

**Overview and Scrutiny
Management Board**

Scrutiny Review Report

January 2011



Budget and Corporate Plan Scrutiny 2011

Plymouth City Council

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Foreword

1. The Council's Overview and Scrutiny Management Board, formed in July 2009, has responsibility for holding the Cabinet to account for its decisions with respect to the corporate budget and policy framework, as set out in the Council's constitution. Its members, drawn from both parties and assisted by co-opted members with expertise from the business and education sectors, are charged with independent scrutiny of the Council's decisions with respect to financial and performance management matters, as well as the Council's key strategies.
2. The Overview and Scrutiny Management Board has planned its programme carefully to challenge whether:
 - the Council's Corporate Priorities within the draft Corporate Plan are properly tested as being fit for purpose in delivering the city's strategic objectives and achieving the Council's vision
 - the proposed budget, both capital and revenue, is both deliverable and supports the priorities;
 - arrangements are in place to deliver the stated priorities within the financial framework set out in the budget.
3. We would like to extend our thanks to members of the Board, both councillors and co-opted members, for their commitment in conducting this scrutiny review. We would also like to thank the officers who supported us, Cabinet Members, Directors and Assistant Directors who took part in the review. We would also like to express our appreciation of the contribution made by colleagues from NHS Plymouth, the Community and Voluntary Sector, City College, Devon and Cornwall Constabulary and the Culture Board.



Councillor James, Chair



Councillor Ball, Vice-Chair

Scrutiny Approach

4. The Board convened over two and a half days to hear from Partners, Cabinet Members, Directors and Senior officers to consider the Draft Corporate Plan 2011 – 2014 and the Revenue and Capital Budgets 2011/12. As part of their considerations the Board received a number of documents which supported the scrutiny process, including –
 - Key Performance Indicators 10/11
 - Level 1 and 2 priority indicators;
 - An update on the financial settlement and grant changes
 - Annual audit letter 2009/10
 - Public budget consultation results

5. The first session on 5 January saw members probe the city's strategic partners about their views on the council's plans and the impact that these plans would have on their own service provision. Prior to the meeting partners had received the indicative budget and draft corporate plan and had been involved in the process for agreeing the city priorities. Partners welcomed the opportunity to participate in the process and representations were received in person from NHS Plymouth, the Community and Voluntary Sector and City College Plymouth as well as in writing from Devon and Cornwall Constabulary the Culture Board and the Chamber of Commerce

6. Issues raised within the various representations were taken forward by members of the board and used to inform a more robust challenge over the two-day scrutiny session with Cabinet Members. Board members also used the information to form recommendations on how the Council could work better with its partners in the future.

7. The session on 12 January included an overview of the shared city vision, the vision for the council and the city priorities. This overview was presented by the Leader, Chief Executive, Director for Corporate Support and the Assistant Chief Executive and was followed by separate sessions for each corporate service area over 12 and 17 January. The programme of scrutiny culminated in a concluding session with the executive team of the Leader, Cabinet Member for Finance, Property, People and Governance, the Chief Executive, the Assistant Chief Executive and the Director for Corporate Support.

8. The meetings were public and recommendations were drafted and generated in a dynamic manner throughout each session.

9. At the beginning of each departmental session individual Cabinet Members provided an overview of their portfolio and were then interviewed alongside the accompanying Directors and Assistant Directors, where the impact of delivery plans on service provision was explored as well as some more detailed issues.

