



Telford & Wrekin  
COUNCIL

Addenbrooke House Ironmasters Way Telford TF3 4NT

## FINANCE & ENTERPRISE SCRUTINY COMMITTEE

Date **Wednesday, 13 January 2016**

Time **6.00pm**

Venue **Meeting Rooms G3&4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

### Enquiries Regarding this Agenda:

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**Committee Membership:** Councillors S Bentley, S P Burrell, N A Dugmore, R C Evans,  
**S A W Reynolds (Chair)**, R J Sloan, C F Smith and D G Wright

## AGENDA

1. **Apologies for Absence**

2. **Declarations of Interest**

3. **Minutes**

To confirm the Minutes of the meetings of the Finance & Enterprise Scrutiny Committee held on 6 January 2016.

Appendix A  
(To follow)

4. **Service & Financial Planning Strategy 2016/17 – 2018/19 (Draft Budget Proposals)**

- (a) To consider the budget proposals for adult social care services presented by the Cabinet Member for Adult Social Care;
- (b) To further consider other elements of the budget proposals as determined by the Committee.

**NB: Committee members are requested to bring to the meeting the draft budget papers already provided to you.**

## **FINANCE & ENTERPRISE SCRUTINY COMMITTEE**

**Minutes of a meeting of the Finance & Enterprise Scrutiny Committee held on  
Wednesday, 13 January 2016 at 6.00pm in Meeting Room G3/4,  
Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

**PRESENT:** Councillors S A W Reynolds (Chair), R Evans, R Sloan, C Smith, D Wright and Co-optees R Williams and C Mason-Morris.

**ALSO PRESENT:** Cllrs. A Burford, V Fletcher and T Nelson (part) for item 4 (a); Cllr L Clare, Cabinet Member for Leisure Services & Culture; Cllr A England, Cabinet Member for Adult Social Care; A Astley, Assistant Director Neighbourhood & Customer Services; C Jones, Director of Children's and Adult Services; R Smith, Assistant Director Adult Social Services; P Taylor Director Care, Health & Wellbeing.

**IN ATTENDANCE:** S Jones, Scrutiny Officer.

### **FESC-05     MINUTES**

As the minutes were not available this item was deferred until the next meeting.

### **FESC-06     APOLOGIES FOR ABSENCE**

Cllrs. S Bentley, S Burrell and N Dugmore

### **FESC-07     DECLARATIONS OF INTEREST**

Cllr. Evans declared a potential pecuniary interest in item 4 (a), the budget proposals for adult care, and left the room.

### **FESC-08     SERVICE & FINANCIAL PLANNING STRATEGY 2016/17 – 2017/18 (DRAFT BUDGET PROPOSALS)**

#### **Agenda item 4 (a) Adult Social Care Services**

Attending for this item were Cllr A England, Cabinet Member for Adult Social Care; C Jones, Director of Children's and Adult Services; R Smith, Assistant Director Adult Social Services; P Taylor Director Care, Health & Wellbeing.

The Chair welcomed everyone to the second budget scrutiny meeting and congratulated Clive Jones on his appointment as Director of Children's and Adult Services. Members of the Health & Adult Care Scrutiny Committee had been invited to take part in the discussion about the adult care budget. The significance of the adult care budget made this a key issue for scrutiny. A list of questions identified previously by members had been sent to the Cabinet member and officers to address in a presentation and the Chair invited the Cabinet member and officers to present the information.

The Director of Care, Health & Wellbeing (CHW) opened by saying it was appropriate for the Assistant Director Adult Social Services (AD) to deliver the presentation as he was responsible for the purchasing budget which accounted for the majority of spending in adult care. Only a relatively small proportion was spent on providing in house direct care. The AD was supported by commissioners to ensure the appropriate care was purchased at the best price.

The Cabinet member remarked that his role was to support and enable officers to 'fund change'. The resources were no longer available to fund care in the traditional way and there needed to be a shift towards individuals taking more responsibility for their own care. Key priorities were preventing avoidable hospital admissions and quicker discharge from hospital. Keeping people at home longer was better for the person, and cheaper, and underpinned the strategy.

The AD gave a Powerpoint presentation to address issues raised by members which included the following information:

1. An overview of the principles of the new operating model

The new model was about moving from a managed service to a Direct Payments model where people take more responsibility for organising their own care. Since December the workforce had been refocused and the assessment and support planning roles had been separated out. Social Workers would still be responsible for ensuring provision of statutory services such as mental capacity assessments, determining eligibility and safeguarding adults but a Support Planning team had been created to work with individuals and families to find alternative solutions outside the traditional care model. The aim was to maximise individual resilience. The old model was a deficit model (focussed on what people cannot do) and the new model was about focussing on people's strengths, building on the strengths and building the support role of families and communities.

The new model would operate on a geographical locality basis with local communities. In the past, people had come into the service too late when they were in crisis and needing expensive care packages which were not person centred. Now, the idea was to work with people and communities much earlier in their journey.

The new model was underpinned by the financial position. The existing managed service, based on a set of contracts with suppliers, was no longer sustainable and they were looking at how to maximise financial resources and personal budgets based around the Direct Payments model. Previously, the authority had taken a commissioning role but now the thinking was around how the authority could facilitate people to buy their own care. Information gives people power and control, and work had been done with partners around the development of an information/guidance approach.

A provider, My Choice, had been commissioned to deliver an advice and guidance service to replace the existing Access service which is the step before people come into the adult care service. There would be a single point of contact with professional advice behind it. The Director (CHW) explained that My Choice was not

a new provider but a co-operative of existing providers which included Age Concern, the Alzheimer's Society and Citizens' Advice.

Feedback from users had been that they did not want to be passed from one organisation to another – for example between social services, the NHS, voluntary organisations – and the new model had been designed to help people navigate the system. TICAT (Telford Integrated community Assessment Team) had been set up based in House 5 at Princess Royal Hospital in partnership with the Community Trust and Red Cross to help people avoid hospital admission and to provide an integrated model of discharge.

