



BUDGET SCRUTINY 2015-2016



A report of the Co-operative Scrutiny Board following the scrutiny of the Delivery of the Co-operative Vision within a Four Year Sustainable Budget.

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THE CO-OPERATIVE SCRUTINY BOARD



Councillor James



Councillor Mrs
Aspinall



Councillor Bowie



Councillor Mrs
Beer



Councillor Darcy



Councillor Philippa
Davey



Councillor Jordan



Councillor Sam
Leaves



Councillor Parker-
Delaz Ajete



Councillor Murphy



Councillor Katey
Taylor



Jacky Clift
Zebra Collective

I. Foreword

- I.1 The Co-operative Scrutiny Board (the Board) has responsibility for holding the Cabinet to account for its decisions. The Board is charged with the scrutiny of the Council's decisions with respect to finance and performance, as well as the Council's key strategies.
- I.2 The challenging economic climate, with reduced resources and rising demands for the Council's services, will inevitably have an impact on the residents of Plymouth. The Co-operative Scrutiny Board has a responsibility to challenge the Council's budget and Corporate Plan to ensure their deliverability and best meet the needs of the City. In order to carry out the Board's role effectively the work programme is aimed to -
- determine whether priorities for transforming the Council were being effectively supported and resourced;
 - ensure there was a clear understanding of the impact of the proposals for resource reduction and allocation on the City's neighbourhoods;
 - ensure clarity around how changes in resources allocation in one service or partner area may impact on another service or partner area;
 - determine whether the balance between overhead costs and service delivery costs was the right one;
 - ensure there was a clear view of both risks and their mitigation and the future opportunities that would derive from other shared services and pooled resources;
 - assess the impact of legislation on the Council's ability to deliver services and whether it was fit for purpose for addressing this challenge;
- I.3 The sessions were delivered in a different format from previous years, with the timetable focussing on the five elements of the overarching Transformation Programme, which included People and Organisational Development, Customer Services, Co-operative Centre of Operations, Growth and Municipal Enterprise and Integrated Health and Wellbeing. Building on the success of previous years, both meetings were webcast in order to promote the Council's vision to make decision making more open and transparent.
- I.4 I would like to thank the Members of the Board for their commitment in conducting this co-operative scrutiny review. My thanks also go to Jacky Clift from the Zebra Collective who sat on the Board, as a representative of the Voluntary and Community Sector for the second year, as a co-opted representative and made an invaluable contribution. I would also like to thank the Leader, Chief Executive, Cabinet Members, Strategic and Assistant Directors and senior officers who took part in the review. My personal thanks to the Lead Officer, Ross Jago, Helen Wright (Democratic Support Officer) and the Business Support Team for webcasting the meetings.

Councillor James
Chair of the Co-operative Scrutiny Board

2. THE FORMAT OF THE CO-OPERATIVE SCRUTINY REVIEW

- 2.1 The scrutiny review took place over two days. The review was held in public and to continue the Council's commitment to open government and greater access to and involvement in the decision making process, both days were webcast.

An innovative approach was taken this year towards the structure of the meetings. The key focus of the review was around the five elements of the overarching Transformation Programme with partner engagement, where appropriate. The format of the two days reflected the programmes –

- People and Organisational Development
- Customer Services
- Corporate Centre of Operations
- Growth and Municipal Enterprise
- Integrated Health and Wellbeing

- 2.2 As part of the Board's consideration, it received a number of documents which supported the scrutiny process, which included –

- delivery of the co-operative vision within a four year sustainable balanced budget (including Equality Impact Assessments)
- consultation feedback from partners
- Fairness Commission final report
- corporate performance report quarter 2 2014/15
- Plymouth Plan
- New Devon CCG NHS Future
- workforce information
- staff survey results

- 2.3 During the two days, each session was supported by the relevant Cabinet Members, including the Leader of the Council and Deputy Leader of the Council, the Chief Executive, Assistant Chief Executive, Strategic Directors, Assistant Directors, senior council officers and representatives from the NEW Devon Clinical Commissioning Group and Plymouth Community Healthcare. This approach assisted the Board to fully scrutinise the delivery of the four year budget.

- 2.4 The sessions were split over the two day review, as follows -

- Sessions held on 12 January 2015, included -
 - ▶ People and Organisational Development Programme
 - ▶ Customer Services Programme
 - ▶ Co-operative Centre of Operations Programme
 - ▶ Growth and Municipal Enterprise Programme
- Sessions held on 14 January 2015, included -
 - ▶ Integration Commissioning

- ▶ Integrated Delivery
- ▶ New Devon CCG – NHS Futures Programme
- ▶ Children’s Social Care and Child Poverty
- ▶ Education, Learning and Families
- ▶ Overview and Challenge of the Leader and Chief Executive

3. SESSION 1: FORECAST OUTTURN 2014/15 AND PLANNED BUDGET 2015/16 TO 2017/18

3.1 The Cabinet Member for Finance (Councillor Lowry) presented the draft budget for 2015/16 to 2017/18, accompanied by the Assistant Director for Finance, Malcolm Coe.

The Cabinet Member for Finance advised that since 2010, revenue funding for local government had reduced and it was predicted that this situation would continue for future years. This would result in a change in the make-up of the core funding for the Council. The Council would need to be more focused on generating revenue locally, for example, through attracting more business to the City and building more homes. It was predicted that 89 per cent of the total funding of the Council of £178.40m in 2018/19 would need to be generated through Council Tax and business rates.

3.2 The budget year 2015/16 was the second year of the three year budget which had been approved by Full Council in February 2014. The budget set out the requirement to reduce costs by a further £27m by March 2017 (this was in addition to the £30m of net revenue spend which had already been removed from the budget).

3.3 The Council’s existing gross budget for 2014/15 was £549m, with a net revenue budget of £204.68m. Modelling of the budget anticipated that the net budget would reduce to £178.40m by 2018/19, which equated a drop in other funding of £35.1m which represented a 29.8 per cent reduction.

