

Corporate Overview and Scrutiny Committee

Tuesday 17 January 2023

10:00 am

Council Chamber, County Buildings, Stafford

The meeting will be webcast live which can be viewed at any time here:

<https://staffordshire.public-i.tv/core/portal/home>

John Tradewell

Deputy Chief Executive and Director for Corporate Services

9 January 2023

Agenda

- 1. Apologies**
- 2. Declarations of Interest**
- 3. Minutes of meeting held on 12 December 2022** (Pages 1 - 6)
- 4. Overview and Scrutiny Committees - Work Programmes** (Pages 7 - 14)
Report of Overview and Scrutiny Chairmen.
- 5. Medium Term Financial Strategy 2022-2027 Working Group - Final Report** (Pages 15 - 44)
Report of Chairman of the MTFS Working Group
- 6. Scrutiny Review of Stoke-on-Trent and Staffordshire Local Enterprise Partnership 2021-22** (Pages 45 - 54)
Report of Chair, Stoke-on-Trent and Staffordshire Local Enterprise Partnership
- 7. Work Programme** (Pages 55 - 66)
- 8. 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

8. Exclusion of the Public

defined in the paragraphs of Part 1 of Schedule 12A (as amended) of Local Government Act 1972 indicated below".

PART TWO

(All reports in this section are exempt)

Nil

Membership

Charlotte Atkins	Kath Perry, MBE
Tina Clements	Jeremy Pert
Mike Davies	Bernard Peters
John Francis	Bob Spencer
Colin Greatorex (Chair)	Samantha Thompson (Vice-Chair (Overview))
Gill Heath (Vice-Chair (Scrutiny))	Mike Worthington
Jeremy Oates	

Notes for Members of the Press and Public

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Minutes of the Corporate Overview and Scrutiny Committee Meeting held on 12 December 2022

Present: Colin Greatorex (Chair)

Attendance	
Charlotte Atkins	Jeremy Pert
Mike Davies	Bob Spencer
Gill Heath (Vice-Chair (Scrutiny))	Samantha Thompson (Vice-Chair (Overview))
Kath Perry, MBE	Mike Worthington

Also in attendance: Councillors Alan White and Victoria Wilson

Officers: Catharine Mann, Kerry Dove, Sarah Getley, Kate Loader, Chris Ebberley, Bethany Edwards and John Tradewell.

Apologies: Tina Clements, John Francis and Bernard Peters

PART ONE

41. Declarations of Interest

There were no declarations of interest on this occasion.

42. Minutes of the meeting held on 25 October 2022

Resolved: – That the minutes of the meeting held on 25 October 2022 be confirmed as a correct record and signed by the Chairman.

43. Empowering Our Communities - Developing our Strategy

The Cabinet Member for Communities and Culture introduced the draft Position Statement and the draft Communities Delivery plan 2023 which contained proposals for the long-term development of the Communities Strategy for Staffordshire. The Committee was asked for comments on the documents prior to consideration by Cabinet in February 2023.

It was explained that the 'empowering our communities' was one of the four 'how we work' statements in the Strategic Plan and as such has to be at the heart of everything the Council does. It was stated that the past 18 months had seen a vast amount of work with partners and residents but continued work with communities was vital to help with post pandemic and cost of living issues.

During the debate the following points were raised:

- Coordination of activities between District; Borough; Parish; Town; and County had improved but more still needed to be done to join up effort. Engagement was taking place on each of the programmes in the delivery plan. The Leader's Board was also establishing a District; Borough and County council officers working group to look at cost of living initiatives.
- Work was ongoing with the Staffordshire Parish Councils Association to bring people together, but it was noted that each area had different needs and desires to work with partners.
- The results of pilot schemes, such as Biddulph Town Council, would be shared and would hopefully encourage more participation.
- The County Councils role in helping to signpost and advise communities was acknowledged.
- Capacity in the Community/voluntary sector was stretched and it was felt that it would be unrealistic to expect some groups to take on more work.
- The continuation of the Members fund was welcomed as this was seen as a way of helping community groups get projects off the ground.
- Support Staffordshire and Staffordshire Council of Voluntary Youth Services (SCVYS) had informed the Council that the cost-of-living crisis and rising energy costs hadn't yet started to impact on communities in the numbers expected, but they had seen an increase in demand for their services. There may be some flexibility to change contracts if necessary.

The following comments were made by the Committee on the draft Position Statement and the draft Communities Delivery plan 2023:

1. The Plan and the work of the partners and voluntary sector was welcomed.
2. It was felt there were a number of strands of activity and a number of partners all with their own requirements and objectives (e.g. Health, District Council, County Council etc) but only one community. More emphasis should be placed on consulting together, to establish one aim and focus to enable a positive step change.
3. It was felt that the way that outcomes were measured and the results from the activities listed in the plan were not always clear and would benefit from more detail for example the inclusion of costs and SMART measurements and timelines.

Resolved:

- a) That the draft Position Statement including the draft Communities Delivery Plan 2023 be noted.
- b) That the comments made by the Committee, listed above, be reported to the Cabinet in February 2023.

44. Equality, Diversity and Inclusion - Progress Update

The Leader of the Council introduced the report which summarised the council's current position on Equality, Diversity and Inclusion (EDI).

The report detailed the principles and objectives from 2021-2023, key highlights and achievements during 2022/23 and proposed areas of focus for 2023/24. A short presentation was provided to the Committee. These slides were available as part of the webcast.

The main issues discussed by members were:

- The formation of the EDI steering group and its focus groups within the authority. It was explained that the groups contained key lead officers, and officers with an interest or motivation within a specific area. External input, in order to share best practice and broaden representation, was being investigated.
- Apprenticeships were offered at all levels within the organisation and covered all areas of diversity. The apprentice levy was being accessed for training up to Masters level and partner organisations were also benefiting from the levy to develop their workforce. The Apprenticeships Strategy was being refreshed. More information on the impact of the levy on diversity and which partners had used it would be sent to the Committee.
- Staff were asked on a regular basis to update personal data such as religious beliefs, through the My HR system.
- The summary of strategies in place, listed in appendix 1 to the report, seemed to lack review dates. The Leader agreed to include this detail in the revised plan.

Resolved:

- a) That the progress made to deliver against the Councils Equality, Diversity and Inclusion principles, objectives and action plan be noted.
- b) The Councils Gender pay gap report and workforce profile be noted.
- c) That the comments made by the Committee, listed above, be reported to Cabinet when the Councils delivery of Equality, Diversity and Inclusion plan was considered.
- d) That the Cabinet member provide a monitoring report to the Committee in 12 months' time.
- e) More information on the impact of the levy and diversity and which partners used be sent to the Committee.

45. Governance of outside bodies/partnerships review - update

The County Solicitor introduced the report which detailed the work undertaken in relation to Local Authorities Trading Companies (LATCos) and the elected member representation on outside bodies. The report also

detailed the way in which the activity had been carried out and the findings or any reviews.

The Committee was informed that organisations which had failed to respond to information requests had been contacted a number of times during the review.

Members felt that some of the outside bodies had changed working practises during the pandemic which may result in what looks like reduce member involvement. An example was given of the local Quarry liaison committees. It was felt that these had been useful in the past and were worth retaining.

It was also suggested that the Members who were appointed to outside bodies and organisations, should feedback to other members periodically. This idea would be included in the next part of the review.

Further separate pieces of work on the LATCos and outside bodies were proposed to gain a complete picture. The LATCos work would be reported to Audit and Standards Committee along with the audit report which was currently underway. It was suggested that the outside bodies work would be reported back to this Committee in spring 2023.

Resolved:

- a) In relation to Limited Companies and Local Authority Trading Companies (LATCos):
 - i. The Monitoring Officer should undertake a governance review for the purpose of recommending new governance standards for the operation of LATCos and Limited Companies. This should consider:
 - ii. proposals for the introduction of a company start-up checklist;
 - iii. any conflict that may exist in relation to SCC Members and Officers holding Directorships in Local Authority Trading Companies (LATCos);
 - iv. the operation of indemnities to support Directorships.
 2. The County Solicitor to develop one centralised list of companies.
- b) In relation to Outside Bodies, a further report be presented to the Committee, in April 2023, containing recommendations about which outside bodies should be withdrawn from member representation.

46. Work Programme

The following changes were suggested:

- The Governance review update report – to be scheduled for April 2023.
- The Revised Children's Transformation Programme item be moved from February to April 2023.
- The Civil Contingencies report added to the April 2023 meeting be noted.

Resolved: That the suggested changes to the Work Programme be agreed.

Chairman

Corporate Overview and Scrutiny Committee

Tuesday 17 January 2023

Overview and Scrutiny Work Programme 2022-23 Update

Recommendation(s)

I recommend that:

- a. Corporate Overview and Scrutiny Committee receive the Overview and Scrutiny Work Programme update report.
- b. Corporate Overview and Scrutiny Committee consider and comment on the planned Work Programme 2022-23.

Report of Deputy Chief Executive & Director for Corporate Services John Tradewell

Summary

1. The Corporate Overview and Scrutiny Committee are the overarching scrutiny body with responsibility for developing and agreeing the combined work programme for the Council's overview and scrutiny function. The work programme co-ordinates items scheduled at each of the Council's four overview and scrutiny committees.
2. Members are asked to consider the update on programme delivery and work planned by the Overview and Scrutiny Committees in 2022-23.

Background

3. The Local Government Act 2000 states that Councils operating executive arrangements must also make provision for the appointment of one or more overview and scrutiny committees. At their annual meeting on 19 May 2022, the County Council appointed the following committees:
 - Corporate Overview and Scrutiny
 - Health and Care Overview and Scrutiny
 - Prosperous Overview and Scrutiny
 - Safeguarding Overview and Scrutiny

4. The Terms of Reference for each Overview and Scrutiny Committee can be viewed in [Section 7 of the County Councils Constitution.](#)
5. In May 2022, each committee developed work programmes of matters that fall within their Terms of Reference taking into account any outstanding items from previous years, as necessary. Members are requested to review the contents and timelines to ensure they remain timely and relevant.
6. Scrutiny Chairmen and Vice-Chairmen hold regular Triangulation meetings with Executive Members, Directors, and where applicable senior officers from partner organisations, to discuss emerging matters, priorities and circumstances that might change decision making and scrutiny timelines.
7. The Corporate Overview and Scrutiny Committee also maintain oversight of the Joint Overview and Scrutiny work programme which details work items for all four Overview and Scrutiny Committees (Appendix 1).
8. Scrutiny of the Joint Work Programme provides opportunity to identify cross-cutting matters (i.e., those which might fall under the Terms of Reference of more than one Committee) and provide a wider view of the subject matter and issue(s) involved to help focus on key lines of enquiry.