There were three Locality teams under 2 Team Leaders working with local people, community groups and partners – e.g. GPs, faith groups – to reach out to people where they congregate. The teams included: Occupational Therapy to help people stay independent, Safeguarding and Mental Capacity team to protect vulnerable adults, the Support Planning team mentioned earlier created around Direct Payments and the Financial Care Management team to ensure people are supported to contribute or pay for their service.

A flowchart mapping points of access and journeys through the system (Target Operating Model) was shown.

## 2. Savings

The budget proposed an extra £1.6m for services for vulnerable people over what was in the current budget. However, in the context of the overall grant reduction spending at current levels could not carry on and there was a need to make savings.

Cllr. Wright asked if the £1.6m included the money that would be raised by a 2% increase in Council Tax for the adult care precept. The Finance Manager clarified that the £1.6m would be on top of the budget after the adult care precept had been used to off-set the £5.5m pressures built into the budget. The Director CHW commented that the cost of care would increase for example as a result of the introduction of the living wage and Cllr. England said that the living wage would be phased in so if the 2% adult care precept was levied year on year it would support demand. The Director CHW said the government had also announced that there would be improved funding from the Better Care Fund (BCF) from 2017/18 and that some of the money currently channelled through the NHS would come straight to the local authority.

Cllr. Fletcher asked what the current position was on negotiations with the NHS and how the authority would be working with them to negotiate on BCF funding issues. The Director CHW replied that they were working with the CCG and the BCF this year had been used to support the avoidance of hospital admissions and early discharge but this was not new money and was from the existing health budget so it was only useful if the health cost reduces. Cllr. England said that 3 years ago the relationship with the CCG had been strained with the negotiations over the Continuing Health Care funding (CHC) but it had improved dramatically over the last 6 months. The organisations were able to talk to each other and as a result they were likely to get better outcomes.

There were challenging financial circumstances. The authority has a statutory responsibility to meet assessed needs and money cannot be taken into account so there was a need to look at how to get better outcomes for less money. Cllr. Nelson asked how trends in potential needs which are not static – for example dementia or diabetes rates - were projected into the budget. The AD replied that Telford and Wrekin has one of the fastest growing aging populations in the country so there would be an increase in need but that did not mean there would be an increase of existing service provision. The new model projected a 20% reduction in demand for residential care, reduced demand for nursing care, shorter stays in hospital and the principle was that home is best. The need will be there, but that did not mean more of the same services.

Ongoing savings of £8.1m were needed. If the current direction of travel continued, the authority would be buying less residential care and it was important for providers in the market to be aware of this. The Council would employ fewer staff as people are encouraged to manage their own care provision through Direct Payments and the infrastructure would reflect that.

Cllr. Fletcher noted that the Council was aiming for a 60% Direct Payment target and wanted to know how people would be supported and what safeguards there would be to ensure that the care people procure is safe, good quality and meet their needs. The Director said that quality assurance would be covered later in the presentation. The AD said a transition period was needed to develop support arrangements for people on Direct Payments. The Council would make it simpler for people to develop a career as a PA (Personal Assistant) to increase availability of the workforce. There were already PAs in the benefit system in receipt of attendance allowance but they were not coming into the social care world and the intention was to make it easier for them to move in so it would be easier for people to buy PA support. There was a need to prioritise hospital admission avoidance and discharge; people become dependent very quickly once they are admitted to hospital and there was a need to get people home as soon as possible. Safeguarding would continue be the priority and the Council would always continue to purchase for some people but on a reducing basis.

Regarding CHC funding it was reasonable to assume an increase of £1m which would bring Telford and Wrekin in line with average spend. The reduction of the purchasing budget required a 10% reduction in demand and for Direct Payments/PA to become the model of social care. It was deemed reasonable that there would be a reduction in the use of block contracts (beds which are paid for whether they are used or not) to maximise money available for Direct Payments.

Cllr. Wright asked about the implications for savings on block contracts. The AD said there were implications for staff. They had looked at what was a reasonable workload for one person and the restructure was based on one person carrying out one review and one assessment per day. Cllr. England added that the work may not be done by qualified Social Workers but would be carried out by very experienced staff overseen by Social Workers and he was comfortable with this as this was not a new approach and reflected current practice. The AD continued that the community needed to play a bigger role in supporting vulnerable people at home and this was

the expectation of the authority. The Council would do more to help people employ PAs and to recruit more Shared Lives carers for living or respite care. They would work more effectively with health and housing services which are integral to keeping people at home, rather than seeing them as separate services. A key piece of work was to talk to people and make sure they were aware of the changes that were being made.

### 3. Locality Working Project (LWP)

The locality approach had been piloted in South Telford. Slides were shown, but not discussed in detail, providing details of outcomes from the project including savings and cost avoidance. The key message was that the model was working in terms of outcomes and savings. The model had been fully staffed since mid-December 2015. The second tranche of officers had just completed the training – it was not an easy or straightforward role – and staff go through an accredited process. During the induction period each officer would be allocated one case per week and Support Planners then work on 3 support plans per week. The team will be ‘hands-off’ – the Support Planners will have the conversations with the person about things that could be done to make things easier for them. The delivery of Direct Payments (to support people to manage their direct payments and deal with employment and NI issues) would transfer to a User Led Organisation. A tender process for a ULO was already underway with a view to starting the service on 1 February.

The restructure of the Senior Management Team (SMT) was underway and would bring housing, cohesion and adult social care together to provide access to a wider range of services through the support planning model. However, it was recognised that the Council could not do everything on its own and communities would need to do more to support vulnerable adults to ensure care is provided in the ‘Right Place, Right Time’. Service users, carers and the community had been involved in developing the model. There was a positive relationship with the CCG and a joint local authority / health resilience framework had been developed to support the model as it was in the interests of NHS partners to keep people healthy.

