

**CORPORATE INFRASTRUCTURE AND REGULATORY SERVICES SCRUTINY
COMMITTEE**

27 January 2022

Present

Councillors A Dewhirst (Chair), C Slade (Vice-Chair), M Asvachin, J Berry, J Brook, R Chesterton, P Crabb (part), M Hartnell, J Hodgson, R Radford, I Roome and J Wilton-Love

Apologies

Councillors P Bullivant and J Morrish

Members attending in accordance with Standing Order 25

Councillors Davis, Hannaford, Hart, Hughes, Randall-Johnson and Twiss

* **24** Minutes

RESOLVED that the Minutes of the meeting held on 18 November 2021 be signed as a correct record.

* **25** Items Requiring Urgent Attention

The Chair referred Members to the Chief Executive's recent email and the Council's recently published Race Equality Audit Report, commissioned by the Leadership Group, as part of the Council's commitment to becoming an anti-racist organisation.

* **26** Public Participation

There were no oral representations from members of the public.

* **27** Budget 2022/23 and Capital Programme for 2022/23 to 2026/27

(Councillors Davis, Hannaford, Hart, Hughes, Twiss 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 2022/23 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 Director of Finance, Chief Executive, Director of Public Health and Chief Officer of Highways, Infrastructure Development & Waste (DF/22/03) on the provisional financial settlement made by Government and the spending targets set by the Cabinet for each service area which included inflation, commitments and any 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 8th December 2021, had set Revenue Budget targets for 2022/23. That Report outlined the targets in paragraph 2 which represented an overall increase of £48.7 million or 8.4%. The increased Revenue Spending Targets for 2022/23 now totalled just over £629 millions.

As detailed within budget monitoring reports, significant pressures had been and were continuing to be experienced within Devon and across the country. The unprecedented set of circumstances faced by the country had led to demand growth, cost base increases and acute labour shortages. Adult Care and Health and Children's services in particular were continuing to experience in year operational pressures and many of the current year pressures were translating into budget pressures for 2022/23.

It was proposed to further support time limited pressures, invest to save programmes and to provide the critical services with time to manage demand and transform further by utilising some of the Council's reserves.

The Capital Programme for 2022/23 to 2026/27 would be presented to Cabinet at the February Budget meeting.

At the Cabinet meeting on the 12th January, an update was given following the Provisional Local Government Settlement 2022/23 which was received on the 16th December 2021. The 2022/23 local government finance settlement was for one year only and was based on the Spending Review 2021 (SR21) funding levels. As part of SR21, the Chancellor had announced an additional

£1.6bn per annum (2022/23 to 2024/25) for local government and the majority of this amount had been included in the Core Spending Power figures.

The council tax referendum limit would be 2% for local authorities, with social care authorities allowed an additional 1% social care precept.

Devon's Core Funding of £103.2 million (and grants announced so far) was as follows.

	£000
Revenue Support Grant	566
Business Rates Central Government Top Up	80,654
BRRS Local Element	21,997
Core Funding	103,217
New Homes Bonus	2,143
Rural Services Delivery Grant	7,823
Social Care Grant	32,317
Improved Better Care Fund	29,126
ASC Reform/Market Sustainability & Cost of Care Fund	2,413
Services Grant	7,076

The provisional settlement was very close to what was expected, and no change was therefore proposed to the Budget Targets for 2022/23 that were agreed by Cabinet in December which were Revenue Spending Targets for 2022/23 totalling just over £629 millions with the relevant service budgets as outlined below, showing an increase in all service areas.

	2021/22 Adjusted Budget *	Inflation & Pressures £000	Savings & additional Income £000	2022/23 Budget £000	Net change	
	£000	£000	£000	£000	£000	%
1 Adult Care & Health	283,294	47,875	(18,241)	312,928	29,634	10.5%
2 Childrens Services	159,036	28,787	(11,675)	176,148	17,112	10.8%
3 Communities, Public Health E&P	40,280	3,809	(2,846)	41,243	963	2.4%
4 Corporate Services	40,937	3,612	(2,830)	41,719	782	1.9%
5 Highways, Infrastructure D&W	57,124	3,349	(3,149)	57,324	200	0.4%
	580,671	87,432	(38,741)	629,362	48,691	8.4%

* Adjusted for permanent virements

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 11th February 2022 formulating a budget for consideration by the County Council on 17th February 2022.

The Chief Executive, Director of Finance and Heads of Service commented on the likely implications of the 2022/23 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 highlighted how over the last two years the Council had worked with other organisations to respond to and manage the impacts of COVID-19. As a community leader and part of Team Devon it had new responsibilities for addressing issues such as food poverty, financial hardship and shielding. During that time the pressures on health, social care and children's services had increased. Those pressures had been exacerbated by the fragility of the care market and difficulties of recruiting key workers. The Council's finances and workforce remained under significant pressure and strain.

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.

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 2022/23 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.
- Savings outlined around the Citizens Advice Bureau and Devon Communities Together (£462,000) would be entirely funded for the next financial year, and this was welcomed by Members.

