

CALDERDALE MBC

WARDS AFFECTED: All

CABINET

13 FEBRUARY 2012

REVENUE BUDGET 2012/13 TO 2014/15 – CABINET PROPOSALS FOR CONSULTATION SCRUTINY PANEL RECOMMENDATIONS

REPORT OF THE HEAD OF DEMOCRATIC AND PARTNERSHIP SERVICES

1. ISSUE

1.1 The Leader presented the draft Cabinet budget proposals for the 2012/13 to 2014/15 General Fund Revenue Budget to Cabinet when it met on 16 January 2012 and Cabinet resolved:

(a) the draft General Fund Revenue Budget proposals now circulated be released for consultation; and

(b) the responses to the consultation be submitted to Cabinet at a meeting to be held on Monday, 13th February 2012, to enable Cabinet to make recommendations to Budget Council on 27th February 2012.

1.2 Each Scrutiny Panel has arranged to discuss the Cabinet budget proposals and this report includes an account of those discussions

2. RECOMMENDATION

That Cabinet take the recommendations of Scrutiny Panels into account when it considers a final set of budget proposals to present to Council.

3. BACKGROUND

3.1 Scrutiny Panels have met to discuss Cabinet budget proposals on the following dates:

Adults Health and Social Care Scrutiny Panel	1 February 2012
Use of Resources Scrutiny Panel	2 February 2012
Children and Young People Scrutiny Panel	7 February 2012
Environment and Economy Scrutiny Panel	8 February 2012
Safer and Stronger Communities Scrutiny Panel	9 February 2012

3.2 Cabinet Members have been invited to all budget discussions at Scrutiny Panels.

3.3 The following advice was given to Scrutiny Panels to assist them in their deliberations:

- Scrutiny Panels may wish to consider the budget proposals within the context of issues they have examined during the year, previous recommendations they may have made to Cabinet or Council, and emerging issues and new challenges.
- Issues may also have arisen in budget monitoring reports considered by Scrutiny Panels during the year.
- This is not the only opportunity that Members will have to comment on budget proposals. As well as discussions within political groups, the budget will be decided by full Council on 27 February 2012. Discussions at Scrutiny Panels can focus on those areas that are of particular concerns to the Panel. There are other opportunities in the budget process for members to pursue ward issues or political aspirations.
- Scrutiny Panel meetings are held in public, so they are an opportunity for the public to contribute to budget discussions.

The Improvement and Development Agency (IDeA) sets out the following scrutiny checklist in their *local leadership academy – scrutiny of finance member workbook*

- *Do the proposed spending plans fit with the council's overall aims, objectives and priorities?*
- *Is it clear how outcomes/outputs will be measured?*
- *What opportunities are there to generate income for the council (e.g. from fees, charges etc)?*
- *Have targets been established? Are these targets acceptable and how will they be monitored by members?*
- *Has the budget been reviewed thoroughly by members or "rolled over" from the previous year, i.e. more or less the same commitments with some allowance for inflation of costs?*
- *How well does the budget link with expected service demand?*

The Centre for Public Scrutiny suggests a similar checklist:

- *Is the budget-making process linked to the overall Medium Term Financial Strategy, or is it an annual process of trimming money to meet the required council tax level?*
- *How have individual budgets been constructed? Have they been "rolled over" with little review of why and how the money is spent?*
- *How well does the budget link with the expected demand for the service in the next financial year?*
- *Do not demand unnecessary detail. A 3cm pile of detailed budget analysis rarely assists the scrutiny process.*

When they discuss the Cabinet budget proposals, Scrutiny Panels may choose to:

- Question the Cabinet member and senior officers about the detailed implications of budget proposals
- Assure themselves that there has not been “double counting” of budget proposals
- Undertake an “impact assessment” of budget proposals
- Provide a commentary on the budget proposals, rather than a position for or against particular proposals.
- Ensure that the views of key stakeholders have been considered, for example, a Scrutiny Panel may wish to consider the views of the police, if a proposal has potential community safety implications.

4. SCRUTINY PANEL COMMENTS

4.1 Adults Health and Social Care Scrutiny Panel

Adults Health and Social Care Scrutiny Panel discussed the Cabinet budget proposals on 1 February 2012.

Councillor Metcalfe attended the Adults Health and Social Care Scrutiny Panel to present the Cabinet budget proposals that relate to the Panel’s remit. Councillor Metcalfe was accompanied by Bev Maybury, Director, Adults, Health and Social Care, and Phil Shire, Head of Wellbeing and Social Care.

Councillor Metcalfe made some introductory remarks. He was very pleased to be invited to attend this meeting of the Scrutiny Panel and thanked the Chair for sending him a list of questions in advance. All Councils are facing rising demand pressures and there were unprecedented levels of cuts from last year’s budget decisions. We now have to find additional savings. Cabinet has tried to protect front-line services in Adults Health and Social Care and Children and Young People Services – the public have told us they want these services protecting. Savings in Adults Health and Social Care amount to 0.9%, whereas the savings in Economy and Environment are 5.5%. However the Adults Health and Social Care budget is the largest at £73m gross and £57m net, so this is still a significant sum that has to be found.

We have had to take some very difficult decisions. We have had to look at the better use of buildings. We have had to propose the transfer from in-house services to external providers.

Members need to remember that these savings are on top of savings decisions decided in previous years.

We have been able to find additional funding for the key area of learning disabilities.

The Director of Adults Health and Social Care, Bev Maybury, said that the budget savings were proposed in the context of increased demand. We are trying to find solutions that do not take service away from people. We need to offer our services differently, through different use of buildings and through changing the contractor. There

will be an impact on a lot of our staff. This is how we can maintain levels of service when there is increased demand.

Adults Health and Social Care Scrutiny Panel_made the following comments :

Q: How has the Joint Strategic Needs Assessment influenced the budget proposals?

A: The “refresh” has only just been completed on the Joint Strategic Needs Assessment, which will then influence the Wellbeing Strategy. One of the main areas is protecting vulnerable people. The Shadow Health and Wellbeing Board is currently considering the implications of the JSNA. Older people have been identified as one of the key priorities for the Wellbeing Strategy. The Wellbeing Strategy will increasingly be one yardstick to monitor what we do.

