

Item 5 – Budget Scrutiny 2020/21: Scrutiny Comments tabled at the meeting

Overview and Scrutiny Performance Board

**Wednesday, 29 January 2020, 3.00 pm
County Hall, Worcester**

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Overview and Scrutiny Performance Board – Budget Scrutiny comments for Cabinet – 30 January 2020

The proposed budget is economically and legally sound. The proposals for Council Tax are supported and endorsed.

Financially, the situation in which we find ourselves is largely not one of our own making, we need to continue to lobby for change to allow a fairer funding regime which would enable an improvement rather than a reduction in services.

As services change and are reformed the need for Scrutiny and oversight becomes more not less important. We will play an active part in helping the Executive to look at alternative ways to make efficiency savings and to make the changes to meet the challenges, but there is much more we can do in the area of pre-policy determination as advocated by the Chief Executive and Leader. For example, we have requested strategic leadership in the area of Scrutiny from all Senior Directors.

We carry out in-year budget and performance monitoring but have much more to offer to help the Council improve decision making and the outcomes for our residents. The Budget Book is very welcome to help us do this work and we need to work smartly to cover more areas for example mini task groups to drill down in areas of finance where we can add value.

In the area of the Health Overview and Scrutiny (HOSC) we require a Lead Member for children's health issues e.g. drugs and CAMHS in particular to ensure that children's health issues are properly prioritised.

Whilst our focus is on better support from the Directorates, more energy from Directors and their staff to ensure that we have adequate information to do our pre-policy determination and find savings for the Council, there is a view that Scrutiny is part of investing to save and an additional 30 hour per week Scrutiny Officer to replace the temporary cover we are due to lose in April is important. I would ask Cabinet to take this request seriously.

Income generation needs to be more actively pursued; scrutiny is up to the task of helping in such activities and to think outside the normal boundaries of funding.

The Board wants to support the Leader and Chief Executive in their drive for cultural change.

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Scrutiny of Draft 2020/21 Budget and Medium-Term Financial Plan Update 2020-22

Comments from Overview and Scrutiny Panels and Health Overview and Scrutiny Committee - January 2020

Adult Care and Wellbeing Overview and Scrutiny Panel – 27 January 2020

- In general terms, the Panel was very pleased with the settlement from Central Government for 2020/21, in particular the additional £0.9m social care grant. The Directorate, however should continue to find ways to reduce its overspend.
- It was noted that revenue savings and efficiencies of £3,295m had been identified, which included a carry forward of £800,000 of 2019/20 savings.
- A notional £1.5m of reserves had been identified as part of the General Fund Reserves Assessment for unforeseen demand in adult care, a prudent approach, which the Panel were supportive of.
- The Panel agreed with the Cabinet Member's concern about how the Service will be funded in 2021/22 and beyond and what the future would look like.
- Members highlighted that the Adults Current Capital Programme did not include a full forecast for 2020/21 nor any forecast for 2021/22 and 2022/23 and was advised that the Council was looking to re-prioritise its Capital Strategy for the next four years, which may result in further detail being available for future scrutiny of the People Directorate's finances.
- Members noted the impact of outside pressures on the adult social care budget, in particular the Interim Director of People suggested that there was around a £6m cost pressure to the Council relating to hospital acquired functional decline, which the Panel were keen to see further detail on.

Children and Families Overview and Scrutiny Panel - 23 January 2020

- The Panel was content with the budget proposals for 2020/21.
- Concern was expressed about the budget for Home to School Transport. Given the budget overspend in 2019/20, Members urged careful monitoring of the 2020/21 budget and welcomed the setting up of a Corporate Working Group to look at levels of demand, transport routes and better ways of commissioning.
- In relation to the High Needs Block of the Dedicated Schools Grant, the Panel recognised that the budget deficit reflected pressures being experienced by all Local Authorities and encouraged further lobbying of Central Government on the level of future funding.
- Members noted that the Social Care Directorate was forecast to be within 0.2% of budget overall for 2019/20 and wished to congratulate the Directorate on this.
- The Panel wished to express its thanks to Worcestershire Children First (WCF), and in particular the Director of Resources, on continuing to provide a good level of information to the Panel in relation to budget and performance. Members had been concerned that the move to WCF would disrupt the flow of information to the Scrutiny Panel but were reassured that this had not proved to be the case.

- It was noted that Positive Activities was transferring to the People Directorate. The Chairman of the Panel would discuss with the Chief Executive of Worcestershire Children First, the services which could be provided if an additional £100k was allocated from the discretionary element of the Public Health Ring-Fenced Grant.

Corporate and Communities Overview and Scrutiny Panel - 24 January 2020

- Scrutiny of the draft budget was complicated by a lack of reference between the notes and the budget appendices. It would be highly beneficial moving forward for areas where savings were projected, reserves were used or where there were areas of significant change, to reference these directly in the budget pages.
- The budget preparation was hindered by the fact that Members' work had been based on the 20 December Cabinet Budget Report, and some figures had changed in the recently published Budget Report for 30 January Cabinet. Whilst acknowledging that changes were largely due to Directorate restructuring and changes to grants from Central Government, members asked that in future, the reporting be made clearer and easier to understand.
- The Panel felt that in order for the redesign of the provision, collation and use of data across the organisation (CoaCh 4) to be achieved, it was essential that the new Assistant Director for IT and Digital and appropriate Information Technology were in place as a matter of urgency, to enable this and other efficiencies and productivity improvements to be implemented.
- It was clear that the focus on all services being delivered in the most efficient and effective way and best value for Worcestershire residents was being achieved. The Panel fully supported the continuing work to review all contracts to ensure this continued.
- The Panel acknowledged the ongoing performance was meeting expectations and complimented the officers on the financial performance.

Economy and Environment Overview and Scrutiny Panel – 23 January 2020

- The Panel was satisfied that the budget for Economy and Environment (E&E) Directorate was good and well managed and the extra capital expenditure on highways, footways, street lighting, flood mitigation and especially the £5m to reduce congestion were all welcome.
- Scrutiny of the draft budget had been hindered by the fact that members' preparation had been based on the 20 December budget report, and some figures had changed in the recently published budget report for 30 January Cabinet. Whilst acknowledging that changes were largely due to directorate restructuring and changes to grants from Central Government, members did not feel equipped with the latest information.
- Rationalisation of cost codes, and changes in recharges also made it very difficult to compare year on year trends. Also, the proposed saving in 2020/21 of £830,000 for the Directorate Organisational Re-design and a further £500,000 for the Directorate Organisation Lean could not be scrutinised as the various savings had been arbitrarily allocated across the departments as nothing was known at this time how this will affect E&E.
- For future Budget Scrutiny, the Panel would like more transparency, and more information on budget trends for services, and comparison with other local authorities, which would be scrutinised by an informal E&E mini Scrutiny Task Group comprising at least three members of the Panel.

Health Overview and Scrutiny Committee (HOSC) – 27 January 2020

- The HOSC supported the budget proposed for public health for 2020-21, noting the change in allocation (but not total) of capital budget from a standalone Public Health Directorate into the People Directorate.
- It also noted that the final amount for the Public Health Ring-Fenced Grant (PHRFG) had not been confirmed at the time of its meeting.
- The Committee sought clarification about the allocation of the discretionary part of the PHRFG (£0.801m) to various services and recommends that there must be clarity of outcomes expected for the investment made.
- The Committee looks forward to receiving details about performance in these areas during the coming year.

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