### 4. Direct Payments

The number of Direct Payment (DP) clients had increased to 24% by the latest figures. The target was to increase to 30% by the end of February and to sustain an increase to 60% over the longer term supported by the ULO. The Director (CHW) said that the national experience was that where a ULO had been put in place, uptake of DP had increased. The AD continued, people learn from other people and the authority would make it easier for people to employ a PA or to become a self-employed PA which would also be good for employment.

Cllr. Burford asked if the ULO would become the employer and the AD replied that they would not.

Cllr. Burford wanted to know if a user was unhappy with their PA if it would be down to them to make the change. The AD acknowledged that it could be a difficult conversation, especially if they have a relationship or the PA was a family member,

and the authority would not step back but would stay involved to help the user broker the conversation.

Cllr. Burford commented that if the PA was someone that the user knows or a family member and they were dependent on the ULO to find an alternative there would still be a role for the authority and the AD assured him that under the guidelines there was still a role for the local authority and they would not step back. The Transforming Care Programme was underpinned by personal budgets and personal health budgets. The model would also support people's housing needs including provision of Extra Care housing and contracts would be reorganised so that people could move their care provision with them. There would be a decommissioning of some of the residential services for adults with learning disabilities (ALD) and there had already been success in moving to community support with direct tenancies.

## 5. Budget monitoring

Budget monitoring was a standing item on Leadership Team meeting agendas (AD, Service Delivery Managers and Team Leaders). There were formal monthly meetings with the Managing Director, Director and Cabinet member who challenge performance on savings. There is monitoring of the cost of care packages around personal budgets and DP.

## 6. Quality assurance

The Council has no role in quality assuring services or PAs that individuals purchase directly with their direct payment and it is their personal choice as to what they buy, However the Council advises that they should DBS check prospective PAs. Although the authority does not have a QA responsibility, it is still has a statutory duty for safeguarding. The purpose of DP is to enable people to exercise personal choice. If a person does not have capacity the authority would be more involved. Most of the services contracted through the Brokerage service are care providers governed by the regulatory bodies the Care Quality Commission or Ofsted who are responsible for inspections and standards. Cllr. England added that there would still be annual assessments for users of the DP / PA model which would enable the authority to keep on top of the situation and the Director (CHW) clarified that the authority had a statutory duty to carry out at least annual review and there would be more where the circumstances warranted. The duty was the same for people on DP as in residential care.

Cllr. Fletcher asked if the authority ever did spot checks on providers and the Director replied that the annual reviews were spot checks but they would not include quality checks on providers which is the responsibility of the CQC. The authority does have its own QA officers and if there were concerns about a specific provider they would be discussed with the CQC but the Quality Officers would carry out a spot check. This would not be the same for DP but if a concern was expressed there would be a safeguarding investigation. The AD added that there were bimonthly meetings with the CQC.

## 7. The Care Market

A Market Position Statement is produced by the Council and refreshed annually. This captures all market data and trends. There is regular monthly liaison with SPIC (Shropshire Partners in Care) which can be challenging. Providers who had reported that they were struggling were being supported by officers looking at their business models and supporting them to change. There was a 'provider failure plan' in place to enable the Council to assess and jointly manage any planned or unplanned closures in the event of a provider becoming unsustainable. The introduction of the national living wage may impact on providers and the financial pressures had been modelled. The amount raised from the 2% adult care precept would not be enough to meet the difference. The Director (CHW) said that Directors of Adult Services were lobbying government about the precept because it favoured affluent areas with higher property values/banding and areas like Telford and Wrekin with more properties in lower bands were penalised by the approach.

Cllr. Fletcher clarified her understanding that the adult care precept was based on the Council Tax banding principle and the Director (CHW) confirmed that it was linked to banding. The Director of Children's and Adult Services (CAS) said that the government had recognised the issue and aimed to address it with the increase in Better Care Funding from 2017/18. There had been consultation with SPIC (Shropshire Partners in Care) including formal consultation as part of the budget process, and the authority was doing all it could to work with SPIC to help save money. Providers had been challenged to think creatively about how care could be provided in a different way and the Council could support changes through the Invest to Save money. The AD said that they were working as partners so there was a joint understanding of each other's needs.

## 8. Review of CHC cases

An independent body had been commissioned to review the cases of CHC funding which had been challenged by the Council (originally 49 cases, now fewer). An initial meeting had been held to agree specific guidelines and kick start the process. There would be weekly telephone conferences from 19 January to check progress and the review was scheduled to take about 2 months. Complaints would be directed to the Senior Commissioning Manager at the CCG and a named Manager in Adult Social Care. There had been an improvement in the number of cases funded by CHC but not at the pace that the Council would like to see.

## 9. Transforming Care Partnership

Following the exposure of abuse at Winterbourne View, authorities had been given a new responsibility to establish a Transforming Care Partnership (TCP) on a prescribed footprint with a requirement to develop community services and reduce inpatient facilities for adults with learning disabilities (ALD). The Council had already started to review its ALD strategy and the good news was that the local model was in line with the new national requirements. Locally there were not many ALD in residential care – less than 10 – compared to larger authorities with much higher numbers – Nottinghamshire for example was thought to have around 190. It was thought that this was possibly due to having better community provision historically.



The new national model 'Building the Right Support' set out the expectation that local authorities would work with NHS partners to reduce inpatient beds. The draft plan needed to be in place by 8 February to submit for Quality Assurance and the final plan agreed by 11 April with a 3 year implementation plan showing how the number of ALD inpatient facilities would be reduced. The cost implications were being looked at with the CCG. Historically people coming out of hospital become the responsibility of the local authority and a there would need to be agreement on on-going funding arrangements and a transfer of funding from the NHS to community services including the local authority. So-called 'dowry' payments were being discussed nationally and it was not clear how they would work but it was understood that the NHS would continue to fund care for people over the lifetime if they were in hospital but would not pick up any new cases.

