

BUDGET & FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Budget & Finance Scrutiny Committee held at 6.30pm on Tuesday, 4th February 2014 in Meeting Room 3, Darby House, Telford.

PRESENT: Cllrs. S. Reynolds (Chair), N. Dugmore, K. Guy, A. Lawrence, C. Mollett, G. Reynolds and Co-optees F. Robinson and R. Williams.

Also attending: K. Perry, Assistant Director Children's Safeguarding (ADCS); C. Jones, Assistant Director Family & Cohesion Services (ADFCS); F. Bottrill, Scrutiny Group Specialist; S. Jones, Scrutiny Officer.

BFSC-37 MINUTES

RESOLVED – that the minutes of the meetings of the Budget & Finance Scrutiny Committee held on 21st January and 27th January 2014 be confirmed and signed by the Chairman.

BFSC-38 APOLOGIES FOR ABSENCE

Cllrs. K. Austin, R. Evans (Budget & Finance Scrutiny Committee)
Cllrs. M. Ion, G. Green and T. Hope and Co-optees S. Ali, R. Aveley and S. Rayner (Children & Young People Scrutiny Committee)
Cllr. P. Watling, Cabinet Member and L. Johnston, Director Children's Services

BFSC-39 DECLARATIONS OF INTEREST

None

BFSC-40 SAFEGUARDING AND EARLY HELP COST IMPROVEMENT PLAN

The Chair welcomed everyone to the meeting which was the final meeting for scrutiny of the budget proposals. Members of the Children & Young People Scrutiny Committee had been invited to the meeting for the first item which was to look at the Cost Improvement Plan. The Chair reminded members of the Committee that she would allow other scrutiny members present to ask questions. She then invited the officers present to give an update on the position since the last meeting in October.

The ADCS highlighted the following points:

- The Cost Improvement Plan (CIP) had been in place for over 12 months and the savings targets for 2014/15 were presented in the budget papers.
- The cost trends in care placements had come to the previous meeting. Key changes and achievements since then were:
 - The forecast overspend at year end had been revised downwards reflecting the

- progress on delivery of savings targets, although there would still be an overspend.
- The number of children in care had reduced from 320 at the time of the last meeting to 302 and had been steady for the last few weeks.
 - The number of children in residential placements had come down.
 - The number of internal foster care placements had increased and the number in external foster care placements had reduced so the balance was going in the right direction.
 - A lot of work in the CIP was a continuation of activity which had been refined over time. Some of the significant measures were:
 - The development of internal foster care capacity to manage more complex cases
 - The appointment of the Edge of Care Specialist and model of working was having a big impact on reducing the number of children coming into care by putting in wrap-around support to keep children safely at home – there had been no new admissions for behavioural reasons since December 2013. Some examples were described to show how the Specialist had helped keep children out of care and was helping to move children out of residential care.
 - The focus on commissioning and driving down unit costs continued. The provision of supported accommodation for care leavers and packages to prepare young people for independence and tenancies earlier were being reviewed. A package used in Manchester was being looked at.
 - The potential to provide residential care in Telford for disabled children to avoid otherwise unnecessary residential school placements was being looked at.

Members then asked a number of questions:

- Cllr. Lawrence wanted to know what accounted for the reduction in the number of children in care and whether this was the result of pro-active prevention work. The ADCS said it was not an exact science but was due to a mix of preventative work, such as that described by the Edge of Care Specialist, reducing the number coming into care, and children in care being moved into permanency more quickly, for example into adoption.
- Cllr. Lawrence asked how the downward trend in Telford & Wrekin compared to other authorities and the ADCS said that generally other authorities were seeing increased numbers. The ADCS said they had realised the preventative work needed to be speeded up and the new model of working with the Edge of Care Specialist sitting with social workers when they are planning had speeded things up considerably. The ADCS said the Permanence Panel had also speeded up by understanding what provision is available that could be put in place to help children stay or move safely home.
- Cllr. White asked how many children were in kinship care or had moved into special guardianships, whether these types of care were being pushed because they were low-cost and about the financial support for kinship carers and special guardians. The ADCS said there were 35 children in Kinship Care (December Dashboard). Five children had moved from care into Special Guardianships plus a number of other children not subject to care orders had moved into Residence Orders or Special Guardianship Orders which was a good achievement. Kinship

