

**Minutes of the Corporate Scrutiny Committee
Thursday 21st January, 2021 at 6.00 pm
Microsoft Teams**

Present:

Councillor T Crumpton (Chair)
Councillor E Lawrence (Vice-Chair)
Councillors C Barnett, I Bevan, B Cotterill, J Cooper, S Craigie, P Drake, B Gentle, S Greenaway and P Lee.

Officers:

M Williams – Acting Deputy Chief Executive, C Blunn - Portfolio Partner, J Branch - Head Of Human Resources and Organisational Development and J Martin – HR Manager and A Paul - Corporate Operations Manager (Chief Executive's Directorate); J Catley – Head of Customer Services (Directorate of Commercial and Customer Services); I Newman – Director of Finance and Legal, S Beckett - Head of Revenue and Benefit Services, S Griffiths – Democratic Services Manager and K Taylor – Democratic Services Officer (Directorate of Finance and Legal); J Black – Public Health Manager (Directorate of Health and Wellbeing).

Also in Attendance:

Councillor S Clark – observing in his capacity as Cabinet Member for Finance and Legal
Councillor S Phipps – observing in his capacity as Cabinet Member for Commercial and Customer Services.

20 **Declarations of Interest**

No member made a declaration of interest in accordance with the Members' Code of Conduct.

21 **Minutes**

Resolved

That the minutes of the meeting held on 12th November, 2020, be approved as a correct record and signed.

A joint report of the Chief Executive, Director of Finance and Legal and Acting Deputy Chief Executive was submitted on the Medium Term Financial Strategy (MTFS) to 2023/24, with emphasis on those proposals relating to the Committee's terms of reference. Items directly relevant to this Committee were those in relation to the Chief Executive, Finance and Legal and Commercial and Customer Services.

In presenting the report submitted, the Director of Finance and Legal gave an overview of the report, and in doing so, stated that the budget had been developed around unprecedented uncertainty caused by COVID-19, and that the financial position continued to change. The final version of the report would be considered by the Cabinet in February and Council in March 2021.

The Government continued to award additional funding to Local Authorities in response to COVID-19, and a further £5.1m of Contained Outbreak Management Funding was expected over and above the amount that was reflected in Appendix A of the report submitted.

The Director of Finance and Legal confirmed that following receipt of the Local Government Finance Settlement for 2021/22, the budget was forecasted to be better than expected, in that resources would be £263m rather than the predicted £259m. However, further spending pressures were expected in Adult Social Care and Children's Services which would be reflected in the final report.

In summary, it was recognised that in the short term the Council had received significant funding to support the response to COVID-19 and therefore reserves were better than expected. However, given the Council's underlining position as a low taxing and low spending Local Authority, there remained challenges to financial sustainability that needed to be addressed in the long term.

Members asked questions, made comments and responses were given where appropriate as follows:-

- In responding to a question by the Chair, it was confirmed that there were two levels of qualified opinion on Value for Money that could be issued by the External Auditors: namely, an adverse qualified opinion or an "except for" opinion (with the latter being less severe). The External Auditors originally intended in September to issue an adverse opinion, but reduced this to an "except for" opinion in light of improvements in forecasts. However, concerns remained to the Council's future financial sustainability.

The Director of Finance and Legal further stated that in the long term, the low levels of income generated by the Council could not meet the level of spend, therefore in recognising that spend was low, the Auditors suggested the need to increase Council Tax rates to be closer to the average level.



- It was also noted that referendum limits on Council Tax rises had been extended which allowed Local Authorities to increase Council Tax rates to 4.99% without triggering a referendum, if needed.
- In responding to a question by a Member, the Director of Finance and Legal confirmed that as a result of the positive financial response from Government in relation to additional funding awarded to Local Authorities, Dudley's reserves were higher than anticipated. It was further noted that the Accountancy Team were providing updates to Government on a monthly basis, and any grants that were made available were automatically applied on a regular basis.
- It was noted that spending pressures identified within the Directorate of Commercial and Customer Services in relation to software contracts related predominately to upgrades to corporate systems such as Microsoft. Individual bespoke software programmes that were service based were funded by the respective Directorate.
- A Member referred to the changes in the way the Council operated arising from the pandemic, in particular home working and queried whether there had been a significant financial pressure in ensuring employees were resourced with the correct equipment, and whether it could result in savings going forward.

