

MINUTES of the meeting of Health & Social Care Overview and Scrutiny Committee held at Council Chamber - Brockington on Friday 1 February 2013 at 9.00 am

Present: Councillor JW Millar (Chairman)
Councillor SJ Robertson (Vice Chairman)

Councillors: WLS Bowen, MJK Cooper, KS Guthrie, JLV Kenyon, GA Powell, J Stone and PJ Watts

In attendance: Councillors EMK Chave, DW Greenow, JW Hope MBE, TM James, Brig P Jones CBE, C Nicholls, AJW Powers, A Seldon, GR Swinford and DB Wilcox

Officers: D Taylor (Acting Chief Executive); J Davidson (Director, People's Services); D Powell (Chief Officer, Finance and Commercial); R Taylor (Head of Finance – Peoples Services); M Seaton (Assistant Director); G Hardy (Governances Services Manager); G Dean (Scrutiny Officer); DJ Penrose and P James (Democratic Services Officers).

31. APOLOGIES FOR ABSENCE

Apologies were received from Councillor P Andrews and P Bettington.

32. NAMED SUBSTITUTES (IF ANY)

None.

33. DECLARATIONS OF INTEREST

There were no declarations of interest.

34. SUGGESTIONS FROM MEMBERS OF THE PUBLIC

There were no suggestions from the public.

35. QUESTIONS FROM THE PUBLIC

There were no questions from the public.

36. BUDGET 2013/14 AND MEDIUM TERM FINANCIAL STRATEGY

The Committee received a report on the Budget 2013/14 and the Medium Term Financial Strategy from the Chief Officer, Finance and Commercial. The Chief Officer said that the report would be put to Cabinet on the 5th of February, and would be debated at Council on the 18th. This would allow Council to be in the position to set the Council Tax for the coming year. During his presentation, the Chief Officer highlighted the following areas:

- That Herefordshire's funding from central government would be reduced by £5.45m (6.9%) in 2013/14. The proposed budget would meet this shortfall and other agreed pressures facing the Council. Additional savings would need to be made in future years as Government grant was further reduced. The budget was based on a 1.9% Council Tax increase. Total savings of £9.142m from the Root and Branch Review programme

had been included to meet the budget shortfall as well as demographic and other service pressures that required funding. The funding available for the net budget would be £150.297m. This would be funded by Revenue Support Grant (£42.862m), retained business rates (£22.726m), Government top-up (£6.559m) and Council Tax (£78.911m) less an amount of £761k for a deficit brought forward on the Collection Fund. There was a possibility that government funding could change as the Final Settlement has not yet been announced.

- That the 2013/14 budget had not increased in terms of overall funding despite moving from £143.359m in 2012/13 to £150.297m in 2013/14. The “increase” represented money moving from specific grant in 2012/13 to general grant funding in 2013/14. At the point of transfer between sources central government had cut the amount received by the Council.
- The Medium Term Financial Strategy (MTFS) covered the period 2013/14 to 2015/16 and included the Treasury Management Strategy. The document was part of an integrated set of policy and delivery documents designed to match available resources to corporate priorities as set out in the Corporate Plan.
- That the government had set a four year Comprehensive Spending Review (CSR) over the period 2011/12 to 2014/15. The latest announcement provided a two year funding position covering 2013/14 and 2014/15. Within this context a corporate savings and transformation programme had been developed to be brought forward to provide major changes within a reduced funding envelope.
- The Department of Health had confirmed funding to be transferred to local authorities to support adult social care services which also benefit health services. The new approach would see funding transferred via the NHS Commissioning Board and Herefordshire would receive £3.152m in 2013/14, compared to £2.274m in 2012/13. The use to which the money would be put would be agreed between the Council and the Herefordshire Clinical Commissioning Group through the Health and Wellbeing Board.
- That the pressures in Adult Services were driven by three challenges. These were an increase in demand associated with an ageing population and changing expectations, a reduction in the growth of public funding for health and social care and increasing chronic health conditions requiring long term, complex care and support.
- That there were a number of additional risks to those normally associated with a budget setting process, and these were being mitigated wherever possible.

In the ensuing discussion, the following points were raised:

- That Herefordshire’s funding from central government would be reduced by £5.45m (6.9%) in 2013/14. The proposed budget would meet this shortfall and other agreed pressures facing the Council. Additional savings would need to be found.

The Director for People’s Services said that the significant issue for Adult Social Care would be the ability to work within the available budget. There would need to be a sharp focus on transitional change in order to find the most cost effective ways of spending available funds. In the medium to long-term, what was needed was a complete transformation of thinking about need, and the arrangements that were made to meet the requirements of local people.

