

**BUSINESS SUPPORT
OVERVIEW AND SCRUTINY COMMITTEE
4 FEBRUARY 2015
DRAFT CAPITAL AND REVENUE BUDGET
PROPOSALS 2015/16**

(Report back from other Overview and Scrutiny Committees)

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Summary

This report presents for consideration, the comments and recommendations of all Overview and Scrutiny Committees on the initial budget plan for 2015/16 proposed by Cabinet on 2 December 2014.

1. Budget and Policy Framework

1.1 In accordance with the constitution, Cabinet is required to develop initial budget proposals' approximately three months before finalising the budget and setting council tax levels in February 2015. These proposals should be submitted to Overview and Scrutiny Committees for their views.

2. Background

2.1 On 2 December 2014 Cabinet considered the draft capital and revenue budgets for 2015/16 and agreed to forward these drafts to all Overview and Scrutiny Committees as work in progress inviting them to offer comments on the proposals outlined.

2.2 Business Support Overview and Scrutiny Committee has a pivotal role in the consultation process that surrounds Cabinet's construction of the budget. It has the responsibility to scrutinise and comment on the proposals. To this end the other committees have been invited to forward their comments to inform the process of scrutiny by this committee as part of the constitutional consultation requirement for budget formulation.

2.3 The views expressed by overview and scrutiny committees during this consultation period will be considered by Cabinet as it formulates its budget proposals and at the Cabinet meeting on 10 February 2015. It remains the

responsibility of full Council to agree the budget proposals and set the Council tax and this will occur at the Special Council Meeting on 26 February 2015.

3. Draft Capital and Revenue Budgets 2015/16

3.1 Members will have received copies of the 'Capital and Revenue Budget 2015/16.' This report was considered by Cabinet on 2 December 2014.

3.2 The draft proposals discussed by Cabinet were disaggregated into overview and scrutiny responsibility and each committee has been asked to consider the draft proposals pertinent to their area of responsibility and comment back to this committee.

3.3 Elsewhere on this agenda is a 2015/16 budget report, which deals specifically with those areas of the budget pertinent to this committee. All of the other overview and scrutiny committees – dates included for information – have now had the opportunity to consider the budget proposals recommended by Cabinet and their views have been incorporated in this report:

- Children and Young People 8 December 2014
- Regeneration, Community and Culture 9 December 2013
- Health and Adult Social Care 11 December 2013
- Business Support 3 February 2014

3.4 The relevant extracts from the minutes of these committees are set out below:

3.4.1 *Children and Young People Overview and Scrutiny Committee, 9 December 2014*

Capital and Revenue Budget 2015/16

Discussion:

The Head of Finance Strategy introduced the report which presented the draft capital and revenue budgets for 2015/16. He explained that for 2014/15 there was a forecast overspend of £4.5 million, which was largely due to pressures in children's social care. He then explained to the committee the process of building the draft capital and revenue budgets, adding that there was still a gap of £12m to close for 2015/16.

In relation to the spending pressures relating to children's social care, some of which was attributable to difficulties in recruitment of social workers, which had created a reliance on agency staff, a Member asked why agencies were able to recruit social workers when the local authority were having difficulty in doing so. In response the Director for Children and Adults explained that recruitment had been a challenge, particularly in relation to first line management posts and this was a problem shared with local authorities up and down the country, however, the situation had improved over the past 15 months. Retention of permanent staff had improved with the turnover rate of staff in children's social care now being low. The authority was being creative in terms of recruitment of social workers, approaching other countries where there was equivalency in

standards of training and in driving down, where possible, the costs of agency staff.

Decision:

The committee noted the report and the draft capital and revenue budgets for 2015/16.

3.4.2 Health and Adult Social Care Overview and Scrutiny Committee, 11 December 2014

Capital and Revenue Budget 2015/2016

Discussion:

The Committee discussed a report on the Council's draft capital and revenue budgets for 2015/16. The Head of Finance Strategy introduced the report and invited the Committee to consider the draft budgets and forward any comments to the Business Support Overview and Scrutiny Committee for onward referral to Cabinet and full Council.

With reference to the range of proposed savings in adult social care, as set out in paragraphs 5.4 to 5.9 of the report, members asked for assurances that any savings proposed in budgets used to fund home care would not compromise quality of care for these vulnerable service users.

The Director of Children and Adults Services advised that the Dynamic Purchasing System was a framework model involving a range of providers and designed to achieve reduced costs whilst sustaining high quality provision. She assured the Committee that the implementation of the new system would be carefully monitored and that monitoring would include consideration of direct service user feedback. The Director also stated that Medway did not use 15 minute appointments in social care.

