

Appendix 6 – Responses raised by Scrutiny Committee

Recommendations and comments from the scrutiny committees

At their meetings, the People and Health Scrutiny Committee (12 January 2024) and Place and Resources Scrutiny Committee (17 January 2024) reviewed the draft proposals for the 2024/25 revenue budget and the assumptions used in developing them and an overview of the proposed savings and efficiencies to be made during the course of the year.

People and Health Scrutiny Committee – 12 January 2024

The People & Health Scrutiny Committee raised a series of issues and recommendations for Cabinet to consider prior to finalising the budget. The table below summarises the issues raised, and responses given at the committee meeting, as well as the recommendations for Cabinet to consider.

Issues raised by the People and Health Scrutiny Committee	Response
Children's Services The Executive Director of People – Children gave a short presentation on the transformation, savings, and external funding for Children's Services. It is attached to the People and Health Scrutiny Committee's minutes.	
Were there any planned cuts to staffing levels?	There were no savings planned through job cuts. Some recruitment may be withheld for 3 months when a vacancy arises to ensure that the post is right.
Was the council making savings from Family Hubs?	The council was not making savings from reduction in the number or scale of operations of Family Hubs. However, the work enabled would lead to a reduction in high level need which would create the savings included in the proposed budget.
What benefit would £110k being allocated to the Birth to Settled Adulthood Head of Service post bring to the council?	The Birth to Settled Adulthood programme would improve services for young people transitioning into adulthood, up to the age of 25. It required significant leadership, and the post would be a complex role. The funding was for the total cost of the post rather than the salary.
How could national changes to children's services policy affect the budget?	The Council was part of the Families First for Children pathfinder which enabled Dorset Council to be further ahead than other councils on this major national policy change. The council was working with the government on policy changes for school attendance and education.

Issues raised by the People and Health Scrutiny Committee	Response
<p>What would be the risk of increasing the number of unaccompanied asylum-seeking children but not increasing the funding? Would costs for support services decrease as children become more integrated?</p>	<p>The council has made a commitment to meet the requirement set by government. Integration through foster carers or supported accommodation would bring costs down. Staffing has been future proofed in case the number of unaccompanied asylum-seeking children increased. There was full cost recovery for accommodation costs.</p>
<p>Was there enough funding to look after unaccompanied asylum-seeking children to age 25?</p>	<p>There were currently over 500 care leavers. It was built into the budget in terms of staffing.</p>
<p>The financial risks associated with the High Needs Block .</p>	<p>The high needs block was the most significant financial risk to the council. The Statutory Instrument was in place until April 2026, which if not extended would mean that the Council would have to account for a significant debt . There was a £40m capital programme to build more sufficient capacity for children. An application for a further £14m was submitted to the Department of Education to fund the capital programme.</p>
<p>The Department for Education gave the council a significant grant through the 'Safety Valve' agreement. Was there any clawback in the agreement if plans were not met.</p>	<p>The DfE would contribute just over £40m over a 4-year period, and to this point £20m has been given to us. Within the agreement with the DfE there is no expectation to give the money back. The council was currently in negotiations with the DfE to revise the agreement because plans were not progressing as expected, and this would enable the council to receive the next instalment of funding.</p>
<p>If not extended beyond April 2026, the forecast debt for the High Needs Block was £45.8m. Should this be provisioned for in the reserves?</p>	<p>Increasing the reserves to offset risk was likely to be from repurposing the current reserves. There needed to be a national solution because it would lead to multiple local authorities declaring a Section 114 notice if they did not have enough reserves.</p>
<p>Fees and Charges</p>	
<p>Traded services income removal would cost Children's Services £0.6m. Were there any other areas generating income for Children's Services?</p>	<p>The traded services income removal was from education support services which was not appropriate for the level of benefit to the council, and it was a risk. The outdoor</p>