Process Recommendations

To the Overview and Scrutiny Management Board –	
<i>R 1.1</i>	That the Director for Public Health, as a joint appointment, should contribute to the budget and corporate plan scrutiny process in future years

Findings

Challenge of the Overview

The Leader, the Cabinet Member for Finance, Property, People and Governance, the Chief Executive, the Director for Corporate Support and the Assistant Chief Executive set the scene for the budget scrutiny and gave an overview of the Draft Corporate Plan and Indicative Budget. Board Members were advised that -

10. The Council is facing an enormous financial challenge and has to make efficiency savings from its overall budget totalling £30m over the next three years. This is quite unprecedented given the current economic climate and the requirement to make savings in the public sector to reduce the deficit. Despite this, the Council remains committed to its ambition to make Plymouth one of Europe's finest, most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone. In consultation and agreement with its key strategic partners, the shared priorities for delivering the vision have been reduced from 14 to four -

- Deliver Growth
- Raise Aspiration
- Reduce Inequality
- Provide Value for Communities

11. Key to achieving these savings are –

- stronger and integrated operational delivery of services with partners
- better use of assets
- focusing on departmental delivery plans
- modernising the Council to improve customer services, including establishment of a single point of contact (SPOC)
- cutting out duplication and “working smarter”

12. The Council is starting this challenge on a strong and sound base having achieved many successes during 2010, highlights of which include the Municipal Journal award for Best Achieving Council of the Year and strong performance assessments in respect of child protection and adult social care. In addition, £4m of in-year savings have already been achieved.

Following the introduction and at the end of the budget scrutiny process, Board Members challenged the Executive on the overview of the process and documents before them.

- 13.** The Board were informed of the different approach being taken in this budget to direct the burden of the savings to be achieved to service areas not identified as being crucial to delivery of the four city priorities as opposed to sharing the cuts equally across all departments.
- 14.** The Board welcomed the formation of the Peninsula Group to look at ways of working in partnership with Plymouth and other local authorities in Cornwall, Devon and Torbay, particularly around the possibility of shared services. However, Members were concerned at the lack of scrutiny involvement in this process to date and reinforced the importance of engagement with all partners at the earliest opportunity.
- 15.** Whilst noting the continuation of a number of major projects within the capital programme, the Board expressed concern at the changes made to its format, having gone from a rolling list to only including those projects which were funded. This meant that there was no public record of what the other projects were, where they sat in order of priority or when they may come to fruition.
- 16.** It was acknowledged that because the draft budget had been prepared earlier this year than in the past, it had not been possible to provide comprehensive detail in respect of the equalities impact assessments. However, concern was expressed that, whilst equalities impact assessments were useful, it would have been better to undertake some form of modelling to establish the differential effect of this budget on individuals (single, unemployed, elderly), households and neighbourhoods and the cumulative impact on those which are affected by more than one change.
- 17.** Despite the fact that working with partners and sharing services with other authorities was highlighted as being a key factor to ensuring delivery of the budget and that fundamental to this was the reliance on excellent ICT and data compliance, it remained unclear how the ICT provision was being managed or on what basis it was being prioritised.

Corporate Support/Chief Executive's Challenge

- 18.** The Board noted the continuation of last year's policy to reduce back office spend and, whilst commending the fact that to date there had only been a total of 14 redundancies arising from the deletion of 170 posts, concern was expressed at the fact that a number of posts were still being covered by agency staff. Bearing in mind that it was the Council's intention to cut a total of 500 posts from the structure over the next three years, clarification was sought in writing as to the exact number of posts being covered by agency staff, in which service areas they were situated and on what grade.
- 19.** Within Democratic Services, Members voiced concerns at the proposals to reduce the level of civic engagements and queried the degree to which the Lord Mayoralty and civic functions would be cut and how these cuts would be determined. A written response was provided in this regard. Clarification was also sought on what was meant as a 'core' committee and Members were advised that they would be ones that were

required by statute. However, this would ultimately be a decision for Full Council to debate and determine.