Current position

9. Overview and Scrutiny Committees have completed meetings from September - December 2022. This report provides a summary of activity during this period and a forward look at scrutiny activity for the remainder of the Municipal Year.
10. Work Programme progress:
 - a) Fourteen Overview and Scrutiny Committee meetings were held between 1 August 2022 and 23 December 2022. Thirty-eight different topics have been considered.
 - b) In support of formal meetings Member briefings and pre-meetings were arranged online, briefing papers circulated, and links to further information to develop knowledge and awareness of specific issues have been circulated where appropriate.
11. Additional scrutiny activity September-December 2022: -

- a) Workshop with Young Carers on 21 September 2022, with the outcome of this work reporting back to the 24 November Safeguarding O&S Committee.
- b) Consideration of a Petition regarding the Management of HGVs on Cemetery Road, Silverdale, Newcastle-under-Lyme by Prosperous Overview and Scrutiny Committee at their meeting on 29 September 2022.
- c) Site visits to Household Waste Recycling Centres by Prosperous Overview and Scrutiny Committee on 7 November 2023.
- d) A Joint Health Scrutiny meeting between Staffordshire Health and Care Overview and Scrutiny Committee and City of Wolverhampton Council's Health Scrutiny Panel on 22 September 2022, to scrutinise the Performance of The Royal Wolverhampton NHS Trust.
- e) Site visits of potential sites for Integrated Care Hubs in North Staffordshire on 4th and 7th November 2022. Visits by the Integrated Care Working Group, consisting of the Vice-Chairman (Overview) of Health and Care Overview and Scrutiny Committee and eight elected members from Staffordshire Moorlands District and Newcastle-upon-Lyme Borough Councils.
- f) Corporate Overview and Scrutiny Committee held an informal meeting on 19th September to gather information on data sharing with partners.
- g) Scrutiny working groups continue to give in-depth scrutiny to specific issues:
 - Medium Term Financial Strategy (MTFS) will be reporting to the Corporate Overview and Scrutiny Committee on 17 January 2023.
 - Integrated Care Hubs reporting to Health and Care Overview and Scrutiny Committee at their meeting on 30 January 2023.
 - Climate Change - ongoing
 - Women's Health - ongoing

Working groups report back to relevant O&S Committees with updates and findings

12. To ensure the continuous development of the scrutiny function all Chairmen and Vice-Chairmen of Overview and Scrutiny Committees meet quarterly with the Scrutiny and Support Team to reflect on scrutiny process, develop working mechanisms and share good

practice. The Overview and Scrutiny Chairs Forum met on 22 September 2022 and agreed the scrutiny petitions process and scrutiny topic prioritisation tool.

Work Programme Focus for Quarter 3 & 4

13. Corporate Overview and Scrutiny Committee:

- a. 17 January 2023 meeting focus will be scrutiny of the Local Enterprise Partnership (including governance arrangements), MFTS 2022-2027 Working Group Report, and an update on Overview and Scrutiny Work Programmes.
- b. 27 February 2023 meeting focus will be Quarterly Integrated Performance report (Quarter 3), People strategy – update and Boundary Commission Review – update
- c. 11 April 2023 meeting focus will be Civil Contingencies, Governance review – Outside Bodies update, and Revised Children's Transformation Programme-budget implications.
- d. 10 February, 6 March and 3 April 2023 have been reserved for any called in decisions.

14. Health and Care Overview and Scrutiny Committee:

- a. The 30 January 2023 meeting focus will be scrutinising the Staffordshire and Stoke-on-Trent Integrated Care Strategy: receiving an update on In-patient Mental Health Services and considering the Integrated Care Hubs in North Staffordshire
- b. The 13 February 2023, additional meeting will be considering the Draft Mental Health Strategy, CAMHS Services and Mental Health Support Teams in Schools.
- c. The 20 March 2023 meeting will scrutinise the Integrated Care Board Operating Plan and consider the Care Workforce Development Strategy.

15. Prosperous Overview and Scrutiny Committee:

- a. 9 January 2023 - Highways Transformation – Update; Electric Vehicle Charging Infrastructure Strategy; Sustainability Board Communications Plan; and Proposed Civil Parking Enforcement Scrutiny Review.
- b. 3 February 2023 – HS2 Six Monthly Update – Impact on Staffordshire; and Staffordshire History Centre Update.
- c. 22 March 2023 – Highways Transformation Update; and. Staffordshire Community Learning Service's annual self-assessment report for 21/22.

- d. 27 April 2023 - Tree Planting Net Zero by Nature; Local Flood Risk Management Strategy – Update; and Household Waste Recycling Centres - Outcome of the Public Consultation and Policy Changes for 2023/24.
16. Safeguarding Overview and Scrutiny Committee:
- a. The 5 January 2023 meeting will be scrutinising the annual reports from both the Adult's and Children's Safeguarding Boards as well as focusing on progress with the transformation of adult social care.
 - b. 16 February 2023 focuses on Children's Transformation and the development of the House project. It will also consider pre-decision scrutiny of the Whole Life Disabilities Strategy.
 - c. 20 April 2023 focuses on safeguarding concerns of the increasing numbers of permanently excluded pupils. Two adult based items will also consider DoLs and changes to safeguarding assessments.
17. Potential topics with cross remits:
- a. Safeguarding implications of the increasing number of permanently excluded pupils.

Link to Strategic Plan

18. The Overview and Scrutiny Committees' remits and work programmes are developed to ensure that scrutiny reinforces the value and importance of challenge, and they are aligned to the ambitions and delivery of the principles, priorities and outcomes of the Strategic Plan 2022-2026.

Link to Other Overview and Scrutiny Activity

19. The Joint Work Programme will co-ordinate scrutiny activity between the four Overview and Scrutiny Committees, identify matters for joint scrutiny or determine the lead committee for an issue, and take into account where and when scrutiny can add value and influence decision making.

List of Appendices:

Appendix 1: Extract Overview and Scrutiny Work Programme 2022-23

Background Documents

Link 1 - Corporate O&S Committee Work Programme:

Link 2: Health and Care O&S Committee Work Programme: [28 November 2022](#)

Link 3: Prosperous O&S Committee Work Programme: [9 January 2023](#)

Link 4: Safeguarding O&S Committee Work Programme: [5 January 2023](#)

Contact Details

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Overview and Scrutiny Work Programme 2022/23

Scrutiny Committee	Ref.	Date of Meeting	Topic	Details / Background	Action / Outcome (Link to Mod.Gov)	Cabinet Member	Responsible Officer / Health Representative
Corporate Overview	CO22/23-16	17/01/23	Overview and Scrutiny Work Programmes	To ensure communication between the committees and no duplication		O&S committee chairman	
Corporate Overview		17/01/23	LEP	Annual governance scrutiny			
Corporate Overview	CO22/23-17	17/01/23	MFTS 2022-2027 Working Group Report	final report of the MFTS working group. For approval by the committee prior to Cabinet		COSC Chairman	
Health and Care		30/01/23	Integrated Care Partnership strategy	Partnership			
Health and Care	HC22/23-25	30/01/23	In-patient Mental Health GBC	Transformation			
Health and Care		30/01/23	Integrate Care Hubs	Transformation and Public concern			
Health and Care		13/02/23	Draft Mental Health Strategy	Policy and transformation			
Health and Care		13/02/23	Mental Health Support Teams	Performance			
Health and Care		13/02/23	CAMHS	Performance			
Safeguarding Overview		16/02/23	Whole Life Disabilities Strategy 2023	Pre-decision scrutiny			
Safeguarding Overview		16/02/23	House Project	Pre-decision scrutiny			
Safeguarding Overview		16/02/23	Children's Transformation - briefing	brief update on continued progress			
Safeguarding Overview		16/02/23	Executive Response to the Scrutiny Inquiry into Sexual Harassment in Education	Executive response to final report and recommendations			
Corporate Overview	CO22/23-18	27/02/23	Integrated Performance Report - Quarter 3	Quarterly report.		Ian Parry	Kerry Dove/ John Tradewell
Corporate Overview	CO22/23-19	27/02/23	People Strategy update	Pre decision scrutiny – goes to Cabinet in March			John Tradewell/Sarah Getley/Kerry Dove
Corporate Overview		27/02/23	Boundary Commission Review – update				Officers: Chris Ebberley/Kerry Dove/Katie Marshall
Prosperous Overview		02/03/23	HS2 Six monthly update - Impact on Staffordshire	Engagement with HS2 and Avanti West Midlands with a view to maximising benefits for Staffordshire.		Philip White	
Prosperous Overview		02/03/23	Staffordshire History Centre – Update	To monitor Project progress.		Victoria Wilson	
Health and Care	HC22/23-26	20/03/23	Integrated Care Board Operating Plan	Policy			
Health and Care		20/03/23	Care Workforce Development Strategy	Risk and policy			
Prosperous Overview		22/03/23	Highways Transformation - Update	Scheduled update in Programme progress with opportunity to shape reconfigured service.		David Williams	
Prosperous Overview		22/03/23	Staffordshire Community Learning Service's annual self-assessment report for 21/22	Scheduled outturn scrutiny.		Philip White	
Corporate Overview		11/04/23	Revised Children's Transformation Programme			Alan White/Ian Parry/ Mark Sutton	Officers: Nisha Gupta
Corporate Overview		11/04/23	Civil Contingencies	pre decision scrutiny		Alan White	Tracy Thorley

Scrutiny Committee	Ref.	Date of Meeting	Topic	Details / Background	Action / Outcome (Link to Mod.Gov)	Cabinet Member	Responsible Officer / Health Representative
Corporate Overview		11/04/23	Outside bodies - governance review	pre decision scrutiny		Alan White	Kate Loader
Safeguarding Overview		20/04/23	safeguarding of permanently excluded pupils	Concerns around the rising numbers of permanently excluded pupils in Staffordshire and the Safeguarding concerns this presents for those individuals			
Safeguarding Overview		20/04/23	Safeguarding Assessment	changes to the adult safeguarding assessments and the impact this will have for Staffordshire service users			
Safeguarding Overview		20/04/23	DoLS	details of any continued backlog and how these are being addressed			
Safeguarding Overview		20/04/23	Placement Sufficiency Strategy				
Prosperous Overview		27/04/23	Tree Planting Net Zero by Nature	Scrutiny of the Authority's response to the National Initiative.		Victoria Wilson	
Prosperous Overview		27/04/23	Local Flood Risk Management Strategy – Update	Scheduled scrutiny of progress in implementing the Strategy.		Simon Tagg	
Prosperous Overview		27/04/23	Household Waste Recycling Centres - Outcome of the Public Consultation and Policy Changes for 2023/24.	Pre-decision Scrutiny of the Authority's draft response to the consultation.		Simon Tagg	
Prosperous Overview		01/09/23	Highways Transformation - Update	Scheduled update in Programme progress with opportunity to shape reconfigured service.		David Williams	
Prosperous Overview		01/09/23	Sustainability Board Communications Plan	Pre-decision scrutiny of draft Plan.		Simon Tagg	
Prosperous Overview		01/09/23	Electric Vehicle Charging Infrastructure Strategy	Pre-decision scrutiny of draft Strategy.		Simon Tagg and David Williams	

Local Members Interest
N/A

Corporate Overview and Scrutiny Committee **Tuesday 17 January 2023**

Medium Term Financial Strategy 2023-2028 **Report of the Medium-Term Financial Strategy Working Group**

Recommendation(s)

I recommend that the Committee:

- a. Agree the final report of the Medium-Term Financial Strategy (MTFS) Working Group, subject to any amendments, for submission to the Cabinet at their meeting on 25 January 2023. The final report is attached as an appendix to this report.
- b. If the Committee does wish to make amendments, it is recommended that the Committee give permission to the Chair to approve the final version

Report of the Medium-Term Financial Strategy Working Group

Summary

1. The Committee is being asked to consider and agree its final report on the Medium-Term Financial Strategy (MTFS) 2023-28, subject to any amendments, for submission to the Cabinet at their meeting on 25 January 2023.
2. The scrutiny process provides challenge during the Council's MTFS, annual budget and council tax setting process. Cabinet is recommended to consider and respond to the Working Group Report findings and recommendations to help develop a good and balanced budget.

