

Meeting:	Children and young people scrutiny committee
Meeting date:	Tuesday 14 January 2020
Title of report:	Review of budget and corporate plan proposals for 2020/21 relating to the remit of the Children and Young People Scrutiny Committee
Report by:	Leader of the council

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To seek the views of the children and young people scrutiny committee on the budget proposals for 2020/21 and on the draft corporate plan as they relate to the remit of the committee.

The draft proposals have been considered by the committee on 25 November. The committee is now asked to reconsider the children and young people revenue and capital budget proposals following the conclusion of public consultation.

The committee is invited to make recommendations to inform, constructively challenge and support the process for making cabinet proposals to Council regarding the adoption of the budget and associated budget framework items.

Recommendation(s)

That:

- (a) the committee determine any recommendation it wishes to make to Cabinet in relation to the 2020/21 budget and corporate plan proposals specifically affecting**

children and young people.

Alternative options

1. There are no alternatives to the recommendations. Cabinet is responsible for developing budget proposals and a draft corporate plan for full Council's 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.
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. Every four years, Herefordshire Council develops a corporate plan which sets out the council's ambition and priorities. The revised proposed corporate plan is attached at appendix 1 and sets out three key ambitions:-
 - Economy – support to build on the county's strengths and resources
 - Environment – protect to keep Herefordshire a great place to live
 - Community – ensuring everyone lives well and safely together
4. The proposed corporate plan objectives will set the priorities to ensure the best use of resources and deliver services that make a difference to people of Herefordshire. A delivery plan will follow the adoption of the corporate plan and will identify the key projects planned each year to achieve progress towards the council's priorities. Regular reports monitoring progress against the objectives will then continue to be presented to Cabinet; detailing the latest budget position, as well as performance against delivery of the key activity and achievement of performance measures. The committee is invited to comment on the draft corporate plan priorities specifically in reference to children and young people.
5. Funding and service demand pressures do continue and the new corporate plan will establish the councils focus in supporting and addressing this going forward. This report proposes a balanced budget and includes a 3.9% total increase in council tax, a 3% expected annual pay increase settlement, 200 additional new homes above the assumed growth in new homes (increasing the expected amount of council tax income) and the central government 2019 spending review announcement.
6. The proposed 2020/21 revenue budget is based on an assumed total council tax increase of 3.9%, 1.9% increase in core council tax and a 2% adult social care precept. This increases the band D equivalent charge to £1,573.77 representing an increase of £1.14 per week.
7. The 2020/21 budget proposals include the creation of social care pooled budget of £2.1m, this would cover adults and children and would allow the council to determine where spending should be committed in future to meet pressures.

2020/21 budget proposals

8. The budget proposals for children and young people have not changed since the previous scrutiny meeting in November, as shown below:-

Table 1	19/20 revised base £m	Savings £m	Looked after children £m	Edge of care £m	Improving social care services £m	Inflation pressures £m	Total £m
Proposed budget - revenue	27.2	(0.3)	1.1	1.0	1.0	0.7	30.7

9. Overall the revenue budget proposed above shows an increase in the base budget to address revenue budget pressures being experienced now and expectations of the continuing of this pressures. The proposals include funding new initiatives to manage demand pressures through early intervention and improvements in support services.
10. The proposals are set in the context of the children and young people's plan 2019-2024 with the aim that by 2024 Herefordshire children and young people will:-
- Be safe from harm – the right support at the right time
 - Be amazing – through providing a great start in life
 - Be healthy – help in keeping active and eating healthy
 - Be part of the community – through involvement in decision making effecting the provision of services to children and young people
11. The budget for looked after children is proposed to address the numbers of children requiring this support, this continues to be a budget pressure however the rate of new entrants is coming down. Cost pressures in this area is being seen nationally, the challenge continues to be to meet more of their needs without the need to come into care. The proposed covers an estimated cost. Any costs associated with meeting children's needs further to this will be treated as a corporate risk and budget pressure.
12. The proposed edge of care additional budget will support the provision of an early help edge of care service to support more children staying with their families safely or to return to their families. The safeguarding family support development plan is a one year plan within the service of the different areas being worked on, prioritising work which could be done at an earlier stage to prevent children becoming looked after. By meeting needs earlier through increasing support for families and children who need to be cared for outside of the family, the services sought to work with families and carers to return children to the family network as appropriate.
13. The proposed improving social care services additional budget include the improvement of practice around social work practice and retention and recruitment of social workers. This enhanced service will support work to address children's needs at the right time and with the right services, including supporting children outside of the care system. Specifically the "signs of safety" social work model will be implemented over the next two years, including with partners to provide a strengths based approach with children and families. To be successful this will require resources to implement and embed and also

worker caseloads to be manageable and social workers supported with high quality supervision and training. Steady progress is being made in this area in terms of recruitment and retention but there is more to do.

