

HERTFORDSHIRE COUNTY COUNCIL

**CABINET
MONDAY, 24 FEBRUARY 2020 AT 2.00PM**

**COUNTY COUNCIL
TUESDAY, 25 FEBRUARY 2020 AT 10.00AM**

Cabinet
Agenda Item No.

4(i)

County Council
Agenda Item No.

5A(i)

**COMMENTS AND CONCLUSIONS OF THE COUNCIL'S CABINET PANELS ON
THE INTEGRATED PLAN 2020/21 – 2023/24**

Report of the Director of Resources

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1. Purpose of the report

1.1 To inform Members of the comments and conclusions of the County Council's Cabinet Panels on the draft Integrated Plan 2020/21 – 2023/24.

2. Summary and Background

2.1.1 As part of the Integrated Planning Process each of the County Council's service Cabinet Panels met during early February 2020 to consider the integrated plan 2020/21 – 2023/24.

2.1.2 At its meeting on 12 February 2020, the Resources & Performance Cabinet Panel considered the Integrated Plan for 2020/21 – 2023/24, the comments of the service Cabinet Panels, and the report of the Overview and Scrutiny Committee on its scrutiny of the IP proposals (the Committee's report is attached as item 4(ii) of the Cabinet agenda / item 5A(ii) of the Council agenda).

2.1.3 The relevant extracts from the minutes of the service cabinet panels' meetings, together with their conclusions, are attached at Appendix 1 to this report.

3. Recommendation

- 3.1.1 That the report be noted and that the comments and conclusions of the Council's Cabinet Panels be taken into account by Cabinet and County Council in their consideration of the Integrated Plan 2020/21 – 2023/24.
- 3.1.2 Cabinet's recommendations to Council will be considered by County Council on 25 February 2020.

4. Financial Implications

- 4.1 The financial implications of the Integrated Plan proposals are as set out in the report at item 4(iii) of the Cabinet agenda and item 5A(i) of the Council agenda.

Background Information

Minutes of:-

- Highways & Environment Cabinet Panel
- Children, Young People & Families Cabinet Panel
- Education, Libraries & Localism Cabinet Panel
- Public Health & Prevention Cabinet Panel
- Adult Care & Health Cabinet Panel
- Growth, Infrastructure, Planning & the Economy Cabinet Panel
- Community Safety & Waste Management Cabinet Panel
- Resources & Performance Cabinet Panel

INTEGRATED PLANNING PROCESS 2019/20 - 2022/23: COMMENTS FROM SERVICE CABINET PANELS

1. Highways & Environment Cabinet Panel (3 February 2020)

The Panel received a report which provided a high-level overview of the County Council's financial position (the Integrated Plan (IP)) in order to consider those issues relating to the Highways and Environment portfolio.

Officers highlighted the positive nature of this budget review for the Highways and Environment portfolio, with additional revenue funding of £1m for maintenance of gullies and trees, no new revenue policy choices, and efficiencies with respect to generating more money from developers and the utility companies. The outlook in terms of capital funding was also positive with an additional £9m for maintenance for safety barriers, street lighting and traffic signals.

In relation to the portfolio's review of its effectiveness / value for money in delivering the service outcomes (Page 158 of the IP) a member challenged that (i) potholes measuring 300mm wide and 50 mm deep were dangerous to cars, motorcyclists and cyclists, consequently the intervention response time for 'Cat 1' potholes should not be location dependent; (ii) the lack of clarification in the table on page 158 on how the Council's response times compared with other authorities was misleading to the public. Officers clarified that a risk-based approach was used to categorise the most severe potholes. 'Cat 1' potholes with depths of 40mm on cycle lanes and 50mm on other routes on 'A' class roads were considered the most severe pothole defects and were responded to within 24 hours; those with these dimensions on unclassified roads were considered lower risk and were responded to within 20 working days. Officers emphasised that the comparison table of Authorities' response times referred to only the severest pothole defects; it did not provide the breakdown of the risk-based approach for the different road categorisations for the authorities. It was suggested that the heading of the table did make it clear that the quoted response times were for the most severe faults, and not all.

The Liberal Democrat Group requested that their disagreement to the explanation of the Cat 1 default was minuted.

Regarding the revised capital bids – annual programme (Page 166) a Member suggested that in view of the growth programme and associated infrastructural growth, for energy saving and to reduce CO₂ emissions, consideration be given to free standing solar panel streetlights. Engagement should also be undertaken with the Development Management Team and developers on roads that were likely to be adopted in the future.

