

Budget & Finance Scrutiny Committee

Response to Service & Financial Planning Strategy 2014/15-2015/16

Introduction

The Budget & Finance Scrutiny Committee is a politically balanced Committee of eight elected members, one co-opted member of the public and one co-opted Town & Parish Councillor. The Committee is the main mechanism by which Cabinet consults with scrutiny annually on the service and financial planning strategy (budget proposals).

Cabinet approved the Service & Financial Planning strategy 2014/15-2015/16 for consultation on 9th January 2014 until 4th February. The Committee met on 7th, 21st and 27th January and 4th February to consider the proposals, explore issues and to formulate a response to the proposals.

The main opposition group also put forward an alternative budget and savings proposals which the Committee considered at the meeting on 21st January. Each budget was considered on its own merit and the Committee has made a separate response to the alternative budget.

Efforts were made to encourage participation in the process as much as possible. Other Scrutiny Committees were invited to join up to scrutinise relevant issues. A press release was issued to publicise the role of scrutiny and the times and dates of meetings. Non-Committee Scrutiny members attending meetings were given discretion to ask questions and this was helpful in adding rigour, widening debate and informing the Committee's thinking.

The Committee's approach this year was to focus on the adult social care budget. The scale of the savings needed - £10.5m over the next 2 years – and the potential impact of funding reductions on vulnerable adults makes this a key risk and a key issue for scrutiny. The meeting on 27th January was held jointly with the Health & Adult Care Scrutiny Committee to bring scrutiny skills together to look at the impact of service changes on the Council's balance sheet and on local people.

During its deliberations the Committee met with:

- Cabinet Member Finance & Enterprise
- Cabinet Member Adult Social Care
- Chief Financial Officer
- Interim Director, Care Health & Wellbeing
- Assistant Director Children's Safeguarding
- Assistant Director Family & Cohesion Services
- The Leader and Shadow Member for Finance of the main opposition group (alternative proposals)

Written answers to a range of questions were also provided. The Committee would like to extend thanks to Members and officers who assisted them during their work.

Once again the Committee acknowledged the difficult decisions facing the Council in the climate of reducing grant funding. The Committee has agreed a number of comments in response to the budget proposals which are set out below for consideration by Cabinet. Some of the issues highlighted will be included in the scrutiny work programme over the coming year.

Comments of the Committee

1. The Committee welcomed a number of proposals in the budget:
 - a) Members supported the proposed investment of £1.3m into tackling youth unemployment. This is a key issue to address as it has significant implications for the future prosperity and success of the borough, and the intervention would help reduce pressure on the public purse later on.
 - b) Members were pleased to see the proposals to create an additional £1.2m draw-down contingency for safeguarding and an increase in the leaving care grant which were made in response to the Budget & Finance and Children & Young People Scrutiny Committee recommendations.
 - c) Members felt the £100k investment in Destination Telford was important for driving a strong community identity and the reinforcing the message that Telford and Wrekin is a good place to live, work and visit which is crucial to attracting investment.
 - d) Members welcomed the new approach to debt repayment (MRP).
2. The Committee's main area of concern related to risks around making £10.5m savings in adult social care over two years and the impact of service changes on service users. When considering the financial monitoring and benchmarking data on Adult Care Services the Committee noted that the costs of service provision in all aspects of Adult Care Services were above the national / regional averages and the average costs of authorities with similar demographics (statistical neighbour authorities). The Committee would like to make a number of comments about this:
 - a) The Committee recommends that the lessons learnt and the systems and processes put in place in children's safeguarding / children in care placements should be looked at to see how they could be applied in adult social care. Specific (but not exclusive) examples may be:
 - Using the commissioning process to drive out savings e.g. the establishment of provider framework contracts, the change of approach to spot/block contracting at Queensway which have driven down unit costs of residential and agency care. Members also suggested working with providers to probe areas where savings could be made.
 - The development of a performance monitoring framework similar to the Children in Care Monthly Performance Dashboard to provide monitoring data in a transparent way e.g. the number of users of each type of care

and average unit costs, benchmarking data, progress in achieving targets in each savings proposal area. The Health & Adult Care and Budget & Finance Scrutiny Committees would like to be involved in the development of the monitoring framework.

- Robust financial monitoring e.g. monthly meetings of senior managers and Cabinet member/s.
- Work force development to inculcate greater awareness and responsibility for budgets throughout the team and move away from a culture of “over provision”
- Similar to the Brokerage team and sign-off processes in cyp, put systems in place to check care packages are best value for money and there is a consistent approach

It had been reported to the Committee that some of this work was underway and that the senior management restructure will enable some of these changes to be made.

- b) The Committee agreed it was important for them to hear the voice of people using the services and getting feedback from users will be incorporated into future scrutiny reviews. The Committee agreed it was particularly important to engage with service users when planning early intervention strategies. The Committee believe that local people do understand that the Council has to make difficult decisions and that service users are the people who know what works. The integration of health and social care budgets and services offers a real opportunity to develop effective early intervention.
 - c) The Committee expressed the view that implementation the scale of changes in Adult Care Services was critically dependent on a fair assessment and appeals process. Members were also of the view that that decisions about reduction in services should not be down to one officer.
 - d) A solution to the CHC funding issues must be pursued with the CCG at all costs and this should result in a fair assessment process.
 - e) The Committee, with the Health & Adult Care Scrutiny Committee, will monitor the adult social care budget closely over the year and if necessary will make recommendations about the level of investment in the adult social care budget for 2015/16.
3. The Committee concluded its work before an analysis of feedback from the consultation on the budget proposals was available. Members felt it was important for the public to be able to see how their views have been taken into account, and requested that the budget report put to Cabinet on 20th February should make explicit:
 - a) The number of people who had responded during the consultation
 - b) How the proposals agreed on 9th January had been changed as a result of feedback from the consultation.

4. Members supported the approach to generating income as a way of meeting the budget gap and welcomed the fact that ideas were coming forward and being explored. The Committee requested that they are kept informed of progress on current plans and future plans.
5. Members recognised the need to maintain and improve the borough's road network. It was suggested the Council should lobby government for an increase in local authority funding for roads from the road fund licence money.
6. In addition to the discussion about staff awareness of budgets in adult social care services, the Committee discussed some wider points, as evidenced in the Co-operative & Communities Scrutiny Committee's report on the Employee Commission and Co-operative Values, about the importance of two-way communication with staff during restructures.
7. Members recommend that Care Council should be consulted to find out where the young people in care think savings could be made.
8. Members attending Audit Committee last year had been reassured by the report on alternative plans to generate capital receipts should any projected receipts not be realised and felt that officers had been very good at bringing in the required level of receipts in the past. However, one member remained concerned that the anticipated income would not be realised and about the potential impact on capital projects.
9. It was suggested that the issue of fraud and ways of recovering debt more quickly should be looked at and this would be a useful area for scrutiny to look at as part of the work programme.
10. The Committee was mindful of the Council's financial situation and the need to deliver the amount of savings proposed and on time. The Committee will continue to monitor financial performance and under-performing services will be invited to meetings to explain why and what steps are being taken to address issues and to avoid the risk of needing to use reserves.