

CABINET 8 FEBRUARY 2018

AGENDA ITEM 4

KEY MESSAGES FROM OVERVIEW AND SCRUTINY PERFORMANCE BOARD

General Comments

In producing our comments for cabinet, OSPB members have sought to divide them in comments on the content of the budget and process. To highlight positive and negative experiences of this year's process, room for improvement and areas that require change.

We would like to put on record our gratitude to members of the cabinet for their increased levels of engagement during the process and that this will serve as a benchmark for future budget scrutiny exercises.

There was, however, concern that a substantial amount of the information presented to the Overview and Scrutiny Panels related to the overall Budget for the Council. The Panels had wished to look specifically at budget detail for 2018/19 alongside figures for 2017/18, to enable comparison to avoid some time spent during the meetings seeking clarification and explanation.

In light of these concerns members of OSPB have suggested the following changes to next year's budget scrutiny process, including changes in the level of quality of information supplied to councillors.

These proposals will ensure a more year round approach to Budget Scrutiny throughout the year.

OSPB requests:

1. Quarterly reports on: budgeted spend to date; actual spend to date; variance to date on each budget head to enable each panel to keep a track of its budget, retain their understanding building up competence and to become aware of any developing issues.
2. To effectively scrutinise the budget 8 items of data are required:
 - i. The governments announcements – though these change
 - ii. Headline assumptions
 - iii. Accounting methodologies
 - iv. Current forecast activity levels
 - v. Existing assumptions and reform plans
 - vi. The budget book
 - vii. The existing previous year medium term financial plan
 - viii. The risk assessments

Some of this data was available but not all. It is important members are given sufficient information to enable them to look at their area.

3. Providing the data is not enough the finance department should adequately support the panels to understand the data.
4. Data is one thing outcomes another. Without narrative and an in depth conversation at a Directorate Level missing commentary sets hares running as it did in the Corporate and Communities panel.
5. Training to support members to look at financial data is necessary.

Overview and Scrutiny Panels Comments

(i) Adult Care and Wellbeing Overview and Scrutiny Panel and Health Overview and Scrutiny Committee

It was agreed that given the overlap between the Adult Care and Wellbeing Overview and Scrutiny Panel (Panel) and Health Overview and Scrutiny Committee (HOSC), Budget Scrutiny for these bodies would be carried out jointly. The feedback from the Panel and HOSC Members who took part in these discussions was that it had worked well.

As a result of the discussions, the following comments were made:

- The Panel and HOSC considered that every opportunity should be taken to communicate honestly with communities and all levels of Government about the challenges being faced in adult social care as well as about the positive actions being taken.
- The Panel were concerned that pressures from finance and demand meant a number of 'tipping points' were in danger of being reached when there may be a risk of services not being delivered. The potential risks to services would need to be closely monitored and the Panel would require regular information in order to fulfil this monitoring role.
- Recruitment and staffing difficulties in social care settings and nursing was highlighted as another issue, which the Panel would continue to monitor.
- The Panel was pleased by use of technology to support people's independence at home and welcomed the recent approval of £199k funding for new technologies in care for Howbury House. The Panel would keep abreast of progress in the use of technology, which was on the work programme.
- Several Members of the Adult Panel advised that the Disability Facilities Grants, which were administered by District Councils, were not always spent and it would be helpful to understand how District Councils and other agencies worked together to deliver this service, and any opportunities to maximise effectiveness of the grants.
- The Chairman of OSPB had concerns about proposed reforms for savings in Public Health for 2019/20 regarding Extra Care Housing and the strain it was putting on the providers market.

(ii) Children and Families Overview and Scrutiny Panel

The Panel welcomed the recognition that the current budget was not sufficient to meet the demands of the Service and that the shortfall would now be addressed by including the costs in the base budget for 2018/2019:

- £10.5 million for 2018/19 was being invested to improve outcomes for children and young people, made up from £9.3m Children's Social Care placements and £1.2m for Children's Safeguarding including additional safeguarding staff capacity both in social work time and management to reduce caseloads and increased management oversight, £2m of this was "new" money.
- It was noted that service improvement remained an important priority and doing the right thing at the right time helped not only to deliver good services but achieve efficiencies.
- The Panel was concerned that there may be potential additional costs involved in the development of the Alternative Delivery Model (ADM) for Children's Social Care which were not included in the Budget for 2018/19. There was also the potential risk to future Budgets that the ADM in whatever form it took, may lead to a requirement from the partner/company for additional funding, which had not been planned for.
- There was a projected saving of £210k for 2018/19 as a result of efficiencies being negotiated with Babcock. The Panel learned that some of the efficiencies being considered may impact on the provision of services for young people not in education, employment or training (NEETs). The Panel was concerned about this as this service was successful and had helped to reduce the number of NEETs in the County.
- There was a significant overspend on Residential Care Placements due to growing demand for services and increasing complexity of need. At the end of November 2017, the Council had 76 more children in a placement than at the same point last year and 63 children in external residential placements. As with other authorities Worcestershire was seeing a growth in complexity of need, which meant that some children needed to be placed in expensive out of county placements thus pushing up costs.
- The additional £400k for Children's Special Education Needs and Disability (SEND) Transport based on the expectation that demand for this would increase was welcomed.
- The Panel acknowledged the extra financial pressures on schools and noted the additional £1m for Education funding which replaced lost Government grant.