During discussion of the traffic signal refurbishment / replacement programme, a Member expressed concern that in refurbishments where the safe to cross indicator, originally positioned in front of the pedestrian, was replaced with one at the side, sight of the indicator could be obscured by other pedestrians. Officers

clarified that to compensate for this at busy locations a secondary indicator was installed above head height. It was emphasised that the policy was to replace Pelican crossings with Puffin crossings unless it was necessary to retain the former.

In terms of the capital programme Members across all sides of the panel highlighted that the Highways Locality Budget (HLB) of £90k per Member had not increased since its inception and, due to inflation over time, Members were able to commission less with it. Members suggested that capitalisation of £780k of additional funds from the council's £146m in reserves would enable a rise in the HLB to £100k. The panel were reminded that the HLB amounted to a reduction in officers' budget of £7m to spend as necessary on the portfolio, that it enabled members to tailor spending of this amount from the portfolio to their local priorities, and that the opportunity for planned spending up to 2 years in advance made best economic use of it.

During discussion of key budgetary movements – pressures officers clarified that the additional £652k of funding per year to support additional tree maintenance work, including inspection and safety related work, would be spent on tree inspections and follow-on works. It was emphasised that this would not be a regular routine tree maintenance programme, but continuation of cyclical inspections and resultant follow-on works. Officers further clarified that Highways endeavoured to replace felled trees, but the outcomes of tree inspections and resultant works, within the finite budget available can affect how many new trees can be planted.

During discussion of Revised Capital Bids- Projects officers clarified that the increase in funding of £2,790k for the New River Bridge Scheme would be provided by the LEP plus Section106 funding.

An opposition Member welcomed the increase in revenue and capital but felt that there was insufficient funding in place to support ongoing requirements.

Conclusion:

The Panel commented as above on the proposals relating to the Integrated Plan in respect of Highways and Environment.

2. Children, Young People & Families Cabinet Panel (4 February 2020)

The Panel received a report highlighting the areas of the Integrated Plan which related to Children, Young People & Families order for Panel to consider these and provide comment on.

Members heard there had been an £11m revenue budget rise in 2020/21 in recognition of current demand for vulnerable children, this budget related as £8m for Independent Placements and £3m for Special Education Needs (SEN) home to school transport. It was also noted there had been a significant amount of Capital funding for the Placement Residential Strategy.

In response to a Member question in relation to the Adoption Support Fund and the uncertainty of the budget continuing in 2019 the Panel were informed this budget had been agreed for a further year. It was also noted the Government were looking to conduct a care review and it was hoped the funding for Adoption Support would continue after 2021.

The Panel were pleased to hear of the positive work which had been carried out in relation to Residential Placement Strategy and were given a brief overview of three strands of work which were taking place to achieve improvements to this service area.

Conclusions:

The Cabinet Panel:

Discussed and commented on the proposals relating to the Integrated Plan in respect of Children, Young People and Families.

3. Education, Libraries and Localism Cabinet Panel (5 February 2020)

Members were presented with an overview of the full structure and detail of the County Council's Integrated Plan for 2020/21 -2023/24 before discussing the detail of the section relating to Education, Libraries and Localism. Members noted that there were not any new policy changes for the Education portfolio within the IP. It was noted that the biggest change was in relation to capital for new school developments. Officers advised that the issue was due to cash flow and that funding would be recovered.

There was some discussion of the division of responsibility for children with Special Educational Needs and Disabilities (SEND) as between Education and Children's, Young People and Families Cabinet Panel, and the importance of an overview being maintained of their educational needs by Education Panel. Officers advised that whilst elements of SEND fell within the remit of another Panel, the Education, Libraries and Localism Cabinet Panel remained the relevant panel for matters relating to schools, for example the expansion of Special Schools.

In response to a Member question regarding SEND funding, Officers advised that the pressure for SEND funding was a national issue and that other County Council's had gone into a deficit. Members noted that the number of children with statements or an Education, Health and Care plans was rising rapidly and putting pressure on the budget for future years. It was noted that due to the way the National Funding Formula was partly based on historic spend, Hertfordshire received amongst the lowest level of funding per-capita of 31 County Councils and that it was important to lobby and advocate to Government to change the way the National Funding Formula was applied so as better to align with needs. Officers advised that in terms of

managing the existing budget, the service would work as effectively as possible e.g. by providing the right provision locally to reduce more expensive out of county provision. Members heard that a whole spectrum of activity was being progressed as part of the SEND strategy and SEND transformation, in addition to extra support being made available to support SEND pupils in mainstream schools.

