

CABINET – 22 JANUARY 2019**Service and Resource Planning 2019/20 – 2022/23****Comments from the Performance Scrutiny Committee**

At the December and January meetings of the Performance Scrutiny Committee members scrutinised the financial pressures and savings proposals for 2019/20 and the medium term, and the proposed approach to capital expenditure for the next 10 years.

This report details the comments raised by the committee in relation to 2019/20 – 2022/23 Service and Resource Planning for consideration by Cabinet in agreeing its proposed budget.

In relation to pressures and savings members made the following overarching points:

- The committee is keen to further scrutinise the impact of work to meet the Council's transformation savings. Scrutiny members are concerned that the impact of the transformation programme on the budget is still not clear and the transformation savings were not presented as part of the proposals being discussed. The Joint Audit and Governance and Performance Scrutiny Transformation Sub-Committee will be meeting on 17 January and their comments will be circulated as an addendum.
- The committee is keen to see that there is contingency in place to mitigate any risk that the transformation savings are not delivered.
- The committee would like to see some consideration of opportunities for income generation reflected in the budget proposals. The committee will be scrutinising the review of charges in January.

The committee also made a number of specific comments in relation to directorate proposals, as follows:

Children's services

- The committee is concerned about the deliverability of saving proposals that are rated red. In particular, scrutiny members are keen to keep a close watch on the development of a new model for children's social care and the impact this will have on outcomes for children and families, as well as managing demand for services.
- The committee is keen to see a greater focus on prevention, particularly through investment in provision for children with high needs. Although scrutiny members acknowledge the difficulty evidencing the impact of universal provision and early intervention, there is need to consider broader streams of evidence and how these link together.
- The committee is supportive of the directorate's work with authorities across the south-east region to map need and consider joint opportunities that would drive down the cost of complex placements. The committee encourages the Council to include opportunities for income generation as part of this work - e.g. the provision of Oxfordshire-based placements for children in and out of county – and to consider the scope for borrowing to build more in-house provision.

- The committee is supportive of the Council having written to the Secretary of State for Education to request that funding is transferred from the Schools block to the High Needs Block to relieve some of the pressure in this area.

Adult Social Care

- The committee has significant concerns about the impact of changes to the Council's contribution to the Mental Health Outcomes Based Contract and the proposed reduction in mental health social work contribution for adults of working age. Specifically, scrutiny members are concerned that this reflects a move away from integrated support, will place increasing pressure on mental health providers and will have a detrimental effect on vital support available to some of the most vulnerable adults in Oxfordshire.
- Scrutiny members have some reservations about the proposal to negotiate the purchase of care home beds on a block contract basis going forward. There is concern that this may destabilise the market and send some care / nursing homes out of business.
- The committee is keen to more robustly scrutinise the use of pooled budgets with Health to ensure the Council is getting value for money from these arrangements.
- There is some concern about the impact of 'managing down' demand for services on resources because of the volume of reassessments required.
- The committee remains keen to keep a watching brief on the impact of savings attributed to the changes in daytime support and will want to see the outcomes of the independent review of this undertaken by Healthwatch Oxfordshire.

Communities

- The committee is keen to understand the implications of the liquidation of Carillion on the revenue budget as soon as this becomes clear. Scrutiny members intend to review the impact of this on the proposed capital budget in January.
- Scrutiny members are keen to clearly see the impact of the growth agenda on the budget, in particular, the resource impact of supporting this.
- The committee intends to seek greater clarity on the Council's financing of the Local Enterprise Partnership and how we are achieving value for money through this arrangement.

In relation to proposals for the capital programme members raised the following points:

Capital Budget Proposals:

- The committee requested that officers provide a briefing to provide more detail about the location of housing numbers associated with the Housing Infrastructure Fund (HIF) bid in the Didcot Garden Town and A40 Smart Corridor area.
- The committee recognise that the exact route of the Oxford-Cambridge Expressway is not yet known but were keen that planning and scenario testing is undertaken as soon as more information is provided by Highways

England as they recognise that this is likely to have a significant impact on future capital budgets.

- The committee were keen to understand the relationship between capital investment and revenue savings using real examples. Members asked for further information about the development of children's crisis care provision as an opportunity for capital investment to drive down revenue expenditure in a service area.
- The committee queried plans to recruit additional staff with appropriate skills to manage the large capital sums being proposed and to ensure a return on investment.
- The committee highlighted that further work would be required to understand the implications of the Carillion liquidation and to ensure that there is appropriate funding in place to manage the legacy of this.

Capital and Investment Strategy:

- The committee were supportive of the organisational change in culture towards considering more 'invest to save' measures and encouraged greater exploration of innovation.
- The committee were keen to see more examples of invest to save work as these emerge and to scrutinise the Investment Strategy as this is developed.
- The committee felt that the biggest examples of investing to save would be found in public health.

Review of Charges:

- The committee queried whether increasing the charges for the Music Service could have a detrimental impact on participation and negate the potential increases in income.
- The committee were pleased to see a reduction in the cost of season ticket parking at Thornhill and Water Eaton Park and Ride sites.

Councillor Liz Brighthouse
Chairman of the Performance Scrutiny Committee

January 2019