

Minutes of the meeting of the General scrutiny committee held at The Conference Room, Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Thursday 27 January 2022 at 10.15 am

Committee Members:

Councillor Jonathan Lester (Chairperson)

Councillors Sebastian Bowen, Barry Durkin, Louis Stark, David Summers and William Wilding.

Substitute member: Councillor Jenny Hewitt*

Officers:

Neil Taylor* (Interim Director for Economy and Place),

Andrew Lovegrove (Chief Finance Officer and Section 151 Officer)

Kate Charlton* (Interim Head of Legal Services and Deputy Monitoring Officer),

Phil Crossland* (Interim Service Director Environment, Highways and Waste)

Paul Smith* (Interim Director of Adults and Communities)

Ben Baugh (Democratic Services Officer)

Jen Preece (Democratic Services Technical Support)

In Attendance:

Councillor Ange Tyler*, Cabinet Member – Housing, Regulatory Services, & Community Safety

Councillor Liz Harvey*, Cabinet Member - Finance, Corporate Services and Planning

Councillor Ellie Chowns*, Cabinet Member – Environment and Economy

Councillor John Harrington*, Cabinet Member – Infrastructure and Transport

Councillor David Hitchiner* – Leader of the Council

Councillor Elissa Swinglehurst* – Chairperson of the Adults and Wellbeing Committee

*denotes virtual attendee

47. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Tracy Bowes, Vice-Chair of the Committee and from Councillor Philip Howells, Chair of the Children and Young People Scrutiny Committee.

48. NAMED SUBSTITUTES

Councillor Hewitt was in attendance as a substitute for Councillor Bowes.

49. DECLARATIONS OF INTEREST

There were no declarations of interest.

50. MINUTES

Resolved:

That the minutes of the meeting held on 15 November 2021, be approved as a correct record and be signed by the Chairperson.

51. QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions had been received from members of the public.

52. QUESTIONS FROM MEMBERS OF THE COUNCIL

No questions had been received from Councillors.

53. 2022/23 BUDGET SETTING (Pages 7 - 8)

The Chairperson opened this item by reminding members of the Committee of the recommendations that had been made at the initial Budget meeting in December and the responses that had been supplied (as appended to the minutes). During discussion of these the following key points were raised:

- Concerns were voiced that 135 responses to the budget consultation was not a large enough sample to infer any support for the precept increase, and that the consultation needed to be a more meaningful process if it was to be used in any way as a mandate for decisions.
- In contrast, it could be viewed that a lack of response was a tacit approval of the 2.99% rise. Had it been higher, presumably this would have elicited a greater response.
- The Cabinet Member for Finance reminded Members that each percentage rise in Council Tax delivered £1.2m of revenue for the Council, enabling them to maintain services. Consultation responses had shown that most people would prefer this rise rather than a cut in services.
- Although mindful of the statutory obligations that required spend in the other directorates, Councillors were not satisfied that the 16% of the total budget which was spent on the Economy and Place directorate was enough, and requested that some comparisons with appropriate comparator authorities be made and analysed.

The Chief Finance Officer then gave a presentation (Appendix A in the agenda pack) and sought the views of the General Scrutiny Committee on the budget proposals for 2022/23 following the announcement of the provisional financial settlement.

During the debate the following key points were raised:

- Councillors found the slide taken from the Resolution Foundation and titled "Impact of Budget on different income groups" difficult to interpret.
- It would be difficult to unpick spend across the Council to identify exactly where the Rural Services Delivery Grant (RSDG) had been, or would be, spent as it was used as a revenue support grant. The Portfolio Holder for Finance offered refuse collection as an example of where the RSDG supported rural counties as it was recognised that it was more expensive to collect refuse from isolated rural properties covering a large area compared to more densely populated areas.
- The Chief Finance Officer reassured Councillors however that the conditions of all grants received were reviewed to check if there were restrictions or specific areas

that the monies had to be spent on. An updated paper on proposed investment funded by capital grants would be presented at Cabinet the following week [Agenda for Cabinet on Monday 31 January 2022, 6.30 pm - Herefordshire Council](#)

- The recommendations made by the Adults and Wellbeing, and Children and Young People Scrutiny Committees, as outlined below, were discussed with the Committee. The Chair of the Adults and Wellbeing Scrutiny Committee highlighted that her Committee had been at a disadvantage relative to the Children and Young People Scrutiny Committee as a base budget had not been provided for the meeting, and therefore comments and concerns received subsequently from members of that committee were outlined.

