

### REVENUE BUDGET MONITORING REPORT 2022/23 - QUARTER 2

#### STATEMENT FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

At its meeting on 24 November 2022, the Overview and Scrutiny Management Board considered the report and unanimously agreed to support the recommendation to the Executive.

During its discussion, the Board explored the following topics:

- Autumn Statement

The Government's Autumn Statement included a number of announcements which would affect local government, but it was confirmed that the precise implications for the Council were still unclear. There was significant additional funding announced for social care pressures and the Council would need to analyse the implications for the budget. The fair cost of care reforms had been delayed but there was an expectation that some elements would still need to be implemented beforehand. The council tax referendum limit had been increased from 3% to 5%, which consisted of 3% for the general rate and 2% for the adult care precept. It was confirmed that each percent of council tax would bring in about £3.5m for the Council depending on the council tax base. However, it was highlighted that this would be offset by increased costs as a result of the increase in the National Living Wage to £10.41 per hour which would affect a number of the Council's contracts, such as in the adult care and school transport sectors. It was expected that the Council's financial settlement would be received around 21 December 2022, and this would be reported to the Executive on 4 January 2023.

In relation to the impact of a recession, it was recognised that this could affect people's ability to pay their council tax bills, but it was highlighted that there was the council tax support system which the district councils operate in their areas.

- Highways

The forecast overspend of £1.570m on Highways could potentially be reduced if there was a lower than expected demand on the winter maintenance budget, such as from a reduced number of grit runs being required. It was confirmed that 85 grit runs had been budgeted for within the winter maintenance budget.

- Lincolnshire Fire and Rescue

In relation to Lincolnshire Fire and Rescue's use of earmarked reserves to mitigate the cost pressure for the wholetime Fire Fighter recruitment, it was confirmed that its reserves would last around three to four years based on that specific cost pressure. The funding and cost pressures for the Fire and Rescue Service were being reviewed as part of the budget setting process.

- Children's Services

The overspend on legal costs for Children's Services was predominantly due to recruitment issues. It was confirmed that there was a significant challenge to attract and retain children's lawyers, so locum support was heavily relied on. However, one of the reasons for the increase in cost was due to locum children's lawyers also now becoming hard to recruit and retain, and therefore were commanding quite a sizeable cost in the competitive recruitment market. It was also confirmed that another contributory factor to the overspend was the increase in the number of children in care and that these cases need to be legally represented in court which was creating an additional demand. Furthermore, the increase in unaccompanied asylum seeking children was creating additional challenges around age assessments and the need for legal representation in court.

The Board reflected on whether there was an opportunity for joint working across the East Midlands region to address this recruitment challenge, but it was highlighted that the same issues around recruitment and increased demand were being experienced by other councils across the region which was creating a very competitive market.