In reply to a Member’s question, the Chief Officer said that he had been struck by the realism that the business community had shown in a recent meeting. They were aware

that the deficit reduction programme was affecting local authorities nationally, and that the Council had to make difficult choices in order to provide a balanced budget.

In reply to a further question, the Cabinet Member (Corporate Services) said that he was not aware of any punitive measures that were planned against councils which had decided to raise their council tax for the coming year. The proposed raise of 1.9% in the tax for 2013 would raise the base budget carried forward by the Council into future years. This rise would mean that Band D council tax in Herefordshire would still be £200 lower than the average across England. The Chief Officer added that it was necessary to plan for the future, and the Council had been prudent with the proposed 1.9% provision, rather than deciding to propose a higher increase, which would have triggered a referendum, and the associated costs.

- That whilst a number of initiatives had been undertaken, such as the introduction of the Fairer Charging Policy, the Council was three or four years behind other authorities. The Root and Branch Review: Living and Wellbeing in Herefordshire would undertake discussions with the Halo Trust and the Courtyard in order to look at ways to reduce their subsidies with the expectation that those organisations would create alternative business models.

In reply to a Member's question, the Director of People's Services said that there was evidence that it was possible to deliver the required savings, but that the pace and depth of change would need to increase. Discussions were in hand with partner organisations as to how services could be provided in order to drive out cost reductions. The Herefordshire Clinical Commissioning Group, Wye Valley NHS Trust and 2gether NHS Trust were all facing equally challenging budgetary situations. All staff needed to be focused on the same outcome, which was to change the way people were thinking about care needs.

In reply to a further question, she went on to say that the Joint Strategic Needs Assessment would look at the issue of the ageing population of the County and would project forward on existing data. She said that the figures in the budget were based on population and census data and were a forecast. They would also be influenced by the implementation of a housing policy that was designed to attract people of working age into the County.

The Chief Officer replied to a question by saying that the integrated arrangements with the Wye valley Trust had been successful in reducing the number of delayed discharges, and this was now one of the best performing indicators for the Trust. There was, as a result, a cost to the Council, as patients were discharged back into their homes earlier than had previously been achieved. Changes to the delivery model would mean that these, and similar costs would be delivered through different partnership arrangements and integrated services. The transformation of adult social care services meant that the whole Council would need to focus on preventing people reaching the stage of critical need. The Health and Wellbeing Strategy would provide a framework for the services.

A Member suggested that the Scrutiny Review of the Courtyard Centre for the Arts undertaken by the Social and Economic Development Scrutiny Committee in 2004 should be updated, as some of the recommendations from the Review could still be relevant.

In reply to a question from a Member regarding whether people in Herefordshire would be expected to take out insurance to pay for their care, the Cabinet Member (Health and Wellbeing) said that there was no question that the Council would provide care for those in need, but she believed that it should also be saying to people that they should be planning for their old age. There was a need to manage demand in a demand driven area.

Resolved

That:

- 1 The Committee recommends that Cabinet:**
 - a) ensures that all statistics used in compiling the budget e.g. the population figures, are accurate, timely and used correctly;**
 - b) ensures that all risks arising from the budget are clearly set out in the Risk Register, that the mitigation of the risks are clearly stated and includes a plan, with clear timescales and milestones, for addressing the risks;**
 - c) considers introducing into the Budget for 2013/14 a transition fund in order to ensure that the necessary transitions/savings are achieved as quickly and efficiently as possible**
 - d) in the light of the fact that over fifty per cent of the recovery plan for Social Services for 2012/13 is amber or red, that more focus should be placed on the plan in order to ensure greater compliance with the Transformation Plan.**
- 2 The Committee recommends that in developing the Health & Wellbeing Strategy the Health & Wellbeing Board should ensure that it takes into consideration the wider implications of the various strategic plans for example the provision of additional houses through Local Development Framework (LDF) and the effect on social care e.g. the additional pressures on doctor's surgeries.**
- 3 The Committee recommends that full use should be made of the Public Health budget in order to promote preventative measures against ill health and encourage better and more appropriate use of the Counties facilities, including country parks and woodlands**
- 4 That a regular monitoring report be scheduled into the Committee work programme in order to enable the Committee to keep an overview of progress against the Risks, planned savings, and pace of transition within the remit of the Committee.**

The meeting ended at 10.40 am

CHAIRMAN