Demographic Growth

Q: Is this for new services or for “more of the same”?

A: We need to meet increased demand (ie, more of the same), but unless we change the way we deliver services we will not be able to meet increased demand. Need in this area will grow and grow and we need to find ways of doing things differently.

Decommission Intermediate Care Facility (Heathy House)

Q: What are the “other costs”?

A: The “other costs” of £620K are to fund service in the independent sector to replace the beds that will be decommissioned. There are non-staffing costs of £120K. There could be significant redundancy costs, which will fall in 2012/13.

Q: How many redundancies will there be?

A: There could be up to 43 redundancies. The main alternative would be redeployment. There are currently 11 vacancies in the reablement service and staff at Heathy House would probably be able to apply for these posts.

Q: How do we monitor the quality of those services that we commission?

A: Some services will be jointly commissioned with the PCT. Monitoring is done through regulation, via the Care Quality Commission, through our own contacting and compliance functions and at a more personal, “softer” level through reviews and the complaints system. It would be very unwise to just rely on one technique for monitoring. We need to get better at how we monitor contracts, we need to listen to the people who use our services.

Q: Are we driven by cost? Do the organisations we use pay their staff at the minimum wage?

A: We don't tell organisations what to pay their staff. The market will determine what people are paid. There is not a correlation between pay levels and quality of care. All our

proposals are about improving the service. We are mindful about cost and we need to be fair and equitable. The Heathy House building is not fit for purpose. The staff are marvellous, but the building is awful.

Q: How long has the reablement service had eleven vacancies?

A: The vacancies have built up over a period of time. It did not make sense to fill them permanently when there were likely to be redundancies arising from the budget process. It has been difficult to find people to take the posts on a temporary basis. These vacancies will provide very good redeployment opportunities.

Savings from the introduction of a Resource Allocation System

Q: How will the Resource Allocation System work?

A: The level of services accessed by people after an assessment has been variable. Sometimes it has been influenced by what we have available, sometimes by some staff advocating more effectively on behalf of service users, sometimes by people who “shout the loudest”. The Resource Allocation System looks at assessed need and the subsequent resources in a more “scientific” way, so less resource will go those with lower level needs. A contingency sum has been built in to cover financial risk. Some services will require a subsidy and in-house services feature amongst those services. Some of the services that will be transferred to private sector providers as part of other budget proposals are higher cost services that may have needed to access this subsidy if they are not transferred. Some of the 25% contingency will not be needed. When Cabinet considered the Review Allocation System, they asked that the contingency be reviewed after six months, so that, when we have had some experience of how the system is working, we will have a better idea of the level of contingency needed.

There is a budget saving of £1m, which is 5%. This is a large amount of money, but it will be spread over a large number of people. The reductions in the in-house service will not have a large impact.

Q: Does this mean that public sector services will attract a subsidy that is unavailable to private sector?

A: No. The subsidy will be used for some services in the private sector that are more expensive, like some respite care services. If they are not subsidised people will be unable to buy them which will put the viability of services at risk. Subsidy is an interim measure as part of a transitional process. Our aim is not to have subsidies, but we need to keep the market stable. Our responsibility is to ensure that people have their needs assessed and there is a sufficiency of supply.

Comment: We need to have an equal subsidy, not false prices.

Comment: Fixed costs are higher for Council services. We have got some fixed costs that price us out of certain markets.

A: One theme is that we need to maintain the level of services while reducing their costs. In some instances the cost of the in-house service is twice that of the independent sector.

We met with service users last week and included the contracts staff in those discussions. We have put checks and balances in place. We are putting a huge amount of effort into ensuring that this is done well.

New ways of delivering the in-house home care maintenance service

Q: Is the transfer of the home care maintenance service about the transfer of a whole service? Does this leave people with no choice to select a public sector service?

A: The service will be provided by private or “not-for-profit” organisations. Alternatively, if you have a personal budget, you can employ someone yourself.

Q: Could we regulate through using our service users to spot check, or mystery shop for us?

A: We will look into the suggestions about mystery shopping and spot-checks. Whoever provides the service, we have a duty of care and we undertake an annual re-assessment.

We do a home care annual satisfaction survey. We are currently rolling out electronic monitoring so that we know that people are getting the visits they need. This system will alert the provider to problems and will also provide the commissioner with information. Home care is one of the more difficult services to monitor.

Q: Who pays for the monitoring?

A: We pay up-front for the monitoring, but ultimately home care providers will contribute. The cost of the electronic monitoring service is £100K, but it will make sure that we are not paying for service that isn't delivered.

Comment: There is a concern about a complete move to private sector provision and the consequent reduction in choice. The fixed costs arise from providing a good service. There is a concern about moving from a mixed market to a totally private one.

A: This proposal relates to the long term home care service. The reablement service is delivered jointly with the NHS and will remain an in-house service. We are trying to make the choices that keep enough people having the services. We are forced with making these choices. Currently, only 6% of the home care maintenance service is provided in-house. There are no easy options, these are tough decisions.

Our service is very expensive, mainly due to the terms and conditions of staff. We are confident that we can make these savings. We will use existing providers. It is a big saving, but deliverable.

Comment: The risk assessment raises the issue that the quality of service will not be good enough, which could lead to safeguarding concerns.

A: That is a worst case scenario. Current contracts are in place for three years. There have been some issues with some providers. Issues can sometimes arise because of one or two staff, or management. These may be serious situations, but it does not mean

the whole service is poor. There are good levels of satisfaction. Some providers are providing consistently high levels of care.

Q: How is the user satisfaction survey undertaken?

A: It is a postal survey. There is a high take up of around 50/60%. We link together information from a range of sources, including complaints to assess quality. It would be valuable to have a separate scrutiny session on quality, including looking at mystery shopping.

Q: Could we use current staff to develop a social enterprise?

A: Some staff have excellent skills and could make an excellent pool of assistants. We have had an initial discussion. If this could happen, it would increase choice.

