

# DRAFT BUDGET PROPOSALS 2021/22: COMMENTS FROM POLICY OVERVIEW COMMITTEES

<b>Committee name</b>	Corporate Services, Commerce & Communities Policy Overview Committee
<b>Officer reporting</b>	Liz Penny, Democratic Services
<b>Papers with report</b>	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.

This report has been circulated after the agenda was issued for this meeting and the reason for urgency is due to the timings of the Committee meetings this year, and the need to ensure comments are provided to this Committee.

## 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, submit 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 10 December 2020. 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:

	<b>Comments</b>
<p><b>Corporate Services, Commerce &amp; Communities</b></p> <p><b>12 January 2021 &amp; 3 February 2021</b></p>	<p>To be considered at the meeting on 3 February 2021.</p> <p>The Committee notes and congratulates officers on their ongoing work in delivering a balanced budget across the Council year after year, particularly during the challenging year we have just experienced. With particular note to the areas within this Committee's remit, it is pleasing to see the BID process being revisited across a number of departments to continually look at ways that processes can be improved and delivered. This includes the use of technological advancements alongside automation and robotics in terms of software developments. This is a positive and forward-looking step that the Council is taking, which not only delivers savings, but also improves efficiencies in services.</p>
<p><b>Social Care, Housing &amp; Public Health –</b></p> <p><b>19 January 2021</b></p>	<p>The Social Care, Housing and Public Health Policy and Overview Committee commends officers on the budget proposals, maintaining services for residents, with appropriate contingency provision for service pressures. Proposals for priority growth within Domestic Abuse are welcomed, as are proposals within the capital programme for autism respite accommodation and the investment in general needs housing within the HRA. The Committee also welcomes the approach to innovation, delivering service transformation. A question in relation to budget setting was raised, with reference to the impact of the pandemic. Officers advised that the base budgets and contingency is set using the same approach as all other years and any impact that Covid-19 may have on the base budgets for 2021/22 will be managed using the council's Covid-19 contingency budget. This is a clearer way of understanding the base position and the distinct impact of the pandemic.</p>
<p><b>Residents', Education &amp; Environmental Services</b></p> <p><b>27 January 2021</b></p>	<p>The Committee welcomes the budget report which contains an ambitious investment plan despite challenging and uncertain times.</p> <p>The Committee acknowledges the need to raise Council Tax, however, the Committee is reassured to note that the 4.8% increase to be raised is no more than necessary to protect front line services.</p> <p>The Administration's policy of sound financial management has continued to protect residents in this budget proposal, with reserves being utilized that have been built up in previous years. The policy of zero-based reviews has also resulted in many departments coming in under budget, which has kept costs under control.</p>

	<p>With the concerning increase in domestic violence due to the pandemic, the Committee warmly welcomes the £50k of new funding for domestic abuse initiatives.</p> <p>Due to the uncertainty of the last year and indeed the near future, the Committee also endorses the Administration's cautious approach in allocating £1,038k of priority growth earmarked reserves for any new and emergency issues that may arise in the new financial year.</p> <p>With health and wellbeing being placed under strain during the pandemic, the Committee welcomes the continued investment program to rebuild/refurbish sports clubs, a renewed library refurbishment programme, provision for investment in youth infrastructure, and a commitment to build a new leisure centre in the Yiewsley and West Drayton area.</p>
--	--

## **DRAFT MINUTES EXTRACT OF BUDGET DISCUSSIONS**

### **Corporate Services, Commerce & Communities POC - 12 January 2021**

Iain Watters, Financial Planning Manager, presented the budget report. Members were informed that Cabinet had agreed the budget proposals in December 2020; these were not out for public consultation. Key headlines in the report included:

1. The Chancellor's spending review 2020 had set out a £1m uplift in grant funding for the local authority;
2. An extra 1% had been added to the Social Care Precept to assist with the impact of the pandemic;
3. The Chancellor had set out a pay freeze in terms of the inflationary element of salary for all public sector workers;
4. Hillingdon's budget gap which had stood at £19m in September 2020, had reduced to £16m following these changes.

In terms of the Cabinet's budget proposals, Members heard that £8m of savings were proposed; these were mainly efficiency savings based around transformation of services. The only item which was a shift in policy was a £500,000 saving from winding down the local first-time buyers' scheme. A 4.8% uplift in Council tax was proposed which included the additional 3% in the Social Care Precept and a 1.8% increase in core Council tax. A release of £2m from balances was proposed. The older people's discount for Council tax would be protected but Council tax would not be frozen for this group. It was reported that the Council was less reliant on general balances than had been expected in September 2020. It was expected that there would be £28m of general balances going forward. Looking beyond the 2021-22 financial year, it was expected that some 12.6m of savings in 2022/3 and 2023/4 would be required which was a high number but not an impossible target.

In terms of the services within the Committee's remit, savings were proposed mainly around back office efficiencies. These related mainly to revenues and benefits automation to make back office processes more efficient, a review of the technical administration and business support services, energy savings and efficiencies around printing and mail.

In terms of new investment, an uplift in spending on CCTV was proposed and charges were proposed when people requested CCTV footage for example for insurance purposes.

In response to questions from the Committee, it was confirmed that the revenues, benefits and technical administration departments were services which had been the subjects of substantial bid reviews some 4 or 5 years previously. Members were informed that the previous reviews had been around management structure whereas the current proposals related to efficiencies in business processes. It was reported that in the current year an approximate £3m underspend had been recorded; primarily as a result of new working practices due to the pandemic. It was confirmed that the budget for 2021/22 had not been predicated on the basis of this continuing. It

had been assumed that, overall, the local authority would be able to secure funding from Central Government to cover the net additional costs relating to Covid-19. If the Government funding did not cover this, £9m had been set aside as a safety net.

