

**HEALTH AND PARTNERSHIPS SCRUTINY COMMITTEE
10 JANUARY, 2012**

**MEDIUM TERM FINANCIAL PLAN TASK AND FINISH REVIEW GROUP – FINAL
REPORT**

SUMMARY REPORT

Purpose of the Report

1. To present the outcome and findings of the Task and Finish Review Group established by the Health and Partnerships Scrutiny Committee to scrutinise those saving proposals contained within the Medium Term Financial Plan (MTFP) which were under the remit of Health and Partnerships Scrutiny Committee.

Summary

2. Members will be aware that Cabinet have published the proposals in relation to the MTFP 2012/13 – 2015/16 as a basis for public consultation. As in previous years, all Scrutiny Committees have been requested to undertake a piece of work in relation to the savings proposals within their individual remits and report back thereon.
3. A Task and Finish Review Group was therefore established by the Health and Partnerships Scrutiny Committee and all Members were invited to participate.
4. The Task and Finish Review Group has met on two occasions with Officers and its final report is attached (**Appendix 1**).

Recommendation

5. It is recommended that Members approve the recommendation in the final report.

**Paul Wildsmith
Director of Resources**

Background Papers

Medium Term Financial Plan 2012/13 to 2015/16

Abbie Metcalfe: Extension 2365

S17 Crime and Disorder	This report has no implications for Crime and Disorder.
Health and Well Being	This report has implications to address Health and Well Being for the residents of Darlington.
Sustainability	There are no issues relating to Sustainability which this report needs to address.
Diversity	There are no issues relating to diversity which this report needs to address.
Wards Affected	This report does not impact on a particular Ward, but Darlington as a whole.
Groups Affected	This report does not impact on a particular Group, but Darlington residents as a whole.
Budget and Policy Framework	The MTFP, Budget and Council tax must all be agreed by full Council.
Key Decision	This is not a Key Decision.
Urgent Decision	This is not an Urgent Decision.
One Darlington: Perfectly Placed	This links to the Theme 3 “Healthy Darlington”. Specifically addressing health inequalities to narrow the gaps in health and well-being and life expectancy.
Efficiency	This report does not identify specific efficiency savings.

MAIN REPORT

Introduction

1. This is the final report of the Health and Partnerships Medium Term Financial Plan Task and Finish Review Group which was established by the Health and Partnerships Scrutiny Committee to scrutinise the relevant saving proposals contained within the Cabinet report on the Medium Term Financial Plan (MTFP) which were under the remit of Health and Partnerships Scrutiny Committee.

Background Information

2. Members will be aware that Cabinet have published the proposals in relation to the MTFP 2012/13 – 2015/16 as a basis for public consultation.
3. As in previous years, all Scrutiny Committees have been requested to undertake a piece of work in relation to the savings proposals within their individual remits and report back thereon.
4. A Task and Finish Review Group was therefore established by the Health and Partnerships Scrutiny Committee.
5. Since then, the Task and Finish Review Group have met on two occasions and this report outlines the outcome of the findings.

Membership of the Review Group

6. All Members of this Scrutiny Committee and other members were invited to attend the meetings of this Group.

Acknowledgements

7. The Review Group acknowledges the support and assistance provided in the course of their investigation and would like to place on record their thanks to the following :-

Mrs. Elizabeth Davison, Assistant Director – Finance;
Mr. Brett Nielson, Finance Manager;
Ms. Chris Sivers, Assistant Director – Development and Commissioning; and
Ms. Abbie Metcalfe, Democratic Officer,

Methods of Investigation

8. The Review Group met on 29th November and 12th December, 2011 with Officers and the notes are attached as **Appendix A**.
9. At the first meeting, Members agreed the Terms of Reference of the Review (attached as **Appendix B**) and received an overview of the two budget proposals which fell within the Committees remit and asked detailed questions.

10. At the second meeting, Members received an overview of the Medium Term Financial Plan document and the process behind gathering the data. Members also discussed in more details the proposals within this Committee's remit.

