
REVENUE BUDGET 2005/2006

Report 0 SB/1/05 to the Executive

February 2005

Adopted by the Overview and Scrutiny Board
on 8th February 2005

| | |
|--|----|
| 1. Executive Sum m ary | 1 |
| 2. Process | 2 |
| 3. Introduction | 4 |
| 4. Key Findings | 5 |
| 5. Conclisbns..... | 16 |
| 6. Recom m endatbn | 20 |
| Acknow ledgem ents | 21 |
| Appendix 1 (Imp lkatbnsofecom m endatbns) | 22 |
| Appendix 2 (Invited StakeholderO rganisations) | 23 |

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1. Executive Summary

- 1.1 As part of the budget setting process for the 2005/2006 financial year, the Overview and Scrutiny Board held a number of meetings to which the Executive Members and officers were invited to outline the implications for their services of the budget proposals that had been developed to meet the targets set by the Council. A wide range of stakeholder representatives were also invited to attend these meetings and to give their view on the proposals.
- 1.2 The Board has considered the issues raised during these meetings with particular attention to the level of risk associated with each proposal. Its views and conclusions are set out within this Report.
- 1.3 It is recommended that the Executive consider the information which has been presented to the Overview and Scrutiny Board over the series of meetings involving the Executive Members, officers and stakeholders and that it takes account of the conclusions reached by the Board in formulating its recommendations to the Council.

2. Process

2.1 The budget setting process for 2005/2006 was agreed in October 2004. However, prior to this time, key milestones in the preparation of the budget had been reached. In August 2004, the Council adopted the Community Plan's themes as the main drivers for its work for the coming years. The Medium Term Financial Plan of the Authority had also been agreed.

2.2 Following the agreement of the Medium Term Financial Plan, the members of the Overview and Scrutiny Board met to discuss the Plan in detail. This meeting was to set the foundations for the budget setting process for the coming year.

2.3 The Council commenced consultation with the community on its main priorities and budget pressures for the coming year. The budget setting process was intended as a further layer of consultation targeted at the Council's key stakeholders.

2.4 On 1st December 2004, the Executive, Overview and Scrutiny Board and Torbay Strategic Partnership (including the Chairs of the Ward Partnerships) met to discuss the Council's priorities for the coming year.

2.5 The Council's key stakeholders were invited to attend meetings of the Overview and Scrutiny Board held on 19th, 25th and 27th January and 3rd February. The purpose of these meetings was:

- To expose the implications and risks of the Executive's budget proposals
- To seek stakeholder views on the Executive's proposals
- To consider the medium term financial implications of the Executive's budget proposals
- To identify areas of unacceptable and understated risk within the Executive's budget proposals
- To make recommendations to the Executive

2.6 At these meetings, each Executive Member and the relevant officer were invited to make a presentation on the key issues, risks and implications of the Executive's budget proposals. This was followed by an opportunity for stakeholders to ask questions and to make statements on the proposals put forward. The organisations that were invited to take part in the process are set out in Appendix 2 to this Report.

- 2.7 Full details of the implications of the budget proposals were set out in the following reports that were circulated to all Members of the Council and all invited stakeholders:

Children's Services Report Com /1/05 & Chi/1/05
 Cultural Services Report Com /7/05
 Toibay Development Agency Report Com /10/05 & TDA /1/05
 Environmental Health
 and Consumer Protection Report Com /11/05 & Env/5/05
 Planning, Development and Policy Report Com /9/05 & Env/4/05
 Highways and Engineering Report Com /12/05 & Env/6/05
 Engineering and Property Services Report Com /14/05 & Env/8/05
 Direct Services and Waste Report Com /13/05 & Env/7/05
 Adult Social Services Report Com /8/05 & SS/1/05
 Housing Services Report Com /6/05
 Law, Support and Democratic Services Report Com /3/05
 Financial Services Report Com /4/05
 Performance, Policy & Communications .. Report Com /2/05
 Human Resources Report Com /5/05 & Per/3/05

- 2.8 This Report forms the Overview and Scrutiny Board's response to the Executive on the implications of its budget proposals. The Revenue Budget for 2005/2006 will be set by the Council at its meeting to be held on 3rd March 2005.

