

### **Scrutiny Committee Comments on Financial Challenges Workshops**

#### **Adults Scrutiny Committee – 9 December 2015**

The Workshop was attended by a total of nine councillors, including six members of the Adults Scrutiny Committee and one member of the Executive. Six senior officers from Adult Care also attended.

The format of the workshop was a powerpoint presentation. The meeting considered the context, previous savings and the detailed proposals for further reductions in Adult Care budgets and the following topics were highlighted as part of the presentation.

#### **NHS Budgets and Their Impact on the Council**

It was confirmed that increasingly NHS financial issues impacted on adult social care, not least because of the level of pooling that existed which included the Better Care Fund. The budgets for Clinical Commissioning Groups (CCGs) for 2016/17 were not expected to be released until shortly before Christmas 2015 as was the case for local government finance for next year. However, there was an expectation that the four Lincolnshire CCGs would be under financial pressure by their 2016/17 budget allocations.

#### **Social Care Precept**

The Comprehensive Spending Review had included an announcement that local authorities would be able to set an increase of 2% in the precept for adult social care. This was estimated to raise £4.745m in 2016/17, if implemented.

#### **Integration of Health and Social Care Systems and the Better Care Fund**

The Better Care Fund (BCF) arrangements would continue until the end of the Parliament, on the basis, in the initial years at least, of the approval of local system-wide BCF submissions to the Department of Health. However, if plans for the integration of health and social care were sufficiently well advanced, the requirement for having a BCF submission would be waived. In any event, there was an expectation that health and social care systems would be fully integrated by 2020.

#### **Adult Care Further Options for Savings**

Between 2011 and 2014/15 savings of £38 million had been made and an additional £9 million had been planned as part of the Fundamental Budget Review (FBR) for 2015/16 to 2018/19. These included the additional income arising from the Non-Residential Contributions Policy review. Additional options for savings for adult care were explored.

## Relationships

The meeting reflected on the dependency of the system on relationships, and the growing importance in recent years of managing relationships with partners – notably the NHS. This impacted on management time, but the importance of strong working relationships could not be underestimated.

## Engagement with the Public

The *County News* was suggested as a vehicle for providing members of the public with a comprehensive understanding of the challenges facing the County Council. The timing and venues of the Council's engagement meetings were very important, to ensure as large a response as possible. The meeting was advised that in addition to general engagement with the public, stakeholder meetings would take place with organisations such as clinical commissioning group governing bodies and business ratepayers.

## Demographic Impacts

The demographic impact on adult care was profound and in the coming years would only increase as a direct result of populations changes. For example in 2016/17 demographic and other cost pressures would be over £14 million.

## Residential and Care at Home

The national living wage would lead to increased costs, notably for the home care sector.

The profit margins of residential care home proprietors were raised as a topic. The fees paid to Lincolnshire residential care homes were competitive, and high profit margins were felt to be highly unlikely for proprietors.

## Devolution and Structures

The workshop meeting reflected briefly on the potential for devolution and its impact on the structures of both local government and within the NHS.

## Day Centres

The provision of day centres in the County was an important issue and the Council would need to consider the best use of its resources to secure a viable network of day centre facilities in the county. However, it was clear that retaining a number of strategically placed day centres was the most cost-effective solution.

## Statutory Duties

All of adult care budgets were focused on the delivery of statutory duties. The Care Act 2014 had included significantly more legislation in the form of duties on local authorities, rather than powers. This meant that the Council had far less discretion on what it would or would not do.

## **Children and Young People Scrutiny Committee – 27 November 2015**

The Children and Young People Scrutiny Committee held a Financial Challenges workshop on 27 November 2015 to consider the financial pressures facing Children's Services.

### **Readiness for school**

To deliver future savings targets in this commissioning strategy, a fundamental review of children centre sufficiency requirements will be required. This may include an alternative operating model which would explore delivering services from alternative venues. Any policy changes would be subject to consultation.

