

Draft Budget Proposals 2018/19 – 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 draft budget proposals, their overall implications and to submit those comments to Cabinet.

RECOMMENDATIONS

That the Committee:

- 1. Consider the comments from the other Policy Overview Committees;**
- 2. Seek clarification where necessary and;**
- 3. Submit the agreed set of comments to forward to Cabinet for consideration 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 14 December 2017.

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

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

The Policy Overview Committee comments are set out as below:

Children, Young People and Learning POC – 16 January 2018 (Children, Young People and Learning Services)

"The Committee supported the budget and commended officers for their work in times of austerity".

Residents' & Environmental Services POC – 24 January 2018 (Residents Services)

"The Committee agreed that there was some good work being undertaken to benefit residents in areas such as the schools expansion programme, music services and adult education. This would be good for the health and well being of residents. The Committee thanked officers for their input and efforts".

Social Services, Housing & Public Health POC – 23 January 2018 (Adult Social Care, Housing & Public Health)

"The Committee noted the budget proposals and the continuing budgetary pressures at this time. Officers were thanked for their work in managing the budget under such financial pressures, to ensure that residents were able to continue receiving good social care, public health and housing services. However, the Committee noted that some of the figures in the report required further explanation, including inflation projections, and officers agreed to provide further financial information to Members. The Committee welcomed the provision of a new swimming pool in Yiewsley / West Drayton, that would promote fitness within that part of the Borough, along with two new housing units, including a new dementia centre at the Grassy Meadow site to support some of our more vulnerable residents."

Corporate Services & Partnerships POC – 4 January 2018 (Finance and Administration)

"The Committee noted the budget proposals and continuing budgetary pressures, recognising the financial constraints that the Council are working under.

Members also expressed their appreciation for the work that has been carried out by Officers in producing the budget".

BACKGROUND DOCUMENTS

Appendix A - Relevant draft minute extracts from the individual POC meetings.

Children, Young People and Learning POC – 16 January 2018 (Children, Young People and Learning Services)

The Committee considered a report on the draft revenue budget and capital programme of the Children, Young People and Learning Services for 2018/19, along with indicative projections for the following years.

Following consideration by the Cabinet on 14 December 2017, these proposals were under consultation and discussed at each Policy Overview Committee. The proposals were next due to be considered by Cabinet on 15 February 2018 and the report would include comments from the Policy Overview Committees. Following that meeting of Cabinet, full Council would meet on 22 February 2018 to agree the budgets and council tax for 2018/19.

Overall, it was reported that despite the Council continuing to operate within the constraints of Government's deficit reduction programme, in addition to continuing demographic and demand pressures, the London Borough of Hillingdon still retained healthy balances. The Council was still also able to freeze council tax.

The report gave details of the savings proposals to meet the budget gaps and respond to the increases in costs pressures and contingency plans for development and risk. Officers gave a verbal summary of the key details.

The following contingency items related to services within the remit of Children, Young People and Learning Policy Overview Committee providing £3,326k additional funding to meet the costs of service delivery in 2018/19:

Asylum Service (£1,885k provision) - It was reported that there had not been a massive increase in asylum figures. A provision of £1,885k was included within the draft budget to reflect the costs of supporting unaccompanied asylum seeking children.

Looked after Children's Placements (£797k provision) - During 2017/18 the number of Looked after Children has remained stable at between 220 and 230 placements. However it was reported that the specific needs are generally quite complex.

Support for Children with Disabilities (£367k provision) - The introduction of the Children's and Families Act 2014 had impacted upon the number of Children with Disabilities remaining within the care of Children's services, with greater numbers and more complex cases coming into the system than transitioning to Adult services.

Social Worker Contingency (£277k provision) - As the market for recruiting Social Workers remained competitive, specific contingency provision to manage the premium involved in use of agency staff has been retained for 2018/19.

The Committee questioned the budget for troubled families. It was reported previously that there were 555 troubled families and there were now approximately 1990. Officers explained that there

was a focus on the families and officers worked with families and the services the Council already had access too. The budget was working towards the expectation that the grant was decreasing. The local authority was required to report on action being undertaken to support troubled families and the LBH had done this. Data showed that families with two or more prescribed problems were being targeted.

In response to questions regarding the school capital programme, officers confirmed that there continued to be a focus on the provision of sufficient school places to meet the rising demand across the Borough. Head teachers were keen to ensure that every school place was filled to ensure full school funding.

