

Overview and Scrutiny Management Committee

Meeting held 5 February 2019

PRESENT: Councillors Denise Fox (Chair), Ian Auckland, Ben Curran, Douglas Johnson, George Lindars-Hammond, Pat Midgley, Mick Rooney, Ian Saunders and Cliff Woodcraft

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1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors Penny Baker and John Booker.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 No items were identified where resolutions may be moved to exclude the public and press.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of the committee held on 15th November 2018 were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 A member of the public, Nigel Slack, asked:

I note at Item 10, the Committee is to discuss the Work Programme for 2018/19. This report indicates it is to enable Members to “consider and comment” on the draft Work Programme for 2018/19.

Since the only piece of work in the report is the Scrutiny Annual Report, I take it this is actually the last piece of work for the Committee before the annual 'musical Chairs' event that follows the May elections?

I'd like to highlight early therefore a topic for the 2019/20 work programme for this Committee.

A review in detail of the Councillors Code of Conduct and how to reflect within that the need to address social media use & abuse by Councillors.

Recent decisions by the Monitoring Officer have highlighted the need to look at how social media is used by Councillors, including the potential for the use of 'fake' accounts. The current Code of Conduct is clearly not up to the job and Cabinet have, in answer to my questions, made it clear they believe it is for this Committee to consider the changes that need to be made to bring this code into the 21st century. There are also issues around other elements of the code that I believe need strengthening in order to protect both the public and the reputation of this Council.

Will this Committee therefore commit to the 2019/20 work programme to addressing this issue as a matter of urgency?

5.2 The Chair explained that the Councillor Code of Conduct was reviewed annually by the Audit and Standards Committee and agreed by Full Council. The question would be passed to the Audit and Standards Committee to look at as soon as possible and the Overview and Scrutiny Management Committee would look at the Code of Conduct following the review.

5.3 RESOLVED: that the question be passed to the Audit and Standards Committee for a review of the Councillor Code of Conduct to be carried out as soon as possible and for Overview and Scrutiny Management Committee to add to their work Programme once the review had been concluded.

6. HOW MONEY FLOWS IN THE NHS AND FINANCIAL PLANNING FOR 2019/20

6.1 The Committee received a presentation from Julia Newton (Director of Finance – Sheffield Clinical Commissioning Group) on how money flowed in the NHS and Financial Planning for 2019/20. Also in attendance was Eugene Walker (Executive Director, Resources – Sheffield City Council)

6.2 The NHS was the 2nd largest recipient of public money. The financial settlement for the Clinical Commissioning Group (CCG) had only just been received, therefore the CCG was still working through the implications. Work was ongoing to determine priorities for funding and levels of achievable efficiencies.

6.3 Financial frameworks for CCG's were very tight. At the end of the financial year, the CCG must break even and balance the books. Every year started with no reserves. There was a historic reserve amount of £18m that was held by the Government that the CCG had no access to. In addition, the CCG was not permitted to own buildings or access capital, hold cash reserves or carry funding forward into a future financial year.

6.4 Three separate allocations were received by CCG's – Programme (to commission services); Primary Care (for GP core contracts and related spend) and Running Costs (for administration). NHS England allocated increases differentially dependent on position against 'fair share' target allocations. Currently, Sheffield CCG was nearly 5% above its target allocation.

6.5 Sheffield CCG's 2018/19 allowances had been as follows:

- £783m for Programme (this included £12m as host for South Yorkshire and Bassetlaw Integrated Care System)
- £77m Primary Care
- £13m Running Costs

6.6 In 2018/19, the CCG was currently on track to deliver the breakeven requirement, but there were risks. It was estimated that £16m of the £18.5m efficiency target would be met. The main investments had been around mental health and primary care services and cost pressures were mainly in urgent hospital care.

6.7 The allowances for 2019/20 were as follows:

- £805.733m for Programme
- £82.473m for Primary Care
- £12.643 for Running Costs

6.8 Pressures for the CCG were similar to the rest of the country and included:

- An ageing population
- A rise in long-term conditions
- A reduction in funding and increasing costs of providing care
- Increase in hospital activity and demands for long-term care
- Waiting time pressures
- New technology and treatments

6.9 Members of the Committee raised questions and the following responses were provided:-

- New contract arrangements would be in place for 2019/20 to try to work with hospitals to reduce the amount of people in hospital beds. It was part of the Government's requirements that in CCG areas, GP Practices and neighbourhoods work together to create economies of scale and provide a more cohesive service to the population.
- Hospitals had real cost pressures and it was important to try to understand flows and where it was best to focus. Funding flowed from the CCG to the local authority for mental health care.
- Hospitals linked to the Sheffield Strategy and in some areas would make a loss e.g. care of the elderly, due to national pricing. It was an inefficient system and income could be grown in other ways e.g. changing the use of beds.
- GP Practices were run as businesses and had a special route for capital funding and another for primary care. Hospitals had their own route and built up cash via depreciation of assets. They could also access PFI.