3. Introduction

- 3.1 The Council at its meeting on 16th December 2004 considered the implications of the provisional Local Government Finance Settlement as outlined in Report Com /9/04. Prior to the meeting, Members had received a briefing from the Director of Finance on the issues related to the settlement.
- 3.2 Having taken account of these matters, the Council set provisional targets in order that the Executive could prepare its budget proposals for the coming year. In setting these targets, it was expected that these would form the basis of the budget considerations but did not infer any final level of spending at this stage. It was anticipated that the Council would continue to move to further prioritisation of services. The targets were:

| Service/Department | £m |
|--|--------|
| Assistant Chief Executive | 2.344 |
| Corporate Governance and Chief Executive | 2.776 |
| Environment | 15.197 |
| Finance | 14.176 |
| Human Resources | 1.747 |
| Life-long Learning | |
| Culture | 5.232 |
| Education - LEA | 6.207 |
| Education - Schools | 59.617 |
| Housing | 1.222 |
| Social Services | |
| Adults | 26.871 |
| Children's | 12.074 |
| Tobacco Development Agency | 1.312 |

- 3.3 Each Executive Member and appropriate officer was then asked to prepare a report to inform Members of the Overview and Scrutiny Board of:
- the implications of spending at the target;
 - which existing services would be curtailed or ceased as part of the package;
 - which new services or developments were included; and
 - which new services or development proposals which were considered key to the delivery of the Strategic Plan are notable to be included in the package.
- 3.4 In making presentations to the Board, the Executive Member and appropriate officer highlighted the key points within each report.

4. Key Findings

Children's Services

- 4.1 The Council, at its meeting held on 16th December 2004, had agreed to set a minimum schools' budget of £59.617 million for 2005/2006. It was reported that, by setting this minimum budget, secondary and special schools would receive a per pupil increase in funding of 4% and primary schools would receive a per pupil increase of 5%. However, it was acknowledged that schools would still face funding pressures as a result of Government initiatives that continue to be introduced (for example Workforce Reform). It was also acknowledged that there may be redundancies within schools although this would not be a direct result of the budget settlement rather a reflection of the reduction in pupil numbers.
- 4.2 In meeting the target set for Children's Services, the Executive planned a number of efficiency and other reductions totalling £0.366 million. These proposals included:
- reducing the level of staffing by 1 full-time equivalent (fte) in the Education Welfare Service;
 - reducing staffing in the behaviour support service; and
 - reducing staffing by 0.5 fte in the Educational Psychology Service.
- 4.3 The Board was informed that the senior management of Children's Services would be responsible for ensuring that efficiency savings were realised in order that there would not be an impact on the level of service provided. Changes in working practices (such as the new arrangements in relation to Statements of Special Educational Need) would also assist in the delivery of services. It was also reported that further efficiency savings would be sought as the Children's Service developed further.
- 4.4 The Board was assured that the Education Welfare Service would be able to undertake its new powers to issue fixed penalty notices to the parents of pupils whose absence from school was unauthorised. It was explained that these penalties were one of a number of ways of combating unauthorised absence and that, by implementing a range of initiatives, this should reduce the need to resort to the Courts (a process that was bureaucratic and costly).
- 4.5 It was proposed that £57,000 would be saved by reducing the costs of looked after children who were placed in the independent sector. Given the volatile nature of the numbers of children for whom the Council are responsible, the Board expressed surprise that a figure could be given as a saving. The Board heard that the proposal had

been developed based on the experience gained over recent years. It was felt that a stretching target needed to be set for this budget although it would be harder to say how the savings would be realised as a number of different factors would have an impact on the budget. The drive for integration and the move to pooled budgets would have a beneficial effect, as would the new, tighter regime in respect of contracting.

- 4.6 The target for Children's Services included spending on new or enhanced services of £0.15 million. £50,000 of this figure had been earmarked to be invested in the Youth Service which had recently received a poor Ofsted report. Currently, there were no specific proposals for this funding although it was hoped that it would lead to there being more Youth Workers within Torbay. However, currently the funding of the Youth Service within Torbay was well below the average funding of Youth Services in other authorities. It was reported that £400,000 would need to be invested to bring Torbay Council to the average funding for unitary authorities, assuming that the average remains constant.
- 4.7 When considering the Cultural Services budget, the Board heard that the Youth Festival would no longer be funded as part of the Kick up the Arts festival and would be funded by the Youth Service direct.
- 4.8 It was also proposed that a further £50,000 be invested in recruiting a Key Stage 4 Disengaged Pupils Officer. The Board were informed that there were serious issues to be addressed within Torbay. It had been highlighted that there was not enough collaborative working across the area in relation to 14-19 year olds and that the Council was not meeting its targets in relation to the number of pupils gaining 5 or more GCSEs. It was proposed that the Key Stage 4 Disengaged Pupils Officer would work with Headteachers from across the Borough and with South Devon College. The Board expressed particular concern that preventative services were being reduced (i.e. Education Welfare, Behaviour Support and Education Psychology) whilst this post appeared to be reactive.
- 4.9 A number of initiatives had been identified by the Executive that would be implemented if additional monies were made available to Children's Services. However, it was stated that a number of these initiatives were statutory requirements. In response to a question about how these requirements would be met if the additional funding was not available, the Board was informed that senior managers would need to target their budgets to the areas of greatest need or value or would need to implement new methods of working.
- 4.10 In relation to the Young Carers Project, the Board were made aware that if the Project was not funded fully there was a risk of further family breakdown or children becoming the responsibility of the Council. It was reported that the service currently had a low level of funding but

