

TRAFFORD COUNCIL

Report to: Executive
Date: 26 January 2015
Report for: Consideration
Report of: Scrutiny Committee

Report Title

OVERVIEW AND SCRUTINY REVIEW OF THE EXECUTIVE'S DRAFT BUDGET PROPOSALS FOR 2015-16

Summary

The Executive's Draft Budget Proposals for 2015/16 were agreed at its meeting held on 20 October 2014. Two Directorate-based Scrutiny Working Groups were then held during November and 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, in developing its final proposals, and response.

Recommendation(s)

- 1. That the Executive consider and respond to the report and recommendations made.**
- 2. That the Executive note that the Scrutiny Committee and Health Scrutiny Committees are intending to follow up work on a number of areas as part of their future work programmes.**

Contact person for access to background papers and further information:

Name: Peter Forrester, Democratic and Performance Services Manager

Extension: 1815

Background Papers: None

Report Summary

The Budget Scrutiny Report is attached. The Scrutiny process has resulted in a number of recommendations and suggestions for the Executive and these are set out in the report. A summary is set out below:

Key Messages

- **Management Capacity** - Scrutiny Members have significant concerns that the management capacity to manage the scale of the budget reductions and the changes associated with them will be put under severe strain. The reductions in key support services, including Finance, Legal and ICT, where significant reductions are proposed, increase this risk. The Executive must ensure that these risks are managed in a robust manner and should receive timely updates on any adverse consequences of the changes. Scrutiny Committee will also be tracking this issue through the year.
- **Future Budget Planning** - Concern was raised regarding preparedness for 2016/17 service provision under current budget forecasts for that year. In contrast to previous years' budget setting processes, it is not clear that sufficient consideration has been given to requirements of both funding shortfall and allocation is built into the 2015/16 budget to prepare for 2016/17. The Leader indicated to the committee at the outset of the scrutiny process that there will come a point where council tax will need to be increased. In light of DCLG freeze grant arrangements, year two budget planning is therefore particularly relevant to the current process.
- **Performance Management and Quality Assurance Arrangements** - A number of the proposals rely on other providers to deliver services in future. Quality assurance, performance and contract management processes must be robust to ensure that services meet the Council's specification and performance requirements. The Executive need to satisfy themselves that these systems are in place and that managers are using regular and robust information to inform decisions and corrective action needs to be taken at an early stage.
- **Impact on Users** - The session on Children, Families and Wellbeing in particular raised a number of issues where proposals have a potential impact on service users. Equality impact assessments were still in the process of being completed at the time of the meetings so Scrutiny Members were not able to assess this as part of their work. The Executive must demonstrate that they fully understand the impact of changes on users and ensure that robust action plans are in place to address potential problems for vulnerable users. They should monitor the implementation of the changes and ensure that any unintended or unpredicted impacts are identified and addressed.
- **Lobbying** - The Executive should lobby Government for additional funding to ensure that Trafford services to vulnerable people are protected.

Service Specific Issues

- **Supporting People** - Ensure that risks for service users have been properly assessed and that service changes take the risk assessment process fully into account.
- **Mental Health Services** - The Executive must have assurance that services to people with needs will be sufficient and that proposals for savings will not have an adverse impact on vulnerable service users.
- **Mental Health Services** - Ensure that proposals in relation to CAMHS are backed up with plans to mitigate the impact of any reductions in funding.
- **All Age Integrated Health And Social Care** – Ensure that the Council's safeguarding responsibilities are managed through the change process.
- **Learning Disabilities** - Ensure that robust processes are in place to ensure that the savings are achieved and that risks for service users are managed effectively.

- **Early Help Delivery Model** - Ensure that there is adequate time for alternative providers or community groups to put plans in place to take on provision
- **Support Services** - Scrutiny Members are concerned about the issue of capacity to manage change, and in particular unexpected and emerging challenges, and the role of support services in this. The Executive must ensure that these risks are managed in a robust manner and should receive timely updates on any adverse consequences of the changes.

Issues to be added to Scrutiny Committee Work Plans

- Integrated Care Provision (Health Scrutiny Committee)
- Mental Health Services (Health Scrutiny Committee)
- Home to School Transport (Scrutiny Committee)
- Management of and impact of reductions in financial and ICT support services (Scrutiny Committee)
- Joint Venture (Scrutiny Committee)
- School Crossing Patrols (Scrutiny Committee)

BUDGET SCRUTINY 2015/16

Foreword by the Chairman and Vice-Chairman of Scrutiny Committee

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

Budget Scrutiny 2015/16 has once again 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, Scrutiny Councillors and Co-opted Members for their patience and contribution to the process. We would particularly like to thank Councillor Judith Lloyd for chairing the session on Children, Families and Wellbeing.