Issues raised by the People and Health Scrutiny Committee	Response
	education service was successful in terms of trading. In some cases, income would be generated from training courses.
The council provides care to people who are entitled to it. How much of the self-funded care market would the council be able to get into?	The council buys about 25% of the available beds in the residential nursing market and about 50% in community-based services for people who have been Care Act assessed. Self-funders can be guided through the council for information and advice to find appropriate care, but the council does not actively broker for them. Reform of Adult Social Care looked at this aspect, but it has been pushed back for a number of years.
Would the funding given to Care Dorset create an income for the council?	There was a contract of £26m between Dorset Council and Care Dorset. A 5-year business plan would be created with Care Dorset which would have opportunities to look for income to the council from the wider market. Teckal trading arrangements allowed for Care Dorset to do 20% trading above the contract value with the council.
Were people made aware of the services that Adult Social Care offered so more income could be generated for the council?	Adult social care looked for areas where they could charge for services, however they were limited in what services they could charge for and how much they could charge clients. Approximately 76% of service users paid a contribution and a charge to their care, which was based upon their ability to pay a fee.
A member felt that income generation for the council was difficult because councils are service providers. A Dorset premium could be charged for some services that the council delivers because the council was best at delivering them. Officers could receive more training on income generation.	
The Adults & Housing budget had an increase of £7.2m and this included £8m savings. What was included within the £5m savings for market management?	The directorate had a good track record of delivering savings and they were confident that they could deliver the £5m savings because of work that has already taken place. A breakdown of what was included within the £5m would be provided to members.

Issues raised by the People and Health Scrutiny Committee	Response
The council raises revenue through a number of ways such as selling advertising on roundabouts. There should be a wider discussion about this in the Place & Resources Scrutiny Committee.	The majority of roundabouts were sponsored, and an internal member of staff works on this. £152k of income is generated from this. The council works with companies filming in Dorset to generate income for the council.
A member did not want to see specialist resource being used in adult social care to be used to generate additional income because it may only increase funding marginally.	
A member thought it was important that income generation was reported through a robust income generation section in quarterly financial reports, because it would highlight the areas where the council does have income generation.	
It was difficult for adult social care to generate income, however the council benchmarked well against other councils for generating income within adult social care. Was this because people in Dorset were able to pay more contributions towards their care?	Yes, this was a contributing factor.
Recommendation 1: That Cabinet explores more options for fees and charges to create income for services.	Cabinets response to this recommendation is included at the end of this document
Recommendation 2: That Cabinet receives regular reporting of income generation from fees and charges within Quarterly Financial reports.	Cabinets response to this recommendation is included at the end of this document
Transformation and Our Future Council	
The Our Future Council savings were originally £15m but it was now £12m. Has £3m already been saved and would using capital receipts for revenue also reduce it?	An underlying theme was invest to save. Generating £12m of savings would create a cost itself. The budget gap was £15m however it was reduced because of reducing inflation on utilities.
Several members were concerned about reserves being used to underwrite the savings of Our Future Council. Members thought that using reserves in the budget did not lead to a balanced budget, and it contradicted the principle of not using reserves to balance the budget.	There was a fundamental issue of using reserves to close a budget gap. In this case, sufficient funding from reserves was being set aside to cover the risk of not meeting the savings.

Issues raised by the People and Health Scrutiny Committee	Response
	The flexible use of capital receipts would not be used to offset Our Future Council savings.
Recommendation 3: That Cabinet amend the principle that “we will not balance the Budget Strategy by using reserves” in order to clarify the cabinet’s position on using reserves within the budget.	Cabinets response to this recommendation is included at the end of this document
The council was not doing well in terms of the Revenue Support Grant it received. The council has been lobbying government however it has not worked.	
Recommendation 4: That Cabinet write to government to ensure that councils are properly funded.	Cabinets response to this recommendation is included at the end of this document
How confident was the Section 151 officer that 3.2% inflation was achievable and why was there a 5% increase in fees and charges when inflation was lower?	The assumption was that inflation would fall; however, this had not yet been achieved nationally. The council would set aside 3.2% for average inflation. The council also holds a £5m contingency budget to also mitigate the risk of further inflationary pressures. There were additional allocations for utility costs where they rise faster than inflation. The 5% increase in charges would be what was best for services and what they could do within relevant legislation.
There was uncertainty about the future of the adult social care grant. Were preparations being made for the future?	There was funding through the adult social care grant for the next year, but there was no clarity on the future of the funding which created a risk.
In the next year of the Medium-Term Financial Plan, an additional £13m of business rates was being budgeted for. Where was this number from?	The business rate income was originally based on government assumptions. The significant change to the increase in business rates income is due to the revised rateable values which came into effect in April 2023, with the last rating revaluation being in 2017. In addition to this, the Council sought external advice on business rates which has led to the Council being able to be set higher income than the government prediction because of local circumstances.
Housing Finance	