(iii) Corporate and Communities Overview and Scrutiny Panel

The Panel would have liked to have seen more explanation and evidence of the consideration given to the risks associated with not achieving proposed savings. The term "concepts" was used during the meetings to refer to sums included in the Medium Term Financial Plan, without any certainty at this stage of the savings being achieved in part or in full. This may lead to an inaccurate picture of the budgets going forward.

It was suggested that confidence models/sensitivity analysis should be used to estimate the likelihood of savings being achieved and at least providing information on the "best case/worst case" outcome and that the Council should move away from looking at what can be saved or cut to what could be developed and earned:

- Overall, the Panel was concerned that the savings included in the proposed Budget may not be achievable and did not appear to be part of a planned approach.
- The Panel spent a considerable amount of time delving into the detail of the current year IT services budget, where a forecast overspend of £900k was reported to the Panel in November. The Panel was advised that this was due in the main to the IT support costs (laptops, licences etc) still being incurred as a consequence of a forecast reduction in headcount across the County Council not being realised as quickly as first estimated which was reliant on proposals for change and savings being realised in other areas of the County Council. Subsequent to this discussion, however, the Chairman of the Panel discovered that the full explanation for this overspend wasn't given to the Panel and actually, the reason was more involved. The overspend was for very good reasons, involving supporting other services, which if it had been explained fully to the Panel at the time could have saved the time spent delving into the reasons.

(iv) Crime and Disorder

The Lead Member for Crime and Disorder had met with the CMR for Health and Well-being (who had responsibility for Community Safety), the Director of Public Health and the West Mercia Police and Crime Commissioner (PCC). In addition, he attended the joint meetings of the Adult Care and Well Being Overview and Scrutiny Panel and the Health Overview and Scrutiny Committee which examined potential priority changes to the Budget which may impact on crime and disorder issues. This in itself was a challenge as there was no dedicated budget for crime and disorder.

A further confusion arose from the local authority partnership working, which was carried out through two district based Community Safety Partnerships. Equally, the Police Budget doesn't have a dedicated partnership budget showing its joint investment with local authorities either. As a result of the discussions, the following comments were made:

- there was a Public Health Ring-Fenced Grant (PGRFG) for Drug and Alcohol Services, which although had been reduced in 2015 had resulted in improved outcomes in some areas.
- There was also significant support to the Worcestershire Safeguarding Children's Board and its focus on action against domestic abuse perpetrators, these were not supported by explicit budgets but reflected a culture of co-operation recognised by both the Cabinet Member and the PCC. The personal relationships created a momentum to achieve improvement which was paramount. Both the PCC and the Cabinet Member confirmed that mutual co-operation was good.
- It was important that the Council continued to help develop strategies to reduce the impact of cyber bullying.

- From discussion with the PCC it was considered that the two areas which would benefit from improved joint working were Highways and Trading Standards. Anti-social motoring behaviour, usually stemming from speeding but including pseudo illegal racing or rallying was a concern for many communities. Police enforcement actions were short term and palliative and the long term solution was often an engineering solution coupled with public education. As a first step to improve the situation, the Safer Roads Partnership had been invited to a Health and Well-being Board meeting. Creating a culture of more joint strategies between the Police and Highways would help to reduce the misuse of motor vehicles and improve the lives of many residents.
- It was important that Trading Standards were resourced to continue to help the Police in relation to modern day slavery.
- There was no evidence to suggest that the Budget this year would weaken the resolve to face head on issues and support action to counter incidents of crime and disorder.
- Other than the PHRFG, the majority of support in this area was officer time working between agencies. It was important to continue to support officers to work in partnership in this way as failure to do so would only result in cost shunting between the County Council and the Police or vice a versa which would be counter-productive.

(v) Economy and Environment Overview and Scrutiny Panel

Examining the figures, one area which surprised the Panel was the £5m reduction in the Highways Maintenance budget. It was explained that was subject to accounting adjustment, through conversion of highways revenue maintenance costs from revenue to capital budget; there was no reduction in actual spend. Although the Panel members could understand the rationale behind this as many of the roads and pavements re-tarmacked will last up to 30 years, they sought further clarification about the public perception of this approach, since the Budget Book figures gave the impression that the highways maintenance budget had been reduced by £5m when people wanted the Council to spend more on highways. The Director clarified that only certain items could be capitalised in this way and that the Budget was not being reduced nor the proposal concealed. The Panel considered it was important that this was communicated.

The Panel were provided with an update on the areas where variances had been predicted for the budget year 2017/18, which had been subject to discussion at the Panel's November meeting.

- For Archives and Archaeology, in relation to the high accommodation costs from The Hive, as a PFI financed building, the Panel were advised that the service would not be burdened with these costs and they were now displayed separately.
- Costings for County Enterprises had been accepted as sitting with the Economy and Environment Directorate, with more therefore built into the budget for 2018/19 to accommodate this.
- The Waste Contract was mid-negotiation but the Director was confident that the 2018/19 budget would be achieved. The Director explained how the

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building of this important Council asset was financed using Council money as part of a "virtual Bank". He agreed that the contract had to be value for money, and would be subject to ongoing scrutiny.

- Regarding Scientific Services, there was no change in Place Partnership's decision in cancelling the asbestos removal contract which Panel members had been upset to learn about at their meeting in November. As a consequence, the department had been down-sized accordingly, and the budget figures reflected this.
- Trading Standards used reserves last year to deal with their re-structuring and the new budget reflected this.

Mr Chris Bloore
Chairman OSPB