

CORPORATE INFRASTRUCTURE AND REGULATORY SERVICES SCRUTINY COMMITTEE

31 January 2018

Present:-

Councillors A Dewhurst (Chair), P Colthorpe, M Asvachin, Y Atkinson, R Bloxham, J Hook, J Brook, C Chugg, R Edgell, A Saywell, M Shaw and C Slade

Apologies:-

Councillors K Ball, P Crabb and I Hall

Members attending in accordance with Standing Order 25

Councillor S Barker, J Clatworthy, A Connett, R Croad, A Davis, R Gilbert, R Hannaford, A Leadbetter, J McInnes and B Parsons

* 39

Minutes

RESOLVED that the Minutes of the meeting held on 28 November 2017 be signed as a correct record.

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Items Requiring Urgent Attention

There was no matter raised as a matter of urgency.

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Public Participation

There were no oral representations from members of the public.

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Budget 2018/19

(Councillors Hannaford, Randall Johnson and Connett attended in accordance with Standing Order 25(2) and spoke to this item at the invitation of the Committee.)

(Councillors Atkinson, Colthorpe and Saywell declared personal interests in this item by virtue of being a trustee of the Exeter CAB, a trustee of Involve, Mid Devon (CVS) and a member of the South West Energy and Environment Group, respectively.)

Councillors Hannaford and Randall Johnson, as Chairs of the Children's Scrutiny Committee and the Health and Adult Care Scrutiny Committee, respectively, reported on the proceedings and recommendations from their respective Budget meetings.

Revenue Budget 2018/19 and Capital Programme for 2018/19 to 2022/23.

The Committee noted that the proposed budget for the 2018/19 financial year would be scrutinised by individual Scrutiny Committees, with an overview of those issues arising being further debated by the Corporate Infrastructure and Regulatory Services Committee as well as draft budget proposals within the Committee's own remit, providing an opportunity for Members to comment on proposals for the Council's Budget in its entirety and also the Chairs of both the Children's Scrutiny Committee and Health and Adult Care Scrutiny Committee attending and presenting, as required.

This would follow the opportunity for individual Scrutiny Committees – at this meeting – to have an initial overview of the budget proposals and examine them to identify any specific issues or areas of interest for incorporation into any recommendations to Cabinet and Council.

The Committee then considered the joint report of the County Treasurer, the Chief Executive, the Head of Communities, Public Health, Economy and Prosperity and the Head of Highways, Infrastructure Development and Waste (CT/18/04) on the provisional financial settlement made by Government within the current and anticipated public sector funding regime and the spending targets set by the Cabinet for each service area which included inflation, commitment and service prioritisation reductions. The Report also detailed the proposed medium term capital programme for the Corporate Infrastructure and Regulatory Services and how it was funded.

The Cabinet, at its meeting of 13th December 2017, had set Revenue Budget targets for 2018/19 which totalled £477.391 millions. The included funding for budget pressures of £28.593 millions that mainly related to additional expenditure to allow for service growth to cater for demographic changes such as increased children and adult service users and unavoidable cost pressures. Savings and income initiatives of £20.842 millions were required to set a balanced budget. The target for Adult Care and Health also included £10.148 millions in relation to the One-off Improved Better Care Fund grant announced by the Chancellor in March 2017.

The announcement by Government on the Local Government Finance Settlement for 2018/19 was made on the 19th December 2017. The 2016/17 local government finance settlement previously announced Core Spending Power figures for the four-year period of 2016/17 to 2019/20 and the Provisional Settlement for 2018/19 confirmed the Core Funding figures was at the expected level of £115.2 millions. There were however other changes in relation to the proposal to reduce the Rural Services Delivery Grant in 2018/19 from £65m to £50m which was now not going ahead, with the grant remaining at the current level. Government had also decided not to go ahead with proposed changes to the New Homes Bonus Scheme and there was a change to the annual Business Rates inflationary increase from Retail Price Index (RPI) to Consumer Price Index (CPI), effective from 2018/19, meaning a reduction to Business Rates received by Local Authorities as part of Core Funding.

The Committee were reminded that its consideration of the draft Corporate Infrastructure and Regulatory Services budget was just part of the process of setting the County Council's budget which, following this meeting, would culminate in the Cabinet on 9 February 2018 formulating a budget for consideration by the County Council on 15 February 2018.

The Chief Executive, County Treasurer and Head of Services commented on the likely implications of the 2018/19 target for their individual service areas, confirming that the overall approach had been to strike a balance between the reality of the financial challenges facing the Council and providing sustainable support services against the increasing demands of front-line services and operational demands.

The Report also contained the detailed budget proposals for Corporate Infrastructure and Regulatory Services, prepared in line with the targets referred to above, reflecting the different pressures and influences faced by services.

The Communities, Public Health, Environment and Prosperity Services base budget was £34.727 millions (a reduction of 2.3% from 2017/18) and included inflation and pressures of £1.034 millions and required savings and income initiatives of £1.837 millions.

The Corporate Services base budget was £34.618 millions (an increase of 1.7% from 2017/18) and included inflation and pressures of £2.957 millions and required savings and income initiatives of £2.364 millions.

The Highways, Infrastructure Development and Waste Services base budget was £54.708 millions (a reduction of 2.7% from 2017/18) and included inflation and pressures of £3.227 millions and required savings and income initiatives of £4.723 millions.

The Report also referred to the Budget 2018/19 Impact Assessment, circulated prior to the meeting, giving an overview of the impact assessments for all service areas (available at: <https://new.devon.gov.uk/impact/published/budget-impact-assessment-201819/>), for the attention of Members at this meeting in order that they may be aware of the equality impact assessments undertaken as part of the budget's preparation and that any risk assessments and projections were adequate and that the evidence supported the assumptions made in the formulation of the budget. Acknowledging also that the preparation of Impact Assessments was necessarily a dynamic process and that individual assessments for specific proposals may necessarily have to be developed and updated with time, Members of the Council must have full regard to and consider the impact of any proposals in relation to equalities prior to making any decisions and any identified significant risks and mitigating action required.