We have tried to minimise the demands placed on Members and Officers this year without diminishing the level of challenge that is expected from the Scrutiny Committees.

Members acknowledged that the Council continues to work within an increasingly challenging financial climate and the focus of Scrutiny input has been on the robustness and deliverability of the current proposals in the light of experience of budget savings already made in previous years, and the potential impact on communities and service users.

It is recognised that a number of detailed proposals have still to come forward as they are still subject to public consultation. We have raised questions on these as part of our work and we hope that these will help to inform the final proposals to be submitted by the Executive.

The main issues that we would draw to the attention of the Executive are:

- Scrutiny Members have significant concerns that the management capacity to manage the scale of the budget reductions and the changes associated with them will be put under severe strain. The reductions in key support services, including Finance, Legal and ICT, where significant reductions are proposed, increase this risk. The Executive must ensure that these risks are managed in a robust manner and should receive timely updates on any adverse consequences of the changes. Scrutiny Committee will also be tracking this issue through the year.
- Concern was raised regarding preparedness for 2016/17 service provision under current budget forecasts for that year. In contrast to previous years' budget setting processes, it is not clear that sufficient consideration has been given to requirements of both funding shortfall and allocation is built into the 2015/16 budget to prepare for 2016/17. The Leader indicated to the committee at the outset of the scrutiny process that there will come a point where council tax will need to be increased. In light of DCLG freeze grant arrangements, year two budget planning is therefore particularly relevant to the current process.
- A number of the proposals rely on other providers to deliver services in future. Quality assurance, performance and contract management processes must be robust to ensure that services meet the Council's specification and performance requirements. The Executive need to satisfy themselves that these systems are in place and that managers are using regular and robust information to inform decisions and corrective action needs to be taken at an early stage.

- The session on Children, Families and Wellbeing in particular raised a number of issues where proposals have a potential impact on service users. Equality impact assessments were still in the process of being completed at the time of the meetings so Scrutiny Members were not able to assess this as part of their work. The Executive must demonstrate that they fully understand the impact of changes on users and ensure that robust action plans are in place to address potential problems for vulnerable users. They should monitor the implementation of the changes and ensure that any unintended or unpredicted impacts are identified and addressed.
- The Executive should lobby Government for additional funding to ensure that Trafford services to vulnerable people are protected.

The sessions identified areas where Scrutiny Members feel there are risks in relation to services or planned savings and we intend to monitor these as part of our work programmes. The issues identified above will inform this work. These include:

- Integrated Care Provision (Health Scrutiny Committee)
- Mental Health Services (Health Scrutiny Committee)
- Home to School Transport (Scrutiny Committee)
- Management of and impact of reductions in financial and ICT support services (Scrutiny Committee)
- Joint Venture (Scrutiny Committee)
- School Crossing Patrols (Scrutiny Committee)

We hope that our Budget Scrutiny will contribute to the decision making process and in ensuring that robust processes are in place to manage changes. We have identified areas where we feel that there are risks to delivery and to users and we look forward to receiving details of how the Executive will address these.

Councillors Alan Mitchell and Mike Cordingley
Chairman and Vice-Chairman, Scrutiny Committee.
December 2014

Directorate Scrutiny

1. Background:

This year the approach to budget scrutiny was agreed by Scrutiny Committee, with a 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 previous years, giving Scrutiny Members an opportunity for involvement and promoting the Member-led approach in budget scrutiny.

Two Scrutiny Working Groups each took on responsibility for broad service areas - one session to look at Adults and Children's Services chaired by Councillor Judith Lloyd and a second to look at Economic Growth, Environment and Infrastructure and Transformation and Resources which was chaired by Councillor Mike Cordingley. Scrutiny Members agreed to participate in the process according to their particular areas of interest.

The main points arising from the sessions are summarised below.

2. Children Families and Wellbeing Proposals

The Corporate Director for Children, Families and Wellbeing delivered a presentation setting out the implications of the draft budget proposals on services in the Children, Families and Wellbeing Directorate, and a discussion followed where Scrutiny Members took the opportunity to raise questions arising from the presentation and from their review of the draft budget proposals. A summary of the main issues raised and areas for attention are set out below

Equality Impact Assessments

A number of proposals discussed below will have an impact on users and Scrutiny Members did not have an opportunity to review these as part of the scrutiny process as impact assessments were in the process of being prepared.