The Panel discussed the increase in numbers of pupils who were home educated (as set out on page 113 of the IP) and were interested to know how many children were now being taught at home and which division the children were based in. Officers advised that there were now just under 1500 children receiving elective home education and that a report on this topic was to be brought to the Panel.

In relation to Libraries and Localism, Members heard that the IP focussed on a continuity of policy choices. It was noted that £1 million remained of the inspiring libraries capital and that the money agreed for archives remained.

Members queried if the £179,000 in-year saving due to the delay of the library service transferring to Libraries for Life impacted on the IP. Officers advised that this was a proposed in-year saving for this year and would be met by the contingency budget, with a full year of savings due to be made next year.

Conclusion

The Panel commented on the proposals relating to the Integrated Plan in respect of Education, Libraries and Localism.

The Panel identified issues that it felt that the Cabinet should consider in finalising the Integrated Plan proposals.

4. Public Health & Prevention Cabinet Panel (6 February 2020)

Members were presented with an overview of the full structure and detail of the County Council's Integrated Plan for 2020/21 -2023/24 before discussing the detail of the section relating to Public Health and Prevention. Members noted that the exact amount of Public Health funding had yet to be confirmed neither had when it would be or the conditions attached in terms of statutory duties. Members noted that the IP did not feature many changes and set out the key priorities with promising work ahead around health policies.

Members expressed disappointment in the recommendations for Public Health and Prevention recorded from the Overview and Scrutiny process (report of the Overview and Scrutiny Committee 30 January 2020). Members would have like to have seen a recommendation regarding Health in All Policies in relation to the prevention agenda. It was noted that Appendix A requested information on the services funded by Public Health and that the information was being put together. In addition, it was noted Appendix 2 referred to ring-fenced funding and efficiency savings and that a report was being prepared for Full Council.

Members advised that part of the discussions during the Overview and Scrutiny process were around looking at Public Health initiatives which also benefitted the NHS. Officers advised that they could put together a report around outcomes, however it would be difficult to quantify savings to the NHS.

It was noted that 3.10 of the report of the Overview and Scrutiny Committee 30 January 2020 referred to prevention and Members agreed that they would like to see the role of Public Health expanded across the whole of the County Council.

In relation to School Nursing Services (as detailed on p.187 of the IP), Members queried how a national shortage was impacting on recruitment and retention. Officers advised that Hertfordshire was lucky to have a provider and staff wanting to work in the area and therefore there was not a shortage currently.

Conclusions:

The Panel commented on the proposals relating to the Integrated Plan in respect of Public Health and Prevention.

The Panel identified issues that it felt that the Cabinet should consider in finalising the Integrated Plan proposals.

5. Adult Care & Health Cabinet Panel (7 February 2020)

Members considered a report outlining areas of the Integrated Plan relating to Adult Care and Health. The Integrated Plan brings together the financial impact of service plans and the available funding to resource these over the next four years. Strategic Direction summaries have been produced for each Portfolio, which set out the future direction of services.

In response to a Member question, it was explained that at present there was no further detail on the Business Rates Retention, as outlined at point 2.5 of the report. It was confirmed that this was being considered separately to any decisions coming as a result of the green paper on the future of social care.

Members welcomed the 2% social care precept for social care, allowing the Council to increase the pay rate for care workers, as illustrated on page 35 of the IP pack. It was confirmed that officers were working with care providers to ensure that the full increase was implemented in care worker salaries. Members noted that the increase would also be beneficial in increasing employment in this sector, which they noted had been raised as a significant challenge in previous meetings.

Further to discussion, it was established that it was unknown whether the outcomes of the Domestic Abuse Act would result in any future funding stream.

Further to a Member challenge, it was explained that a budget pressure regarding self funders had not yet been detailed beyond 2021/22, due to the fact that the initial sharp

increase in self funders had now lessened, and the outcomes of the green paper on the future of social care may provide further guidance in this area. Members were assured that this was an issue that officers were closely monitoring, and mid-year or future year pressures would be considered if required.

In response to a Member question, Members received assurance that the Council were confident of achieving the efficiencies with regards to mental health residential provision, as outlined at NE1 at page 44 of the report, as the Council and the Hertfordshire Partnership Foundation Trust (HPFT) were working closely together on plans to deliver this.

Conclusion:

The Panel commented and approved the proposals relating to the Integrated Plan in respect of Adult Care and Health.

The Panel considered any issues that it felt that the Cabinet should consider in finalising the Integrated Plan proposals.

6. Growth, Infrastructure, Planning & The Economy Cabinet Panel (7 February 2020)

The Panel considered a report which provided a high-level overview of the County Council's financial position (the Integrated Plan (IP)) in order to consider those issues relating to the Growth, Infrastructure, Planning and The Economy (GRIPE) portfolio.