Carers receive the same allowance as internal foster carers, and Special Guardians receive some financial support but it is means tested. Cllr. White asked whether foster carers were encouraged to convert to special guardianships to save money and the ADCS there had been a change of policy. Cllr. White said from his experience special guardianships were good for the child but he questioned the level of active and financial support provided to special guardians. The ADCS explained that the policy on financial support has recently been revised and depended on whether the child had been in care previously and, if they had been, the special guardians received a lump sum plus an allowance related to the age of the child. In special circumstances the weekly care allowance may be paid to special guardians if they could not otherwise afford to care for the child. The aim for any child was to achieve permanence – for younger children this could mean adoption, but for older children residence orders or special guardianships were more likely options. More relatives and carers were going for these types of care agreements but foster carers usually preferred to continue to be supported by the authority as foster carers. Cllr. White said for him becoming a special guardian had been a difficult process and he had had to fight to get special guardian status. He wanted to make officers aware of the difficulties that some people go through. He said in his view special guardianship was a better solution for the child because it was permanent and that special guardianship should be pushed over more expensive foster care but he made the point that offering a bit more personal and financial support would go a long way to making it easier for people to become special guardians. The ADCS said there was a balance to be struck – they did not want to place children with carers who were only interested in money but equally they would not make a placement if it would leave the carer in financial straights. She said staff were good at rooting out people who were only interested in money.

There were no further questions so the Chair thanked the officers and they left the meeting.

BFSC-41 SERVICE & FINANCIAL PLANNING STRATEGY 2014/15-2015/16

Written responses to previous questions about the Service & Financial Planning Strategy had been circulated as Appendix B. The Chair asked members whether they had any comments on the information provided and members made the following points:

- Cllr. Lawrence said he had raised a question about a reference to zero hour contracts in a proposal about adult social care at the meeting on 21st January but he could not see this included. The Chair explained that the question had been asked at the meeting on 27th January and the response was in the minutes of the meeting. Copies of the minutes of the meetings on 21st and 27th January were tabled.
- Mr. Williams remarked on the Telford Loyalty Card (TLC) and said he had discovered the TLC discount did not apply on top of other discounts offered by the retailer and that it should be made clear to people applying for the card that the discount may not apply to other offers. The Chair said decisions about discounts would be decided by the business and that the website does tell people that the

TLC cannot be used in conjunction with other offers. The Chair also said she was pleased that the card had taken off so well. Cllr. G. Reynolds said it was a good idea to have the list of Christmas offers, and the Chair said that information about special offers was e-mailed to customers who had ticked the box to receive it.

- Referring to question 2 about the investment in highways, Cllr. White said he had heard on the national news about a £20bn shortfall in funding for roads and that some Councils were closing roads they couldn't afford to maintain and he wondered whether we would need to adopt a similar policy in Telford and Wrekin. Cllr. G. Reynolds said there was a need to lobby government to pass down more road tax to Councils, which other members agreed with but thought unlikely to happen. Ms. Robinson said there had been lawsuits in other parts of the country where people had taken action against the local council for damage to their cars caused by poorly maintained roads and wanted to know if there had been any against Telford & Wrekin. Cllr. Guy said the committee should ask the question and how much was spent on litigation. Cllr. Lawrence said when he was Cabinet member it was around £60-80k and had been coming down but this could not be avoided without putting more money into roads which was what the alternative budget proposed. Cllrs. Guy and G. Reynolds gave some examples of pot holes they were aware of which had appeared.

The Chair invited further comments but there were none.