Report

Background

3. The Committee is responsible for scrutinising the development of the County Council's MTFS and the annual budget and council tax setting

process. The work of scrutiny helps to ensure that the Council develops a good and balanced budget, which is in line with the Council's aims and objectives and is used as a base to determine spending. As part of the Committee's Work Programme Planning for 2022/23, Members agreed to set up a Working Group to undertake this work.

4. The attached report sets out the work this Committee's Working Group has undertaken between August 2022 and December 2022; and details their conclusions and recommendations. Members are now asked to consider and agree this report for submission to the Cabinet for their response.

Next Steps

5. Any amendments to the report which are requested by Members will be made and the report provided to the Chair for final approval. The report will be circulated to Members of the Cabinet prior to their meeting on 25 January 2023.
6. The Chairman will present the final report to the Cabinet which will consider the conclusions and recommendations and will provide an executive response to each one.
7. The final consideration of the MTFS 2023-28 will take place at the County Council meeting on 9 February 2023. Council will be provided with details of scrutiny recommendations and the Cabinet's response as part of that report.

Link to Strategic Plan

7. The MTFS is the financial expression of the aims and objectives of the County Council, which are set out in the Strategic Plan outcomes, priorities, and principles. The Council Pledge is to 'Deliver value for money VFM for residents and businesses and live within our means'.

Link to Other Overview and Scrutiny Activity

8. In preparing their report, the Working Group have taken into consideration any work undertaken by the Corporate Overview and Scrutiny Committee where budget related matters were raised.

Community Impact

Refer to CIA guidance on the [Learning Hub](#)

List of Background Documents/Appendices:

Appendix 1: Report of the Medium Term Financial Strategy 2023 – 2028
Working Group

Contact Details

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Corporate Overview and Scrutiny Committee

Medium Term Financial Strategy 2023 - 2028

Report of the Medium-Term Financial Strategy Working Group

CIPFA Financial scrutiny practice guide (2020)

Scrutiny is a critical part of the overall governance framework. Effective financial scrutiny is one of the few ways that councils can assure themselves that their budget is robust and sustainable, and that it intelligently takes into account the needs of residents.

Scrutiny can provide an independent perspective, drawing directly on the insights of local people, and can challenge assumptions and preconceptions. It can also provide a mechanism to ensure buy-in – or at least understanding – of the tough choices that councils are now making.

Chairman's Foreword

Coming out of the challenges of the Pandemic years, few of us would have predicted the challenges of 2022 including the invasion of Ukraine driving fuel prices up and inflation rates rising. It has been particularly challenging and uncertain time for local government in relation to financial planning and strategy. The Working Group has been cognisant of these circumstances and has attempted to consider these factors, be constructive and understanding in its investigations.

Membership of the Group includes the four Overview and Scrutiny Committee chairpersons and the minority group lead member. The breadth and depth of knowledge in the membership has provided for a widespread knowledge of key topics and has helped avoid duplication in areas of investigation.

MTFS last year focussed on Adult Social Care, Children's System Transformation and Highway Maintenance Liabilities, also digital innovation which was key to delivery and cost cutting effects on the three areas identified. They remain high risk and are being monitored. This year our priorities are to better understand and investigate our Capital Assets and Reserves, and to shine a spotlight on SEND Transport.

As in previous years, the MTFS group invited representatives of other local authorities and lead officers to assist with our evidence gathering online which has allowed the input of those from within our organisation and from distant locations, this has again been a useful contribution to some of our thoughts and recommendations.

The Group is grateful to all the officials who administered the process, particularly Zach Simister, Deb Breedon and Rachel Spain. In addition, I thank elected members for their enthusiasm, support, and insightful enquiries.

County Councillor Colin Greatorex

MTFS Working Group Chairman

Membership

County Councillor C Greatorex (Chairperson)
County Councillor B Peters
County Councillor C Atkins
County Councillor J Pert
County Councillor G Heath
County Councillor S Thompson
County Councillor J Oates

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Executive Summary - Scrutiny of the MTFS and Budget Monitoring

The Medium-Term Financial Strategy MTFS, is a five year projection of expenditure plans and the resources available to fund those plans. It provides a longer view of managing the finances. It is agreed in advance of setting the budget for the coming year (unless there are major changes to the figures which require urgent consideration).

The MTFS is the cornerstone of the Council's overall strategy to set a Good and Balanced Budget and the planning framework for major decisions on future services, pay and jobs. Confidence in the model must be assured not assumed. The approach to identifying assumptions and making reasonable (not optimistic or pessimistic) assumptions for the next five years is important. The MTFS is a living model which is updated regularly for new circumstances and assumptions.

Each year, the Corporate Overview and Scrutiny Committee establishes a MTFS Working Group to look at the figures and planned spend for the next five years to inform the annual budget setting process. Corporate Overview and Scrutiny Committee also monitors the current budget by quarter years to shine a spotlight on issues and check that Cabinet has identified pressures and adjusted the finances accordingly.

This report presents our methodology, findings, conclusions, and recommendations.

Context

1. Staffordshire County Council, in common with many local authorities and other publicly funded bodies, faces a significant financial challenge affected by the increasing energy costs, higher than planned inflation, increased demand for services and retention and recruitment of workforce. There are particular challenges in relation to social care reform for adults and children's transformation, and inflationary pressures on transport, highways, schools, inflation affects on pay, contracted agreements and prices paid for non-contractual purchases.
2. We are mindful of the Council's vision and the pledge: 'to deliver value for money for residents and businesses and live within our means.' There remains to be uncertainty around the MTFS – the level of funding, inflation and interest rates and the increasing demand on social care. The largest proportion of the revenue budget continues to be allocated to the care sector. The aim must continue to be to live within our means and set reasonable expectations in line with the current year.
3. It is important to take a residents' view when considering the MTFS and preparing the report and recommendations to Cabinet. Increasing inflationary pressures and increasing demand in some services this year mean that expenditure plans would exceed resources. Resources can be allocated through one-off funding from reserves to ensure services are maintained for residents and that the figures will balance.

Method of Investigation

4. To scope this work, we received an overview of the current MTFS position and the changes since February 2022 highlighting inflation and other pressures on the short- and medium-term plan. The group considered the risks to setting a balanced budget, referring to CIPFA financial indicators and comparators, the approach to address the risks and the use of general balances and reserves in the context of financial stability.
5. Last year, this group agreed to focus on the budgetary areas where we could exert influence. We believe the 'steady ship' approach precludes the council from embarking on alternative, radical or ambitious strategies: how should we use our capital budget to greater effect. We made recommendations relating to four key areas:
 - Adult Social Care
 - Children's System Transformation
 - Highway Maintenance Liabilities
 - Delivery (capacity) – Digital innovation

We reviewed progress against these recommendations. We note that the areas continue to be a challenge and continue to be monitored.

6. This year, to gain an in depth understanding of how the MTFS ensures the Council's financial stability and makes best use of its resources, at a time when inflation is rising and interest rates going up, the Working Group agreed to focus on **Capital Programme and Assets, Reserves** and to scrutinise one area of inflationary concern, **SEND Transport**.
7. We researched and considered evidence to understand process, considered best practice from other Local Authorities and interviewed Cabinet Members and Directors.
8. We held a research session for each area of focus to better understand process and good practice, explore the current position and prepare relevant lines of enquiry in advance of an interview meeting with Executive Members and Directors.
9. We held a recap session to further investigate our initial findings and gather points of clarification. A summary of key matters raised from evidence gathering was provided along with data from the financial resilience index and bench marking.
10. At our final session we invited the Cabinet Member for Resources to outline the draft MTFS and share our findings.
11. On 19 December 2022, the Provisional Settlement was announced on by Secretary of State, a summary is included in the report.

Budget Interviews: Schedule of evidence gathering

Focus	Interviewee/s / items discussed
Current MTFS position 1 August 2022	Scoping the current MTFS position
Capital Programme and Assets 6 September 2022	Presentation by officers on the current position of Capital Programme and Assets.
Interview 13 September 2022	Interview with the Leader and Assistant Director for Corporate and Assets
Reserves 11 October 2022	Presentation by officers on the current position of Reserves.
Interview 18 October 2022	Interview with the Cabinet Member for Finance and Resources and the County Treasurer.
SEND Transport 25 October 2022	Presentation by Finance officers on the current position of SEND Transport
Interview 1 November 2022	The Cabinet Member for Education and SEND Assistant Director for Education Strategy & Improvement Head of Access to Learning, Inclusion and Improvement Assistant Director for Connectivity and Sustainability

	Strategic Finance Business Partner
Recap of findings 15 November 2022	Recap of findings including interviews with the Assistant Director for Corporate and Assets and Team Senior Solicitor. We also discussed our research of good practice for SEND Transport in two other Local Authorities, Nottinghamshire and Norfolk and compared their approach and performance to Staffordshire.
MTFS Report 2023-28 13 December 2022	Cabinet Member for Finance and Resources and County Treasurer presentation of the MTFS Cabinet Report due to go to Cabinet on 14 December 2022.

Evidence gathering

General

12. The budget for 2022-23 was set at the meeting of Full Council on 10th February 2022. At that time balances of £54.5m were required. The 2021/22 Final Outturn report had resulted in a small underspend of £3.984m which was allocated to a reserve for inflationary pressures.
13. Since setting the budget in 2022, the rate of inflation has risen sharply, the cost of living has impacted on residents and businesses in Staffordshire and Council services have been impacted.
14. The Integrated Performance report for Q1 (Budget Monitoring) identified the need to allocate a further £5m funding for inflation in the current year and highlighted significant other pressures in care services and transport, which are risks to setting a balanced budget for 2023-24.
15. At this time there is no clear indication of when inflation will return to a government target level, however the forecast and risk assessment will be refreshed and reported to Cabinet as part of the MTFS process.

Area of Focus 1 - Capital Programme and Assets

16. We received a presentation relating to Buildings Capital Programme and Assets providing detail of the Capital programme at Quarter 1 (totalling £133,123 million) and the reporting mechanisms to Cabinet.
17. We learned
 - Schools are the majority of the County Council's assets at 56%.
 - Assets declared surplus or being actively marketed account for 1% of the total number of assets.
 - The PFI scheme assets are included in these totals as the assets will become owned by SCC at the end of the contract.
 - Total net value of fixed assets at 31 March 2022 is £1,825.7m.

- The difference between revenue and capital budgeting under accounting rules: Revenue spending covers day-to-day costs such as wages. Capital expenditure relates to investments in assets such as buildings and transport infrastructure.

Area 1 - Lines of Enquiry

18. We considered the maintenance responsibility once Staffordshire County Council (SCC) school property had passed to Academy Trusts.

There was no net change in costs to SCC as a result of transferring property to Academies as Academies are financially independent from SCC. During transferral the County Council was the freehold owner of the property, however the academy would be responsible for all of the upkeep of the property. Funding streams were available for Academies to apply for improvements; however, the County Council would not normally be involved in this process. There were 460 schools in Staffordshire; 125 were maintained schools. The impact of cost-of-living crisis on schools was of concern, however, for Academies it would be the Regional Schools Commissioner as the responsible body.