In response to the Committee's requests for clarification, it was confirmed that, in terms of business rates, the impact on the public purse was primarily being borne by Central Government. Rates continued to be collected from Heathrow despite the current difficulties experienced in aviation due to the pandemic. Safety net mechanisms were in place to protect individual local authorities. In terms of CCTV cameras, it was confirmed that obsolete CCTV cameras were gradually being replaced.

It was agreed that the POC's comments regarding the budget proposals be drafted by the Chairman for consideration by the Committee at the meeting in February 2021.

#### **RESOLVED:**

- 1. That the 2021/22 budget proposals for services within the Corporate Services, Commerce and Communities POC be noted; and**
- 2. That comments be drafted by the Chairman for approval at the February meeting.**

#### **Social Care, Housing & Public Health POC – 19 January 2021**

Gemma McNamara, Finance Manager - Transformation, presented the report which laid out the draft revenue budget and capital programme for the services within the remit of the Social Care, Housing and Public Health Policy Overview Committee for the financial year 2021/22.

Members queried the development of risk contingency in paragraphs 31 – 35 of the report which was based on the 2020/21 data. The Committee were informed that the figures were based on the current financial year with growth added on to that. Members noted that the impact of the Covid-19 pandemic was still being calculated and due to the volatility and uncertainty of the current situation, the impact would need to be factored into longer-term financial planning.

Members highlighted paragraph 45 of the report, specifically the £200k uplift in the £250k budget established in February 2016 for autism respite accommodation on the 1 & 2 Merrimans site and queried the extended period of time that the project had taken so far. It was highlighted that a range of technical issues with the suitability of the build and ensuring the right design for the intended clients had been the main factors in the length of time associated with the project.

The Committee emphasised the Better Care Fund and the utilisation of the funding to better support health and social care integration as a positive move for residents, although it was noted that there could be a challenge in terms of seeking agreement between health partners, especially in what has been a difficult year for all services. Officers stated that the work done in light of moving towards an integrated care pathway, known as Hillingdon Health and Care Partners, would start to materialise in the coming year; it was also noted that within this change there would be a shift in funding towards the preventative care provision.

The Committee congratulated officers on the well-balanced budget proposals, especially given the constantly shifting environment. The following comments were proposed by the Chairman to

be submitted to Cabinet on behalf of the Committee:

“The Social Care, Housing and Public Health Policy and Overview Committee commends officers on the budget proposals, maintaining services for residents, with appropriate contingency provision for service pressures. Proposals for priority growth within Domestic Abuse are welcomed, as are proposals within the capital programme for autism respite accommodation and the investment in general needs housing within the HRA. The committee also welcomes the approach to innovation, delivering service transformation.”

The Committee gave general agreement to the proposed comments and were encouraged by reference to the proposed priority growth within Domestic Abuse services. A question in relation to budget setting and the number residents in receipt of Adult Social Care services was raised, with reference to the long-term impact of the Covid-19 pandemic. Officers noted that the headcount of residents in receipt of services was usually fairly stable and it was the cost of care delivery which tended to increase; this year however there had been more of a fluctuation in headcount due to the impact of the pandemic, specifically with regard to residential and nursing care. Officers advised that the base budgets and contingency was set using the same approach as previous years and any impact that Covid-19 may have on the base budgets for 2021/22 was to be managed using the Council’s Covid-19 contingency budget.

Although general approval was given for the proposed comments, Members were minded to receive further clarification officers before giving formal agreement to the comments. The Chairman agreed to consult with the Opposition lead on the final approved comments.

**RESOLVED: That the Committee gave general agreement to the proposed comments and that, upon receiving clarification from the Corporate Director of Social Care, the Chairman agree the final comments to be submitted to Cabinet in consultation with the Opposition lead.**

### **Residents’, Education & Environmental Services POC - 27 January 2021**

Marcus Briginshaw – Finance Manager (Capital and HRA), and Graham Young – Lead Finance Business Partner (Schools/DSG) presented the report which laid out the draft budget for the services within the remit of the Residents, Education and Environmental Services Policy Overview Committee for the financial year 2021/22.

Members sought further information on the Council’s application to the DfE to reclaim monies from the schools budget to help provide High Needs support, and whether the Schools Forum supported this proposal. The Committee was advised that the Schools Forum did not support the proposal, which was currently awaiting response from the DfE. It was confirmed that, if approved, this would reduce the total funds to allocate to schools, though there would remain a per-pupil increase over previous years. If not approved, the Council would need to set a deficit DSG budget, and schools would be allocated all the schools block funding.

Labour Group Members raised concerns regarding the budget, and particularly the fact that the services under the remit of REESPOC appeared to be taking the majority of reductions in funding, which were significant. Concerns were raised regarding the Council’s intention to raise fees and

charges and reduce funding for services such as theatres, museums, adult learning, youth services, and car parking, in a time of financial hardship for many residents. The potential negative impact of the proposed budget on street traders and the Borough's high streets was highlighted. Residents were also to be asked to pay for the Fiesta programme, which previously had been free, in a time when community services and sport to help improve resident's mental health was of even greater importance. On this basis, the Labour Group Members confirmed that they were unable to support all of the savings proposed within the budget.

Additionally, Mr Tony Little expressed his concerns over the proposal to divert funds from the schools budget to address the High Needs deficit.

During the discussion, it was noted that several figures within the report appeared to be erroneous. It was agreed that officers would provide updated figures to Members following the meeting. It was therefore agreed that, upon receipt of these updated figures, the Chairman would draft the comments on the budget on behalf of the Committee, in consultation with the Opposition Lead.

**RESOLVED:**

- 1. That the Committee note the report, and**
- 2. That the Chairman draft the comments on the budget on behalf of the Committee, in consultation with the Opposition Lead.**