Conclusion

11. Members welcomed the opportunity to discuss each proposal thoroughly with Officers to enable them to understand the reasoning behind each one.
12. Members understand the financial difficulty that this Council is facing to achieve the enforced budget savings.
13. From the work the Group have undertaken, we are satisfied that we have thoroughly scrutinised the proposals contained the Scrutiny Committee's remit and that no further work is required.

Recommendation

14. It is recommended :-
 - (a) That the Officers be thanked for the attendance at meetings;
 - (b) That the proposal in relation to the fundamental review of Social Capital, Equalities and Talking together Budget be supported.
 - (c) That the proposal in relation to the reduction in the Welfare Rights Service be reluctantly supported, however, if anything could be done to keep the service, every effort should be made by Officers.
 - (d) That Members ask Officers to pursue the availability of PCT funding.

Task and Finish Review Group

HEALTH AND PARTNERSHIPS SCRUTINY COMMITTEE

**MEDIUM TERM FINANCIAL PLAN 2012/13 TO 2015/16 –
TASK AND FINISH REVIEW GROUP**

1st Meeting

Tuesday 29th November 2011 at 2.00pm, in Committee Room 2

PRESENT – Councillors Newall (in the Chair); Donoghue, Macnab, Regan, E.A. Richmond, S. Richmond, H. Scott and J. Taylor.

ALSO IN ATTENDANCE – Councillor Harman.

OFFICERS – Brett Nielsen; Finance Manager, Murray Rose; Director of People, Chris Sivers; Assistant Director - Development and Commissioning and Abbie Metcalfe, Democratic Officer.

Purpose of the Meeting – To consider the relevant section of the Cabinet report on the Medium Term Financial Plan (MTFP) under the remit of Health and Partnerships Scrutiny Committee. To agree the Terms of Reference for the Task and Finish Review Group that was tabled at the meeting.

Declarations of Interest – Councillors Newall and Macnab both declared a personal and prejudicial interest in respect of the proposal relating to the Welfare Rights Team, due to their membership on the Citizens Advice Bureau (CAB) Board and left the meeting and took no part on the discussion thereon. At that point in the meeting Councillor J. Taylor chaired the discussion.

Points Discussed and Considered –

The Director People advised the Group that there are two key proposals that fall within the Committees remit those being in relation to Fundamental Review of Social Capital, Equalities and Talking Together budgets and Reduction in Welfare Rights Service.

Fundamental Review of Social Capital, Equalities and Talking Together budgets

The Assistant Director - Development and Commissioning explained there has been a review of the team budgets which followed the zero based budget process. The proposal will reduce the service to the absolute minimum and reduce the corporate consultation (Talking Together) budget, the Darlington Together budget and the support for equalities work. The proposal will mean a significant reduction in the amount of consultation activity, as there will be a reduction in the amount of support to facilitate development of equality policy and impact assessments and the resultant consultation processes. There will be no dedicated staff within the Council to support Darlington Together and Community Partnership activity.

Members queried the direct impact on the staff involved and how the duties of the team would be shared out. The Director explained that there would a small budget retained for community cohesion type of work and could be used to build and enhance this area encouraging communities to take ownership of their own activities and small amounts of money would be available to assist with this, but there would not be a dedicated membership of staff to support this. It was noted that Equality Impact Assessment work would be safeguarded as much as possible and service managers would be expected to carry them out in respect of their service areas. Members requested more specific detail.

Reduction in Welfare Rights Service

The Assistant Director explained that previously the Council have received Government Grants to fund a post in the team and as an interim measure that PCT provided part funding until April 2012. Unfortunately the Council are not in a position to pick up this cost pressure, therefore, one post will be deleted.

The proposal means that Welfare Rights service performance will reduce by around 35%, meaning almost £400,000 of income lost to vulnerable Darlington residents and the local economy. It was acknowledged that there is a clear benefit to investment in this type of activity, and the loss of this post is highly likely to result in longer term costs for the Council and other partners, particularly in relation to Health and Well Being.