Specific issues and observations arising from the current budget proposals raised at the meeting included the following:

Communities, Public Health, Environment and Prosperity Services

- reflected in the budget savings was the reducing journey numbers on the National Concessionary Travel Scheme, within the Planning, Transportation and Environment service, which was demand led;
- Trading Standards had been working efficiently across an expanding shared service arrangement;
- current income streams within Communities, Environment and Prosperity had been reviewed and overall it was believed that additional income would be generated;
- the Public Health grant of £27.512 millions remained ring fenced for 2018/19, which represented a reduction of 2.6% from that received in 2017/18, with a further grant reduction of 2.6% confirmed for 2019/20;
- a programme of procurement had been undertaken during 2017/18 to enable service demands to be met from the reducing ring-fenced grant, and included the sexual health, substance misuse and domestic violence services being tendered, which resulted in efficiency savings of £450,000 to its budget; and
- grant funding had been secured in addition to the main Public Health grant for a Healthy New Town programme (Cranbrook), and funding from the Big Lottery to support a Pre-Diabetes intervention service was due to be launched in April 2018.

Corporate Services

- the budget increase would provide for continued refinement of service delivery models supported by new and improved cloud-based IT systems to help engineer change and produce increased efficiencies and reduce costs, and provision of support funding for the Public Health Nursing Service; and
- pressure of increasing demands for legal support in respect of Children and Adult safeguarding.

Highways, Infrastructure Development and Waste Services

- the procurement of the new term maintenance contract had generated significant savings during 2017/18 and further efficiencies of £2.8 millions were anticipated during 2018/19;
- income generation had been explored to offset required savings and current charges would continue to be reviewed;

- the Waste service was facing increased expenditure from anticipated waste tonnage growth and other demographic pressures, partially offset by expected savings from future contractual arrangements, bringing the net increase to just over £1 million;
- collaborative working with contractors, communities and individuals ensured the Council could maximise Government capital funding;
- discipline on spending enabled the service to respond to in-year changes and pressures faced by extreme weather events; and
- road maintenance preventative works should include drainage, gully and ditch clearing.

It was **MOVED** by Councillor Brook, **SECONDED** by Councillor Edgell and

RESOLVED that the provisional financial settlement and its impact on spending targets and on the proposed Corporate Infrastructure and Regulatory Services budget for 2018/19 be noted and that the issues and/or observations from all Scrutiny Budget meetings, as set out below, be drawn to the attention of the Cabinet meeting on 9 February 2018:

- (a) that Scrutiny Committees note the Government's provisional financial settlement and the spending targets determined by the Cabinet, expressing concern nonetheless at the continuing financial pressure faced by local authorities and the potential consequences on the ability of the Council to do what matters for the citizens of Devon;
- (b) Scrutiny welcomes the County Council's successful application to be one of the ten 2018/19 business rate retention pilots, with the estimated benefit to the wider Devon area of just under £17 millions and asks that Cabinet continues to press for clarity over funding arrangements for local government for 2019/20 and beyond;
- (c) Scrutiny welcomes the endeavours undertaken by this Council to achieve fairer funding for children in schools across Devon but ask Cabinet to continue to pursue this matter until funding for education is equitable with other similar local authorities;
- (d) ask that the Cabinet be asked to continue to monitor the sufficiency and financing of appropriate placements for children in care both locally and nationally, particularly those meeting the needs of children with complex needs;
- (e) request that the Cabinet continue to maintain the commitment of the Council that adverse impacts for foster carers arising from the restructure of fostering fees, will be eliminated in the short term thus minimising any risk of de-stabilising children currently in placement, to ensure that current placements will not be adversely affected. Furthermore, that the changes, which are currently being negotiated with foster carers, once finalised through Cabinet, will be designed and introduced in ways that minimise any potential impact;
- (f) that the Cabinet continue to press Government through Devon MPs for a fair funding allocation for Devon for Public Health, in recognition of the importance of the prevention agenda;
- (g) that Scrutiny draws to Cabinet and Devons MPs' attention grave concerns about the impact of the cuts to the public health budget, in particular:
 - (i) the potential loss of 30 FTE health visitors from public health nursing;
 - (ii) the anticipated significant impact to young people's mental health from the £223,000 reductions in spend on Public Mental Health at a time when anxiety and depression is increasing;

- (h) that the Cabinet be requested to support an allocation of money from the Sustainability and Transformation Partnership to continue to support Public Mental Health;
- (i) that Scrutiny welcomes the additional monies of £10.148 millions from the Better Care Fund but records concerns about the longevity of this funding beyond 2020;
- (j) ask Cabinet to identify additional resource in the Highways and Traffic Management budget to prioritise preventative work on drainage to include gully emptying and cleaning, as well as ditching;
- (k) that Cabinet consider the balance of approach taken on preventative highways maintenance acknowledging the impact this has on the repair of defects in lower category rural and urban estate roads and that funding is made available to achieve this request;
- (l) re-iterate the need for Cabinet to satisfy itself that all risk and impact assessments continue to be updated and are compiled with the evidence gathered during this budget preparation exercise and any subsequent engagement processes to support the proposed way forward; and
- (m) that the Cabinet satisfy itself that the budgets prepared on the basis of its approved targets are indeed sufficient to meet the demands placed on those services and that the apportionment of resources between the various services is appropriate and proportionate.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 10.30 am and finished at 1.00 pm