- 20.** Members were concerned at the effect of job losses on service provision. Whilst it was acknowledged that savings could be achieved through the introduction of smarter working practices without having to reduce staff numbers – one example being Revenues and Benefits where despite a reduction in service spend, staff numbers and performance had been maintained against an increase in customer contact – Members felt more should be done to demonstrate how these savings and performance were being measured and whether or not they offered value for money.
- 21.** Consideration was given to the opportunities provided to partners to engage in the budget setting process through the 11 theme-based budget groups. Whilst it was appreciated that this would not be appropriate in all service areas. Members heard that there was a discrepancy of views about the extent to which NHS Plymouth had been involved in Social Care delivery plans.
- 22.** The Board queried the ‘green’ status of the feasibility and risk element of the delivery plan relating to debt management. This indicator related to how effectively income was collected overall, it was felt by Members that there should be pre-adoption scrutiny of the Corporate Income Recovery Plan, including cash collection options.
- 23.** Concerns were raised over a lack of scrutiny involvement with procurement initiatives which would amount to £4m worth of savings over the next three years, particularly given that this amount made up 12 per cent of the total delivery plan savings.
- 24.** Given the current economic climate, the Board acknowledged that the capital programme would inevitably be subject to change, however, in doing so, they felt that present governance and scrutiny arrangements were not sufficient to allow this to happen in an open and transparent way, particularly around invest-to-save schemes.
- 25.** Whilst the Board appreciated that longer term budget planning would always be subject to change, Members felt that in order to have a more joined up budget and corporate plan both should span the same period. At present the Corporate Plan ran for five years, whereas the budget predictions covered just three.
- 26.** Following consultation with the Plymouth Third Sector Consortium, members became aware of the difficulties faced by community and voluntary groups in obtaining grants for small schemes. The current system had been identified as overly bureaucratic which caused some groups severe difficulties, and in some cases even prevented, in them obtaining grants.
- 27.** Members were concerned at the funding shortfall with respect to the Volunteer Centre and infrastructure support to community and voluntary groups and the impact that this would have on the sector.
- 28.** In terms of reporting, Members felt that representing people as a percentage did not always give the best picture in terms of the actual impact when it came to an increase or decrease in service provision. They therefore suggested that when such information is presented in future actual numbers as well as a percentage are included.

Due to the differences in communities across Plymouth measures of dispersion were also important where possible.

29. Given the significance of the Local Strategic Partnership (Plymouth 2020) and the fact that its existence and purpose was promoted in a public manner, it was felt that the work and decisions of the Partnership, as well as how it represented community view, should be made more open and transparent.

Recommendations

To Cabinet -	
R 2.1	Where shared service arrangements with other local authorities are being developed, the Overview and Scrutiny Management Board be given an oversight role. Partners should be involved at the earliest opportunity to ensure a more joined up approach in delivery of shared services.
R 2.2	Where delivery plans will result in a reduction of service to citizens , modelling should be undertaken to assess the impact on individuals, households and communities. This should include both the differential impact on those groups within each neighbourhood and the cumulative impact on those who are affected by more than one change. Account should be taken in undertaking the modelling of income levels.
R 2.3	Value for Money and performance benchmarking information against the Council's 'family group' should form part of the performance management reporting that is submitted to the Overview and Scrutiny Management Board.
R 2.4	The Corporate Income Recovery Plan relating to how the Council collects the money owed to it from a variety of sources should be the subject of pre-adoption scrutiny by the Support Services scrutiny panel. Options relating to cash collection as set out in the Corporate Support Services budget delivery plan should be included.
R 2.5	That the Overview and Scrutiny Management Board receive a progress report on the Council's new procurement initiatives , namely Procure to Pay, buyer rollout, and 'sell to Plymouth'. The Board will monitor, through the quarterly performance and finance monitoring reports, ongoing work around these projects which equate to £4m savings over the next 3 years.
R 2.6	That governance and scrutiny arrangements are agreed between the Scrutiny Management Board and the Cabinet and the Corporate Management Team with regard to the prioritisation of the capital programme and the 'invest to save' programme .
R 2.7	That draft proposals for years 3, 4 & 5 of the capital programme be prepared for this budget and as part of the ongoing budget setting process.

