

DRAFT BUDGET PROPOSALS 2019/20: COMMENTS FROM POLICY OVERVIEW COMMITTEES

Committee name	Corporate Services, Commerce & Communities Policy Overview Committee
Officer reporting	Luke Taylor, Democratic Services
Papers with report	Appendix A - Relevant draft minute extracts from individual POC meetings.

HEADLINES

This report includes the full set of Policy Overview Committee comments on Cabinet’s draft budget proposals, which are to be considered by the Committee and submitted to Cabinet.

RECOMMENDATIONS:

That the Committee:

1. Consider the formal comments on the Cabinet’s budget proposals from the other two Policy Overview Committees, seeking clarification if necessary;
2. Agree its own final comments on the Cabinet’s budget proposals for submission; and,
3. Subject to above, submits a combined set of formal Policy Overview Committee comments to Cabinet for consideration.

SUPPORTING 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 13 December 2018. This opportunity enables Councillors, who are not in the Cabinet, to provide input or comment on aspects of the budget for the ensuing year.

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:

	Departmental Budget remit	Comments
Corporate Services, Commerce & Communities	<i>Chief Executive’s Office</i> <i>Finance</i>	(DRAFT: TO BE AGREED BY THE COMMITTEE) The Committee noted the budget projections and the combined budget proposals put forward by the Chief Executive’s Office and Finance Group, and

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Corporate Services, Commerce & Communities Policy Overview Committee – 5 February 2018

<p>8 January 2019 & 5 February 2019</p>	<p><i>Residents Services (certain service areas).</i></p>	<p>recognised the continuing financial constraints faced by the Council, whilst acknowledging that the Council have a track record of delivery over recent years in delivering a budget without impacting frontline services.</p>
<p>Social Care, Housing & Public Health – 16 January 2019</p>	<p><i>Social Care Residents Services (Housing, Public Health) Finance (Benefits)</i></p>	<p>The Social Care, Housing and Public Health Policy Overview Committee supported the budget proposals and commended officers for their work in times of austerity. Although concern was expressed around future budget pressures from increasing care costs, the Committee was pleased to see that there had been capital investment in housing and a zero increase in council tax for 65s and over for the thirteenth consecutive year. The Committee welcomed the budget, particularly as there were no reductions to front line services.</p>
<p>Residents', Education & Environmental Services – 22 January 2019</p>	<p><i>Residents Services (various service areas)</i></p>	<p>Members agreed that it was gratifying to see that, despite the financial pressures faced by the Council, the Capital Programme was able to provide adequate funds for projects to maintain and improve services for residents, such as school expansions, street lighting, and highways improvements. The Committee thanked officers for their input and efforts.</p>

DRAFT MINUTES EXTRACT OF BUDGET DISCUSSIONS

Corporate Services, Commerce & Communities POC - 8 January 2019

The Financial Planning Manager was in attendance at the meeting to introduce the 2019 / 2020 budget proposals for services with the remit of the Committee. Members heard that the budget was presented in the context of the next four years, and during this period £48m total savings were required.

The Committee was informed that the underlying savings requirement had fallen to under £20m due to new one-off social care funding from the Government and a Council Tax increase, although Council Tax for the over 65s remained frozen. The Financial Planning Manager noted that the 2019/20 savings programme requires no reduction in service levels, and any savings were made by efficiencies. Savings over the subsequent three years are expected to total £28m, although this figure may change due to uncertainties such as Brexit and the upcoming Fair Funding Review, the figure will remain in that range.

Members heard that any fees and charges for services were benchmarked against neighbouring local authorities, or competitive if the fees were commercial.

It was agreed that the 2019/20 budget proposals were agreeable, and the report was noted.

RESOLVED: That the Committee noted the 2019/2020 budget proposals for services within the remit of the Corporate Services, Commerce and Communities Policy Overview Committee.

