

**CORPORATE INFRASTRUCTURE AND REGULATORY SERVICES SCRUTINY  
COMMITTEE**

28 January 2020

Present:-

Councillors A Dewhirst (Chair), P Colthorpe, Y Atkinson, K Ball, P Crabb, A Eastman, R Edgell, I Hall, J Hook, R Radford, M Shaw, C Slade and C Whitton

Apologies:-

Councillors J Berry, R Bloxham and J Brook

Members attending in accordance with Standing Order 25

Councillors R Croad, A Davis, R Gilbert, J Hart, S Randall-Johnson S Aves

\* **163** Minutes

**RESOLVED** that the Minutes of the meeting held on 26 November 2019 be signed as a correct record.

\* **164** Items Requiring Urgent Attention

There was no matter raised as a matter of urgency.

\* **165** Public Participation

There were no oral representations from members of the Public.

\* **166** Budget 2020/21 and Capital Programme for 2020/21 to 2024/25

The Committee welcomed the proposed budget for the 2020/21 financial year being 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 will 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 recommendations to Cabinet and Council.

The Committee then considered the joint report of the County Treasurer, the Chief Executive, the Head of Public Health, Environment and Prosperity and the Head of Highways, Infrastructure Development and Waste (CT/20/04) on the 2020/21 Budget which included sections on the Provisional Local Government Finance Settlement made by Government and the budget targets set by the Cabinet for each service area which included inflation,

commitments and savings. 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 11<sup>th</sup> December 2019, had set Revenue Budget targets for 2020/21 which totalled £529.974 millions. 2019/20 had been the last year of the four-year Local Government Financial Settlement and 2020/21 was hoped to be the first year of a new multi-year settlement that would contain the outcome of the Fairer Funding Review, the Business Rates reset and 75% or 100% Business Rates Retention, but this had not happened. In September, the Chancellor announced a one-year Spending Round (badged as a 'Roll-forward' for Local Government) but it did contain some proposals for additional funding including the SR19 Social Care Support Grant, Schools funding and SEND High Needs Block The Fairer Funding Review along with both the Business Rates reset and Retention plans were delayed until at least 2021/22.

On the 20<sup>th</sup> December, the Secretary of State for the Ministry for Housing, Communities and Local Government, The Rt. Hon. Robert Jenrick MP, made a written statement to Parliament on the Provisional Local Government Finance Settlement 2020/21. This was as expected and gave an opportunity to increase the Spending Targets that were previously set. The settlement was for one year only. The targets were revisited by the Cabinet on 15<sup>th</sup> January 2020.

In relation to Council Tax, the referendum limit was 2% with social care authorities allowed a 2% social care precept. The three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff/Top Up amounts) had all increased by 1.63%, in line with the September 2019 CPI inflation figure. The Revenue Support Grant had increased in line with the Business Rates Retention system (+1.63%) and in relation to the Social Care Support Grant and Improved Better Care Fund, the provisional settlement confirmed the previously proposed national amounts and allocation methodologies. The national allocation of £81m and methodology for distribution of the Rural Services Delivery Grant remained unchanged from 2019/20 and there were no new business rates pilots for 2020/21.

The increased Revenue Spending Targets for 2020/21 now totalled £541.2 millions which represented an increase of £11.3 millions on the December Targets and an increase of £43.1 millions or 8.7% on 2019/20.

The target budget for Adult Care & Health had increased by £7.7 millions, for Children's Services an increase of £2.5 million. The increased Targets also included £60,000 for additional legal support within Corporate Services and £1 million within Highways, Infrastructure and Waste to help with drainage issues on the Highway network.

The target budget for Adult Care & Health was £260.258 millions, a net change of £23.714 millions or 10.0%. For Children's Services, this was £146.845 millions, the net change being £11,538 millions (8.5%). Community Health, Environment & Prosperity was £39.713 millions, with the net change of £925,000 or 2.4%. For Corporate Services £37.160 millions, a net increase of £2.479 millions (7.1%) and in relation to Highways, Infrastructure Development & Waste £57.508 millions, an increase of £2.790 millions (5.1%).

Although the final settlement would not be received until late January or February, the risk of the figures being very different was low.

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 14<sup>th</sup> February 2020 formulating a budget for consideration by the County Council on 20<sup>th</sup> February 2020.

The Chief Executive, County Treasurer and Head of Services commented on the likely implications of the 2020/21 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 politicians continuing to fight Devon's corner, to get the voice of residents heard at a national level as fairer funding was strived for Devon, the south west and the local government community. The Council was also doing everything it could to respond to the outcomes and ensure communities and businesses were supported and continued to thrive, and to make the most of any opportunities presented by Brexit.

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 £39.713 millions (an increase of 2.4% from 2019/20) and included inflation and pressures of £1.075 millions and required savings of £150,000.

The Corporate Services base budget was £37.160 millions (an increase of 7.1% from 2019/20) and included inflation and pressures of £4.340 millions and required savings of £170,000.

The Highways, Infrastructure Development and Waste Services base budget was £57,508 millions (an increase of 5.1% from 2019/20) and included inflation and pressures of £3.740 millions and required savings of £950,000.

