care Home contingency fund	General Emergency Funding	£6.000m	●	●	●	●	●	●
Sample 26	I Care Subsistence	General Emergency Funding	£0.60m	●	●	●	●	●	●
Sample 27	MTFS Savings (Health and Care)	General Emergency Funding	£0.358m	●	●	●	●	●	●
Sample 28	Infection Control	Infection Control Grant (Tranche 1)	£9.271m	●	●	●	●	●	●
Sample 29	Infection Control	Infection Control Grant (Tranche 1)	£0.640m	●	●	●	●	●	●
Sample 30	Test and Trace	Test and Trace Grant	£3.634m	●	●	●	●	●	●
Sample 31	Infection Control	Infection Control Grant (Tranche 2)	£8.273m	●	●	●	●	●	●
Sample 32	Test and Trace	Contain Outbreak Management Fund	£22.113m	●	●	●	●	●	●
Sample 33	Struggling to Afford Food	DEFRA Grant	£0.823m	●	●	●	●	●	●
Sample 34	Infection Control (Clinically Extremely Vulnerable)	Clinically Extremely Vulnerable	£0.507m	●	●	●	●	●	●
Sample 35	Test and Trace	Test and Trace Grant	£4.599m	●	●	●	●	●	●
Sample 36	Rapid Testing	Adult Social Care Rapid Testing	£2.463m	●	●	●	●	●	●
Sample 37	Workforce Capacity Grant	Workforce Capacity Grant	£1.770m	●	●	●	●	●	●
Sample 38	Home to School Transport	Home to School Transport Grant	£0.440m	●	●	●	●	●	●

Sample/Control Area	Area of Spend	General COVID 19 Emergency Funding/Specific Funding	Value of Spend Value of Spend £mm	Compliance with Corporate Decision Making	Completion and Publication of Delegated Decision Form	Supporting Evidence	Evidence of Ongoing Financial Scrutiny	Internal Audit Coverage 2020/21	Planned Internal Audit Coverage 2021/22
Sample 39	Winter Covid Grant – Struggling to Afford Food	Winter Covid Grant	£2.316m	●	●	●	●	●	●
Sample 40	MTFS Savings (Health and Care)	General Emergency Funding	£4.133m	●	●	●	●	●	●

**Key (1)**

**Green** – Controls in place

**Amber** – Some evidence of controls in place

**Red** – No evidence of controls in place

**Key (2) Audit Coverage**

**Green** – Audit coverage in this specific area.

**Amber** – General audit coverage through corporate review, continuous control monitoring and cyclical audit programme of financial systems.

**Red** – No specific audit coverage currently planned.

## WORK PROGRAMME – 2021/2022

### Corporate Overview and Scrutiny Committee

The Corporate Overview and Scrutiny Committee is the Council's principal overview and scrutiny committee. It is responsible for co-ordinating and approving the scrutiny work programmes, overseeing the work of the Overview and Scrutiny Committees and ensuring coherence of approach to cross cutting policy themes. The committee also has a key role in challenging progress around the Council's ambitions of running the business well.

The Committee also scrutinises those areas of the County Council's activity focused on corporate improvement. Its remit covers:

- Holding the Leader and Cabinet Member for Finance and Resources of the Council to account for achievement of the overall vision of a connected Staffordshire.
- The Council's overall performance and approach to managing performance and Strategic Corporate Planning
- The Council's Medium-Term Financial Strategy
- The Council's on-going programme of improvement and transformation.
- The Committee is responsible for scrutiny of achievement against the Council's strategic priorities
- The Council as a commissioning organisation including how it uses customer insight to drive improvements in services

We review our work programme regularly to ensure it remains relevant to the challenges facing local communities, the Council and its partners.