BFSC-42 SCRUTINY RESPONSE TO BUDGET PROPOSALS

The Chair said that the Committee now needed to agree the response to the budget proposals. She sought agreement with the approach suggested at a previous meeting that the Committee should respond separately to the each budget and this was agreed. The Chair said the response to the administration's proposals would be presented at Policy Review on 6th February and Cabinet on 20th February. The response to the alternative budget would be published with the papers for Council on 27th February. Following the discussion today, draft responses would be circulated for comment and members would need to reply quickly to meet the deadline for Policy Review and Cabinet. No response would be deemed as consent.

a) Service & Financial Planning Strategy 2014/15-2015/16

The Chair opened a discussion about the administration's budget and invited comments from Cllr. White as Chair of the Health & Adult Care Scrutiny Committee. The following points were discussed:

- Cllr. White said the 2 scrutiny committees should work together to look at the impact of savings proposals in adult social care. The Health & Adult Care Scrutiny Committee would look at the impact on people and the Budget & Finance Scrutiny Committee would look at the impact on the budget.
- The Chair said that lessons from children and young people services (CYP) should be applied to adult social care and she suggested a comment should be included in the budget response. She had noted that the Cabinet member for Adult Social

Care had said that he would go to reserves if the service was overspent this time next year but also that the Council has a duty of care to provide the service and could not use the excuse of having no money.

- Cllr. Guy said that scrutiny should look at whether the right care packages were being put in place for the right people and the Chair agreed they needed to make sure provision matched need. Cllr. Guy suggested there should be an expert to look at care packages as there was in CYP and the Chair agreed and that this issue should come back to the Committee to look at.
- Cllr. White said if the service was not making the target savings they would need to look at it to understand the reasons why. If the overspend was due to inefficiencies in the system then changes would need to be made by officers, but if the overspend was for good reasons outside the Council's control, they would need to consider setting a more realistic budget to ensure the service was properly resourced. He said they should not set the budget if they could not make the savings.
- Mr. Williams wondered whether as an organisation the priority was to look after the customer or to make savings. He said each year it seemed to him that savings were made at a high level by senior managers, including the Managing Director, getting involved in the minutiae of the business when they should be ensuring that everyone in the system is involved with making savings. The Chair said there had been a Suggestion Box for staff to suggest savings but she did not know if it was still in operation. The Scrutiny Group Specialist explained that staff were able to put forward savings suggestions through the restructure process. Mr. Williams said he was not talking about staff making suggestions about savings but about the culture in adult care and whether social workers making decisions were encouraged to look for value for money and he was not sure this happened.
- Cllr. White said he knew of cases in CYP where on appeal children had been placed in expensive residential care because low level preventative support had not been put in place because no one had listened to the parents. It was the same in adult care that people were not getting low level support and they needed someone to listen to them. Ms. Robinson said this was even more relevant with money coming over from the NHS. Cllr. White said there was still a local issue with CHC which needed to be addressed properly through the assessment process rather than by transferring money to the Council. Ms. Robinson said it was important to have assessments early on so that packages are put in at the right time. The Chair said that this was similar to CYP and the Committee should recommend similar systems and process are put in place in adult social care and that this should be monitored. Children's care placements had been a hot topic but systems and robust monitoring had been put in place and there was a need to move the model across to adult services.
- Cllr. Guy said that the Committee had only considered information from officers and the Cabinet member and he felt it was important for scrutiny to get a first-hand view from service users and providers. He said scrutiny should find out what work had been done to get feedback so that this information could come unfiltered to the Committee. He felt it was difficult to make comments based only on information

from Cabinet members and officers. The Chair suggested this could be included in the work programme for next year to look at how the voice of service users is heard.

