

TRAFFORD COUNCIL

Report to: Executive
Date: 27 January 2014
Report for: Consideration
Report of: Scrutiny Committee

Report Title

OVERVIEW AND SCRUTINY REVIEW OF THE EXECUTIVE'S DRAFT BUDGET PROPOSALS FOR 2014-15

Summary

The Executive's Draft Budget Proposals for 2014/15 were agreed at its meeting held on 18 November. Directorate-based Scrutiny Topic Groups then held a series of preparatory meetings, to determine issues to be explored in greater detail in workshops held during December with relevant Executive Members and senior officers. This report reflects the outcome of those discussions and summarises issues for the Executive's further consideration and response.

Recommendation(s)

That the Executive consider and respond to the report and recommendations made.

Contact person for access to background papers and further information:

Name: J.M.J. Maloney, Senior Democratic Services Officer

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Background Papers: None

Budget Scrutiny 2014/15

Foreword by the Chairman and Vice-Chairman of Scrutiny Committee

Budget Scrutiny 2014/15 has been a challenge for, and made significant demands on, all those involved. On behalf of Scrutiny Members, we would like to thank the Executive, Corporate Management Team, Finance officers, Scrutiny Councillors and Co-opted Members for their patience throughout.

We welcome the Executive's decision to consult widely on its budget proposals, and the opportunity for Scrutiny to review and comment on them at an early stage.

Members have acknowledged that the Council continues to work within an increasingly challenging financial climate; and it is recognised that significant elements of proposals for 2014/15 were prefigured in the Executive's decisions taken in respect of the 2013/14 budget round. The focus of Scrutiny input this year has been on the robustness and deliverability of the current proposals in the light of experience to date, and the potential impact on significant groups of service users.

We and our Scrutiny colleagues have welcomed the serious commitment of the Executive to responding to our enquiries this year; and have been appreciative of the positive engagement with the process, and of the thoroughness of the responses we have received.

In this light the following report details the observations and recommendations remaining after Scrutiny Members held workshops with Executive Members and senior officers in December 2013. The nature of the process described above has resulted in what may be a smaller number of specific comments than in some previous years. This should not, however, be seen as lessening Members' concerns that the budget proposals should be robust and their impacts mitigated where possible. We hope that our Budget Scrutiny has contributed to these objectives, and we look forward to receiving the observations of the Executive accordingly.

Councillors Brian Shaw and Mike Cordingley
Chairman and Vice-Chairman, Scrutiny Committee.
10 January 2014

Background:

This year the approach to budget scrutiny was agreed by Scrutiny Committee, with a rigorous programme designed to forward any recommendations / observations to the Executive at the earliest opportunity in response to its consultation.

The process built on improvements agreed in the previous year, giving Scrutiny Members an enhanced opportunity for involvement and therefore promoting the Member-led approach, which is increasingly characterising all Scrutiny activity, in budget scrutiny.

The four Scrutiny Topic Groups each took on responsibility for a broad service area (CWB Adults, CWB Children, ETO / EGP combined, and T&R), and Scrutiny Members agreed to participate in the process according to their particular areas of interest.

Each topic group held a preliminary meeting to identify those aspects of the respective Directorates' budgets which Members wished to review in more detail. This formed the agenda to be taken forward to the subsequent workshops with Executive Members and senior officers. This was supplemented by a range of additional, more tightly-focussed questions, for which written responses were requested, and received, in advance of the Topic Group workshops.

As a result of developing a focussed agenda, which was shared with the Executive and Corporate Directors in advance of the meetings, the budget scrutiny workshops were able to receive effectively informed responses to their questions. This both enhanced Members' appreciation of the budget-setting environment and promoted a robust challenge to the Executive in explaining and defending the budget proposals.

General Observations:

As set out in the Foreword, there was a broad welcome from Scrutiny Members for the commitment and engagement shown by the Executive to the Budget Scrutiny process. Responses received were, in the main, thorough, comprehensive and focussed on Members' enquiries. In certain areas there was a notable improvement compared to Members' experience in scrutinising the budget proposals for 2013/14.

A particular prominent and constant theme emerged throughout all of the Topic Groups. This related to the fact that many of the proposals were not directly linked to specific, readily identifiable cuts / reductions, but based on further extending / expanding different ways of working, which had already delivered savings in the previous year. Members did express some concerns over the extent to which the "direction of travel" robustly supported future savings estimates, and the extent to which delivery of further savings would be as readily deliverable once the earlier, and in some cases easier, targets had been achieved. In Members' view, this does make it more difficult to evaluate the robustness and the impact of such proposals; and in consequence Members are minded to devote some resource to reviewing the impact of the budget proposals during the year to which they relate.

