

Finance & Resources Scrutiny Committee

Scrutiny Review of Draft Council Budget 2017-18 and Medium Term Planning and Funding Position to 2020-21

Outcomes of Challenge Sessions

Directorate	Wellbeing & Prevention	
Proposal Number	13-002-06	
Title	Cessation of direct delivery of the school meals and meals at home services	
Proposal	(£742K) efficiency	
Commentary		
<p>The Strategic Commissioner Health Partnerships & Integration advised that the overall context for Wellbeing & Prevention draft budget proposals was that the Public Health Grant – £36m in 2016/17 – was subject to 3% decreases in each of 2016/17 and 2017/18. The £742K efficiency saving on meals services represented the full year effect of a change made in 2016/17. Services were not ceasing completely: a new contract had been put in place and the saving represented the difference between the old and new contracts.</p>		
Recommendations to Cabinet		Proposed Cabinet Response
That the Cabinet recognises that the Finance & Resources Scrutiny Committee considers proposal 13-002-06 to be achievable.		Noted
Scrutiny risk rating		Green

Directorate	Wellbeing & Prevention
Proposal Number	16-008-14
Title	Third Sector (Voluntary & Community Sector) Support
Proposal	(£200K) efficiency

Commentary

The Strategic Commissioner Health Partnerships & Integration advised that the proposal was based on looking at new ways of delivering functions provided by Healthwatch Northamptonshire in conjunction with Voluntary Impact Northamptonshire (VIN) to achieve an efficiency. However, it was recognised that there were concerns about the position of the Voluntary & Community Sector (VCS) in the county and, in this context, the proposal was now going to be revisited. The Cabinet Member for Finance highlighted that Healthwatch Northamptonshire had been funded at more than twice the level originally planned, to help get it to the point where it could become self-sufficient. Its chair had worked towards this brief. The level of funding proposed now reflected the position that the Health & Wellbeing Board had originally agreed would apply by this point in time.

Councillors were subsequently advised that prevention was one of the four main themes of the Sustainability & Transformation Plan (STP). The Better Care Fund would continue for the next two years and then dovetail into the STP. It was likely that more prevention activity would need to be located in the community in future. The role of the VCS would be considered as part of planning for this.

Councillors noted that Healthwatch Northamptonshire had already commented to the Budget Scrutiny Review on the importance of continued recognition of, and support for, the VCS and of the benefits to Northamptonshire of a thriving VCS. Councillors raised the following points during the course of discussion:

- The fact that the draft budget proposal was being revisited was welcomed.
- Healthwatch Northamptonshire and VIN's awareness of the draft budget proposal was questioned.
- The VCS played a key part in prevention but was also under pressure to do more. Smaller organisations could struggle because they did not have the capacity to attract external funding and this should be recognised.
- A small amount of funding from NCC could often enable VCS groups to lever in much greater funding from other sources.
- Funding for Healthwatch Northamptonshire may have been above the original level but changes in the health sector over time also affected the demand on it.
- The capacity of the VCS needed to be sustained in the short term for it to be available to work with NCC in the future.
- Clinical Commissioning Groups already operated according to localities and NCC should be working with them.
- NCC needed to be sure that its future approach to working with the VCS did not have unintended consequences, resulting in disadvantages that outweighed the positive outcomes sought.

Additional information was also provided to councillors as follows:

- The need to offer flexibility to the VCS was recognised and there was scope to improve commissioning with the sector to focus on outcomes rather than specifying how these should be achieved.
- The £200K proposed saving was an overall figure: work had not get to the point of allocating it between the organisations concerned.
- VIN and Healthwatch Northamptonshire should be aware of the draft budget proposal although NCC had not had a direct response to it from them.
- A recent report by VIN had shown that VCS organisations' capacity to bring in funding from non-NCC sources had increased and more than compensated for reductions by NCC. The Northamptonshire Community Foundation was also giving this particular emphasis.
- The Next Generation Council model should benefit the VCS by giving NCC access to additional sources of funding that could potentially be used with the VCS.
- NCC was already working with CCGs on locally-based services. A key part of work on delayed transfer of care involved looking at how resources could be used in the community to reduce demand for more expensive care beds.
- NCC's contract with VIN was for it to provide infrastructure support, which involved it supporting VCS groups with functions such as fundraising and building organisational capacity. This reflected the introduction of the Prevention Strategy by NCC and changes to VCS funding arrangements in the 2010s.

Councillors discussed the need to give further consideration to NCC's strategy towards the VCS, to ensure that it was co-ordinated effectively across NCC, was based on a sound picture of VCS organisations' ability to secure funding from external sources, and would enable the VCS to have the long term capacity to contribute to service-provision in the way that NCC anticipated. This was identified as a potential topic for an Overview & Scrutiny workshop, which would better enable councillors to understand the VCS, the work it provided and the impact of any funding reductions. This workshop could involve representatives from the VCS.