- Cllr. Guy said the Council also needed to be talking to providers and working with them to identify savings and the Chair agreed they should be comparing the cost of provider packages. Cllr. Guy said this was difficult to scrutinise. Cllr. White said that major savings had to be made and would hit service users and people must have a fair assessment with a transparent process that is not just the decision of one person and that can be appealed. Cllr. Lawrence suggested scrutiny should contact all providers asking them for suggestions in this area and to invite them in if they have any ideas. Scrutiny could compose a probing letter. The Chair suggested this was something the Health & Adult Care committee could look at.
- Cllr. G. Reynolds suggested that in terms of consulting with service users, scrutiny could consult the Care Council to ask children and young people in care where they think cuts could be made and get their feedback.
- Mr. Williams said he needed to see how much input into savings there was from staff on the ground and not just from senior managers. Cllr. Turley who was in attendance said he had been made aware of an issue by a care worker which he had taken up with the Cabinet member. The Scrutiny Group Specialist explained that there was on-going communication with staff - the Co-operative & Communities Scrutiny Committee had done a review which involved interviewing staff about communication and one of the recommendations from the review was that there must be two-way communication between staff and managers especially during restructures. The Scrutiny Officer confirmed that the feedback from staff had been positive about communication. Cllr. Turley said it was important to get the views of service users – the CYP scrutiny committee had spoken to foster carers as part of a review and they had given a different view from officers.
- The Chair said that adult care was one of the key risks for the budget and she wanted to include in the response how the Committee would work on this area next year similar to the way it had worked on CYP. The Scrutiny Group Specialist drew members' attention to the tables and graphs showing costs and comparative data for different types of care. This showed Telford & Wrekin paid above national, regional and statistical neighbour average costs across different types of care. Ms. Robinson wanted to know if this was because Telford & Wrekin was providing too many hours or paying more. The Scrutiny Group Specialist pointed out that the average gross hourly rate for home care was higher in Telford & Wrekin than Shropshire when many of the providers were the same. Cllr. Lawrence said it could be an indication of poor negotiation with providers. Cllr. G. Reynolds said the Cabinet Member Cllr. A. England had said that decisions were made by individual social workers and consistency was needed. Cllr. Lawrence said he did not recognise the group of authorities in the statistical neighbour group and wanted to know why it had changed. The Chair noted that Telford & Wrekin was paying the highest average hourly rate compared to statistical neighbours for home care and said scrutiny needed to look at why and what was being done to address this.
- The Chair said the consultation on the budget proposals had closed that day so

members it had not been possible to give members a feel for the outcome but she would like this to see the feedback. Cllr. Guy said that he would like to see the number of respondents reported as an actual number and not just a percentage. The Scrutiny Group Specialist suggested that there was not time for feedback to come back to the Committee but Members could make recommendations about how they would like feedback reported in the budget report for Cabinet and Council. Mr. Williams wanted to know what difference the consultation made and whether the cost and effort were worth it. Cllr. Guy said that Cabinet would debate the consultation results before agreeing the final recommendations to Council. The Scrutiny Group Specialist suggested that Members could recommend that actual changes made as a result of the feedback from consultation are highlighted in the final Cabinet report so that members of the public can see what difference it has made. Mr. Williams said he didn't know the value of consultation in terms of how much it costs for the difference it makes.

- The Chair said that on the whole she felt that it was a fair budget. She did not know if other members had formed a view on the level of contingencies and reserves but for her the key thing was to monitor the budget so that there was no need to draw on reserves. She said that Cabinet and officers need to be mindful of the savings that need to be achieved and if they are not achieved they will need to come back to the Committee to explain why not and what they are doing to achieve them.
- The Chair noted that the budget relied on income generation and she said that new ideas and reports on existing plans should be brought to the Committee where confidentiality allowed. She welcomed and supported the approach to income generation as positive and asked other members for their view. Cllr. G. Reynolds agreed. Cllr. Guy agreed but said that the Committee should state that it would like to be informed about future plans and current progress. He said that the Council should be run more like a business and Cllr. Lawrence agreed with this.
- Cllr. White suggested the Committee should recommend that a solution to the CHC funding issue should be pursued at all costs. He said the Committee could look at areas of concern as they had done for CYP where the need to increase the budget had been recommended. Cllr. Lawrence said the main opposition group had produced the alternative budget because of cuts to the adult care budget, prompted by the cuts biting in too aggressively.
- Mr. Williams said he had attended Cabinet last week and an article about over payments in adult care which had been in the Shropshire Star had not been mentioned and he said honesty was needed. Cllr. Turley said there had been coverage in the press regarding an overpayment of £1m. The Chair said that Audit committee had received a report on this issue. As accurate information was not available at the meeting it was agreed that the Committee would request a report and response from the Cabinet member.
- Mr. Williams said he was concerned about capital receipts. He was concerned about a lack of clarity and the potential for failure to realise the receipt in Newport. Cllr. Lawrence said a report to Audit Committee had presented alternative projects to cover the shortfall if the Newport receipt did not come off. The Chair said that

she was also on the Audit Committee and the report was predicated on the assumption that the Newport receipt would not come off and there was no reliance on one receipt. Mr. Williams said he was still concerned about anticipated income versus realised income because capital projects were dependent on the receipts and this was a worry. Cllr. Lawrence said in his view officers were very good at bringing the money in and the budget had always been achieved. The Chair agreed that this had never been an issue.

