



Scrutiny Board

Minutes - 9 December 2014

Attendance

Members of the Board

Cllr Peter O'Neill (Chair)
Cllr Barry Findlay (Vice-Chair)
Cllr Ian Angus
Cllr Alan Bolshaw
Cllr Ian Brookfield
Cllr Paula Brookfield
Cllr Claire Darke
Cllr Julie Hodgkiss
Cllr Andrew Johnson
Cllr Rita Potter
Cllr John Rowley
Cllr Stephen Simkins
Cllr Paul Singh
Cllr Wendy Thompson

Employees

Adrian Barlow	Policy Officer
Emma Bennett	Assistant Director - Children, Young People and Families
Adam Hadley	Scrutiny and Transparency Manager
Charlotte Johns	Head of Policy
Martyn Sargeant	Head of Democratic Services
Jonathan Pearce	Graduate Management Trainee
Mark Taylor	Assistant Director, Finance

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence**
Apologies for absence were received from Cllr Photay and Cllr McGregor for whom Cllr Paul Singh and Cllr Ian Brookfield attended as substitutes.
- 2 Declarations of interest**
There were no declarations of interest.
- 3 Minutes of the previous meeting (26 November 2014)**
Resolved:
That the minutes of the meeting held on 26 November be approved as a correct record and signed by the Chair.

4 **Matters arising**

There were no matters arising.

5 **Budget Review - 2015/16 Budget and Medium Term Financial Strategy 2015/16 - 2018/19**

Cllr Johnson, Cabinet Member for Resources, gave an overview of the budget review by drawing the Board's attention to the savings target of £123 million to address the budget gap in the Medium Term Financial Strategy. He advised £86 million of savings had been identified leaving £37 million of additional savings to be identified in order to address the budget deficit over the medium term to 2018/19.

He explained that auditors have approved the Council's plans to achieve the required savings needed with PWC describing progress as excellent. Cllr Johnson noted that the full £25 million of additional savings for 2015/16 had been identified since a report went to Cabinet in June 2014. These savings highlight that a balanced budget can be achieved and that general reserves can be partially replenished. In addition to this, a further £9 million of savings have been identified, bringing the total savings to £27 million above the requirements set by the Council. However, further savings will need to be made over the next three years given that there is a projected deficit currently of £37 million in 2018. Thus, whilst Cllr Johnson was optimistic about the savings proposals, he also noted that the Council must remain prudent as external factors could influence budgets. He cited the likelihood of local government allocations being cut further by central government. The Local Government Settlement will provide guidelines on the matter in 2016. As a final point he stressed the need to rebuild the Council's general reserves, which will be £10,850,000 at the end of 2015. If efforts are not made to do this, then the Council will have exhausted its reserves by the end of the 2016/17 financial year.

Cllr Johnson also noted that a major change has occurred in the Council's accounting process which now bases its methodology on an annuity basis rather than a straight line method. In effect, the Council has paid down its debt in a similar way to that of a mortgage payment, with the result being that the Council will be in credit for the next 25 years.

Cllr Johnson identified the need to make major savings whilst also ensuring the quality of service is maintained. Councillors voiced their support for this and stressed the need to ensure quality services are maintained in order to protect the Council's past good work, its image and most importantly its residents. The notion of investing early in service areas to save money in the long run was shared by Councillors with attention being drawn to children's services by the panel - looked after children pose a significant financial challenge in particular. Cllr Johnson also responded to questions from the panel explaining how the Council will also have to make provision for any liabilities arising from its responsibilities, even though, as a result of some savings proposals, it will no longer be the direct service provider.

Cllr Thompson noted that she would withhold her comments about the budget proposals until Cabinet.

Resolved:

To forward the combined comments of the scrutiny panels on the budget savings proposals to the Cabinet for its consideration.

6 **Better Care Fund**

Sarah Norman, Strategic Director Community, provided a progress update regarding the development of the Better Care Fund programme (BCF). She explained the fund encompasses a substantial level of funding to help local areas manage pressures and improve long term sustainability. She highlighted the approval received for the City's plan by NHS England, adding that delivery will begin in April 2015. There will be a Health and Wellbeing Board meeting in January to approve the plan's details, with regular progress updates received thereafter.

The Strategic Director Community outlined the governance structure for the fund and clarified to the Board that the Health and Wellbeing Board is ultimately responsible, but that Cabinet and the Clinical Commissioning Group (CCG) will have to approve its decisions. Each workstream area proposed in the BCF will have a lead from both the CCG and the Council, meaning that there will be joint delivery. They must however both report to the Transformation Delivery Board, and there is a joint programme manager who will report to this board liaising between the two areas. Councillors questioned the governance arrangements, but were reassured that the BCF is dependent on joint working to achieve transformation. A key condition of the Council's plan has been to protect current social care arrangements.