14. The proposals recommend an increase in the budget associated with services for children and young people to meeting challenges through new ways of addressing issues, targeted to realise improvements in the long term, specifically through diverting children from care at an early stage by funding preventative services. Cost drivers are linked to individual services, by ensuring early help and improved support is provided this in turn will deliver reduced costs and better outcomes.
15. The capital investment budget proposals, shown in table 2 below, are in relation to increasing existing capital investment budgets to support the initiative of driving sustainable school improvement and place availability to meet demand.

Scheme	Description	Current Capital Programme £m	Total 21/22 request from capital receipt funding £m
Brookfield School	Improvement project seeking to achieve higher school buildings compliance, more robust fire evacuation buildings compliance, the release of a council owned split site facility at Symonds Street, the capacity to deliver the full statutory curriculum and improved accommodation.	2.7	1.2
Peterchurch Primary School	A replacement primary school for Peterchurch including all teaching and support spaces, including playground and playing field, necessary for it to function as a full one form entry school. The facility will include for the provision of a nursery and continued use of the swimming pool	5.5	5.3
Total		8.2	6.5

Financing

16. The 2020/21 net budget requirement is financed by retained funding from council tax (£109.8m) and business rates (£36.7m). Assumptions include a 3.9% increase in council tax (1.9% general increase and 2% adult social care precept) and business rate reliefs being funded via a central government grant. Central government funding is included as announced in the provisional funding settlement, the final local government funding settlement is yet to be announced.
17. The provisional settlement announced on 20 December 2019 included £2.2m new home bonus grant income. The overall allocation for each authority is based on the legacy payments for 2017/18 to 2019/20, the ministerial statement announced a Spring 2020 consultation on the future of the scheme, stating that "It is not clear that the New Homes Bonus in its current form is focused on incentivising homes where they are needed most"

and the consultation will “include moving to a new, more targeted approach that rewards local authorities where they are ambitious in delivering the homes we need, and which is aligned with other measures around planning performance”.

18. For this reason it is proposed that this funding is treated as one of funding and is considered for utilisation to fund unforeseen budget pressures in relation to the costs of looked after children. Other consideration include introducing a grant scheme for the Arts, road maintenance or free bus travel.
19. Council tax charges for the last five years are shown in table 3 below:-

Table 3

Council tax band	2015/16	2016/17	2017/18	2018/19	2019/20
A	£850.07	£883.22	£917.67	£962.63	£1,009.80
B	£991.74	£1,030.42	£1,070.61	£1,123.07	£1,178.10
C	£1,133.42	£1,177.63	£1,223.55	£1,283.51	£1,346.40
D	£1,275.10	£1,324.83	£1,376.50	£1,443.95	£1,514.70
E	£1,558.46	£1,619.24	£1,682.39	£1,764.82	£1,851.30
F	£1,841.81	£1,913.64	£1,988.28	£2,085.70	£2,187.90
G	£2,125.17	£2,208.05	£2,294.16	£2,406.58	£2,524.50
H	£2,550.20	£2,649.66	£2,753.00	£2,887.89	£3,029.40

20. Prudent estimates have been used in providing the council tax and business rates funding assumptions. If additional resource is made available at the final budget setting stage it is proposed to use the additional funding to uplift the centrally held contingency budget.
21. If the final settlement provides additional monies to the draft base budget shown above, unless the use of those funds is specified by government, Cabinet will seek the views of the scrutiny committees as to the best way of deploying the extra funding. In the interim the funding will be allocated to reserves.

Budget setting timetable

22. Below is a summary of the 2020/21 budget setting timetable. The committee has already reviewed the proposals at its meeting in November.