It was explained that the Team will continue to receive part funding from Housing Revenue and continue to provide Level 3 advice which includes advice around appeals and tribunals, more specialist support as lower level support is provided by the voluntary sector ie.CAB and therefore this level of support provided can be withdrawn.

Discussion ensued on whether staff have targets to meet and whether they are being met; the number of people that access the service seeking advice for appeals and tribunals and what quantity would be lost if none of the posts existed.

Specific reference was also made to the funding of the Local Strategic Partnership.

IT WAS AGREED – (a) That the Terms of Reference as tabled be agreed.

(b) That a list be produced extracting the specific areas which fall within this Committees remit for ease of navigation through the documents.

(c) That a further meeting of this Group be arranged and that the Assistant Director – Finance be invited to attend the meeting.

(d) That details be provided about the PCT funding, whether it has been received and how it fits into the budget proposals.

(e) That Members thoroughly consider the MTFP documents and submit any specific questions to the Democratic Officer.

HEALTH AND PARTNERSHIPS SCRUTINY COMMITTEE

MEDIUM TERM FINANCIAL PLAN 2012/13 TO 2015/16 – TASK AND FINISH REVIEW GROUP

2nd Meeting

Monday, 12th December 2011 at 4.00pm, in Committee Room 3

PRESENT – Councillors Newall (in the Chair); Donoghue, Macnab, Nutt, Regan, S. Richmond and H. Scott.

OFFICERS – Elizabeth Davison, Assistant Director – Finance, Brett Nielsen; Finance Manager, David Plews, Head of Communities, Chris Sivers; Assistant Director - Development and Commissioning and Abbie Metcalfe, Democratic Officer.

Purpose of the Meeting – To consider the relevant section of the Cabinet report on the Medium Term Financial Plan (MTFP) under the remit of Health and Partnerships Scrutiny Committee.

Declarations of Interest – Councillors Newall and Macnab both declared a personal and prejudicial interest in respect of the proposal relating to the Welfare Rights Team, due to their membership on the Citizens Advice Bureau (CAB) Board and left the meeting and took no part on the discussion thereon. At that point in the meeting Councillor S. Richmond chaired the discussion.

Points Discussed and Considered –

The Assistant Director – Finance advised the Group that the Council’s Business Model was based around three central questions – What services the Council will provide; How are the services delivered; and Who will provide those services. An overview was then given of the budget proposals contained in the MTFP 2012/13 to 2015/16, relevant to this Scrutiny Committee, the future impact on the services faced with budget savings (Appendix 14) and the detailed proposals (Appendix 15).

Members gave consideration to Appendix 12 the zero based budget spread sheets, which identified all services provided by the Council split into three categories, AM – Absolute Minimum service level to meet statutory requirements and to make an impact; AV1 – Added Value services beyond AM; and AV2 – Added Value services beyond AM and AV1. Members agreed to examine each individual service activity within the zero based budget spreadsheet.

Drug and Alcohol – No proposal to reduce that budget.
The service will remain AM and AV1.

Voluntary Sector Grants – No proposal to reduce that budget.
The service will remain AM and AV1.

People Strategy/Policy/Programmes/Commissioners – No proposal to reduce that budget. This proposal spans Children and Young People and Adult and Housing Scrutiny Committees. The service will remain AM.

Community Safety Partnership – No proposal to reduce that budget. This budget was significantly cut last year and the team operates a very small team of advisors and partnership arrangements are in place. The service will remain AM.

Public Health – No proposal to reduce that budget. The proposal relates to the £10,000 contribution to salary cost of the joint appointment of the Director of Public Health. This function and associated budgets will transfer to the Local Authority in 2013. The service will remain AM.

Members considered the actual saving proposals in greater detail as follows:-

Fundamental Review of Social Capital, Equalities and Talking Together budgets

The Assistant Director - Development and Commissioning explained there has been a review of the team budgets which followed the zero based budget process. The Head of Communities advised that a saving of £157k would be achieved in 2012/13 and £216 could be achieved for three years up to 2016. This would mean a considerable reduction in staff, although, there would be the creation of a Community Resilience Post which would encompass a reduced level of administrative support, community work and events support. Mr Plews also reported that a review of management arrangements would be undertaken as a result of the staff reduction. Members commented that it was unrealistic to expect Ward Councillors to pick up the slack as a result of staff redundancies, particularly providing additional community support. In response to a question, Mr Nielson advised that the specific budgets contained within this proposal did not just reflect staffing costs and that a limited budget for commissioning services would be retained.