A Board had been established with Shropshire Council and the CCGs for Telford and Wrekin and Shropshire. Telford & Wrekin's Director of Adult Social Services had been agreed as the Senior Responsible Officer (SRO) in November and after his retirement the AD for Adult Social Care would assume this responsibility. It was considered important for Telford & Wrekin to take a lead role and not be 'done to'. The strategy affected a low number of people but with high costs and they would stay on top of the numbers. Reports would be made to Policy Review.

Cllr. Sloan referred to the cost implications and welcomed the Cabinet Member's comments on the improved relationship with the CCG but noted that historically there had been issues with transfers of funding. NHS budgets were challenging and he asked if there could be another battle over the transfer of funding for high cost ALD care. The Director (CHW) said this was a good point but one of the requirements for TCPs was that CCGs and Specialist Commissioning (which commission services on a regional or national basis) and Social Care authorities had to demonstrate what they spend on ALD and there was an opportunity to demonstrate through the new process that the NHS needs to fund the higher costs of ALD. £15m of the £34m budget for special needs was spent on ALD so the authority was putting in a significant amount of money. There had been a suggestion that budgets are aligned as part of the drive towards the integration of health and care budgets.

## 10. Service Sustainability

Adult social care had been long highlighted as a budget pressure. This was a national issue. Telford & Wrekin had been successful in managing demand, unit costs and reducing residential and nursing care placements but the scale of the challenge should not be underestimated. Cllr. England said that the last 2-3 years had seen a massive reorganisation of the organisation and he had been impressed by the way officers had adapted to change. Their approach to cuts had not been to say that they were impossible to manage but to say 'how can we manage them?'. He felt that the work the AD had done with the team with the community was good. Outcomes were meeting the cuts in funding without noticeably damaging services to the community and in some cases improving them. There would be a Peer Reviewed in May 2016.

The Chair said the funding reductions had continued but she felt that there was more positivity now compared to 5 years ago and she welcomed the way officers were dealing with the cuts but remained concerned about safeguarding. The AD said they could concentrate on the £10m that needed to be saved but rather they concentrated on what they have to spend - £40m net, £52m gross – which you could do a lot with.

There was also a need to get the message out to Council Tax payers to explain the 2% increase for the adult care precept.

The following points were made at the end of the presentation:

- Cllr. Smith said there were a lot of acronyms in the presentation and in future it would be useful to avoid using them or to have a glossary of terms.
- An electronic copy of the presentation would be circulated to Members
- A written response would be provided to additional questions received from Cllr. Dugmore who had been unable to attend the meeting.

Cllr. England and officers left the meeting and Cllr. Evans re-joined the meeting for the next item.

#### **Agenda item 4 (b) Other elements of the budget proposals**

Attending for this item were Cllr. Liz Clare, Cabinet Member for Leisure Services & Culture and Angie Astley, Assistant Director Neighbourhood & Customer Services.

The Chair welcomed Cllr. Clare and the AD to the meeting to address issues raised by the Committee on 6 January. The AD gave a Powerpoint presentation making the following points:

##### **1. Libraries**

- The proposed savings for library services would be taken in the second year of the savings programme (i.e. from 2017/18) to allow time to consult with partners on the future of the libraries.
- The current proposals were to have no Council run libraries from 2017/18 in Madeley, Newport, Stirchley, Donnington, Hadley and Dawley; the closure of the mobile library service; to reduce the book fund (for books and e-books) by 50%; to reduce resources in the library Development and Management team.
- However the AD reflected that nobody wanted to put forward the proposals but the budget cuts meant there was little alternative. The proposals were for discussion and there would be 16 months to explore with Town and Parish Councils and other partners the potential for other organisations to carry on the provision of a library offer.
- The proposals would deliver around £565k of savings (minus £25k for potential voids if building were left empty which had not been built into the consultation

document so that the operational running costs were clear). A breakdown of savings was provided for each proposal and library, including staff and building running costs (utilities, business rates etc.) but excluding the cost of licenses for technology. The amount of savings are also dependent on opening hours which varied – some were open full time and some only open 16 hours a week. The libraries in Madeley and Newport provide a First Point service (as satellites to Southwater 1) for the local community to access council services which meant the costs were commensurately higher.

- The withdrawal of the mobile library service would save around £40.5k per year from staff costs (£20k) and vehicle/leasing costs (£20k). The vehicle lease cost £11k per year and was due to expire in March 2018 after when the Council would own the vehicle. The route for the mobile library had been established three years ago after consulting with Parish Councils. The mobile library served residential homes and nursery schools on a rota basis and targeted particular customers. Officers had become aware that further review was needed but it made sense to wait until savings targets were clearer. Ms. Mason-Morris asked how the visitor numbers for the mobile library (p.102 of the budget report) had been arrived at. The AD explained that every time someone went into the library it was noted and the numbers had been averaged out over a 12 month period. The number of visitors varied from week to week but detailed records were kept and could be provided to the committee if members wished to see them. The visitor numbers showed that some stops were not viable. Cllr. Clare added that some visitors popped in because they knew the librarian but that did not make the service cost effective.
- The proposal for Wellington was to reduce the amount of space occupied by the library to expand the fitness centre to generate an extra £80k per year. The library would remain but on a smaller footprint. The area that would be affected was the lower ground floor housing the reference and archive sections. Work was being done to explore where this part of the library could be relocated to make space for the gym. Cllr. Wright commented that Wellington library was quite spacious, and the AD said that the fittings were the latest (other than Southwater 1) and the shelving was moveable so the reconfiguration was feasible. Cllr. Clare said that it was worth doing for the amount of additional income that would be generated.
- Libraries are a statutory service and the Council would continue to run the libraries at Southwater, Oakengates and Wellington.
- Members were given assurance that the consultation process on the libraries would be robust to mitigate the risk of judicial review which had happened in some other authority areas. The present consultation (on the draft budget) was the first stage and had put the proposals out to the public and other key stakeholders but there would be a round of specific consultation on the libraries in the spring. Conversations were already on going with Town and Parish Councils and it was early days but there had been a good response. Cllr. Clare said it was important to engage Town and Parish Councils now when they were setting their precepts and could build into their plans, for example, the AD had been to Donnington to talk through the options and financial implications and been well

