

**CORPORATE INFRASTRUCTURE AND REGULATORY SERVICES SCRUTINY
COMMITTEE**

28 January 2021

Present:

Councillors A Dewhurst (Chair), P Colthorpe (Vice-Chair), Y Atkinson, K Ball, J Berry, J Brook, P Crabb, A Eastman, R Edgell, J Hook, R Radford, C Slade, C Whitton and J Hodgson

Apologies:

Councillors R Bloxham and I Hall

Members attending in accordance with Standing Order 25:

Councillors Hart, Gilbert, Davis, Parsons, Hannaford and Randall-Johnson

* 207 **Minutes**

RESOLVED that the Minutes of the meeting held on 19 November 2020 be signed as a correct record.

* 208 **Items Requiring Urgent Attention**

There was no matter raised as a matter of urgency.

* 209 **Public Participation**

There were no oral representations from members of the public.

* 210 **Budget 2021/22 and Capital Programme for 2021/22 to 2025/26**

(Councillors Hart, Davis, Gilbert, Parsons, Hannaford and Randall-Johnson attended in accordance with Standing Order 25 and spoke to this item at the invitation of the Committee.)

The Committee noted that the proposed budget for the 2021/22 financial year would be scrutinised by individual Scrutiny Committees.

The Chairs of the Children's Scrutiny Committee and the Health and Adult Care Scrutiny Committee would present any relevant resolutions and an overview of those issues arising to the Corporate Infrastructure and Regulatory Services Committee. This Committee would also consider the draft budget proposals within its own remit, providing an opportunity for Scrutiny Members to comment on proposals for the Council's Budget in its entirety. The resulting resolutions from Scrutiny will be reported to Cabinet and Council.

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 that might be considered at the Corporate Infrastructure and Regulatory Services Committee for incorporation into any recommendations to Cabinet and Council.

The Committee then considered the Joint Report of the County Treasurer, the Chief Executive, the Director of Public Health and the Head of Highways, Infrastructure Development and Waste (CT/21/05) on the provisional financial settlement made by Government 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 9th December 2020, had set Revenue Budget targets for 2021/22. That Report had also updated on the recent Spending Review (SR2020) and presented Budget Targets for 2021/22, which were set out in full at paragraph 3 and represented an overall increase of £28.4 millions or 5.2% (based on Revenue Spending Targets for 2021/22 of just over £571 millions).

In terms of the Spending Review 2020, this confirmed a one-year spending review, not the three years hoped for, but with the economic and financial impact of the Pandemic this had been reduced to one year.

This Report also outlined the key messages from SR2020 that would impact next year's budget. Some of these included:

- Core Spending Power to increase by 4.5%;
- A new Social Care grant of £300 millions (nationally);
- The Council Tax increase that would trigger the need for a referendum was 2%;
- The option to set an Adult Social Care Precept of up to 3%;
- Current Social Care grants would continue next year;
- A public sector pay freeze, except for those earning less than £24,000;
- The National Living Wage would increase by 2.2% to £8.91 per hour;
- A grant of £670 million nationally to offset some of the impact of the Pandemic on the Council Tax Base;
- A Council Tax Income Guarantee Scheme to compensate authorities for 75% of irrecoverable losses in the current year;
- The current New Homes Bonus scheme would continue;
- The Fairer Funding Review, 75% Business Rate Retention and Business Rates Reset had been delayed; and

- Covid funding of £1.55 billions nationally; along with the continuation of the 75% Covid Sales Fees and Charges compensation scheme into the first quarter of 2021/22.

A number of grants (likely ringfenced) had also been announced including Cyber Security modernisation, Test and Trace, Personal Protective Equipment, Rough Sleepers, Domestic Abuse, Troubled Families, School Transport Capacity, Secure Children's Homes, Social Housing Decarbonisation, Roads Maintenance & upgrades, Cycling, High Street Regeneration and Levelling up for local infrastructure.

The Capital Programme for 2021/22 to 2025/26 would be presented to Cabinet at the February Budget meeting.

However, at the Cabinet meeting on the 13th January, revised spending targets were presented following the Provisional Settlement for 2021/22 which was received on the 17th December.