Comment: The loss of the in-house service could affect our ability to assess the quality of other services.

Review of the in-house learning disability and older people's day services

Q: How will the independent sector operate at lower costs if the staff are transferred under TUPE?

A: There will be a competitive tender for this service. Price will be one determinant in the bidding process. The independent sector will deliver savings by streamlining business processes. As there is turnover of staff, these are likely to be employed on the organisations terms and conditions of service. Council staff transferred will not lose their terms and conditions of service. Bidders will consider the lifetime costs of the contract. It will not be possible to know if we can deliver the whole of this saving until we have undertaken the tendering process.

Comment: Once staff are transferred under TUPE, they will be re-employed under different terms. Why can't we look at the way we deliver services and the costs?

A: Organisations that did that would put themselves at risk of legal challenge. We do not believe TUPE is a risk for staff.

We understand what is being said about TUPE. The Supported Living service has recently been retendered. It was a difficult tendering exercise but went well. We are reducing budgets by less than 1% over three years, but within the context of increasing demand.

Review of the in-house learning disability and older people's day services

Q: Are you confident that you can offer two different services at Higgins Close without disrupting either group of service users?

A: The proposal is to integrate management and to use the buildings better. Service users will not be integrated. There are opportunities for efficiencies in management costs, administration, shared transport. Chatham Street is a good building, but underused.

Higgins Close is underused. The proposal is that people who have lower level needs will be provided with service by the independent sector. The Council will focus on those with higher level needs. These proposals will result in a loss of jobs. This proposal will result in a TUPE transfer.

Officers will respond to a question about the Weekend Care Team.

Disability Advice Services

Comment: There are no proposals about disability advice services in the budget proposals. There are decisions that were taken as a result of last year's budget. Comments will be passed on to Safer and Stronger Communities Scrutiny Panel before its meeting next week.

Q: DART has a good reputation. There are risks for DART as an organisation. Do you feel that there are any implications for disabled people?

A: We did ensure that tender specifications encouraged a consortium bid, but this did not happen. Officers are currently arranging a meeting with DART to discuss these issues.

Review of Local Council Tax Benefit Scheme

Comment: There are significant implications from the changes to Council Tax Benefit. We are trying to protect people from the impact of the government decision as far as possible.

Transformation of neighbourhood services

Comment: This is at an early stage of development. There will be a full service review in 2012/13.

4.2 Use of Resources Scrutiny Panel

Use of Resources Scrutiny Panel discussed the Cabinet budget proposals when it met on 2 February 2012. Below is a note of the discussions. Councillor Tim Swift and Councillor Beacroft-Mitchell attended. Councillor Battye sent her apologies.

Councillor Tim Swift made some introductory remarks. The overall position is that there are no additional savings for 2012/13 other than those to balance the extra money that is being put into priority services. The budget cuts will rise in 2013/14 and 2014/5. Where savings can be made earlier, that will happen. When staff are aware that there are to be reductions in their service in future years, they may start to look for alternative opportunities earlier, which then creates some flexibility.

There are some substantial changes to benefits that will be introduced in 2013/14. It is a time to be prudent with balances and to create a cushion for future years.

The savings proposed are additional savings for 2012/13 and 2013/14 on top of those agreed in previous years. Not all of the previous year's savings have been completely

achieved; the Review of Administration, Asset Management, and shared services are still ongoing.

Councillor Beacroft-Mitchell added that the Chief Executive's Office has been at the forefront of finding savings in previous years. A lot of work within Business Change and Performance Management is coming to fruition. There may be scope for scaling back in Business Change and Performance Management in 2014/5.

Local Council Tax Benefit Scheme

Q: What impact will the review of Local Council Tax Benefit Scheme have?

A: In April 2013 responsibility for the administration of the Council Tax Benefit scheme will transfer from central government to local government. The Government will reduce the resource that transfers by £1.6m (10%). We will be responsible for establishing our own scheme. We do not plan to implement the whole reduction. In 2013/14 we will make no reduction in the scheme. In 2014/15 we will only reduce by £500K. One reason for this is prudence. The other is that we do not wish to impose the full saving on people who receive the benefit. The Government will require us to protect the benefit paid to older people. As nearly 50% of the people who receive the benefit are older, that would mean reducing Council Tax benefits for younger people and families by 20%, if we imposed the full Government reduction.

Until we have worked up a full scheme, we will not try to implement the full £1.6m reduction, until we understand the implications. We are in discussions with the other West Yorkshire Councils to see what level of consistency there should be between our schemes.

Review of Finance Service Staffing

Q: Which levels of service will be reduced? Why can the review not be undertaken in 2012/13 and implemented fully in 2013/14, rather than spread over two years?

A: Following centralisation of finance we have been looking at the way we work by reducing recharging between Directorates, reducing the number of bills we pay etc. This has enabled us to work with reduced numbers of staff. The service has savings to make this year from previous budget decisions, which is why this saving will be phased in. The timing of the saving has also been influenced by when some staff have indicated they wish to retire.

Reduction in costs and additional income from Business Change and Performance Management

Q: How can the proposal not affect service delivery issues if four posts are deleted? Why will vacant posts not be deleted before 2014/15? Could some of this saving be realised earlier?

A: Significant savings have been realised from centralisation, which has enabled the service to reduce the number of staff. The Administration Review will achieve £1m savings. As a result of this and other initiatives, forty posts have been lost since 2009.

There will be no reduction in service. It is too early to look for further reductions. If more savings are identified, they will be implemented earlier. Savings have been identified through flatter management, leaner working and transformation.

Comment: Cllr Beacroft-Mitchell said that Business Change and Performance Management has been a trail-blazer in the Council in assisting the whole Council to bring about savings, helping deliver savings outside the scope of its own department.

Centralisation of workforce development and income generation

Q: The current centralisation of workforce development has been achieved without any staff losses. Will none of the “efficiencies and streamlining” identified result in any job losses? Is any of the increased income dependent on introducing internal charges?

A: This saving arises from additional income on top of that already identified. It is an “educated guess” on income, in particular from academy schools, and through offering additional service to charities etc. It does not rely on internal recharging.