The Acting Deputy Chief Executive confirmed that £800,000 had been invested in laptops, and that COVID-19 had 'fast-tracked' the Councils long term ambition to enable more agile working. It was further noted that the report included proposed savings from rationalisation of estates and buildings.

- The possibility of providing local facilities to enable employees to work remotely near to their homes was suggested. The Acting Deputy Chief Executive stated that three emerging areas were evident for the Council, namely, workforce, estate and technology, and that focus would be given to adapting existing facilities to enable and encourage agile working. It was recognised that a healthy balance was needed and the possibility of utilising libraries and community centres could be explored further.
- A Member, although acknowledging comments made, raised concerns of the potential impact to local businesses in town centres as a result of an increase of people working from home, and subsequent reduction in footfall. In responding the Acting Deputy Chief Executive agreed with the comments made and suggested that a balance was needed in order to consider local economy and the benefits to employees working remotely. It was also suggested that the adoption of the agile working policy would enable employees to return to the office and town centres when required.
- In responding to a question raised by a Member, the Director of Finance and Legal undertook to provide additional information on the proposed savings in relation to the restructure of Mental Health Team and efficiencies from exit of the Section 75 agreement between 2022 and 2024.

- Concerns were raised in relation to the potential long-term impact to families, following redundancies, and the local economy changes in view of the increased number of empty shops. Despite the additional funding allocated by Central Government, a number of families and businesses had not received any further financial support during the pandemic, and it was queried whether plans had been developed in relation to the costs involved going forward.

The Director of Finance and Legal confirmed that future budget forecasts recognised the potential sustained increased rates in unemployment and acknowledged that the recovery period following COVID-19 could be prolonged. It was therefore expected that more households would be eligible for Council Tax support. It was further noted that the current increase in applications were being managed effectively by the Revenue and Benefits Team, and allowances had been included in the budget accordingly, alongside sustainability of Business Rates income.

- In responding to concerns raised with regard to the wellbeing of residents arising from increased rent arrears, the Director of Finance and Legal confirmed that a report on the review of Housing Revenue Account would be considered by the Place Scrutiny Committee.
- A Member commented on the significant impact of COVID-19 to residents and communities and the subsequent pressures on local Food Banks.

Resolved

That, subject to the points listed above, the proposals for the Medium Term Financial Strategy to 2023/24, as set out in the report, and Appendices to the report, submitted be noted.

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Benefits – Financial and other Support (including Covid) and the work of the Corporate Welfare Reform Group

A report of the Director of Finance and Legal was submitted on the various elements of support provided by Dudley Council and an update on work specifically relating to COVID-19 and the work and future plans of the Corporate Welfare Reform Group.

In presenting the report submitted, the Head of Revenue and Benefit Services provided an overview of the report and statistical and financial information on the number of residents receiving help with council tax and housing costs. It was noted that an increase in unemployment rates during the COVID-19 pandemic had resulted in a surge of applications for Council Tax Reduction.

It was noted that demand for Discretionary Housing Payments had increased significantly in recent years following a number of welfare reform changes. It was noted that nearly £1m of discretionary housing payments had been awarded in the current financial year, which was predominately funded by Central Government but supplemented by the Housing Revenue Account by an additional £550k each year to accommodate demand.

At this juncture, Members asked questions, made comments and responses were given where appropriate as follows:-

- In responding to a question raised by a Member, the Head of Revenue and Benefits Services confirmed that prior to the lockdown, there had been a gradual increase in demand for Universal Credit in Dudley and managed effectively. However, it was evident that the number of working aged persons that were eligible for Universal Credit had increased significantly as a result of the pandemic. The Head of Revenue and Benefits Services undertook to provide statistical information to the Committee for information.
- It was noted that the Discretionary Housing Payment (DHP) scheme covered shortfalls between rental liability and payment of Housing Benefit and Universal Credit and used to support the most vulnerable customers in financial need. Discretionary Housing Payments were primarily used to assist claimants with rent and associated housing costs.
- In responding to a question by the Chair, the Head of Revenue and Benefits Services confirmed that regular discussions had been undertaken with Housing in relation to the increasing number of Universal Credit recipients and areas of concern including rent arrears, however it was understood that Dudley's Housing service were managing effectively.
- The Committee were informed that Universal Credit was predominately paid direct to recipients, however greater flexibility had been given under the housing benefit and universal credit rules, to enable payments to be made directly to Landlords. It was noted that this exception was being applied to more cases within Dudley.