that increased investment would lead to savings elsewhere within the Children's Services budget.

4.11 Philip Mantell from the Diocese of Exeter, Mike Stewart from the Schools Forum, Jane English from the Association of Secondary Headteachers and Ian Wright from the Early Years and Childcare Partnership were invited to give their views on the proposals. The key points highlighted were:

- Primary schools were still facing difficulties in funding Government initiatives (such as releasing teachers from Planning, Preparation and Administrative tasks).
- Given that the Council was passing the minimum amount required to the Schools Block, all schools would continue to face funding pressures. As a result there would be cuts in services although schools would again try to manage their budgets within the resources available to them.
- The Key Stage 4 Disengaged Pupils Officer was an exciting initiative that would help secondary schools to undertake the most challenging part of their role. If attainment could be raised across Torbay, this would help to tackle anti-social behaviour which would be a huge step forward for the area.
- Whilst the changes to the ways in which Statements of Special Educational Need were issued were understood, there was still a need for Special Educational Needs to be identified at an early stage.

Cultural Services

4.12 In meeting the target set for Cultural Services a number of reductions had been identified by the Executive. However, in order to meet the target, it was deemed necessary to utilise £130,000 carried forward from the current financial year. When asked how the budget target would have been met if the carry-forward was not available, the Assistant Director (Cultural Services) explained that the Council would not have been able to meet its main priorities and there would have been a reduction in services. It was noted that some of the savings were of a "one-off" or fortuitous nature in 2004/2005 producing the underspend and were unlikely to be repeated in future years thus requiring either additional resources in 2006/2007 or an amendment of its priority services.

4.13 The budget proposals included a reduction in the staffing budget of £83,300. The Board heard that the reduction in staffing would lead to a change in emphasis of the Service with it taking on an enabling role that would aim to help communities to reach their potential. However,

there would not be any spare capacity to take on additional projects that could arise over the course of the year.

4.14 £21,900 would be saved by deleting inflation off supplies and service budgets and a further £55,600 would be saved by rationalising services in parks and sports facilities. This included decommissioning Elcombe Bowling Green and the early closure of Torre Abbey and the Education Garden.

4.15 Further savings had been identified in relation to the direct provision of cleaning and some elements of maintenance. It was felt that Beach Managers had the capacity to undertake cleaning duties. This would impact on Operational Services who currently delivered this service.

4.16 It was proposed that fees and charges would be increased on average by 3% on sports facilities and between 5 and 20% on leisure attractions and beach services.

4.17 In meeting the target for the service, it had been assumed that there was no provision for new or enhanced services. However, a number of proposals were included within the report (in priority order) that the Executive would wish to undertake if additional funding became available. The third proposal was to implement a real terms increase in the level of grants to Torquay and Brixham Museum in line with the Service Improvement Plan prepared following the Best Value Review of Museums.

4.18 Edgar Lawrence from the Brixham Museum, Hamish Turner from Torquay Museum and John Coysh from Brixham 21 were invited to give their views on the proposals. The key points highlighted were:

- Brixham Museum was facing increased costs and could barely cover its overheads at the present time. The Museum would wish to see the recommendations of the Best Value Review implemented.
- Attendance figures at Torquay Museum were increasing and the Museum was doing its best to improve the service. The Museum would of course appreciate it if an increased grant could be made available.
- Shoalstone Pool in Brixham would be open again during 2005. This was due to the work that had been undertaken by the Friends of Shoalstone Pool with support from the Council. The work of the Friends group had resulted in a reduction in the maintenance costs faced by the Council in connection with the Pool.

4.19 During the discussions on the funding for the museums it was clarified that the budget proposals did not include an increase in the grant to the museums to account for inflation but this was the first priority if additional funding was received.