Reduction in Members IT budget

Q: How will £10000 be reduced without affecting the service provided?

A: The budget affected is that for the purchase of hardware and software, not for support. This proposal will not have a negative impact on members. It reflects the reduction in price of hardware and software. We have also enabled members to use their own equipment for Council business, which has also meant a saving in this area.

4.3 Children and Young People Scrutiny Panel

Children and Young People Scrutiny Panel made the following comments when it discussed the Cabinet budget proposals on 7 February 2012.

Councillors MK Swift and A Evans attended the Children and Young People Scrutiny Panel to present the Cabinet budget proposals that relate to the Panel’s remit. Councillors MK Swift and A Evans were accompanied by Stuart Smith, Anne Scarborough, David Whalley and Fiona Fitzpatrick.

Councillor MK Swift made some introductory remarks. She was very pleased to be invited to attend this meeting of the Scrutiny Panel and said she and Councillor Evans would consider all feedback from the Panel on Cabinet Budget proposals for consultation. Councillors MK Swift and A Evans had also been provided with some advance questions prior to the Panel meeting which were considered and discussed in more detail at the meeting.

Councillor MK Swift reminded Members that the Council planned and produced three year budget proposals (Revenue Budget 2012/13 to 2014/15) and briefly commented on the major pressures impacting on the budget in relation the governance of the Education Act and to Children’s Social Care and that as a Council, some very difficult budgetary decisions had to be made.

Members need to remember that these savings are on top of savings decisions decided in previous years.

Stuart Smith, Director of Children's Services, together with the Portfolio Holders responded to Members' questions and comments as follows:-

Care Costs – Looked After Children (Growth)

Q: Re: care costs and how can we be confident the current level of Looked After Children (LAC) is at its peak?

A: It was explained that the LAC budget was a demand led budget and that the Care costs for Looked after Children related to the cost of foster care (both Calderdale provided and externally provided), special guardianship, Calderdale Children's homes and externally provided children's homes. These various approaches to care cost between £31 per night rising to £358. It was anticipated that better care planning and early intervention work would reduce the demand for LAC places and that the recently re-launched fostering campaign would be successful.

Q: Given the national difficulties in recruiting foster carers how much difference do you think the fostering campaign will make?

A: Reference was made to the recent launch events held in Brighouse, Todmorden and Halifax and that the events had generated a positive number of initial enquiries about fostering. It is still early days in the recruitment campaign and a more detailed picture of the success or otherwise of this fostering campaign will become more clearer later in the year.

Q: Is there any element of "invest to save" in this proposal, or is it only covering increased costs which have arisen through the increases in the number of Looked After Children?

A: Stuart Smith responded on the budgetary monitoring/planning processes operated by the Council re LAC. Stuart referred to the significant differential in care costs to the various approaches that were used by the Council to provide Care for Looked After Children and that the Directorate's senior management team undertook regular and robust budget monitoring. In terms of future budgetary planning, the Chair suggested that consideration should be given to including budgetary figures with a bandwidth / range rather than a direct figure. The benefits of this approach would be numerous, it would give scrutiny an enhanced ability to monitor expenditure, prevent inappropriate responses to budget pressures and allow focus on strategy. Stuart explained that in putting forward the proposed budgetary amounts for growth in care costs, significant research had been undertaken of socio-economic data on care Costs throughout the country and this had proved to be a generally reliable guide for budget planning purposes.

Savings

Q: Questions re the Early Intervention Strategy and impact of re-profiling/reviewing Early Intervention grant.

A: Regarding thresholds and the Early Intervention Strategy to reduce demand for LAC places and how this was to be achieved, particularly in view of the re-profiling of the Early Intervention Grant (EIG): Reference was made to the background as to how the Early Intervention Grant has come about – it was explained that the EIG was a combination of 30-40 predecessor grants now all under the “umbrella” of the description “Early Intervention Grant”. The EIG funded projects, as detailed in the report have had to re-commission to make a saving. Reference was also made to the current funding for Children’s Centres and Careers Information and Advice (former connexions grant) being EIG funded. In respect of the figures quoted in the report for the EIG (former Children’s funds contract) for Action for Children (£36,780) and Halifax Excellence Cluster (£5,890) – both projects ended 31st December, 2011 – it was confirmed there had been no “double counting” of these savings figures.

Q: Questions re re-profile of daycare children’s centres / private provision

A member of the public raised concerns about the options proposed for the Council run Children’s Centre day care provision and spoke against any proposals for the removal of the subsidised provision. In particular the significantly increased childcare costs that would be faced by those parents on low incomes, but only just above the top 30% most disadvantaged communities (her example cited the nearest alternate provision costing £11 a day more)

A: The Council had a duty to provide sufficient nursery provision (but not too much) and that a key instrument to support this was the 2012 Childcare Sufficiency Analysis to identify criteria. The Council currently gives a daycare subsidy per child which ranges from £1,449 to £4,404, this subsidy is not offered to any other providers. There is no intention to close the Children’s Centre themselves. In terms of savings proposed, £100,000 of the proposed savings will be held back to create a ringfenced fund to support the most vulnerable families, particularly those at risk of statutory proceedings.

Comment: The Panel felt that communications and clarity on this proposal with affected parties needed to be clearer about what was being proposed and why.

Q: Questions re re-modelling of school improvement delivery in Calderdale – concerns that the proposal for the retention of only one School Improvement Service Manager and an administration officer may not be sufficient resource to meet statutory requirements. Concern of impact on both the Local Authority and schools. Serious concerns were raised that the proposal could not be met by the one Officer model.

A: Reference made to discussions that have been held with Schools Forum on this matter. The Head of Learning and Director of Children and Young People’s Services assured the Panel that all statutory duties will continue to be carried out should this proposed saving be approved by Council. Consultation on this proposal was on-going, including listening to school leaders/governing bodies’ views and those of the Trades Unions.

Q: At what point does the Council lose its “critical mass” in respect of this proposal?