R 2.8	That a proposal for a small grants scheme for community and voluntary groups is developed and implemented jointly with Plymouth 2020
R 2.9	That urgent consideration is given to addressing the funding shortfall for the Volunteer Centre and infrastructure support for community and voluntary groups created by the ending of Local Area Agreement Performance Reward Grant.
R 2.10	In making savings to the cost of senior management , a risk analysis of potential loss of capacity within the Council to deliver its change agenda should be undertaken.
To the Corporate Management Team –	
R 2.11	That Directors and Assistant Directors should ensure that reporting of service provision which affects people (for example adults' and children's social care) should include statistics as both a percentage and in terms of actual numbers of people. Where possible, measures of dispersion – geographic / neighbourhood information should be included.
R 2.12	Cabinet and delegated decision reports include provision to indicate where an Equality Impact Assessment is required, and, if so, this is listed as one of the background papers.
To the Local Strategic Partnership -	
R 2.13	That consideration should be given to ensuring that there is better public understanding of the role of the Plymouth 2020 Partnership and how community views are represented on it.

Department for Services for Children and Young People Challenge

30. In addition to previous comments made around impact assessments (paragraph 16 and R2.2), it was felt that further consideration was particularly important in terms of children's services delivery plan proposals which were more likely to have a cumulative impact on households, for instance a family in receipt of services for a child with a disability and special educational needs who also received school transport provision could be affected by three separate elements of the delivery plan for the Children and Young People service.

31. The Board acknowledged that the department was awaiting clarity from government around grants and resources, the outcome of impending announcements would inevitably affect the capital projects currently listed. Members felt that once confirmation of funding was received the prioritised list of capital projects should be prepared and published. In addition to this, a list of services which would not be continuing as a result should also be published along with details of the alternatives to be put in place.

Recommendations

To Cabinet -	
R 3.1	That impact assessments with regard to delivery plan proposals be prepared, as (2.2) above, in respect of:

	<ul style="list-style-type: none"> • Schools transport • Locality restructure • Disability Service restructure • Changes to Special Educational needs policies • Reduction in contribution to Youth Offending Service • Financial support and non-statutory payments to Care Leavers
R 3.2	That a prioritised list of capital projects in Children's Services be prepared and published pending clarity from Government about the availability of resources
R 3.3	That a review of all grants relating to the provision of children's services that are not continuing, with succession arrangements, is published

Department for Community Services Challenge

32. Members noted with concern the comparatively low recycling target for the City and felt that, in order to improve at a rate that would match Plymouth's aspiration for excellence, a more challenging target was required.
33. The Board noted the intention of the Localism Bill to transfer assets to communities and the Council's desire to utilise this provision. However, concern was expressed that there was little evidence, particularly given the current economic climate, that community groups would be interested or have the ability to take this responsibility on board. Members suggested that in-depth scrutiny of any proposals would be beneficial.
34. It was acknowledged that not all grants received by the department would continue and that this may affect service provision. Further detail of which schemes would be affected, together with details of succession arrangements, where appropriate, should be published.
35. In a similar vein to issues highlighted during discussions with Children's Services (paragraph 30) around the cumulative impact of delivery plan proposals, Members reiterated concerns raised and suggested that the same modelling investigations should be undertaken by Community Services.
36. Members welcomed the use of community payback resources in the City to address street cleansing issues but felt that more could be done to maximise use of the probationary service as well as other voluntary groups to address reduced resources as a result of funding cuts. Establishment of a Volunteering Plan for the City would set guidelines for the use of this resource and encourage take-up where consideration has not previously been given.
37. The Board was aware of the requirement to establish a Police and Crime Panel by 2012 and expressed concern that Plymouth's needs as a City may be diluted if a proactive approach is not taken in its establishment at an early stage.
38. Board members were concerned that whilst Plymouth compared favourably with neighbouring authorities with respect to the personalisation agenda, a more productive and worthwhile comparison might be with the family group and the national picture.
39. Members were aware, through budget consultation with partners, that substantial amounts of government funding had become available through various streams, e.g. the Health Fund and Winter Pressures Fund. As proposals for the use of this funding were yet to be confirmed, Members requested that the Health and Adult Social Care Overview and Scrutiny Panel be consulted over the spending proposals.
40. Concern was raised at the impact of the cultural strategy on the City's vision. Whilst the Corporate Plan promotes the importance of the City's cultural offering, the departmental delivery plan appeared to reduce it. Members felt that a more detailed proposal in terms of savings relating to events, grants and other initiatives would be beneficial.

