

REPORT TO FULL COUNCIL

DRAFT 2017/18 BUDGET PROPOSALS

1. PURPOSE

To report observations from the committee following its process of gathering evidence in order to advise Cabinet on council and budget priorities for the draft 2017/18 budget.

2. INTRODUCTION

2.1 Overview and Scrutiny Management Committee has the lead role in terms of budget scrutiny. It produces a response to the Cabinet's draft budget on behalf of the scrutiny function as a whole. Briefing sessions with Directors and Cabinet Members were held throughout November 2016 with the opportunity to scrutinise the draft budget in detail in discussions held at service specific scrutiny committees in January 2017.

2.2 This response draws out the key observations and comments made in response to the draft Medium Term Financial Strategy which goes to Cabinet on 1 February and is to be approved at full Council on 15 February 2017

3. BACKGROUND

3.1 Cabinet on 14 December 2016 approved for consultation and scrutiny the detailed draft budgets for 2017/18, the Medium Term Financial Strategy (MTFS) and the Treasury Management Strategy.

3.2 Members recognise that the draft MTFS proposes a budget totalling £397.13 million and is based on a 1.99% Council Tax increase plus the continuation of the social care levy of 2% specifically to fund Adult Social Care. Upper tier authorities are allowed to increase the Adult Social Care Levy by 3% next year, up to a maximum of 6% for the period 2016/17 – 2018/19. In addition to the normal Council Tax limit. A 2% social care precept in Gloucestershire raises an additional £4.98 million for Adult Social Care and is ring-fenced to Adult Social Care.

3.3 The proposed revenue budget for 2017/18 is a net reduction of £11.34 million from 2016/17. Investment of £24m is included, requiring £35.34 million savings.

4. OBSERVATIONS

- 4.1 Overview and Scrutiny Management Committee met on 23 January 2017 to discuss their observations from the previous scrutiny sessions and to discuss the updated position with regards to funding.

Members ask that Cabinet note the following observations that were made at the service specific scrutiny committees and have been endorsed by OSMC:

4.2 Adults & Public Health

- 4.2.1 Members understand that since the publication of the draft MTFS that the Council have now been notified that it will receive a further £2.5m for the adult social grant for 2017/18. This is a 'one –off' amount and is ring-fenced, aimed at starting the transition to the increase in the Better Care Fund from 2018/19.

- 4.2.2 The Health and Care Overview and Scrutiny Committee discussed how this funding might be best utilised. Members noted the cost reductions in the adult mental health services budget as well as reductions in the budget for services for people with a learning disability. One member suggested that the additional funding could be used in these areas. Discussions will need to be had with the Gloucestershire Clinical Commissioning Group and other partners as to the appropriate use of this funding.

- 4.2.3 With regards to Learning Disabilities, members were made aware of the positive work that had been carried out in terms of helping individuals into employment and increasing independence. Members commented on performance concerns relating to a reduction in the number of assessments being carried out and queried this decrease in performance levels against intended reductions in budget. It is important to note that the cost reductions in the budget did not relate to a reduction in staffing levels for social worker teams, but were through the changing approach brought about by the Building Better Lives Programme.

4.3 Children and Families

- 4.3.1 The Children and Families Scrutiny Committee welcomed the work that was being carried out, and investment included in the budget, to establish the Intensive Recovery and Intervention Service (IRIS). This was based around residential hubs to provide effective support for those very vulnerable young people with multiple needs.

- 4.3.2 Members recognised the challenges around agency spend and the work that was being carried out in this area. In response to questions it was clarified

that the actual spend had risen sharply from 2016/17 and that the trend had not been apparent before that point. Members noted the second part of the additional investment for social workers which sat within the budget following the recommendations of the task group. Members looked forward to seeing the impact of this investment over the coming months.

4.4 Communities and Infrastructure

- 4.4.1 The Environment and Communities Scrutiny Committee understood that there had been a number of one-offs within the budget for 2016/17 that were not within the base budget for 2017/18. In particular, members noted the Lengthsman Scheme, funding relating to barriers to cycling, and air quality. Some members commented that there were arguments for continuing to provide this level of funding in those areas and that it would be up to Council to consider whether these one-offs should be included again.
- 4.4.2 One member raised a concern regarding the level of footway funding suggesting that more should be spent.

4.5 Support Services

The committee note that the level of reserves is within 4-6% of the budget and that this is adequate when considering the volatility of demand. The Committee stated that reserves should remain at this level.