- Ms. Robinson said she was pleased to see the new approach to debt repayment and suggested that the Committee should look at this in the coming year along with the issue of fraud and whether there is a way of getting money in more quickly.
- Cllr. G. Reynolds said she was supportive of the efforts to tackle youth unemployment and happy that the Council was taking action because the issue had big implications for the local area and she supported the additional investment the investment even in a climate of cuts. Ms. Robinson agreed with the intervention and the fact that it would save money later on.
- Cllr. G. Reynolds commented on Destination Telford and said although it was not much money it was good to build the identity of Telford since the Telford Development Corporation had disappeared. It was good to have a driving force for community identity to help attract investment by sending out the message that Telford is a good place to live, work and visit. The Chair agreed it was good to see this because there had been no money since the demise of TDC.

b) Main Opposition Group Alternative Budget 2014/15

The Chair informed members that following the meeting on 21st January she had sent a number of questions to Cllrs. Eade and Lawrence about the alternative budget and had asked Cllr. Lawrence to respond at this meeting. Cllr. Lawrence provided a written response which he handed to the Chair. There was a discussion about the additional questions and other proposals in the alternative budget as follows:

- Question 1 was to provide detail of where spending on roads would be across the borough. Cllr. Lawrence said officers carry out continuous technical assessments of the condition of roads using sonar equipment and spending would be determined by the technical evaluations on a road by road basis and would not target specific wards.
- Question 2 was about the impact of the proposals on the Parish Environmental Team (PET) apprentices and whether they would be made redundant. Cllr. Lawrence said the alternative proposals were to scale up the apprenticeship programme. The Chair clarified that the PET apprentices were funded by the parishes and the concern was that if the PIC funding was withdrawn as proposed in the alternative budget, the apprentices may be made redundant. Cllr. Lawrence said he did not know the details of the funding for the PET apprentices but would come back on this. Cllr. Dugmore said he understood there were 166 apprentices and the young ones were paid about £2.60 per hour which was below the minimum wage. Cllr. Lawrence said when asked, officers had told them no staff were paid below the minimum wage and Cllr. Dugmore said he assumed this had not

included the apprentices.

- Question 6 was about whether the cuts to the translation budget include costs for deaf and blind people and the risk of legal challenge and fines. Cllr. Lawrence said he understood that there was a legal requirement and this was not about getting rid of the service but about delivering it in a different way. Other authorities had achieved savings in this area. They had identified a series of proposals for savings from what other authorities had done and put them to officers. The idea was to absorb roles into other roles and get rid of dedicated posts. The Chair said that the savings proposal set out in the alternative budget was to stop funding the translation service. Cllr. Lawrence said he would look at this and come back to the Committee. Ms. Robinson wanted to know whether the Council had a legal duty in relation to languages. The Chair said she was not sure of the requirements for languages but there was a duty to provide information to disabled people in a format they understood and 40% of the budget was for sign language and she felt that the council would be open to challenge from deaf or blind if the service was withdrawn. Cllr. White said it was difficult for the Council to work with vulnerable people who did not speak good English if they did not provide information in other languages. Ms. Robinson asked how far the responsibility went and how many languages there were? Mr. Williams asked if Council offices had a loop system and the Chair said that would work for people who were hard of hearing but not for deaf people who need the signing service. Cllr. Dugmore wondered whether there was a minimum level at which a service had to be provided i.e. for registered disabled or blind. Cllr. G. Reynolds said she thought the Council was not only legally obliged to help disabled people but was morally obliged. Cllr. White said the Council needed to communicate with disabled people and non-English speaking people in the best way possible for example downloads from the website which do not cost a huge amount of money. Cllr. Lawrence said that the savings proposal was a suggestion and a contingency had been built into the alternative budget in case of delays or if the savings could not be made, but there could be other ways of doing things for example using Google Translate for foreign languages, or using people in local communities with foreign languages, rather than having a definitive language capability in-house. Ms. Robinson agreed there could be other options for providing language translation – for example immigrants may have things in place in their local community to help them – but there must be a service for disabled people. Cllr. White said that was surmising and if they had other help they would not need the Council. The Chair said she thought cuts to the service would be challenged.
- Question 3 was about the financial impact on the borough of the pay reduction to Council staff - how many members of staff live within the borough and what the financial impact of this reduction in pay would be on the local economy. Cllr. Lawrence said that this was more about a policy decision in the alternative budget to put more money into adult social care. An element of the money would go to carers, elements on tax and NI of staff working in the sector but it was not an exact science. He did not know exactly how many staff lived in or out of the borough but could request the information. The Chair said about 2,500 staff lived in the borough. Cllr. Lawrence said there were about 3,700 altogether and what they were proposing was taking some money from the staffing budget and putting it into adult care so there would be the same amount of money spent overall but it would