received. The AD confirmed that all 6 Town and Parish Councils (with affected libraries) had been contacted and the Principal of HLC had been contacted about Hadley library which was mainly a school library with a small public library so conversations were already going on. Cllr. Clare said she was proud that the Council had continued to invest in the service and assured members that they would do everything possible not to fall foul of the requirements for proper consultation and would do all they could to keep the library offer in place working in partnership with others.

- The AD tabled a spread sheet with details of usage, visitors, First Point enquiries, number of computers, opening hours (staffed and non-staffed), premises and costs, staffing costs, staffing hours, income and total costs for each library. The spread sheet would be posted on the website to provide details for the public and interested parties and in response to FOI requests. Cllr. Reynolds said the libraries were used for computer access for example people looking for work and they needed somewhere to go. The AD said she would welcome Members' ideas of any useful information to add to the spreadsheet and Cllr. Clare said any ideas were welcome. The AD said the spread sheet would provide more information for anyone who may be interested in taking over one of the libraries to think about different models. For example, they may want to use their own cleaners, or look at opportunities for sharing space and resources as had happened at Stirchley where the library had been co-located with the Parish Council and they had saved money by reducing staffed hours to 16 but offering a self-service system overseen but Parish Council staff at other times. Donnington was a good example where there were opportunities to consider co-location with the community centre / Lifelong Learning Centre. Madeley and Newport were more challenging as they were standalone buildings. At Dawley there could be opportunities to co-locate with the Town Council. Co-location could be key to the future of the libraries.

At the end of the presentation Members raised a number of points:

- Cllr. Smith said he could see the reasons for making the proposals because of the budget cuts but he was a school governor and was concerned that the service was being taken away when they were trying to encourage young people to read. He would be interested to hear how the discussions with the Principal of HLC go and how young people can be encouraged to read and get away from screens.
- Cllr. Sloan made a number of points:
  - Alternative models had been developed around the country which it would be interesting to explore including voluntary models
  - He had been interested in the effect when the story broke in the press and the complaints about the closure of Madeley Library even though it was not open full-time and he questioned if the Council had been guilty of providing a 'roll-royce' service in the past when moving forward it could only be what was affordable
  - He asked if the alternative models with the Town and Parish Councils were successful, how would this affect the book fund

- The mobile library route included some stops which were not used but Admaston has its own library and volunteers that take library books out to people and he felt more could be made of volunteering
- He would find it hard to believe if the Parish could not come up with the £11k for Hadley library. The costs were for staffing and the parish was already making a contribution. The premises were locked in with the PFI contract and could not be changed.

The AD responded that:

- The cost of premises in Hadley had not been built in as a saving because they were part of the PFI contract which could not be changed
  - The 50% saving in the book fund was based on the assumption that the Council would not be running the 6 libraries but there was also a pot of funding which could be used to help organisations in the take over phase which could be used to stock books / ebooks. Public gifting of books also needed to be looked at.
  - There were now 94 volunteers who deliver books to people at home and if the mobile service closed the volunteers could possibly visit mobile library users at home. Volunteer schemes operate from 6 libraries in partnership with the voluntary sector and Town and Parish Councils and they would need to look at how volunteers could be secured and supported.
- Mr. Williams asked is the number of reported visitors was an estimate or an actual number. The AD explained that visitor numbers are monitored but it can be difficult to monitor visitors who come into the library to read a newspaper but who don't borrow a book or have any interaction with staff. The numbers reported are known visitors (e.g. borrowers, computer users, someone making an enquiry) and are a good estimate of visitors. There may be some visitors who are not picked up but staff have a good idea about who comes through the door. Cllr. Clare explained that visits are recoded where the person has borrowed a book or visited First Point or accessed a service through the library and the AD added that the data may not capture people who come in for a warm. Cllr. Clare said she had been worried about the computers in the libraries being used by people living outside the borough but had been assured that a TLC card was required to use the computers.
  - Mr. Williams asked if the cost savings for the mobile library include driver costs and the AD confirmed that they did. Mr. Williams suggested that they could save by getting a volunteer driver and the AD said this was possible but there were certain license requirements and the driver also issued books.
  - Cllr. Wright asked what would happen to the vehicle when the lease expires in 2018. The AD said the options were to sell the vehicle as an asset and reinvest the capital receipt or to use it for something else. One idea was to redesign the vehicle and use it as a mobile First Point so people who can't or don't access council services online could be shown how to do it as part of the Council's 'channel shift' approach to help save money.

When there were no further questions Cllr. Clare left the meeting.

## 2. LED Lighting

Members had questioned return on investment of the LED replacement programme and making the capital investment when old bulbs were still working. The AD responded with the following points:

- A full Invest to Save business case had been worked up which showed that LED would deliver substantial savings on energy and maintenance costs. LED bulbs last longer and are lower maintenance.
- Other councils which had invested in LED had seen a 50-60% saving on energy bills
- The Council spent £1.3m on energy for street lights. By year three of a three year contract LED was projected to deliver an annual on-going saving of £0.5m. LED lights had already been installed in a part of the borough and were delivering savings.