Social Care, Housing & Public Health POC - 16 January 2019

Iain Watters, Financial Planning Manager; Peter Malewicz, Finance Manager and Andy Goodwin, Financial Planning Accountant were in attendance at the meeting to introduce the 2019 / 2020 budget proposals for services with the remit of the Committee. Members heard that the budget was presented in the context of the next four years, and during this period £48m total savings were required.

The Committee noted that Cabinet would consider the budget proposals on 14 February 2019 and the report would include comments from Policy Overview Committees.

The Committee was informed that the underlying savings requirement for 2019/20 had fallen to under £20m due to a reduction in the financial gap within social care and a Council Tax increase, although Council Tax for the over 65s remained frozen. Mr Watters noted that there was still no reduction in service levels, and any savings were made by efficiencies. Mr Watters detailed the contingency items relating to services with the remit of the POC, providing £3,756k additional funding to meet the costs of service delivery in 2019/20 over and above operating budgets.

It was confirmed that savings proposals were focused on increased efficiency and effectiveness, rather than reducing services. It was highlighted that a number of savings totalling £749k had been identified and built into the proposed budget, which included savings from the outsourcing of the Telecare service.

Members heard that any fees and charges for services were benchmarked against neighbouring local authorities, or competitive if the fees were commercial.

Concerns about the pressures on social care exceeding budget proposals, and the challenge of recruiting and retaining professional social work staff, was noted.

RESOLVED:

- 1) **That the Committee noted the 2019/2020 budget proposals for services within the remit of the Social Services, Housing and Public Health Policy Overview Committee; and,**
- 2) **That authority be delegated to the Democratic Services Officer to finalise the Committee's comments with approval of the Chairman and the Labour Lead.**

Following the meeting, the following comments were agreed to be submitted:

'The Social Care, Housing and Public Health Policy Overview Committee supported the budget proposals and commended officers for their work in times of austerity. Although concern was expressed around future budget pressures from increasing care costs, the Committee was pleased to see that there had been capital investment in housing and a zero increase in council tax for 65s and over for the thirteenth consecutive year. The Committee welcomed the budget particularly as there were no reductions to front line services.'

Residents', Education & Environmental Services POC - 22 January 2019

Andy Evans, Deputy Director of Corporate Finance, and Peter Malewicz, Finance Manager, introduced the 2019/20 Budget Proposals for services within the Committee's remit. The Committee was advised that:

The Council continued to operate within the constraints of reduced funding from Government. In addition, continuing demographic and demand pressures necessitated a requirement for further savings, totalling £48,155k over the four years to 2022/23.

For the financial year 2019/20, frontline services would be maintained through a £7,776k release from General Balances and a 2.4% increase in Council Tax. The increase in Council Tax was limited to 90% of the average 2018/19 increases for households in the neighbouring boroughs of Ealing, Harrow and Hounslow, and equated to £26.71 per annum for a Band D household.

Proposed savings figures included an assumed increase in Government funding of £10,000k over the four year period, but there remained uncertainty due to Brexit and the in-progress Fair Funding Review. The funding strategy was offset by the aforementioned increase in Council Tax at 2.4% in 2019/20, and indicative inflationary uplifts of 2.99% on Council Tax from 2020/21 securing

£13,766k additional income. In addition to this, identified savings would deliver a further £6,366k and planned use of General Balances left £27,973k of savings to be identified over the next three budget cycles.

Recurrent funding available to support the budget requirement was projected to total £213,671k in 2019/20, inclusive of £2,684k additional income linked to the proposed 2.4% increase in Council Tax. This recurrent funding was supplemented by £15,466k of one-off funding, including £6,600k additional income from the London Business Rates Pilot Pool and a £7,776k release from General Balances, to support the £229,137k projected cost of delivering services in 2019/20.

The draft budget included £862k new funding for Priority Growth items which, together with £20k of brought forward resources, would support £632k of specific initiatives and £250k of unallocated growth was available to meet emerging requirements. The Council's capital programme included £448,812k of planned investment in local infrastructure over the period 2018/19 to 2023/24. This included a new swimming pool in the Yiewsley / West Drayton area, a major programme of investment in the Borough's highways, and re-provision of the Hillingdon Outdoor Activity Centre in response to High Speed 2.