Officers highlighted the positive nature of this budget review for the (GRIPE) portfolio. In revenue terms this comprised no new policy choices, growth resourcing of £200k per annum for consultancy and public enquiry costs, alongside £270k per annum for strategic planning in Hertfordshire. New capital monies included an extra £9m for bus priorities and measures, and £150k in relation to the Integrated Transport Unit (ITU) systems which brought together the Council's delivery of transport, to make better, more efficient use of routes and fleets.

To Member challenge at the location of Sustainable Herts within the GRIPE portfolio, since the environmental areas could not make the greatest contribution to it and the issue should be visible across the Authority, officers clarified that its current placement was pragmatic.

Members welcomed the wider package of measures for buses the government had announced on 6 February, particularly as it was the first element of growth in Local Government since for a number of years. Officers highlighted that the funding came with different timescales, criteria and processes for bidding, some of which excluded Hertfordshire. From a preliminary assessment one of the criteria was towns/cities with poor quality air; in Hertfordshire this applied only to Broxbourne and a bid would be considered. Funding was also available for new fleet of electric buses; the winning

town would be used as model by the government. In relation to the grant for bus services operators, for a trial of demand responsive transport for rural areas where bus services were less frequent, a £400k bid was being prepared for next year.

Responding to a Member challenge officers clarified that the £9m for the Intalink Enhanced Partnership Highways Scheme would involve improvements to bus infrastructure and the highways network, e.g. bus lanes and gates to prioritise bus movements over other traffic, particularly in congested areas. This would enable buses to become a more reliable and attractive option thus reducing congestion. However, the cooperation of the Local Planning Authorities on parking which often impeded the passage of buses would be required.

A Member challenged the modest expenditure on the ITU systems, bearing in mind the expectation that with these tools the ITU was expected to find savings in the Council's transport delivery. Officers highlighted that savings should be possible from the £30m transport budget and to progress this a Head of Transport Unit was being recruited. The results would be reported back to the GriPE cabinet panel.

With Members' agreement to suggestions from the chairman the recommendations were changed to those in paragraph 4.8.

The Panel:

1. Recommended to Cabinet that the Integrated Plan 2020/21-2023/24 for Growth, Infrastructure, Planning and the Economy is agreed.
2. Welcomed the £9m investment in the Intalink Enhanced Bus Partnership, thanking the bus companies and the Department for Transport for their work in supporting the Council to bring this forward, and welcomed the investment in the Integrated Transport Unit.
3. Welcomed the ongoing investment in growth, enabling the Council to continue to support the delivery of good growth and engage in proactive place leadership in Hertfordshire.

Conclusion:

The Panel agreed unanimously to recommendations 2 and 3, but voted as follows on recommendation 1:
8 in favour : 4 abstentions – all 4 opposition members present abstained

7. Community Safety & Waste Management Cabinet Panel (10 February 2020)

The Cabinet Panel were given an overview of the Council's financial position and noted there were no new policy choices in relation to the Community Safety & Waste Management revenue budget and there was a good news story in relation to savings to the waste management budget. Members were informed there was £1.9m for the waste compaction equipment and additional money in the Community Protection budget for the joint project at Longfield Training Centre.

The Executive Member for Community Safety & Waste Management stated this portfolio had challenges to face in the future especially in relation to future waste management and the Fire & Rescue Services pension contributions which was still under consultation.

Conclusion:

1. The Cabinet Panel were invited to note and comment on the proposals relating to the Integrated Plan in respect of Community Safety and Waste Management. The Panel made no further comment.
2. The Cabinet Panel were invited to identify any issues it felt Cabinet Panel should consider in finalising the Integrated Plan proposals. The Panel raised no issues.
3. The Cabinet Panel recommended to Cabinet that the Integrated Plan, in respect of Community Safety & Waste Management, was approved.

8. Resources & Performance Cabinet Panel (12 February 2020)

The Panel received the County Council's draft Integrated Plan (IP) for 20120/21 – 2023/24 and was invited to comment to Cabinet on its content and proposals, including the areas which related specifically to Resources and Performance portfolio. Prior to the meeting Members had received and considered the following documents: (i) a report containing the headline outcomes of public engagement and consultation in relation to the Plan; (ii) the Integrated Plan, including a report on those areas specifically related to Resources and Performance functions; (iii) comments from service Cabinet Panels, where those aspects of the Plan relating to individual services had been considered and discussed; (iv) comments from the Overview and Scrutiny Committee, following scrutiny of the Plan on 22 January 2020, where evidence was gathered, and on 30 January 2020 when it agreed its comments and suggestions for Cabinet's consideration.

