

## **BUDGET PROPOSALS 2015/16 – COMMENTS FROM POLICY OVERVIEW COMMITTEES**

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### **REASON FOR ITEM**

To consider the full set of Policy Overview Committee comments on Cabinet's budget proposals, their overall implications and to submit those comments to Cabinet.

### **OPTIONS OPEN TO THE COMMITTEE**

That the Committee:

- 1. Consider the comments from the other Policy Overview Committees;**
- 2. Seek clarification where necessary and;**
- 3. Submit an agreed set of comments to forward to the Cabinet for it to consider alongside this Policy Overview Committee's budget proposals.**

### **INFORMATION**

As part of the Constitution (Budget and Policy Framework Procedure), Policy Overview Committees have a role to review the Cabinet's draft budget proposals, which were set out at Cabinet on 18 December 2014.

At each Policy Overview Committee in January, consideration was given to reports which provided details of budget proposals relating to the remit of each Policy Overview Committee.

For Members information the full extract of the minute relating to the budget proposals for each Policy Overview Committee is attached as Appendix A.

The Policy Overview Committee comments are set out as below:-

#### **Residents' & Environmental Services POC – 20 January 2015 (Residents Services)**

"The Committee commended officers on the proposed budget, particularly in relation to fees and charges where, for the most part, the Council proposes a freeze, with modest increases proposed for a small number of charges in 2015/16. Where increases are recommended, charges have been benchmarked against those of neighbouring authorities and shown to remain competitive.

It was appreciated that the cemetery charges had not increased in a while and that action needed to be taken to bring them closer in line with other local authorities. Some Members suggested that consideration be given to reducing the percentage increase for residents and also be mindful of the proposed increase for non residents, especially when some elderly residents have had no option but to move closer to their families (other areas) due to health reasons but have requested to be buried where they were born, or indeed lived for the majority of their lives. Officers should be allowed to exercise their discretion in terms of the rates in such cases to ensure that we are putting our residents first. However most of the Committee understood the reasoning behind the changes in cost."

### **Children, Young People and Learning POC –14 January 2015 (Children, Young People and Learning Services )**

"The Committee noted the budget proposals submitted and acknowledges the work that has been undertaken in providing a working budget, noting constraints placed via external funding streams. Concerns were expressed by some Members about the levels of savings that needed to be achieved."

### **Social Services, Housing and Public Health POC – 21 January 2015 (Adult Social Care, Housing & Public Health)**

The Committee noted the budget proposals and welcomed the work of the Council in this challenging area. In particular, the Committee welcomed the ongoing work in relation to the preventative agenda so that informed decisions were taken to mitigate future risks. The Committee acknowledged the introduction of the Care Act 2014 introduced a significant number of changes to Adult Social Care funding arrangements and the introduction of the Better Care Fund had significant ramifications to the way in which the Council funded health and social care.

The Committee was concerned about the costs associated with Bed and Breakfast accommodation and the relationship between homelessness and the number of void properties. However, it also welcomed the steps being taken across Council Departments and in conjunction with partners to monitor the numbers of empty properties.

The Committee welcomed the ongoing work to develop the supported living programme to promote independence and avoid costly residential placements but also recognised the need to monitor the slippage of several start dates closely. In relation to the Right to Buy Scheme, the Committee were assured that a stringent process was in place to restrict churn in the market place.

The costs associated with transitional children were noted and in particular the estimate this could be managed down by 6% and not affect the quality of care by taking into account the experience in recent cohorts of children.

The Committee also noted the importance of early intervention and prevention and the redesign of services so that savings could be achieved without impacting on front line services."

**Corporate Services & Partnerships POC –8 January 2014 (Finance and Administration)**

The Committee reviewed the relevant budgets in detail and whilst it did not make any specific comment, Members acknowledged that the delivery of front line services to residents of the Borough had not been impacted by the savings which the Council was making.

