



Date: 21 September 2018

Councillor Chris Weaver,
Cabinet Member Finance, Modernisation & Performance,
Cardiff Council,
County Hall,
Cardiff
CF10 4UW

Dear Chris,

Policy Review & Performance Scrutiny Committee: 12 September 2018

On behalf of the Members, thank you for attending the Policy Review and Performance Scrutiny Committee, to discuss the Council's Budget Strategy for 2019/20. Would you please also pass Members' thanks to the officers in attendance, particularly to Sarah McGill, Corporate Director People & Communities and Clare Marchant, Director of Social Services, for enabling us to focus on the budget challenges faced by Social Services. Following the scrutiny, Members agreed that I pass on the following observations captured during the Way Forward for your consideration.

The Committee considers it important that Scrutiny Members play an active part in scrutinising proposed changes to the budget, to ensure the Council has the finances in place to continue to deliver sustainable local services, particularly in demand-led areas such as Adult Social Care and Children's Services. Therefore focussing on Social Services, whose allocation of the Council's total controllable budget is significant, was a good opportunity to provide Members with a fuller understanding of the financial resilience work underway to tackle the challenges the Directorate is facing.

Members found it useful to consider Social Services financial challenges within the context of the Corporate Budget Strategy for 2019/20. We note your decisions relating to the Strategic Budget Reserve, set aside to balance the books over the next 3 years, that Council reserves are reviewed six monthly, and that the use of

£3.75m of reserves over the next three years, 2019/20, 2020/21 and 2021/22, will be replenished if necessary. We also note that capital debt has not increased, and that Council Tax will increase, however there is no certainty about the final proposal and that Council Tax may well be set at a higher level than that illustrated.

The Committee understands that, for Adult Services, the management of demand for services is critical, and preventative services make a significant impact on budgetary control. We were interested to hear that 196 fewer service users would save the Council £2.5m, and note that the cost of domiciliary care is higher in Cardiff than in other areas of Wales. Therefore, we concur with you that focus on prevention is crucial, we acknowledge the importance of understanding what is going wrong in people's lives, and that there is more work to do on demand management. Members endorse an invest-to-save approach to developing preventative services where it can be financially justified.

The Committee noted that demand in Children's Services is rising rapidly, and intervention is required at the earliest possible stage. Members consider that the Council's position as the Local Authority across Wales with the lowest percentage of foster placements 'in-house' is concerning. We note from your presentation the substantially greater cost of private sector independent fostering agencies, and are concerned that the Council has historically adopted this model of service provision. We were therefore pleased to hear that you aspire to move away from this model.

Focussing on budget setting for Social Services, Members are keen to see you avoid a scenario whereby the service is already overspending its budget at Quarter 1 and potentially at the year-end, by several million pounds. We therefore urge you to put in place a process that avoids such overspending.

We are reassured at fresh attempts to find lower cost care alternatives, particularly for our cared for children, but until substantial progress in reducing costs is made, we recommend that forecasting of expenditure takes account of the trend line illustrated which shows how spending levels have risen and are predicted to rise. Whilst increasing trends mean increasing budgets, we feel some invest-to-save improvements are required. Importantly, we recognise the need to deliver on savings identified, but also consider that prevention is central to resolving budget challenges.

We were interested in your reference to the variation in judiciary court outcomes across Wales, noting your example of Newport Council who appear to be bucking the trend for increasing numbers of court orders. We therefore urge you to reflect on whether the Authority needs to raise this matter as an issue with the courts.

We are encouraged that the Council is seeking new ways of working with health colleagues to improve hospital discharge, and we look forward to the impact new approaches may have on the Social Services budget around April 2019.

Finally, we were reassured to hear that the Corporate Director People and Communities considers excellent performance management is crucial, and the key to delivering the service within the budget set. We would be interested to see the detailed plan for delivering that performance improvement process when it is finalised.

To recap, the Committee:

- Concurs that focus on prevention is crucial, and there is more work to do on demand management.
- Endorses an invest-to-save approach to developing preventative services where it can be clearly justified.
- Supports a move away from the current model placing children out of county.
- Considers that those children currently placed out of county must retain security arrangements.
- Urges a process that avoids overspending by the taking account of the increasing trends when forecasting budgetary expenditure.
- Recognises the new ideas and initiatives set in train by the new management team and proposals to reduce costs across the board.
- Urges you to reflect on whether the Authority needs to investigate further the consistency of court orders in Wales.
- Looks forward to the impact new ways of working with health partners may have on the Social Services budget around April 2019.
- Looks forward to hearing in detail how the proposed and recommended changes and improvements in performance management impact on the cost

and efficiency of the service area and improve its service offering to its customers.

Once again, on behalf of the Committee, please pass my sincere thanks to all who attended PRAP Scrutiny Committee for consideration of the challenges of the Budget Strategy for 2019/20. There is just one request for additional information in our letter, and I would not therefore expect a full response. I have copied in the Chairs of the Community and Adult Services, and Children and Young People Scrutiny Committees, whose Terms of Reference focus on Social Services.

Yours sincerely,

A handwritten signature in black ink that reads "David Walker". The signature is written in a cursive, flowing style.

COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Cllr Lee Bridgeman, Chair, Children & Young People Scrutiny Committee
Cllr Mary McGarry, Chair, Community & Adult Services Scrutiny Committee
Sarah McGill, Corporate Director People & Communities
Christine Salter, Corporate Director Resources
Ian Allwood, Head of Finance
Clare Marchant, Director of Social Services
Alison Jones, Principal Scrutiny Officer, CASSC
Martyn Hutchings, Principal Scrutiny Officer, CYP
Joanne Watkins, Cabinet Office Manager
Heather Warren, Cabinet Support Officer.