Torbay Development Agency

- 4.20 Torbay Development Agency had identified £105,000 worth of savings to meet its target. Of this, £25,000 of savings related to a reduction in the anticipated costs of vandalism, general repairs and maintenance and energy costs of the illuminations around Torbay. Increased rental income was also anticipated together with a reduction in professional fees.
- 4.21 Lynne Hookings from the English Riviera Association of Tourism and John Coysh from Brixham 21 were invited to give their views on the proposals. The key points highlighted were:
- Savings within the Torbay Development Agency budget would need to be managed sensitively. There was commitment to regenerating the area but delays should not be allowed to occur. Tourism income was vital to the area, the Council and the commercial sector as a whole. Therefore, no risk should be taken that would impact on visitor numbers.
 - The enthusiasm shown by Torbay Development Agency towards the proposed regeneration of Brixham was highlighted and the progress made on this project, despite the pressures faced by the Council as a result of the Capping Order, was impressive.
 - The work of Torbay Development Agency was vital to ensuring investment in Torbay for future generations.

Environmental Health and Consumer Protection

- 4.22 An additional £60,000 was included within the Environmental Health and Consumer Protection budget to maintain the three Street Wardens operating across Heli and Tor in Torquay. These posts had previously been funded by grants that would cease on 31st March 2005. By retaining the Street Wardens it was hoped that further funding could be sought for a further three Wardens. The service had received three national awards over the past 12 months and records showed that they had had an impact in reducing "enviro-crime" such as graffiti and fly-tipping.
- 4.23 The Police were supportive of the Street Warden scheme. Consideration was still being given to expanding the remit of other Council employees to enable them to take on some of the roles of a Street Warden.
- 4.24 A reduction of £52,000 was proposed in relation to the Trading Standards Service. This was partly as a result of the transfer of the consumer advice part of the service to Consumer Direct. By reducing the numbers of staff within the Service, the Council would still be

meeting its statutory requirements and would not be compromised in terms of performance.

4.25 John Coysh from Brixham 21 was invited to give his views on the proposals. The key point highlighted was:

- Successful prosecutions in relation to dog fouling should be given more prominence in the media as this would act as a deterrent. (The Assistant Director (Environmental Health and Consumer Protection) responded that successful penalties were publicised in the Herald Express.)

Planning, Development and Policy

4.26 In order to meet the target for the Planning, Development and Policy Business Unit it was proposed to reduce the base budget by £48,000. The impact of this would be minimised by the proposed national increase in planning fees and by anticipated Planning Delivery Grant income. It was likely that the Planning Delivery Grant income would be at least £500,000 although this needed to support a three year budget plan.

4.27 It was recognised that the Grant had been utilised to fund additional staffing to help meet the targets and when the Grant was withdrawn, if income levels were not increased to match these commitments, then the Council would be facing growth in excess of £0.1 million.

Highways and Engineering

4.28 When setting the target for the Highways and Engineering Business Unit, the Council sought a net reduction in expenditure of £628,000. In order to meet this target it was proposed that a reduction in staffing costs be sought which included the transfer of posts relating to school transport and social care to Children's Services. This would lead to efficiencies as the team would be brought together with colleagues in Children's Services (including the team from the former children's services social services team).

4.29 An explanation was given on the proposals in relation to the introduction of Decriminalised Parking Enforcement (DPE) and how this would impact on the revenue budget. The scheme would be financed in the first year through the Council's Reserve Fund with the future years' surplus within the DPE account being used to repay the Reserve Fund.

4.30 Additional income would also be sought from adopting a more rigorous approach to highways and traffic enforcement management penalties. Officers would be more rigorous in collecting income and would claim for the extra costs of inspections when road building and closures took longer than expected.

Engineering and Property Services

- 4.31 To meet the target set for this service, it was proposed that the Capital Projects Team (consisting mainly of architects and support staff) be deleted from the Council's structure. This change (arising from changing procurement processes) would reduce the expenditure of the Council in the next financial year but would also reduce the risk of the reductions in workload and the consequential reduction in fee income over future years. It was reported that there was unlikely to be any significant difference between the costs of employing consultants for specific projects than the cost associated with an internally based service given that the fees charged were normally based on a percentage of the contract value.
- 4.32 The Board discussed whether it would be appropriate to reduce the unit over time as the workload reduced but the Strategic Director indicated that it was probably not the most efficient method of handling the reducing workload.
- 4.33 It was also proposed to restructure the Engineering Team (including the deletion of two engineers posts). There had been a decreasing workload within the Team as a result of a less buoyant Capital Programme.