The Provisional Settlement for the County Council was as follows:

£000

| | |
|--|--------|
| Revenue Support Grant | 549 |
| Business Rates Central Government Top Up | 80,654 |
| New Homes Bonus | 2,486 |
| Rural Services Delivery Grant | 7,823 |
| Social Care Support Grant SR20 | 3,149 |
| Social Care Support Grant SR19 | 20,160 |
| Improved Better Care Fund | 28,270 |
| Covid-19 Funding | 14,823 |
| Council Tax Support Grant | 6,358 |

Notwithstanding the targets set by Cabinet in December (Revenue Spending Targets of just over £571 millions), much had happened, including a new variant of the Coronavirus and another national lockdown which had led to a review of those Targets.

The proposed changes were:

- reducing the planned savings by £3.7 millions across Adult Care & Health, Children's Services and Highways, Infrastructure and Waste;
- an additional Investment of £302,000 in Legal Services to support Children's Services and Risk Management to support the whole organisation; and
- an additional £3.3 millions to fund the cost of the 2.2% increase in the National Living Wage.

In summary, the proposed Budget Targets had increased by just under £7.3 millions to nearly £578.5 millions, an increase of 6.6% on the 2020/21 Budget.

The revised Budget Targets for 2021/22 were as follows.

The budget for Adult Care & Health was £282,435 millions, a net change of £21.6 millions or 8.3%. For Children's Services, this was £158,267 millions, the net change being £11,398 millions (7.8%). Community Health, Environment & Prosperity was 39,873 millions, with the net change of £81,000 or 0.2%. For Corporate Services 40,387 millions, a net increase of 2,821 millions (7.5%) and in relation to Highways, Infrastructure Development & Waste 57,520 millions, a decrease of £307,000 (-0.5%).

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 meeting on 12 February 2021 formulating a budget for consideration by the County Council on 18 February 2021.

The Chief Executive, County Treasurer and Head of Services commented on the likely implications of the 2021/22 target for 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 Leadership Group commentary in the Report referred to the difficulties and challenges experienced by the Council over the past year; the significant costs associated with responding to the COVID-19 pandemic; and preparations to leave the EU and support for residents and businesses through changes this would bring. Teams across the Council had worked quickly to establish new ways of working to continue delivery of services and information to the people of Devon. The overall financial impact of leaving the EU on the local economy, together with the impact of COVID-19, was still largely unknown and supporting the local business community remained a priority for the Council.

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 £39.873 millions (an increase of 0.2% from 2020/21) and included inflation and pressures of £1.039 millions and required savings of £958,000.

The Corporate Services base budget was £40.387 millions (an increase of 7.5% from 2020/21) and included inflation and pressures of £4.436 millions and required savings of £1.615 millions.

The Highways, Infrastructure Development and Waste Services base budget was £57,520 millions (a reduction of 0.5% from 2020/21) and included inflation and pressures of £1.804 millions and required savings of £2.111 millions.

Under the Equality Act 2010, the County Council had a legal duty to give due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations when making decisions about services. Where relevant, Impact Assessments were carried out to consider how best to meet this duty, which included mitigating against the negative impact of service reductions.

The Report before the Committee referred to the [Budget 2021/22 Impact Assessment](#), circulated prior to the meeting, giving an overview of the impact assessments for all service areas for the attention of Members so they were aware of the equality impact assessments undertaken as part of the budget's preparation, that any risk assessments and projections were adequate and the evidence supported the assumptions made in the formulation of the budget. Also bearing in mind that the preparation of Impact Assessments were a dynamic process and that individual assessments for specific proposals may need to be 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:

- The Public Health budget had previously been scrutinised at the Health & Adult Care Scrutiny Committee.
- The reduction of £50,000 for Careers South West and Post 16 transitions reflected efficiency savings following restructuring arrangements to improve service delivery.
- The joint Devon, Somerset and Torbay Trading Standards Service would soon be expanded to include Plymouth.
- Learn Devon would continue to deliver digital skills training, with focus on the inclusion agenda.
- The County's recovery to pre-pandemic levels was predicted to be towards the end of 2023/24 and unemployment data was likely to increase.
- £150,000 had been allocated to each of the DCC Carbon reduction plan and the Devon Climate emergency.

- As in previous years, there had not been any reduction in public transport support in rural areas.