A: As an Authority, we need to reduce our services in line with the needs to supply – such as support to schools, central government directives – this service (School Improvement delivery doesn't need the same amount of officer as previously. We now have to work in a different way although our focus continues to remain on continually improving outcomes for all Calderdale's children.

Q: Re: Changes to Learning Services – what is happening to Governor support and training?

A: The Head of Learning Services mentioned that the Directorate had just updated the Governor service brochure – Traded Services details are in this brochure.

Careers Information Advice and Guidance (former Connexions grant)

Q. Re Impact of changes?

A. Reported by the Head of Learning Services that at the last Schools Forum meeting – schools will purchase the Careers Information Advice and Guidance Service from the current Independent provider.

4.4 Economy and Environment Scrutiny Panel

Economy and Environment Scrutiny Panel discussed the Cabinet budget proposals when it met on 8 February 2012. Below is a note of the discussions. Councillor Collins attended the meeting, along with Dave Tee and Mark Thompson

Councillor Collins made some introductory remarks. No Cabinet has ever faced the situation that this administration has to face as a consequence of the Government's austerity programme. During 2010/11 there were major in-year cuts both in capital and revenue budgets that had to be dealt with. We have managed to bring the budget in effectively.

There were major reductions in last year's budget and it is an achievement to be bringing the budget in on line in Economy and Environment Directorate. The scale of the budget cuts has been so large it is almost impossible to work out the scale of the savings.

Some of the savings will not be introduced until 2013/4. This is a deliberate decision to let the effects of some of the difficult decisions taken last year to bed in. Some pressures could not be foreseen and we need a bit of headroom to make sure all directorates can cope. Consequently there are few savings in any Directorate in 2012/3. However, there are major changes in service pattern and delivery in the following two years. We need to play the hand the Government has dealt us.

Comment: We have unprecedented savings because of the debt left by the Labour Government.

Comment: Every part of the country is affected by this. It doesn't all lie on the back of the Government.

Comment: There are savings in 2013/14 and 2014/15. We are not going to be able to lay off decisions in future years. These decisions are going to have to be made straight away. These decisions are in Adults Health and Social Care, but we need to look at highways, emergency services, footways and highway maintenance. We could have to pay out millions in compensation if we don't maintain roads and pavements.

Dave Tee has been praised for the gritting and salting service and now is having to take a cut. We have the finest forward thinking engineers keeping our roads clear.

Savings have to be found and cuts made. Mr Pickles has said we need to look at corporate savings, such as football stadiums. We can't increase the Council Tax at a time when we have 5% inflation. We have got to provide the services that people expect, which includes free and clear highways in bad weather and proper footpaths. Potholes are always a problem after snow and we are taking the budget away. We need to maintain core services.

Comment: The budget for the Council is like a budget for a small business. We have to make it viable.

Development Management/ Building Control fee incomes

Q: The Income shortfall is estimated at £575k in 2012/13, reducing to £475k in 2013/14 & £375k in 2014/15. What strategy is in place to ensure this reduction in shortfall happens, other than relying on improvement to the economy?

Comment: I can't see how income will rise over the next three years.

A: There are estimated income shortfalls over the next three years. The number of planning applications has fallen dramatically and so income falls. Development Management has taken major savings over the last four years. Despite this we are now meeting all our targets for the time taken to process applications and the backlog on applications has been completely cleared. There are potential difficulties over the next two or three years. Both this Government and the previous Government have not taken a decision on whether we can charge for new aspects of the planning process. If they do decide that we can apply such charges, then our income will increase. Unless we can make management savings, we will have to find any shortfall from elsewhere.

Highways Emergency Service

Q: The report states that in 09/10 risk was managed in a different way to conserve stocks and that similar management of risk in future years would generate savings, but those savings don't start until 2013/14. Why can't savings be made in 2012/13?

A: We currently have £40/50K left in the budget and a contingency of £600k.

Q: Has the saving been achieved by shutting the depot at Walsden which was a retrograde step?

A: This saving proposal does not relate to that issue. We haven't closed the depot. We can operate from that depot if winter weather means that we need to. There is a salt store there.

Q: Has this actually resulted in a saving as longer distances need to be driven?

A: Routes have been reviewed so that there are no extra costs.

Q: has there been any progress on covering salt bins, so salt is not washed away?

A: The salt store at lane end is now covered with a plastic sheet. The other two salt stores are open. There are proposals to rationalise the depots through the AM/FM review, so there has been no progress on that issue.

There could be a reduction in salt usage if our salt is dry and stored inside. Last winter we reduced the spread rate from 20g to 15g on national advice and found that the reduction made no difference, so we have continued to spread at 15g.

We have had two horrendous winters to deal with. It is difficult to predict how we could end up this winter, so we have been extremely cautious. We have not used as much salt as we might have, so we are using that situation to avoid damaging reductions elsewhere

Highway & Footway Maintenance

Q: Reduction of £250k in 2014/15. The report states deterioration of footways could make it more difficult for older or disabled people to move around safely. Will this reduction in spend a) be discriminatory, and b) make us more open to claims?

A: Yes, there is a real risk that we will have to pay more in claims. This is not a discriminatory proposal. This is a saving we would not want to make. If there is a way of avoiding doing this, we will find a way.

Economy and Environment Directorate have taken the largest proportion of savings. This is a deliberate and calculated decision by Cabinet. As a result of public consultation we have prioritised adults at risk and vulnerable children. The reduction in Economy and Environment is above 5%, whereas the reduction in AHSC is less than 1% and in CYP just over 1%. We cannot do this without it hitting harder elsewhere. If we can avoid the Highway and Footway maintenance cut we will do.

Comment: The Council is vigorously contesting compensation claims relating to highways and should be applauded for that approach.

Q: Are we reviewing responsibility for people with vegetation overgrowing onto the pavement? Surely private citizens should bear some responsibility for the costs of this? Scrutiny should have a future discussion about this.

Comment: I agree with encouraging personal responsibility by charging for our services.

A: We do recharge residents if we incur costs when one of their trees falls, so long as we can identify who is the owner. We do recharge a number of costs to residents when we can identify who is responsible.