The Committee noted that despite the current financial difficulties in local government finance, this Council's draft capital programme for 2015/16 consisted of a proposed significant capital investment of around £336,290k.

This capital investment included:- the continuation of the Primary Schools capital programme, the development of a new Secondary Schools capital programme, the provision of a new landmark theatre and museum, investment in roads and pavements, as well as investment in new Youth Centres and improvement work associated with the Borough's highways, environmental and recreational facilities.

**BACKGROUND DOCUMENTS**

Relevant minute extracts from the POCs

## APPENDIX A

### **Residents' & Environmental Services POC – 20 January 2015 (Residents Services)**

"Consideration was given to the budget proposals for the Council's Residents Services. Members were advised that £10m of savings were proposed for Hillingdon in 2015/2016, approximately £3½m of which related to the services covered within this Committee's remit. It was anticipated that £110k of savings would be achieved through reviews of the Fleet Management operation and further ICT rationalisation.

It was noted that proposals in relation to the outcome of zero-based reviews across the group were expected to contribute £375k towards delivery of the savings target, while the budgetary impact of West London Waste Authority's closure of the Victoria Road Civic Amenity site was expected to release £406k. Members were advised that there had been no additional costs for the provision of the service in Harefield as a result of this closure and that there had been an increase in the income received from trade waste. However, there had been a slight increase in the cost of disposal from this site and more vehicles had travelled through Harefield as a result.

In addition to preferential rates for residents, the Council had frozen almost all Fees and Charges for residents during 2013/14 and 2014/15, with modest increases proposed for a small number of charges in 2015/16. Where increases were recommended, the cost recovery principle had been considered and charges had been benchmarked against those of neighbouring authorities and shown to remain competitive.

- Growth of £711k for the Residents Services Group had been included in the draft budget for consultation, based on Cabinet's known expenditure commitments.
- Of this £711k: £440k had been provided to support a continuation of the Ward Budget Scheme, providing a sum of £22,000 for investment in each ward;
- an additional £62k growth to fund the Police Tasking Team was included in the budget, representing the full year effect of monies included in the 2014/15 budget and bringing this funding to £134k per annum;
- £130k Priority Growth was included in the budget to provide increased investment in tackling Rogue Landlords and Beds in Sheds across the Borough; and
- in order to ensure that the benefits of recent investment in the Ruislip Lido site were maximised, £24k was being earmarked to fund additional staffing in the peak season.

This draft capital programme for 2015/2016 included a number of proposed new schemes totaling £15,951k:

- Battle of Britain Bunker, a Heritage Civic Pride project - A restoration project on the former RAF Uxbridge Site. Plans included the replacement of a building near the Bunker known as the ASU building with potential for it to act as a visitor centre, the overall project was estimated to cost in the region of £4,850k with a target completion date of September 2015;
- Highways Structural Works & Pavements Priority Growth - £3,000k additional investment was included in this draft budget to continue the Council's programme of activity in these areas;
- Cedars & Grainges Car Park Improvements - An extended scope had been outlined for the previously planned investment in Uxbridge Town Centre car parks, which would support economic development in the area. An increase of £2,155k, partially funded from £200k of Developer Contributions, was therefore included in this draft budget;
- Borough-wide Car Park Improvements & Rural Activities Garden Centre Car Park - An additional £500k of investment in off street car parks across the Boroughs, including an enhancement of parking facilities at the Council's Rural Activities Garden Centre;
- Ruislip Lido Boathouse - Refurbishment of the Boathouse at Ruislip Lido for service use at an estimated cost of £210k;
- Investment in Bowls Clubs - £900k provision for the refurbishment of two existing bowls clubs and construction of a third was included in this programme and intended to support the Council's broader Public Health responsibilities by encouraging activity in the Borough's older population; and
- Haste Hill Golf Club Investment - A set of two projects to refurbish the club house for use as a function room at a cost of £80k and a replacement of the irrigation system for £450k. An invest-to-save business case was in development around the updated clubhouse and improved parking provision, with financing costs associated with the project to be met from future revenue streams.

