

# Agenda Item 3c

## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 18 February 2015  
**Report for:** Decision  
**Report of:** Executive Member for Finance and the Director of Finance

### Report Title

Executive's Response to Scrutiny Committee's Recommendations to the Budget Proposals for 2015/16

### Summary

At the previous meeting of the Executive a report from the Scrutiny Committee, setting out their findings from the review of the Executive's draft budget proposals for 2015/16, was presented.

The Executive is appreciative of the value that the Scrutiny Committee brings to the formulation of the budget proposals and is in agreement with their findings.

Some initial responses to Scrutiny are included in the report and the Executive looks forward to working with Scrutiny during the forthcoming year in their planned work programme.

### Recommendation(s)

It is recommended that the response to Scrutiny be approved and that the Executive welcomes the opportunity to work with Scrutiny during the course of the coming year on their follow up work.

### Contact person for access to background papers and further information:

Name: Ian Duncan  
Extension: 1886

Background Papers: None

*Implications:*

Relationship to Policy Framework/Corporate Priorities	The Scrutiny review of the budget is a requirement of the budget policy framework. It is relevant to all corporate priorities.
Financial	There are none arising from this report.
Legal Implications:	The Scrutiny review of the budget is a requirement of the Council's constitution.
Equality/Diversity Implications	None arising from this report
Sustainability Implications	None arising from this report
Resource Implications e.g. Staffing / ICT / Assets	None arising from this report
Risk Management Implications	None arising from this report
Health & Wellbeing Implications	None arising from this report
Health and Safety Implications	None arising from this report

## **Background**

1. The Executive published its draft budget proposals for 2015/16 on 20<sup>th</sup> October 2014. In accordance with the Council's constitution the Scrutiny Committee reviewed the proposals during November and December and produced a report on its findings in January 2015; this was formally reported to the Executive on 26 January and can be found on the Council's website: [Agenda for Executive on Monday, 26th January, 2015, 1.00 pm](#)
2. The Executive recognises many of the issues identified in the Scrutiny report and welcomes the opportunity of working with the Committee on its planned work programme during the coming financial year.
3. Initial comments and observations of the Executive in response to some of the matters raised by Scrutiny are included in the attached annex but a fuller response will be more appropriate and meaningful at the time Scrutiny meets during the year to receive updates and discuss the various matters it has identified.

## **Other Options**

Not applicable

## **Consultation**

The report is in response to the consultation carried out by the Scrutiny Committee.

## **Reasons for Recommendation**

The report is in response to the consultation carried out by the Scrutiny Committee.

**Key Decision:** No

**Finance Officer Clearance** (type in initials).....ID.....

**Legal Officer Clearance** (type in initials).....JL.....

**[CORPORATE] DIRECTOR'S SIGNATURE** (electronic).....

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

## INITIAL EXECUTIVE RESPONSE TO SCRUTINY FINDINGS ON DRAFT BUDGET 2015/16

Key Message	Comments
Management Capacity	<p>Management capacity within the organisation will be a challenge given the scale of change required and the on-going need to reshape services and the organisation to meet the continuing financial strictures. However, by ensuring the major change programmes are led by Senior managers including the Chief Executive, ensures that there are structured governance arrangements in place that then feed into the overall leadership and senior management arrangements. Capacity at this level will continue to be monitored.</p>
Future Budget Planning	<p>We do not disagree that 2016/17 and beyond will present a significant challenge to balance the budget in those years. The focus in this budget round though was deliberately on 2015/16 because of the sheer scale of the task, the level of savings required being the largest in the Council's history, and capacity was directed to this challenge.</p> <p>Since the draft budget was released in October 2014 the Executive has approved the release of £500k from reserves to boost capacity in CFW to help deliver savings in 2015/16 and to formulate plans for 2016/17. Also a further £170k has been included in the proposed base budget i.e. a recurring amount to aid capacity.</p> <p>In addition the Chief Executive has formed a CFW Programme Board to identify and deliver a service transformation and savings plan over the next two years.</p>
Performance Management & Quality Assurance Arrangements	<p>The Council has a long history of working with other providers delivering services under contractual and partnership arrangements. Through the Reshaping Trafford programme it is expected that similar arrangements will be developed to cover a wider range of services.</p> <p>To support this the Council has established a new contract management team within the EGEI Directorate. Initially this team will be responsible for managing the new Joint Venture contract for Environmental Services (subject to approval of the Executive on the 16<sup>th</sup> March 2015 to award the contract) but, supported by the newly appointed Commercial Director, they will provide contract and performance management expertise which can be shared across the Council. This expertise includes establishing relevant quality assurance and performance</p>

