

## Overview and Scrutiny Performance Board

### Budget Scrutiny 2019/20 – Comments from Overview and Scrutiny Panels (from November meetings)

#### Adult Care and Wellbeing Overview and Scrutiny Panel and Health Overview and Scrutiny Committee

As of 31 August 2018, a £15.188m overspend was forecast in Adult Social Care. Additional savings had been identified, resulting in a new forecast of £14.3m overspend.

The Panel recognised that there are unavoidable reasons for the costly extra demand for services - increasing numbers, age and complexity of people needing care, and improved medical success for people with disabilities. Over 85% of services are purchased in the market and are subject to rising inflation costs including the national living wage.

However, the Panel also learned that some unrealistic savings proposals were included in the 2018/19 budget and that anticipated savings from the Three Conversation Model were now coming through but later than anticipated. The 2017/18 Budget had used reserves as part of the base budget but this had not been picked up for 2018/19.

The Panel welcomed that the proposed Adult Social Care Business Plan includes working on improved forecasting methods and will be able to provide regular updates in future.

They endorsed the policy of working to support people to live independently as long as possible which should lead to a reduction in the pressure for more and more residential placements. Public Health's emphasis on healthy lifestyles and people taking responsibility for their own health is significant for the long term."

The Panel noted that the issues faced in Worcestershire were replicated nationally and it was hoped that the Government's Green Paper would address some concerns.

Members were pleased to hear that additional central Government funding had been given to Councils, however, agreed that the system had to change to provide long term solutions.

The Panel supported the Cabinet Member in his wish to put pressure on central Government over adult social care funding.

Public Health was predicting a small surplus, however, the Panel made note of the financial risk when the Public Health Ring-Fenced Grant (PHRFG) was removed in 2020.

Members wished to learn more about how cost sharing was undertaken, to establish what proportion was social care and what was health.

## Children and Families Overview and Scrutiny Panel

- The Panel noted that the forecast outturn was for a £1m overspend out of a £90.8m Budget.
- The Panel noted that £700k of the forecast overspend related to Placements and Provision, which Members recognised was a demand-led budget that was very difficult to predict. The Panel acknowledged the ongoing work to reduce the number of new children coming in to care, including plans to develop an edge of care service. Members would wish to continue to scrutinise the service as it developed.
- The Panel was advised that the £600k forecast overspend in Home to School & College Transport was largely as a result of increased demand for SEND transport and welcomed the promotion of direct payments where appropriate.
- Concern was expressed about contract efficiencies in respect of the Babcock Contract. However, Members were reassured that the £52k saving was on target to be realised for 2018/19.
- The Panel noted that the overspend in the High Needs element of the Dedicated Schools Grant was part of a national trend.
- For future budget monitoring reports, the Panel would wish to see more narrative to accompany the figures, as well as details of both revenue and capital budgets.

## Corporate and Communities Overview and Scrutiny Panel

### Commercial and Change Directorate

There was currently a predicted overspend of £350k in Property Services relating to Place Partnership Limited, although the Panel were reassured that the situation was improving.

Although there was £150k of non-achievement of transformation savings in Property Services which related to capitalisation and property costs, the Director advised that capacity had been added to the Team and it was anticipated that the gap would be narrowed this year.

The ICT Budget for this year had a forecast overspend of £250k due to delayed insourcing of the DxC contract. The Director explained the staffing situation and how some staff had been transferred under TUPE arrangements and new staff had been recruited. Insourcing the Service had gone well and significant savings will be achieved. Work was now progressing to reach the original savings target for 2019/20.

The Panel was informed that the Fire Insurance Earmarked Reserve had been reduced by £0.5m to £1m, which was seen to be prudent measure.

There was a projected saving of £300k from the Self-sufficient Council – Optimising Income Generation, which would be achieved through traded services to other organisations and fees and charges, along with forecast additional £575k income through Council Tax and Business Rates.

### Communities

The current position in respect of the Communities Budget Monitoring information provided was mostly forecast to outturn at budget at this stage of the financial year, although some savings relating to 2019/20 had already been partly delivered in advance, such as those for the Library Service.