

Councillor Tim Barker – Chairman of the Performance and Strategy Scrutiny Committee

REPORT OF SCRUTINY ON EXAMINATION OF PHASE 2 BUDGET SAVINGS 2012/13

1.0 Summary

- 1.1 This report details the comments made by the Council's Scrutiny Committees on the implementation of the Council's agreed financial plan, in particular the comments on the details of the second phase of savings for 2012/13.
- 1.2 The Scrutiny Committees whose work areas are affected by the phase 2 savings have held additional meetings and have met within a tight timescale in order to examine the savings, with particular emphasis, as follows:
- Joint meeting of the Healthy Communities and Safe & Confident Communities Scrutiny Committees – 28 November 2011 – service redesign proposals within Assessment and Eligibility (People)
 - Performance & Strategy Scrutiny Committee – 30 November 2011 – contract renegotiation and overall consideration of the Council's financial plan.

2.0 Recommendations

- 2.1 Performance and Strategy Scrutiny Committee, after having given consideration to the paper before Council on the 15th December 2011 and having considered the matters raised by the other Scrutiny Committees, recommends to Council the agreement of the Phase 2 savings identified within Appendix 4 of that paper; and
- 2.2 Agrees that where the implementation of phase 2 savings extends beyond 1 April 2012, additional savings will be delivered in future years as detailed in the paper, without the need for Council to duplicate decision making and
- 2.3 Agrees the revised savings targets in 2012/13 and in the medium term (April 2013 to March 2015) and how these revised savings targets relate to savings identified as part of our financial planning process to date (Section 5.3).

- 2.4 Considers the main issues identified for the Council in the long term (April 2015 to March 2021) as detailed in Section 5.7 of the report.
- 2.5 Agrees the response to CLG for the LGRR - Business Rates Retention Consultation that was returned on 24 October 2011 ahead of the consultation deadline, as detailed in Appendix 6 of the report.

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- 3.0 The main points raised by each Scrutiny Committee are as follows:
 - 3.1 **Performance and Strategy Scrutiny Committee**
 - 3.2 The Committee recognise that the current economic climate was extremely volatile and there was a need to prepare for the future and not just for the next couple of years.
 - 3.3 It was noted that the Council's position was fluid and that various options could be played out as appropriate to the current circumstances.
 - 3.4 Concern continues to be raised about the minimal level of reserves and, although it was noted that this position would improve during 2013/14 (albeit that the projected increase in reserves in 2012/13 was expected to be utilised in that year) the continuing funding uncertainty after the first two years of the CSR and the achievement of savings in the current and next financial year means that there is no effective buffer against unknowns.
 - 3.5 Some concern was voiced whether any alternative spending scenarios had been drawn up rather than relying on the use of reserves although the majority of Members believed that sufficient savings had been driven out in the next couple of years but further savings may need to be considered for 2015/16.
 - 3.6 The proposed move towards retaining business rates to fund local authority spending was considered to be unhelpful to rural shires and it was imperative that the Council maintained its stance taken in the response to CLG.
 - 3.7 **Key Assumptions relating to New Growth and Demography [Appendix 3]:**
Growth in the budget for older people's care of £240,000 for 2012/13 but no further growth in future years was discussed. Recognition of the year on year increase in the number of people needing support and the need for the Council to provide what is needed efficiently and effectively. The Committee considered that this should be revisited year on year to ensure that the service provided makes the best use of the Council's resources.
 - 3.8 The question arose whether it was fair and reasonable to assess this budget as 'no further growth' in 2013/14 and 2014/15 particularly given the rising cost of fuel and food together with inflation generally and the consequent effect on

contractors providing this care. It was hoped that the service would be managed in such a way to ensure that providers felt that they had a 'fair' settlement but it was recognised that plans would need to be revisited to check assumptions and provide flexibility if necessary. It was noted that 'growth' related to the volume of users and that inflationary issues were already taken into consideration in the Council's own budget.

3.9 Council Tax Assumptions [Appendix 3]:

Some debate over the benefit of equalising Council Tax down or whether it would be better to equalise 'up' in order to generate additional income in the current climate - it was agreed by the majority of members that the assumption was valid, however the Committee requested further information concerning the financial impact of any decision.

3.10 Update on Contract Renegotiation Savings:

It was noted that contract renegotiation was ongoing and that discussions needed to be handled sensitively. The Committee was pleased that there was room for renegotiation and looked forward to receiving information in future once the process had been concluded.

3.11 Public Awareness

All Members were aware of the ongoing need to reinforce the message of the Council's current, and ongoing, financial position and that this should be promoted by all Members in their own Wards as well as by the Council itself.

