

Agenda

Adults and wellbeing scrutiny committee

Date: **Tuesday 26 January 2021**

Time: **2.30 pm**

Place: **Online meeting**

Watch this meeting on the Herefordshire Council YouTube channel:
www.youtube.com/HerefordshireCouncil

Notes: For any further information please contact:

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Agenda for the meeting of the Adults and wellbeing scrutiny committee

Membership

Chairperson **Councillor Elissa Swinglehurst**
Vice-chairperson **Councillor Jenny Bartlett**

Councillor Sebastian Bowen
Councillor Helen l'Anson
Councillor Tim Price
Councillor Alan Seldon
Councillor Kevin Tillett

Agenda

Pages

1. APOLOGIES FOR ABSENCE

To receive apologies for absence.

2. NAMED SUBSTITUTES (IF ANY)

To receive details of any member nominated to attend the meeting in place of a member of the committee.

3. DECLARATIONS OF INTEREST

To receive any declarations of interests in respect of schedule 1, schedule 2 or other interests from members of the committee in respect of items on the agenda.

How to submit questions

The deadline for the submission of questions for this meeting is 5.00 pm on Wednesday 20 January 2021.

Questions must be submitted to councillorservices@herefordshire.gov.uk. Questions sent to any other address may not be accepted.

Accepted questions and the responses will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at www.herefordshire.gov.uk/council/get-involved/3

4. QUESTIONS FROM MEMBERS OF THE PUBLIC

To receive any written questions from members of the public.

5. QUESTIONS FROM COUNCILLORS

To receive any written questions from councillors.

6. 21/22 BUDGET SAVING PROPOSAL AMENDMENT

Following the adults and wellbeing scrutiny committee meeting held on 13 January 2021, this report provides an updated replacement 21/22 budget saving proposal for the committee to consider making recommendations to inform and support the process for making Cabinet proposals to Council regarding the adoption of the budget and associated budget framework items, including providing constructive challenge to the Cabinet's proposals.

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7. DATE OF NEXT MEETING

The next scheduled meeting is Monday 29 March 2021, 2.30 pm.

The public's rights to information and attendance at meetings

Herefordshire Council is currently conducting its public committees, including the adults and wellbeing scrutiny committee, as 'virtual' meetings. These meetings will be video streamed live on the internet and a video recording maintained after the meeting. This is in response to a recent change in legislation as a result of Covid-19. This arrangement will be adopted while public health emergency measures, including social distancing for example, remain in place.

Meetings will be streamed live on the Herefordshire Council YouTube channel at www.youtube.com/HerefordshireCouncil

The recording of the meeting will be available shortly after the meeting has concluded through the relevant adults and wellbeing scrutiny committee meeting page on the council's website at <http://councillors.herefordshire.gov.uk/ieListMeetings.aspx?CId=955&Year=0>

You have a right to:

- Observe all 'virtual' council, cabinet, committee and sub-committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting. Agenda and reports (relating to items to be considered in public) are available at www.herefordshire.gov.uk/meetings
- Inspect minutes of the council and all committees and sub-committees and written statements of decisions taken by the cabinet or individual cabinet members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting (a list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public register stating the names, addresses and wards of all councillors with details of the membership of cabinet and of all committees and sub-committees. Information about councillors is available at www.herefordshire.gov.uk/councillors
- Have access to a list specifying those powers on which the council have delegated decision making to their officers identifying the officers concerned by title. The council's constitution is available at www.herefordshire.gov.uk/constitution
- Access to this summary of your rights as members of the public to observe 'virtual' meetings of the council, cabinet, committees and sub-committees and to inspect documents.

The seven principles of public life

(Nolan principles)

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Title of report: 21/22 budget saving proposal amendment

Meeting: Adults and wellbeing scrutiny committee

Meeting date: Tuesday 26 January 2021

Report by: Cabinet member corporate strategy and budget

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards)

Purpose

Following the adults and wellbeing scrutiny committee meeting held on 13 January 2021, this report provides an updated replacement 21/22 budget saving proposal for the committee to consider making recommendations to inform and support the process for making Cabinet proposals to Council regarding the adoption of the budget and associated budget framework items, including providing constructive challenge to the Cabinet's proposals.

Recommendation(s)

That the committee determine any recommendation it wishes to make to Cabinet in relation to the 2021/22 proposed amended budget saving proposals specifically affecting adults and wellbeing.