Issues raised by the People and Health Scrutiny Committee	Response
Have the mitigations put in place to reduce the use of B&B accommodation worked?	The number of B&B accommodation being used has reduced and alternatives are found when people become homeless. Although homelessness has increased, the decrease in use of B&B accommodation shows good performance. It was important to focus on the prevention of progress through working with landlords. There needs to be more work in moving people from temporary accommodation to settled accommodation.
What housing had the council purchased through schemes. Were there plans to continue purchasing housing to use as temporary accommodation?	The council had acquired 66 homes over the last 3 years through government grants. This included grants for Ukrainian or Afghan families and rough sleeper initiatives. It was important to continue working with government to receive grants.
The number of private rented housing is decreasing, and the cost is going up. What is the council doing with this?	Work has been put into creating the Housing Strategy over the past year. The next stage was developing a delivery plan which would help to address the challenges. The council needed to be working with landlords and property owners. Members would be involved with development of the delivery plan.
What was the impact of a decrease in the New Homes Bonus, and does it indicate a failure of Dorset Council?	The Planning Authority had a role to play in encouraging and approving developments. The number of houses delivered has decreased, as suggested by the decrease in the New Homes Bonus. The New Homes Bonus does not relate to how many housing units are brought forward by the council itself. The council has involvement in bringing new developments forward, but it is not solely responsible for this.
Transport for Children and Adults	
More SEND units were being set up across the county to reduce travel. Parents challenge school placements and the council rarely wins the appeals. Would the building more places increase the amount of travel because there is more choice, and each school would offer different specialisms.	Children having the opportunity to learn within their local communities was very important so building specialist facilities on existing school sites was in the best interests of the children. It would also be in the best interest of the travel budget. If parents do not agree with placements and the parents win the appeal, it can lead to expensive travel costs for the council.

Issues raised by the People and Health Scrutiny Committee	Response
Although Home to School transport was a cross-council issue, it did matter which service was the budget holder. Financial principles dictate that the majority user should hold most the budget. There were currently multiple users of the budget, but the place directorate had the expertise. The users, children's and adult services, should be holding most of the budget and they should buy in the experience from Place in order to reduce overspend.	
Recommendation 5: That Cabinet considers whether Place was the appropriate budget holder for Home to School Transport.	Cabinets response to this recommendation is included at the end of this document
How do adult social services work with volunteers to help access care, such as volunteer car schemes.	The Voluntary and Community Sector Strategy being developed could address this. Adult social care works closely with voluntary services. There was an adult's transport budget of £1.4m to access day services. An element of accessing care was for health providers.

The following table shows the considerations given by Cabinet members to the recommendations made by the People & Health Scrutiny Committee.

Recommendations made by the People and Health Scrutiny Committee	Response
Recommendation 1: That Cabinet explores more options for fees and charges to create income for services.	Fees and charges are reviewed annually as part of the budget setting process. Income generation will be included as a theme in the 'commercialisation' task and finish group.
Recommendation 2: That Cabinet receives regular reporting of income generation from fees and charges within Quarterly Financial reports.	Agreed. The Q3 financial report includes more information on sundry debt and going forwards will include more information on fees and charges.
Recommendation 3: That Cabinet amend the principle that "we will not balance the Budget Strategy by using reserves" in order to clarify the cabinet's position on using reserves within the budget.	The portfolio holder has given this careful consideration. It is important to note that Paras 22.4 and 22.6 confirm that the Council's reserves have increased from the period 31/3/20 to 31/3/23 and therefore the use of reserves has not impacted on the overall financial position. For 24/25 the

Recommendations made by the People and Health Scrutiny Committee	Response
	proposal is not to use reserves to fund services, but to underwrite the Our Future Council proposals. This is consistent with the purpose of holding reserves and therefore there is no need to amend the principle
Recommendation 4: That Cabinet write to government to ensure that councils are properly funded.	Agreed – this is part of a continued effort to inform and influence the national funding formula for local government.
Recommendation 5: That Cabinet considers whether Place was the appropriate budget holder for Home to School Transport.	It is the role of the head of paid service (Chief Executive) to set the financial framework and organise the discharge of duties under the budget set by council. Having considered the proposal, the Chief Executive is not minded to transfer the budget as it would simply be a distraction to the actual budget management work which is already being coordinated between multiple teams

Place and Resources Scrutiny Committee – 17 January 2024

The Place and Resources Scrutiny Committee 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.