#### **County Councillor Colin Greatorex**

Chairman of the Corporate Overview and Scrutiny Committee

If you would like to know more about our work programme or how to raise issues for potential inclusion on a work programme then, please contact Mandy Pattinson - Scrutiny and Support Officer – [mandy.pattinson@staffordshire.gov.uk](mailto:mandy.pattinson@staffordshire.gov.uk)

Date of Meeting	Topic	Link to Council's Strategic Priorities	Background/Outcome
10 June 2021	<p>Introduction to the Committee and Work Programme Planning</p> <p>Members: Alan White/Ian Parry Officers: John Tradewell/Rob Salmon/Nick Pountney</p> <p><b>SEND Working Group report</b></p>		<p>Items added to the WP for development</p> <p>RESOLVED : That if the outcomes from further review were positive then the Safeguarding Overview and Scrutiny Committee continue to maintain oversight, however if the review was negative then Corporate Overview and Scrutiny would investigate</p>
<del>2 July 2021</del> Cancelled			Reserved for Call In
29 July 2021	<p>Integrated Performance Report – Quarter 1 2020/21</p> <p>Members: Alan White/Ian Parry Officers: John Tradewell/Rob Salmon</p> <p>Appointment of the Medium Term Financial Strategy Working Group</p> <p>Officers: Carol Bloxham/Nick Pountney</p>		<p>Further report on Climate Change</p> <p>Appointed (See end of WP for list of members)</p>
<del>6 August 2021</del> Cancelled			Reserved for Call in
7 September 2021	<p>Climate Change Annual Report and Action Plan 2</p> <p>Member: Simon Tagg Officer: Clive Thomson</p>		<p>RESOLVED:</p> <ul style="list-style-type: none"> <li>a) That the Climate Change Annual Report (2021) and the progress that has been made to date be noted and the comments made by the Committee, be included in the report taken forward.</li> <li>b) That the draft Climate Change Action Plan 2 (CCAP 2) be noted and referred to formal Cabinet for approval in October 2021.</li> <li>c) That the Committee establish a small Working Group on Climate Change – Chaired by the Vice Chair for Overview, Councillor Wileman. The Membership of the Working Group to come from this Committee.</li> </ul>

Date of Meeting	Topic	Link to Council's Strategic Priorities	Background/Outcome
<del>1 October 2021</del> Cancelled			Reserved for Call In
5 October 2021	Corporate Complaints Annual Report 2020/21 Member: Alan White Officers: John Tradewell/Kate Bullivant		Noted
	Overview and Scrutiny Work Programmes 2021/22 Overview and Scrutiny Chairman		Noted
<del>8 November 2021</del> Cancelled			Reserved for Call In
8 November 2021	Performance Management Workshop		
16 November 2021	Integrated Performance Report - Quarter 2 2020/21 Members: Alan White/Ian Parry Officers: John Tradewell/Rob Salmon/Kerry Dove		Noted - further report in March 2022
	Diversity and Inclusion - Principles, Objectives and Action Plan Member: Alan White Officers: Sarah Getley/Kerry Dove		<p>RESOLVED;</p> <p>(a) That the report be received and noted;</p> <p>(b) That owing to the late publication of the Report, any further questions, comments and suggestions on the Equalities, Diversity and Inclusion - Principles, Objectives and Action Plan be forwarded to the Leader (or Director of Corporate Services) by no later than 23 November 2021 to enable consideration of the matter by Cabinet at their meeting on 15 December 2021.</p> <p>(c) That consideration be given to the feasibility of promoting the Authority's Principles and Objectives through their external commissioning processes and careers advise role.</p> <p>(d) That relevant KPIs for Equalities, Diversity and Inclusion be included in the performance monitoring process and future update reports to the Committee.</p>
	VCSE capacity building recommission Member: Victoria Wilson Officers: John Tradewell/Kerry Dove		<p><b>RESOLVED</b> - (a) That the report be received and noted.</p> <p>(b) That the proposals to recommission Voluntary,</p>