Direct Services and Waste

- 4.34 Within the proposals for the Direct Services and Waste Business Unit was an investment of £186,000 to open public toilets at locations across Torbay. This included a proposal to provide automatic fee paying toilets in certain locations.
- 4.35 An investment was also proposed in relation to recycling to ensure that paper could be collected from those properties not currently covered by the twin-bin system. This would help the Council to meet the targets set for it by the Government.

Adults' Social Services

- 4.36 The Council required that the Executive provide a net reduction in expenditure of £1.250 million.
- 4.37 It was proposed that £160,000 could be saved by reducing the number of care packages purchased over the next 12 months. The Primary Care Trust (PCT) and the Council were working closely on developing the budget for the whole financial year and as a result of this closer working it was felt that the reduction was realistic and achievable. However, there was risk that waiting lists could increase and therefore performance levels would not be met.

- 4.38 It was proposed that the costs of employing agency labour could be reduced by improving levels of sickness through the robust application of the Council's sickness absence policy. It was reported that the PCT currently had a lower sickness rate than the Social Services Directorate and it was hoped that this would be replicated in the new organisation.
- 4.39 £200,000 would be raised by increasing the current levels of charging for domiciliary care. No further details were available to the Board.
- 4.40 The implementation of a new IT system was partly responsible for improvements in the collection of fees for services such as care homes. The systems to improve the collection of outstanding fees were in operation over the last year but it was only now that the service can consolidate this and improve efficiency in the future. This would lead to budget savings in the current year.
- 4.41 It was proposed that the staffing levels within Adults' Social Services would be reduced. These were Service Manager posts that would not be required within the Adult Care Trust. The deletion of these posts would therefore avoid duplication of roles in the future. There was, however, a recognition that the deletion of the posts may lead to a decrease in performance and this would be monitored closely in the future.
- 4.42 It was reported that, for 2004/2005, Adults Social Services had received grant funding of £1.562 million (Access Systems Grant) and £330,000 (Delayed Discharges Grant). For the next financial year, the figures would be £1.962 million and £339,000 respectively. Regulations from Government did not preclude the use of grant funding to support the revenue budget and therefore permitted the increase in grant to support existing revenue expenditure.
- 4.43 When asked for what any extra funding would be used, it was reported that any additional monies that was made available to the service would be used to increase the level of fees paid to care and nursing homes with the aspiration that this would improve the quality of the service provided and, in some cases, enable homes to stay open.
- 4.44 Brian Andrews from UNISON was invited to give his view on the proposals. The key points highlighted were:
- There was concern about reductions in budget that would lead to a poorer level of service for clients, especially those people who could be termed as vulnerable. Increased charges for domiciliary care would fall on a group of people who often had no choice but to pay for domiciliary services.
 - There was also concern about the creation of an Adult Care Trust, in particular the comments raised about the application of the

sickness policy as this would add to the pressure already felt by members of staff.

Housing Services

- 4.45 It was reported that the Housing Service was projecting an overspend on its budget by the end of the financial year in excess of £0.5 million and that there was a risk therefore that the Service would not be able to deliver the savings of £95,000 that resulted from the target that had been set by the Council. It was currently proposed that these savings be found by reducing the cost per placement of temporary accommodation through the expansion of the Private Sector Leasing Scheme and reducing the use of agency staff.
- 4.46 However, in setting the net spending level, the Council had assumed that £56,000 would be spent on new or enhanced services, primarily intended to support the Supporting People function.
- 4.47 Carol Schneider from Torbay Voluntary Services and Julian Tuck from Westcountry Housing Association were invited to give their view on the proposals. The main point highlighted was:
- Assurances were sought that the Council was still committed to long term planning on the number of affordable homes in Torbay.

Financial Services

- 4.48 Financial Services was required by the Council to seek a net reduction in expenditure of £0.565 million which represented a 10% reduction in the net budget excluding those elements of the budget such as debt payment that were fixed in the long term or outside service provision.
- 4.49 It was proposed that £37,000 could be saved by reducing the number of cashiers employed by the Council and by restructuring the contract for cash collection. This reduction would be coupled with increased publicity about the range of options available for people to make payments to the Council.
- 4.50 The introduction of the DPS and FMS systems would lead to efficiency savings in terms of the amount of accommodation required to store files and the inputting of financial data by service departments. It was hoped that the reduction in staffing as a result of the introduction of these systems (in particular DPS) would not have an effect on the success of the Benefits Team in meeting its performance targets. The Executive was confident that the risk would be justified in the long term.
- 4.51 The Board was concerned that if there was an increase in the number of applicants for Council Tax Benefit, there would be a delay in the application process as a result of the staffing reductions. It was confirmed that there would be a delay if efficiencies were not realised.

although the Council's performance improved last year with an increase in claimants and without the new IT systems.