Alternative options

1. There are no alternatives to the recommendations; Cabinet is responsible for developing budget proposals for Council consideration and it is a function of this committee to make reports or recommendations to the executive with respect to the discharge of any functions which are the responsibility of the executive. The council's budget and policy framework rules require Cabinet to consult with scrutiny committees on budget proposals in order that the scrutiny committee members may inform and support the process for making Cabinet proposals to Council.
2. It is open to the committee to recommend alternative spending proposals or strategic priorities; however given the legal requirement to set a balanced budget should

additional expenditure be proposed compensatory savings proposals must also be identified.

Key considerations

3. The proposed 2021/22 revenue budget for adults and communities was discussed at the adults and committee's scrutiny meeting held on 13 January 2021, however at that meeting one saving target presented was identified as being at risk of delivery.
4. This paper presents an alternative saving proposal to deliver a balanced 2021/22 budget position.
5. Appendix A provides details of how a saving target of £330k will be delivered through alternative means, by increasing charges for social care services to those whose circumstances have changed mainly to mirror increases in individual's income from state pension.

Community impact

6. The budget proposals demonstrate how the council is using its financial resources to deliver the priorities within the County Plan and associated delivery plan. The council is committed to delivering continued improvement, positive change and outcomes in delivering key priorities.
7. In accordance with the principles of the code of corporate governance, Herefordshire Council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review.

Environmental impact

8. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
9. Whilst this overarching budget setting document will not detail specific environmental impacts, consideration is always made to minimising waste and resource use in line with the council's environmental policy. A specific environmental impact assessment for the service specific budget proposals will be considered as appropriate to seek to minimise any adverse environmental impact and actively seek opportunities to improve and enhance environmental performance.

Equality duty

10. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
11. Service specific equality impact assessments will be completed when the service specific proposals are developed to assess the impact on the protected characteristic as set out in the Equality Act 2010. The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified.

Resource implications

12. The financial implications are as set out in the report. The ongoing operational costs including, human resources, information technology and property resource requirements are included in the draft budget and will be detailed in separate governance decision reports as appropriate.

Legal implications

13. When setting the budget it is important that councillors are aware of the legal requirements and obligations. Councillors are required to act prudently when setting the budget and council tax so that they act in a way that considers local taxpayers. This also covers the impact on future taxpayers.
14. The Local Government Finance Act 1992 requires a council to set a balanced budget. To do this the council must prepare a budget that covers not only the expenditure but also the funding to meet the proposed budget. The budget has to be fully funded and the income from all sources must meet the expenditure.
15. Best estimates have to be employed so that all anticipated expenditure and resources are identified. If the budget includes unallocated savings or unidentified income then these have to be carefully handled to demonstrate that these do not create a deficit budget. An intention to set a deficit budget is not permitted under local government legislation.
16. The council must decide every year how much they are going to raise from council tax. The decision is based on a budget that sets out estimates of what is planned to be spent on services. Because the level of council tax is set before the year begins and cannot be increased during the year, risks and uncertainties have to be considered, that might force higher spending on the services than planned. Allowance is made for these risks by: making prudent allowance in the estimates for services; and ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient

Risk management

17. Section 25 of the Local Government Act 2003 requires the S151 officer to report to Council when it is setting the budget and precept (council tax). Council is required to

take this report into account when making its budget and precept decision. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.

18. The budget has been updated using the best available information; current spending, anticipated pressures and the provisional settlement. This draft will be updated through the budget setting timetable.
19. The impact of the worldwide pandemic, Covid-19, continues to provide uncertainty and have far ranging consequences throughout the county. The challenges to our economy, to the vulnerable members of our communities and to our continued wellbeing are huge. The budget proposals prioritise keeping residents safe.
20. The known most substantial risks linked to the pandemic have been assessed as part of the budget proposals in this report and reasonable mitigation has been made where possible. Continued financial support from central government has been confirmed as part of the provisional financial settlement for 2021/22. Risks will be monitored through the year and reported to Cabinet as part of the budget monitoring process.
21. There are also the additional general risks to delivery of budgets including the delivery of new homes, EU exit, government policy changes and unplanned pressures. We are maintaining a general fund reserve balance above the minimum requirement and an annual contingency budget to manage these risks.
22. Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster than the national average. This report provides an update on the measures being implemented to address these risks.