The Chief Finance Officer then handed over to the Interim Director Economy and Place and the Interim Service Director Environment, Highways and Waste to explain the directorate pressures and bids slides. During discussion the following main points were raised:

- The Interim Director Economy and Place felt that there were a number of structural deficits in the Economy and Environment directorate budget and cuts to it had been unrealistic. The other directorates had to deliver statutory services so were protected to a degree.
- The Directorate had refocussed on what monies were coming in although some of this was uncertain as for example planning revenue was dependent on the number of applications received.
- Pressures were defined as additional costs for this year that the Directorate did not have the previous year and most were unavoidable, for example rising fuel costs and the national staff pay ward that had to be funded.
- The Interim Service Director Environment, Highways and Waste outlined the proposal to introduce charges for non-domestic waste at the Household Recycling Centres; many other local authorities already did this and the rates charged were favourable when compared with the hire cost of a mini-skip. In response to Councillors' concerns that this could increase fly-tipping and the cost of addressing this would negate any additional income earned, officers stated that other authorities that had introduced the fees had not seen any unusual variance and increase in their rates of fly-tipping.
- There was a proposal to generate income with moving traffic enforcement by camera. Councillors queried whether offences such as entering one way turns and yellow box junctions were more often than not accidental and therefore fines could be seen as too punitive. Officers felt that it was imperative to improve traffic flow and prevent dangerous driving but clarified that there was a six month introduction and warning period before fining began and even after this time there still was some discretion allowed.
- It was made clear that all revenue from speed cameras went to the Treasury, not the Police or the Council. The Council did however receive revenue from the speeding courses that were offered in some instances instead of a fine.
- A firm of green consultants had been engaged to look at the Council's sustainable transport policy.

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At 1.06pm the Chair called for a 20 minute recess. The meeting resumed at 1.30pm.

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- Councillors raised concerns about the spending on mental health and whether the Council was capitalising on all the grants that were available in this area. The Cabinet Member for Finance reassured Members that the Council went for, and would continue to go after, every grant that the Government opened up, including those for mental health.

- The allocated funds for mental health met the current demand for services and would ebb and flow dependent on demand.
- The Herefordshire and Worcestershire Health and Care Trust was a body that the Council engaged with regularly and was one of the main providers of mental health and learning disability services in both counties.
- A plea was made for future budgets to include a program to address rural sustainability.
- Year on year reductions in Government funding meant that there was very little monies available to upgrade roads in the County; the Cabinet Member for Infrastructure and Transport described the Council's approach as 'managing a deteriorating network'. Unfortunately, interest rates meant that increased borrowing was not possible at the moment.
- For those parishes with Lengthsmen, a Lengthsmen scheme, allocating £250k a year for five years recurring, was in place which allowed for repairs of minor roads.
- It was hoped that Talk Community would become part of the DNA of the Council and continue as an innovative approach to reducing the numbers using the Council's social care services thereby reducing costs for the Council.
- The Chief Finance Officer was confident that the proposed savings of £500k by efficiencies in treasury management and pensions could be achieved.
- One of the biggest issues the Council had with its own carbon footprint was with its educational estate. Part of the Local Services Grant would be used to hire consultants to identify options and see where business proposals could be put together to bid for funds to put in place decarbon measures for school buildings.
- The Chair queried whether the 1% increase required to balance the budget could be done using the reserves set aside for Adult Social Care. In response the Director for Adults and Communities highlighted that the service had managed to accrue reserves, not only by prudent management but also in part by taking advantage of the many grants that were available during the pandemic. If the grants were no longer available, and it appeared that many would go, then the service would be in the red.
- The Cabinet Member for Finance was also concerned to hear proposals to take money from an area with ballooning costs that would only continue in the foreseeable future.
- The current Executive was proposing a minimum rise to Council Tax with provision being made for the least well off.
- If the proposed 1% rise in Council Tax, which would raise c£1.2m for 2022/23, was not applied, future years would be impacted by that decision, resulting in a 'loss' of revenue of £3m over three years. Council, as well as considering whether to raise Council Tax, would also have to agree its Medium Term Financial Strategy so would have to consider years 2 and 3 because the income figure would be compounded.
- The Bank of England inflation forecast was for 6% by the Spring. The budget had not been subject to this previously and these pressures would have to be mitigated for in this year's budget. The forecast did highlight however that inflation was expected to fall in 2023.
- It was argued that using monies from the Adult Social Care (ASC) reserves to avoid a Council Tax increase would benefit everyone, regardless of need, instead of being used in a much more targeted fashion when needed.
- There was possibly some scope to enlarge the discretionary payment fund so that funding could be targeted to support those most in need.
- It was suggested that 50% of the capital surplus could be used for highway spend in 2023/24 and 2024/25.
- The Cabinet Member for Finance had been asking for projections on the delivery of the Children's Services Improvement Plan so that the Council could start to plan for a reduction in spending in this area. It was probably over ambitious to expect to see any budget reductions in the next two years but the Cabinet Member had aspirations

that through better support of families and more preventative work there would be less children in care.