Members raised a number of points:

- Cllr. Wright said Cllr. Dugmore's concern had been about the capital investment in the programme. The AD said the investment was £5.2m over 12 years but there would be a major return. An Invest to Save business case had been modelled and a copy could be sent to Cllr. Dugmore and Members asked if this could be shared with all members of the committee.
- Cllr. Smith remarked that a lot of the columns were at the end of their life and the AD said that the condition of many of the concrete columns was deteriorating and the old bulbs were not very bright.
- Mr. Williams said he appreciated the need to make savings but gave an example of a footpath on Wombridge Road where the new LED lights had been installed and were not as bright or had the same spread as the old ones and asked if savings were being made at the detriment of public safety. The AD said she had not heard of this problem before because the LED lights were fitted with deflectors to spread the light and where they had been installed most of the complaints were that the lights were too bright. The advantage of LED is that brightness could be adjusted up or down and the AD said that she would ask someone to look into this individual case. Cllr. Smith said that complaints about the brightness of lights on Gibbons Road had been resolved by an adjustment.
- Cllr. Wright asked if consideration had been given to switching off traffic lights at night. The AD replied that there were health and safety issues and the Customer, Community & Partnership Scrutiny Committee had reviewed the removal or use of part-time signals and had recommended that signals were not switched off. There were only four roundabouts in the borough with Council managed signals. Cllr. Wright was surprised but the AD clarified that the lights at the M54 junctions were installed and managed by Highways England not the

Council, and that they paid the bill. She said they had done a quiz at a public meeting and at the Scrutiny Committee meeting to test people's perceptions about the number of traffic lights in the borough and an on-line quiz may be a way of raising public awareness.

### 3. Removal of colour printing

Members were concerned about the proposal to remove the option of colour printing when it may be necessary e.g. for planning documents. The AD explained that the proposal was to turn off the colour printing option on 98% of the Council's printers but services such as planning or architectural services would retain the ability to print in colour when necessary. The print service does most of the colour printing and this would be also be a reminder to staff to use the print service because it was more cost effective than using the printers in service areas.

Cllr. Sloan said he remained to be convinced that any colour printing other than for planning needed to be done.

### 4. Other issues discussed

Cllr. Evans expressed concern about the proposed increase in burial costs for people who cannot afford them. The AD said that people would still have a choice. The Council offers a statutory minimum burial service for £55 for people who cannot afford to pay more. Cllr. Wright said it was cheaper to have a cremation in Shrewsbury than a burial and the AD said that the Council looked after burials but not cremations and it remained cheaper to be buried in Telford.

Ms. Mason Morris said that the Equality Impact Assessment on burials left a lot to be desired as there would be implications for people of different ages, disability etc. and the AD said that she would ask for this to be revisited.

Cllr. Sloan said there was an issue in that the town was running out of burial space and the AD said that they were looking at plots of land to expand.

Cllr. Sloan said he had suggested the committee look at the impact of the proposals for the community centres, but the issue for him was more of a general point about whether a geographic impact assessment of the cumulative budget cuts had been carried out to see if there are any areas which are particularly affected, and how services were joining up to consult on proposals to that opportunities to join up with partners or co-locate services – such as community centres and libraries – were not lost. The AD said this was a good point and there were opportunities for example in Donnington to bring the library and community centre together and she was already in contact with the Community Participation Manager about this.

A written response to a question about savings proposal 48 (reactive highways maintenance) was tabled.

When there were no further questions the Chair thanked the AD and she left the meeting.

The Chair invited members to put forward any other issues they would like to raise as part of the budget scrutiny.

Cllr. Evans requested information about:

- The smoking cessation budget (proposal 169)
- The evidence base for changes to the drug and alcohol service (proposal 171)
- The reduction in senior management impacting on capacity to maintain services safely (proposal 106). This was supported by other members including Mr. Williams who wanted to know why the number of Cabinet members had not reduced commensurate with staffing reductions.
- Changes to staff terms and conditions (proposal 102). The proposal refers to a letter to the Unions setting out the proposed changes and Members have a responsibility to know about proposals that will impact on staff.
- Restructuring process – many of the staff savings relate to not filling vacant posts. Have restructures been driven by staff leaving the organisation or by designing the structure needed to deliver the organisations' vision.

Mr. Williams wanted to look at Single Status. He wanted to know how the amount set aside for Single Status had kept up with changing staff numbers and if there was still enough in the pot.

It was agreed that the Managing Director would be invited to the meeting on 3 February to address the issues related to restructuring and any others that could be covered at the same time otherwise written responses would be requested.

The meeting ended at 8.15pm.

**Chairman:** .....

**Date:** .....



## **FINANCE & ENTERPRISE SCRUTINY COMMITTEE**

### **Minutes of a meeting of the Finance & Enterprise Scrutiny Committee held on Wednesday, 6 January 2016 at 6.00pm in Meeting Room G3/4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

**PRESENT:** Councillors S A W Reynolds (Chair), S Bentley, S Burrell, N Dugmore, R Evans, R Sloan, C Smith, D Wright and Co-optees R Williams and C Mason-Morris.

**ALSO PRESENT:** Councillor L Carter, Cabinet Member for Council Finance & Service Delivery; K Clarke, Assistant Director Finance and HR.

**IN ATTENDANCE:** F Bottrill, Scrutiny Group Specialist; S Jones, Scrutiny Officer.

#### **FESC-01     MINUTES**

**RESOLVED** – that the minutes of the meetings of the Budget & Finance Scrutiny Committee held on 17 February 2015 be confirmed and signed by the Chairman.

#### **FESC-02     APOLOGIES FOR ABSENCE**

None

#### **FESC-03     DECLARATIONS OF INTEREST**

Cllr. Evans declared an interest as an employee of a care provider contracted by the Council for discussion about the adult care budget.

Cllr. Bentley stated he would declare an interest during the meeting should any matters of conflict arise.