The remainder of this report covers the Directorate-specific issues and comments which remained following the Topic Group workshops held during December 2013.

Service Specific Issues / Observations

Children Families and Wellbeing: Adults' Services

Foreword by Topic Group Chairman – Councillor John Holden

“The role of scrutiny has been described as that of a ‘critical friend’ and it was with this in mind that we approached our activities this year. We sought to present a robust but fair challenge where concerns could be addressed and understood. The process of preparing a budget is long and labour intensive. It is therefore to be welcomed that the officers and executive members involved engaged so seriously and openly with the scrutiny process. The process has been developing over a number of years now, and it is clear that the process is progressing in quality from year to year.

The main body of this report sets out our impressions and findings and it is not my intention to repeat them in this introduction. I would, however, like to stress one area of concern that emerged from the process.

The nature of the service means that it is inevitably ‘demand led’ and many parts of the budget will be based upon the best possible estimates of activity levels through the coming years. Many areas of the budget were characterised, very honestly, as best estimates. The interdependence of new approaches and the savings they will deliver is to be expected, but in the case of this service the amounts are uncomfortably large. While there is no intention to question the achievability of the required savings, it was felt that the level of risk did suggest that an enhanced degree of scrutiny throughout the year should be offered as part of the overview process.”

The agenda set by the Topic Group included (N.B. (D) denotes discussion item, (W) denotes Written Response submitted.) :

1. Learning Disabilities – Retendering of Schemes / Cost of Placements (D)
2. Learning Disabilities – Personal Budgets for Transport (D)
3. Enhanced Reablement Offer (D)
4. Enhanced Telecare Offer (D)
5. Market Management – All Services (D)
6. Running Costs / Inflation – All Services (D)
7. Personalisation Agenda – All Services (W)
8. Children’s / Adults’ Commissioning Integration (W)
9. Mental Health – Personal Budgets (W)
10. Running Costs – Ascot House (W)
11. Efficiencies – Advice and Information (W)
12. Efficiencies – Shared Functions: Council and Public Health (W)
13. Complex Needs – Placement Budgets (W)
14. Ending External Provision of Day Centres (W)
15. Replacement of Carers’ Services Contract with Personal Budgets (W)
16. New Service Plan – Supporting People (W)

1. Learning Disabilities – Personal Budgets for Transport (CWBA11)

Members were advised that the proposed savings were deliverable. However, it was noted that a large saving was proposed (£200k), in an area potentially affecting a particularly vulnerable service user group. The saving was contingent on the development of a policy for assessment, and it was acknowledged in the report that significant input would be required to deliver the envisaged change. In this light, Members expressed concerns about both potential delivery risk to these savings, and the potential impact, both on the budget and service users, were this risk not to be avoided. The Group would therefore welcome any further evidence to demonstrate the achievability of the proposals.

2. Enhanced Reablement Offer (CWBA14) and Enhanced Telecare Offer (CWBA15)

The combined savings across these two areas amount to a very significant sum of not far short of £1M. Members clearly appreciate the benefits, in terms of independence and quality of life, which can accrue from the reablement and telecare approaches, and are supportive of continued investment in these areas. They did, however, raise a number of concerns. The scale of savings involved, and the fact they derive from demand-led areas, requires particular assurance of their deliverability. Members would wish to be assured of what contingency plans are in the event that predicted savings are not met, particularly in respect of those elements of this service which are not statutory, and which may therefore be more susceptible to funds being vired away from them. Members also recognised the benefits of telecare in many cases; but also noted that there will be significant groups of service users for whom personal contact and interaction are critical for the maintenance of their quality of life. In these cases, Members would not wish the attractiveness of telecare savings to outweigh the wider wellbeing benefits of an alternative approach, where this was in fact more appropriate for the service-user's specific needs. The group would welcome an assurance that any assessment of need would take account of the importance of mitigating isolation, and be based on a genuinely person-centred approach.

3. Running Costs / Inflation – All Services (CWBA19)

The group noted that the savings proposed here were again very substantial, exceeding £420k, and Members were advised that this built on savings already achieved in the previous two years. Members would appreciate further detail on where precisely these savings will impact, what percentage of the relevant budget line this represents, and what percentages of savings in this same area were made in the two previous years. Whilst the group was advised that residential and homecare rates were explicitly excluded from this proposal, Members would welcome greater assurance on the impact and deliverability of this saving, given the cumulative year-on-year effect, the likely reducing scope for further efficiencies, and potential impact on procurement, support services, etc.

