

Minutes of the meeting of the Overview and Scrutiny Committee

Date: Tuesday, 6 February 2024

Venue: The Atrium - Perceval House

Attendees (in person): Councillors

Y Gordon (Chair) J Ball, P Driscoll, M Rice, C Anderson, C Tighe, F Conti (Vice-Chair), R Baaklini, H Kaur Dheer, M Hamidi, F Mohamed, K Nagpal, S Padda and B Wesson

1 Apologies for Absence and Substitutions

Apologies for absence were received from Councillor Haili.

2 Declarations of Interest

There were no declarations of interest.

3 Matters to be considered in private

RESOLVED: That all items be taken in public as proposed.

4 Minutes of the meeting held on 30 October 2023

RESOLVED: That the minutes of the meeting held on 30 October 2023 are agreed as a correct record of proceedings.

5 2024/25 Budget Strategy

Councillor Donnelly introduced the Budget Strategy. The Committee heard that there had been a continuing trend of shrinking budgets and increasing demand for services. There had also been short term shocks around inflation, the cost of living crisis and market failure in certain sectors. In light of this it was prudent for the Council to continue adding to its reserves to help weather any future shocks.

Emily Hill, Strategic Director of Resources and Kevin Kilburn, Assistant Director for Strategic Finance, presented the detail of the budget to the Committee.

It was noted that the Council had faced significant challenges over the past decade including a reduction in government funding by £67 million, a shift in funding from general funding to funding ringfenced to social care, an increase

in demand for services including a 22% increase in older people and a general population increase of 8.5%. Despite these challenges the budget had been balanced over this period but this was becoming increasingly more difficult.

In the previous years increased demand in adults and children's social care had led to budget pressures. Over the past year there had been the additional and significant pressure on the Council's budget from an increase in homelessness due to the cost of living, market failure in the private rented sector and central government policy on housing asylum seekers; and children and adults social care due to demographic changes and an increased demand for services.

To cover these cost pressures it was proposed to increase Council Tax and the Social Care Precept by the combined maximum 4.99%. To address these cost pressures a review of corporate budgets had made a saving of £1.1 million which included income through the investment of funds that had been borrowed for capital projects at a lower interest rate. Additional funding had been announced by the government for social care. But the amount and how this would be funded in future years was not clear and therefore would be treated as one off funding. It was expected that another one off source of funding one off funding would be a one off redistribution of the business rates account from central government.

Over the medium term, the Medium Term Financial Strategy made the assumption that funding would be approximately the same in future years as for 2024/25.

The council had reserves of £134 million, however all but £20.8 million of these were ringfenced. It was proposed to add a further £3.5 million to reserves to improve financial resilience. To provide context, there was an overspend of £22 million this year and it was dealt with through a windfall, but this may not be available in future years.

Following the presentation, the Committee asked the following questions:

- How confident were officers that all Council Tax would be collected, due to the cost of living crisis?
- The majority of savings planned were in the Housing and Environment Directorate. What were these savings?
- How certain could we be of long term projections in the budget?
- How could the savings in travel assistance be made without having a negative effect on families.
- Was there anything the Council could do to reduce the cost of Adult Social Care?

- How comfortable were we if inflation increased again.
- When would updated CIPFA benchmarking data be available

In response to the questions, the Committee heard that:

- The Council had a collection target for Council Tax of 98%, and it had tended to meet or exceed this target. However it may become more difficult as residents come under further financial stress due to the cost of living crisis. Should resident struggle to pay their bills the Council would collect as ethically as possible.
- Savings in Housing and Environment were around managing Homelessness. There were also some savings on the environment side which had been agreed in previous years.
- Whatever was due to happen over the next year, it wasn't anticipated that there would be an improvement in finances, so it was important to ensure there was a variety of savings proposals available to bridge funding gaps. The new Town Forums were expected to become a source of ideas from residents on how to deliver better and more cost effective services.
- The savings scheduled for travel assistance were in relation to the different statutory requirements for travel assistance for school aged children and those who were above school age but under 24 years old and had Special Educational Needs or a Disability.
- There was more that would need to be done to manage demand in adult social care. Although Ealing had seen a demographic increase in older people, this trend would naturally level off eventually at some point in the future. Demand had been stabilised but the cases that did need Council assistance tended to be more complex and therefore more expensive. The Council was doing well keeping residents outside of the care system, as the costs of moving people into the system were high.
- For the next year, it wasn't anticipated that recent falls in inflation would have a large impact on contracts as inflationary increases were often tied to the previous year's inflation rate. However the biggest area of risk was inflation in utilities as this risk was difficult to manage in the short term.
- CIPFA provide the benchmarking data on Council reserves and they often publish this data after the budget has been approved.

Following the questions, the Chair thanked the officers and cabinet member for their hard work in preparing the budget.

RESOLVED:

That the 2024/25 budget strategy is noted.

6 Overview and Scrutiny Committee Work Programme

RESOLVED: That

1. The Overview and Scrutiny Committee Work Programme is agreed.
2. The responses to recommendations from the 2022-23 panels are noted.

Meeting commenced: 7.00 pm

Meeting finished: 9.00 pm

Signed:

Dated: Thursday, 28 March 2024

Y Gordon (Chair)