The Committee discussed proposed savings from the Adult Social Care Transport budget and noted that the reduction in expenditure would be achieved by changes in the Service Level Agreement between the C and A and RCC Directorates as a consequence of the transfer of Napier and the Enhanced Care Unit to Agincare.

With regard to the proposed introduction of an administration fee for selffunders (paragraph 5.5 of the report), the proposal to consider capping community care costs (paragraph 5.6) and the introduction of a Dynamic Purchasing System (paragraph 5.7) Members asked if any consultation had been undertaken with service users likely to be affected. The Director advised that these proposals were still under consideration and that decisions had yet to be made as part of the budget setting process. She confirmed there would be consultation with service users.

With reference to the possibility of capping community care costs in conjunction with implementation of the Care Act, the Director of Children and Adults undertook to clarify the definition of an "older person" in light of the

statement in paragraph 5.6 of the report they would be excluded from such a policy. She advised the Committee that work was underway to look at how such a change could be structured and consideration would be given to the approach being adopted by other local authorities in the South East.

The Committee expressed concern at the reduction from three to one administrative post in the Mental Health Social Work Team, which officers had advised was inadequate to safely carry out legal duties under the Mental Health Act 2007 and to ensure safeguarding procedures are followed. In light of discussion earlier in the meeting about Mental Health services, progress in the provision of acute mental health inpatient beds and the reliance on health and social care working together to achieve the best outcomes for patients, service users and their families the Committee agreed to recommend the Cabinet to reinstate 2 WTE vacant administrative posts in the Mental Health Social work Team thereby bringing the establishment back to 3 WTE

Decision:

- (a) The Committee noted the draft capital and revenue budget for 2015/16, proposed by Cabinet on 2 December 2014
- (b) The Committee recommended the Cabinet to reinstate 2 WTE vacant administrative posts in the Mental Health Social work Team thereby bringing the establishment back to 3 WTE
- (c) The Committee placed on record its thanks to the Chief Finance Officer and Head of Finance Strategy for their work on 2015/16 budget preparations

3.4.3 *Regeneration, Community and Culture Overview and Scrutiny Committee, 18 December 2014*

Capital and Revenue Budget 2015/16

Discussion:

The Committee received a detailed report setting out the draft capital and revenue budget for 2015/16 as it related to this Committee.

A member expressed concern as to the limited information submitted relating to the Committee's budgets to aid meaningful discussion at this meeting. In response, the Chief Finance Officer informed the Committee that Appendix 1b to the report set out all proposed changes to the Directorate's budgets as they related to this Committee.

Decision:

The Committee noted the current draft capital and revenue budget for 2015/16 insofar as they affected this Committee and noted the opportunities and implications of any other efficiencies or revenue generating measures for the Committee.

3.4.4 ***Business Support Overview and Scrutiny Committee, 3 February 2015***

To be considered earlier in the agenda.

4. Risk Management

- 4.1 The risks exposed by a failure to effectively manage the resource planning and allocation process to achieve priorities and maintain effective service delivery are great. The grant reductions imposed by Government have made this process difficult.

5. Financial and Legal Implications

- 5.1 The reports as distributed to the individual overview and scrutiny committees set out the budget proposals recommended by Cabinet. Responses to those proposals are contained in this report.
- 5.2 The Constitution of the Council incorporated under the Local Government Act 2000 contains the budget and policy framework rules. The relevant parts of the Constitution are as follows:
- The budget and policy framework rules contained in the constitution specify that the Cabinet should produce initial proposals for the budget three months before the Council meeting that is scheduled to determine the budget and Council Tax. These initial proposals should then be submitted to the Overview and Scrutiny Committees. The Overview and Scrutiny Committees will advise the Cabinet of their views of the proposed budget, having six weeks to respond to the initial proposals of the Cabinet.
 - Under the constitution the Cabinet has complete discretion to either accept or reject the proposals emanating from the Overview and Scrutiny Committees. Ultimately it is the Cabinet's responsibility to present a budget to the Council, with a special meeting arranged for this purpose on 26 February 2015. The statutory deadline for approving the Council Tax is 11 March 2015.

6. Recommendations

- 6.1 Members are requested to consider the comments from individual overview and scrutiny committees, as laid out in Section 3, together with those pertinent to Business Support Overview and Scrutiny Committee considered earlier in this agenda, and determine which of these are forwarded to Cabinet on 10 February 2015.

Background papers:

Capital & Revenue Budget 2015/16 – Cabinet 2 December 2014
<http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=25596>

Medium Term Financial Plan 2014/18 – Cabinet 30 September 2014:
<http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=25099>

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