19. We considered the process around Section 106 funding from developers to ensure it was invoiced and received.

We received a presentation highlighting the process for the Section 106 monitoring. Section 106 agreements are legal documents which could not be changed by either party once signed. The total amount of money owed depended on the number of houses on each site and the trigger points set out in each agreement. The District or Borough Council monitors progress on sites to see when trigger points are met and requests S106 payment. Even when received the money is not necessarily spent immediately but if not spent in time the developers may claim the money back. S106 money is largely utilised on highways and education.

20. We considered property disposal and capital receipts.

The Council follows processes when identifying a property for disposal and seeking best value when a property is to be sold. Properties are under constant review; Property Sub Committee oversees the corporate property strategy and the asset management plan. Officers seek to maximise the value of an asset, the money is usually added to the central fund, rather than be spent in the location specific area. Some properties are occupied and can only be sold when they are empty, there are some delays to properties due to unforeseen complications. Some properties have been sold for an undervalue transaction for community-based use rather than to seek best value, but this is agreed on a case-by-case basis by the Property Sub-Committee.

- 21. We considered if the Capital programme and disposals should be sped up due to the higher interest rates and opportunities to raise money.**

The Council disposes of surplus property as quickly as possible. The value of some properties does increase over time however the Council does not deliberately hold land to wait for it to increase its value.

- 22. We considered if factoring land use changes overtime and if the District and Borough Councils worked with the County to maximise the benefit of these properties.**

The District and Borough Councils have neighbourhood plans and can allocate County Council owned land to green space. When a capital asset is sold the money generated is spent County-wide not necessarily invested in the community where the asset was. The Capital Programme was agreed by Cabinet annually. The majority of capital projects were in areas of educational or highways.

- 23. We considered how surplus assets for sale were prioritised.**

The property team meet monthly to discuss all the surplus assets and RAG rate them based on the time plan to sell the property and to consider the range of issues which would make selling properties more complex. Assurance was given that the property team progressed disposal of the red rated properties as well to move them closer to possible sale.

- 24. We considered Section 106 agreements and how to ensure money was paid and received on time.**

Section 106 agreements are complex documents to write, there are two full time dedicated monitoring officers employed to prepare S106 agreements, set trigger points, log in a database and to monitor agreements and payments. There was a clawback agreement if the money was not spent in a specific timescale. We were assured that there is a cost benefit analysis carried out. Project trigger points and completion vary, some projects could take up to 15 years before all of the money is receivable. The County Council is reliant on other sources of information, much comes from the Districts and Boroughs which monitor the planning conditions or the developers themselves. Developers have 28 days to make a payment from when the Council issues an invoice, if the 28-day deadline is not met, it is passed to debt recovery. It is rare to go to Court as a result of non-payment. It was considered there was not a need to receive the S106 money 'up front'.

Area of Focus 2 - Reserves

- 25. We received a presentation to better understand the function and application of general balances, reserves and treasury management.**

26. We learned

- General balances are held for use in high/medium risk emergencies to balance the budget, are not for a specific purpose and require a resolution to full Council.
- Earmarked Reserves held by services for a specific project can be cross cutting i.e. IT, can include unspent revenue grants which do not have to be repaid and SCC holds some reserves on behalf of other bodies e.g. The LEP, Midlands Engine or schools.
- Annual review of Balances and Reserves included as part of the MTFS.
- Current assessment requires balances of £54.5m. Additional £5m agreed as part of 2022/23 budget.
- When comparing with other Authorities, CIPFA Financial Resilience index, we have a relatively high ratio of reserves to net revenue budget, however data is a few years old and does not reflect current risks and pressure being faced.
- We have a low risk level, however we have a high social care ratio (i.e., large proportion of the budget is spent on social care).
- The Budget is 85% funded from Council tax and 15% from RSG and business rates.
- Interest payable ratio is high – due to PFI schemes in place.
- Total reserves increased in 202/21 due to Covid grants close to end of the financial year. Reserves held on behalf of others total £56.4m.
- A value for money report goes to Audit and Standards Committee.

Area 2 - Lines of enquiry

27. We considered access to Earmarked Reserves.

It was confirmed that Earmarked Reserves are allocated for a specific purpose, and it would not be prudent to use these reserves for other purposes, unless that purpose was no longer required.

28. We considered if the level of reserves was appropriate for the risks currently being faced.

The Council has to set a balanced budget and it was clarified that the level of reserves is risk assessed at the start of each year. The current level of reserves was slightly lower than the reserves deemed necessary in the current year, but the level of reserves would be reviewed again in April 2023. We are mindful of current levels of inflation, but it was anticipated that these should plateau in 2023. Increases in interest rates were an added pressure but interest rate increases were also a benefit; some cash reserves had been used rather than borrowing to avoid interest when the Council had needed to raise capital.

29. We considered the level of reserves appropriate for the scale of future spending plans and if it ensures financial sustainability for

the foreseeable future.

The Cabinet Member for Finance and Resources' role was to ensure that the Council was robust and financially well run and he provided assurance that the level of reserves was appropriate. Reserves were there for contingency rather than to fund future spending plans. There was need for robust revenue budgets, there may be occasion when some reserves may be used for internal borrowing, but the purpose of reserves was to not underwrite overspending.

30. We considered investing reserves to generate an income and questioned if the cash reserves may be too generous.

Reserves are maintained as part of the cashflow in the organisation, to use as required, the Council needed to have some levels of cash (working capital) and was in a good position to use surplus cash flow instead of borrowing. It was noted that the Council is prudent, and the treasury strategy was more cautious than pre-pandemic, so cash balances had increased. The Council was exploring more longer-term deposit arrangements in order to get a better return and ratings agencies were re-evaluating longer term investment options. However, the Council would need sufficiently liquid access to the money if required.

31. We considered how investments are mapped and how often they were adjusted.

Link, a Capita based institution formerly known as Sector, advises the Council on economic factors and where the Council could safely invest, as reported to Cabinet in the biannual treasury management report. The Council's cash balances are considered daily, and short-term investments are spread over a range of investments rather than seeking to invest in 'best yield'. Use of Link is widespread across many other Local Authorities, and it is highly regulated, recognised and respected.

32. We considered if there should be an interim annual reserve review in such uncertain times, with inflation high.

The difficulty in replenishing reserves mid-year was highlighted and risk assessments and some money for inflationary pressures had already been added into earmarked reserves mid-year which would ease pressure on general balances next year. The County Treasurer informed the Working Group that the in-year contingency budget of £10million could be accessed by Cabinet should it be required. As such it was considered there was not a need to review the reserves more frequently.

33. We considered if some long-term loans could be rescheduled and if SCC was paying a premium

The rescheduling of a long-term loan would depend on the repayment timing and if it was the right time to address that, taking into account of rising inflation and interest rates. Early loan termination can sometimes carry associated costs.

34. We considered how much variance there is within funding streams from the agreed original plan for each project and if any post analysis of our budgeting at the end of a project

Analysis and evaluation of the project is required to determine the level of reserves required. Programmes and projects are monitored throughout, and funds can be released as part of that process. It was questioned whether post project reviews were carried out to provide analysis of spending and funding and determine if the level of funding was correct.

35. Prudence: We considered if the organisation was overly cautious

The Cabinet Member for Finance and Resources indicated that he did not think this was the right time to be adventurous due to the pressures on inflation and upcoming changes to Health and Social Care. He reminded the group that inflation was a risk which has only recently emerged, and that the inflation reserve had to be assembled from other funds so there may be a need to vire between reserves. The County Treasurer commented on Invest to Save projects and used street lighting as an example, in that the Council was set to have a surplus on that reserve however due to inflationary pressures, it has had to pay more money to achieve that project. There was a constant requirement to challenge investments the Council makes.

36. Investing money into income generating

The Cabinet Member for Finance and Resources clarified that the Council's policy was to not invest for income generating in businesses but rather market intervention and services as deemed appropriate. In order for the Council to make any significant returns on income generating the Council would need to heavily invest in more high-risk areas which he did not feel was appropriate due to the risk. Investing in energy schemes such as Robin Hood Energy or Yorkshire Partnership, the Cabinet Member for Finance and Resources did not think this was something the Council should be looking to get involved in. It was confirmed that the Audit and Standards Committee monitors treasury management controls.

37. Benchmarking

We considered a presentation on reserves and benchmarking against the Council's nearest statistical neighbours, with the latest data from 2020/21. The Council's reserves had increased in this period due to unspent Covid grants from the Government. The CIPFA financial resilience index showed that the County Council had a lower risk for Unallocated and Earmarked

reserves however a higher risk of Children and Adult Social Care ratio. We noted that reserves were used to fund fluctuation in demand.

We found that we had high levels of reserves which meant that risk was low, however we questioned if 61% of earmarked reserves was too high and if there was therefore a missed opportunity in investments. We commented on social care comparisons and the age profile of Staffordshire compared to the other statistical neighbours in 2021 Census Data. We also considered that there is a need for training on reserves for all Members.

Area of Focus 3 - SEND Transport

38. We identified SEND Transport Budget as an area of budgetary concern. A SEND national review by the Department for Education had taken place in March 2022 which identified that the system had become financially unsustainable. The Cabinet Member for Education and SEND highlighted that there was a full review of SEND underway. A breakdown of the budget for 2022/23 was shared with the Working Group. We concentrated on SEND Transport.
39. We learned:
 - a significant rise in cost of SEND transport of over 80% in four years. 22/23 has seen a sharp rise in costs (CPI / Fuel / Ukraine) forecasting an overspend of £2.9 million for the year.
 - Risk that (if current CPI rates remain high) costs will continue to increase further and costs unlikely to drop back in line with existing MTFS.
 - Additional provision within the draft MTFS for £2.6m.
 - We challenged the SEND strategy of expected gradual tailing off of growth as launched in 2021, as numbers had increased rather than reduced.
 - There are 23 special schools in the whole of Staffordshire and not many school places available.
 - The County Council is currently consulting on a process to develop enhanced provision within mainstream schools (academies and maintained) which would reduce the travel for some of the children and young people.
 - £16 million SEND Capital funding is available to develop this enhanced provision. The Council is currently in phase 3 – Co-Design, deliverable by September 2023.

Area 3 – Lines of Enquiry

40. **What is being done to keep spend within budget?**

The Cabinet received quarterly budget updates. We were informed that all potential savings for 2022/23 have been removed, however in the longer

term it was anticipated that the spend could be reduced pending a full review of SEND.

We discussed if the work was underway to have more SEND children in mainstream education sooner, in order to realise savings. We were informed that this work was underway and discussions were ongoing however there is a need to make sure it is suitable for each child on an individual basis. We were advised by the service area that there was a need to work with early help and SEND transformation to reduce the EHCPs which would reduce the transport required.

41. We considered why is there an increase in numbers of children and if SCC was comparable with other Local Authorities

We found that 1,900 children receive SEND transport on around 757 routes and the average cost per route was around £25,000. There had been a gradual increase of more single and dual occupancy routes.

When Benchmarking against Staffordshire's nearest statistical neighbours it suggested that similar cost pressures were impacting on councils across the country and Staffordshire was in the middle. There is an expectation that all schools will be able to provide early intervention and places for SEND children to reduce distances travelled to school.