Date	Event	Purpose
13 January 2020	Adults and wellbeing scrutiny committee	To consider adults and wellbeing revenue and capital budget proposals following the conclusion of public consultation and agree any recommendations to be made to Cabinet
14 January 2020	Children and young people scrutiny committee	To consider children and young people revenue and capital budget proposals following the conclusion of public consultation and agree any recommendations to be made

		to Cabinet
20 January 2020	General scrutiny committee	To consider the overall revenue and capital budget proposals following the conclusion of public consultation and agree any recommendations to be made to Cabinet
30 January 2020	Cabinet	To agree the corporate plan, draft revenue and capital budget 2020/21, treasury management strategy, capital strategy and medium term financial strategy for recommendation to Council
14 February 2020	Council	Deadline for Members intending to propose an amended motion (as per Section 1 paragraph 4.1.105 and 4.1.106 of Constitution)
14 February 2020	Council	To agree the council's corporate plan, revenue and capital budget for 2020/21, treasury management strategy, capital strategy and medium term financial strategy

Community impact

23. The budget proposals demonstrate how the council is using its financial resources to deliver the priorities within the proposed corporate plan.
24. The council is committed to delivering continued improvement, positive change and outcomes in delivering key priorities as set out in the corporate plan.
25. 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.

Equality duty

26. 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.

27. Service specific equality impact assessments will be completed for the service specific budget proposals 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

28. 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

29. 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.

30. In acting prudently, the council has an obligation to determine whether any planned council increase is excessive (based on a set of principles defined by the Secretary of State, and approved by the House of Commons).

31. To avoid having to hold a referendum, the Council must raise less than the threshold. Alternatively, if an excessive increase in council tax is proposed, the council must hold a local referendum and obtain a 'yes' vote before implementing the increase. The council must also make substitute calculations, based on a non-excessive council tax level. This takes effect if the excessive increase is rejected in the referendum.

32. 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.

33. 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.

34. 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 more 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.

35. The council's budget and policy framework rules require that the chairmen of a scrutiny committee shall take steps to ensure that the relevant committee work programmes include any budget and policy framework plan or strategy, to enable scrutiny members to inform and support the process for making cabinet proposals to Council.
36. Section 106 of the Local Government Finance Act 1992 restricting councillors voting on certain matters where they are in arrears of council tax, does not apply to scrutiny function as the views from scrutiny on the budget are not a recommendation for approval, a resolution or any other type of decision. As a result a s106 check of councillors arrears has not been undertaken.

Risk management

37. 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.
38. 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.
39. The most substantial risks have been assessed as part of the budget process and reasonable mitigation has been made. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process.
40. There are additional risks to delivery of budgets including the delivery of new homes, Brexit, government policy changes following the general election and unplanned pressures. We are maintaining a general fund reserve balance above the minimum requirement and an annual contingency budget to manage these risks.
41. Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster locally than the national average and some specific areas of inequalities amongst families and young people. The budget proposed in this report include risk mitigation measures.

Consultees

42. Initial public consultation was completed and reported to the meeting on 25 November. At that meeting the committee confirmed their support for the proposed investment in looked after children, edge of care and improving social care services. The committee requested further information be submitted to the committee regarding the proposal for these services, this has been provided in the body of this report.
43. The committee also asked for a report concerning the dental health initiatives is provided to the committee setting out key performance indicators for the proposals. A comprehensive Oral Health Needs Assessment for Herefordshire was published in September 2019 which resulted in 10 key recommend actions. This is attached at Appendix 3. Following this a multi-agency partnership group (Oral Health Improvement

Group) was established in October 2019. The group includes representation from Herefordshire Council, Public Health England, NHS England/Improvement, Healthwatch Herefordshire and the Local Dental Committee. A draft version of an Oral Health Improvement Plan has been shared with this group, in addition to colleagues in the Public Health Team for comments. An update on progress including the final version of the Oral Health Improvement Plan, activities and spend will be shared to committee members as these become available.

