



Supplemental Report

Presented to the
Meeting of the
Resources and Performance Cabinet Panel
on
Friday, 5 July 2019

2. **Supplementary Item- Item 9 Appendix A- Comments from Cabinet Panels on the Financial Outlook** 1 - 10

ITEM 9 APPENDIX A- COMMENTS FROM CABINET PANELS ON THE FINANCIAL OUTLOOK

HERTFORDSHIRE COUNTY COUNCIL

RESOURCES AND PERFORMANCE CABINET PANEL FRIDAY 5 JULY 2019

1. 1. Adult Care and Health Cabinet Panel (6 June 2019)

1.1 Members considered a report detailing the overall financial outlook for the council. Members were advised that the council is required to identify £45m of additional savings over the next three years.

1.2 In considering the report, the Lead Liberal Democrat Group Opposition Lead Spokesman made the following observations, which were noted:

In regard to the Care Act 2012, the Government implemented Part One containing the responsibilities, but did not implement Part Two which contained the financial model to fund those responsibilities.

In the Strategic Areas outlined within the report, there was no mention of the Voluntary and Third Sectors, essential for the delivery of the future Strategic Direction, particularly Areas 1 and 2.

By only dealing with high needs, the council are building up demand in the future as low and medium needs are not being met, resulting in faster deterioration of physical and mental health with the consequent increase of high needs demand.

1.3 Members discussed the impact that the national issues of Brexit, and the delay in the publication of the green paper on the future of social care were having on local issues. It was noted that there was currently a 2% cap on council tax increase.

1.4 Further to Member concern regarding the relative expenditure and performance for younger adults, as outlined in the integrated plan, assurance was received that work was being undertaken to mitigate this, partly through the accommodation strategy to ensure that services users were allocated the correct housing.

1.5 It was noted that some of the challenges associated with the ability to forecast accurate long-term financial strategies was created through uncertainty surrounding the government's future plans to award short or long term funding grants. Members were advised that officers from all local authorities were actively lobbying MP's, through organisations such the Local Government Association, to raise awareness of the difficult position created through the uncertainty.

1.6 The income generated through commercial activity was also noted by Members.

1.7 Conclusion:

Members noted and commented upon the financial position and options outlined within the report.

2. 2. Public Health and Prevention Cabinet Panel (21 June 2019)

2.1 Members received a report which provided an update on the overall financial outlook for the County Council.

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2.3 It was acknowledged that given current national political uncertainty, it was difficult to predict what the exact funding settlement would be for 2021, although it was believed that the mechanisms for providing the funding would remain the same.

2.4 Members expressed concern that the outcomes of the green paper on the future of social care, and the NHS 10 year plan, could also have an impact on the expectations of future Public Health workstreams.

2.5 In considering the report, Members noted that considerations were being made to efficiencies in the vacancy rate. In response to Member challenge, assurance was received that the risk that this may pose to service delivery had been acknowledged and initial discussions had been held with the clinical commissioning groups (CCG's) to explore opportunities in combining resources to ensure that service delivery was not affected.

2.6 During discussion, Members stated that the success of key services such as drug and alcohol services, smoking cessation service, sexual health services and healthy weight services were providing efficiencies in the NHS budget, through reduction in GP/hospital attendance and officers were asked to consider discussing the possibility of co commissioning between NHS and council to support shared objectives in national health policy

2.7 A request to consider the possibility of receiving funding from the Better Care Fund was also noted.

2.8 In response to a Member request it was agreed that officers would circulate a briefing note explaining the plans for the individual district public health hubs.

2.9 It was agreed that closer working with district councils would also contribute to the

success of achieving public health strategies and it was confirmed that there was district council representation on the professional development meetings.

Conclusions:

2.10 Members noted and commented upon the financial position and options outlined within the report, as detailed above.

3. Children, Young People and Families Cabinet Panel (25 June 2019)

3.1 The Panel received a report which updated the Panel on the overall financial outlook for the Council, and to seek the Panel's views on areas where further work should be done as part of the forthcoming Integrated Planning.