Corporate Services

- The budget increase was principally to further investment in the ICT Roadmap and to additional legal support for the increased demand from Children's Services.

Highways, Infrastructure Development and Waste

- Energy savings were welcomed from the rollout of the Street Lighting LED conversion, and it was hoped to increase part night lighting.
- Waste tonnage had increased significantly due to people working from home.
- On page 37 of the budget report, on the final line, the Change and 2021/22 Estimate figures should read (25) and 101 respectively in place of 358 and 484.
- A review of winter operations budgets had realised savings of £300,000.
- Members raised concern as to the budget for resurfacing works, and it was noted there would be a significant decrease in Government funding next year for capital maintenance works.
- Clarification that the North Devon Area of Outstanding Natural Beauty was an internal organisation within Planning and Transportation and thus not listed under external grants.
- Devon & Cornwall Rail Partnership was hosted by Plymouth University and received grant contributions also from Cornwall Council.
- The Head of Scrutiny clarified that Members had previously been circulated a copy of the Corporate Risk Register which had assessed climate change as very high risk.

It was **MOVED** by Councillor Dewhirst, **SECONDED** by Councillor Slade and

RESOLVED

Welcomes and supports:

1. The endeavours taken in effective running and financial planning by this Council and the subsequent 6.6% increase in budget, specifically the 8.3% increase in budget for Adult Care and Health and 7.8% increase for Children's Services.
2. The focus on planning transitions for children and young people with disabilities to adult services and the capital spend to create 300 additional places for children with Special Educational Needs.
3. The lobbying efforts of this Council to receive fair funding for Devon Schools.

Record concern:

4. Cabinet to satisfy itself that based on the uncertainties, both short and long term, around the covid-19 pandemic that sufficient funds are in place to ameliorate any shortfall in funding or necessary increase in spend, with particular comments on:
 - (a) The anticipated increase in mental health provision required because of the pandemic.
 - (b) The future of Public transport, particularly buses, with dwindling numbers due to the pandemic.
5. That the budget savings planned are achievable particularly those projected from services for adults with a disability and those from highways winter operations and the reduction in capital funding from central government.
6. This Council's ability to recruit to social care vacancies in light of Brexit and covid-19. Scrutiny calls for national recognition for the valued role domiciliary care workers provide to society. Calls for the Proud to Care recruitment campaign to continue.

Cabinet be asked to:

7. Support Health Scrutiny to carry out its statutory function of public accountability by detailing how NHS funds are included within the DCC budget for future budget consideration. This is necessary in moving to Integrated Care Systems with a joint approach for service planning.
8. Continue to maintain support for prevention and innovation work across the Council including proactive exploration of opportunities to increase funding through specific grants. Specifically, but not limited to:
 - (a) Public health initiatives
 - (b) Climate change and active travel
 - (c) Connectivity of public transport
 - (d) Digitisation of communities – with possible opportunities in shared prosperity and levelling up funding.
9. Specify that all new contracts for social care providers uphold the Council's commitment for national living wage at £10 per hour as a minimum for everyone employed in care.
10. Continue to reduce the vacancy rate for public health nursing with a view to achieving a full complement of staff.
11. Explore future opportunities for in-house provision for residential children's care.

12. Consider rurality when funding school transport.
13. Find savings by more streetlights having part night lighting and use these savings to invest in road safety defects.
14. To prioritise further investment in road maintenance if there is the opportunity to do so.
15. Consider greater work on modelling determinants of demand in future years to support more accurate predictions in areas of spend; whilst acknowledging difficulties associated with demand led services. To support this endeavour call for Cabinet to clearly demonstrate impact and value for money for residents in services with high spend.
16. Lobby Government to:
 - (a) Commit to multi-year funding settlements and simpler grant-based initiatives to support financial certainty and longer-term planning.
 - (b) Provide additional support for public health nursing.
 - (c) Address the Special Educational Needs and Disabilities high needs funding block deficit and amend the funding allocation to reflect the number of Education, Health and Care Plans not solely on deprivation.
 - (d) Deliver on promises made about the need for social care reform as soon as possible.
 - (e) Adequately fund climate change to enable local authorities to deliver substantial measures to mitigate climate change and ecological emergency.

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

The Meeting started at 9.30 am and finished at 12.59 pm