6.10 RESOLVED: That the Committee:-

- (a) notes the presentation now submitted, together with the responses to the questions now raised; and
- (b) thanks Julia Newton for attending the meeting and responding to the questions raised.

7. REVENUE BUDGET AND CAPITAL PROGRAMME 2019/20

7.1 The Committee received a report of the Executive Director, Resources, attaching the 2019/20 Revenue Budget and the 2019/20 Capital Budget which were to be considered at Cabinet on 13th February 2019.

7.2 In attendance for this item were Councillor Olivia Blake (Cabinet Member for Finance), Eugene Walker (Executive Director, Resources) and Dave Phillips (Head of Strategic Finance).

7.3 Dave Phillips presented the report which detailed the activity and explained that the meeting had been held a week earlier than in previous years to allow feedback from the Committee to be included in the report to Cabinet, if necessary.

7.4 The key messages in the presentation included:

- The Council was not setting a balanced budget for 2019/20 and would be using £11m of reserves to fund social care.
- The intent was to bring the budget back into balance over a four year period.
- The Council could not continue to increase social care budgets at this rate, so further savings needed to be made.
- A maximum 2.99% Council Tax increase was proposed.
- Given the importance of delivering savings plans and containing pressures, the 2019/20 budgets would be monitored earlier and more rigorously.
- An extensive review was to be undertaken on how to address future key priorities.

7.5 Members of the Committee raised questions and the following responses were provided:-

- The Council borrowed to fund capital projects. The Council was currently cash positive and had to balance the cost of borrowing with potential interest rate rises. Interest rates may rise following the UK's exit from the EU and there may be investment opportunities prior to any interest rate rise.

- There was huge uncertainty around future Government funding and the outcome of the Fair Funding review was not yet known. It was hoped that the Government continued to take deprivation into account.
- Individual Electoral Registration had meant a large increase in costs to the Elections Service.

7.6 RESOLVED: That the Committee:-

- (a) notes the contents of the reports of the Executive Director, Resources, on the Capital Programme 2019/20 and the Budget Report 2019/20, together with the comments made and the responses provided to the questions raised;
- (b) recommends that the reports of the Executive Director, Resources on the Capital Programme 2019/20 and the Budget Report for 2019/20, be submitted to Cabinet without amendment;
- (c) notes with concern that due to continued cuts to local government budgets and rising demand for social care services, this year the budget can only be balanced by the planned use of reserves;
- (d) thanks all officers involved for all their hard work in preparing the budget amidst widespread uncertainty about the future of local government funding;
- (e) thanks officers and Cabinet Members for bringing the budget timetable forward to enable the Overview and Scrutiny Management Committee to consider the budget reports in advance of Cabinet;
- (f) thanks the Council's front line staff who continue to go above and beyond in delivering services to the people of Sheffield in difficult circumstances; and
- (g) agrees to include regular monitoring reports on the implementation of the budget savings in its work programme for 2019/20.

8. ISSUES TO REPORT FROM SCRUTINY COMMITTEES

8.1 The Chairs of the Scrutiny and Policy Development Committees in attendance updated the Committee on their respective Committee's work.

8.2 The Chairs raised the issue of the frequency of meetings and whether every two months was sufficient for the amount of work required.

8.3 RESOLVED: That the Committee:-

- (a) notes the information now reported; and

- (b) requests that a meeting be arranged with the relevant Cabinet Member, Statutory scrutiny Officer and Scrutiny and Policy Development Committee Chairs to discuss Committee frequency and workloads.

9. WORK PROGRAMME 2018/19

- 9.1 The Committee received a report of the Policy and Improvement Officer, which set out its Work Programme for 2018/19.
- 9.2 Emily Standbrook-Shaw (Policy and Improvement Officer) explained that Workbased Development and Wellbeing and the Customer Experience Strategy would be added to the agenda for the final meeting of the year.
- 9.4 RESOLVED: that the Committee notes the information now reported.

10. DATE OF NEXT MEETING

- 10.1 It was noted that the next meeting of the Overview and Scrutiny Management Committee would be held on Thursday, 18th April, 2019, at 1.30pm, in the Town Hall.