Children, Families and Wellbeing: Children's Services

Foreword by Topic Group Chairman – Councillor Mrs. Patricia Young

“I would like to thank the Executive Members, the Corporate Director of CWB and her officers for the detailed presentation. I feel I should also thank them for their patience, especially in view of the reduced Committee assembled to take part in this session. Scrutiny members have noted that Trafford is going through a period of significant organisational change and understood the need to implement a range of austerity measures such as maximising income, changing ways of working, better procurement and reducing back office staff. We appreciated how these proposals will help transform the services provided without any significant detriment to the overall provision. The following section details the observations and recommendations made by Topic Group C arising from its review of the budget proposals.”

The agenda set by the Topic Group included (N.B. (D) denotes discussion item, (W) denotes Written Response submitted.) :

1. Children In Care Placements (D)
2. Market Management (D)
3. Children's / Adults' Commissioning Integration (D)
4. Connexions – Costs Reduction (D)
5. Connexions – Reduced Targeted Service Offer (D)
6. YOS – Costs Reduction (D)
7. YOS – Reduction in Grant Assisted Projects (D)
8. Reducing Costs of Homelessness Provision (W)
9. Reduction in Cost of MARAS (W)
10. Complex Needs – Reduction in Placement Budgets (W)
11. Music & Education Psychology Service (W)

Members noted the challenge, in general terms, of effective Scrutiny in cases where a key theme of savings proposals is the expansion / extension of broad approaches to service provision, rather than specific, readily quantifiable measures. In such cases, the risk exists that past performance is not necessarily a reliable guide to future achievement, especially where increasing challenges are faced on a year-on-year basis, and against the background of essentially unquantifiable demand-led pressures. The Group's discussions suggested that these challenges are likely to be replicated in the budget-setting process itself.

In this light Members expressed the view that robust impact assessments would be required in support of the developed proposals; and would welcome more information on what contingency planning was in place in the event of non-achievement, and whether prudent financial provision had been made to mitigate this.

1. Children In Care Placements (CWBC2)

Members noted that the delivery of approaching £500k of savings was significantly dependent on the increase in the use of in-house carers. The recruitment strategy was already described as “comprehensive”, raising the question of whether there was a natural limit on the scope for further development. Members would welcome further assurance on how robustly quantifiable savings estimates in this area actually are. Members also raised the question of the nature of the impact of costs (education, health, etc.) in respect of out-of-borough children who were being fostered in the borough.

2. Market Management (CWBC5)

Members noted the advice set out in the report that achievement of the £350k of savings “should not have a service impact but could be challenging for providers”. Notwithstanding this, Members noted that significant elements of inflation are not directly within the Council’s control, and had concerns about the potential impact of non-achievement of this target on the internally-provided elements of service provision. Members would welcome further information on contingency plans in the event of non-achievement.

3. Connexions – Costs Reduction (CWBC28) and Connexions – Reduced Targeted Service Offer (CWBC29)

Members noted that the total savings across these two areas amounted to £160k. Whilst they were advised that this followed on from previous reductions, and that statistics for NEETs remained generally positive, Members queried how far this was sustainable, noting that the budget proposals report referred to “service reduction and risk of higher numbers of young people not progressing to education training and employment”. Members requested details of what proportion of the total budget these savings amounted to; and similar figures for the past two years. They also queried what account had been taken of the possible adverse social, and therefore financial costs, of this policy choice, particularly when viewed in conjunction with point 4 below.

4. YOS – Costs Reduction (CWBC30) YOS – Reduction in Grant Assisted Projects (CWBC31)

Members considered that the proposal for an integrated service should incorporate more detail of precisely how the £150k savings would be achieved. The Group was advised that, whilst money had already been withdrawn from the service in the current year, a positive impact on offending rates had still been achieved through a greater concentration on preventative initiatives. Similarly to concerns on other proposals, Members would welcome further assurance on how secure predictions are that this effect could be continued and expanded into the future, and hence how robust the savings, and impact assessments, in fact are.

5. Music & Education Psychology Service (CWBC27)

In respect of the Education Psychology Service, the Group noted that the envisaged increase in SLA income appears to be £15k on the basis of £27k, i.e. in excess of 55%. Members would welcome confirmation of the basis of this projection, and whether the income increase derives from price or activity levels. If the former, Members would welcome any assurance which can be given that schools will not fail to access an important service.

