

PEOPLE'S SCRUTINY COMMITTEE

23 January 2017

Present:-

Councillors S Randall-Johnson (Chairman), E Barisic, F Biederman, C Channon, A Connett, A Dewhirst, A Eastman, R Hannaford, A Hannan, R Hosking, J Mathews, R Rowe, M Squires and R Julian

Members attending in accordance with Standing Order 25

Councillors S Barker, P Bowden, J Clatworthy, A Davis, J Hart, J McInnes and B Parsons

Apologies:-

C Mabin

* 43

Minutes

RESOLVED that the minutes of the meeting held on 5 January 2017 be signed as a correct record.

* 44

Public Participation: Representations

There were no representations received.

* 45

Budget

(Councillor Barker (Cabinet Member for Adult Social Care & Health Services) and Councillor McInnes (Cabinet Member for Children, Schools & Skills) attended in accordance with Standing Order 25(2) and spoke to this item at the invitation of the Committee).

The Committee noted that, in line with previous practice, the proposed budget for the 2017/18 financial year would be scrutinised collectively, with a joint meeting of Scrutiny Committees to be held on 30 January 2017, providing an opportunity for Members to comment on proposals for the Council's Budget in its entirety. This would follow the opportunity for individual Scrutiny Committees - as at this meeting - to have an initial overview of the budget proposals and examine them to identify any specific issues or areas of interest that might be considered at the joint meeting referred to above for incorporation into any recommendations to Cabinet and Council.

The Committee then considered the Joint Report of the County Treasurer, the Chief Officer for Adult Care and Health and the Chief Officer for Children's Services ([CT/17/4](#)) on the provisional financial settlement made by Government within the current and anticipated public sector funding regime and the spending targets set by the Cabinet for Adults and Children's Services which included inflation, commitments and service prioritisation reductions.

The Report also contained the detailed budget proposals for Adult and Childrens Services, prepared in line with those targets, reflecting the different pressures and influences faced by services. The proposed budget for Adult Care and Health Services of £216,493,000 incorporated inflation and commitments at £26,936,000 and required budget savings of £8,190,000; and the proposed budget for Children's Services of £118,131,000 incorporated inflation and commitments at £7,843,000 and required budgets savings of £5,539,000.

Members noted that overall, service inflation and commitments for the Council for the year were estimated at £43,026,000 and that to manage those combined pressures and set a

budget within Government provisional targets, total savings of £22,229,000 would need to be found in the 2017/18 budget. The announcement by Government on the final settlement and Council Tax Regulations was expected shortly.

Officers, in commenting on the likely implications of the 2017/18 target budget, advised that the overall approach had been to strike a balance between the reality of austerity while protecting the most vulnerable. The Committee recognised that there were significant financial pressures in the current year, especially within Adult Services, and that the costs to obtain sustainable care of the right quality had risen, particularly as a result of the national living wage, significant demographic pressures, increases in the number of care packages and in the unit costs for such packages. Looked after children placements costs were similarly demand-led and increasing in number. Nonetheless, the guiding principle had been to ensure that clients were supported in the care setting that most effectively maximised their independence and was underpinned by the general principle of promoting independence for people to stay in their home and in their community.

Members also noted the significant cost pressures relating to the High Needs Service largely due to increase demand where the cost of educating pupils with complex educational and physical needs could be significant and volatile. Whilst additional funding had been made available within the proposed budget, management action was being taken to address the problem in the Dedicated Schools Grant, noting also that the deliverability of a balanced budget depended on successfully increasing capacity in maintained special schools and disinvesting from the more expensive independent sector.

The Report now before the Committee also referred to the Budget 2017/18 Impact Assessment, circulated prior to the meeting, giving an overview of the impact assessments for all service areas (*available at: <https://new.devon.gov.uk/impact/published/budget-setting-201718/>*), for the attention of Members at this meeting in order that they may be aware of the equality impact assessments undertaken as part of the budget's preparation and that any risk assessments and projections were adequate and that the evidence supported the assumptions made in the formulation of the budget. Acknowledging also that the preparation of Impact Assessments was necessarily a dynamic process and that individual assessments for specific proposals may necessarily have to be developed and updated with time, Members of the Council must have full regard to and consider the impact of any proposals in relation to equalities prior to making any decisions and any identified significant risks and mitigating action required.

Specific issues and observations arising from the current budget proposals raised at the meeting included:

(i) in relation to Adult Social Care:

- noting the vagaries of a demand led service, acknowledging that there had been a 15% increase in Adult Social Care budgets over the last two years which, in parallel with the general aim of promoting independence for people to live more independent and fulfilling lives, would achieve best outcomes and achieve value for money;
- acknowledged the certainty created in future expenditure with the recently agreed contract for Living Well at Home and the need to similarly review contractual arrangements for residential care in light also of revised standards of external assessment and the Council's duty to ensure, inter alia, market sufficiency under Part 1 of the Care Act;
- welcomed and endorsed the fact that the budget, as now proposed, was predicated on a 3% increase in the Social Care precept for 2017/18 and had been formulated so as to achieve required savings identified in the target budget and deliver services differently as outlined above; although it was accepted it was not possible to give a

100% guarantee that the budgets would be sufficient given the largely demand led nature of the services.

(ii) in relation to Children's Services:

- that whilst acknowledging the overall 2% increase in Children Services budgets this was nonetheless against the background of significant savings required under the target budget;
- the impact on the Council's budget of any 'perceived' shortfall in government grant to fund directed activities such as Unaccompanied Asylum Seeker Children;
- recognising the importance of adequate provision and integrated working to ensure support for vulnerable persons to maintain access to services (through children's centres) acknowledging also the inherent value of informal contacts and networks and co-location of services and the vital need for appropriate checks and balances to reduce risk; and

(iii) generally:

- supporting the Council's case for increased funding for education and social care services in rural areas like Devon.

The Committee were reminded that its consideration of the draft Adults and Children's Services budget was just part of the process of setting the Council's budget which, following this meeting and the further joint scrutiny session on 30 January 2017 would culminate in the Cabinet on 10 February 2017 formulating a budget for consideration by the County Council on 16 February 2017.

Members noted representations received about the possible reduction (of £5,000) in the budget for SACRE provided to Babcock plc under the Learning Development Partnership; the Head of Education and Learning having indicated her willingness to discuss the issue further with Babcock plc, if approached.

It was **MOVED** by Councillor Randall Johnson, **SECONDED** by Councillor Hannaford and

RESOLVED

(a) that the provisional financial settlement and its impact on spending targets and on the proposed People's Services budget for 2017/18 be noted and the issues and/or observations set out above be drawn to the attention of the Joint Budget meeting on 30 January 2017; and

(b) that the Committee urgently conducts a Spotlight Review on options for Public Health Nursing Services and Integrated Childrens Services (Cabinet Minute *113/11 January 2017), to review options and report directly to Cabinet in March 2017.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 10.00 am and finished at 12.15 pm