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 2020/21 Impact Assessment, circulated prior to the meeting, giving an overview of the impact assessments for all service areas (available [here](#)) 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 Devon Rape Crisis was no longer grant funded and had been incorporated into the Council's core commissioning;
- successful bid funding had been received from Government to fund Places of Safety across the County;
- a review of the Post 16 transitions contract had realised savings of £50,000;
- complaints and service requests in Trading Standards had reduced - which was a national trend
- that Government should be asked to make funds available for Climate Change work; a Citizens' Assembly was in the process of being set up to look this;

- that Cabinet should be asked for further funding for Libraries;
- the Public Health grant from the Department of Health remained ring fenced, and had not yet been confirmed for 2020/21;
- that Government should be lobbied for fair funding and funding made available for Prevention work; and
- clarification that the North Devon Areas of Outstanding Natural Beauty was an internal organisation within Planning and Transportation, thus not listed under external grants, and received a contribution of £14,000.

#### Corporate Services

- £804,000 had been allocated for the Council's digital roadmap to enable further refinement of service delivery models;
- increased demands for legal support in respect of childcare and safeguarding adults;
- £60,000 had also been allocated for a legal case management system, which was critical for efficient delivery of the legal service; and
- an increase of £309,000 for the Doing What Matters work, which was supported by the Organisational Development team.

#### Highways, Infrastructure Development and Waste

- the £750,000 reduction in the waste disposal budget reflected a reduction in waste tonnage and an increase in recycling, a trend which was expected to continue during 2020/21;
- cost pressures continued for Highways from contractual inflation and an increase in required reactive works following sustained heavy rainfall in recent years; and
- an additional £1m had been allocated to alleviate drainage issues on the road network; and
- rollout of the lower energy LED lighting was continuing and was providing lower energy costs.

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

**RESOLVED** that Scrutiny Committees having reviewed 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; specifically, Scrutiny:

#### **Welcome and support**

- (a) record thanks to the Finance team for prudent financial management and the composition of the budget book;
- (b) record thanks to the endeavours of the Officers of the Council across all service areas;
- (c) the increases to budgets considering the demand-led services and additional pressures on the budget. However, Scrutiny does recognise the pressures resulting from the national living wage and inflation;

Children's	8.5%
Adults	10%
Communities, Public Health, Environment and Prosperity	2.4%
Corporate Services	7.1%
Highways Infrastructure, Development and Waste	5.1%

### **Record Concern**

- (d) that the budgets prepared based on Cabinet's approved targets are sufficient to meet the demands placed on those services and that the apportionment of resources between the various services is appropriate and proportionate. Most notably:
  - (i) the realism of achieving the £1.1million savings in Children's Services notwithstanding the edge of care work coming to fruition;
  - (ii) that based on the provisional nature of the Public Health Settlement that sufficient funds are in place to ameliorate any shortfall in funding;
  - (iii) that the budget savings across the Health and Adult Care budget are achievable;
- (e) ask for greater clarity over the breakdown of figures in the budget papers, for example, opportunities from the Better Care Fund showing the support given to the third sector;

### **Cabinet be asked to**

- (f) consider additional funds for the following:
  - (i) investment in the Children's Services workforce designed to curb the spend in agency cost;
  - (ii) further investment in early help for SEND;
  - (iii) the Prevention work as part of the STP made possible through significant partnership arrangements with and between Districts, the third and voluntary sector and the NHS including financial support to support and develop local community groups and charities;
- (g) ask Central Government to overhaul the budget setting process for Local Authorities including:
  - (i) move to four-year finance settlements to support financial certainty and longer-term planning
  - (ii) giving clarity over settlement figures as soon as possible and in future as far in advance as possible to enable effective service planning;
- (h) lobby Central Government and Public Health England to increase the Public Health Grant, recognising the insufficient funding for prevention work for the determinants of adverse childhood trauma and mental health and reiterating that investing in prevention will reduce spend by the NHS, DCC and Statutory Services upon treatment;
- (i) in the event there is additional funding in the Public Health Grant Settlement this be dedicated to Prevention work with substance misuse, particularly alcohol and mental health;
- (j) write to the Secretary of State for Education requesting fair funding for schools; drawing attention to:
  - (i) the insufficiency of High Needs Block Funding to meet the needs of children with SEND in Devon. The Committee requests that the funding formula is no longer based on outdated census data applied to meet current needs, and also takes account of complete pay and pension funding for non-teaching school staff;
  - (ii) funding for small rural schools which are particularly prevalent in Devon;
- (k) to hold Central Government to account on promises and make it aware of the impact of policies, namely:

- (i) adequately resourcing additional responsibilities that may arise from the Prevention White Paper;
  - (ii) recording concern about recruitment in Health and Adult Care following from the proposed points-based immigration system and from leaving the EU;
  - (iii) call for the swift publication of the Green Paper on Adult Social Care; and
- (l) use the conclusions from the Climate Change Citizens' Assembly, when available, to lobby Central Government to provide more significant funds for local Green measures possibly including public transport and cycling infrastructure.

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

The Meeting started at 10.30 am and finished at 1.50 pm