

## Appendix 7

### Response to Scrutiny Committee recommendations

At their meetings, the People and Health Scrutiny Committee (10 December 2021) and Place and Resources Scrutiny Committee (7 January 2022) reviewed the draft proposals for the 2022/23 revenue budget and the assumptions used in developing them and an overview of the proposed transformation and tactical efficiencies to be made during the course of the year.

The committees raised a series of issues for Cabinet to consider prior to finalising the budget. The table below summarises the issues raised and provides a response to the consideration given.

<b>Questions and Issues raised by the People and Health Scrutiny Committee</b>	<b>Response</b>
<b>General Questions</b>	
1. In respect of assumptions, there is an inflationary number of 2%. This appears low compared to the Consumer Price Index measure of inflation, and therefore there is a risk of underestimating the costs if running the Council next year.	Following the provisional financial settlement announced in December, the budget proposals have been updated.  An additional 1% for inflation allowance has been added to the contingency budget.  Specific inflation increases have been allowed for care prices and the cost of street lighting.
2. Why 2.5% increases on fees and charges? This is less than inflation.	2.5% is the minimum increase that has been built into all income budgets. Individual directorates have then factored in more significant increases depending on the market, benchmarking and legislation e.g. car parking charges
3. Why is there a 0.5% growth on business rates, will our take be less?	We are as confident as we can be at this stage that our estimates for business rates yield are robust. The Council is advised by LG Futures but also uses the Government's own figures from the settlement for our budget.

<p>4. Is there an increase in the employers' National Insurance (NI) contribution?</p>	<p>Yes, there will be an increase in NI costs for employees and employers, and additional funding has been received from government to fund the Council's costs – this has been incorporated into individual directorate budgets.</p> <p>Suppliers are also likely to incur additional NI costs, and the funding of this will form part of the annual price negotiations.</p>
<p>5. Concern around certainty on the savings, not convinced some of the savings would be realised. e.g. Children's Services in respect of the recent tragic child death in Solihull.</p>	<p>Following this scrutiny recommendation, the contingency budget has been increased by £2.8m to mitigate against the risk of increases in demand in all services, in particular Children's Services.</p>
<p>6. No detail of what was in the £125m, members are scrutinising just 9% of the budget. Why no zero based budgeting?</p>	<p>The final budget report contains more detail on budgets.</p> <p>The Corporate Development directorate was effectively zero based in 2019/20, Children's Services' redesign (Blueprint for change) was a zero basing of the staffing budget completed in early 2021, and the Place directorate convergence and restructure is taking place on a phased basis, and is nearing completion.</p>
<p>7. Concern about impact on people's mental health, do we have to buy in specific services to ensure they are there?</p>	<p>The majority of mental health services are the responsibility of NHS. Public Health worked closely with them and the director highlighted a range of mental health training and development. Funding streams were coming down nationally for this area. Public Health budgets tended to take on a lot of prevention work, the majority</p>

	of services were commissioned by the Clinical Commissioning Group.
8. Disappointed by a multi-year spending review and that there is still only a single year settlement. Are there any approaches being made to central government to try and address this?	<p>The Deputy Leader advised that he, along with the Leader and Chief Executive, met every month with local MPs and had also been lobbying them for fairer grants.</p> <p>The Government were more inclined to continue with single year settlements in the light of the pandemic.</p>
<b>Adult Care, Housing and Public Health</b>	
9. There are a large number of jobs to fill in Adult Social Care, how will this happen?	<p>From a South West perspective, we are in the most difficult position in terms of workforce, lowest quartile of staffing due to rurality and older population. There is a joint piece of work across the NHS and local authorities to address this and look at how to stimulate and encourage the workforce. Good training and support made as attractive as possible to support younger people to remain in the county was vital. Work is ongoing with Integrated Care System (ICS) colleagues to promote and value care more effectively.</p>
10. In respect of the figure at Appendix 1 regarding general inflation, how does that relate to inflation figures?	<p>Officers had modelled a 2% 'average' inflation for the organisation, in addition further funding had been transferred into the Adults budget, recognising the high risk and high inflation pressures within it.</p> <p>Following the challenge from the Scrutiny Committee, the contingency budget has now been increased by a further 1% inflation allowance.</p>
11. Some savings not achieved, why was this? Were these in	Officers were working hard to try and achieve transformation plans,

<p>the Medium-Term Financial Plan?</p>	<p>but Covid has impacted on some of the work. Some resource has had to be moved around. Some would be rolling forward into next year and further build on those savings that had not come to fruition yet.</p>
<p>12. At a recent Dorset County Hospital Governors meeting there were discussions around the difficulty of discharging patients. It was felt that more support was needed rather than less in this regard.</p>	<p>Officers highlighted the difficulty of discharging people or getting people into acute care settings. This is a national picture, not just a Dorset issue, and there is no quick or easy solution to it.</p> <p>There was a profound lack of care available, and officers were working with providers to maximise the support from care providers. It is also important to ensure the right people are funded in the right way across health and care.</p>
<p>13. Reference made that the Dorset Integrated Care System (ICS) might be delayed, would this affect our budget?</p>	<p>The budget in front of members was driven by the system that was in place at the present time and that would continue; everyone was committed. Delays would not change the pace being worked at and what was being presented today.</p> <p>The Portfolio Holder for Adult Social Care added that he had been part of the recruitment process for the Chief Executive for the new ICS, who was due to start in April 2022.</p>
<p>14. In respect of helping providers with local recruitment, how would this be done and was there any cost to Dorset Council?</p>	<p>Officers were using grants and potential monies that came through to use in a pro-active way to support providers with a framework for career development.</p>
<p>15. In the 5 year plan is there any room for Council housing as used to happen?  Would prefer an approach where the Council developed its</p>	<p>The current approach is to be a strong enabling authority. There are a number of registered providers in the county, they have the expertise and finance to deliver more affordable housing. However, we</p>