3.2 The Director of Resources gave Members an overview of the challenges ahead for the County Council and advised of the £90m savings gap which needed to be found, the panel were informed that although £45m had been identified it had not yet been secured.

3.3 The Panel were reminded that Adult Care Services and Children's Service had received 'one off' funding from central government and the Council was unsure going forward which grants it was likely to receive. Members noted there was a financial strategy in place to transform services but this was becoming harder to implement. It was also noted that Cabinet wanted to share the challenges with Cabinet Panels and would look to a steer from Panels on where or what areas it could focus on to deliver these savings.

3.4 It was acknowledged that given current national political uncertainty, it would be difficult to predict what the exact funding settlement would be for 2020 and future years; although it was believed that the mechanisms for providing the funding would remain the same.

3.5 In response to a Member question in relation to the spending review, it was noted this was normally announced in the Autumn Statement but early indication from the government was that the spending review statement would be highly unlikely to occur and therefore the Council was unsure if it should 'roll-forward' the normal grants received until an announcement was made.

- 3.6 The Chairman asked Panel Members when responding to consider which activities Children's Services were already doing or had already done to transform services, such as Families First and Family Safeguarding which she assumed the Panel wanted to continue with as they formed the essence of the services for early intervention and prevention strategies. The Chairman also requested Members considered what could be done to improve the outcomes for children and young people and their families whilst also trying to save resources. The Panel were reminded that Children's Services were also involved with cross-cutting activities with environment service for a future transport strategy on SEND and public health for the transformation of the family centres. The Chairman also informed the Panel of the recent work carried out by AMEO which looked at how residential care and sufficiency of place for children looked after and the result of this work has entailed some further in-depth capital project work will be carried out to deliver the County Council's own residential facilities.
- 3.7 A Member queried how Children Services may become more commercial. The Chairman informed the Panel that any spare accommodation in the County's new residential homes would be sold to other authorities.
- 3.8 Members agreed the work over the past few years had been looking at prevention rather than cure and agreed the Families First programme worked really well. In relation to SEND it was noted there were more and more children and young people approaching this service with special needs. It was noted the Panel were not content with further savings to Children's services but acknowledged some cuts may have to be sought in order to meet the saving gap.
- 3.9 Members agreed that it would be difficult to find any part of the Service, which opened itself up for cuts, given the transformation and reorganisation of services that were already being undertaken. It would be several years before the benefits would be seen by the Council and other partners.
- 3.10 During discussions it was suggested in order to work smarter perhaps work between YC Herts and district and boroughs be reviewed as there may be overlap in work carried out. It was noted YC Herts had worked well with schools and that the forthcoming Youth Strategy would look into more integrated working across the system, by all partners, for the benefit of young people
- 3.11 A Member stated that more funding from the government should be available for unaccompanied asylum seeking young people. Members agreed that new unfunded legislation often had the unintended consequences and longer term impacts.

- 3.12 A Member raised a question in relation to the IP scrutiny process and where decisions can be made if the outcome is not as difficult as projected. Officers advised that the Council had until budget day to make any changes to adjust policies. The Council could also change its policies at any time to suit circumstances.
- 3.13 In relation to the £2.1m government funding for Troubled Families which would ease in March 2020 it was noted the Executive Member for Children, Young People and Families had been lobbying with the Local Government Association for continued government funding.
- 3.14 In relation to the significant increase in population of 15 to 19 year olds in care being an impact on Children's Service it was noted that it is likely the reasons are due to the Family Safeguarding and Families First services having a positive impact on the number of young children coming into care and over the last eighteen months a larger proportion of older young people were staying in longer term care due to complex needs including exploitation, gangs and county lines and mental health difficulties. It was also noted the Council were in a new partnership with an external partner to provide a residential units for young people with learning disabilities.
- 3.15 A Member summarised his views by saying that he thought the Council's direction of travel, in Children's Services, had been correct over the last few years and agreed with the residential care strategy and welcomed the direction of travel for the service going forward. In relation to sufficiency a Member believed a big challenge would be to provide foster carers and residential homes and the Council needed to put assets in these areas. Members noted that this was already a course of action being undertaken by officers and part of the Service's future asset strategy.
- 3.16 A Member requested that more information be provided to panel in relation to the financial situation on resourcing of Children's Services. The Chair suggested that reports presented to Finances and Resources Panel also be provided to Panel in the future.
- 3.17 It was suggested that closer working with district councils would also contribute to the success of achieving savings as Members were sure there may be overlap in services offered. A further suggestion was to work with charitable organisations.
- 3.18 In relation to the placement of CLA, Members noted that the number of SGO's had risen, which had cost the Council more but ultimately would benefit the children and also learnt that Luton Borough Council had decided not to become an Adoption Agency with Hertfordshire.
- 3.19 A Member applauded the intended Capital Strategy as apart from ensuring the County is able to look after its own children and young people, it would mean that Hertfordshire's high standards could be maintained.