Recommendations to Cabinet	Proposed Cabinet Response
That the Cabinet recognises that the Finance & Resources Scrutiny Committee welcomes the withdrawal of proposal 16-008-14 from the draft budget for further consideration of risks involved.	Noted; the original proposal has been revised in the draft budget being presented to the Cabinet.
That the Cabinet agrees that further consideration of proposal 16-008-14 should include appropriate dialogue with Voluntary Impact Northamptonshire and Healthwatch Northamptonshire.	Noted

Recommendations to others	
That the Overview & Scrutiny Function considers the effectiveness of Northamptonshire County Council's strategy for working with the Voluntary & Community Sector as a potential topic for scrutiny in 2017/18.	
Scrutiny risk rating	No rating has been given as the proposal is being reconsidered.
Relevant headline theme(s)	• Avoiding unintended consequences

Directorate	Wellbeing & Prevention
Proposal Number	15-004-19a
Title	Increased income generation through fees and charges
Proposal	(£100K) income generation
Commentary	
<p>The First for Wellbeing (FfW) Managing Director gave an overview of FfW's sources of funding, which consisted of £19m Public Health Grant (51%), £10.6m fees and charges and other income (28%) and £6.8m NCC core funding (18%). The majority of funding went towards the 0-19 Service, which was delivered by Northamptonshire Healthcare NHS Foundation Trust. The Libraries Service was the biggest recipient of NCC core funding, which was used for the Book Fund and staffing, whilst also generating income. The Libraries Service had been subject to a zero-based budgeting review in 2015, which had produced efficiencies.</p> <p>Councillors were advised that the £100K income proposed was in addition to the existing £10.6m already built into the FfW budget. NCC fees and charges relating to FfW were kept under review and some changes had been made in September 2016: it was not proposed to make further increases in these areas now. Actions to generate additional income would include the Registration Service charging for a new service to check joint citizenship and passport applications, and a new Adult Learning charge to services and outside organisations for dyslexia assessments. FfW's capacity to achieve its income targets was subject to factors beyond its control, such as demand for services and the affect of the weather on visits to country parks, but was confident as it could be that the proposal in the draft budget would be achieved.</p>	
Recommendations to Cabinet	
That the Cabinet recognises that the Finance & Resources Scrutiny Committee considers proposal 15-004-19a to be achievable whilst acknowledging that there is a small risk involved in it.	Noted
Scrutiny risk rating	Green

Directorate	Wellbeing & Prevention	
Proposal Number	15-008-13	
Title	First for Wellbeing business case savings	
Proposal	(£400K) service transformation	
Commentary		
<p>Councillors were advised that the proposed saving was based on work over the past two years with Voluntary & Community Sector (VCS) partners previously funded through the Supporting People programme to assist vulnerable people to remain in their own homes. There had previously been 20 contracts but before the function had been transferred to FfW these had been re-commissioned with a single organisation. The new arrangement would come into effect from the start of 2017/18 and would deliver the proposed saving in this year of the Medium Term Financial Plan. Further consideration needed to be given to how the proposed business case savings in later years would be achieved. Savings would not come from the same area as in 2017/18 but from service transformation in other areas.</p> <p>Councillors re-iterated comments about the sustainability of the VCS and different requirements and challenges in different parts of the county. The Managing Director noted that it was necessary to focus on delivering outcomes. This could take account of local demographics but there were fewer resources available overall. Approaches such as clustering could lead to VCS groups sharing costs and changing the way that they worked. However, this could produce better outcomes and also produce a better evidence base about service usage, duplicated services, and cases when people were re-presenting themselves for help having failed to attend previous referrals.</p>		
Recommendations to Cabinet		
That the Cabinet recognises that the Finance & Resources Scrutiny Committee considers proposal 15-008-13 to be achievable in relation to the proposed saving for 2017/18.		Proposed Cabinet Response
		Noted
Scrutiny risk rating		Green

Directorate	Wellbeing & Prevention
Proposal Number	16-008-15
Title	Commercial Income Target
Proposal	(£330K) income generation
Commentary	
<p>The FfW Managing Director gave councillors an overview of the Octigo system, which was a unique holistic wellbeing tool developed by FfW that individuals could use themselves or through the Customer Contact Centre. It assisted users to identify ways to change their lives to improve their wellbeing. The draft budget proposal was based on selling Octigo to organisations outside Northamptonshire. There had been significant interest in it already and Octigo would enable organisations to show what outcomes they were obtaining from prevention activity. However, there was a risk associated with the proposal. Octigo was a new product in a new market and initial interest in it needed to be translated into sales.</p> <p>Councillors questioned the robustness of the income projected from Octigo sales and whether FfW would have sufficient capacity to support increased usage of the tool both by Northamptonshire residents and customers. The FfW Managing Director advised that £330K was considered to be a prudent figure, informed by the evidence-base gained from operating Octigo in Northamptonshire for the previous four months: it was possible that the target could be exceeded. Octigo assessment rates were rising monthly and FfW needed to avoid creating a situation that exceeded FfW's capacity to support usage. However, FfW was not currently over-extended. Further information was also provided during discussion as follows:</p> <ul style="list-style-type: none"> • Octigo required a users' NHS number and did seek out duplication with other systems. • Personal data from Octigo would not be shared, although more general information could be shared where appropriate, for example with BIPI. • Octigo assessment questions had been developed over time and were kept under review. The University of Northampton was working with FfW to validate them. • Octigo was advertised on the Internet, in libraries and with Voluntary & Community Sector partners. <p>Councillors recognised that there was a risk to achieving the income target but it was also not out of the question that it might be exceeded. In this case, additional income could be used to reduce the need to make savings in other parts of the budget.</p>	
Recommendations to Cabinet	
Proposed Cabinet Response	
That the Cabinet recognises that the Finance & Resources Scrutiny Committee considers proposal 16-008-15 to be achievable whilst acknowledging that there is a risk involved in it.	Noted
Scrutiny risk rating	Amber