Recommendations

To Cabinet -	
R 4.1	That the recycling target be reviewed in the light of Plymouth's aspirations for excellence and the benchmarks for similar authorities within the Council's 'family group'.
R 4.2	That a policy with respect to community transfer of assets in line with the provisions within the Localities and Decentralisation Bill be developed and submitted to the Scrutiny Management Board. Specifically the feasibility of asset transfers referenced within Community Services budget delivery plans should be quantified.
R 4.3	That a review of all grants relating to the Community services that are not continuing, with succession arrangements, is published.
R 4.4	That impact assessments with regard to delivery plan proposals be prepared, as (2.2) above, in respect of: <ul style="list-style-type: none"> • Cemeteries and Crematoria fees • Rationalisation of Environmental Services structure • Changes to library opening hours
R 4.5	That a Volunteering Plan for the city is produced, including provision for the increased use of Community Payback resources to undertake work on behalf of the Council and partners to increase efficiency savings.
R 4.6	Plymouth takes a lead role in establishing a Crime Panel in line with legislative proposals.
R 4.7	That targets for the Personalisation agenda be set in line with 'family group' authorities rather than regional comparators.
R 4.8	Proposals for use of the £3.5m health fund , and any other related unallocated resources be brought to the Health and Adult Social Care scrutiny panel.
R 4.9	Details are provided of the specific proposals about savings related to events, grants and other initiatives as set out in the Culture, Sports and Leisure budget delivery plan.

Development and Regeneration Challenge

41. The Board was concerned at the lack of clarity in the department's delivery plan which referred to a 'package of transport options' amounting to £300k. The proposals gave examples of what these options might be rather than the specific detail of which options would be selected.
42. Following discussions around the establishment of a Local Economic Partnership for Plymouth, Members were concerned that progress appeared to be slow and suggested that the Growth and Prosperity Overview and Scrutiny Panel be involved in monitoring its progress.
43. As per previous discussions with Children's Services (paragraph 30) and Community Services (paragraph 35) around the cumulative impact of delivery plan proposals, Members suggested that the same modelling investigations should be undertaken by Development and Regeneration.
44. Given the amount of money paid out in compensation on slips, trips, falls and potholes, Members were of the opinion that consideration should be given to an invest-to-save scheme around the highways maintenance and improvement programme.
45. In relation to discussions around job creation for the City, Members commented that to set a target for 2026 without interim targets or milestones would make it difficult to monitor progress effectively. Whilst it was appreciated that it would be challenging to set interim targets, it was thought to be necessary as job creation was a key element in delivering the City's growth agenda.

Recommendations

To Cabinet -	
R 5.1	Details are provided of the transport options for savings currently being considered in the budget delivery plan.
R 5.2	Following ministerial feedback, the revised Local Economic Partnership for Plymouth be reviewed by the Growth and Prosperity overview and scrutiny panel
R 5.3	That impact assessments with regard to delivery plan proposals be prepared, as (2.2) above, in respect of: <ul style="list-style-type: none"> • Family Intervention Project • Anti-social behaviour • Transport options
R 5.4	That interim targets for job creation between now and 2026, including monitoring and evaluation criteria with regard to sustainability should be put in place to enable more effective monitoring.