

CABINET RESPONSE TO COUNCIL OVERVIEW AND SCRUTINY COMMITTEE**BUDGET MONITORING****(considered by COSC on 4 March 2015)****COMMITTEE RECOMMENDATIONS:**

On 4 March 2015, the Committee received a verbal response from the Deputy Chief Finance Officer on the recommendations put to Cabinet. The Committee considered the response, and agreed to restate the following recommendations, with particular emphasis on the section in bold:

(b) That a Resource Allocation Rate of 75% be applied to the Friends, Family & Community Support programme in order to maximise the chances of exceeding the required full-year savings of 20%.

and

(h) That any reduction in the number of Children's Centres required to achieve the Early Years Service savings be not in **an area of significant deprivation or where necessary support is provided.**

RESPONSE:**The responses to the COSC recommendations set out in Annex 1 are as follows:**

- (b) The 20% reduction in the Resource Allocation System is a 'stretch target'. This is a period of much change for the adult social care service and other factors will affect its success. Increasing the reduction target by a further 5% would not be a realistic target for the service to achieve.
- (c) Securing more Continuing Healthcare support for affected clients to reduce social care costs is a key aspect of the service's policy. The creation of the Clinical Commissioning Groups (CCGs) that have replaced the Primary Care Trusts has led to previously agreed processes having to be re-worked and agreed. To this end, a central CHC team has been created, funded through an Invest to Save bid, and a new senior manager is being appointed with the task of leading the negotiations with the CCGs.
- (d) A thorough review of energy cost inflation has led to a reduction of the assumption from 10% to 8%, leading to a further £90,000 saving in the Property Services budget. These assumptions will be periodically reviewed to ensure that the impact of any further market changes are captured in planning assumptions.
- (e) Officers have made a further review of the self insurance fund contribution. The new insurance contracts require that the Council insures the first £500,000 of any single claim to be self insured – an increase from £100,000. This has led to a significant saving on the premiums. Any further reduction in the contribution to the self insurance fund will have to be considered following consideration of the impact of this increased self insurance limit. The triennial actuarial review is due in March 2016, and this would be an appropriate time to re-examine the level of contributions to the fund.
- (f) Officers have commenced work on investigating the SEND transport costs. This will be an area that is scrutinised further as a part of the summer refresh of the MTFP and the

general 2016-21 business planning.

- (g) Third party funding and contributions are always considered and sought at the planning stage. The relationship with the District or Borough is vital for securing further funding through CIL.
- (h) The business case for the closure of Children's Centres is still being developed. The recommendations from this will form part of a future Cabinet report.
- (i) The savings targets for Early Years and Services for Young People in the MTFP were carefully considered as part of the 2015/20 business planning process. The Directorate wide budget and most other opportunities for savings were explored. However, given the level of savings required and the timings, these areas were considered to be the most appropriate.
- (j) The ring-fenced reserve was established two years ago as part of a multiyear approach to managing the rising cost of child protection referrals. This has been used to support the Children's Service budgets over the past three years and there has also been a base budget increase of £1m in 2015/16 to address this specific pressure on-going.
- (k) and (l) The savings targets for the Highways service in the MTFP were carefully considered as part of the 2015/20 business planning process. A number of opportunities for savings have been explored within the service and in the Select Committee review process. However, given the level of savings required and the timings, these areas were considered to be the most appropriate.

The Environment and Transport Select Committee will continue to work with the service on identify ways in which to minimise the impact of savings on service delivery and priorities.

David Hodge
Leader of the Council
24 March 2015