Consultees

23. The council's constitution states that budget consultees should include parish councils, health partners, the schools forum, business ratepayers, council taxpayers, the trade unions, political groups on the council, the scrutiny committees and such other organisations and persons as the Leader shall determine.
24. Local consultation with parish and town councils, businesses and organisations was completed in November, 17 events were held with 96 participants. Responses supported:-
 - a. People said it was important to avoid short-termism
 - b. Working with partners was supported
 - c. Transferring assets to communities was supported
 - d. Discretionary services least valued were street lighting, archive services and parks and open spaces
 - e. Increasing charges for parking and cremation were least popular
 - f. People wanted a high quality service and value for money for social care
 - g. Use of technology was seen as both an opportunity and a threat to vulnerable residents

- h. 45% of people thought the proposed council tax and social care precept increase of 4.99% was about right
 - i. Over 70% of people wanted to support households in financial difficulty
 - j. The majority said they would support a Herefordshire Community Lottery and Herefordshire Voluntary Community Contribution Scheme
 - k. Overall local priorities matched the council's priorities in the County Plan and Delivery Plan
25. An online public consultation was open between 18 December 2020 and closes on 8 January 2021 in the form of a Residents Survey and Organisation Survey. The results of this survey will be reported to Cabinet.

Appendices

Appendix A Update report for adults and wellbeing scrutiny committee

Background papers

None identified

Adults and communities directorate**Care and support charging arrangements for 2021/22****15 January 2021****Update report for adults and wellbeing scrutiny committee**

1. Background

A recent high court judgement regarding the treatment of benefit income in social care charging policies and its potential impact on severely disabled people, the proposed saving of £330K presented at the 13th January adults and wellbeing scrutiny committee is at risk and the proposed charging policy changes and consultation on them are being put on hold. We are presenting some alternative proposals to replace this saving target below.

A new £312k savings can be achieved by applying a 2.5% increase to state retirement income and review of occupational/private pension income from April 2021.

There is potential for a further £8K savings through conducting reviews of all nil charge payers and disability related expenses to identify changes in circumstances.

A further review of charging policy for 2021/22 will be undertaken when the Department for Health and Social Care (DHSC) position on the high court judgement is known.

It should be noted that these savings proposals are based on the assumption that the Minimum Income Guarantee (MIG) and Personal Expenses Allowance (PEA) rates set by the DHSC will remain frozen in 2021/22.

2. Proposals

Revised proposals in the light of the above are presented below along with an analysis of likely impact.

It is recommended that the revised savings proposals relating to client charges are prioritised to minimise impact on the sustainability of care providers. Care providers have been particularly challenged due to Covid 19 including staffing consistency, costs to deliver the service and cashflow. Many care providers would have become unsustainable without the support measures provided.

3. New Savings Proposal: Income generation: Annual uplift of pension income to financial assessment means-test for 2021/22 resulting in an estimated income generation of £312K

The annual uplift of benefit/pension income and allowances for social care charging was put on hold last year for all people receiving care and support in their own homes. This was due to uncertainty of client income at the time resulting from a range of financial support measures to individuals affected by Covid19, such as increased welfare benefits and reduced council tax, both of which are factors in the means-test applied to social care charging.

Initial budget setting for Adult Social Care in 2021/22 didn't include any additional income resulting from inflationary increases to benefit/pension income as there was uncertainty about whether the minimum income guarantee (MIG) and personal expenses allowance (PEA) would be increased by DHSC in line with inflation in 2021/22, therefore the only savings identified related to the inflationary income uplift that was put on hold in 2020/21.

Whilst it is not known at this stage whether the DHSC will increase the MIG and PEA in line with inflationary increases to income in 2021/22, there is a likelihood that these allowances will remain frozen as they have done so for a number of years, therefore these savings have been included but with the risk that should the MIG and PEA allowances increase the savings identified will not be achieved.

Under this proposal social care charges for people in receipt of state pension would increase on average by £3.95 per week. This will affect people receiving state pension and getting care in the community and those living long term in care homes.

For those receiving occupational pensions the average charge would increase by a further £1.40 per week.

It is difficult to quantify the exact effect on income generation for 2021/22 as a number of factors such as rent/council tax increases and mortgage payments form part of the financial assessment means-test.

4. New Savings Proposal: Income generation: Review nil charge payers and disability related/ household expenses to financial assessment means-test for 2021/22. Anticipated income generation: £8K

All nil charge payers, and people who have disability/household expenses will have a financial assessment review to identify changes in circumstances and therefore charges. It is difficult to identify the increased charge to individuals until the review of financial assessments is completed. The exact effect on income generation for 2021/22 will be dependent upon a number of factors such as rent/council tax increases and mortgage payments which form part of the financial assessment means-test.