Officers confirmed that the primary schools expansion programme phases 1, 2 and 3 had now been completed and construction works had started in relation to phase 4. The approved Phase 4 budget of £27,400k provided for three single forms of entry expansions across three sites. Officers also explained that the existing secondary schools budget had been set on the basis there six forms of entry would be met by the creation of a new free school in the north of the borough. It was expected that a 2 FE shortfall in September 2019 would be met through provision of bulge classes.

Officers confirmed that the changes in the reorganisation of children centres were being audited and reviewed. In terms of service delivery, there had been a fairly consistent management of change.

The Labour Members wished the following comments to be recorded:

The Labour Group on the CYP&L POC did not support the budget for 2017/18 as presented at the POC on 16 January 2018. The Labour Members did not approve the budget as additional funding was still required for children's centres. There were reductions being made to funding and there was a concern that youth clubs were being ignored.

The Conservative Members wished the following comments to be recorded:

The London Borough of Hillingdon continued to deliver without cutting frontline services. The Conservative Group welcomed and supported the budget and commended officers for their work in times of austerity.

RESOLVED: That the Committee's support of the budget proposals, and the comments contained within these minutes, be forwarded to Cabinet.

Residents' & Environmental Services POC – 24 January 2018 (Residents Services)

The Committee considered a report on the draft revenue budget and capital programme for the services within the remit of the Residents Policy Overview Committee 2018/19, along with indicative projections for the following four years.

Following consideration by the Cabinet on 14 December 2017, these proposals were under consultation and discussed at each Policy Overview Committee. The proposals were next due to be considered by Cabinet on 15 February 2018 and the report would include comments from the Policy Overview Committees. Following that meeting of Cabinet, full Council would meet on 22 February 2018 to agree the budgets and council tax for 2018/19.

Overall, it was reported that despite the Council continuing to operate within the constraints of Government's deficit reduction programme, in addition to continuing demographic and demand pressures, the London Borough of Hillingdon still retained healthy balances. The Council was still also able to freeze council tax for a tenth consecutive year.

The report gave details of the savings proposals to meet the budget gap and respond to the increases in costs pressures and contingency plans for development and risk. Officers gave a verbal summary of the key details.

The Council's financial performance during 2017/18 remained strong with an under spend of £980k projected across revenue budgets at Month 7 (September 2017) and £14,460k of the £15,508k savings programme either already banked or on track for delivery.

Locally raised income from council tax and business rates was expected to grow by £4,905k as a result of strength in taxbases. This would however be off-set by a reduction in government funding, necessitating the identification of savings to deliver a balanced budget

£250k of the sum for Priority Grown remained uncommitted at this stage but the remainder consisted of the following areas:

- £1,000k resources committed to meeting capital financing costs associated with the Council's flagship schools expansion programme
- £576k to support operation for a new Waste and Recycling centre
- £84k investment in a Bulky Waste Collection service for residents
- £250k per annum funding for the Metropolitan Police to continue the operation of Uxbridge Police Station
- £200k support for an expanded youth offer from the Council
- £200k additional funding for Counter Fraud Activity to ensure the Council protected its finances
- £139k further growth for the expanded Museums and Archives Service in addition to the £140k allocated in 2017/18

During Member discussion, it was reported:

- A suggested site had been identified for the Yiewsley swimming pool but had not yet been finalised or agreed.
- A suggested site had also been identified for a waste and recycling centre in the south of the borough, but the details of this had not yet been finalised.
- For both of these sites there was a budget available and also contingency plans if the budget overran.

- The government had imposed a reduction which enabled the Council's Housing Revenue Account budgets to deliver a 1% reduction in rents for existing tenants in 2018/19.
- Previous targets had been met in relation to creating 545 affordable homes for residents by 2022/23 and these figures would be circulated to Members as additional information.

Some Members indicated that further changes would be suggested at the Council budget meeting.

Overall, the Committee supported the budget but appreciated the comments raised by all Members.

Resolved: The Committee agreed that there was some good being undertaken to benefit residents in areas such as the schools expansion programme, music services and adult education. This would be good for the health and well being of residents. The Committee thanked officers for their input and efforts.

Social Services, Housing and Public Health POC – 23 January 2018 (Adult Social Care, Housing & Public Health)

Peter Malewicz, Finance Manager, introduced a report detailing budget proposals for services within the remit of the Social Services, Housing and Public Health Policy Overview Committee.