Highway Structures Maintenance

Q: No staff reductions in the report tables, but the report states that the “proposal highlights the possibility of staff redundancies in 2014/15”. Where does it do this?

A: We are currently reviewing how we provide this service, so there is a possibility that there may be some staff reductions, but we are not sure yet. We will look at a number of issues, including collaborative arrangements across West Yorkshire. We currently have one member of staff running the Mouchel contract.

Street Lighting Maintenance

Q: The report states that there is evidence that suggests that reduction in street lighting can increase crime. What is the evidence? What sort of increase in crime could be anticipated? Is £85k saving a false economy if increase in crime is significant?

A: The Equality Impact Assessment should refer to “the fear of crime” and not crime levels.

Comment: If there is to be a 115% reduction in street lighting it needs to be discretionary. There are some areas where a reduction in street lighting would not be a problem but there are some areas where we need to retain current levels of street lighting. We need to be clear where we are making these changes.

A: We are looking at energy consumption. Other local authorities are looking at dimming, turning lights off at a specific time of night etc. We are running three trials with low voltage lamps which are going quite well. We do need to involve local communities and we should perhaps consider doing a mini-review in consultation with communities. We should be able to make this saving through a variety of mechanisms. The directorate is trying to be as efficient as possible while taking care for communities, but we may need to consider some invest to save initiatives.

Comment: The new light systems are more than adequate with reduced numbers of lamps and reduced power.

Review of Transport Services

Q: Where is the additional income coming from? Is it internal recharges?
Why can't additional income come in before April 2013?
In what way might disabled people be affected?

A: The Directorate has reviewed transport services, which is long overdue. There may be some savings from internal recharges. Our contracts are not cost-effective and have not been reviewed for many years. Vehicles are left idle during the day and maintenance has not been effective. We are looking very seriously at this now.

The first indication is that the budget savings are achievable, but we will not be able to achieve them early. This is a major piece of work and it all needs looking at carefully. There will be a report sometime in 2012/13. It is not possible yet to say how disabled people might be affected.

Reduce the budget for the removal of small quantities of fly-tipped waste and the provision of community skips

Q: The report states "In practice it is being found that the original objectives of this work can be achieved with a budget of around £40k allowing a savings proposal of £40k". Why aren't the savings being taken until 2013/14?

A: We are taking the opportunity to look at the roll-out effects of major savings that have been agreed previously, which is why the saving will not be made until 2013/14.

Q: Are we trying to reinvigorate Tidy Up Groups in local communities? Are we encouraging people to ring in the registration numbers of people they see fly tipping? Are we working with partners such as Pennine Housing to encourage them to fund skips in areas where they have large amounts of housing?

Comment: We should encourage people to pick up a phone and report people.

Comment: We should liaise with Pennine Housing and other organisations to encourage them to have clean up campaigns.

Comment: In difficult times for the economy, construction businesses will do more tipping. The Keep Britain Tidy website is very good and they run a lot of campaigns that are completely free to councils. We can leaflet to publicise the small collection service, but we need to leaflet in the right languages.

A: This budget came about as a result of a piece of work by Adults Health and Social Care Scrutiny Panel three years ago. The amount of money put aside was more than we needed. This is not a cut. We can deliver the service for half the price. The balance is already being used to offset other pressures. This small service has been of huge benefit to communities and made a real difference very quickly. We are not planning to withdraw community skips. We will pay attention to all these suggestions. We want to encourage communities to help themselves.

Comment: We should bring this issue up at Ward Forums and put a story in the paper.

Comment: The graffiti team do a fantastic job. I hope there is no danger of them being cut.

Temporary Accommodation and Support Service (TASS) efficiencies

Q: This proposal seems to have implications for other services (Children & Young People and Adults, Health & Social Care). What consultation has been undertaken with those services? The report states there will be no staff reductions, yet the table indicates one possible redundancy in 2013/14. Why the inconsistency?

A: If there is any way to avoid this cut, then we will find it. There is a clear increase in need. We will try to find other ways of saving this money. Temporary accommodation has to be a continuing priority.

Comment: When there is an economic downturn there is always an increase in domestic abuse. This is one item in the budget that does need to be looked at.

A: We have had lots of conversation with AHSC and CYP Directorates. The people we support are often known to those services. There is liaison at front line service level and management. We have considered whether we could expand the service and save on out-of-Borough placements. Some staffing reduction cannot be ruled out, but we will look to trim other costs first. We have a little time before this saving is implemented.

Comment: There may be some repeat homelessness if we reduce this service. We need to explore every nook and cranny to see what we can change to avoid reducing this service.

Comment: We have a duty of care to maintain these places. We do need to retain this service. This is more important than the Shay, or political assistants. We can find savings without hitting the most vulnerable. These are the people we need to protect. We need to focus on what we need to provide and not on other things.

Increase Parking Charges

Q: With inflation at current levels, why is the increase not being implemented until 2014? What has been the cost, if any, in adapting parking meters to accept the new 5p & 10p coins?

Comment: This is one of the few areas where we can make hay while the sun shines. The increase last year was too small. Parking is much dearer elsewhere. This is one area where we can increase income.

A: For years we did not put up charges. When we put them up last year it was the first time in seven years that they had been increased. Over that time the income target increased, but the charges stayed at the same level. These charges should be reviewed on a regular basis.

Halifax is a small town that is vying for business and you have to be very careful about the charges you put on residents. Parking cannot be treated as a cash-cow. We need a balanced position. To increase parking charges in the middle of a recession would be a real mistake. Our proposal means that there will be an increase in charges after three years without an increase, which is a sensible balanced approach.

Comment: Our parking charges are a lot lower than other councils'. I haven't seen any figures that show that increasing parking charges makes a real difference.

Comment: It costs £4 a day to park in our car parks, whereas private car parks charge £2.50. This has a real impact.

A: Private competition has led to a reduction in income. The previous administration did nothing to enable us to become competitive. The private car park has had an impact in Halifax, but in the rest of Calderdale there has been very little impact on income.

C: It should never be cheaper to drive into town than to catch a bus. We could put up the charges and create more retail opportunities.