- The projected spend on work to be done on the Town Hall had been covered in the capital projects programme.
- There was an ongoing project scoping the work that was required at Shire Hall which was expected to report back in July with some propositions for the Executive to consider in order to best meet the responsibilities for the building. As decisions on this had yet to be made, the rebuilding costs were not included in the capital programme.

RESOLVED:

Recommendations were proposed and seconded and it was unanimously resolved that it be recommended to the Executive that:

- a) Consideration be given to the main purpose for the consultation on budget setting and that they examine how to make the consultation as effective and engaging as possible, so as to make the results meaningful and usable.
- b) Further analysis be undertaken to compare and contrast the proportionate spend on environment and economy services with relevant comparator authorities.
- c) The Government be asked to look more closely at rural levelling up.
- d) The future presentation of graphs, such as the budget requirement by directorate, include relevant percentages and actual amounts wherever possible.
- e) A written response be provided to the Chairperson of the Adults and Wellbeing Scrutiny Committee on the further comments and concerns from members of that committee as soon as possible and in advance of the budget setting meeting of Council.
- f) The next budget include a programme to respond specifically to issues facing rural communities.
- g) The capital investment in highway maintenance in market towns is welcomed.
- h) Consideration be given to the use of 50% of the capital surplus for highways in 2023/24 and 2024/25.
- i) The Council should aim to become more targeted and to give funding support to those most in need.
- j) Consideration be given to the use of the existing earmarked reserves for Adult Services to offset the requirement for the 1% adult social care precept for 2022/23.
- k) The next budget include a programme to respond specifically to the climate and ecological emergency.
- l) The Audit and Governance Committee be invited to consider the use of consultants and information providers.
- m) The following recommendations of the Adults and Wellbeing Scrutiny Committee and of the Children and Young People Scrutiny Committee be considered, as appropriate:

Adults and Wellbeing Scrutiny Committee, 10 January 2022 2022/23 Budget Recommendations

1. A breakdown of the base budget and how much is being spent in each area be provided to the committee. It is further expected that in future there should be consistency in the level of detail contained within the reports produced for each scrutiny committee.
2. Given the importance assigned to Talk Community to manage demand, an element of its budget be skewed towards better communication of its services and access to hubs so that there is more visibility and engagement with the community.
3. The Interim Director of Adult Services investigates the Homeshare programme and its possible benefits and reports back to the committee.

4. The Interim Director of Adult Services provides the committee with more information on the levels of satisfaction with the service generally and also the response raised by care leavers in the budget consultation.
5. The costs involved with All Ages Commissioning, specifically mental health services, be provided to the committee

**Children and Young People Scrutiny Committee, 11 January 2022
2022/23 Budget Recommendations**

1. The Committee notes and accepts the children and young people services budget for 2022/23;
2. Requests that the Committee be provided with a more detailed breakdown of where money is being spent in the budget on specific service areas; and
3. Recommends that in future budgeting there be an increase in the allocation for early help/early years funding.

54. DATE OF NEXT MEETING

The next scheduled meeting is Monday 21 March 2022, 10.15am.

The meeting ended at 3.00pm

Chairperson

General Scrutiny Workshop, Tuesday 14 December 2021

2022/23 budget setting: suggestions and responses

That the Executive be invited to:

- a) Consider the main purpose for the consultation on budget setting and examine how to make the consultation as effective and engaging as possible, so as to make the results meaningful and usable.

This was responded to in the workshop, consultation is a mandatory process and lessons are intended to be used in encouraging greater participation.

- b) Provide more context in the next report in terms of how the 2021 consultation responses have informed the budget proposals.

The consultation section has been updated.

- c) Consider further how directorate savings proposals are formulated to ensure they are realistic and deliverable.

Savings proposals follow an extensive and comprehensive review.

- d) Provide an update on the position with one-off and recurring grants for highway maintenance.

This will be provided.

- e) Provide a breakdown of the elements included in the proposals for the property portfolio.

See appendix C of the January meeting pack

- f) Consider further whether the balance is right in terms of the Economy and Place directorate.

See paragraph 5 of the January meeting paper.