The Committee was advised that the draft revenue budget and Capital Programme was first considered by Cabinet at its meeting on 14 December 2017. The proposals were since under consultation before further consideration inclusive of comments from each POC, by Cabinet at its meeting on 15 February 2018. Cabinet would then make recommendations to full Council, who would meet to agree the budgets and Council Tax for 2018/19 on 22 February 2018.

The Council continued to operate within the Government's deficit reduction programme, with reductions in central government funding due to continue until at least the end of the decade. The Council was required to find savings of approximately £10m over the next year, and total savings in excess of £56m over the next five years. A growing population, both of younger and older residents, made finding these savings a challenge.

Service areas

Impact of Welfare Reform on Homelessness

The existing level of provision had been retained, with a forecast that the number of families within Temporary Accommodation could rise by more than 3% during 2018/19. However, preventative measures were expected to be sufficient to contain the cost of Homelessness above base budgets, and work was underway to cost the financial impact of the Homelessness Reduction Act and Universal Credit reforms announced in the Autumn Budget.

Members referred to figures included in recent Cabinet papers, which confirmed that the Council had approximately 200 households within B&B accommodation. The Budget report forecast a 3%

uplift of families within temporary accommodation, but the provision was unchanged from the prior year. Would this provision be sufficient?

Officers confirmed that, as of the prior day, the Council now had 160 households in B&B's, which amounted to a 40% reduction since April 2017. The Council was seeking to avoid placements, and teams were now focussing on early intervention, which included finding alternate accommodation and negotiating with landlords for lower rent levels. There was capacity in the system to reduce projected spend, though the forthcoming introduction of Universal Credit, and the Council's obligations as a result of the Homelessness Reduction Act, would have an impact.

Members requested that an update on Homelessness and the relevant reforms be brought to a future meeting of the Committee.

SEN Transport

Demographic growth was expected to continue, with an uplift of approximately 5% in eligible student numbers. A major review of transport for SEN children was underway, (including route and vehicle optimisations, group pickups etc), with the aim of absorbing demographic growth within existing routes and services.

Members sought further clarity on the review of SEN Transport. Officers confirmed that as a result of the review, the number of vehicles had broadly reduced. Many children were now travelling to and from school in the most appropriate vehicle, and for some schools, the service had introduced a number of group pickups, all of which had reduced cost. Group pickups were felt to be beneficial to the children, as it increased their self reliance and independence, and despite initial concerns, feedback was very positive.

Members requested that a further update item on SEN Transport be brought to a future meeting of the Committee.

Adult Placements - Transitional Children

Projections forecasted an uplift equivalent to 39 new clients entering the system during 2018/19. It was noted that a number of clients were staying longer in educational establishments, part of which would be funded through the dedicated school grants and by implication would result in a lower cost of placement in the first instance on the Social Care budget.

Members sought confirmation on whether the reductions set out in the report were calculated per individual. Officers confirmed that the Council was reviewing the needs of residents on an individual basis. The Council was required to perform a Face Assessment for each individual, which assessed all areas of need and how to meet those needs. Individuals were then referred to relevant Health teams for a more specific needs assessment, and funding was then allocated by reviewing those needs against the most appropriate funding stream, such as the CCG. An appeals process was also open to residents, via an independent panel outside of the Borough.

In addition, the Council was attempting to manage children with more complex needs early (where there appeared to be a behavioural theme, which was no longer regarded as a primary need), before they transitioned into adult care, in an effort to reduce cost.

Adult Placements - General

Contingency requirement for other Adult Social Care placements was expected to grow as a result of underlying population growth. Annual uprating of client income to reflect the cost of care packages was expected to secure an additional 380k income, while reviews of current client, CCG and Continuing Healthcare contributions were expected to deliver a £1,759k reduction in the net cost of health care packages.

Over the last 18 months, the Council had worked with care providers to ensure a sustainable environment for open negotiations, to agree a stable budget that allowed the Council to secure skilled workers at a fair rate. For example, Homecare had entered into a dynamic purchasing system framework, which allowed for a smoother transaction process within a new model, to follow and engage with providers directly.

Savings

A full schedule of savings proposals was outlined as Appendix A to the report.

Within Social Care, work was ongoing, including a review of the reablement service, to manage costs and promote opportunities for efficiencies and savings while limiting the impact on front line services. For example, Homecare, through Electronic Call Monitoring, would extract an effective procurement saving of £300k.