3.4 Following the change in the Government’s core funding policy which had resulted in funding and risks being transferred to local authorities, the Council was predicting a reduction in the Government Formula Grant over 2014/15 to 2018/19 of £43m which represented a reduction of 68.8 per cent.

3.5 Budget monitoring for November 2014, was forecasting an end of year overspend of £2.55m (against a revenue budget of £204.68m) in 2014/15. This figure had improved by £0.5m since last reported in October 2014. The key adverse variances in the budget were attributed to the overspend in adult social care and children’s services.

3.6 Measures were being put in place across the authority to bring down the current overspend. Within Adult Social Care a budget containment plan had been implemented, in order to understand the cost and volume data, relating to high cost supported living, direct payments and other care packages. The plan enabled a better understanding of the implications of decisions being taken.

3.7 Although the Council remained committed to deliver a balanced budget for 2014/15 it would be difficult to achieve. Part of the Council’s £1m contingency fund (£500,000) had been incorporated in the latest forecast figures. The Council currently had a working balance of £10.4m which at around five per cent of revenue budget was in line with other local authorities.

- 3.8 The net revenue budget for 2015/16 was for £192.071m which was currently £1.2m more than the estimated resources available. Work would continue to develop financial solutions over the coming months to address the deficit. (The resource base between 2014/15 and 2015/16 had reduced by £13.8m which equated to a reduction of 11 per cent in one year).
- 3.9 The proposed increase in the Council Tax rate for 2015/16 of 1.99 per cent equated to an increase of 36 pence per week for the majority of residents in Plymouth. Without this rise, the funding gap would increase by a further £15.5m; unfortunately, Council Tax increases were necessary to protect vital frontline services.
- 3.10 The Council continued to challenge the affordability of its four year capital forecast for the period 2014/15 to 2017/18. However there remained some volatility around future capital grant funding and income generation through capital receipts.
- 3.11 The current capital funding assumptions totalled £210m but this would increase as more investment to the City was secured. From the forecasted funding, £19m had been allocated to the Investment Fund (which was created in 2013/14) and a further £91m to the overall Capital Programme.
- 3.12 The schemes approved or currently under consideration from the Investment Fund, included -
- Langage Business Park
 - History Centre
 - City Deal
 - Ocean Studios

4. CHALLENGE OF THE FORECAST OUTTURN 2014/15 AND PLANNED BUDGET 2015/16 TO 2017/18

- 4.1 Following the presentations, the Board Members questioned the Cabinet Member and the senior officer on the information that had been provided. The key issues arising from the questioning session included –
- the implications arising from the Council's final assessment of the Local Government Finance Settlement;
 - the implications of Housing Benefit transferring to the Department of Work and Pensions as part of Universal Credit and the ability of the Council to receive overpayments in a timely manner;
- 4.2 The Local Government Finance Settlement for 2015/16 had been published on 18 December 2014 and following an initial assessment was broadly in line with the assumptions made by the Council. As the settlement had just been received, the implications were still being assessed.

- 4.3 Due to the Welfare Reform Act, local authorities who currently delivered Housing Benefit would no longer have a core role in the delivery of Universal Credit. This role would be undertaken by the Department of Work and Pensions. Although discussions were continuing with regard to the transfer of this benefit, as the Government had recognised the role of local authorities in helping people to access the services within Universal Credit.

Recommendations	To	Ref
Further information on the reduction in the Local Government Settlement and assumed impact on the Council's revenue budget is reported to the Co-operative Scrutiny Board on 18 February 2015.	Cabinet	1
Cabinet seeks reassurance from the Department for Works and Pensions that the authority will be able to claw back housing benefit overpayments, without undue delays, when the benefit transfers to universal credit.	Cabinet	2

5. SESSION 2: OVERVIEW OF THE TRANSFORMATION PROGRAMME - ENABLING PROGRAMMES

People and Organisational Development Programme

- 5.1 The Cabinet Member for Transformation and Change (Councillor Jon Taylor) provided an overview of the Transformation Programme, which included the following key issues -

- the Corporate Plan had been published in July 2013 which set out the Council's vision, objectives, outcomes and values. The ambition was to become a brilliant co-operative council and deliver its priorities for the City despite a projected £64.5m funding gap caused by Government cuts, rising costs and increasing demand for services;
- in order to close the funding gap a proactive approach had been taken by reducing spending and growing income; the implementation of the Transformation Programme aimed to radically change how services were delivered. The five programmes had been designed to achieve this by -
 - ▶ growing the economy and raising income and taking a more commercial approach;
 - ▶ joining up how health, well-being and social care was commissioned and delivered with partners by using an integrated model;
 - ▶ providing services in a new way such as shared services and co-operatives;
 - ▶ changing how customers interacted with the Council and refocussing support services;

- 5.2 The Deputy Leader of the Council (Councillor Peter Smith) informed the Board of the key issues relating to the People and Organisational Development (POD) Transformation Programme, which included -

- the modernisation of customer services provided by the Council;

- the relocation of the First Stop Shop from the Civic Centre to the City Centre provided the first point of contact for customers (the Shop provided such facilities as self-serve machines) these improvements aimed to provide better interaction with the Council's customers and a better customer experience;
- working with the Public Protection Service to provide support to enable the service to decant from the Civic Centre to Derriford Business Park;
- as part of the Integrated Health and Wellbeing programme, assessment work was being undertaken with Plymouth Community Healthcare to ensure that accommodation fit for purpose was provided;
- working with the Co-operative Children and Young People services in supporting 'business as usual' during the Integrated Health and Wellbeing Programme and the decant from the Civic Centre;
- the Family Intervention Project and Families with a Future Project were moving from the Civic Centre to The Beacon in March 2015;
- providing the new head office location for Delt at Derriford Business Park to enable the new shared service company to operate an efficient and effective service for the Council and NEW Devon Clinical Commissioning Group; the new office would also help to enable new partnerships for Delt by providing them with a modern and professional image base from which to secure new business; Delt was due to decant from the Civic Centre to their new office space in April 2015;
- the modernisation of human resources, finance, corporate support and business support to ensure the Council had a return on its salary investment (£71m per annum) and creating extra income through additional income streams.

