

DRAFT BUDGET PROPOSALS 2020/21: 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 17 December 2019. 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 detailed below:

	Departmental Budget remit	Comments
Corporate Services, Commerce & Communities 14 January 2020 & 4 February 2020	<i>Chief Executive's Office</i> <i>Finance</i> <i>Residents Services (certain service areas).</i>	(DRAFT: TO BE AGREED BY THE COMMITTEE) The Committee reviewed the budget projections and the combined budget proposals put forward by the Chief Executive's Office and Finance Group for the financial year 2020/21 in detail, and note the work achieved through service transformation and ongoing BID reviews without impacting on levels of service. Members also noted their appreciation for the work that has been carried out by officers in producing the budget.
Social Care, Housing & Public Health – 15 January 2020	<i>Social Care</i> <i>Residents Services (Housing, Public Health)</i> <i>Finance (Benefits)</i>	The Social Care, Housing and Public Health Policy Overview Committee supported the budget proposals and commended officers for producing a well balanced budget without cutting services. The Committee welcomed the way officers were delivering change and improvements and the innovation demonstrated in the budget was recognised. The Committee hoped that the Council would continue to provide the best service for residents.
Residents', Education & Environmental Services – 21 January 2020	<i>Residents Services (various service areas)</i>	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 the resurfacing of roads and footpaths, an increase in youth provision, and new leisure and sports facilities. In addition, the Committee was pleased to recognise the Council's recruitment of additional ASBET enforcement officers, its support for additional duties from the Environment Bill, and the allocation of resource aligned to animal welfare, and supported and endorsed the Council's approach when reviewing fees and charges with a view to keeping within 90% of that of neighbouring boroughs.

APPENDIX A

DRAFT MINUTES EXTRACT OF BUDGET DISCUSSIONS

Corporate Services, Commerce & Communities POC - 14 January 2020

Officers introduced the 2020 / 21 budget proposals for services within the remit of the Corporate Services, Commerce and Communities Policy Overview Committee.

Members were informed that Cabinet will consider the budget proposals in February, including budget comments from all Policy Overview Committees, and Council will meet to agree the 2020 / 21 budgets and Council tax levels on 20 February 2020.

Officers noted that funding from the Chancellor's review was in keeping with what the Council expected, and the Social Care grant funding was off-set by the loss of London business rates retention.

The Committee noted that the budget gap of £27.7m remained consistent with previous years and other local authorities, and there was a planned Council Tax rise of 1.8%, alongside a 2% increase relating to the Adult Social Care Precept. Officers commented that this equated to £43.31 per annum, or £0.83 per week, for a Band D household.

Responding to Councillors' questioning, officers noted that the investment in youth infrastructure was built into the capital programme, and further details will be provided in the budget proposals report that is to be presented to the Residents, Education and Environmental Services Policy Overview Committee.

Members sought clarification regarding the Exchequer and Business Assurance Services service review savings, and were informed that the Council reviewed each areas for efficiency, including the way services were delivered, staffing and the use of digital technology. The Deputy Director of Exchequer and Business Assurance Services confirmed that the review considered what was needed now and what the Council required in the future, including the impact on Universal Credit on the way the Council operates.

RESOLVED: That the Committee note the budget projections and the combined budget proposals put forward by the Chief Executive's Office and Finance Group and the relevant services areas within the Residents Services Group, within the context of the corporate budgetary position.

Social Care, Housing & Public Health POC - 15 January 2020

The Financial Planning Manager introduced the 2020 / 2021 budget proposals for services with the remit of the Committee and provided a verbal summary. Members heard that the budget was presented in the context of the next three years to 2022/23, and during this period a total of £40m savings was required.

The Committee noted that Cabinet would consider the budget proposals on 13 February 2020 and the report would include comments from Policy Overview Committees. Members were informed that Council would meet to agree the 2020 / 21 budgets and Council tax levels on 20

February 2020.

It was reported that the proposals for 2020/21 included a fourteenth successive year for supporting over 65s meeting their Council Tax liability and included a number of new investments including a new Leisure Centre in West Drayton, a major programme of investment in the Borough's highways, a programme of sports club rebuild/refurbishments, a libraries refurbishment programme, provision for investment in Youth infrastructure and the potential purchase of Uxbridge police station.

It was highlighted that in order to continue to provide front line services, the 2020/21 budget proposals included a drawdown from General Balances of £6,386k alongside a 3.8% increase in the headline rate of Council Tax, increasing available funding by £4,422k per annum. This comprised a core Council Tax increase of 1.8% based on 90% of the 2% anticipated increase across London, alongside a 2% increase relating to an Adult Social Care Precept to fund ongoing pressures within Adult Social Care, equating to £43.31 per annum or 0.83 pence per week for a Band D household. Overall, there had been an increase in spending across Social Care, Public Health and Housing and this was due to the greater demand of people needing services and inflation.

It was explained that the care market was closely managed and officers worked closely with providers in relation to the viability of businesses.

Members sought clarification regarding the service transformation savings and it was noted that the utilisation of units was analysed and contracts had been rationalised to enable the release of Olympic House. Quality assurance was also key in semi-independent accommodation. The different systems in relation to SEND work streams was explained to the Committee. Although it was the early stages, it was noted that the local authority had power to introduce a licensing scheme in areas where there was evidence of recurring issues with private rented accommodation. Further details would be provided about housing voids and private rented accommodation.

The Committee welcomed the budget, particularly the balances without having to cut services and applauded the Cabinet for the direction provided. Members were pleased to see expansion in the area of housing delivery.

The concerns regarding the inflation rates and contingencies on social care were noted.