The Public Health Grant was expected to fall to £17,506k for 2018/19 in line with previously released allocations from the Department of Health (a year-on year reduction of £491k over the period 2015/16 to 2019/20.). Service Transformation proposals included a target of £491k to manage the cut in Public Health funding within services historically funded from the grant.

Housing Revenue Accounts

The Council's provision of housing, fully supported by rental income, remained ring fenced. Policy from Central Government set out a mandated reduction in rents of 1%, though the High Value Voids Levy was to be removed for 2018/19.

Capital Programme & Housing Units

Sandra Taylor, Assistant Director, Provider and Commissioned Care, elaborated on the Council's Capital Programme, and specifically the construction of the supported housing unit at Grassy Meadows.

The Committee was informed that accommodation at Grassy Meadows would comprise of flats. All aspects of the design and construction, both internal and external, had been designed to ensure that the facilities met the required standards for people with dementia.

The Grassy Meadows site would include a Dementia Centre as part of the supported housing on site, to open in June 2018. The Centre would include a dementia resource centre, a day care centre that could accommodate up to 30 people a day, and two clinic rooms for Health partners to use. Currently, the Council was working to identify potential residents. All residents on site would have access to 24 hour care support and 24 hour flexi support within their own flat.

Members requested that a further update on the new housing unit, alongside a Member visit to Grassy Meadows once open, be considered for a future meeting of the Committee.

Members Comments

Members discussed their proposed comments to the Corporate Services & Partnerships Policy Overview Committee.

Labour Group Members queried the accuracy of a number of figures within the report, particularly the reduction figure of £1,877k for expenditure within adult placements, the figures for the HRA Budget Requirement, the inflation forecast figure of £47k for Residents Services, and Independent Living Recharges.

Labour Group Members asserted that they had found it difficult to draw conclusions on the budget while there was uncertainty over some of the figures contained therein.

It was requested that these figures be checked, and where appropriate elaborated upon, via email to Committee Members.

In addition, it was felt that the inflation forecast figure within the Group Budgets, with particular reference to inflation of care provider wages and rising business costs, was optimistically low. It was felt that this could have a detrimental impact on the Council's ability to attract skilled care workers versus competing Local Authorities.

Conservative Group Members praised the budget, and in particular the provision of a new swimming pool within Yiewsley / West Drayton, and the construction of two new housing units at Park View and Grassy Meadows. In particular, Members were enthused at the formation of a dementia centre at the Grassy Meadows site.

Committee Members discussed the format of the comments to be forwarded to the Corporate Services & Partnerships Policy Overview Committee. It was agreed that the clerk would review the required format of the comments, before drafting the Committee's response under consultation with the Chairman and Labour Lead.

RESOLVED:

1. That an update on Homelessness and the relevant reforms be brought to a future meeting of the Committee;
2. That an update on SEN Transport be brought to a future meeting of the Committee;
3. That an update on the new housing units at Park View and Grassy Meadows, be brought to a future meeting of the Committee;
4. That a Member Visit to Grassy Meadows Dementia Centre be organised, once the Centre opens;
5. That the Finance Manager provide Committee Members with additional clarity on the budget figures queried, specifically the reduction figure of £1,877k for expenditure within adult placements, the figures for the HRA Budget Requirement, the inflation figure of £47k for Residents Services, and Independent Living Recharges, by email; and
6. That the clerk confirm the required format of the Committee's comments to the Corporate Services Policy Overview Committee, before drafting the comments under consultation with the Chairman and the Labour Lead.

Corporate Services & Partnerships POC – 4 January 2018 (Finance and Administration)

The Finance Manager for Operational Finance and Financial Planning Manager for Strategic Planning were in attendance to discuss the item with the Committee.

Responding to Members' questioning, Officers confirmed that £7m of savings were outlined in the budget report to Cabinet, and this information would be included in the report to the February Committee meeting, and that £250k allocated for the Uxbridge Police Station was kept aside until there was agreement on the matter with the Mayor of London.

The Committee asked for confirmation on the number of Council houses that had been built, and how these figures compared with the Council's target, and officers confirmed that they would confirm the figure with the Committee via a written answer before the next meeting.

Officers informed Councillors that the £200k additional funding for Counter Fraud Activity which has not all been allocated, but some has been earmarked for an officer from Border Control to work within the team.

RESOLVED: That the budget proposals for services within the remit of Corporate Services and Partnerships Policy Overview Committee were noted.