Date of Meeting	Topic	Link to Council's Strategic Priorities	Background/Outcome
	Impact of COVID-19 on SCC Communities, Economy and Organisation and Recovery Progress - Update October 2021 and Way Forward Member: Alan White Officers: John Tradewell/Deborah Sullivan		Community Social Enterprise (VCSE) Capacity Building support for Staffordshire from 31 July 2022, as set out in the draft Cabinet Report to their meeting on 15 December 2021, be supported. (b) That the draft Cabinet report be updated to reflect the above-mentioned discussion and various issues raised by the Committee as priority areas for attention by the new Voluntary Community and Social Enterprise Capacity Building framework contract provider.  <b>RESOLVED</b> (a) That the report be received and noted. (b) That the Authority's approach to leadership and influencing and monitoring the recovery process, be endorsed.
6 January 2022 1.30pm	Call-in Burton Town Deal – Burton Library Move		Cabinet decision agreed.
6 January 2022 3.30 pm	Scrutiny of the Local Enterprise Partnership Officer - Lucy Sefton		District and City members invited. <b>RESOLVED</b> – (a) That the report be received and noted. (b) That the good performance of Stoke-on-Trent and Staffordshire Local Enterprise Partnership in delivering their objectives during 2020/21 be welcomed. (c) That the uncertainty regarding the future of Local Enterprise Partnerships, nationally, be noted and that future developments relating to Staffordshire and Stoke-on-Trent, in this respect, be monitored closely. (d) That the future delivery of economic growth and prosperity in Staffordshire through partnership working arrangements continue to be scrutinised, as appropriate.
<del>7 January 2022</del>	Moved to 6 January		Reserved for Call In.

Date of Meeting	Topic	Link to Council's Strategic Priorities	Background/Outcome
20 January 2022	<b>Request for merger of coroner's service</b> <b>Pre-decision</b> Lead member: Cabinet Member for Communities and Culture Lead director: Deputy Chief Executive and Director for Families and Communities Trish Caldwell		<b>RESOLVED:</b> That the report be noted and the Committees comments as listed above in the minutes be noted prior to the submission to the Chief Coroner and Ministry of Justice.  <a href="https://staffordshire.gov.uk">Printed minutes 20th-Jan-2022 10.00 Corporate Overview and Scrutiny Committee.pdf (staffordshire.gov.uk)</a>
	<b>Development of the Strategic Plan</b> Member: Alan White Officer: John Tradewell Kerry Dove		<b>RESOLVED:</b> That the Committee note the progress made in developing the Strategic Plan 2022-26. a) That the comments of the Committee, as listed above, be referred to Cabinet at their meeting on 26 January 2022.  <a href="https://staffordshire.gov.uk">Printed minutes 20th-Jan-2022 10.00 Corporate Overview and Scrutiny Committee.pdf (staffordshire.gov.uk)</a>
	<b>MFTS 2022-2027 Working Group Report</b> Chair of COSC - Cllr Greatorex Rob Salmon		<b>RESOLVED:</b> That the Medium Term Financial Strategy (MTFS) working Group report and recommendations, be approved and submitted to the Cabinet at their meeting on 26 January 2022.
4 February 2022 cancelled			Reserved for Call In
4 March 2022 cancelled			Reserved for Call In
29 March 2022 10.30am	<b>Quarterly Integrated Performance report (Quarter 3)</b> Members: Alan White/Ian Parry Officers: John Tradewell/Rob Salmon/Kerry Dove		
	<b>Climate Change Working Group Update</b> - moved to June		
5 April 2022			Reserved for Call In