Having considered the budget proposals, the following comments were asked to be submitted to Cabinet on the budget proposals:

The Social Care, Housing and Public Health Policy Overview Committee supported the budget proposals and commended officers for producing a well balanced budget without cutting services. The Committee welcomed the way officers were delivering change and improvements and the innovation demonstrated in the budget was recognised. The Committee hoped that the Council would continue to provide the best service for residents.

RESOLVED: That the Committee noted the 2020/21 budget proposals for services within the remit of the Social Services, Housing and Public Health Policy Overview Committee.

Residents', Education & Environmental Services POC - 21 January 2020

Marcus Briginshaw (Finance Manager), and Graham Young (Lead Finance Business Partner), introduced the report detailing Cabinet's budget proposals for the next financial year.

Officers confirmed that the report was the second of two regular annual appearances from the Council's finance team on the budget setting process. The first report, considered in summer 2019, confirmed the size of the challenge ahead, with an update on the current budget gap, and advised that work was underway to address the budget gap through savings, contingency and growth proposals.

The report set out the context of the budget recommendations, updates on funding and spend to recalculate the budget gap, and details of specific proposals within the remit of the Committee.

Current projections remained in line with those presented in the summer, with funding updates from the Chancellor's Spending Review adding a marginal £0.7m net funding to the Council. This had resulted in a forecasted budget gap of £27.7m for the three years to 2023, made up of the £20m savings to be identified in Table 1 of the report, plus the £7.7m of current savings proposals. This budget gap remained consistent with previous years and with other Local Authorities.

The budget gap assumed an inflationary uplift to Council Tax of 1.8% per annum, based on 90% of the assumed uplift across London. In addition, for the first time, the Council was proposing to utilise the Social Care Precept and add a further 2% rise in Council Tax, as it was apparent that this was a key element of Government's funding strategy for Social Care in 2020/21. The total 3.8% increase in Council Tax added £43.31 per year to the average Band D Council Tax liability, or £0.83p per week.

The 2020/21 budget gap was the result of 3 areas:

- £13m demand-led and inflation (population growth) for continuing the same services;
- £6m financing for Councils capital investment, increasing to £12.4m by 2024/25; and
- £8m savings deferred from previous year in line with Council's saving strategy agreed in February 2019.

The Committee asked a number of questions, including:

How was the near £14m designated schools deficit going to be managed? In the past, this had predominantly related to High Needs Places funding, and the Council had previously requested that the School Forum contribute to this funding. Was this likely to happen again?

It was accepted that the schools deficit was an area of concern. To help manage this, a request had been made to the Department for Education (DfE) to transfer money from the schools block in an effort to close the gap in-year.

With regard to High Needs Places funding, there was additional funding available from the Government and through the Council, and further detail could be shared once the new strategy was finalised.

Some members commented that, with the Fair Funding formula and the reduction in numbers that some primary schools were experiencing, some schools were finding it difficult to balance the books. It was suggested that Council should recognise the pressures schools were facing and, in relation to High Needs funding, not ask too much of schools.

The report set out an approximate £17m reduction in funding for expansion of secondary schools. Was this due to a large forecasted drop in the projected numbers of pupils moving forward?

Primary and secondary school place forecasts were based on population projections from the GLA which were showing a reduction in the need for places due to a variety of factors including parental preference, residential development etc. This was resulting in a projected move to an extra 3 forms of entry in the north of the Borough, and 1.5 forms of entry in the south of the Borough. Planned investment was therefore being reduced in line with these projections. However, modelling and forecasting continued to be carried out annually, and the need for continued investment to meet the overall high need remained. The peak forecasted was for entry in September 2022, when it is forecast that an extra 8 forms of entry will be required to meet demand across the Borough.

Members raised concerns that the increase in the charges for the processing of DIY and trade waste at amenity sites could potentially incentivise fly-tipping.

Labour Group Members expressed concerns over the budget, with specific reference to the Council's use of capital receipts to fund some aspects of transformation, which was felt to disguise cuts to services or headcount around the BID team. It was stressed that the Council should aim to ensure that it was maximizing fundraising and income, such as external grants, to make best use of Arts and Leisure provision.

Labour Members also reminded the Committee of its remit to monitor Council services to ensure the Council was continuing to fulfil its obligations in light of cuts to services. An example of issues with the SEND service was highlighted, including reports that the Council was not achieving the 20 week statutory requirement for Education and Healthcare Plans, with statistics available showing that in 2018, Hillingdon was the seventh worst in London for achieving that target. In addition, an elderly resident at Christmas was informed that she owed money to the Council when in fact it was the Council that owed money to her. This had been a great source of stress to this resident, who was still awaiting a resolution to the issue.

Other Members responded by stating that they felt that the Committee's role was to monitor the overall policy rather than its direct implementation, a function that they felt the Committee was fulfilling. Members highlighted the regular reports received by the Committee, and the regular opportunities given to the Committee to challenge officers.

Members noted the contents of the report, and Councillor Tuckwell suggested:

'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 the resurfacing of roads and footpaths, an increase in youth provision, and new leisure and sports facilities. In addition, the Committee was pleased to recognise the Council's recruitment of additional ASBET enforcement officers, its support for additional duties from the Environment Bill, and the allocation of resource aligned to animal welfare, and supported and endorsed the Council's approach when reviewing fees and charges with a view to keeping within 90% of that of neighbouring boroughs.'

Following a proposal by the Chairman, the above comments were approved by the Committee as comments to be submitted on the budget.

RESOLVED:

- 1. That the report be noted; and,**
- 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.**