	<p>management regimes prior to the award of contracts, developing appropriate commercial arrangements, and managing contract delivery. More detail on the specific arrangements put in place for managing the Joint Venture contract will be included in the report to Executive on the 16<sup>th</sup> March.</p> <p>With regard to CFW proposals, an outcome of the consultation process was that services highlighted in the report which were planned to be commissioned from the external market will continue to be provided by internal services;</p> <ul style="list-style-type: none"> <li>• Reablement</li> <li>• Building Based Day Support</li> <li>• Supported Accommodation</li> </ul> <p>CFW has strong integrated commissioning arrangements in place to monitor performance and quality assurance of external providers. These are already operating for external services such as residential care, children with complex additional needs, home care and family support. Quarterly monitoring of providers using Service Improvement Tools as a mechanism to manage performance works effectively. Other examples include a safeguarding alert system for some services and Service Improvement Plans that are used with Home Care and Residential/Nursing providers to tackle any concerns that are highlighted.</p>
Impact on Users	<p>Equality Impact Assessments have been published with the Executive Report and provided to elected members to inform decision making. The impact on users will continue to be monitored and an evaluation of the implementation will be conducted once the changes have been embedded and can be shared with Executive at that point.</p>
Lobbying	<p>All local authorities in England will be lobbying in their preferred way. We are supportive of lobbying and our view is this is likely to be more effective through discussion with senior civil servants and politicians. We also work with the Local Government Association.</p> <p>Some of this has paid off with £74m (to be distributed amongst upper tier authorities) recently being announced as part of the final grant settlement for 2015/16 and also £25m (national total) to named authorities, including Trafford, in 2014/15.</p>

	Nevertheless it should be recognised that lobbying is only likely to affect our funding at the margin; significant spending reductions are still expected to be necessary irrespective of the outcome of the General Election in May 2015.
<b>Service Specific Issues</b>	<b>Comment</b>
Supporting People	This is a discretionary preventative services that was initially established using the ringfenced Supporting People grant that has subsequently been mainstreamed. The contract is due to finish at March 31 <sup>st</sup> 2015 and the impact assessment in relation to the removal of the floating support service identified that there were sufficient alternative options for services users.
Mental Health Services	The Adult Mental Health proposal looks at reviewing cases and moving to a more personalised model to release funding and should not have a detrimental impact on the how we meet eligible need. The CAMHS reduction relates to part of the LA contribution which is a small part of the overall CAMHS budget and a service review is being undertaken which will revise the model of delivery and should mitigate the impact of this saving. We are happy to provide updates to Scrutiny as this progresses.
All Age Integrated Health and Social Care	Proposals for an All Age Integrated Health and Social Care are still at an early stage and risks in relation to safeguarding and management capacity will be closely monitored as the project progresses.
Learning Disabilities	This relates to a number of defined projects that are being managed through a structure programme management approach to mitigate risks to service users and delivery of savings targets.
Early Help Delivery Model	During the consultation period very constructive discussions have been undertaken with elected members, partner agencies and community groups. This has enabled options to be included in the consultation outcome report to sustain some provision that the Council is no longer able to fund or deliver directly. Good examples of this are Gorse Hill Studios which we are confident will be established as a Community Interest Company from 1 <sup>st</sup> April, BlueSci's work on youth provision in Broomwood and the potential to sustain youth sessions in Lostock through the local partnership. The proposed Youth Trust will establish a sustainable future model that is community led although it is likely this will take some time to fully implement. We are planning to directly commission some early help services on an interim basis to cover

	identified gaps in 2015-16 whilst if there is a delay in establishing new arrangements.
Support Services	<p>There are significant reductions in key support services which reflect changes made previously across other support services, so we do have experience of working within these new arrangements. Support Services generally will need to be focussed on providing the tools which allow/ensure managers can manage and deliver services efficiently and effectively whilst ensuring there are appropriate corporate checks and measures in place. Support services will also provide governance and probity to the change programmes in place. This will mean working differently, investing in new systems and processes and withdrawing from hand holding activities.</p> <p>These revised arrangements will be monitored closely.</p>