- 4.52 Due to the implementation of the PARS system in social services, it was proposed that 75 posts would be deleted within the Financial Services Business Unit. The new system would enable Social Workers to input data direct to the IT system and therefore administrative support could be reduced.

Law, Support and Democratic Services

- 4.53 In relation to Law and Support, the Council was seeking a net reduction in expenditure of £0.265 million (10.2% reduction). In respect of Democratic Services, this figure was £0.146 million (9.3%).
- 4.54 It was proposed that the post of Assistant Director (Legal Services) should be deleted. However, this would have a large impact on the delivery of other Council services such as prosecutions in relation to Trading Standards and the serving of Anti-Social Behaviour Orders. The Board was very concerned over this proposal and the "message" it could send to the public.
- 4.55 In relation to Land Charges, it was proposed that, by reviewing the staffing structure, £11,000 could be saved. This had been identified as a low priority by members of the public.
- 4.56 It was proposed that the post of Licensing Officer would be funded from the increased level of fees expected over the forthcoming year. It was noted that this post was a permanent post and therefore alternative sources of funding would need to be identified in future years.
- 4.57 In relation to the mayoralty function, it was proposed that £30,000 could be saved although the exact details of the saving had not yet been finalised. A further £20,000 would be saved because no recharge would need to be paid in the next financial year for the use of the Mayor's Parburat Tower Abbey.
- 4.58 Increased income would be sought through the Registration Service although it was also proposed to delete one Registrar from the structure. It was argued that this would enable greater flexibility to respond to the needs of the community.
- 4.59 Denis Reid, an Ex-Mayor, was invited to give his views on the proposals and the main points highlighted were:
- There was a need for the Mayoral support staff to be located in offices immediately adjacent to the Mayor's Parbur. This could be achieved with the existing Parburat Oldway Mansion.

- There were possible ways to reduce the costs of the Mayorality such as:
 - (i) Reducing the number of visits made by the Mayor and Deputy Mayor
 - (ii) Reducing the Mayor's Allowance; and
 - (iii) Income from the hire of Mayor's Park

Human Resources

4.60 In order to meet the target set by the Council in relation to Human Resources, the Executive proposed that there were opportunities for making savings on recruitment costs and increasing income generation. However, it was also proposed that there should be a reduction of staffing within the Personnel Section.

4.61 The Board expressed concern that if there was a reduction in staffing the division would have difficulty in meeting its other proposals. It was reported that this risk was fairly small.

Performance, Policy and Communication

4.62 The Policy, Performance and Communication Business Unit had been asked to identify a net budget reduction of £149,000. As part of the savings that were identified it was proposed that the Customer Services Officer post be deleted from the establishment. This role would be undertaken within Exchequer and Benefits as part of the Customer Focus Pilot.

4.63 In relation to the Torbay Strategic Partnership, it was reported that the Council's partners were providing resources to support the Partnership that were linked to time rather than money. The onus had always been on the Council to take the financial lead for the Partnership.

5. Conclusions

General

- 5.1 The Board is concerned about the use of specific grants to support the revenue budget. The Board does, however, recognise that this is sometimes necessary but would highlight that services will not be able to be developed in the way in which the grant was originally intended and that there may be future commitments that would need to be funded from alternative sources once the grant ends. In particular, the Executive's attention is drawn to the use of the Planning Delivery Grant, various social services grants and the E-Government Grant to support the revenue budget.
- 5.2 The Board believes that savings as a result of Essential Care Allowances being withdrawn from certain officers should not be relied upon at this stage given that this matter is still subject to consultation with the Trades Unions.