C: We should have the courage to put up charges. We could have selective car parking charges where it is dearer nearer town. So long as people have cars they want to use them. Three car parks in Brighouse are filled by eight o'clock with people who work there. If you pay £5.60 for a gallon of petrol, you should be prepared to pay 80p an hour to park.

A: We will explore the possibility of putting a charge on the car parks in Brighouse.

Comment: It is a question of balance. Where else can we find savings if we are not prepared to put up charges.

Charging for delivery of wheeled bins

Q: Will there be any exceptions to the charges (e.g. in examples of hardship or where there is clear evidence of damage to or theft of the previous bin where the householder cannot be held responsible)?

A: We will need to look at the detail to see whether there could be any exemptions. Evidence is often a difficult issue and we will need to take a fairly robust position.

Q: Is this just for replacement bins, or will it cover the provision of bins to newly built properties.

A: The proposal will only affect the larger wheeled bins. No charge will be made for replacing the smaller recycling bins. The proposal will apply to new properties as well as replacement bins.

Find alternative funding for festive lighting

Q: What discussions have taken place with Parish Councils, some of whom have made significant shared investment in festive lighting?

A: The question is, should the Council bear the whole cost of festive lighting. We are looking to find business sponsorship and the first soundings are quite hopeful. We will raise this at the new Calderdale Tourist Board. It is the same argument about the provision of Christmas Trees.

Comment: It has been difficult to secure business sponsorship for festive lighting. I would have preferred not to see this saving introduced until the sponsorship was in place.

Q: Is this the total cost?

A: The budget does overspend by £10-15K. The overall cost is around £135K. We will need a resource to generate sponsorship. There has been a contribution from the Economic Task Force.

Comment: I discussed this proposal with a local community group and their reaction was, "Why should the Council pay for this?" They said they would club together to pay for lights. We are in a different world. We need to protect the most vulnerable at the expense of Christmas lights. We need to face reality and we need to be prepared to go out and say these things.

Comment: We need to be careful that we don't make a false economy here and make the economy less vibrant. Will the detrimental effect be so great that we lose business rates?

Comment: Business and the community will put something in. All Members should work within their communities on this.

Comment: We need to remember this saving is in festive lights, not just Christmas lights. It will affect all communities. We need to change people's perception of what they can expect from the Council. A little bit of money for lights has helped. It has pulled the community together.

Comment: Small businesses rely on Christmas for up to 40% of their income.

A: There is a real intelligent debate developing about this across Calderdale. People are discussing this seriously at forum meetings. We have put several million into small businesses through the Economic Task Force. There is no way that the Council wants to do anything to jeopardise small businesses. People are saying "don't cut this, don't cut that", but there are not endless savings in back-office functions. A huge workload in Parking Services is being managed by just one person, for example.

Parking Services Review

Q: Is there any anticipated cost from changes to the contract with the provider?

A: These proposals are still at the developmental stage and it is really hard to say what the shape of the eventual proposal will be.

Comment: The original policy review was looking at total increased revenue of £150K. Now you are looking at four times that.

A: We are putting together a paper with thirteen different proposals. This may include a change in the way we run the essential car user system. Others have the support of ward councillors.

Comment: We do need more detail before we can vote on this at Council. There is not sufficient detail. Can we have the details before we vote at Council?

A: The proposal has been signed off by the Head of Finance. There will be thirteen main proposals and eight subsidiary proposals.

Q: Does this proposal include a further increase in parking charges?

A: No, there is no increase in parking fees in this proposal. We may extend the number of car parks that are covered by parking charges.

We are looking at the cost of the Vinci contract as part of this review and the amount we are paying them for achieving their performance targets.

4.5 Safer and Stronger Communities Scrutiny Panel

Safer and Stronger Communities Scrutiny Panel discussed the Cabinet budget proposals when it met on 9 February 2012. Councillor Mrs Nash attended the meeting, along with Robin Tuddenham, Ann Wardle, Andrew Pitts and Gary Burrows.

Context set by portfolio holder.

These are challenging circumstances in which to set our 3 year financial plan. There are a number of national changes which will affect us, such as; a reduction in council tax benefit grant of 10% whilst at the same time transferring the responsibility for it to a local level. National Non-Domestic Rates will be retained by the local authority rather than redistributed from central government instead of grant; there will be a transfer of public health duties and budgets to Local Authorities. 2014-15 in particular will be incredibly challenging.

The Council faces budget reductions of a further £3.4m in 13-14 and £13m in 14-15, whilst demand for services is increasing. Income in areas such as land charges have reduced due to the economic situation nationally and internationally.

Equality Impact Assessments have been conducted on each proposal.

Income Pressures/ Shortfall – Sports Facilities

Q: The report states that there is “pressure on income levels due to the financial climate and other cost pressures at different facilities”. How confident is the Cabinet Member that income levels will recover & uncertainty be resolved around some of the facilities in 2013/14 and 2014/15 to ensure the growth reductions in those years are achievable?

A: Two new pools have met expectations but the service as a whole has fallen short of budget targets. There are systemic issues which need to be addressed, but 3 approaches are to be taken:

- Invest in Todmorden Gym
- Improvements to Catering services
- Online booking

There will be a root and branch look at the service over the next twelve months. The role of public health transferring to council will provide opportunities.

Income Pressures/ Shortfall – Land Charges

Q: Growth of £78k per annum is proposed on a permanent basis to meet shortfall in income, yet projected shortfall this year is up to £116k. How realistic is the future projection?

A: It is impossible to predict how the housing market will perform. Income projections are based on current performance plus known fluctuations, but there are no guarantees.

Neighbourhood Working

Q: How does the £208k pa growth bid contained here sit with the £280k (2013/14) and £1,547k (2014/15) reductions due to the LEAN review proposed in “Transformation of neighbourhood services” contained within the Cross Council proposals?

A: The £208k growth bid is to sustain the 4 neighbourhood team due to loss of external funding. Teams deliver frontline services on safety. Proposed reductions relate to wider proposals to provide generic services on a council-wide basis.

Local Healthwatch

Q: The report says that the proposed options will affect the Council’s statutory duties. In what way?