42. We considered how Nottinghamshire and Norfolk deliver SEND Transport

We had identified that Nottinghamshire had a lower SEND Transport budget and considered information and guidance relating to SEND Transport in Nottinghamshire and Norfolk to compare with Staffordshire. The difference in focus and terminology was highlighted:

- Staffordshire outlined its statutory responsibility;
- Nottingham encouraged parents to use school transport or arrange their own child's transport; and
- Norfolk encouraged parents to go on training and take the lead in their child's travel arrangements.

We encouraged investing in training for parents and children to increase their ability to be more independent. We recommend that SCC should further investigate what is offered at Nottinghamshire and Norfolk and consider taking the same approach.

43. We considered home to school travel, cost and why decisions are made.

The number of routes since 2018 had increased by 40% and increasing prices of 30% which meant that costs had increased by 80%. Two large

contributions from discretionary support policy (£1.35m) and hyper-inflation (£1.5m) which would offset the in-year overspend.

The shift of pupils from multi-occupancy to more expensive single occupancy transport, which was often due to parental pressure, dictated by the choice of school and often supported by the schools.

When determining what transport was needed (taxi versus use of parent/guardian own vehicle) the team would investigate the most appropriate form of transport. We discussed that the Council could consider the feasibility of paying parents a mileage and they use their own car. A parent can refuse a particular mode of transport.

With a suitable, advance notice period, then the payments could be stopped when a child was sick.

Home to School Travel policy:

1. Statutory policy – free transport to nearest school. Estimated cost £18million
2. Discretionary policy – Free transport to catchment school. Estimated cost £1.5million
3. Discretionary policy – considered necessary by the Council – subsidised post 16 transport to access school or college of their choice. Estimate cost £1.5million. Parental charge for 2022/23 is £688 pa.
4. Discretionary policy – considered necessary by the Council – free transport for adults with the most severe disabilities to undertake further education or training. Estimated cost £500,000.

We were informed that the majority of spend was in statutory policy. Home to school contracts is the majority of spend. Majority of spend in SEND transport. The SEND transport priority work 2022/23 was shared with the us highlighting the Corporate Delivery Plan 2022/23, Informal Cabinet 1 June 2022 and the SCC Accelerated Progress Plan all to encourage multiple occupancy.

44. We considered logistics and route mapping - proximity of appropriate schools for children travelling from and to

We were informed that a nearest appropriate school was based around the Education and Health Care Plan EHCP. The Council consult with the group who would decide who the consultation will take place with. There is an opportunity for schools to advise if they cannot meet the needs for the child.

45. Why 329 single taxi routes

The reason for the number of single taxi routes was complex. It was partly related to Origin and destination, an increase in provision of colleges and

challenging behaviour of children. The Assistant Director for Connectivity and Sustainability indicated that there was more that the team could do. There is a major review of the routes every four years, each year the transport would get less efficient. We discussed the frequency of full reviews and if it should be done annually rather than every four years.

A child would need to be in school for the full day, varying transport times was not an option. There was a peak element in the travel times and cost.

46. We considered tenders for transport and the risk of transport providers withdrawing from contracts

Contract increases due to the cost of living and if these contracts could be lowered if the prices reductions were possible. There was not much competition in the market which was considered to be fragile like many sectors, and there were over 1,000 routes on a school day which reduces competition. Tenders are County wide and new suppliers were now from mostly outside the County.

47. Climate change implications

Climate Change implications with using taxis for SEND transport were raised and advice re carbon emissions was included in the report. There were ongoing discussions relating to taxi licensing and emissions.

48. When routes cross boundary and out of area are costs apportioned to different Authorities?

We were advised that costs are apportioned to different Authorities however the process could be slicker.

49. We considered Education Health Care Plan – Process and decisions

A lower proportion of children and young people with an EHCP are in mainstream education in Staffordshire when compared with statistical neighbours and nationally. A significant number of pupils with an EHCP attending a mainstream school nationally, travel less than two miles however those pupils who attend a Staffordshire special school travel five miles on average. Transport was provided for Pre 16, post 16 and post 19 young people with EHCP. EHCPs should be reviewed annually however due to pressures there is a system where EHCPs are reviewed when a child moves schools. In relation to level of security – unique or escorted transport it was reported that the Council does not usually provide a passenger assistant, but it is sometimes required as part of the EHCP assessment.

50. What input does the parent have?

We were informed that a parent can express a preference but cannot insist that the Council name that school in the EHCP. We were also

informed that there was not a right of appeal until the school has been named in the plan, however this would then go to a tribunal where the Council would not normally win.

51. We considered if a Staffordshire County Council transport could be developed

It was anticipated that this would not be a viable solution as the cost would be too great, however further exploration of this option was recommended. Making more efficient use of Council owned vehicles was something the Council had looked at a number of years ago. At the time, Schools were reluctant to release those vehicles and due to insurance issues it became difficult to progress.

Scrutiny of the Draft MTFS 2023-2028

52. The Cabinet Member for Finance and Resources attended the MTFS Working Group to discuss the Medium-Term Financial Strategy 2023-28, which provides details of how the Council's operations will be funded over the five-year period 2023-2028, to be considered by Cabinet on 14 December 2022. He advised that given so much had changed since the MTFS was set in February 2022, the report provides an update on the MTFS, setting out change and plans following from national financial impacts since February 2022.

We were advised that there were Children's Transformation challenges, the number of children coming into the care system had increased and the impact of the demand following from the COVID-19 pandemic had placed significant pressure on the MTFS. The Cabinet Member for Finance and Resources advised that when the MTFS was set the British economy had low inflation, the economy was now at double digit inflation and high interest rates. He advised the coming year (2023/24) will balance however without knowing the details of the settlement (anticipated on 21 December 2022) would require support from reserves to fill the gap. This would provide the Council some time to look at opportunities to save and innovate in order to spend more effectively in 2024/25.

The latest news from the government was that there would be a 2-year settlement with inflation-based increases, although, whilst this news would be well received by the Council, until the settlement was received it could not be considered in full.

We were advised that the MTFS will be refreshed in December 2022 to reflect the settlement, considered by Cabinet in January 2023 and then on to Council in February 2023.

53. We considered the assumptions made in the report

The assumptions based on inflation were considered to be low by the working group. We were advised that the assumptions in the report are taken from planning across the sector and were fairly prudent.

We were informed that the Bank of England expect inflation to start to come down at the end of 2023. The expected inflation rate in the MTFS report is 4% and it was expected that rates would reduce to target level within a year or two. It was acknowledged that there would be specific targeted areas where costs would be higher, materials etc, also the care market, which had other complex factors and not just the inflation affects.

54. We considered the reduction of £115m over the past 6 years and questioned if there was a limit to how many savings could be achieved whilst maintaining a County Council in its current model.

The Cabinet Member for Finance and Resources advised that there may be scope for further remodelling of local government due to lessons learnt from Covid pandemic, and greater interaction and work with partners in communities, however at this time the government's plans for devolution were not yet known. The County Treasurer highlighted social care as a particular financial risk however, it appeared that significant amounts of extra funding would be made available for Councils with social care responsibilities which would be beneficial to give time to think about changes to the Social Care model and provide opportunity to explore other options, partnerships, and integration with health. The financial risk relates to grant allocations and whether or not they will remain ongoing

55. We considered Climate change and the cost of achieving net zero

The cost of Climate Change had been planned for and there was enough money in reserves. In relation to the climate issues and significant cost of SEND transport, we were advised that a full review was underway however the process was complex and would take some time to fully deliver. We suggested investigating use of logistics and computer programmes to make the transport more efficient.

56. We considered the references in the report to increased costs in ongoing work

For example street lighting, and if there was a case to move faster to upgrade the outstanding street lights to LED. It was reported that the programme was well underway however it may be possible to tweak it so all the remaining lights upgrades could sooner.

57. We considered Council tax increase

It was reported that the Autumn Statement from the government included the announcement that the council tax referendum limits would be revised

to allow local authorities to increase the Adult Social Care precept by a further 1% (making 2% in total) and the general precept can also be increased by a further 1% (making 3% in total). In response to a query of the Council giving consideration to not increase the Council tax by the thresholds, the Cabinet Member for Finance and Resources indicated that the Council were minded to increase the Council tax. There would however still be a significant gap in the Council's budget to fund social care, although less than the £70million - £80million gap (before any tax increases). The County Treasurer went on to say that the National living wage increase would cost £9 million - £10 million.

We commented that there was no commentary as to why there was an increase in pressures in care commissioning. In response the County Treasurer explained that this has been taken into consideration, but that the report is written to not be repetitive from previous reports.

58. We considered use of Reserves

It was reported that next year £20million reserves were to be used, however the following year there was due to be a return for £3million - £4million. The Cabinet Member for Finance and Resources explained that there was a need to replenish reserves. It was hoped that the settlement would reduce the amount of reserves required however this was still awaited. It was confirmed that the amount of Earmarked Reserves would be confirmed in the January Cabinet report.

59. We considered school transport costs

We sought assurance that school transport costs would be reviewed and that should include improved use of technology to route plan, reduce single occupancy transport and alternative methods of transportation to reduce costs, impact on the environment and improve sustainability.

60. We considered continued funding in communities and highways

We discussed that it had been confirmed that the Communities Fund was to be continued in 2023. There are no changes to the Divisional Highways Projects (DHP) or specific adjustments. £15 million of funding had gone into support capital highway projects, with an additional £1 million of funding allocated to the highways revenue budget.

We requested clarification of who sits on the MTFS Community Impact Assessment CIA task and finish workgroup referred to in the report. The Group was informed this is an officers' group to progress savings plans agreed as part of the MTFS.

61. We considered risks around the number of children in care

We were advised that there were Children's Transformation challenges, the number of children coming into the care system had increased and the

impact of the demand following from the COVID-19 pandemic had placed significant pressure on the MTFS.

We highlighted the increases of children in care and the need to get people out of the system in a timely fashion.

The MTFS Working Group made recommendations last year to progress work towards moving children out of care towards permanency to address the rising cost of children in our care. We received an update on progress of the refreshed Children in Care Plan: Current work is progressing to strengthen our decision making and exit planning, however, there are considerable factors which impact progress of this plan. Some of these factors are workforce issues, market pressures, and legislative changes resulting in regulatory pressures (unregulated placements).

Provisional Local Government Finance Settlement 2023/24

62. The Provisional Settlement was announced on Monday 19th December 2022 by a written ministerial statement. This settlement followed the Autumn Budget announced in November. The Settlement is for **one year only** which does not assist longer term planning, although national totals have been published for 2024/25 meaning that estimates of the County Council's allocations can be made.
63. The Settlement included additional funding for social care alongside the continuation of some existing funding streams. Revenue Support Grant received an uplift for inflation and New Homes Bonus also continues for a further year in 2023/24. The additional social care funding consists of an increased Social Care Grant which can be spent on both Adults' and Children's social care, a grant for assisting with discharges from hospitals and a grant for market sustainability and improvement. The total additional funding for both Adults' and Children's social care is £30.8m.

Staffordshire

64. The County Council's allocations are shown in the table below which also indicates whether this is an increase or reduction against our prior assumptions.