Transformation and Resources Directorate

Foreword by Topic Group Chairman – Councillor Rob Chilton

“I would like to thank all who took part in the Budget Scrutiny session for the Transformation & Resources Directorate. There were a number of issues raised regarding the budget, largely associated with ensuring that there was a reasonable statistical/operational basis behind some of the conclusions reached in the budget options. Thanks to the very detailed and thorough responses to our concerns that were provided by the T&R Directorate, most of our questions were already answered in written form by the time we came to our final questioning session with Executive Members and Senior Staff, which allowed us to concentrate on what we deemed the most pertinent issues. It is my personal feeling that the extremely thorough way the T&R Directorate approached the Budget Scrutiny sessions, and the quality of their written and verbal responses should be seen as an exemplar for all other Directorates.”

The agenda set by the Topic Group included (N.B. (D) denotes discussion item, (W) denotes Written Response submitted.) :

1. Design & Print Savings (D)
2. ICT Maintenance & Infrastructure Costs (D)
3. Welfare & Council Tax Reform (D)
4. Contact Centre Review (D)
5. HR Staffing Review (D)
6. Redesign: Partnerships & Performance and Safe & Strong Communities (D)
7. Communities Support Review (D)
8. Operations at Sale Water Sports Centre (D)
9. Public Health Overhead Harmonisation (W)
10. Legal & Democratic Staff Review & Re-Banding (W)
11. Review of Funding for TCLT (W)
12. Culture & Sport Resource Review (W)
13. Revenues & Benefits Staffing (W)
14. Review of Libraries Strategy (W)
15. Review of Voluntary Grants (W)

T&R Issues / Observations:

1. Design & Print Savings (TR3) and ICT Maintenance and Infrastructure (TR5)

Members noted the volume of proposed savings in these areas, and suggested that an indication of their extent in relation to the total budget in these areas would assist in assessing their deliverability. Members were conscious of the delivery and timescale risks frequently associated with significant IT projects and their rollout. Whilst recognising the potential benefits, both financial and non-financial, as now set out, the group agreed that implementation should be closely monitored to minimise slippage, and would welcome further detail of governance / accountability arrangements in respect of the significant IT projects proposed. Members also made the point that any impact assessment should set out any potential impacts of proposed design and print savings on customers with disabilities.

2. Contact Centre Review (TR11)

The savings proposed derive in part from the reduction of 2 x fte staff, in response to a projected reduction in call volume. Given the envisaged pressure in services arising in part from other budget proposals, the Group was not convinced of the likelihood of such a reduction; and this view appeared to be supported by an apparent significant increase in the call volume trend over the past 12 months. Members felt that this saving would be dependent on a more robust assessment of factors contributing to this trend in order to demonstrate its deliverability.

3. HR Staffing Review (TR12)

Given savings already secured in this area, Members expressed concerns regarding the magnitude of the proposal for 2104/15. It was suggested that the savings estimate was to a degree aspirational rather than quantified, particularly given that the report acknowledged that the operating model has yet to be determined, and that any slippage in savings would be met from reserves. Given that some of the cost reduction was predicated on developing business with schools, Members raised the question of how significant budget reductions would facilitate this; the levels of confidence on the part of the Executive that this was achievable; and whether any general contingency planning had been done, apart from a potential call on reserves. Members would welcome greater assurance on these points, and consider that close review of achievement against targets will be necessary.

4. Redesign of Partnerships & Performance / Safe & Strong Communities (TR13) and Communities Support (TR17)

Members noted that the volume of proposed savings across these areas (£350k) was large, and that this was additional to significant savings listed for the previous two years. This raised questions of whether additional savings of this magnitude were deliverable and, if so, why they had not been identified in preceding years. Members raised a number of specific concerns, including: the impact of on the range of functions supported by the staff concerned, including Locality Working and performance data monitoring and analysis; the extent to which the proposed structure would be flexible and responsive to changing demands across the services involved. Members would welcome assurance on these points, and that the fitness for purpose of the structure would be kept under review.