### **Learn and Achieve**

Concerns were raised in relation to School Support and in particular the Government's forthcoming cutback in education support grant. It was highlighted that the education support grant goes into the corporate budget, which is used to support Children's Services activities. These grant reductions would be managed collectively through the Financial Challenge work and the concern was that education support grant activities were likely to be cut as a result.

In relation to the new sector led model for school improvement, there were concerns about the impact on small primary schools where a Headteacher also teaches and there was no capacity to release the Headteacher and provide cover. It was suggested that small primary schools should be encouraged to consider working more collaboratively.

Members were concerned with regard to post 16 transport and how young people would be able to access educational facilities. It was noted the charges for post 16 transport were at a tipping point and if the charge went up then it potentially would be cheaper to use local buses. It was also highlighted that Highways was reviewing concessionary transport and if this was removed, it would have an impact on post 16 transport.

## **Community and Public Safety Scrutiny Committee – 25 November 2015**

The Workshop was attended a total of fifteen councillors, including ten members of the Community and Public Safety Scrutiny Committee and two members of the Executive. Eight senior officers also attended.

The format of the workshop was a series of powerpoint presentations. The first part of the session provided an overview of the financial challenge. Following this, a relevant senior officer from each of the following areas provided information to the Committee:

- Public Health
  - Health Improvement Activities
  - Community Resilience
- Preventing and Reducing Crime

- Police and Community Support Offices
- Youth Offending Service
- Trading Standards
- Fire and Rescue
- Emergency Planning

At the end of each section, there was an opportunity for points of clarification and these points of clarification are described below:

### Health Improvement Activities

- Lincolnshire County Council was responsible for the prescription costs for all treatments relating to smoking cessation. This was a national requirement.
- The Registration and Celebratory Services generate income, which largely offsets the shortfall in the budget for the Coroner's Service.

### Community Resilience

- The financial inclusion element of the budget (£748,000) referred to grants to citizens' advice bureaux and support for credit unions, with the potential that these budgets could move towards zero in the coming years. Further clarification was sought on the phasing of reductions to this budget, and the fact that some services may need to move towards a zero budget over a longer period.
- An initial impact assessment had been undertaken on the impact of reducing or removing the Local Welfare Provision budget (£918,000). This would be followed detailed impact assessments.
- The scope for officers to provide advice to organisations on alternative sources of funding was suggested.

### Heritage Services

- It was unlikely that grants received as a result of the national lottery would be reclaimed, so this had been evaluated as a low risk.

### Preventing and Reducing Crime

- A previous reduction in County Council funding for Police and Community Support Officers from £1.5 million and £1.2 million had not seen a reduction in their number Lincolnshire. The notional County Council investment of £370,000 for 2016/17 would support eleven Police and Community Support Officers in Lincolnshire. It was most unlikely that the Police and Crime Commissioner would be able to meet the difference in the proposed level of funding. The service level agreement between the County Council and the Police would seek assurances over the level of neighbourhood and community policing required. The intelligence-gathering of Police and Community Support Officers on their local communities should not be underestimated.

## Trading Standards

- The range of activities undertaken by the Trading Standards service was recognised, and the impact of service reductions on under-age use of tobacco and animal disease control in farms.

## Fire and Rescue

- The Joint Ambulance Conveyancing Project and the Fire and Rescue Co-responder Service not only provide a valuable service to people in medical emergencies in support of the East Midlands Ambulance Service (EMAS), but also aid the recruitment and retention of retained firefighters. There may be an opportunity to seek some recovery of the costs of Fire and Rescue Co-responder Service from EMAS.

## Emergency Planning

- A service level agreement had been renewed and increased with the district councils to support the emergency planning function.

## General Points

- Where other parts of the public sector such as the NHS are considering reductions in services, work could be undertaken to identify areas where the impact of service reductions in one area of the public sector would lead to undue pressures on services in another part of the public sector.
- The risks of all the potential service reductions continued to be evaluated.
- The senior management review of 2011 had seen a reduction of 34% in the number of senior managers.