6. CHALLENGE OF THE PEOPLE AND ORGANISATIONAL DEVELOPMENT PROGRAMME

6.1 Following the presentations, the Board Members questioned the Cabinet Members and senior officers on the information that had been provided. The key issues arising from the questioning session included –

- concerns relating to the low morale of members of staff who had over the years been subjected to restructures and more recently uncertainties relating to the Transformation Programme, which had been evidenced through the poor response to the recent Staff Survey;
- concerns relating to the inconsistent way the Council worked with the voluntary and community sector in the planning and co-designing of services;
- disappointment at the lack of staff engagement in the Staff Survey, with only 40 per cent of staff taking part;

6.2 It was recognised that one way to realise the Council's vision to become a brilliant co-operative council was to work closely with the voluntary and community sector within the City. This would enable the sector to assist in the planning of services and be in a better position to bid for contracts.

6.3 Members of staff were the Council's best investment for the future and the success of the Transformation Programme relied on the full engagement of staff. The Cabinet Member for Transformation and Change intended to adopt a workshop/surgery approach in order to engage with staff. Employees would be able to have open and direct dialogue with him which ensured that he had a better understanding of their views/issues.

6.4 Although the Staff Survey results had been disappointing they needed to be taken in context the whole scale changes that the authority was currently undergoing due to the ambitious Transformation Programme. The Board was assured that all opportunities to work with staff during this period of uncertainty were being undertaken.

Recommendations	To	Ref
The voluntary and community sector are involved in the planning stage for the development of alternative service delivery vehicles.	Cabinet	R3
All Cabinet Members hold staff surgeries, as undertaken by Councillor Jon Taylor, to discuss the transformation programme and future challenges the Council faces.	Cabinet	R4
A revised approach is considered for the staff survey to address the poor return rate; this should include a review of the staff appraisal system to ensure it can be used as a key tool in the two way communication with staff.	Cabinet	R10

7. SESSION 3: OVERVIEW OF THE TRANSFORMATION PROGRAMME

Customer Service Programme

7.1 The Deputy Leader of the Council (Councillor Peter Smith) informed the Board of the key issues relating to the Customer Services (CS) Transformation Programme, which included -

- following the adoption of the Customer Service Strategy last year, a large amount of work had been undertaken to improve service availability thus ensuring that it was in a better position to exploit potential income streams for the future;

the Council's vision for customer services was to create a joined up operation with customers being able to interact with the Council through the First Stop Shop, libraries and digital options; service reviews would commence in the bereavement service and the Coroner's Office;

- a review of the library service had already commenced and scrutiny would form an integral part of this process. The review would be looking to expand the services offered in libraries, in order to provide relevant Council and community services within their locality;
- over the next two years, all customer facing services across the Council would be reviewed, in order to align them with the Customer Service Strategy;
- additional resources had been allocated to the collection of Council Tax and Housing Benefit debts; this had enabled identification of those customers who could pay and those that were unable to pay;

as a direct result of this work, an additional £100k had been collected; further work would be carried out to contact customers to recover monies owed to the Council;

- an initial restructure of staff across revenue and benefits, housing options and customer services had allowed these services to be brought into a single operation; some savings had been realised through supervision and management savings and economies of scale; the scope of the restructure had been expanded across customer services to include libraries, the Registry Office and the contact centre;
- an important contribution to the changes made within the service, had been the training and development of staff through various training methods, including bringing in specific resources to provide guidance on best practice; for example staff employed within the First Stop Shop had received training on how to handle vulnerable people, as well as changes in working processes and new technology;
- the process had commenced to amend the terms and conditions of Customer Services staff which would better meet customer demands and improve the availability of the service; unfortunately, it had not been possible to secure a collective agreement with the trade unions, despite extensive negotiations; consultation had commenced with staff regarding dismissal and re-engagement; although this was in line with the private sector and other local authorities, it should be noted that some staff were expressing concerns however, some staff had already signed the agreement;
- an automated telephone system had been introduced which worked alongside the contact centre staff; the service handled housing option calls which previously had experienced difficulty in being answered; since the implementation of the system half of the calls were being answered; this allowed the skilled contact centre staff to handle sensitive calls and calls from vulnerable customers;
- a review of the Council's website was being undertaken to provide a new platform to access its services on small screen devices, as well as PCs.

8. CHALLENGE OF THE CUSTOMER SERVICES PROGRAMME

8.1 Following the presentations, the Board Members questioned the Cabinet Members and senior officers on the information that had been provided. The key issues arising from the questioning session included –

- concerns relating to whether the Council's processes ensured that the right people were being targeted when collecting debt;
- concerns relating to the involvement of scrutiny in the library service review;

8.2 The vulnerable person's criteria and the criteria around the level of debt ensured that the right people were being targeted when collecting debt. Profiling work had been undertaken which enabled the Council to pursue people who would not pay rather than those who could not pay.

The authority was actively engaging with those people who could not pay to help put in place suitable arrangements and signpost them to other organisations to help with their overall debt problems.

- 8.3 Monitoring processes were in place to help identify those people with literacy difficulties. However, it was acknowledged that the Debt Enforcement Strategy needed to be more explicit for those individuals who had difficulty with reading and writing.
- 8.4 An assurance was given that scrutiny would continue to form part of the library service review.