Date of Meeting	Topic	Link to Council's Strategic Priorities	Background/Outcome
10 May 2022 <del>Reserved for Call In</del>	<b>Corporate Delivery Plan</b> (Pre-decision scrutiny) Members: Ian Parry Officers: John Tradewell/Rob Salmon		
	<b>Integrated Performance Report – Quarter 4 and year end</b> Members: Alan White/Ian Parry Officers: John Tradewell/Rob Salmon		
	<b>Call-in (if required)</b>		Meeting originally reserved for Call In
<b>To be developed and programmed into the 2022/23 work programme.</b> <b>NB. Items discussed at a triangulation meeting (Leader Cabinet member, Officers and Chair and Vice 21/12/22)</b>			
TBC	Equal Opportunities		Diversity and Inclusion - Principles, Objectives and Action Plan considered at 16 Nov 21 meeting – update report – Suggest schedule for June 2022.
TBC	Governance and control of arm's length companies/partners. E.g. Nexxus/Entrust/AMEY. Particularly in light of Robin Hood Energy/Nottingham City Council.		Consider the 3 partnerships individually. <ol style="list-style-type: none"> <li>1. AMEY – contract ends in 2024. COSC to consider possible new contracts/options.</li> <li>2. Entrust – contract until the end of 2023. Scrutiny input requested prior to decision – options, performance etc.</li> <li>3. Nexxus - Governance and management arrangements – Is there a conflict of interest for board members? Should there be an extension to the range of services provided? What is the risk? Cabinet decision due soon. Pre decision scrutiny requested.</li> </ol> What is the accumulative risks to the organisation?
Pending	Digital Strategy  Member: Ian Parry Officers: John Tradewell/Kerry Dove		Pending – to consider when there is a change or review
Data Sharing			How do we share data with others, in an effective and timely way. What is stopping the sharing and what can we do to be more effective. During the Pandemic, networks became better at sharing information – can we build on this? <b>June 2022?</b>

Date of Meeting	Topic	Link to Council's Strategic Priorities	Background/Outcome
People Strategy (to include Recruitment, Smart Working/Future Office)	People Strategy (to include Recruitment, Smart Working/Future Office)		To be refreshed in June 2022. Pre decision scrutiny?
Capacity to draft bids	Capacity to draft bids		Where do the opportunities come from, are we ready to compile and bid for funding?

### Items for Consideration for the Work Programme

Suggested item	Link to the Council's Commissioning Plans	Background	Possible Option
Networks – E.g. Leaders group/CE groups/LGA - how is the information shared?		Discussed at Chairs/Vice Chairs meeting 07/10/20.  Link to networking, sharing information during covid etc.	Part of information sharing report (data sharing) Possible June 2022?

Page 75

### Working Groups

MTFS 2021/22	<b>Appointment of Members 2021</b>	Membership <ul style="list-style-type: none"> <li>• Cllr C Greatorex (Chair)</li> <li>• Cllr B Peters</li> <li>• Cllr C Atkins</li> <li>• Cllr J Pert</li> <li>• Cllr G Heath</li> <li>• Cllr S Thompson</li> <li>• Cllr J Oates</li> </ul>	2 September 2021 1 October 2021 5 October 2021 19 October 2021 29 October 2021 3 November 2021 25 November 2021 30 November 2021 5 January 2022 – Draft rpt 20 January 2022 COSC
Climate Change Working Group		Membership <ul style="list-style-type: none"> <li>• Cllr Conor Wileman (Chair)</li> <li>• Cllr C Atkins</li> <li>• Cllr T Clements</li> <li>• Cllr J Pert</li> <li>• Cllr B Peters</li> </ul>	17 November 7 January – scoping meeting Information gathering – Jan- March (dates tbc) Update to COSC June

Membership - County Councillors	Calendar of Committee Meetings
<p>Colin Greatorex (Chairman)  Conor Wileman (Vice Chairman - Overview)  Gill Heath (Vice Chairman - Scrutiny)</p> <p>Charlotte Atkins  Tina Clements  Mike Davies  Jeremy Oates  Jeremy Pert  Bernard Peters  Kath Perry  Bob Spencer  Samantha Thompson  Mike Worthington</p>	<p><b>COSC</b></p> <p>10 June 2021  29 July 2021  7 September 2021  5 October 2021  16 November 2021  3 December 2021 CANCELLED  6 January 2022 - Call-in Burton Library move  6 January 2022 - LEP joint with Stoke on Trent  20 January 2022  29 March 2022</p> <p><b>Reserved for call-in</b></p> <p>2 July 2021 CANCELLED  6 August 2021 CANCELLED  1 October 2021 CANCELLED  8 November 2021 CANCELLED  7 January 2022 Moved to 6<sup>th</sup> January  4 February 2022 CANCELLED  4 March 2022 reserved for call-in  5 April 2022 reserved for call-in</p>