#### **FESC-04     SERVICE & FINANCIAL PLANNING STRATEGY 2016/17 – 2017/18 (DRAFT BUDGET PROPOSALS)**

The Chair welcomed Members to the first meeting of the Finance & Enterprise Scrutiny Committee to consider the budget proposals. The financial situation meant that very difficult decisions were required which made the scrutiny process more important than ever. She welcomed the re-appointment of Roy Williams as a co-optee and the appointment of Cindy Mason-Morris as a co-opted member of the Committee. Ms Mason-Morris had some excellent experience which the Chair was sure would assist the Committee in its work.

The Chair set out the purpose of the meeting which was to receive a presentation from the Cabinet Member on the draft Service & Financial Planning strategy for members to ask questions and identify areas for further scrutiny. She welcomed Cllr. Lee Carter, Cabinet Member for Council Finance & Service Delivery, and the

Assistant Director Finance and HR to the meeting. She thanked Cllr. Carter for attending to present the budget proposals in advance of Cabinet and clarified that the Committee understood that the proposals were subject to change and agreement for consultation by Cabinet on 7 January.

Cllr. Carter then gave a Powerpoint presentation highlighting the key points of the Service & Financial Planning strategy (draft budget proposals) including the national context of the disproportionately high level of cuts to local government budgets compared to other government departments; the Council's projected budget shortfall 2016/17-2018/19; the spending profile and budget pressures; cumulative savings to date; options for consulting on the level of Council Tax; almost 200 savings proposals; the budget communication and engagement strategy. Key messages were the 20.87% cut to the Revenue Support Grant for 2016/17 and the need to save another £30.7m over the next three years (in addition to the £80m cumulative annual savings already made) which would necessitate making cuts to services. The 32 service cuts identified as having the most significant impact for residents had been planned for 2017/18 to allow time to consult with other organisations and local communities on their involvement in future delivery. The priority was to protect services for vulnerable children and adults.

Members then asked a number of questions:

- The Assistant Director (AD) confirmed for Cllr. Dugmore that the 53% cut to the Local Government departmental budget was the cumulative cash reduction in funding over four years. The reduction could be partly mitigated by the Chancellor's announced proposal for 100% retention of business rates by local authorities. It was not known when or how the change would be implemented and there would be a consultation on changes to the local government finance system. The government had made it clear, though, that in return for retaining 100% of business rates local authorities would be expected to assume responsibility for the administration of funding of other areas such as the Public Health grant.
- Cllr. Dugmore asked for more information about the 'Efficiency Strategy'. The AD explained this was something the government had introduced as a requirement for local authorities in return for a four year settlement. This would be helpful for planning over a longer period and give authorities more flexibility to use capital receipts to fund the revenue costs of services generating efficiency savings. There was limited guidance about what would be required in an Efficiency Strategy but Greg Clarke had said that there would be a light touch approach and it was felt that Telford & Wrekin was well placed to articulate how it had and continued to transform to be more efficient. The Efficiency Strategy would be agreed by Full Council.
- Cllr. Dugmore asked how the Council's spending power – calculated as 8% below national average – had changed compared to previous years. The AD clarified that there had been a change to the calculation methodology. The previous approach had not been considered accurate and the government had responded to criticism by amending the calculation to exclude some Better Care Fund and public health grants. The new calculation meant there had been an

adjustment of almost -3% nationally which equated to a total of £11.1m less spending power in Telford & Wrekin compared to the national average. Cllr. Carter clarified that funding not controlled by Local Government had been excluded from the calculation.

- Cllr. Sloan raised two issues he would like to look at in more detail. The first was the proposed library closures which were likely to be contentious and Ward members would be asked questions by residents. He welcomed the strategy to find a way forward and felt it would be helpful for the committee to have a breakdown of how the savings were made up, including whether the £10,930 costs for Hadley library included lease costs and details of the terms of the lease which Cllr. Sloan requested on behalf of the Parish Council to consider further. The second was the proposed change to the school transport policy which projected to significant savings of £100k in 2016/17 and £300k in 2017/18 but with little information about how the saving were broken down or the impact particularly in the rural areas and he would like more detail. Cllr. Carter referred to the comments about the forward strategy for libraries and made a wider point that it was difficult to set out a prescriptive approach because the conversations on the forward strategy for services affected by the proposals would be different across the borough. There was an open book policy and he, with senior officers, would talk with and provide information to anyone who could offer support including voluntary sector and community groups.
- The Chair noted other scrutiny members present in the public gallery and said she would exercise her discretion as Chair to allow them to ask questions.
- Ms. Mason-Morris noted the intention to consult on proposals with a significant impact but felt the impact of some proposals was not clear and wanted to know what criteria had been used to assess the impact of changes and identify the priorities for consultation. The Assistant Director replied that 32 proposals had been prioritised for consultation and were highlighted in purple in Appendix 2. There were two phases of budget consultation: one on the overall package and options for Council Tax (which would be agreed by Council on 3 March) and then detailed consultation on the proposals that would have a significant impact on the community. Officers preparing reports had identified savings which would have a community impact and the saving would not be taken until 2017/18 to allow time to consult with other organisations and groups on how to mitigate the impact of the change and how the service could be delivered in future, for example if a Town or Parish Council were able to take over a service. The budget proposals included an allocation of one-off funding to help negotiate packages with town or parish councils or other organisations and community groups. Ms. Mason-Morris said it was still not clear how 'significant' impact was assessed for example in relation to the closure of a library and the Assistant Director replied that all the proposed changes to the provision of libraries were deemed significant.
- Mr Williams asked if the 2% social care precept was included in the additional £1.6m investment in the adult care budget in 2016/17. The AD confirmed it was assumed in the additional £1.6m but with the level of savings required by cuts in grant funding the current projection was that the adult care budget would fall back by £800k in 2017/18 compared to the 2015/16 budget. Mr Williams had further

detailed questions but the Chair informed him that the Cabinet Member for Adult Social Care, Cllr. A England and officers would be attending the Finance & Enterprise Scrutiny Committee meeting on 13 January and would have an opportunity to ask questions then.