Recommendations	To	Ref
Protocols to assist those with additional needs are included within all debt enforcement and collection policies.	Cabinet	R5
In support of the recommendations from Your Plymouth Panel the results of the library review are reported to that Panel alongside the timescales for changes to the service and alignment to the community engagement framework.	Cabinet	R6

9. SESSION 4: OVERVIEW OF THE TRANSFORMATION PROGRAMME

Co-operative Centre of Operations

- 9.1 The Cabinet Member for Transformation and Change informed the Board of the key issues relating to the Co-operative Centre of Operations Programme (CCO) which included –
- the programme focused on developing the strategic layer which included three main project areas, establishing the strategic centre, integration and management and transforming Corporate Services;
 - the strategic layer would develop a change management framework; the benefits would include informed decision making, flexible and cost efficient processes for managing legislative change, measures and monitoring of change and generally ensuring that change was robust and implemented with minimal disruption;
 - commissioning and procurement of services would seek opportunities to create service models, as such co-operatives, shared services and working with the voluntary and community sector;
 - developing the intelligent client function would move away from directly delivering services, therefore staff would need have different expertise in order to manage the different service models;
 - the transformation of Corporate Services including Human Resources, Finance and Business Support would deliver financial savings and would be better placed to deliver more changes in the future;
 - the headline benefits of the overall Transformation Programme were over three years –
 - ▶ £1.5m (2015/2016)
 - ▶ £1.6m (2016/2017)
 - ▶ £1.3m (2017/2018)

- further interrogation of the figures -
 - ▶ Commissioning and procurement: £200k (2015/16), £400k (2016/17) and £700k (2017/18);
 - ▶ Delt: £600k (2015/16), £300k (2016/17) and £500k (2017/18);
 - ▶ Corporate Support: £800k (2015/16), £600k (2016/17) and £100k (2017/18).

10. SESSION 5: OVERVIEW OF THE TRANSFORMATION PROGRAMME

Growth and Municipal Enterprise

- 10.1 The Leader (Councillor Evans), Cabinet Member for Environment (Councillor Vincent) and the Cabinet Member for Transformation and Change (Councillor Jon Taylor) informed the Board of the key issues relating to the Growth and Municipal Enterprise programme (GAME) which included –
- discussions had been held with the Local Government Minister relating to the cut of 3.3 per cent (7.6 per cent in real terms) in the revenue support grant for the City (Devon County Council had received an increase of 0.5 per cent);
 - the Plan for Jobs scheme had delivered 2000 jobs which in the main were being delivered by the private sector; this target had been achieved three months ahead of schedule;
 - nearly 300 major planning applications had been received which were attracting investment into the City;
 - the creation of 1162 jobs that were directly attributed to the work of the Council, during the past 12 months (with a further 3966 jobs in the pipeline);
 - over the past 20 years the City had not been successful in growing Gross Value Added (GVA), however during the past two years this had increased above the national average;
 - 97 per cent occupancy levels of the Council's estate (new facilities were being built which had already been let);
 - the Council had attracted £10m of affordable housing schemes in the City;
 - the Council had received 236 inward investment enquiries with a further £327m in the pipeline;
 - housing start-ups had increased by 33 per cent, housing completions by 10 per cent and housing developments under construction by 27 per cent;
 - the Council had approved £405m of development through its Planning Committee;

- 11,000 people were currently on the housing waiting list; it was therefore important to increase the Council's ability to attract additional funding through Council Tax and the New Homes Bonus scheme, as this would enable Council Tax rates to be kept low; the proposed release of land together with the Plan for Homes scheme, if successful, would reduce the housing waiting list by 2900 people, (a reduction of 21 per cent);
- £90m had been delivered from the ambitious Capital Programme of £234m.

11. CHALLENGE OF THE GROWTH AND MUNICIPAL ENTERPRISE PROGRAMME

11.1 Following the presentations, the Board Members questioned the Cabinet Members and senior officers on the information that had been provided. The key issues arising from the questioning session included –

- concerns relating to whether the Local Enterprise Partnership had maximised its application for funding from the European Social Fund Community Grant; if not, was there an opportunity to increase its application prior to the March 2015 deadline and whether there were other funding opportunities for social inclusion;
- concerns relating to the lack of sustainable employment opportunities for disabled people, people with learning disabilities and those with mental health issues;

11.2 There had been a long consultation process for the Local Enterprise Partnership's bid for the European Social Fund Community Grant; however there were concerns relating to the ability of organisations to match fund this grant. Extensive work was being undertaken with the voluntary and community sector, in order to achieve sustainable developments such as the Four Greens Trust which the Council had transferred assets to in order to deliver services within the community.

11.3 The European Union and Government had created a new committee which would shape the future programmes of the European Social Fund. The approach adopted would be to match fund with monies from the Financial Conduct Authority and the Big Lottery which would maximise and increase the funding pots. There would be an opportunity to influence the focus of the programmes as these were currently being shaped.

11.4 The Council continued to work with Working Links to assist people with diverse needs and expectations to gain employment. However, the failure of the Government's Work Programme (which formed the centre of its welfare to work), the cuts in Government funding for Remploy together with the decline of funding for mental health services within the City, all had an adverse effect on the ability to provide employment opportunities.

Recommendations	To	Ref
Economic Development officers will undertake further advocacy with the Local Enterprise Partnership to gain further funding from the European Social Fund.	Cabinet	R7
Economic Development officers will undertake further advocacy with the Local Enterprise Partnership to gain further funding for those with disabilities and mental health issues to assist them in finding appropriate employment.	Cabinet	R8

12. SESSION 6: OVERVIEW OF THE TRANSFORMATION PROGRAMME

Integrated Health and Wellbeing Programme – Integrated Commissioning

12.1 The Cabinet Member for Health and Adult Social Care (Councillor Tuffin) and the Cabinet Member for Children, Young People and Public Health (Councillor McDonald) provided an overview of the Integrated Health and Wellbeing Programme (Integrated Commissioning), which included the following key issues -