The Head of Revenue and Benefit Services then provided an overview of work undertaken and financial support available associated with the COVID-19 pandemic, including Business Grants, Emergency Assistance Grants scheme and Isolation payments. The exceptional work undertaken by the Revenue and Benefits Team and the challenges faced during the pandemic, in addition to their regular duties, was acknowledged.

It was noted that since Spring, 2020, 5,000 business grants had been awarded totalling £60m during that period, and following the introduction of a revised grant scheme in November 2020, 2,600 grants had been awarded totalling £7.3m to date. 2,000 applications had been received in relation to the Emergency Assistance Grants scheme, with 800 awarded totalling £195k. With regard to Isolation Payments, 2,000 applications had been received to date with over 600 payments granted totalling £300k. The Committee was assured that each application received was assessed on an individual basis.

Members asked questions, made comments and responses were given where appropriate as follows:-

- In responding to a Member in relation to the Covid Winter Support Grant, in particular the difficulties faced in providing recipients with fuel vouchers, it was confirmed that discussions were being held with customers and meter companies to ensure all recipients would be awarded with vouchers for both food and fuel. Discussions were also being undertaken with the Citizens Advice Bureau and Family Centres to assist in evaluating needs and ensure that wrap around support was available.
- The Head of Revenue and Benefit Services commented on the eligibility criteria in relation to Isolation Payments, and the discretionary scheme applied by Dudley Council for those that were not entitled to the state benefits outlined in the criteria. Claimants for the discretionary payment would be required to provide evidence of low income and financial hardship as a result of self-isolating, which could be difficult in some cases. It was confirmed that Dudley had initially received Government funding to grant 171 awards, however this had since been increased.
- Reference was made to the Local Authority Additional Restrictions Grants Fund (ARG) implemented by Dudley for the allocation of grants to businesses, and that phase 2 was currently being finalised which focused on support to businesses that did not operate from a fixed business premises and did not pay business rates.
- In responding to comments made, concerns were raised on the ability and additional work asked of the Citizens Advice Bureau, and it was suggested that the Local Authority liaise with the Department for Work and Pensions regarding qualifying benefits that were being claimed.

The Public Health Manager confirmed that a pilot would be undertaken with Citizens Advice Bureau to establish whether it was successful and effective. It was also noted that grant relating to Covid Winter Support was due to expire at the end of March, 2021.

A Welfare Reform Group had been re-launched comprising representatives from across the Council including Finance, Housing, Children's Services, Adult Services and Public Health, focussing on the effects and impacts of welfare reform and other associated issues. A mitigating poverty project led by Public Health was also being considered together with collating efforts to make the journey to benefits awareness and claiming more straightforward and coordinated.

The Chair, on behalf of the Committee, expressed thanks for the level of commitment shown by officers in providing the pivotal service and support, arising from challenges faced by the pandemic. It was also suggested that an e-mail be circulated to all Elected Members outlining the process in claiming benefits and circulated amongst communities.

Following the information presented, the Committee also requested that the Cabinet consider additional staffing resources to accommodate the expediential increase in applications received and support required for Dudley residents.

Resolved

- (1) That the work undertaken to date, the ongoing work and planned future work be noted and supported.
- (2) That an Annual Report on Benefits be included on future Work Programmes for this Committee.
- (3) That the Head of Revenue and Benefits Services be requested to provide supplementary information on the number of recipients of Universal Credit in Dudley.
- (4) That the Head of Revenue and Benefit Services be requested to e-mail all Elected Members outlining the process in claiming benefits.
- (5) That the Chair, on behalf of the Committee, be requested to write a letter to the Revenue and Benefits Team in recognition of work undertaken.
- (6) That the appropriate decision taker be requested to consider allocating additional staffing resources to accommodate the expediential increase in applications received and support required for Dudley residents

Attendance Management

A report of the Chief Executive was submitted on the current sickness absence levels and the application of the Attendance Management Policy within the Directorates.

In presenting key information through presentation slides, the HR Manager provided statistical information in regard to sickness absence recorded between April 2020 and September, 2020, in particular that figures had significantly reduced in comparison to the previous year, with an average of 4.35 days lost per full time equivalent.

It was noted that the reasons for increased sickness absence were predominately relating to Work Related Stress, Mental Health, Cancer related and Bereavement, however Post Operation Recovery and general flu/cough/cold illnesses had decreased.

The Attendance Management Policy was revised from 1st June, 2018 with the introduction of attendance triggers as a management tool in highlighting and managing employees attendance, including, Bradford Factor Score, four weeks of continuous absence and identifying patterns or trends.