PUBLIC ENGAGEMENT AND CONSULTATION

Members noted the Public Engagement Document, which outlined the results of the public engagement and consultation regarding the Council's budget and spending priorities for 2020/21 and beyond.

In response to Member challenge, Members were assured that officers were considering options to reduce the amount of paper used for council meetings. It was noted that due to the complexity of the Integrated Plan, this may still require printing to enable members and officers to navigate the detail.

In answer to a Member question, it was acknowledged that it was worth noting that ensuring the results of the survey were truly representative of the Hertfordshire population was challenging due to the fact that residents self-select whether they wish

to participate in the survey. The Panel were pleased to note that the amount of people engaging online had increased to 5,784. It was confirmed that paper copy surveys had also been completed by residents unable to access online services.

Further to discussion, it was agreed that officers would consider including a question on the budget as part of the telephone survey scheduled to take place in Autumn 2020.

INTEGRATED PLAN 2019/20 – 2022/23

Members considered the reports published in relation to the Integrated Plan and officers provided a headline overview.

In response to a Member challenge, officers explained that the risk register was last updated in February 2019, and at that time there was greater uncertainty with regards to future funding from central government. Members were advised that since then, the situation had improved slightly, and in September 2019, the Council had received confirmation that they would be receiving £50m more than expected from central government. It was stressed to Members that despite this improved position, the Council still had a £36m funding gap for 2023/24, and there was still uncertainty regarding funding for future years.

Further to discussion it was confirmed that officers, the Leader and Executive Members would continue to liaise with central government to push for a resolution on policies such as Fair Funding, the Spending Review and the Future of Social Care to enable more informed discussion and decisions to be made on budgetary forecasting and planning.

A Member comment that officers should consider the foreword of a draft public document outlining the Council's services was noted. It was highlighted that the foreword had indicated that the Council were 'financially robust', which it was felt may be better worded given the discussions heard in Panel.

The Panel discussed the variance in policies between the UK and Europe with regards to building new homes and noted that the 'New Homes Bonus' provided within the UK was due to be reviewed soon.

In response to a Member question, it was agreed that the Chairman would raise with Cabinet the prospect of receiving funding from central government with regards to supporting the environmental improvements within the county.

INTEGRATED PLANNING PROCESS 2020/21 - 2023/24: COMMENTS FROM SERVICE CABINET PANELS

The Cabinet Panel considered a report which outlined comments in relation to the IP from each of the service Cabinet Panels.

A Member comment supporting the points made in the Highways and Environment panel feedback regarding the challenges associated with the decreasing Highways locality Budget was noted.

Further to discussion it was agreed that officers would consult with the Director of Public Health to establish whether there had been any indication of any funding streams becoming available from central government in the event of the coronavirus becoming a pandemic in the UK.

Members also noted the comments made under the Growth, Infrastructure, Planning & The Economy (GRIPE) Cabinet Panel feedback regarding the investment and savings associated with the implementation of Integrated Transport Unit (ITU). This was on track to be established by July 2020. This would be monitored by GRIPE as appropriate.

SCRUTINY OF THE INTEGRATED PLAN PROPOSALS 2020/21 – 2023/24

The Panel acknowledged a report from the Overview and Scrutiny Committee which detailed the evidence gathered by the eight portfolio groups with recommendations to Cabinet on the draft Integrated Plan.

Members expressed cross party disappointment at the management of the IP Scrutiny Process in January 2020, focusing on the following areas of concern:

- Members had not been permitted to effectively contribute to the discussion within the individual group sessions; and felt that any suggestions or questions had been curtailed by group chairmen;
- Group Members, Executive Members and Lead Officers felt the outcomes and recommendations listed did not reflect the discussions held, and did not provide detail of who was assigned to undertake them;
- Recommendations were mainly made regarding future budget plans, minimal for 2020/21 budget;
- Discussion in the Council Chamber on Day 2 of the Scrutiny was restricted and did not allow for feedback or explanation from Executive Members, Lead Officers or Opposition Members, thus not enabling effective Member engagement or input into the scrutiny process.

The Chairman reminded Members that it was not in the Panel's remit to direct the management of the Overview & Scrutiny Committee but stated that comments would be fed back as appropriate.

Conclusion

The Panel commented on and approved to Cabinet the proposals relating to the Integrated Plan in respect of Resources and Performance.

The Panel identified issues that it felt that Cabinet should consider in finalising the Integrated Plan proposals.

