

## Questions and Comments for Budget Scrutiny from G. Waller

### Children's

1. Can the Children's Scrutiny Panel have a further, and full, explanation as to why the High Needs Block is likely to be in deficit and why our children's social care budgets are constantly under pressure? Is it that our children's population is increasing so the proportion of children with additional education/care needs is also increasing? Is it that schools/parents aren't coping? Is it simply that costs are rising at a greater degree than we budget for? And can this report come to the next available meeting of the panel?

*Yes, the High Needs Block is in deficit (c£200k). One of the key reasons is Government funding but there are others and, as suggested, we will put this on the Forward Plan for 14<sup>th</sup> March. To give some context, the Director of Children's Services (ADCS) did a national survey back in December 2017 and at that time 68 local authorities reported an overspend on the high needs block budget, this totalled £139.5 million. In November 2018, a survey of 73 councils showed a projected shortfall of £536 million in funding for SEND support for 2018/19 – more than double the gap for 2017/18.*

*This is a national problem but the local picture can be covered in the paper.*

*Our Children's social care budget is reducing for 19/20 as much work has been done to reunite children with their families. For the last 6 months we have averaged 36 children looked after (per 10,000 population) against a national average of 64.*

2. How many schools have reserves to call on? How significant are these reserves? Does the reference to the LA working with "maintained schools" experiencing financial difficulties refer to local authority maintained schools or state maintained schools?

*The reference is to LA maintained schools. The 6 LA maintained schools had total reserves of £1m at the end of the last financial year of which c75% were uncommitted and a further amount of under £100k related to capital funds. We would not describe these reserves as significant. We are not aware of the reserves held by academies as they are not required to disclose this information.*

### Adults'

None

### GIR

1. Are we allowing in our budget for a potential restructuring of the Places Directorate following appointment of a new director?

*The new Director will be given the opportunity to shape the Directorate within the existing budget. Should additional funding be requested then this will be considered in the normal way through Cabinet/Council.*

2. We are told our spend per household is “below average”. Is that England, East Midlands or UK (or something else)? Some comparisons with other authorities would be interesting.

*The comparator group is other Unitary councils. For information. Rutland is £1,713. Peterborough is £1,686. Leicester City is £2,261 and Nottingham City is £2,398.*

3. Can we have an explanation as to why Brexit is low risk? Is the risk simply related to the effect on the local economy (and thus demand on our services)? Do we not directly receive any EU grants?

*The risk here is about the possible impact on the Council's budget arising primarily from impact on the economy. At this stage, we have very little information on which to make an assessment so categorising the risk is challenging. We do not have intelligence from local business that tells us they are intending to move or downsize (more information may be forthcoming at our Business Summit event in early Feb). We do not receive EU grants so again this was a consideration.*

4. I do not think the question “Do you agree Council should raise Council Tax to protect key services...” is helpful. What would the Council do if 100% of the response was “No”? The question about sources of funding is equally unhelpful because we can't change the Government's plans. Our questions of our residents should aim to help their understanding and our understanding of how they feel. So, for example, a useful question would be “Our grant from Government is decreasing. We are legally obliged to provide some services such as social care. To do this should we raise Council tax or stop other services such as the libraries or street cleaning?”

*The point is noted. The questions are part of the overall report which we believe sets out our position and shows clearly that funding has reduced. Nevertheless, the point is well made and in light of the potential changes ahead and the likely need to make difficult choices then we will look at the type of questions asked.*

5. St George's Barracks is set to close in 2021. No new house on the site is likely to be inhabited till 2024. What is the estimated loss of business rate and council tax during the 3 years the site is unoccupied? How will this loss be mitigated?

*The Council receives both council tax (c£260k) and business rates (c£282k) from this site. In terms of business rates the Council keeps less than 50% of what it takes in.*

*The extent of any “loss” is difficult to quantify at this stage. For example, it will depend on how the site is vacated and decisions made by the Valuation Office and the MOD itself in terms of transition.*

*In terms of mitigating the “loss”, then as with any pressure (funding loss, increase in costs etc), the Council will look at all available options in the context of its overall financial position. Given the ongoing Government funding reviews and uncertainty beyond 19/20, the Council's response will depend very much on the overall position. If more Government funding is received, we may be able to absorb this pressure. If less funding is received we may have to prioritise and rationalise service provision.*

6. What has been the financial impact of the MoD leaving c100 houses empty in Edith Weston in 2018/19 and has this loss of income from these empty houses been factored in to the budget for 2019/20? Or is it that the MoD pays the council tax regardless of whether the homes are occupied or not?

*The MOD pay charges in lieu of council tax (CILOT). This is calculated by MOD annually as a snap shot of all domestic accommodation on a given date. They pay full charge for all occupied properties at the relevant band and a 50% charge for all empty properties at the relevant band. If more properties are empty by 2019/20 the calculation will reflect this and the CILOT will also reduce. We are informed of the CILOT figures in early April.*

*The 19/20 tax base includes a conservative assumption for CILOT alongside various other assumptions e.g. growth, level of council tax support. We believe therefore that the risk of a loss on budgeted council tax is low.*

7. Please explain how RCC will finance the acquisition of the Officers' Mess site in Edith Weston in order to develop it if no further external borrowing is required at this stage?

*As with any asset acquisition Council will be presented with available options which will depend on the value of the site. The Council has agreed an Investment Fund (to be funded by borrowing) which could be used if there was a robust business case to do so and a suitable return could be achieved. This would be a decision for Council. Based on the decisions made to date, no borrowing has been required.*