

**Our Council Scrutiny Panel- 20 November 2019
Draft Budget and Medium-Term Financial Strategy
2020-2021 to 2023-2024 Report
Minute Extract**

The Finance Business Partner introduced the report and invited Panel members to comment on the budget proposals relevant to the remit and how they were aligned to the priorities of the Council.

The Cabinet Member advised the Panel that the Council is waiting for details of the financial settlement and specifically the level of funding support for Adult Social Care was a key challenge. The delay in the publication of the Green Paper on the future of funding for Adult Social Care had added to the difficulties in responding to the challenge of meeting increasing levels of demand and rising costs of providing the service. The Government had stated that it was committed to bringing forward proposals to support adults and children's social care future funding provisions in due course.

The Panel discussed the approach taken by other local authorities across the West Midlands to meeting pressures on the social care budget. The Director of Finance advised the Panel that an announcement on provisional local government settlement 2020-2021 was originally planned for December 2019, but was now unlikely to be announced until the new year. The Director of Finance commented on the range of external factors which had made it difficult for local authorities to plan with any degree of confidence and the risks due to the lack of certainty about the level of future funding. The local authorities across the West Midlands continued to make representations to Government about future funding of the social care system.

The Panel discussed references in the election manifesto about the plans for funding adult social care in the future. The Panel queried the presentation of gross expenditure and income figures in Table 1 of the report and reasons for why it is different from standard business practice. The Director of Finance explained that local authorities are required to follow the standards published by Chartered Institute of Public Finance Accountancy (CIPFA) and also needed to comply with International Financial Reporting Standards. The Council follows the correct convention for the public sector, which is consistent with the format of the figures presented in the report. This was also consistent with the format of the Statement of Accounts, which were approved by Grant Thornton, who are the Council's auditors.

The Panel queried the reference in the report to work being done to identify efficiencies in order to reduce the budget deficit in adults and children's services due to uncertainty about future levels of funding. The Director of Finance commented on the introduction of new working methods such as 'three conversations' in adult social care and work done in collaboration to improve the efficiency of services.

The Panel were invited to comment on the specific proposals detailed in the report. A summary of the key points is given below:

Communication Services Review

A member of the Panel welcomed the reduction in expenditure in the service and planned to generate income in the future.

Efficiencies through Contract Procurement and Management

No Panel comments

Finance Efficiencies

No Panel comments

Governance - Efficiencies

The Panel were advised that a new Director of Governance had recently been appointed and would be asked to identify efficiencies and new income generation opportunities. The Panel suggested that the Director of Governance be invited to a future meeting to give a briefing on priorities for the service. The 11 March 2020 was suggested as a provisional date.

HR Business Improvement Review

The Panel asked for clarification on the savings target for the proposal. The Head of Human Resources, explained that savings would be achieved by the introduction of new recruitment processes and changes in back-office arrangements, supported by the introduction of self-service systems.

Organisational Development Review

No Panel comments

Staff Terms and Conditions

No Panel comments

Resolved:

1. The Panel's comments on the Draft Budget and Medium-Term Financial Strategy 2020-21 to 2023-24 and the draft budget proposals relevant to the remit of the Panel to be included in the response to Scrutiny Board for consideration.
2. A final response to be finalised by the Chair and Vice Chair.
3. The Director of Governance to be invited to a Panel meeting on 11 March 2020.