Issues raised by the Place and Resources Scrutiny Committee	Response
Workforce Issues	
1. The committee note that Dorset Council has spent around £14m a year over the last couple of years on the employment of agency staff, which is a more expensive option. It is flagged up that driving forward the transformation process is imperative to reduce costs in this area.	Noted – we've set up Dorset Connect to help drive down these costs.
2. It is important that Legal Services staffing is kept to full strength in order to mitigate the risk to the council.	Agreed – our attraction and recruitment strategies are focused on this.

Issues raised by the Place and Resources Scrutiny Committee	Response
3. There needs to be sufficient funding and focus on communications and engagement to ensure that the council's recruitment programme is successful.	Agreed.
4. The committee recognise that the recruitment and retention of staff continues to be a challenge particularly with the wage economy, competition with other local authorities and with a national shortage of local government officers in some service areas.	Agreed.
Transformation	
5. Clarification is sought on the position with Public Works Loans as this may affect Dorset Council's working with town and parish councils.	<p>HM Treasury guidance is as follows: "Minor local authorities such as town and parish councils (in England) and town and community councils (in Wales), may also borrow from the PWLB. English town and parish councils need a borrowing approval from the Department for Levelling Up, Housing & Communities (DLUHC)."</p> <p>Source: https://www.dmo.gov.uk/responsibilities/local-authority-lending/about-pwlb-lending/</p>
6. The committee is confident with the Invest to Save strategy and transformation project.	We appreciate their endorsement. Invest to save has been a budget principle which has been maintained over a number of years.
7. It is noted that the sponsorship and income stream through the use of council assets could be developed further to become more commercial and bring in a bigger income for the council.	Agreed – commercialisation is an area which will be further developed building on the existing work on initiatives such as roundabout sponsorship through the OFC programme
8. The committee note the role of the Our Future Council programme to find efficiencies and transformation in services, with an initial focus on Place and Corporate areas. Assurance will be sought on	Agreed.

Issues raised by the Place and Resources Scrutiny Committee	Response
<p>progress with the programme in September/October 2024 with regular monitoring opportunities for councillors provided.</p>	
Home to School Transport	
<p>9. There is a need for additional placements at the Dorset Centre of Excellence to be progressed at pace to assist with relieving SEN budget pressures.</p>	<p>Agreed. The DCOE Board will be reporting on progress at the Cabinet meeting 30 January.</p>
<p>10. The committee highlight the importance of Dorset Council working with maintained schools and academies to progress the necessary SEND infrastructure to mitigate against SEND travel costs and to enable education at a more local level.</p>	<p>Agreed – this work is progressing through the Schools Forum.</p>
Waste Services	
<p>11. The committee is content with the budget proposals in this area.</p>	<p>Noted.</p>
Planning	
<p>12. The committee recognise the need to ensure adequate capacity of staffing in planning as a large statutory planning authority and the risk that not having adequate capacity could pose to the budget.</p>	<p>Noted – there are only 2 vacancies in Development Management. We have reduced the waiting time for planning.</p>
<p>13. The Council should lobby the Government to be more flexible within the planning approach, although it is noted that guidance on new legislation is awaited and further discussion can take place at this time.</p>	<p>Portfolio Holder is in regular contact with government at the highest level in respect to various planning concerns of this council.</p>
Property and Assets	
<p>14. Councillors are generally content with the strategy in this</p>	<p>Noted.</p>

Issues raised by the Place and Resources Scrutiny Committee	Response
<p>area but note that the council should be mindful of when assets are costing significant money to maintain.</p>	
Car Parking	
<p>15. It is noted that this area will be subject to scrutiny later in 2024 and debate will be held at this time.</p>	<p>Noted.</p>
Funding for Dorset	
<p>16. The committee ask the Leader and portfolio holders to continue to lobby Government to demand a better funding deal for Dorset.</p>	<p>Noted. Leader and Portfolio Holders have sort to influence the national funding formula at every opportunity</p>
Commercial Strategy	
<p>17. The committee request that a task and finish group be established post May 2024 to consider the council's commercial strategy.</p>	<p>Noted. This can be included in the Place and Resources Scrutiny Committee forward plan.</p>
Partnership working	
<p>18. The committee note the theme of the Our Future Council programme around the working relationship between Dorset Council and town and parish councils and note that it would be helpful for Dorset Council to produce a list of items that could be discussed for potential sharing or devolution.</p>	<p>The Council is always open to discussions with town and parish councils about the provision of services.</p>