The Executive must demonstrate that they fully understand the impact of changes on users and ensure that robust action plans are in place to address potential problems for vulnerable users. They should monitor the implementation of the changes and ensure that any unintended or unpredicted impacts are identified and addressed. The Scrutiny Committees will be following up a number of areas and will also review outcomes in light of the assessments.

Reablement, Day Support And Supported Living

Members highlighted the risks around proposals to outsource services and the ability of the private sector to deliver savings of £1.222M. The Members noted the comments of the Corporate Director for Children, Families and Wellbeing that a recent pilot of services delivered by a private sector partner had allowed savings to be made and that the Executive Member for Adults Services also commented that savings will also be achieved through a reduction in the Council's overheads.

Scrutiny Members raised a number of questions about the proposals and asked how the Council will ensure that service providers deliver good quality standards, how performance will be monitored and what action will be taken if performance is not to the required standards. The Working Group was informed that systems to monitor performance are in place and that action is taken where services fall below expected performance. In cases where contractors have failed to meet standards, then the Council has withdrawn from contracts in the past.

Scrutiny Members noted this but commented that the Executive needs to assure itself that such processes are in place to manage the scale of the change and transition. The level of proposed savings is ambitious and failure to deliver the proposals will have a significant impact on the Council's budget.

Supporting People

The Members asked a number of questions about these proposals and noted the Corporate Director for Children, Families and Wellbeing comments that the saving of £230,000 relates to additional support services that are no longer sustainable. They also noted that the Council will still provide the statutory services as required.

Scrutiny Members asked whether the risks for service users have been properly assessed. They were advised that the risk assessment process will be finalised following the completion of the final consultation and that the Executive will review the impact of the draft budget proposals based on this feedback.

Voluntary And Community Sector

Scrutiny Members discussed the reductions in support for the voluntary and community sectors. Members were informed that assessments will be made to ensure that the impact of decisions would be based on a robust assessment.

Mental Health

Members were informed that proposals for savings include reviewing all packages of care to ensure that services meet the needs of the most vulnerable and that people are supported to remain independent. Scrutiny Members highlighted a number of worries about services for people with mental health needs. They want assurance that services to people with such needs will be sufficient and that proposals for savings will not have an adverse impact on vulnerable service users.

Scrutiny Members also highlighted the need to ensure that proposals in relation to CAMHS need to be backed up with plans to mitigate the impact of any reductions in funding.

Given the level of concerns of Scrutiny Members in relation to mental health services, they will review progress over the next 12 months.

All Age Integrated Health And Social Care

The meeting was advised of the proposals to develop a new delivery model with Pennine Care and Trafford CCG to provide integrated health and social care to produce savings of £500,000. There were concerns that the changes would increase pressure on management capacity and whether there will be an adverse impact on the Council's safeguarding responsibilities. Scrutiny Members were advised that bringing services together creates efficiencies by reducing management costs whilst protecting front line services. Safeguarding risks are closely monitored and addressed but there can always be problems that arise.

The Executive needs to ensure that the issue of management capacity is kept under review and that they receive sufficient assurance through the year that plans are on track. The Health Scrutiny Committee has received updates on integrated care and received a further update at its meeting in December. The Committee felt that progress was still at an early stage and they will continue to monitor developments over the next twelve months. Integrated care is vital in terms of ensuring that local health services are able to cope with demand and to deliver significant budget savings.

Learning Disabilities

Members highlighted that substantial savings of £1.448M have been identified and Scrutiny Members asked whether there are risks around achieving this level of savings given their ambitious scale.

Scrutiny Members would like the Executive to ensure that robust processes are in place to ensure that the savings are achieved and that risks for service users are managed effectively.

Early Help Delivery Model

The meeting discussed the £3.209M savings proposed for the redesign of early help services for 0 to 18 year olds, including reviews of children's centres, youth services, educational welfare, early help commissioned services and Connexions.

Scrutiny Members discussed the potential impact of reductions of services on young people. Concerns were expressed that the timescales for the reductions are extremely challenging and that there may not be adequate time for alternative providers or community groups to put plans in place to take on provision which would be to the detriment of local people.

Scrutiny Members noted the comments of the Executive Member that the proposals were still subject to consultation and that all alternatives will be explored and that the proposals around early help hubs are intended to achieve the greatest reach across the borough.