Draft Recommendation – That the proposal be supported.

Reduction in Welfare Rights Service

The Assistant Director explained that previously the Council have received Government Grants to fund a post in the team and as an interim measure that PCT provided part funding until April 2012. Unfortunately the Council are not in a position to pick up this cost pressure, therefore, one post will be deleted. This will leave two remaining members of staff who will continue to provide level three support which includes advice around appeals and tribunals, to target groups only. It was noted that efforts had been made to approach voluntary organisations to provide lower level support, but there are issues with TUPE arrangements.

The Head of Communities added that tendering a small service has its difficulties and that discussions are taking place internally to consider the possibility of joining up needs of children and young people and adults to create a slightly larger service to tender for, which might be more successful.

Members expressed their concern about the clear benefit to investment in this type of activity, and the loss of this post is highly likely to result in longer term costs for the Council and other partners, particularly in relation to Health and Well Being. Members articulated their frustrations at a relatively small saving that was being gained by removing such (in their opinion) a valuable service. It was clarified that the saving of £10k was also a non spend on a further £20k that would be required to fund the shortfall from the PCT should the post not be filled. Questions were asked as to why the PCT couldn't fund the post until they were no longer in existence. The Assistant Director advised that the service was not a statutory function and therefore would be a risk in future years, even if retained for a further year.

Draft Recommendations – That the proposal in relation to the reduction in the Welfare Rights Service be reluctantly supported, however, if anything could be done to keep the service, every effort should be made by Officers.

That Members ask Officers to pursue the availability of PCT funding.

Specific reference was also made to the funding of the Local Strategic Partnership and why a zero based budget exercise hadn't been specifically carried out. It was explained that the budget for the LSP was considered within the People Strategy/Policy/Programmes/Commissioners proposal.

IT WAS AGREED – (a) That the above recommendations be submitted to the Special meeting of the Health and Partnerships Scrutiny Committee for consideration and approval.

(b) That Officer s be thanked for clarifying the issues raised in relation to the MTFP.

TERMS OF REFERENCE

Title: Medium Term Financial Plan

Start Date: 29th November 2011

End Date: February 2012

Scrutiny: Health and Partnerships Scrutiny Committee

PURPOSE/AIM	RESOURCE
<p>To contribute and challenge the Medium Term Financial Plan and assist with the implementation and development of the required savings.</p>	<p>Members Health and Partnerships Portfolio Holder Assistant Director – Finance Assistant Director – Development and Commissioning Democratic Services</p>
PROCESS	OUTCOME
<ol style="list-style-type: none"> 1. Members to consider Cabinet Papers and attend meeting 2. Members to attend any Cabinet/Director briefings in relation to the MTFP 3. Question any areas with relevant Officers. 4. Challenge Portfolio Holder either at Cabinet, e-mail, informal meetings 5. Challenge services on ‘who, what and how’ they are delivered. 6. Members to develop ideas for savings – Adding Value. 7. Report outcomes to a Special meeting of Health and Partnerships Scrutiny Committee to finalise recommendations 8. Forward any recommendations from this Scrutiny Committee to a Special meeting of Efficiency and Resources Scrutiny Committee scheduled for 26th January 2012. 	<ol style="list-style-type: none"> 1. Improved understanding of the Medium Term Financial Plan 2. Participate in the consultation process and preparation of report to Efficiency and Resources Scrutiny Committee with recommendations

COUNCILLOR

CHAIR

(TO BE SIGNED BY MEMBER OR SCRUTINY COMMITTEE REQUESTING TOPIC)

(TO BE SIGNED BY CHAIR OF SCRUTINY COMMITTEE)