Children's Services

- 5.3 The Board has reservations about the removal of the posts within the Education Welfare service, Behaviour Support Unit and the Educational Psychology service and feels that cutting staffing levels in these areas will impact on early preventative work normally undertaken. The Board is particularly concerned about the proposals given that it had been reported at the last meeting of the Learning and Cultural Services Performance Board that there were currently not enough Education Welfare Officers within the Directorate.
- 5.4 Furthermore, the Board is uncertain about what efficiency savings will be made as a result of reducing the levels of staffing within the Education Welfare service, Behaviour Support Unit and the Educational Psychology service. It would wish to see this monitored closely by the Children's Services Performance Board.
- 5.5 The Board feels that the saving of £57,000 identified as a result of reducing the costs of looked after children placed in the independent sector cannot be guaranteed. This budget is one of the most volatile within the Council and has been consistently overspent. The most recent budget monitoring report shows that the service is predicting a significant overspend on this budget at the end of the current financial year. The Board feels that if this reduction in resources is approved, and the savings do not come to fruition, then pressure will fall elsewhere within the Authority over the course of the next financial year.
- 5.6 The Board believes that the increase in expenditure of £50,000 in relation to the Youth Service is an essential addition to the budget. The

proposal to allocate a further £50,000 to the Service if additional monies become available should have a higher priority.

- 5.7 Within the list of priority areas that should be allocated funding, if additional monies are available, are a number of areas that are said to be statutory. The Board believes that the statutory items should be included within the target budget and is disappointed that no clear answer was available about which lower priority services would not be delivered if no further monies were available to meet statutory requirements.

Cultural Services

- 5.8 The Board feels that there is a degree of uncertainty about whether the carry forward of £130,000 to balance the budget within Cultural Services is achievable and sustainable. This concern is strengthened by the fact that the most recent budget monitoring report shows an underspend in the current year of less than £130,000.
- 5.9 Not enough information was available to the Board in relation to the proposal to delete inflation from the supplies and services budgets. The Board would wish the Executive to explore this issue further to identify the impact of this proposal on service provision and satisfy itself as to whether it will impact on the major service areas.
- 5.10 In light of the comments made by stakeholders about encouraging tourists to continue to visit the area, the Board is also concerned about the level of price increases in relation to cultural and leisure services, in particular the proposed charges for the Palace Theatre and for beach huts.

Torbay Development Agency

- 5.11 The Board is concerned that the proposed reduction of funding for professional fees should not affect the Agency's ability to secure external funding.

Environment Health and Consumer Protection

- 5.12 The Board is concerned about the impact of reducing the numbers of Trading Standards Officers. The Executive should be mindful of the medium term risk that the Council may need to fund Consumer Direct following the transfer of the Council's consumer advice service to this agency.
- 5.13 The Board is pleased to see that additional resources have been made available to ensure that the Council's three street wardens can be retained.

Planning, Development and Policy

- 5.14 The Board is concerned about the effect on the Council's Medium Term Financial Plan as a result of relying on the Planning Delivery Grant to support the revenue budget. If or when this Grant is withdrawn it will either result in an increase in planning fees by the Government to compensate for the reduction in the grant or the planning function will be significantly reduced. The Board was unclear as to the on-going base budget commitment arising from the use of the Grant but was of the understanding that it was in excess of £0.1 million.

Highways and Engineering

- 5.15 The Board believes that the saving of £253,000 identified in relation to the introduction of Decriminalised Parking Enforcement (DPE) is not a saving but a carry forward of a deficit in anticipation of future income. The Board believes that it is premature to consider DPE as an income source when the Board has not seen the Business Plan or income projections and have been unable to challenge the assumptions upon which these are based.

Engineering and Property Services

- 5.16 The Board would wish to monitor, through the Environment Services Performance Board, the level of fees charged by consultants to ensure that costs do not exceed those that would have been incurred if the in-house team had been maintained.

Direct Services and Waste

- 5.17 The Board would wish to monitor the costs associated with re-opening the toilets to assess the impact of them being closed over the past year.
- 5.18 The Board also sought assurance that the funding would be forthcoming from the Primary Care Trust to meet the increased costs of collecting clinical waste.

Adults' Social Services

- 5.19 The Board does not accept the explanation about how the savings proposed in relation to care packages could be achieved over the coming year. The Board feels that this has been a volatile budget in the past and that there is no reason to assume that this will change in the future.
- 5.20 The Board believes that the savings that have been identified as a result of more robustly enforcing the Council's sickness policy are based on assumptions that may not be realistic. The Board does not feel that these savings can be guaranteed.

- 5.21 The Board would urge the Executive to examine closely how the saving of £200,000 in relation to domiciliary care has been made up to ensure that the savings can be realised. The Board was very disappointed that this information was not forthcoming when it was requested during the course of its deliberations.
- 5.22 The Board will be undertaking robust monitoring of the budgets in relation to Adults' Social Services over the next year given the transfer of responsibilities to the Adult Care Trust.