The Executive is requested to bear in mind the comments about the need to ensure that adequate time is given for alternative providers to put arrangements in place.

Home To School Transport

The Scrutiny Committee has previously raised issues and concerns about the management of the changes to the home to school transport service and has appointed a small Working Group to look at how this is progressing and the lessons learnt. The Committee will continue to monitor the robustness and efficiency of current provision together with the impact of changes and report to the Executive on its findings early in 2015.

3. Transformation and Resources Proposals

The Executive Members for Transformation and Resources, Finance and Communities and Partnerships jointly delivered a presentation setting out the implications of the draft budget proposals on services in the Transformation and Resources directorate, and a discussion followed where Scrutiny Members took the opportunity to raise questions on each of these services.

Libraries

Scrutiny Members considered the proposals to save £700,000 from the Libraries budget. They noted that the proposals were subject to a detailed consultation exercise and that they were not able to make a fully informed contribution at this stage.

The main areas of focus were the ability of the Council to meet the continued demand for library services and recognising that libraries are used by communities and groups for a wide range of purposes, and significantly in relation to access to I.T. provision which was itself a gateway to other services.

Support Services

In the context of reducing budgets and increasing demands on front-line services and those delivering them, Members expressed concerns about the reductions in the finance services and the risks that service managers will not receive required levels of financial support. They agreed with the principle that managers should assume responsibility for managing their budgets but would like assurance that managers will receive full training to enable them to do this with sufficient rigour. They noted the Executive's assurance that systems to monitor implementation will be put in place and that risks will be assessed and dealt with. This is a business critical issue – poor budget monitoring could lead to significant problems in the future.

There are similar concerns about the £750,000 reductions in ICT and the ability of the Council to respond to changes and technological developments, which in turn might compromise the Council's ability to respond efficiently and flexibly to future service pressures. The meeting noted that the Executive Member has identified the need to reduce the Council's overheads and the service focus on supporting off the shelf packages rather than development activity but wish the Executive to be aware of their concerns.

Scrutiny Members are concerned about the issue of capacity to manage change, and in particular unexpected and emerging challenges, and the role of support services in this. The Executive must ensure that these risks are managed in a robust manner and should receive timely updates on any adverse consequences of the changes.

Scrutiny Members identified the implementation of changes to support services as an area for further review in the next twelve months.

4. Economic Growth, Environment and Infrastructure Proposals

The Corporate Director for Economic Growth, Environment and Infrastructure delivered a presentation setting out the implications of the draft budget proposals on services in the Directorate, and a discussion followed where Scrutiny Members took the opportunity to raise questions on each of these services.

It was emphasised that the Joint Venture proposals – covering significant elements of the directorate’s proposed savings - were subject to a more detailed review in the New Year and Scrutiny Committee will consider this at their meeting on 4 February 2015 prior to any final decisions being made.

A summary of the main risk areas discussed by the Scrutiny Working Group is set out below.

School Crossing Patrols – £145,000

Scrutiny Members discussed the proposals to save £145,000 from the School Crossing Patrol budget and sought assurances that changes to the service would not result in risks to children crossing roads. The meeting was provided with information about the approach that was being adopted to mitigate these risks. The Executive Member for Environment and Operations stated that the proposals were still subject to consultation and final decisions would be made in light of this.

Scrutiny Members indicated that they will wish to follow this up at a future meeting of the Scrutiny Committee as it was essential to maintain public confidence in light of the fact that the majority of changes were falling disproportionately on the Stretford/Old Trafford area.

Fees And Charges

Questions were raised about the increases in fees for bereavement services and car parking. Members of the Scrutiny Working Group indicated that they felt the case for the car parking fees increase had been well made; but requested further information on the extent to which increased fee income in Bereavement would be used to support that specific service area.

Joint Venture

A further session on the Joint Venture will be held by Scrutiny Committee. Members identified a number of issues that they wish to pursue further at the meeting.

- Whether the savings originally anticipated as a result of the JV are still achievable.

- Whether further savings in future years will be achievable. Scrutiny Members have some concerns that future flexibility to achieve savings may be limited once the Council enters into a longer term contract.
- The robustness of further savings as a result of recycling activity, particularly in view of the volatility of the waste levy regime. There are concerns that future savings are reliant on citizen participation and whether this is a realistic assessment.
- More broadly, Members raised queries regarding the Executive's confidence in the evidence base to justify the assumption that a more responsible approach would generate reductions in demand for environmental services.