- the continued cuts in Government funding together with the rise in demand, the complexity of needs, people living longer and requiring more care and support in the community, all had a significant impact on the delivery of Adult Social Care services (the service accounted for almost half of the Council's expenditure);
- the outturn forecast for 2014/15 was £73.36m against a budget of £70.384m which had resulted in an adverse variance of £2.9m;
- the service had already made significant savings of £4.9m which had been achieved through the dedicated work of Council officers;
- a step change was required to meet the significant challenges faced by the Council with the rise in demand, financial pressures, entrenched inequalities within Wards, fragmented care and the driver to deliver better care services with less public resources, these factors had resulted in the Integrated Health and Wellbeing Transformation Programme (Integrated Commissioning);
- the Integrated Commissioning Programme would enable the Council and the NEW Devon Clinical Commissioning Group (CCG) to transform the planning of public services in the City, in order to achieve better outcomes and services for Plymouth;
- key elements of the programme included the pooling of budgets of around £420m, NHS and Council commissioning staff working as one team, the establishment of a multi-agency Strategic Commissioning Board and the development of four joint commissioning strategies which included -
 - ▶ children and young people
 - ▶ wellbeing
 - ▶ community
 - ▶ bed based care
- the strategies would enable commissioners to achieve a shared view of the outcomes required for the providers of the service;
- the main focus for 2015/16 would be to deliver the following -
 - ▶ commissioning integrated health and social care provider
 - ▶ new extra care schemes
 - ▶ cost effective supported living
 - ▶ a contract to support multiple and complex needs

- an element of the Health Care Act, 2012 had been to establish a Health and Wellbeing Board which was chaired by the Cabinet Member for Children, Young People and Public Health;

12.2 The key duty of the Board was to set the strategy which included the integration of services; the role of the Chair was to hold the commissioners (NEW Devon Commissioning Group) to account to ensure that the key requirements of integration were being undertaken.

12.3 A multi-agency system had been set up which included the voluntary and community sector, other public sector organisations and the local authority; this allowed organisational boundaries to become semi permeable and lead to the pooling of budgets.

12.4 The key requirements within the Council as the safeguarding authority for children and young people were to ensure that the voice of the child, the context of family and the patient's voice were heard.

13. CHALLENGE OF THE INTEGRATED HEALTH AND WELLBEING PROGRAMME (INTEGRATED COMMISSIONING)

13.1 Following the presentations, the Board Members questioned the Cabinet Members and senior officers on the information that had been provided. The key issues arising from the questioning session included –

- concerns relating to the terms of reference for the new Plymouth and Western Locality Integrated Commissioning Board and the management of Section 75 agreement;
- concerns relating to whether Plymouth would receive a fair level of benefits arising from the Section 75 partnership agreement with the NEW Devon Clinical Commissioning Group;

13.2 Work was being undertaken on the ratification of the Commissioning Board; it was vital that both senior commissioners and leaders shared the same view of the system.

13.3 Integrated Commissioning was a radical programme and as such the Council needed to be realistic in what the programme would be able to deliver without destabilising services for adults; the estimates had been built on sound modelling and thorough processes to ensure that the savings were deliverable and robust.

Recommendations	To	Ref
Detailed terms of reference of the Plymouth and Western Locality Integrated Commissioning Board, including membership and protocols in relation to the management of the Section 75 agreement, should be provided to the Caring Plymouth Panel ahead of a decision to pool budgets being taken at Cabinet in March.	Cabinet	R12

<p>The details of the Section 75 agreement are reported to the Board before the Cabinet agrees the pooled budget in March 2015 to ensure that the NEW Devon Clinical Commissioning Group's contribution over a five year period will demonstrate how the pace of change arrangements will deliver an accurate and fair level of capitation for Plymouth which is appropriately weighted to deliver the City's unique demographic.</p>	<p>Cabinet</p>	<p>R13</p>
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14. SESSION 7: OVERVIEW OF THE TRANSFORMATION PROGRAMME

Integrated Health and Wellbeing Programme – Integrated Delivery

14.1 The Cabinet Member for Health and Adult Social Care (Councillor Tuffin) and the Cabinet Member for Transformation and Change (Councillor Jon Taylor) provided an overview of the Integrated Health and Wellbeing Programme (Integrated Delivery), which included the following key issues -

- the Integrated Delivery programme sets out to deliver an integrated health care provider that provided the right care, at the right time, in the right place;
- as a result of the collaboration between the Council and Plymouth Community Healthcare, the programme had been built around the extensive engagement of the public and staff to assist in the transformation of community services;
- the key features included -
 - ▶ an offer which placed the person at the centre and arranged support where appropriate , 24 hours a day seven days a week
 - ▶ a single contact point for all incoming work
 - ▶ integrated IT systems and a shared set of documentation
 - ▶ reconfiguration and modelling of community services to deliver wrap around care
 - ▶ joint management structures
 - ▶ multi discipline teams with an emphasis on self-management and prevention
 - ▶ reduction in bed based support
 - ▶ a shift in community assistance

14.2 The integration of social care workers, occupational therapists, community care workers and community nurses, would involve 170 Social Care Staff transferring from the Council to Plymouth Community Healthcare; a consultation process was underway with staff and the trade unions (who both supported the transfer).

14.3 The new integrated provider would offer a rapid response service, to address the needs of people at times of crisis, this would be available seven days a week, by joining teams across the City; four integrated locality hubs would be created with health and social care staff providing wrap around support for people in their local communities.

15. SESSION 8: OVERVIEW OF THE TRANSFORMATION PROGRAMME

NEW Devon Clinical Commissioning Group – NHS Future

15.1 The Head of Locality Commissioning for Planned Primary Care (Karen Kay) and the Finance Officer (Ben Chilchott) provided an overview of the NHS Future, which included the following key issues –