44. Further public consultation on the 2020/21 budget and corporate plan 2020-24 has concluded. The consultation ran from 6 November to 4 December. The consultation questionnaire was published on the Herefordshire Council website and residents were invited to complete it online. A printable version was given upon request. The consultation was promoted on the council's social media sites (Twitter and Facebook). In addition to the online survey, there were pop up events held in the market towns and in Hereford City.
45. Attached at appendix 2 is a report on the key points from the analysis of standard responses received to the online consultation questionnaire, an analysis of free text comments and suggestions and trend data when compared to the previous year's consultation. 269 online survey responses were received.
46. On the proposed budget the responses included that 52% of respondents thought that a council tax increase of 4% is about right or too little.
47. 53% did not agree with the allocation of council tax as set out in the proposed till receipt and 21% reported "no opinion", a similar response was received in the previous year. 136 comments were received, below is a table presenting the most popular common themes emerging from the comments:-

Theme	No. of comments
Increase too high /above inflation / not enough money to live on / not value for money / stop wasting money	38
Too much on admin / IT costs / contractors / waste / councillors and directors pay / interest on borrowing	26
Not enough on climate change, public spaces / environment / recycling and waste collection	20
Not enough on public / community / sustainable / rural transport	17
Not enough roads / road safety and infrastructure / cycle paths / public rights of way	16
Not enough on libraries / culture / tourism	10

48. Additionally, responses included:-

- In relation to the council tax reduction scheme 63% wanted to keep the council tax discount at 84% or increase it and 52% supported a introducing a minimum award of £5 a week; and
- 75% supported continuing with the current levels of business rate discounts or increasing them.

49. In respect of Herefordshire Council Priorities responses include:-

- Community hubs - 63% of respondents indicated that Herefordshire would benefit to this investment with the most favoured options being 'health and social care services' (79%), 'wellbeing help, advice and activities' (73%) and 'children's centres' (71%).
- Community assets - 54% of respondents thought that the council should retain publicly owned land and buildings and manage them on behalf of everyone in the county.
- Affordable housing - 79% of respondents agreed that the council should invest money in developing additional affordable housing stock and retaining it in public ownership.
- Council owned care homes - 81% of respondents supported for investing in council owned care homes or care villages to support vulnerable children, young people and adults with accommodation and care needs.
- Tourism - 65% of respondents thought that it was important for the council to invest to support tourism.
- Core Strategy review - 71% of respondents thought that the council should undertake a fundamental review of the Core Strategy, even though it is a substantial piece of work, investment and will take over three years to complete.
- Maintenance of highways and public spaces - 76% of respondents agreed with the additional funding in public realm.
- Public transport - 16% of respondents indicated that they were regular users of public transport. From a list of options, 'lack of availability of public transport in my local area' (56%) and 'timetables do not match my needs' (54%) were selected as the most common reasons for not using public transport regularly.
- Planning and investment to address the climate emergency - 64% respondents thought that the council should invest resources to lead a local response to the climate emergency.
- Digital and better use of technology - 72% of respondents supported further investment in technology to enable new and improved ways of delivering services.
- Additional investment - some priority areas for investment were more favoured than others. If we take the overall weighted average for each priority, five areas were noticeably more favoured than the others, with not much difference in support between these five. They were, in order of priority, maintenance of highways and public spaces, planning and investment to address the climate emergency, care homes and accommodation for vulnerable people (children, young people and adults), affordable housing (publicly owned) and public housing.

Appendices

Appendix 1	Revised draft corporate plan
Appendix 2	Public consultation responses
Appendix 3	Herefordshire Oral Health Needs Assessment (2019)

Background papers

None identified

Glossary

Adult social care precept	Council tax charge for adult care services
Affordable housing	Social rented, affordable rented and intermediate housing
Code of corporate Governance	Guidance on the delivery of good governance
Community hubs	Local locations for communities to engage
Council tax reduction Scheme	Council tax discount for low earners
Early help assessments	Questionnaire to determine support requirements
Early year's strategy	The councils strategy to provide help for children and families as soon as indications of problems start to emerge
Edge of care	Support intended to divert need for conventional care
Funding settlement	Central government funding allocations to local councils
Healthwatch Herefordshire	Herefordshire's consumer champion for local health and social care
NHS England	National Health Service
Public Health England	Executive agency of the Department of Health and Social Care
S151 officer	Statutory chief financial officer of the council
Signs of safety	A widely used framework that aims to reduce the need for children to enter care, through a strengths-based approach
Social care pooled budget	Available to address both children's and adults budget pressure