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| 3.20 Conclusions: |
| Members noted and commented upon the financial position and options outlined within the report, as detailed above. |

4. Community Safety & Waste Management Cabinet Panel (28 June 2019)

- 4.1 The Panel received a report which updated the Panel on the overall financial outlook for the Council, and to seek the Panel's views on areas where further work should be done as part of the forthcoming Integrated Planning.
- 4.2 The Assistant Director of Finance and Business Support gave Members an overview of the financial challenges ahead for the County Council and advised in the four years from 2019 the costs of delivering Council services would increase by £140m and the expected income would grow by £50m which meant there would be a £90m savings gap which needed to be potentially identified. The Assistant Director reiterated it was becoming more difficult to find efficiency savings in future years. It was noted that Cabinet wanted to share the challenges with Cabinet Panels and would look to a steer from Panels on where or what areas it could focus on to deliver these savings.
- 4.3 The Chairman reminded the panel that the extra homes being planned across the county and increases in adult life span particularly put pressure on the Adult Care Services and Children's Services budgets. He also mentioned that the Council's reserves were relatively low to other authorities, and that reserves were not a solution for annual savings gaps. In relation to waste management it was noted that inter-authority savings, relating to a reduction in the Alternative Financial Model (AFM), were currently being consulted on.
- 4.4 A Member enquired if moving to a joint waste collection service in collaboration with district and borough councils would be beneficial. In response the Chairman advised that all district and borough councils were actively encouraged to work together and even though some district and borough councils used the same waste collection provider they had different contract arrangements.
- 4.5 In relation to the inter-authority savings in relation to the AFM and the suggestion of the full budget being reduced immediately, the Panel were informed it was not advisable to reduce this budget in one go as this would have an impact on the disposal of recycling for the county.
- 4.6 A Member raised a concern that the Council had set the budget for 2019/20 onwards and only a couple of months later Members have been informed that more savings need to be found. He believed that residents did not want reduced services and therefore the Council should be turning to Government for further grants. The Chairman assured the Panel that the Leadership was

constantly liaising with Government to seek extra funding.

A suggestion was for the Council to research how much in contributions were received from developers and enforce more collection from the section 106 agreements as it was not sufficient for the Council's needs. A suggestion was for the County Council to challenge the district and borough council's on the amount of money it received from them in relation to section 106 agreements or through the Community Infrastructure Levy.

- 4.7 Another suggestion was for the County Council to review those schools and buildings that had been sitting empty for numerous years and to sell them on or reuse them for new schools etc.

Conclusions:

Members noted and commented upon the financial position and options outlined within the report, as detailed above.

5. Highways and Environment Cabinet Panel (1 July 2019)

- 5.1 Members considered a report outlining the current overall financial outlook for the Council and requesting their views on areas where further work could be undertaken to identify future savings as part of the forthcoming Integrated Plan (IP) process.
- 5.2 The Panel learnt of the increasing financial challenges associated with the national political uncertainties surrounding Brexit and leadership, and the impact that this was generating on central government decision making on matters such as the Spending Review, and the future of individual grant funding. It was acknowledged that whilst officers were actively lobbying government to provide certainty, it was necessary to plan for a 'worst case' scenario when budget planning.
- 5.3 In response to a Member question, it was clarified that councillors were able to seek appropriate alternative or match funding where possible for local highways maintenance and locality projects.
- 5.4 It was confirmed that School Travel Plans are still in existence, and demand for information to populate these remained high.
- 5.5 It was further confirmed that whilst there were no plans for efficiencies in the school crossing patrol budget, Members were reminded that sites where school crossing patrols are in existence are locations where the council review vacancies regularly. These can be subject to the funding being removed should it be judged that the provision is no longer warranted.
- 5.6 In response to a Member challenge regarding the need to receive an increase in the amount of income received from property developers for highway provision, it was advised that the Growth, Infrastructure, Planning and the Economy Panel would be reviewing the toolkit used to calculate contributions at its meeting on 1

July 2019.