- towards the end of 2013/14 the NEW Devon Clinical Commissioning Group (CCG) had been identified as one of the 12 financially challenged health communities in the country and as such had received additional support from Pricewaterhousecooper (PWC) to better understand the financial challenges for the next five years;
 - the NEW Devon Clinical Commissioning Group was a large organisation which covered three big acute providers, two local authorities and two mental health and community providers covering a significant geographical area;
 - the commissioned work identified a number of financial challenges, if a do nothing approach was adopted, over the next five years; there would be a financial challenge of £430m over this strategic period including an aggregate gap of providers of £260m and £70m for specialist commissioning;
 - assumptions of the level of allocations for this strategic period had been made, as allocations had only been received for the next two years; the figures assumed a base uplift for the following years which would see significantly lower levels of growth, due to the CCG being over target by £26m (when compared to the level of resources that it should have the weighted capitation with other organisations);
 - NHS Future was a programme of work that reflected the financial challenges across the whole economic community and not just single organisations, in dealing with the health and care needs of the individuals; the work supported by PWC had brought key stakeholders together to look at further improving the collaborative approach (senior executives, clinicians and councillors had been involved in this programme of work);
 - there were a number of programmes of work being undertaken across organisations, all of which, were contributing towards a sustainable health economy; the NHS Future programme ensured sustainable resources in the future;
- whilst reflecting on the fact that there would be limited resources and challenged the organisation to deliver services and ensure that they were as efficient as possible for the patient and resident;
- there were a range of different work programmes being carried out which included the delivery of traditional measures and cost improvement measures (£80m) and managing activity, efficiencies and benchmarking (£47m); a more significant programme of work was the integration of urgent care (emergency services, minor units, GPs and Social Care out of hours (£112m); this programme would realise significantly more benefits but would take longer to deliver);

- a bigger area of work was the move towards outcome based models of commissioning, rather than payment by results (where standard tariffs were paid for specific work); this work would involve managing the risks for the providers and commissioners to enable an innovative way of contracting for services that did not incentivise carrying out the work but focussed more on the patient's needs;
- the NHS Future programme gave a commitment to working collaboratively in order to solve problems which belonged to all the partner organisations.

16. CHALLENGE OF THE INTEGRATED HEALTH AND WELLBEING PROGRAMME (NEW DEVON CLINICAL COMMISSIONING GROUP – NHS FUTURE)

16.1 Following the presentation, the Board Members questioned senior officers on the information that had been provided. The key issues arising from the questioning session included –

- support for multi-year funding settlements for NEW Devon Clinical Commissioning (CCG);
- concerns relating to the availability of the PWC report into the Devon Challenged Health Economy;

16.2 The CCG welcomed any support that the Council could provide in lobbying the Government to award multi-funding settlements, in order to better forecast budget allocations.

Recommendations	To	Ref
The City Council supports and lobbies the Government for multi-year funding settlements for NEW Devon Clinical Commissioning.	Cabinet	R14
The Caring Plymouth Panel, using statutory duties under the National Health Act 2006, requests NHS England and the Trust Development Agency to provide the Pricewaterhousecooper's report into the Devon Challenged Health Economy for consideration at the Panel.	Caring Plymouth Panel	R15

17. SESSION 9: OVERVIEW OF THE TRANSFORMATION PROGRAMME

Children Social Care, Child Poverty and Education, Learning and Families

17.1 The Cabinet Member for Children, Young People and Public Health (Councillor McDonald) and the Cabinet Member for Co-operatives, Housing and Community Safety (Councillor Penberthy) provided an overview of children's social care, child poverty and education, learning and families, which included the following key issues –

- in order to tackle child poverty in Plymouth the Council needed to ensure that resources were placed in areas that would deliver outcomes that reduced poverty levels;
- there was no dedicated budget allocated to address child poverty but it had been aligned with the Council's existing budgets;

- the quality of employment was considered to be a key driver in tackling child poverty; individuals suffered recurrent poverty as they became caught in a low pay/no pay cycle by insecure employment;
- the City Deal would attract skilled jobs into the City through the development of South Yard; there was a need to influence the Skills Plan agenda, in order that people in Plymouth were able to fill these jobs; a new Head of Skills and Employability had recently been appointed and would be working with businesses and education establishments to ensure that the right training was in place;
- since the launch of the 1000 Club, 1274 companies across the City had signed up to creating opportunities for young people; 812 jobs had been created, 885 apprenticeships, 813 work experience opportunities and 334 graduate internships which ensured that young people were fit for work and took a significant number of people off unemployment benefits; in total 2819 opportunities for young people had been created over the past year;
- the average wage in Plymouth was £471.50 per week which was lower than the national average of £518;
- the Council had committed to pay the living wage in its own pay structure which ensured that all staff were paid at least the level of the national living wage;
- a benefit maximisation project had been launched to encourage families to maximise their income; additional income of £34.50 a week had been identified for 5000 families; work had been undertaken to encourage families to take up £1.6m unclaimed benefits in Plymouth;
- the Council would continue to support the City of Plymouth Credit Union which had increased its membership to over 2,400 (a 25 per cent increase) and had supported 294 wise finance loans between April and September 2014;
- there were 51,000 children in the City (0 to 18 years) which accounted for 20 per cent of the population; two departments led the delivery of children's services; one formerly called Children's Social Care was now Children, Young People and Families and one, formerly called Education Learning and Families, was now Learning and Communities; between them they covered over 150 functions many of which were statutory;
- these services were funded in part by the Council in the sum of £45m and the Dedicated Schools Grant of £170m; whilst the revenue grant from the Council and external grants (particularly around education) had fallen, the budget relating to children's social care had been maintained due to the necessity to manage risk in this area and rising demand;
- the Transformation Programme was designed to manage the reduction in resources and address the rising demand, as well as improved outcomes -
 - ▶ Plymouth's population was set to grow increasing the strain on education, health and social services;
 - ▶ the relationship between the Council and schools was changing in line with the national picture;

- ▶ the Munro Principles were set to govern the way the Council delivered services;
 - ▶ the Children and Families Act 2014 placed a greater emphasis on protection for vulnerable children;
 - ▶ continuing alignment with the brilliant co-operative Council plan;
 - ▶ priorities of the draft Children’s and Young People’s Partnership plan;
- Integrated Health and Wellbeing included the Children’s Programme and included -
 - ▶ early help including SEND
 - ▶ traded services and alternative delivery vehicles
 - ▶ adult and community learning
 - ▶ education catering
 - ▶ CSC re-configuration
 - ▶ Ofsted improvement plan
 - ▶ IT and MIS

17.2 Sitting above the specific plans and strategies was the emerging Children and Young People’s Plan; unlike previous plans it did not include every organisation’s individual responsibilities but under four clear objectives, it harnessed the resources available across agencies and the partnership;

it had been completed and agreed in headline form and would be shaped further by an outcome framework and integrated commissioning plan; the four objectives covered a wide range of functions and outcomes to be delivered -

- ▶ raise aspirations;
- ▶ deliver prevention and early help;
- ▶ deliver an integration education, health and care offer;
- ▶ keep our children and young people safe.