A: It is possible that there **could** be an impact, not that there definitely will, and it is possible that the impact will be positive.

Transitional Grant to Voluntary Organisations

Q: The report says that the proposed options will affect the Council’s statutory duties. In what way?

A: It is possible that there **could** be an impact, not that there definitely will, and it is possible that the impact will be positive.

Forestry Service

Q: How many Council services currently use private contractors (as per the report), and what is the cost difference between those private contractors and our own service? Our website states: “Through its forestry work team, the Forestry Service provides direct management of over 45,000 park, amenity and street trees.” To what extent will this be affected?

A: In 2009-10, £100K spent on private contractors by council departments. This reduced to £92k the following year. When forestry service quote for a job they win 90% of the tenders they bid for.

Q: Does the proposal effectively privatise the service?

A: No, it will still run through the council; there is no intention to outsource. We will just reduce the team from 8 staff to 6 and rationalise vehicle use.

Q: What posts are going?

A: Two arboricultuists.

Q: How will posts be reduced?

A: There will be a consultation process then a proposal: this will be followed by the pathway of looking at redeployment, ringfenced posts, voluntary redundancy.

Emergency Planning

Q: The report says that the proposed options will affect the Council's statutory duties. In what way?

A: It is possible that there **could** be an impact, not that there definitely will, and it is possible that the impact will be positive.

Museums

Comment: The Museum Strategy has already been to scrutiny.

Q: When will we know the implementation date?

A: Following consultation.

Revenues & Benefits

Comment: This a major national change. The full picture won't be clear for some time.

Customer First and Cash Offices

Comment: Hopefully this is a positive gesture to help retain local post offices.

Victoria Theatre

Q: If externalisation did not proceed then what impact would this reduction have on the ability of the Theatre to continue with its current level of offer?

A: In short term:

- Focus on genres with higher potential (e.g. comedy)
- Freeze on recruitment
- Repairs on essential health & safety only
- Marketing for pantomime only.

Agents are striking harder deals for their acts. Friends of Victoria Theatre are working hard to make things happen. Running a theatre is a risky business. However, it is important that Halifax doesn't just focus on "safe" productions.

We are looking at different ways of marketing such as social media.

It is important that theatre isn't squeezed as a priority during budgetary hard times.

CCTV – Community Safety

Q: What is the current capacity of this service? Will it be able to deliver the extra income with that capacity?

A: We have 49 screens which can accommodate 4 cameras each. We have state-of-the-art facilities.

Countryside Service: reduce to site management and volunteers

Q: If the outcome of the market test is that the service remains in-house, what would a reduced-capacity (40% of current cost) look like? Have income generation opportunities been explored?

A: It is a two stage process: What will budget be? Once that is agreed, what will capacity be?

Options for income generation are continually explored.

We recognise there would be a need to put more money into volunteer support. Biodiversity role would not go as a council function.

Q: Can any extra funding be found for the service?

Answer: Consultation process very important. Proposals are just that: proposals. If consultation comes back that this is a priority then we will do our best to do something. We want a good rationale and useful alternative proposals to enable us to look at things.

A: We are looking at finding more money from Cabinet colleagues. Won't be able to restore full amount but may be able to mitigate level of cut.

Debate has been considered and constructive.

Comment: Can't expect volunteers to make up the shortfall – at some point the lack of support would also result in the loss of volunteers. It is important that we nurture volunteers. Volunteers need to feel valued. Their participation should not be treated as a given.

Q: Thanks to Members for progress made during meeting. Is proposal achievable? What are the objectives that you are trying to achieve? Are they consistent? Cut is too large and too soon.

Comment: Without countryside service they wouldn't exist – help to set up Treesponsibility. More recently helped with SOURCE project and bid support. We must link with health agenda, and LEP, joint bids etc.

A: It is not the intention that we would only manage Ogden and Jerusalem Farm. The next stage is what happens once financial envelope is agreed
This is not about outsourcing service – that is not the objective. Not about substituting paid staff for volunteers. Treesponsibility is a fantastic example of partnership working.

Comment: Local woodlands (approx 550Ha) are not being managed because service is already too small and asset is being ignored. Blackbark couldn't do what they are doing without support of countryside service.

Comment: About fifty volunteers are active in Calderdale: Leeds has six. I have learnt many new skills from other volunteers and countryside service. Wants to keep the service in-house. Risk that volunteers would become disenchanted working with a new organisation.

Comment: This service was held up as a model to other authorities. A great example of Big Society before that concept was created.

A: The issue will be dealt with thoroughly and sensitively.

Review of Local Tax Benefit Scheme

Q: Estimated cut from Government is over £1.6million. We will be looking to cut £0.5million. Where is the balance coming from? Who will be involved in the development of the Council Tax Support Scheme?

A: A task group of officers from across the council will be involved in developing the scheme, then there will be consultation with the public, precepting authorities and this scrutiny panel.

Transformation of Neighbourhood Services

Q: The LEAN review is to be led by the Communities Directorate. Why aren't any of the savings identified going towards the directorate's budget targets rather than cross Council?

A: The LEAN review will be cross council led by a board, looking at infrastructure costs such as IT and asset management.

A: I hope that we will look at how we can help communities and neighbourhoods, better co-ordinated services and getting more for less.

Q: How achievable is this?

A: That is for the board to establish. Expect that many of the savings will be non-staff.

5 OPTIONS CONSIDERED

Not applicable.

6 CONSULTATION

This report is part of the Cabinet's consultation exercise on its budget proposals.

7 FINANCIAL IMPLICATIONS

This report concerns the Council budget for 2012/3 and following years.

8 CORPORATE IMPLICATIONS

The budget is a key instrument to deliver the Council's corporate priorities.

Ian Hughes
Head of Democratic and Partnership Services

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DOCUMENTS USED IN THE PREPARATION OF THE REPORT: Minutes of Scrutiny Panel meetings when the budget was discussed.

DOCUMENTS ARE AVAILABLE FOR INSPECTION AT: Town Hall, Crossley Street, Halifax, HX1 1UJ