Members congratulated the officers on the format of the report and on the content therein.

With regard to cemetery charges, concern was expressed that there had been a blanket 15% increase in charges for residents whereas non-residents had only received an increase of approximately 7% across the board. Members were advised that a benchmarking exercise had been undertaken against neighbouring boroughs which highlighted that the charges were significantly less in Hillingdon. As the cemetery charges had not been increased for a couple of years, they were re-evaluated to bring them in line with other London councils. It was suggested that

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consideration be given to reducing the percentage increase for residents and increasing the percentage increase for non-residents."

**Children, Young People and Learning POC –14 January 2015 (Children, Young People and Learning Services)**

Officers provided a presentation on the Council's budget in which it was noted that:

- § Indicative sums published by DCLG indicated that there would be a further 13.8% funding reduction in 2015/16. This followed a total reduction of 37% (£58m) in central government funding since 2010/11.
- § The proposed level of Education Services Grant for 2015/16 (£802m) represented a 20% cut compared to 2014/15 (£1.02b).
- § An initial 2015/16 budget gap of approximately £20 million had been identified. This had been managed through a drawdown of £5 million from balances, and the full year effect of savings identified in 2014/15 as part of the BID transformation programme, reducing the gap to around £10 million.
- § The majority of the proposed savings related to changes proposed within the Adoption and Fostering Service, which was aiming to speed up the process of permanency.
- § Since February 2014, groups had been developing savings proposals sufficient to manage the overall funding reduction and to manage any increased cost pressure within their services. A comprehensive review of the corporate elements of the budget had been undertaken, including funding inflation and capital financing. A series of budget challenge sessions had been held in the summer and autumn.
- § The Children's and Families Act 2014 came into force in September 2014. This introduced significant changes and required a substantial amount of work to ensure delivery.
- § The Service was in the final stages of implementing the Children's Pathway BID Review, which should be completed in 2015. This would enable the Service to have a greater focus on early intervention, which should enable the Council to deliver savings in 2015/16.
- § Asylum Seekers were continuing to have an impact on the budget. This was because the proportion of children over 18 was continuing to increase at a higher rate than the number under 18, which attracted less Home Office Grant funding.
- § The primary pupil population continued to grow. It had increased by 2.8% between October 2013 and October 2014. This continued increase in the pupil population had required the council to build three new primary schools. The number of children with a Statement of Special Educational Needs had grown at double the rate of the general school population. The secondary school population had previously been stable and was now starting to grow.
- § Capital investment was proposed of approximately £150m in primary schools and £80m for secondary schools.

## Discussion

Members questioned the basis for some of the figures provided, the inflation rate used and whether the figures would prove to be feasible. Concerns were raised about how difficult it was to recruit social workers. Officers were asked to provide a figure in relation to the number of agency social workers working at the Council.

In response, Officers advised in relation to the inflation rate used and confirmed that work was in progress to reduce the number of children placed in private foster care and increase permanency. It was anticipated that these measures would help to ensure that the budgetary targets were realised. Around one third of workers in services that employed social workers were agency staff. Officers confirmed that recruitment of social workers was currently challenging due to a shortage of persons working in this field. The shortage was having an inflationary effect on wages which made recruitment a challenge. Agency workers were now staying an average of 36 weeks.

Members questioned the cost to the Council of agency staff and felt that Hillingdon spent more than average. It was suggested that a dedicated team should investigate costs at neighbouring councils and that the allocation of additional funding in the short term could save resources in the long run. Officers responded that work was in progress and that authorities within London and beyond were looking at the capping of pay rates. However, this was difficult as the provision of social workers was a statutory requirement. Investment in the service had supported stability and service transformation had taken place between during 2014.