18. CHALLENGE OF THE INTEGRATED HEALTH AND WELLBEING PROGRAMME (CHILDREN SOCIAL CARE, CHILD POVERTY AND EDUCATION, LEARNING AND FAMILIES)

18.1 Following the presentation, the Board Members questioned the Cabinet Members and senior officers on the information that had been provided. The key issues arising from the questioning session included –

- concerns relating to whether the children’s social care thresholds were widely communicated to partners and were easily available on the Council’s website so they could be reviewed prior to referrals being made;
- concerns relating to the prominence placed on Child Poverty within the Plymouth Plan and the Health and Wellbeing Board;
- concerns relating to young carers being made a priority within the Children and Young People’s Partnership’s work programme;
- concerns relating to the non-reporting of significant changes to the benefit profile of the transformation programme streams;

- 18.2 The Ofsted inspection had reviewed the Council's thresholds for Children's Social Care and had been satisfied that the thresholds were being applied appropriately.
- 18.3 Child poverty was included within the draft Plymouth Plan but it was recognised that it was not sufficiently highlighted; there would be an opportunity, following the conclusion of the consultation exercise, to amend the plan.
- 18.4 The identification of young carers had been highlighted by the Fairness Commission as a significant concern for all agencies; work had been undertaken with the Health Schools Quality Mark to look at whether there were any signs or indicators that would identify young carers (young carers were not easily identifiable); work had also been commissioned with Barnardos to look at ways of reaching a wider group of children and as a result of this work, an action plan had been drafted and was currently being finalised.
- 18.5 Since the presentation of the Co-operative Children and Young Person's Service project to the Caring Plymouth Panel, in November 2014, the business case had been re-scoped to include the Ofsted recommendations. An assurance was given that any such changes would be fed back to the Panel in the future.

Recommendations	To	Ref
Social Care thresholds should be widely communicated amongst partners and brought to greater prominence on the Council's website in an easy to use format so that partners and members of the public can review thresholds before making a referral;	Cabinet	R16
The issue of Child Poverty is given greater prominence within the Plymouth Plan and the Health and Wellbeing Board should consider Child Poverty as a priority issue within its work programme.	Cabinet	R17
Young carers should be considered a priority issue within the Children and Young People's Partnership work programme. The partnership should review the findings of the 2010 scrutiny review of the issues to ensure they have been implemented.	Children and Young People's Partnership	R18
Where significant changes to benefit profile of Transformation Programme work streams occur these must be reported to the relevant Scrutiny Panel Chair for consideration in the scrutiny work programme.	Cabinet	R20

19. OVERVIEW AND CHALLENGE OF THE LEADER AND THE CHIEF EXECUTIVE

- 19.1 At the end of the sessions, the Board challenged the Leader and Chief Executive over the following issues –
- the Council's structure in three years' time;
 - assurance that the work with partners would add real value to the lives of residents;
 - the integration of the voluntary and community sector;
 - future proposals for the restructure of middle management;
 - the adoption of living wage across partners and public sector organisations;

- the future of the Civic Centre;
- staff absence (work related stress)
- sustainability of the Council's ability to win grant funding;
- additional income streams.

20. SESSION 10: OVERVIEW AND CHALLENGE OF THE LEADER AND THE CHIEF EXECUTIVE

20.1 The Leader and Chief Executive responded to the emerging key issues as follows –

- Plymouth City Council's structure plan should be considered as one for public services (a family of public services); integrated commissioning and the delivery of services together with shared services and co-operatives would lead to a radically different looking organisation; services would be more receptive and responsive and ensure that the right services were provided for residents' needs;
- there was commitment across all partner organisations across the City to work together to provide quality services for the residents of Plymouth through integrated commissioning and delivery of services; there was also a recognition that any change of funding policy, in one area, could not be allowed to destabilise the system as a whole;
- the Fairness Commission had highlighted the need for public sector agencies to review the way they currently engaged with the voluntary community sector to agree an approach which would ensure benefits were shared across communities; the voluntary and community sector was an important partner in providing services for the City and it was essential to be able to grow this;

however, there were issues relating to the funding of some elements of the voluntary and community sector which received funding through statutory or public sector organisations; the challenge would be to grow the capability in this sector by enabling the right funding to be available whilst base funding was shrinking; the Cities of Service initiative would help grow the ethos of volunteering across the City;

- there were no proposals to review the Council's management structure plan; the service delivery reviews would identify the staffing requirements needed for the delivery of future services (savings had been achieved through the transfer of staff to Delt and Plymouth Community Healthcare);
- the Fairness Commission's recommendation to implement the living wage had been adopted by the Council for its employees; work had been commissioned to assess whether this recommendation had been adopted by partner organisations and other public sector agencies across the City;
- there were a number of interested parties in the future development of the Civic Centre; however, the Council needed to ensure that the right solution and deal was achieved for the benefit of the City as a whole; at the conclusion of negotiations an announcement on its future would be made;
- staff absence was constantly monitored; the annual health, safety and wellbeing report provided comprehensive information on the types of absence that occurred within the authority which would include stress related absences;

- as part of the Government's change in its core funding policy, increasingly the Council had to bid for grant funding; officers had gained valuable experience and knowledge through this process (the Council had been successful in a number of its submissions such as the City Deal); this sound knowledge base would continue to be built on to ensure the future award of grant funding;
- the commercialisation agenda formed an integral part of the Growth and Municipal Enterprise programme; there was potential to generate additional income (for example through the Garage and Fleet services); however, in order to become a more commercially focussed organisation, the Council would need to have a sound understanding of pricing structures and marketing services.