	Assumed	Settlement	(Additional Funding) / Reduction
	£m	£m	£m
Revenue Support Grant	(11.256)	(12.438)	(1.182)
Core Services Grant		(3.931)	(3.931)
New Homes Bonus		(1.187)	(1.187)
Better Care Fund	(32.708)	(32.708)	0.000

Social Care Support Grant	(34.634)	(56.759)	(22.125)
Market Sustainability and Fair Cost of Care	(4.191)	0.000	4.191
ASC Market Sustainability & Improvement Fund		(8.294)	(8.294)
Capacity & Discharges Grant		(4.586)	(4.586)
Total	(82.789)	(119.904)	(37.114)

Grant conditions will apply to some of these funding streams and more will be known on those in the coming weeks. In addition, some of these grants (iBCF, Market Sustainability and Fair Cost of Care) will need to be earmarked for Health and Care.

Council Tax

65. The Settlement confirmed the referendum thresholds as announced in the Spending Review. The threshold for the general council tax precept will be 3% in both 23/24 and 24/25, whilst the Adult Social Care precept threshold is set at 2%, also for both years.

Conclusion

66. The additional grant is welcome and the indications for the second year is also welcome. However, there is a Spending Review due in 25/26 and it has already been suggested that further reductions in public spending will be required to restore economic stability. This adds a level of uncertainty for local government finances which needs to be considered carefully.

Cabinet will consider the final recommendations for the MTFS and budget for 2023/24 at its meeting on 25 January 2023. From the Settlement information above, the Working Group assumes the need to use reserves to balance the budget in 2023/24 will be much reduced, if required at all. However, the uncertainty from 2025/26 onwards means that services need to continue to identify innovative ways of working to ensure the County Council keeps within its means.

Conclusions and Recommendations of the MTFS Working Group

Conclusions

67. Overall, given the assurances we have had to date, we feel it has been demonstrated that the process of preparing the County Council's Medium Term Financial Strategy (MTFS) 2023 – 2028 and setting the 2023/24 Annual Budget and Council Tax has been thorough and robust.

68. We highlighted budget gaps in 2025/26 and 2026/27 and the many risks inherent in the MTFS. Although Staffordshire's overall risk picture is low, there are high risk areas, with a large proportion of the budget spent on social care. We acknowledged the risks to setting a balanced budget as follows:
- a. Social Care reform
 - b. Social care market
 - c. Numbers of children in care
 - d. SEND Transport
 - e. Levelling up / bidding approach
 - f. Funding Reviews
 - g. Ongoing reductions in highways and capital funding
 - h. Inflation
69. The County Council maintains a cautious approach to investments and follows a policy of using internal reserves cash instead of borrowing continued to generate savings, helping reduce the average interest the County Council pays on its debt. Overall, the County investment activities were being undertaken prudently and in line with agreed strategies in a very challenging environment.
70. We found that the ratio of reserves to net revenue budget was at the higher end and more than appropriate for the risks currently being faced. The level of reserves was appropriate for the scale of future spending plans and ensure financial sustainability for the foreseeable future.
71. We were assured that Governance of the Capital programme and assets was managed well. The Capital Strategy is approved annually as part of the MTFS, it also linked with the Treasury Management and Commercial Investment Strategies. Prudential Indicators set out whether the level of borrowing is affordable.
72. In relation to the recent rise in interest rates, we were assured that the interest rate forecast from the Councils' Treasury Advisors had been factored in when setting the budget for next year. It was clarified that when setting the budget for this year it had been assumed interest rates would be low, the Council had been able to make necessary adjustments and allocate an additional £1 million into the highways revenue budget.
73. We were reassured that additional funding for social care may be received in the settlement, so subject to Cabinet and Council approval, there may not be a need to use as much of the reserves.
74. In relation to children in care numbers the majority of the MTFS Group attended a 'Journey of the Child through Children and Families System' training session on 17th November 2022 and the question was raised how long non-active cases were kept open. This echoed last year's MTFS groups concerns that children in care cases were not closed as readily as

possible when compared to other County Authorities from investigations at that time.

75. We feel that Staffordshire residents can have confidence that the County is well managed financially and has a budget strategy in place aligned to the ambitions and delivery of the principles, priorities, and outcomes of the Staffordshire Corporate Plan. The Council is developing strategies to address the issues and future-proof services in the County which impact on residents, businesses, and some of the most vulnerable in our communities.
76. Settlement Grant - The additional funding for social care in 2023-24 is welcome. However, the approaching Spending Review for 2025/26 hangs over all local authorities as a potential cause for concern. The outstanding reviews of the funding system will not be completed imminently but the possibility of those reviews, combined with potential new or amended social care reforms only add to the financial uncertainty.

Recommendations

Area 1 – Capital Programme and Assets

1. The Cabinet Member for Commercial Matters give consideration for a review of the assets disposal strategy to assist prioritisation of financial receipts.
2. The Cabinet Members for Commercial Matters and Finance and Resources consider if selling all surplus land is the most suitable approach, could the Council hold onto some land for longer to increase its value?
3. That the Cabinet Member for Finance and Resources consider closer working with the Districts and Boroughs to get information needed to gather the Section 106 monies in a timely manner to not incur costs in having to finance projects by other means.
4. That the Cabinet Members for Commercial Matters and Finance and Resources give consideration to closer partnership working with Districts and Boroughs to maximise value of property across the County.
5. The Leader considers lobbying the government for an Urban Area Traffic Scheme.

Area 2 – Reserves

6. That the Cabinet Member for Finance and Resources consider if the time is right to invest in projects due to the high level of general and earmarked reserves.

7. That the Cabinet Member Finance and Resources consider if the time is right to review long term loans due to interest rate rises, after due consideration of risks and inflationary pressures.
8. That the Cabinet Member Finance and Resources develop a reporting mechanism for review of larger project delivery. The Working Group has not seen evidence of past project review or monitoring and suggest that the Council may be able to invest in more projects if the allocation of funding is tighter from monitoring and learning from the past.
9. That all members be offered training to better understand General Balances and Reserves.

Area 3 – SEND Transport

10. That the Cabinet Member for Education (and SEND) prioritise the SEND Transport review and consider if timelines can be moved forward.
11. That there is a need to work with early help and SEND transformation to reduce the EHCPs which would reduce the transport required.
12. That consideration be given to a review of allocating SEND transport provision on an annual basis to reduce the number of single route taxis. We questioned whether the system used by SCC for route calculation was best in class or whether a more modern system may be beneficial.
13. The SEND Transport supporting guidance should set out an expectation that total parent choice is unaffordable. Norfolk and Nottinghamshire seem to start with 'an educate the parent first' approach.
14. That the Cabinet Member for Education (and SEND) review guidance and training for SEND parents and carers taking into consideration best practice in Nottingham and Norfolk, to encourage parents to use travel allowance and encourage independent travel which is beneficial for a child's long-term development.
15. Welcome the work being done to provide more mainstream education provision for SEND pupils, what are the SMART metrics here as to when we will see some benefits to the budget and the rate payers of Staffordshire.
16. That consideration be given to the feasibility of making more efficient use of Council owned vehicles in SEND Transport.

Priority area from Draft MTFS report - Children in Care

17. We recommend work is prioritised to review of closure of Children in Care cases in a more timely fashion to address the significant pressure placed on the MTFS.

Community Impact Assessment – MTFS

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

Implications

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

Acknowledgements

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

Rachel Spain	Corporate Finance Manager
Deb Breedon	Scrutiny and Support Manager
Zach Simister	Scrutiny and Support Officer

The Working Group would like to thank the Members and officers who participated in the budget interviews.

**County Councillor Colin Greatorex
Chairman of the MTFS Working Group
Chairman of the Corporate Review Committee
January 2023**

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List of Appendices/Background Papers

*Presentation: Strategic Plan and Medium-Term Financial Strategy 2023 -28
Cabinet MTFS Report 14 December 2022 [Medium Term Financial Strategy 2023 - 2028.pdf \(staffordshire.gov.uk\)](#)*

Local Members Interest
Nil

Corporate Overview and Scrutiny Committee – Tuesday 17 January 2023

Scrutiny Review of the Stoke-on-Trent and Staffordshire Local Enterprise Partnership 2021-22

Recommendation(s)

I recommend that:

- a. Members consider the information contained in the report to hold to account the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) for the delivery of its objectives in 2022.
- b. Members consider lessons learned for the delivery of economic growth in the SSLEP geographic region and how this might help shape this area of work, and in particular cooperation among partners, in the future.

Report of Alun Rogers, Chair - Stoke-on-Trent and Staffordshire Local Enterprise Partnership

Summary

1. What is the Overview and Scrutiny Committee being asked to do and why?

- 1.1 The primary purpose of the meeting is for Councillors to explore the work the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) has undertaken over the last year. It is an opportunity to question the LEP Chair and hold them to account for the delivery of outcomes set out in the SSLEP Annual Delivery Plan, which is produced with reference to the various strategic documents that govern the LEP's work and is attached at Appendix 1 to this report.
- 1.2 The Committee may also wish to make recommendations as to how the work of the LEP is progressed in the future. As such it is important for Members to note that the Government launched a national review of LEPs in Spring 2021. While this concluded in February 2022, more details regarding the outcome of the review and future funding are still to be determined.

Report

2. Background

- 2.1 The Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) was formed in 2011, with a remit to bring together local public sector authorities, businesses, and other bodies to work together to drive economic growth and prosperity within the region. The SSLEP was established as a company limited by guarantee (rather than an unincorporated partnership) in April 2019, as required by Government. The Company Board, which is the LEP's main decision-making authority, comprises 15 Directors, currently 9 from the private sector and 6 from the public sector. Both Staffordshire County Council (SCC) and Stoke-on-Trent City Council (SOT) are represented on the Board, as well as representatives from the District and Borough Councils within Staffordshire.
- 2.2 All LEPs are required to agree and publish Assurance Frameworks setting out their governance arrangements, and which are in line with the National Local Growth Assurance Framework (NLGAF) published by Government. The national framework states that "the LEP should participate in relevant Local Authority scrutiny arrangements to guarantee the effective and appropriate democratic scrutiny of their investment decisions". The SSLEP's Assurance Framework sets out that this scrutiny will be carried out annually by a joint meeting of relevant Local Authorities (including representation from District and Borough Councils), which will be hosted on a rotating basis by Staffordshire County Council (SCC) and Stoke-on-Trent City Council (SOT). This is the fourth of these sessions, with the previous session being hosted by Staffordshire County Council in 2021. Minutes of that meeting can be accessed [here](#).

3. Strategic Framework

- 3.1 Since 2011 the LEP has produced, as directed by Government, several strategic documents setting out its ambitions for the region and designed to drive its approach to economic development. The Strategic Economic Plan (SEP) was initially agreed in 2014 and refreshed in 2018. The current SEP can be viewed [here](#).
- 3.2 The LEP's central ambition as outlined in the SEP is to grow the economy by 50% and generate 50,000 new jobs by 2024 (10 years on from first publication of the SEP).

