

RESOURCES AND PERFORMANCE SELECT COMMITTEE

Item under consideration: REVENUE & CAPITAL BUDGET 2020/21

Date Considered: 21 - 24 January 2020

- 1 This year the Select Committees reviewed the draft budgets of the Directorates relevant to their remits. Each Select Committee received budget information in two stages: initially this was a summary of the council-wide budget including capital plans, pressures and risks followed by a detailed supplementary agenda with specific Directorate budgetary information.
- 2 Each Select Committee was attended by the relevant Cabinet Members and Executive Directors supported by Finance officers to present budgets and answer questions from Members.

Children, Families, Lifelong Learning & Culture Select Committee

- 3 The Select Committee was supportive of the budget whilst noting the risks and challenges presented by the need to deliver on the directorate's capital programme to increase specialist places in the state school sector in the county and the continued social worker recruitment gap. The Select Committee was clear that the greatest challenge for Children's Service in the future was workforce recruitment and retention.
- 4 Questioning was prominent on Special Educational Needs and Disabilities (SEND) with concerns raised on the significant £17m efficiencies required in SEND services, the overspend in the High Needs Block and the importance of successful transformation of this service.
- 5 The Select Committee was pleased to note the integration of children's health and social care commissioning and bringing transport under Executive Director, Dave Hill.
- 6 The Chairman suggested that each Cabinet Member should be able to articulate for residents how their relevant budgets support the delivery of the eight outcomes in the Council's Organisation Strategy.

Adults and Health Select Committee

- 6 The Select Committee reviewed the two council budgets in its remit; Adult Social Care and Public Health. Regarding Adult Social Care, Members sought assurances on the operation of the service's strength-based approach to assessment. The Committee also raised concerns about the cost of care, the sustainability of the care market and the locus of spend on mental health.
- 7 The Chief Executive of Healthwatch Surrey raised the risks of making efficiencies to services that are used by vulnerable residents such as learning disabilities/autism services and asked how these would be mitigated. The Executive Director acknowledged that there were considerable risks attached to efficiencies.
- 8 The Select Committee was concerned about the relative funding of Public Health in Surrey per capita relative to other Local Authorities in England. The Select Committee request that the Cabinet Member for Adults and Public

Health confirm that they consider this budget to be adequate to support the Surrey Health and Wellbeing Strategy's emphasis on prevention; and to take appropriate action, including lobbying government, if they are not able to confirm that view.

Communities, Environment and Highways Select Committee

- 8 The Select Committee emphasised the need for budget contingencies to only be used in a last resort scenario. Contract management must be suitably robust to ensure the delivery of services and value for money for residents with specific references made to highway maintenance and waste.
- 9 Members wished to draw attention to fundamental need for the council's directorates to meet efficiency targets more effectively than they have in the current budget year bearing in mind especially the uncertainties around funding in the following year.
- 11 The Select Committee raised the Greener Future programme and how this would be developed to meet the call for action agreed by council. In particular, the Members discussed the impact of improving public transport in the county.

Resources and Performance Select Committee

- 12 The Select Committee were assured that there was an earmarked reserve to counteract the current SEND deficit. The Committee remains concerned about its eventual resolution in the medium term.
- 13 The Select Committee questioned the status of the efficiencies outlined in the budget. The Cabinet Member for Finance considered these to be deliverable and would monitor the list through a monthly Red-Amber-Green (RAG) rated report to Cabinet.
- 14 Members noted that the contingency allocation in the budget had increased by £10m and that reserves would stand in the region of £40m by the end of the year.
- 15 The Select Committee noted that budget equalisation reserve (BER) existed to absorb large pressures such as the Eco-Park project and Adult Social Care budget pressures as they might arise.
- 16 Members questioned where responsibility for the management of headcounts within Directorate's budget envelopes lay and how the cumulative impact of recruitment and vacancies on the council were managed. The Select Committee would follow this up with the Executive Director for Finance & Resources directly.

Recommendations:

The Select Committees agreed the following:

- a) Select Committees recognise the difficulty of formulating this year's budget given the announcement of a general election in December, however, effective scrutiny requires more time to prepare draft in order to make reasoned, specific recommendations. Select Committees should be involved in budget setting from late 2020 to enable effective scrutiny of the 2021/22 budget

- b) That Select Committees reviewed the refreshed Transformation Programme noting the risks associated to the sustainability of the council's finances on delivering these projects and would plan future scrutiny as necessary
- c) That the Cabinet Member for Highways considers increasing the revenue budget for bus services. This would be to increase the use of these services and to help the council meet its Greener Future ambition to be carbon net zero by 2050
- d) That the Cabinet Member for Adults & Public Health confirm that they consider the Public Health budget to be adequate to support the Surrey Health & Wellbeing Strategy's emphasis on prevention; and to take appropriate action, including lobbying government, if they are not able to confirm this view

Nick Harrison

Chairman of the Resources and Performance Select Committee

Cabinet Reply to recommendations:

- a. We fully appreciate the role that Select Committees play in the budget setting process. The setting of the 2020/21 budget has been extraordinary from the perspective of the external environment, with the announcement of a general election providing a truncated timeline for engagement with Select Committees. We also recognise that this process should commence earlier for setting the 2021/22 budget. Although the external landscape is still uncertain, we are committed to engaging Committees in the scrutiny process by the end of the calendar with a view of improving on this timeline in future years.
- b. The transformation projects and the individually listed efficiency items as listed in the budget paper will be RAG rated as the year progresses as has been the case during the current financial year. It should be noted that each service has a budget envelope in which they are expected to operate within.
- c. I share the ambition of the Select Committee in wishing to increase the use of buses and to be carbon net zero by 2050. This is core to our Rethinking Transport approach that is supporting the council's community vision for Surrey. This council is already committed to increasing our local bus budget by circa 3% in the coming financial year. We are also putting in place plans to accelerate the introduction of more ultra-low emission buses into Surrey, an investment to be delivered in partnership with bus companies in the county. We are also investing in infrastructure to help buses operate more effectively and efficiently, coupled with enhancements to service information for bus users. Our ambition is to make the bus an attractive choice for residents whether they are travelling to work, school, health appointments or accessing other key services.
- d. The level of activity for this service has been structured in accordance with the overall reduction in funding of £9m by central government, which will enable the service to accomplish the activities as set out in paragraphs 3.8 and 3.9 of the budget report.

Mr Mel Few