Recommendations	To	Ref
The Director for Transformation and Change, when formally in post, considers the creation of a comprehensive risk mitigation plan for the Transformation Programme for consideration by the Co-operative Scrutiny Board as part of the ongoing monitoring of the Transformation Programme.	Cabinet	R9
Figures on the proportion of sickness absence relating to stress are reported to the Co-operative Scrutiny Board as part of the Corporate Monitoring report.	Cabinet	R11
The Co-operative Scrutiny Board requests the support of Cabinet to undertake a full review of the partnerships currently at work in the City, with a view to ensure that all the partners are appropriately resourcing them.	Cabinet	R19
The Corporate Management Team builds on the success of shared service with the Health Service and continues to identify opportunities for shared services with neighbouring local authorities.	Cabinet	R21
The draft Plymouth Plan will be delegated to Panels for scrutiny within their terms of reference.	Co-operative Scrutiny Board	R22

15. RECOMMENDATIONS

	Recommendations	To
R1	Further information on the reduction in Local Government Settlement and assumed impact on the City Council revenue budget is reported to the Co-operative Scrutiny Board on 18 February 2015	Cabinet
R2	Cabinet seeks reassurance from the Department for Works and Pensions that the authority will be able to claw back housing benefit overpayments, without undue delays, when the benefit transfers to universal credit.	Cabinet
R3	The voluntary and community sector are involved in the planning stage for the development of alternative service delivery vehicles.	Cabinet
R4	All Cabinet Members hold staff surgeries, as undertaken by Councillor Jon Taylor, to discuss the transformation programme and future challenges the Council faces.	Cabinet
R5	Protocols to assist those with additional needs are included within the debt enforcement and collection policies.	Cabinet
R6	In support of recommendations from Your Plymouth Panel, the results of the library service review are reported to that Panel alongside the timescales for changes to the service and alignment to the community engagement framework.	Cabinet
R7	Economic Development officers will undertake further advocacy with the Local Enterprise Partnership to gain further funding from the European Social Fund.	Cabinet
R8	Economic Development officers will undertake further advocacy with the Local Enterprise Partnership to gain further funding for those with disabilities and mental health issues to assist them in finding appropriate employment.	Cabinet
R9	The Director for Transformation and Change, when formally in post, consider the creation of a comprehensive risk mitigation plan for the Transformation Programme for considered at the Co-operative Scrutiny Board, as part of ongoing monitoring of the Transformation Programme.	Cabinet
R10	A revised approach to be considered for the staff survey to address poor return rate. This should include a review of the staff appraisal system to ensure it can be used as a key tool in the two way communication with staff.	Cabinet
R11	Figures on the proportion of sickness absence relating to stress are reported to the Board as part of the corporate monitoring report.	Cabinet

R12	Detailed terms of reference of the Plymouth and Western Locality Integrated Commissioning Board, including membership and protocols in relation to the management of Section 75 agreement, should be provided to the Caring Plymouth Panel ahead of a decision to pool budgets being taken at Cabinet in March.	Cabinet
R13	The details of the Section 75 agreement are reported to the Board before the Cabinet agrees the pooled budget in March 2015, to ensure that the new NEW Devon Clinical Commissioning Group's contribution over a five year period will demonstrate how the pace of change arrangements will deliver an accurate and fair level of capitation for Plymouth which is appropriately weighted to deliver for the City's unique demographic.	Cabinet
R14	The City Council supports and lobbies Government for multi-year funding settlements for Clinical Commissioning Groups.	Cabinet
R15	The Caring Plymouth Panel using statutory duties under the National Health Act 2006, requests NHS England and the Trust Development Agency to provide the Pricewaterhousecooper report into the Devon Challenged Health Economy for consideration at the Panel.	Caring Plymouth Panel
R16	Social Care thresholds should be widely communicated amongst partners and brought to greater prominence on the Council's website in an easy to use format so that partners and members of the public can review thresholds before making a referral.	Cabinet
R17	The issue of Child Poverty is given greater prominence within the Plymouth Plan and the Health and Wellbeing Board should consider Child Poverty as a priority issue within its work programme.	Cabinet
R18	Young Carers should be considered a priority issues within the Children and Young People's work programme. The partnership should review the findings of the 2010 scrutiny review of the issue to ensure they have been implemented.	Children and Young People's Partnership
R19	The Co-operative Scrutiny Board requests the support of Cabinet to undertaken a full review of the partnerships currently at work in the City with a view to ensure that the all partners are appropriately resourcing them.	Cabinet
R20	Where significant changes to benefit profile of transformation programme work streams occur these must be reported to the relevant Panel Chair for consideration in the scrutiny work programme.	Cabinet
R21	The Corporate Management Team builds on the success of shared service with the Health Service and continue to identify opportunities for shared services with neighbouring local authorities.	Cabinet
R22	The draft Plymouth Plan will be delegated to Panels for scrutiny within their terms of reference.	Co-operative Scrutiny Board

Appendix I – Thank You

Partners

- NEW Devon Clinical Commissioning Group
- Plymouth Community Healthcare

Plymouth City Council

- The Council Leader
- Chief Executive
- Deputy Leader
- Cabinet Member for Finance
- Cabinet Member for Children, Young People and Public Health
- Cabinet Member for Environment
- Cabinet Member for Transport
- Cabinet Member Health and Adult Social Care
- Cabinet Member for Co-operatives, Housing and Community Development

- Strategic Director for People
- Strategic Director for Place
- Assistant Chief Executive
- Assistant Director for Finance
- Assistant Director for Economic Development
- Assistant Director for Strategic Planning and Infrastructure
- Interim Assistant Director for Street Services
- Assistant Director for Learning and Communities
- Assistant Director for Children, Young People and Families
- Assistant Director for Customer Services
- Head of Co-operative Commissioning
- Head of Health, Safety and Wellbeing
- Transformation Programme Managers
- Lead Accountants

Support for the Co-operative Scrutiny Board

- Ross Jago, Performance and Research Officer
- Helen Wright, Democratic Support Officer