- Cllr. Burrell remarked on the sizable saving projections from the changes to the schools transport policy and expressed concern about the impact of the withdrawal of the transport subsidy on children attending faith schools and wanted to know if the savings would impact disproportionately on denominational grounds. The Assistant Director did not have detailed information and the question would need to be referred to the relevant Cabinet member and officers.
- Cllr. Dugmore questioned proposal 58 to remove the ability to print in colour and felt it was important to retain the ability to print in colour where it was important for example on planning documents. The Assistant Director said the default print option was black and white because colour was eight times more expensive but he accepted the point that colour may be needed occasionally. Cllr. Dugmore suggested the wording of the proposal could be changed from 'remove' to 'reduce'. Cllr. Cater pointed out that the key saving was to be made from the renegotiation of photocopier lease costs.
- Cllr. Dugmore questioned proposal 29 to move to LED street lighting and that it would generate the level of savings projected. His local parish council had looked into this but found it had cost a lot to enter the programme. He questioned whether the return on investment was enough to justify the cost of expensive LED bulbs and he would like to see the figures to be convinced. The Assistant Director replied that the Assistant Director for that service area Angie Astley would be able to talk members through the business case and this was an investment to save proposal which showed a net revenue benefit. Cllr. Dugmore said he was sure the new bulbs would be better but if there was nothing wrong with the old bulbs the spending on the programme could be put on the back burner. The AD replied that this was something the committee may want to scrutinise.
- Cllr. Wright asked if the allowable 2% increase in Council Tax (the social care precept) had to be ring-fenced for adult social care and the AD confirmed that it did.
- Cllr. Dugmore asked if the £80m saved so far was a cumulative total or an on-going annual saving and the AD confirmed it was cumulative saving made each year.

There were no further questions and the Chair thanked Cllr. Carter and the AD for their attendance and they left the meeting. The Chair opened a discussion about which issues the committee would like to consider in more detail at future meetings and reminded members that Cllr. Arnold England would attend the meeting on 13 January to discuss the adult care budget and Cllr. Andrew Eade would attend the meeting on 19 January to present the alternative budget of the main opposition group. Members made the following requests:

- Cllr. Sloan asked if Cllr. Clare could be invited to a meeting to discuss libraries. He suggested it would be useful to have a breakdown of usage for each library and Cllr. Evans drew members' attention to Appendix 3 (Savings proposals identified as relevant to the Equality Duty) which included a breakdown of lending rates and visitors at each library. Cllr. Dugmore wanted to know more about the cost of the mobile library particularly why it was servicing locations with a weekly average of zero customers. Ms Mason-Morris pointed out that proposal 93 was to generate more income from the health and fitness centre in Wellington by reducing the amount of library space but this had not been highlighted in the presentation as a proposal to reduce library services and she wanted more information about the potential impact on library users. It was also discussed that the committee would like clarification of the consultation process.
- Cllr. Sloan agreed with Cllr. Burrell that the committee needed clarification on how the savings figures arising from the proposed changes to the schools' transport policy (157) had been arrived at, possibly by requesting a written response with a view to questioning the Cabinet member at a meeting. Cllr. Burrell repeated his concern about the potential disproportionate effect of the change of policy on children from faith communities, particularly given the change in location of the faith based academy, and on children and families in rural areas. He would not want to respond to the proposals without knowing the details and would like answers from Cllr. Watling and officers. The Scrutiny Group Specialist suggested members may want to ask questions about proposed cuts to prevention services and some children's centres which Cllr. Watling has raised with the Scrutiny Management Board.
- The Chair confirmed with members that they would like to see the business case for the replacement LED bulbs in street lights
- Cllr. Smith said he was concerned about proposal 28, reactive highways maintenance, and the impact it would have on road and pothole repairs which were a key issue for the public
- Cllr. Sloan added that there were a lot of savings relating to highways which cumulatively added up to a lot of money and perhaps the two relevant Cabinet Members, Cllrs. Davies and McClements, could be invited to a meeting for a wider discussion about the proposals
- Cllr. Dugmore commented that the savings from the withdrawal of funding for borough markets was not great but he was concerned that it could have a high impact and wanted to look at how the impact had been assessed and more information about the consultation going forward.
- Mr Saunders (a co-opted member of the Health & Adult Care Scrutiny Committee) asked if the Cabinet member could attend a meeting to answer questions about the Public Health budget, if possible at the same meeting as the adult care budget, and he would email any specific issues to the scrutiny committee after the meeting.

- The Scrutiny Group Specialist informed members that the Health & Adult Care Scrutiny Committee had already identified a number of issues on the adult care budget. A list of the issues was tabled and members were asked to email the scrutiny team if they had any further questions. The questions would be sent to Cllr. A England and officers to address at the next meeting.

At the end of the discussion the Chair summed that the Cabinet members who would be invited to attend meetings were: Cllr. A England (adult care), Cllr. Clare (libraries), Cllr. Watling (schools transport policy) and Cllr. Overton (public health). Written responses would be requested on LED street lights, highways maintenance and borough markets. The scrutiny team would make arrangements and confirm details depending on the availability of the required Cabinet Members and officers. The Chair advised members to email any other questions to the scrutiny team.

The Chair apologised that she had a double-booking for the evening of 2 February and the committee agreed to move the meeting to 3 February although it was noted that there was a Planning Committee on the same evening which may affect Cllr. Dugmore's attendance. Cllr. Bentley gave his apologies for the meeting on 13 January as he would be speaking at the Planning Committee on that evening.

The meeting ended at 7.10pm.

**Chairman:** .....

**Date:** .....