It was also reported that between October, 2019 and September, 2020, attendance triggers had been raised for 331 employees, 162 of which had no recorded actions by the line manager, together with 90% of return to work interviews completed.

Adjustments to the Attendance Management Policy had been applied in response to the COVID-19 pandemic, in line with government guidance, including full pay to employees that were required to self-isolate, and absence recorded for COVID-19 would not be included in the assessment of absence triggers or targets. It was noted that 446 employees had been recorded as absent with COVID related symptoms and unable to work remotely. It was noted that 440 employees that were isolating were able to work remotely.

Members asked questions, made comments and responses were given where appropriate as follows:-

- In responding to a question regarding statistical data post September, 2020, the HR Manager confirmed that figures appeared to be increasing and in some cases, employees were experiencing implications from long-COVID. It was expected that an increase of Mental Health related absences would occur as a result of the difficulties experienced by employees during this period including home-schooling, bereavement and isolation.
- The Staff Counselling Service provided advice and support for employees on how to manage difficult situations particularly regarding stress and mental health during COVID-19 pandemic, together with a dedicated Dudley support phoneline and an external phoneline operated by the Mental Health Trust for support. It was reported that a large number of health and wellbeing sessions had been organised and accessed by employees.

- During consideration of Attendance Management at the Corporate Scrutiny Committee in 2019, it was apparent that further work was needed in developing communication between managers and HR. The HR Manager confirmed that communication had improved and regular reports identifying trends from managers had been submitted, however it was acknowledged that there had been some challenges during the pandemic.
- In responding to a question by a Member in relation to the high number of no recorded actions by the line manager where an attendance trigger had been met, the HR Manager acknowledged the concerns raised, however, it was evident that Managers had difficulty in addressing absence and employment contracts with employees during lockdown.
- In responding to a question by the Chair in relation to identifying employees that worked effectively and continue working remotely in the future, the HR Manager referred to an employee survey that had been undertaken during 2020, and undertook to share the results with the Committee for information.

The Chair, on behalf of the Committee, expressed thanks for the level of commitment shown by officers in providing pivotal support to managers during this challenging and unprecedented time.

Resolved

- (1) That the current sickness absence levels and the application of the Attendance Management Policy within the Directorate, be noted.
- (2) That the HR Manager be requested to share the results of the Employee Survey with the Committee for information.
- (3) That the Chair, on behalf of the Committee, be requested to write a letter to the Human Resources and Organisational Development Team in recognition of work undertaken.

Corporate Quarterly Performance Report – Quarter 2 (1st July, 2020 to 31st September, 2020)

A report of the Chief Executive was submitted on the Quarter 2 Corporate Quarterly Performance report covering the period 1st July, 2020 to 31st September, 2020. Following a previous request, additional data relating to the percentage of agency social workers had been appended to the report submitted.

In presenting the quarter two performance report, the Portfolio Partner referred to the modified performance report, following suggestions made at a previous Committee, to include trend graphs, service exception reports and actions taken to improve future performance. Directorate Service Summary documents had also been appended to the report submitted, providing an overview of service delivery and achievements during the given quarter.

Following a review by an external assessor, the performance indicator in relation to procurement had been withdrawn, and with regard to the percentage of delayed transfers of care, arising from COVID-19, the National Health Service had temporarily ceased collection and publication of data.

The Portfolio Partner made particular reference to the fourteen performance indicators that were below target, as outlined in Appendix 1 of the report submitted, and it was evident that the COVID-19 pandemic continued to impact on services regardless of short-term trend. A detailed account of the performance indicators was provided at the meeting.

Members asked questions, made comments and responses were given where appropriate as follows:-

- The Chair expressed thanks for the work undertaken in developing the performance report and incorporating suggestions made by the Committee and suggested that the information presented should be shared with other Scrutiny Committees for their information. In responding to a question raised by the Chair, the Portfolio Partner stated that although heavily resourced, service areas were happy to continue with the detailed summary sheets should the Committee consider the information useful.
- Members commented positively on the revised format and the detailed summary sheets, and further acknowledged that although COVID-19 had affected services, it was evident that services continued to operate.

Following further discussion, and in light of the detailed performance data, it was agreed that the Portfolio Partner would present two or three service areas each quarter, and invite the respective Directors if needed.

Resolved

That the Quarter 2 Corporate Quarterly Performance report covering the period 1st July, 2020 to 31st September, 2020, be noted.

The meeting ended at 8.15pm

CHAIR