Environment, Transport and Operations Directorate / Economic Growth and Prosperity

Foreword by Topic Group Chairman – Councillor John Reilly

“Scrutinising the Executive’s budget proposals this year once again afforded Topic Group B Members the opportunity to inform the Executive on specific issues and general areas of concern. Given the vast experience of each Member of the Topic group, I stand witness to the robustness of those discussions and debates. Clearly, in this challenging financial climate, the necessity to hold the Executive to account for its decisions and ensure that budget proposals are robust and fit for purpose is paramount, particularly on delivery of the Council’s statutory responsibilities and those relating to sensitive and high profile areas. I believe that a good understanding between the Executive Member, Senior Officers and Members of the topic group was achieved and, although it is of course acknowledged that individual Members will still hold reservations as to certain aspects of the proposals, resulted in a fair and balanced scrutiny approach and at least one amendment to the EGP/ETO savings schedules.”

A. EGP

The agenda set by the Topic Group included (N.B. (D) denotes discussion item, (W) denotes Written Response submitted.) :

1. Property & Development – Surplus Property (W)
2. Town Centre Space Advertising (W)
3. Green Deal – New Income (W)
4. Transfer of Assets / Running Costs (W)

In reviewing the Budget proposals, and bearing in mind some of the very significant ETO issues to be reviewed in the same session, Members agreed that they would confine their enquiries, in the first instance, to requests for written responses. In the event, the associated responses proved satisfactory, so no formal discussion was, in the event, required with the Executive Member / Corporate Director.

B. ETO

The agenda set by the Topic Group included (N.B. (D) denotes discussion item, (W) denotes Written Response submitted.) :

1. Business Support Review (D)
2. Outdoor Media (D)
3. Highways Management (D)
4. Parks Maintenance (D)
5. Groundforce – Redesign & Reprioritisation (D)
6. Tree Unit – Operational Delivery Model (D)
7. Highways Depot Security Costs (W)
8. TRO Advertising Costs (W)
9. Moving Travel Offences (W)
10. Highway Verges (W)
11. Festive Lights (W)
12. Waste Management Sites – Rationalisation (W)
13. Public Protection Restructure (W)

ETO Issues / Observations:

1. Business Support Review (ETO9)

Whilst this saving was listed as applying to both ETO and EGP, it was unclear from the report where this proposal would impact; and no reference appeared within the EGP savings schedules. Members agreed that it would be helpful for this to be clarified when the proposals are brought forward for formal decision.

2. Outdoor Media (ETO13)

Members raised a number of concerns about these proposals, including the extent to which their delivery might be dependent on Planning or other third party approvals. Whilst the group was assured that the estimate had taken account of these issues, Members requested further information to demonstrate the proposals' robustness.

3. Highways Management (ETO18)

Whilst Members were advised that the proposed savings related to managerial and supervisory posts, concerns remained, especially given the envisaged changes in some cases to inspection frequencies and tolerance levels, and availability of capital funding for structural maintenance projects, regarding the impact on the infrastructure. Members would request that the developed proposals are accompanied by a thorough assessment of the risks and identification of mitigation measures.

4. Parks Maintenance (ETO22) / Groundforce – Redesign & Reprioritisation (ETO23)

Especially in view of the level of savings proposed in these areas (£750k), and the fact that the inevitability of reduced service levels in some areas were already acknowledged in the Budget report, Members had raised queries in their preliminary meeting about their deliverability. Whilst responses were provided to the Topic Group, Members felt that concerns in relation to envisaged plant / equipment cost reductions, certainty of assistance from e.g. Housing Associations and Friends of Parks groups, and the overall assessment of impact had not been fully addressed; and would welcome further assurance on these issues in particular.

5. Tree Unit – Operational Delivery Model (ETO24)

Members had raised concerns regarding the potential impact on service levels in what can frequently be a sensitive and high-profile area. Members were advised that the proposals were explicitly designed to avoid any direct impact on front-line operatives. Members retained concerns regarding the misdirection of tree-related calls and the potential impact on the efficiency of the service, and were interested to know if there was any scope to enhance efficiencies in tree-related services delivered through ETO and RGP directorates.

6. Waste Management Sites – Rationalisation (ETO28)

In discussing the proposals with the Executive Member, the rationale for, and appropriateness of, the geographical distribution of the retained sites remained unclear; and equally the extent to which these proposals were based on, for example, usage tonnages rather than convenience for residents across the borough. Members had significant concerns on this point, and requested that further information be supplied to demonstrate why the proposal represented the optimal configuration.

7. Public Protection Restructure (ETO30)

The Topic Group expressed concerns regarding the impact of the proposed reduction of £167k in what was thought to be already a comparatively small service area, but one which had its focus on delivering the Council's statutory responsibilities in sensitive and potentially high-profile areas. Members agreed that a thorough analysis of risk and mitigation measures was needed in view of the potential impact of these proposals.