- 3.3 As of 1 January, 2020, total jobs in the SSLEP area increased by 52,000 between 2011-2020, an increase of 11% over the period. This growth in jobs has meant more jobs for local residents to access within the LEP area.
- 3.4 The revised SEP recognised that increasing productivity and supporting the creation of a greater proportion of high-value, high-wage job opportunities, while ensuring residents could take advantage of those opportunities, would be vital to the continued development of the economy.
- 3.5 In terms of growing the economy the total GVA in the SSLEP area has increased by £5.1bn between 2011-2020, an increase of 27% over the period. The main growth during this period has been seen in the services sector (over £4bn) driven by health and social care, logistics and wholesale and retail sectors, with the production sector increasing by £640m and construction by £370m over the period.
- 3.4 In December 2018 Government required all LEPs to lead the development of a Local Industrial Strategy (LIS) for their area. These were long term plans, aligned to the National Industrial Strategy. The SSLEP LIS was developed with local business and local authority leaders, Keele and Staffordshire Universities, and local colleges and was agreed in March 2020. The full LIS and an Executive Summary can be accessed online, [here](#).
- 3.5 In March 2021, Government announced the replacement of the National Industrial Strategy with a renewed vision articulated in a Plan for Growth. This was followed, in June 2021, with an announcement that the role and function of LEPs would be reviewed at national level.
- 3.6 In March 2022, the Government set out the conclusions of its LEP review in a 13-page [letter](#) to LEP chairs and combined authority mayors.

This letter built on the '[Levelling Up' White Paper](#)' which was published in February 2022 and marked the beginning of the transition of LEPs' functions and roles into local democratic institutions. This included the outline of a series of 'integration pathways' for LEPs to follow depending on the devolution approach their local government colleagues would decide on.

Whilst SSLEP aligned with Integration Pathway n.2 i.e. 'Maintaining LEPs until a devolution deal is agreed', the Board and local partners

were eager to adopt a progressive approach, ensuring early alignment with the governance and strategic ambitions of Democratically-elected Leaders (DELs).

4. Governance

- 4.1 The SSLEP Company Executive Board is the primary decision-making body for the LEP, comprised of 15 Directors from the public and private sectors. The SSLEP Board is currently in the process of determining the new LEP structure with an aim to have this completed by early 2023.
- 4.2 Our Strategic Programme Management Group (SPMG) and Audit and Finance Committee continue to oversee delivery of the existing portfolio of projects and financial and risk management processes respectively.
- 4.3 SSLEP's overall performance, both in relation to delivery and governance is overseen at national level by the Department for Business, Energy and Industrial Strategy (BEIS). BEIS reviews LEP's annually, including their overall governance arrangements, and SSLEP is compliant with national standards. The outcomes of the most recent Performance Review held 3rd February 2022, were reported to the Executive Board and are available on the [SSLEP website](#) as part of that agenda.
- 4.4 The Scrutiny Committee may wish to note the following points from the Performance Review.
 - Following the resignation of a Board Member in summer 2021, the SSLEP had vacancies for 3 private sector board Members, which impacted compliance with private / public sector ratio guidance.
 - City Deal Carbon Emissions Reduction Targets to be reported as part of regular reporting to SPMG. Data from the SEND project will be available from late spring 2021. Data from the DHN will not be available for another 18 months.
 - CLGU to clarify future of NLGAF and provide updated assurance arrangements if required.

Further details on the aforementioned points can be provided on request.

- 4.5 As a result of the Government's LEP review, the Board is in the process of assessing and establishing future governance and the new LEP business model. This has already started to take shape with discussions with our LA partners and BEIS with regard to the transferring of the Legacy Funding Deals and Programmes: Getting Building Fund, Local Growth Deal, City Deal and ESIF into LAs. This is expected to be completed by 2022/23.

5. Operational Delivery

- 5.1 In September 2021, the Board formally signed off on the 2021/22 Delivery Plan (Appendix 1) which was regularly reviewed. The Delivery Plan sets out how the LEP intends to balance existing delivery whilst implementing change and improvement. The Delivery Plan directly informs the work programmes of staff and supports the prioritisation of financial resources.
- 5.2 Within the context of the wider LEP review the CEO and Board agreed the following priority work: -

Governance:

- Board Recruitment
- Review of Sub-Group structures
- Alignment of Growth Hub
- Full review of Assurance Framework following LEP review.

Operations

- Ongoing programme management (see details of programmes below)
- Review of financial and human resources
- Review of existing accountabilities (Hatch Review)
- Insight Commission (to develop a local SITREP, including an extensive business survey, increasing the voice of business and providing granular level insight into the local economy, with a view to this becoming an ongoing commission managed by the LEP or alternative body in the future, providing valuable insight to all local partners concerned with economic growth).

Stakeholder Engagement

- A significant element of the LEP's role was to build mutually beneficial relationships at a local/regional/national level whilst amplifying the voice of business and the brand of our place;
- The 2021/22 Delivery Plan provided detail of the extensive stakeholder engagement undertaken throughout the year.

6. Programme Delivery

6.1 Local Growth Deal and Getting Building Fund

- 6.1.1 The SSLEP is responsible for the delivery of a range of (primarily) capital projects. The two most significant programmes are the Local Growth Deal (LGD) and Getting Building Fund (GBF). The second of these being launched by Government after the initial COVID-19 outbreak specifically for 'shovel ready' schemes that could deliver outcomes swiftly to support economic recovery in the aftermath of the pandemic.
- 6.1.2 The Strategic Programme Management Group receives Bi-Annual updates on LGD and GBF (these Bi-Annual updates are also submitted to BEIS) so there is substantial oversight at both local and national level.
- 6.1.3 The quarter 1&2 22/23 summary reports for both programmes (as received by SPMG) are attached at Appendix 2 and Appendix 3. With further detailed information available on the SSLEP [website](#) as part of the SPMG agenda.

6.2 The City Deal

- 6.2.1 The LEP also maintains oversight of two projects funded through 'City Deals' which were agreed at the time of LEP's creation, BEIS maintains direct oversight of both projects. And in the case of the District Heating Network funding goes directly to Stoke-on-Trent City Council. However, SPMG receives regular updates on both projects, given their links with the SSLEP. The latest position on both these projects was most recently reported to the SPMG in November 2022. Project updates for both Keele SEND and Stoke-on-Trent District Heat Network are attached as Appendix 4 & 5.

6.3 European Funding

- 6.3.1 European Structural and Investment Funds subcommittees were created in each LEP area which received a notional allocation of European Funding. Whilst their terms of reference have developed

since their inception in 2014, they fundamentally still follow the core principles of; providing advice to the Managing Authorities with regards to ESIF Funds strategies, calls, and outline and full applications have been fulfilled. The SSLEP Vice Chair, holds the position of the ESIF Sub-Committee Chair which is also administered by two officers, one from SoTCC and SCC on a need to basis.

Whilst this advisory role has now concluded, with local investment decisions having been taken, the structures will remain in place to provide a line of communication between local partners and the Managing Authorities regarding programme progress in the respective LEP area, from this the committee provide Bi-Annual summary for SPMG and A&F.

An updated report is attached at Appendix 6.

6.4 Growing Places Fund

6.4.1 The Growing Places Fund (GPF) is a revolving fund providing loans to businesses that can demonstrate that they will generate economic growth in a short space of time with the right infrastructure in place. The most recent report is available at Appendix 7.

6.5 Ceramic Valley Enterprise Zone

6.5.1 Since its launch in 2015, Ceramic Valley Enterprise Zone (CVEZ) has consistently contributed to Stoke-on-Trent and Staffordshire's continued economic growth, driving our move to high-value added sectors and raising productivity. By championing tirelessly, the benefits of locating in the heart of the UK, CVEZ has become one of the most successful EZs in the country.

6.5.2 Comprising six key sites along the strategic A500 corridor totalling 140 hectares, five are in Stoke-on-Trent ie: - (i) Tunstall Arrow; (ii) Highgate Ravensdale; (iii) Cliffe Vale; (iv) Etruria Valley and; (v) Chatterley Valley East. In addition, a further site, Chatterley Valley West, in Newcastle-under-Lyme. CVEZ has enabled redundant and neglected brownfield sites to be developed. Economic outputs achieved to date so far include:

- 78% in 6 years of 2025 target of 3.7m sq ft industrial space completed, under construction and planning approved

- 110.3 Ha of brownfield land remediated and/or regenerated by 2022
- 37 new businesses
- £32.13m GVA increase
- £92.53m of public investment
- £252.8m of private investment

6.6 Growth Hub

- 6.6.1 The SSLEP has worked with its key strategic partners in recent months to strengthen Governance arrangements with its Growth Hub (GH) to ensure that it remains under its direct leadership and governance.
- 6.6.2 Following the conclusion of the LEP review, a new Head of Growth Hub was appointed in June 2022.
- 6.6.3 The LEP Review and Business Support Reform agenda has influenced future changes to the structure of the LEP and its Growth Hub. A substantial exercise has now been undertaken to map current business support functions to assess impact, address gaps and ensure simplicity for the businesses seeking access, to establish a digital solution for universal provision from Q3 of the 2022-2023 financial year.

The GH Business Plan, budget and intended spend forecast for the revised digital solution for universal provision will be formally approved by the LEP Board and audit and finance committee who will receive regular and timely updates in relation to performance, applying relevant scrutiny via SPMG sub-committee (who will receive business plan and budgets).

Priorities and Action Areas

- 7.1 The activity undertaken by SSLEP continues to be linked to local strategic priorities. Working together with partners across the public, private and education sectors, the LEP aims to deliver a positive impact on the local economy.

8. Previous Overview and Scrutiny Activity

- 8.1 The LEP was last scrutinised by Stoke-on-Trent and SCC Scrutiny Committees in January 2022.

List of Background Documents/Appendices:

The appendices below can be viewed on the Stoke-on-Trent and Staffordshire Local Enterprise Partnership website here:

www.stokestaffslep.org.uk/about-us/governance/

- Appendix One – 2021/22 SSLEP Delivery Plan
- Appendix Two – Getting Building Fund Q1 & Q2 2022/23 Report
- Appendix Three – Local Growth Deal Q1 & Q2 2022/23 Report
- Appendix Four – Keele SEND Project Update
- Appendix Five – DHN Project Update
- Appendix Six – European Funding Update
- Appendix Seven – Growing Places Fund Update
- Appendix Eight – Annual Report 2021/22

Background Documents

- Stoke-on-Trent City Renewal Overview and Scrutiny Committee Minutes
- SSLEP Strategic Economic Plan
- SSLEP Local Industrial Strategy
- SSLEP Notes from Mid-Year Performance Review

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WORK PROGRAMME

Corporate Overview and Scrutiny Committee – 2022/2023

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.

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)

Work Programme 2022/2023

Date of Meeting	Item	Details (Background)	Action / Outcome
6 June 2022	Reserved for Call In - cancelled		
21 June 2022	Work Programme - Members: Alan White/Ian Parry Officers: John Tradewell/Rob Salmon	Development of the work programme for 2022/23	That the draft Work Programme for 2022/23 be agreed.
	Appointment of the Medium-Term Financial Strategy Working Group Officers: Mandy Pattinson		Councillors C Greatorex (Chairman), B Peters, C Atkins, J Pert, G Heath, S Thompson and J Oates.
Page 56	Climate Change Working Group Update Officer: Deb Breedon	To receive an update report	a) That the membership comprise: Councillors C Atkins, T Clements, J Pert, B Peters, D Smith and S Thompson. C Wileman to be invited to remain as a member. b) Chairman - Councillor S Thompson.
	Boundary Commission Review – update Chairman verbal report		a) That the Committee continue to receive updates at its future meetings. b) That the Committee view the Consultation plan at the earliest opportunity, specifically the ways of engaging with older people; those not happy with completing forms on line; BME communities; the rural communities; and how Parish councils could help to publicise the consultation.