In response to a question from the Committee, Officers advised that the proposed Adoption and Fostering Review would result in expected savings of £2.84 million over the next four years. This was equivalent to approximately one third of the service's £8 million budget.

Members questioned why the Capital Programme did not include the expansion of specialist schools or provision at existing schools. Officers were also asked if there was capacity to go into the market to identify potential privately owned sites for future schools provision, in addition to those owned by the Council.

Officers stated that two thirds of the 3 new primary schools had Specialist Resource Provision built in and that a new special free school situated in the Borough, would offer 140 places. The proposed Additional Needs Strategy had gone to Cabinet. This would set out measures to meet the needs of children and young people in Hillingdon that had additional needs. Prospective sites for new schools were investigated by a dedicated team and by the Performance and Improvement Team. The Schools Places Programme was reviewed weekly and reported back to the Corporate Director of Residents' Services.

The Committee noted that Fostering and Adoption had been identified as the main area in which savings could be made and there was concern that this could risk its positive Ofsted rating. Officers advised that the proposed changes would not affect service delivery and it was anticipated that productivity and the quality of outcomes would be enhanced.

The Chairman noted that the Hillingdon Music Education Hub had received an extra £90,000 of funding and thanked Officers for work in this area.

### **Social Services, Housing and Public Health POC – 21 January 2015 (Adult Social Care, Housing & Public Health)**

"The report set out the draft revenue budget and capital programme of Adult Social Care Group, Public Health, Housing General fund and Housing Revenue Account for 2015/16, along with indicative projections for the next five years. The Committee noted that the Council was looking to make significant savings of around £10,113k across the Council for 2015/16, of which the total savings in the draft budget for Adult Social Care were £3,190k and £200k for Housing.

With regards to future challenges for the Adult Social Group, it was noted that these stemmed from the following areas:

- Demographic pressures arising from an ageing population
- Transitional children moving through to Adult Services
- The Winterbourne View report and the transfer of financial responsibility for a number of clients from the National Health Service to the Council.
- The potential shortfall in Social Care and Health New Burdens Funding.
- The impact of Housing Benefits changes on Temporary Accommodation."

### **Corporate Services & Partnerships POC –8 January 2014 (Finance and Administration)**

"The report set out the draft revenue budget and capital programme of the Administration and Finance Groups for 2015/16, along with indicative projections for the following four years.

The Committee was informed that the Council continued to operate within the constraints of the Government's deficit reduction programme which had seen a reduction of £58m in central government funding since 2010/11. Combined with the range of demographic and other service pressures which were impacting on the Council's finance, this required the Council to continue to identify savings and efficiencies to protect services to residents.

Members were informed that the budget proposals presented to Cabinet in December included a reduction of £8,529k in funding and savings proposals which amounted to £10,113k. These savings included £6,879k of new proposals.



In relation to Administration and Finance Group Budget proposals, there were proposed savings which totaled £1,521k for 2015/16. Members were informed that the proposed savings were a combination of service efficiencies, additional income generated and the retendering of contracts.

Particular mention was made to the increased income from Legal Services (£140k), which was being delivered through higher rates charged for S106 agreements. In addition there was increased anticipated income of £40k anticipated from Registration from the extension of operating hours and the marketing of wedding packages.

A Member asked why was the renewal of Marriage Vows only charged as a flat fee and not cost banded as per the Marriages/Civil Partnerships. In response, subsequent to the meeting, Members were informed that there was less demand for renewal of Marriage Vows than for Marriages/Civil Partnerships, therefore the 'renewal' ceremony was offered only on certain days and on a flat fee basis.

In relation to the Fees and Charges, Members were informed that the proposed increases were effective from 1 January 2015 and had been agreed at the Cabinet meeting on 18 December 2014.

In relation to the Council's draft Capital Programme, it was noted that despite the current financial difficulties in local government finance, there would be a proposed significant capital investment of around £336,290k which would be of great benefit for residents on the Borough."