## **Economic Scrutiny Committee – 8 December 2015**

The Economic Scrutiny Committee received a presentation on the financial challenges facing economic development where it was recognised that the Council was facing significant financial constraints and that reductions were required from the economic development budget.

The Committee supported the scale of the budget reductions but raised concerns about future capacity within the economic development budget to respond to any economic opportunities or challenges as they arise.

Concerns were raised that this was an easy area to cut and the Committee highlighted that there needed to be more awareness that this budget brought in additional European and Government funding to the local economy which helped to fund and develop economic projects.

It was recognised that there was a need for greater resilience in Lincolnshire and to develop relationships with third party organisations to support and take responsibility for the growth of businesses and the local economy.

The Committee highlighted concerns around the skills required by businesses and the Lincolnshire economy and the need for the Council to be engaged and direct the market to ensure these skills were available. It was recognised that if these skills were not available, then there was a risk of businesses relocating to where those skills did exist.

The Committee suggested that there was a need to consider what property the Council should retain or invest in which could generate income streams for the Council. It was also suggested that any property which did not generate an income, or was costing the Council money, should be sold off in order to reduce the economic burden on Lincolnshire County Council.

### **Environmental Scrutiny Committee – 4 December 2015**

The Environmental Scrutiny Committee Financial Challenge Workshop produced the following comments for consideration by the Executive:

- The Business Rate changes were unlikely to raise as much in Lincolnshire as they would for the more affluent areas of London, for instance.
- Raising Council Tax appeared to be the only option to meet the funding shortfall.
- The Greater Lincolnshire Devolution bid was expected to be cost neutral.
- There was no point making savings if this simply pushed the cost pressure elsewhere.
- It was suggested by one member that the Council 'treads water' for a period of time in the hope that the Government changes the funding formula. Officers responded by pointing out that this could not be relied upon and they had to plan for four years ahead.
- A councillor asked for the current market value of the Council's assets so that sales could be considered. Councillors were reminded that sales of assets only raised one-off funds.
- Councillors felt that there should not be any cuts in the area of managing flood risk.
- In answer to a question of the use of consultants, officers stated that consultants were only engaged when the Council did not have the resources in house.

## **Highways and Transport Scrutiny Committee – 1 December 2015**

Those members of the Committee who were able to attend the Workshop recognised the financial constraints that the Council is facing and the significant reductions that will be required in the areas of Highways and Transportation. A presentation was made in two parts, addressing Transportation first and then Highways. Key comments from Members were as follows:

### **Transportation**

One of the main options proposed was to significantly reduce the Council's contribution towards bus transportation in the County and Members took comfort from the continuing role of the Call Connect scheme and the potential for it to offer not only ad hoc services but also fixed routes where a clear service need was established.

Members recognised the value of initiatives to promote sustainable and healthier means of transportation but felt that in the current climate these initiatives may need to be brought to a halt in order to focus remaining resources on priority areas.

### **Highways**

Although Members could see how reductions in other services such as street lighting and grass cutting could be achieved, particular concerns were expressed about potential reductions in gritting routes of up to one third and the resulting safety implications and public reaction.

In relation to services such as grass cutting it was recognised that the local community would have to be encouraged to take on responsibility for additional activity beyond that offered in future by the Council.

The importance of communication was emphasised during the discussion and the need for the public to be kept informed regarding changes in service.

Members were very supportive of the Lincolnshire Highways 2020 operating model and felt that the implementation of this model would achieve more efficient working and potentially free-up remaining resources to be channelled elsewhere in Highways and Transportation.

## **Value for Money Scrutiny Committee – 24 November 2015**

Ways of maximising income, including reviewing the Council's property and land, and looking at ways of making money, had general support.

Councillors questioned whether savings could be made in consultations and County News.

Councillors felt the workshop would have been more useful AFTER the Chancellor's statement.

Questions were raised about the potential impact of the Greater Lincolnshire Devolution bid. Councillors were advised that it was anticipated that this would be fiscally neutral, but would encourage the shared-service model with potential for services being used by others.