Housing Services

- 5.23 Given the large overspend within Housing Services in the current financial year, the Board would question whether the base budget proposed for this service is realistic.
- 5.24 It would also question whether the savings proposed can be achieved over the next financial year given the current level of overspend. In particular, the Board is not convinced that the Private Sector Leasing Scheme can be expanded quickly enough to ensure that the savings can be met.

Law, Support and Democratic Services

- 5.25 The Board believe that the risks of deleting the post of Assistant Director (Legal Services) are too high and that this post should be re-instated as the Head of Legal Services.
- 5.26 The Board do not feel able to make any conclusions about the savings identified in relation to the Mayoralty as the full details of how these savings could be met have not been made available at this time. However, the Board accepts that savings do need to be identified but would wish to express its concern at the speed at which these savings are being identified.
- 5.27 The Board would hope that deletion of a Registrar from the establishment would not affect the delivery of the Registration Service.

Other Business Units

- 5.28 Whilst the Board has no specific conclusions in relation to the budget proposals in respect of Financial Services, Human Resources and Policy, Performance and Communications, it would wish the Executive to have regard to the issues highlighted within section 4 of this Report.

6. Recommendation

- 6.1 That the Executive consider the information that has been presented to the Overview and Scrutiny Board over the series of meetings involving Executive Members, officers and stakeholders and that it takes account of the conclusions reached by the Board in formulating its recommendations to Council.

Acknowledgements

The Members of the Overview and Scrutiny Board would like to thank all of the Executive Members and officers for attending the meetings of the Board.

They would also like to thank those Stakeholders who attended the meeting and gave their views to the Board.

Appendix 1

Implications of the Recommendations

| | | |
|-----------------|---|---|
| Legal | } | The purpose of this Report is to consider the implications on all services of the proposals put forward by the Executive. |
| Financial | | |
| Human Resources | | |
| Property | | |
| Change Mgt Plan | | |

The recommendations contained within this Report are contrary to or not wholly in accordance with the Council's Budget and Policy Framework

The recommendations contained within this Report would be a Key Decision

Appendix 2

Invited Stakeholder Organisations

| | |
|---|---|
| Brixham Chamber of Trade | Torbay Partnership Committee |
| Torquay Chamber of Trade | Torbay Primary Care Trust |
| Paignton Chamber of Trade | South Devon Healthcare NHS Trust |
| Federation of Small Businesses | Checkpoint |
| Torbay Business Forum | The Children's Fund |
| Brixham Trawler Agents Ltd | Devon Partnership NHS Trust |
| Torbay Tomorrow Partnership | Riviera Housing Trust |
| Brixham 21 | West Country Housing Association |
| Debenham's | Devon and Cornwall Housing Association |
| South Devon Chamber of Commerce | Sovereign Housing Association |
| Fleetwalk Retail Consortium | Signpost Housing Association |
| MDL | UNISON |
| Torbay Self Catering Association | GMB |
| Torbay Hospitality Association | NUT |
| Bridge Hotels Group | Torbay Sports Council |
| Five Star Attractions | Riviera Centre Ltd. |
| English Riviera Association of Tourism | Parkwood Leisure |
| Exeter Diocesan Board of Education | Paignton Zoo |
| Diocese of Plymouth, Department for Formation | Friends of Tor Abbey |
| Torbay Association of Secondary Headteachers | Brixham Heritage Museum and History Society |
| South Devon College | Torquay Natural History Society |
| Torbay Governors' Association | Arts Forum |
| Local Strategic Partnership | Torbay Coast and Countryside Trust |
| Ward Partnerships | Stagecoach Devon |
| Connexions | Countybus/Answerway Coaches |
| Torbay Association of Primary Schools | Fist |
| Schools Forum | Groundwork |
| Combe Pafford Special School | Chelston Leisure Services Ltd |
| Early Years Development and Childcare Partnership | Bay Bombs |
| Devon and Cornwall Constabulary | Torbay Voluntary Service |
| Devon Fire and Rescue Service | Citizens' Advice Bureau |
| Residential Care Homes Trust | Age Concern |
| Registered Nursing Homes Association | Acorn Youth and Community Association |
| Children's and Young People's Strategic Partnership | Devon and Exeter Race Equality Council |
| Mencap | South Devon Coalition of Disabled People |
| | Herald Express Publications |
| | Job Centre Plus |
| | Youth Parliament |