go to carers and care providers instead of staff. The Chair said that some of the money would go to care providers who were outside the borough. Cllr. White said they needed to see whether there were local providers who could provide care more cheaply. The Chair said that taking money away from staff would take money out of the borough and would have a big impact on the local economy although she was sympathetic to putting more into adult care. Cllr. G. Reynolds said they should also consider the impact on staff morale and look for other options. The Chair said they should be more creative and not demoralise staff. Cllr. White said staff had had a pay freeze for a few years, then a 1% increase this year and many staff had had their salary reduced through the restructure. He felt a pay cut on top would demoralise staff and potentially impact on the ability to attract good quality staff. The Council needed good staff to carry on running services and they could not carry on hitting staff. The Chair said many staff were paid below the national average wage.

- Cllr. White said he welcomed the idea of talking to other Councils and look at sharing services and he thought that work should be done to find areas where the Council could work with other authorities and he suggested the Committee should make this as a response to the alternative budget. The Chair said there could be benefits from joint commissioning or economies of scale. Cllr. White said that with the technology available, authorities could work across distances and not just with neighbours and Cllr. Lawrence agreed and added that the other bodies did not need to be Councils but could be other public or private sector organisations. The Scrutiny Group Specialist said a link to information on the LGA website about shared services in the West Midlands would be forwarded to members for future reference. Cllr. G. Reynolds said that the proposal mentioned sharing senior managers which she disagreed with and said was dangerous. Cllr. White said he was only suggesting talking to other authorities – there was no reason why we could not look for areas for sharing services where Telford & Wrekin has a strength and there could be opportunities to expand services locally and create jobs locally possibly attracting skilled staff who were being made redundant from other authorities – but he was not talking about sharing senior managers. Cllr. Dugmore said he thought that they should not put limits on it. Cllr. G. Reynolds said they should look at what was happening in other authorities and not shut down options but there was a danger in sharing senior officers. Cllr. White said he would be happy to look at opportunities for services to share but not to look at sharing senior officers or merging Chief Executives. Cllr. G. Reynolds said Telford & Wrekin must remain as an authority and she was worried by language about sharing services. Cllr. White said the language could be “working in partnership” in some form. As a Council Telford & Wrekin was too small to carry on doing everything by itself and needed to change its outlook and start thinking about being a Co-operative Council and looking for opportunities to develop services. It could be an opportunity for Telford and Wrekin to bring jobs to the Council if the authority started providing services to other organisations. Cllr. Lawrence said the alternative budget put out that officers could identify savings from shared services. Cllr. White said they needed to be careful about the wording but he agreed with the principle of exploring this as an option for the Council.

There were no further comments or questions. The Chair reminded members that

the Scrutiny Officers would draft comments based on the discussion at the meeting to be circulated to the Committee for comment and approval. Members were reminded that if they did not respond it would be assumed that they were in agreement with the draft. The Scrutiny Group Specialist asked whether members wanted the response on the alternative budget to reflect the differing points of view, and members confirmed that it should.

The meeting ended at 8.30pm.

Chair:.....

Date:.....