

## Budget & Finance Scrutiny Committee

### Response to Service & Financial Planning Strategy 2015/16- 2017/18

#### 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 2015/16-2017/18 for consultation on 8<sup>th</sup> January 2015 until 8<sup>th</sup> February 2015. The Committee met on 6<sup>th</sup>, 13<sup>st</sup> and 21<sup>st</sup> January and 3<sup>rd</sup>, 11<sup>th</sup> and 17<sup>th</sup> 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 3<sup>rd</sup> February. The Committee has made a separate response to the alternative budget.

Efforts were made to encourage participation of other Scrutiny Members in scrutiny of the budget proposals and other Scrutiny Committees were invited to attend meetings and participate in the discussion to scrutinise relevant issues.

The Committee identified a number of issues Members wanted to scrutinise in more detail. These included the recent and proposed Pride in the Community Programmes, investment to reduce youth unemployment, Children's Services, Adult Services, Income Generation and feedback from the public consultation.

During its deliberations the Committee met with:

- Cabinet Member Finance & Enterprise
- Cabinet Member for Neighbourhood Services, Employment and Skills
- Cabinet Member for Children, Young People and Families
- Cabinet Member Adult Social Care
- Managing Director
- Chief Financial Officer
- Director, Care Health & Wellbeing
- Assistant Director Neighbourhood and Leisure Services
- Assistant Director Children's Safeguarding
- Assistant Director Family & Cohesion Services
- Assistant Director: Education & Corporate Parenting
- Interim Assistant Director Adult Social Services
- Programme Manager – Youth Unemployment
- Skills Service Delivery Manager
- Delivery & Planning Manager
- Service Delivery Manager Community Participation Team
- The Leader and Shadow Cabinet Member of the main opposition group (alternative proposals)

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

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. The Committee concluded that the most significant issues in the budget proposals next year and for future years are the savings required from Adult Care Services which account for 40% of the Council's budget and also the opportunities for income generation which will reduce the level of cuts that will be required.

### Committees Comments on Budget Proposals

- 1) The Committee recognised the challenge faced by the Council to make the savings required while protecting front line services. It was noted that over 1200 posts have been removed from the Council saving £22 million and that the cost of retaining staff has been lowered because of the low wage inflation. The Committee was assured that the revenue budget for 2014/15 is balanced. It was, however, recognised that in future years it will be more difficult to protect front line services.
- 2) When considering the capital budget it was noted that this is smaller as the Council is progressing with the Building Schools for the Future Programme (BSF). It was noted that the borrowing to finance the Council's programme to build housing will be reported separately. This will also be the case if the Council's bid for the MOD base at Donnington is successful.
- 3) It was reported to the Committee that the Council has one of the lowest level of reserves for a Unitary Authority in the country.
- 4) Members were assured that the Property Investment Portfolio is managed effectively and that it is self funding.
- 5) The Committee supported the Council Tax freeze proposed for 2015/16. It was recognised that this was the second year that Council Tax has not increased. The Committee stands by the response to the budget proposals for 2013/14 which supported the increase in Council Tax as, at the time, the Government funding available to councils that did not increase Council Tax was time limited.
- 6) Members welcomed roles for the Council's apprentices at Job Junctions and suggested that this be expanded/increased as appropriate.
- 7) Members supported continued work on the Skills Agenda and challenging perceptions of different types of work (eg factory work).
- 8) The Committee support the continuation of the Pride in Your Community Fund. Many of the schemes funded through this programme address the environmental issues that were identified as a concern through the public consultation on the budget proposals. The Committee were also assured that

the governance arrangements for this scheme are robust and that local groups were offered appropriate support to enable them to submit applications.

- 9) Consideration be given to the scope for engaging Junior Street Champions in initiatives to test accessibility of the footpaths for disabled/elderly.
- 10) It was recognised that a growing population places increased pressure on both children's services – both education and social services. The Committee were assured by the work of the Children and Young People's Scrutiny Committee on primary school places which found that in spite of some challenging local pressures, enough capacity is being planned to meet the demand from growing pupil numbers across the borough as a whole.
- 11) Members feared that the Arthog Centre could be jeopardised in light of the proposals, together with the loss of the immense learning opportunities it afforded to young people. Further consideration needed to be given to the way that schools could be encouraged to take up the places offered. The Committee considered that this situation needed to be monitored and fully assessed after one year to ensure that take up figures did not fall.
- 12) Members also recommended monitoring the impact of ceasing remission payments for pupils for music.
- 13) Creative solutions towards assisting schools to manage redundancies were required, for example a programme of education about alternative options (eg unpaid sabbaticals and opportunities for working part time) for teaching staff was considered.
- 14) Members supported the work which had been undertaken to manage the schools swimming budget; since under 16s were already entitled to free swimming, the savings were considered manageable.
- 15) Members welcomed and encouraged projects to incentivise registration for the pupil premium.
- 16) The Committee concluded that Adult Services is an area that they want Scrutiny to retain a close overview and this should be a priority in the Scrutiny Work Programme in 2015/ 16. Members welcomed the change in approach taken by the Cabinet Member and Officers which directly addresses the need to radically change the way that adult services are provided. The Committee recognised the scale of the challenge and noted that Adult Services accounts for 40% of the Council's budget and that there will be costs associated with the implementation of the Care Act. The ability of this service to deliver the savings set out in the budget is fundamental to the Council's savings programme. The Committee was assured that safeguards will be put in place to ensure that contracts with Adult Care Providers will be rigorously monitored to ensure the quality of the services. Members were also informed that, if during this monitoring process, it were to be identified that service users would be put at risk in order to achieve the savings that the Cabinet Member would inform Cabinet and Scrutiny.

- 17) The Committee recognised the pressure placed on the Adult Care Budget as a result of the reduction in NHS Continuing Healthcare Funding. Members supported the continued efforts of the Health and Adult Care Scrutiny Committee and Cabinet to ensure that this is addressed.
- 18) The Committee recognised the need to work with and support community and voluntary organisations through the changes in the commissioning and provision of adult care services.
- 19) The Committee also asked for assurance that consultation has been carried out with service users, families and carers. The Committee was informed that adult services, service users, family and carers would be involved in the assessment or review of their care and that partnership boards such as the Carers Partnership and the Learning Disability Partnership have been consulted. It was noted that it is more difficult to consult with frail elderly people through such forums.
- 20) The Committee supported the introduction of free swimming for people over 50 and recognised the wider public health benefits of increasing opportunities for people in this age group to exercise.
- 21) The Committee welcomed the Council's approach to income generation. Members agreed it is important to communicate the benefits of this work to residents in the Borough. It was suggested that one way to illustrate the importance of the profit that is generated from this income could be equated to the additional amount of Council Tax per household that would need to be raised to generate the same level of funding for the Council.
- 22) The Committee was assured that the traded services were not subsidised by the Council and that all traded services were charged at full cost.
- 23) The Committee was also assured that capital receipts received were largely in line with the predicted receipts and that the Council's Property Investment Portfolio provides a significant income for the Council which compares favourably with comparable income achieved in the private sector.
- 24) The Committee recognised the need to build capacity within the Council to develop the business cases for income generation and implement the programmes in a professional manner.
- 25) The Committee commended the public consultation on the budget proposals and were pleased with the number of people who had engaged in this process. Members hoped that future budget consultations will build on this work so that the issues raised can be compared with previous years. The Committee was also pleased the Executive has considered the feedback from the budget consultation and that this will influence the recommendations put to Cabinet.