Councillors questioned the risks associated with the fund. It was acknowledged that there is a small degree of risk. For example, 25% of the fund will be based on performance criteria. Therefore if the Council underperforms, funding will be redirected to hospitals rather than be allocated to community work projects. This risk will be shared by the CCG and the Council on a 2:1 ratio meaning that failure to deliver affects both concerned groups. In real terms, about £1 million is performance related funding for the Council. A report about this will go to Cabinet in due course with a greater breakdown of financial detail.

Resolved:

- 1) To note progress made in relation to the Better Care Fund programme.
- 2) To note planned activity for the next three months.
- 3) To note the governance and assurance structure.
- 4) For Scrutiny Board to take the lead scrutiny role in respect of the Better Care Fund given its cross-cutting nature.
- 5) To receive the breakdown of financial data.

7 **Quarter 2 performance report including an update on Families r First**

Charlotte Johns, Head of Policy, introduced the performance report on all corporate indicators for quarter two 2014/15 (July 2014 – September 2014). She gave a brief overview of red rated (high risk) areas and invited the Board to make comments. She also noted that some areas had been baselined because methodology for data collection had changed over the last year.

Councillors questioned the significant gap between the Council's target total debt collected in year and the actual value collected. Mark Taylor, Director of Finance, explained that a data reporting issue was creating an inflated value and that the Council's current performance is likely to be significantly better. The company TDX is currently reviewing the Council's procedures for debt recovery and will be presenting a report this week about the matter. He reassured the Board that the issue had been

noted in the annual governance statement, and that an action plan would be produced in the near future. A report about this action plan will go to Confident, Capable Council Scrutiny Panel before the Quarter 3 performance report comes to Scrutiny Board. Audit is also assessing credit note systems alongside TDX to ensure the system is robust. He explained further training for staff is likely to follow in light of this issue, which Councillors supported.

Emma Bennett, Assistant Director for Children, Young People and Families, presented an update on the Families r First programme aimed at reducing the numbers of looked-after children (LAC) which was a red rated performance measure. She highlighted the major increase in LAC in the City compared to other councils both regionally and nationally. She therefore stressed the need to keep children in their family homes wherever possible, and to provide the best value for those in the system. The Board questioned what structures were in place to ensure this would happen. The Assistant Director for Children advised there are over 35 projects running to help achieve this aim. She also informed the Board about the need to stop admitting children to care when it could be avoided by other methods. In response to questions about how more support could be given to families where there were relationship issues, the Assistant Director for Children explained how a £2.1 million bid to the DfE to help families in support services could provide family therapists to support parents and children in challenging circumstances. This would be far more cost effective and better for the child than admitting them to care.

Adrian Barlow, Policy Officer, then provided the Board with statistical analysis of the programme's performance and projections for the future. He noted that the number of LAC has stabilised significantly and explained that data suggests that Families r First has prevented 53 extra children becoming looked after. The Policy Officer explained data modelling is also being used to develop profiles of families and situations with the view that a better understanding of the current cohort of LAC will help the Council reduce LAC numbers in future. Following questions about partnership working with local agencies, it was explained that a range of multiagency workshops are running to support this practice.

Councillors questioned how the programme could be monitored and measured. The Policy Officer explained to Councillors that performance data is being recorded so that the team is accountable.

Resolved:

- 1) To note performance against the corporate indicators for the year to date.
- 2) To recommend that Audit Committee receive a report into credit notes raised incorrectly.

That scrutiny panels receive updates on the relevant amber performance measures.

- 8 **Information governance quarter two performance report**
Adam Hadley, Scrutiny and Transparency Manager, introduced the information governance performance report drawing the Board's attention to the progress made by the Council. This has been demonstrated by the Information Commissioner raising the Council's status from Red "Very Limited Assurance" to Amber "Limited Assurance" as an acknowledgement that progress had been made. He noted major improvements particularly concerning Freedom of Information performance which is at 94% compliance. Benchmarking information was provided by the Scrutiny and

Transparency Manager who explained that relatively few councils publish Subject Access Request performance data.

Resolved:

To note the information provided.

- 9 **Work programme**
Adam Hadley, Scrutiny and Transparency Manager, gave a verbal update on the work programme and recent changes to agendas.

Resolved:

- 1) To note the changes to the following panels:
 - a) The theme of Adults and Community's meeting (13 January 2015) will be community, with a view to looking at the voluntary sector compact and CAB priorities
 - b) The theme of Adults and Community's meeting (10 March 2015) will be promoting independence at home.
 - c) The Mental Health Commissioning Strategy report will not be presented at the Health Scrutiny meeting (11 December 2014). This report will be considered at a later date.
- 2) To agree the work programme