- The reduction in community grants schemes (£329,000) would largely be mitigated from a carry forward of budget from this year, although Members expressed concern at these cuts, and also the reduction in Locality budgets, as they provided valuable support for local communities.
- Members welcomed the significant investment in Community Safety and Violence Prevention.
- The Council had been awarded £7.5 million of Government funding for a major project to identify flood resilience measures.
- Members welcomed the increase in support for public transport, whilst expressing concern at the fragility of rural bus services.
- The Cabinet Member reported that Government were being lobbied to continue the bus service support grants.
- Concern was raised that more should be spent on Public Mental Health in recognition of rising problems within communities.

Corporate Services:

- Budgeted assumptions around staff turnover and subsequent vacancy savings of £1.3 million had meant the Service had avoided the need to cut frontline operations.
- A further £170,000 had been invested in the ICT Service to increase the Council's resilience to cyber threats.
- The HR Services and Legal Services budgets had increased, in recognition of the additional work generated by COVID and the improvements required for Children's Services.

Highways, Infrastructure Development and Waste:

- The Service faced continued cost pressures from contractual inflation and the increase in red diesel tax, which together was estimated at £1.6 million.
- All work budgets had been reviewed and savings proposed from a number of maintenance budgets totalling £1.8 million. Further energy savings were expected from the rollout of LED Street Lighting.
- Concern was expressed on the savings strategies in Highways, in particular, the reduced safety defects demand.
- It was proposed to introduce a new charge for disabled bay applications, and that advertising on highways assets, e.g. roundabouts, be considered in order to generate further income.
- The Waste Service faced increased expenditure arising from contractual inflation and growth. Additionally, the ongoing impact of COVID and associated household behavioural change continued to generate higher levels of household residual waste.
- On page 35 of the Report, under Service Statistics and Other Information, the Change figure for Total grass area cut should read 0.05 million and not 0.5 million.

- Disappointment was expressed at the municipal waste disposal to landfill of an estimated 17,000 tonnes. It was clarified that this was the residue from household waste recycling centres.
- Strengthening of the impact on diversity and inclusivity.

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

RESOLVED

Welcomes and supports:

1. The 10.8% net increase in the budget for Children's Services and the 10.5% increase in the budget for the Adult Care and Health Services recognising the huge demand on the system, and the imperative to invest in workforce given the issues with staff recruitment.
2. The negotiations with the NHS to enable one-year additional funding, possibly £10million, to maintain services and support a reduction in unnecessary hospitalisations and achieve timely transitions out of hospital.
3. The ongoing discussions with the Department for Education on the Safety Valve Programme to support the reduction of the deficit in the SEND High Needs Block, and welcomes the agreement anticipated by the end of March 2022.
4. Additional monies in this budget, specifically:
 - Capital investments to provide an additional 525 special school places by 2024
 - The additional investment in violence prevention combined with the significant investment in developing the Council's new duties around supporting survivors of domestic abuse.
5. Scrutiny welcomes service productivity specifically:
 - The addition of 200,000 books in Devon's libraries.
 - An additional 500 courses delivered online by Learn Devon.

Record concern:

6. Scrutiny places on record dissatisfaction with the 1-year financial settlement for the Council against demand-led pressures and the resulting challenges in developing strategy without financial certainty and also the unknown grant settlement for Public Health.
7. Cabinet to satisfy itself about the realism of achieving almost £39 million in savings and offset income considering the increase in cost of living, inflation, increases in demand and the cost of the post-covid recovery. Scrutiny is particularly concerned about the potential for cost pressures to

lead to budget overspend and the resulting impact upon vulnerable people in Devon as well as the maintenance of roads and safety and highlights the need for the preservation of preventative and routine services.

8. Scrutiny places on record concern with the anticipated additional pressures on the Adult Care and Health Service including:
 - The impact of the cessation of grants including the 'Discharge to Assess' funding from the end of March 2022.
 - Changes to the Liberty Protection Safeguards, replacing the Deprivation of Liberty Scheme, and the current lack of clarity from Government about how this will be funded.
 - The increase in future demand coming through from Children's Services.
9. The future of public transport and the viability of routes because of reduced patronage and supports the Cabinet Member in her lobbying endeavours for additional funding for this area. Scrutiny would also like to see additional investment in active travel.
10. Record concern about how the impact assessment does not consider safety and access for disabled people.

Cabinet be asked to:

11. Rethink the £329,000 reduction in community grant schemes as well as the £2,000 reduction in each Councillor locality budget in order to support partnership working with the communities of Devon.
12. Consider the in-year ability to provide additional support to highways maintenance and patching if target savings are on track.
13. Continue to maintain support for workforce recruitment and retention, and specifically:
 - Improve housing availability for key staff through Team Devon and engaging with District Council's local plan process.
 - Promote 'Proud to Care' opportunities with the individuals who have been recruited by the County Council to support the track and trace programme on a temporary basis.
14. Continue to lobby for fair funding for Devon children to support them to reach their potential including the large shortfall in Capital investment to maintain the school estate by creating and maintaining quality learning environments.
15. Ensure adequate funding is in place to adequately support the significant numbers of vulnerable children who have experienced domestic violence.

16. Support joined up working across Council departments for the improvement of Youth Services.
17. Include means-testing in the proposed charge for disabled parking bays to ensure low-income disabled people are not disadvantaged.
18. Explore other authorities' approach to an in-house school transport service with a view to achieving the budget savings attributed to this service.
19. Work to minimise the anticipated increase of 4,750 tonnes of municipal waste being disposed of in landfill in 2022/23.

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

The Meeting started at 9.30 am and finished at 12.07 pm