- 5.7 During discussion, broad agreement was reached that officers should explore options for working in closer partnership with Local Planning Authorities with the view to undertaking robust joint negotiations with prospective developers and to increase the use of Community Infrastructure Levies to generate an increased level of income. It was also noted that the Council should work to ensure that Planning Inspectors were aware of the broader implications of any decision they make.
- 5.8 Further to a Member question, it was agreed that officers would ascertain how many members of the public took part in the consultation on the Council Tax levy as outlined at point 15c of Appendix 1 of the report.
- 5.9 During discussion, officers were asked to consider the reduction of grass cutting in central reservations and roadsides as this would not only promote the growth of wildflowers, which was beneficial to the environment, but would also create budget savings. It was noted that this policy had been adopted successfully in Rotherham.
- 5.10 Officers were also asked to consider whether the current budget of £1,524k allocated 2020/21 to 2022/23 to the procurement of new highways contracts could be reduced.
- 5.11 Further to a Member challenge, it was clarified that it had been a reduction appropriate potential prosecutions coming through from Hertfordshire Constabulary that had led to a reduction in appropriate referrals for driver offender retraining.
- 5.12 Members received assurance that any final decisions for budget savings would be made further to consultation with Members through a future meeting of the Highways and Environment Panel. Public consultation would be undertaken on a case by case basis.

Conclusion:

5.13 Members noted and commented upon the financial position and options outlined within the report, as detailed above.

**6. Growth, Infrastructure, Planning And The Economy Cabinet Panel
(1 July 2019)**

- 6.1 The Panel received a report which brought to their attention the overall financial outlook for the Council over the next three years, and sought their views on areas where further work should be done as part of the forthcoming Integrated Planning round to meet the £45m of additional savings required over the three years to March 2023.

- 6.2 Members noted the Council's ongoing and increasing financial challenges stemming from service demand outstripping available funding, particularly in Children's' Services and Adult Care Services. As a consequence of central government's focus of Brexit, there was also uncertainty around central grant funding and control totals were unlikely to be agreed, a roll forward being suggested via one year settlements perhaps with inflationary uplift and council tax flexibility.
- 6.3 In light of the growth in the county Members highlighted the need to identify ways to maximise developer contributions for costs including those of physical construction e.g. the cost of setting up extensions to schools and, on the basis that if developer contributions weren't asked for it wouldn't be received, emphasised the need to ask for this from planning authorities. Capturing enhanced land values was also suggested as and when legislation allows for this.
- 6.4 Members were reminded of the inherent conflict between considering only the financial aspect of the council's current situation and the need to lead on the development of good towns and place shaping.
- 6.5 The Panel emphasised the need to lobby government even more strongly for proper funding of councils and services for the most vulnerable, without which the current situation would continue.
- 6.6 A Member cautioned the Panel to remember that the strongest case for more funding or transformation was that of better delivery.
- 6.7 During discussion officers clarified that it was unclear whether the funds received as a result of the cessation of the Metropolitan Line Extension would be available for other Watford projects and that the LEP might call for other bids.

6.8 Conclusion:

That Panel considered the questions raised in paragraph 2.4 of the report and provided feedback, as above, to Cabinet on these.

7. Resources and Performance Cabinet Panel (5 July 2019)

As this meeting is not scheduled until 5 July 2019, any comments from the Panel will be reported orally to Cabinet.

8. Education, Libraries and Localism Cabinet Panel (8 July 2019)

As this meeting is not scheduled until 8 July 2019, any comments from the Panel will be reported orally to Cabinet.

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