Work Programme 2022/2023

Date of Meeting	Item	Details (Background)	Action / Outcome
4 July 2022	Reserved for Call In	Cancelled.	
2 August 2022	Integrated Performance Report – Quarter 1 Members: Alan White/Ian Parry Officers: John Tradewell/Rob Salmon	Quarterly report. To include information on the Household support fund.	1. Information on the anticipated impact of the £3.046m reduction in Carriageway/other maintenance, be included in the next performance report. 2. It was requested that the Cabinet member for Health and Care look at the 'Workforce Strategy' and ensure that, where possible, it included Health Partners. 3. Information on the 'Maintained schools forecast spend' and the new developer contributions of £2.094m which remained unallocated, be included in the next performance report.
	Boundary Commission Review – update Officers: Chris Ebberley/Kerry Dove/Katie Marshall	Update	Noted the report.
8 August 2022	Reserved for Call In	Cancelled	
2 September 2022	Reserved for Call In	Cancelled	
13 September 2022	Overview and Scrutiny Work Programmes Overview and Scrutiny Chairman	To ensure communication between the committees and no duplication	a) Prosperous Overview and Scrutiny Committee take the lead on air quality and invite Health O&S members to attend. b) Highways transformation programme - the Contract side

Work Programme 2022/2023

Date of Meeting	Item	Details (Background)	Action / Outcome
			of the transformation should be considered by Corporate O&S and the Monitoring of performance would remain with Prosperous O&S Committee.
	Boundary Commission Review – update Officers: Chris Ebberley/Kerry Dove/Katie Marshall		a) That the progress on the County's Electoral Review be noted. b) That the comments and suggestions from the Committee as listed in the minutes be referred to Cabinet for consideration.
Page 58	Governance review – update Cabinet Member: Alan White Officers: Kate Loader		The report was noted, and a further report was added to the work programme for December 2022.
7 October 2022	Reserved for Call In	Cancelled	
25 October 2022	1. Corporate Complaints Annual Report 2021/22. 2. LGSCO Annual Report Member: Alan White Officers: John Tradewell/Kate Bullivant	Annual reports	Resolved: That the report be noted and that Complaints process training be re-offered to all Councillors through the Members Training Programme.
	Climate Change Working Group Update Chairman: S Thompson Officer: Deb Breedon		Noted

Work Programme 2022/2023

Date of Meeting	Item	Details (Background)	Action / Outcome
	Climate Change Annual report and action plan Member: Simon Tagg Officers: Clive Thompson/James Cartwright	Pre decision scrutiny. Annual report	Resolved: a) That the update be noted. b) That the Committee receive an update in 12 months time. c) That the comments made by the Committee, listed in the minutes, be reported to the Cabinet in November 2022.
Page 59	Integrated Performance Report – Quarter 2 Members: Alan White/Ian Parry Officers: John Tradewell/Rob Salmon/Kerry Dove	Regular quarterly report	Resolved: a) That the Quarter 2 2022/23 Integrated Performance Report be noted. b) That the Committee be provided with information on why 1/5 of Children with a Child Protection Plans had received more than one plan. c) That a special meeting to look at the MTFS and the revised Children's Transformation Programme be arranged.
	Entrust – Review of changes Member: Mark Deaville Officers: Ian Turner	Decision taken to change contract at June Cabinet – O&S to scrutinise changes and implications.	Resolved: a) That the update be noted. b) That the Cabinet member provide a monitoring report to the Committee in 12 months time.
7 November 2022	Reserved for Call In	Cancelled	
2 December 2022	Reserved for Call In	Cancelled	

Work Programme 2022/2023

Date of Meeting	Item	Details (Background)	Action / Outcome
12 December 2022 Page 60	Equality, Diversity and Inclusion - Principles, Objectives and Action Plan update (to include gender pay gap update) Member: Alan White Officers: S Getley/Kerry Dove	Requested by members	<ul style="list-style-type: none"> a) That the progress made to deliver against the Councils Equality, Diversity and Inclusion principles, objectives and action plan be noted. b) The Councils Gender pay gap report and workforce profile be noted. c) That the comments made by the Committee, listed above, be reported to Cabinet when the Councils delivery of Equality, Diversity and Inclusion plan was considered. d) That the Cabinet member provide a monitoring report to the Committee in 12 months' time. e) More information on the impact of the levy and diversity and which partners used be sent to the Committee.
	Governance review – update Cabinet Member: Alan White Officers: Kate Loader	Follow on report from 13 September 2022	<ul style="list-style-type: none"> a) In relation to Limited Companies and Local Authority Trading Companies (LATCos): <ol style="list-style-type: none"> 1. The Monitoring Officer should undertake a governance review for the purpose of recommending new governance standards for the operation of LATCos

Work Programme 2022/2023

Date of Meeting	Item	Details (Background)	Action / Outcome
Page 61			<p>and Limited Companies. This should consider:</p> <ul style="list-style-type: none"> ii. proposals for the introduction of a company start-up checklist; iii. any conflict that may exist in relation to SCC Members and Officers holding Directorships in Local Authority Trading Companies (LATCos); iv. the operation of indemnities to support Directorships. <p>2. The County Solicitor to develop one centralised list of companies.</p> <p>b) In relation to Outside Bodies, a further report be presented to the Committee, in April 2023, containing recommendations about which outside bodies should be withdrawn from member representation.</p>
	Empowering our Communities Strategy Cabinet Member: Victoria Wilson Officers: K Dove/C Mann	Pre decision scrutiny	<ul style="list-style-type: none"> a) That the draft Position Statement including the draft Communities Delivery Plan 2023 be noted. b) That the comments made by the Committee, listed above,

Work Programme 2022/2023

Date of Meeting	Item	Details (Background)	Action / Outcome
			be reported to the Cabinet in February 2023.
10 January 2023	Reserved for Call In	Cancelled	
17 January 2023	Overview and Scrutiny Work Programmes Overview and Scrutiny Chairman	To ensure communication between the committees and no duplication	
	Scrutiny of the Local Enterprise Partnership (including governance arrangements).	Annual scrutiny. To include AGM update	
Page 63	MFTS 2022-2027 Working Group Report Chair of COSC - Cllr Greatorex Rob Salmon/Rachel Spain		
10 February 2023	Reserved for Call In		
27 February 2023	Quarterly Integrated Performance report (Quarter 3) Members: Alan White Officers: John Tradewell/Rob Salmon/Kerry Dove	Regular quarterly report	
	People strategy – update Members: Alan White/Ian Parry Officers: John Tradewell/Sarah Getley	Pre decision scrutiny – Cabinet in March 2023	
	Boundary Commission Review – update	Pre decision scrutiny – Council March 2023	

Work Programme 2022/2023

Date of Meeting	Item	Details (Background)	Action / Outcome
	Officers: Chris Ebberley/Kerry Dove/Katie Marshall		
6 March 2023	Reserved for Call In		
3 April 2023	Reserved for Call In		
11 April 2023	Civil contingencies Members: Alan White Officers: Tracy Thorley	Pre decision scrutiny	
Page 63	Governance review – Outside Bodies update Cabinet Member: Alan White Officers: Kate Loader	Pre decision scrutiny. Requested at 12 December meeting	
	Revised Children's Transformation Programme-budget implications Members: Alan White/Ian Parry/ Mark Sutton Officers: Nisha Gupta	Budget implications – Requested at 25 October meeting	
9 May 2023	Reserved for Call In		

Items for Consideration or needing more detail– Work Programme 2022/2023

Suggested Item	Details (Background)	Proposed Date of Meeting
Digital – in 2021/22 work programme	<ul style="list-style-type: none"> Audit committee considering audit review recommendations. Digital infrastructure – Prosperous O&S Committee Social Care aspect of digital in Health O&S work programme 	
Civil Contingency's	Raised by the Leader at triangulation – Officer Tracey Thorley.	11 April 2023. Officer - Tracy Thorley

Items for Consideration or needing more detail– Work Programme 2022/2023		
Suggested Item	Details (Background)	Proposed Date of Meeting
Leaders Board for Staffordshire	Raised by the Leader at triangulation – Officer Keith Luscombe/Chris Ebberley	Member involvement - TBC
BEST Transformation and the impact on the children's transformation	Raised at triangulation 08/11/22.	Discussion on appropriate time with Tracy Thorley. Very early stages of redesign – Will report to committee for pre decision scrutiny ASAP
Governance – review of partnerships	<ul style="list-style-type: none"> • AMEY – Prosperous committee looking at performance and contract – April 2022. • Nexus – no changes proposed • Entrust – part of Gov review <p>Currently a governance review working group (officers lead by internal audit). Possible briefing paper with update on current position September. Date to be confirmed</p>	Entrust (October 2022) Arms length companies – 13 September. Outside bodies to be reviewed by Governance working group – report to this committee 13/09/22 and 12/12/22.

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Standing Items 2022/2023		
Item	Details (Background)	Action / Outcome

Briefing Notes / Updates / Visits 2022/2023			
Date	Item	Details (Background)	Action / Outcome
19 September - informal teams meeting	Data sharing	<p>Members requested information on the way we share data with partners / good working practices etc.</p> <p>Officers: Natalie Morrisey/Kerry Dove</p>	<p>Work shop- teams.</p> <p>Presentation:</p> <ul style="list-style-type: none"> • process • examples • improvements

Briefing Notes / Updates / Visits 2022/2023

Date	Item	Details (Background)	Action / Outcome
Working Groups / Inquiry Days 2022/2023			
MTFS Working Group 2022/23	<ul style="list-style-type: none"> • Cllr C Greatorex (Chair) • Cllr B Peters • Cllr C Atkins • Cllr J Pert • Cllr G Heath • Cllr S Thompson • Cllr J Oates 	<ul style="list-style-type: none"> • Information – Training 1 August 2022 • On going due to report 17 January 2023 	
Climate Change Working Group <small>Page 65</small>	Membership (confirmed June 2022) <ul style="list-style-type: none"> • Cllr S Thompson • Cllr C Wileman • Cllr C Atkins • Cllr T Clements • Cllr J Pert • Cllr B Peters • Cllr D Smith 	17 November 7 January – scoping meeting Information gathering – Jan- March (dates tbc) Update to COSC June Information gathering – 28 September Update report – 25 October 2022	

Membership – County Councillors 2022-23	Calendar of Committee Meetings - 2022-2023
Colin Greatorex (Chairman)	6 June 2022 Reserved for Call In
Samantha Thompson (Vice Chairman - Overview)	21 June 2022
Gill Heath (Vice Chairman - Scrutiny)	4 July 2022 Reserved for Call In
Charlotte Atkins	2 August 2022
Tina Clements	8 August 2022 Reserved for Call In
Mike Davies	2 September 2022 Reserved for Call In
John Francis	13 September 2022
Jeremy Oates	7 October 2022 Reserved for Call In
Jeremy Pert	25 October 2022
Bernard Peters	7 November 2022 Reserved for Call In
Kath Perry	2 December 2022 Reserved for Call In
Bob Spencer	12 December 2022
Mike Worthington	10 January 2023 Reserved for Call In
6	17 January 2023
9	10 February 2023 Reserved for Call In
6	27 February 2023
6	6 March 2023 Reserved for Call In
6	3 April 2023 Reserved for Call In
6	11 April 2023
6	8 May 2023 Reserved for Call In