3.12 Decision Making

Reassurance was sought that scrutiny should be able to revisit the impact and implementation of savings without this being perceived as duplication of decision-making. Whilst acknowledging the need to avoid this duplication, the Committee recognised that scrutiny had an ongoing role to monitor the implementation and impact of the phase 2 budget cuts.

4.0 Joint meeting of the Healthy Communities and Safe & Confident Communities Scrutiny Committees

4.1 Reduce day care through growth of personalised budgets

The Committee recognised the impact on day centres as personalised budgets grow. It was noted that some day centres would no longer be viable, which would have a negative effect on those who still wished to use them. A risk assessment had concluded that some offered targeted support and had the potential to grow, whereas others did not have a unique selling point and users may choose other types of support.

4.2 Given that no EINAs had been included in the report detail was considered to be lacking by some Members. EINAs had been compiled in December 2010 and the budget situation had since changed. Given the 14% cut in day care in the next two years, and the increasing numbers of older people, Members were surprised that the impact had been assessed as "low". The Group

Manager - Assessment and Eligibility explained it was not about reducing levels of support, but providing support in a different way.

4.3 The Committee noted that Shropshire Council held 25% of personalised budgets back for administration costs and some Members questioned this policy.

4.4 Implement electronic home care monitoring

The issue was raised of care assistants being paid only for the time spent with clients and not being paid for travelling time. It was noted that this is being managed by the rate paid by zone providers, which reflects geographical sparsity. Confirmation was given that care assistants were still paid in the event of care being cancelled by the client at short notice.

4.5 The issue of self-funders was raised. There was a query about whether or not self-funders were subsidising those who accessed council services. It was felt important for self-funders to benefit from electronic home care monitoring. In response to a question about how electronic home care monitoring saves money, Members heard the figures were based on Department of Health data.

4.6 Restructure Adult and Care Management

The Committee discussed the risks attached to deleting six senior social worker posts. Members heard this was part of a wider re-structure, which had reduced the overall number of teams as part of achieving greater efficiencies and economies of scale.

4.7 The amount of savings to be achieved by this restructure was queried, with a suggestion that the savings could be higher due to the number of posts being reduced.

4.8 Members were reassured that there were sufficient numbers of experienced staff to ensure continuity. The numbers of agency and short-term contract staff were low.

4.9 Reduce admissions to residential care

The length of time taken to assess top-up costs to be paid by relatives was discussed. It was noted that this should take a maximum of 4 weeks. Staff would be given training to avoid time over-runs in future.

4.10 The question was raised as to whether the providers were sufficiently flexible to be able to offer places for those with dementia. It was explained that different rates were paid to providers for residential, nursing and psychiatric needs and a growing number of providers were developing services to meet these changing needs.

4.11 Confirmation was given that no service users were given shared rooms in residential homes, unless it was on their own request (e.g. a husband and wife).

4.12 Members queried the number of people from outside Shropshire who occupied nursing care beds within the county and were informed this was a matter for individual homes but there was no shortage of places for Shropshire residents. The Group Manager - Assessment and Eligibility commented that a more worrying issue was the provision of specialist services for those with profound disabilities.

4.13 General points:

It was noted there was no benchmarking data in the report to illustrate how Shropshire compared to other local authorities.

Given the reduced income levels and the Council's budget issues this year, the question was raised whether the savings were achievable and the budget deliverable.

Reassurance was given that there was no plan to reduce resources for the Emergency Duty Team, which provided out of hours cover.

5.0 Overall Summary

5.1 As will be noted, the two meetings held were well attended by Members who clearly grasped the issues debated and made valid and useful contributions to the discussions.

5.2 There is no doubt that the financial situation facing the Council and all local authorities is challenging and, although internal restructuring and changes to the way of working are undoubtedly difficult for some of our people to accommodate, the steps being taken by this authority and others to react to the funding pressures placed on them by government were broadly accepted by Members.

5.3 As can be seen from the notes in paragraphs 3 and 4 above, some concerns were expressed over a number of issues and areas of the Council's operations but the overall feeling of the majority of Members was to support the proposals and the recommendations made in paragraph 2 above.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Medium Term Financial Plan 2011/12 to 2013/14 - Budget Paper (Council 24 February 2011)

Medium Term Financial Plan - Strategic Framework of priorities for reshaping the role of the council and redesigning service delivery (Council 24 February 2011)

Financial Strategy 2011/12 to 2020/21 - Cabinet 20 July 2011

Financial Strategy 2012/13 to 2020/21 – Cabinet 14 September 2011

Cabinet Member: Councillor Keith Barrow

Local Member/s: All Members of Council