Overall, the Council's financial position remained strong.

Members asked a number of questions, including:

The report listed savings proposals of £511k for Residents Services and £491k for Social Care, for 2019/20. Could officers provide a breakdown of what areas these savings figures would cover? Did one of these items include the proposed savings of £100k relating to security reductions, and could this be covered by ASBIT officers?

The report included information specific to the services within the remit of REESPOC, with the overall figures including items that had been reported to the Corporate Services, Commerce and Communities, and Social Care, Housing and Public Health Policy Overview Committees. Within the remit of REESPOC, the £491k for Social Care included proposed savings that had been identified within the provision of transport needs for vulnerable children, and was based on a review of route management, contractor fees, and a general streamlining of the service management.

Members felt that the figures within the report were difficult to reconcile alongside the figures previously presented to Cabinet. Officers agreed that they would provide additional information via the clerk, to help Members reconcile the two budget reports and to clarify the proposed savings that related to the Residents, Education and Environmental Services Policy Overview Committee.

Regarding SEN transport, it was noted that the projected funds required to meet the forecasted growth in demand exceeded the funds allocated. Why was this?

The forecasted figure set out in the report was for SEN Transport across multiple years. The forecasted growth in demand was aligned to the potential growth in population and that population's needs. However, it was important to note that the needs of one child did not equate to a single transport route/journey. For example, multi-person vehicles could be used to offset costs.

The report listed a reduction in expenditure projections for Secondary School Expansions. Why was this?

The forecasted reduction was based on a changing population. In many London boroughs, populations had been seen to stabilise or even reduce, as families moved out of London. The figure had been reached following a re-profiling of need based on population, required spaces, and churn.

Regarding Cross Cutting, which posts had been deleted?

Deleted posts were predominantly within business administration and back-office areas. A vacant post exercise was undertaken across the Council with input and final sign-off from the relevant operational service areas, and was focused on long-term vacancies of six months or longer.

Fees and Charges had seen a significant increase. Why were such large increases proposed?

All charges had been benchmarked under the 90% of neighbouring boroughs fee principle threshold. In many areas, no increase had been applied for number of years, and fees had therefore fallen behind neighbouring authorities. In some services such as Music Services a policy decision had been taken to phase the increase to the 90% level over more than one year. Existing concessions were being maintained across these services.

How were services monitored to ensure that they were not compromised as a result of reduced or changed funding?

Officers were maintaining a close overview of services, which included regular reports alongside resident feedback. The need for strong management and quality front line staff was recognised as important for the effective delivery of services to residents.

Labour Group Members expressed serious concerns over the budget, with specific reference to the reductions outlined within the service transformation.

It was agreed that Councillor Sweeting would liaise with the Chairman and the clerk to request additional information on behalf of the Committee.

Members noted the contents of the report, and Councillor Tuckwell made the following comment:

'That it was gratifying to see that, despite the financial pressures faced by the Council, the Capital Programme was able to provide adequate funds for projects to maintain and improve services for residents, such as school expansions, street lighting, and highways improvements. The Committee thanked officers for their input and efforts.'

Following a proposal by the Chairman, the above comments were approved by the Committee as comments to be submitted on the budget. However, Labour Group Members asked that their concerns over the adoption of these comments, and their serious concerns over the proposed budget savings for services under the remit of REESPOC, be recorded in the minutes.

RESOLVED:

- 1) That the report be noted;**
- 2) That the Committee's agreed comments on the budget be included in the forthcoming report to the Corporate Services, Commerce and Communities Policy Overview Committee;**
- 3) That officers provide additional information to help Members reconcile the information included within the report against the information previously presented to Cabinet,**
- 4) That officers provide a breakdown of the proposed savings for Residents Services and Social Care; and,**
- 5) That Councillor Sweeting would liaise with the Chairman and the clerk to request further information on behalf of the Committee.**