<p>own housing; could be an income stream.</p>	<p>do have some, albeit very few. The approach is to work with the housing associations to do more.</p> <p>Following the Scrutiny Meeting, the budget proposals have been updated to include a net £750k investment earmarked to:</p> <ul style="list-style-type: none"> <li>- support the development of new homes with our Registered Providers</li> <li>- find better value temporary accommodation from the private rented sector</li> <li>- Make better use of Council capital and assets.</li> </ul>
<p>16. In respect of the physical health for people, should we spending more on the leisure centres that we run around the county and improve facilities there?</p>	<p>This is not something widely supported by the evidence. The Public Health budget is there to look at the overall benefit for the population. A better use of resource was to spend on behaviour change and how best to provide access to green space and encourage people to build daily activity into their lives.</p>
<p>17. Do you provide ante natal services?</p>	<p>That is provided by the midwifery service. Health officers do work closely with them, but it is not a responsibility provided by this service.</p>
<p><b>Children's Services</b></p>	
<p>18. In respect of the numbers of children in care, with 8 new entrants expected a month, why is the number of 425 predicted.</p> <p>The Harbour - what are the consequences if this doesn't open at the time stated.</p>	<p>Where safe to do so, families are the best place for children. Work is carried out on an evidence basis. The estimate is 8 new entrants – the evidence is based on our averages and predicating the model on just slightly lower than the number going out each month.</p> <p>The Harbour is due to be finished in Spring 2022. Officers are</p>

constantly looking at other options  
to find alternative places for our  
children.

<b>Questions and Issues raised by the Place and Resources Scrutiny Committee</b>	<b>Response</b>
<b>Place Directorate</b>	
19. Fees and Charges – a regular financial report should be presented to the appropriate committee with regard to the monitoring of Dorset Council fees and charges.	Agreed. Reporting will be included in the quarterly finance reports to Cabinet and can be further explored by either the Place and Resources Committee or Audit and Governance Committee.
20. Fees and Charges - the Council should further explore and take into account inflation and market rates when setting increases to fees and charges for Council services.	Agreed. Individual directorates have taken into account factors such as benchmarking and market assessment when setting price increases for 2022/23. This work can be further developed during the year.
21. There may be a need for additional resource to progress work around the Dorset Council Climate and Ecological Emergency Strategy and Action Plan. This is linked to the point noted above related to opportunities for securing additional budget from raising fees and charges.	Agreed. The Council is poised to bid for further national climate change funding should any become available. In addition, SLT will monitor the delivery of the Council's priorities and propose resource adjustments where necessary.
22. Special Educational Needs and Disability (SEND) Transport Savings – potential risk for the budget is identified in this area. It is noted that further work is to be undertaken and future reporting to Councillors will be undertaken through the Council's transformation project.	Agreed.
23. Car parking – the committee wish to flag to Cabinet the potential risk that the new car parking regime (phases 1 and 2) may not generate sufficient income for the Council's highways management	Agreed – the finance performance of the new parking policy will be included in the quarterly finance reports to Cabinet.

requirements. This needs to be kept under review.	
<b>Corporate Development Directorate</b>	
24. Revenues and Benefits Service for Dorset Council – a potential risk is identified as the exit clause/fee for the existing arrangements with BCP Council is a negotiated amount and is yet to be factored into the budget.	Agreed. In December Cabinet approved the new arrangements for the administration of the revenues and benefits across the Dorset Council area. At that stage it was recognised that there may be a one-off cost of ending the current arrangements. This will need to be funded from reserves.
<b>Central Finance and Capital</b>	
25. Cost of Covid-19 to Dorset Council – this is flagged up as a significant risk and there is a need for a better understanding of what the Covid-19 Pandemic has cost the Council to date.	In 2020/21 the vast majority of the costs of Covid response were funded by central Government. However, Dorset Council repurposed £15m of its reserves to contribute to the cost of the response. The budget proposals do not include a specific amount for Covid response in 2022/23 as the budgets reflect the anticipated levels of demand of 'living with Covid'. If there were further lockdowns implemented, it is anticipated that Government would continue to provide additional support and funding to the Council. That, combined with the level of reserves held by the Council, means that the 2022/23 revenue budget has been assessed as medium risk.
26. Future finance settlements – there is currently uncertainty around future settlements to the Council and a report on the implications of this is requested to be presented to the Scrutiny Committee at an appropriate time.	Agreed – further information will be provided as it becomes available.
27. Provision of rural services – the Council needs to continue to lobby the Government for a better/fairer deal and understanding of the financial impact on the Council of providing rural services.	Agreed – The Leader of the Council continues to lobby Government on this matter.



<p>28. There is a concern that the Government has not yet completed the detail of the social care reforms, therefore Councillors are not in a position to be able to scrutinise the complete picture.</p>	<p>Agreed – this remains a challenge to the whole sector. Local Government is working closely with central Government to shape the reforms. 2022/23 will prove to be a year of significant change.</p>
<p>29. Capital Programme – there is a need to continue to keep the Council’s capital programme under review in terms of its affordability and alignment with the Council’s priorities.</p>	<p>Agreed. The officer led Capital Asset Strategy Management Group will continue to review the capital programme, and it will be shaped and refined through quarterly updates to Cabinet.</p>