

CHILDREN'S SCRUTINY COMMITTEE

18 January 2024

Present:

Councillors P Sanders (Vice-Chair), T Adams, J Brazil, F Letch MBE, P Maskell and M Squires

Apologies:

Councillors S Aves, P Bullivant, I Hall, L Hellyer, J Wilton-Love and C Mabin (Church of England Diocesan representative)

Members attending in accordance with Standing Order 25:

Councillors A Dewhirst, J Hart, A Leadbetter, C Leaver, L Samuel, A Saywell and P Twiss.

* 122 **Items Requiring Urgent Attention**

There was no matter raised as a matter of urgency.

* 123 **Public Participation**

There were no oral representations from members of the public.

* 124 **Budget 2024/25 and Capital Programme for 2024/25 to 2028/29**

The Committee noted that the proposed budget for the 2024/25 financial year would be scrutinised by individual Scrutiny Committees.

The Chairs of the Children's Scrutiny Committee and the Health and Adult Care Scrutiny Committee would present an overview of resolutions to the Corporate Infrastructure and Regulatory Services Committee. This Committee would also consider the draft budget proposals within its own remit, providing an opportunity for Scrutiny Members to comment on proposals for the Council's Budget in its entirety. The resulting resolutions from Scrutiny will be reported to Cabinet and Council.

This would follow the opportunity for individual Scrutiny Committees – 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 Corporate Infrastructure and Regulatory Services Committee for incorporation into any recommendations to Cabinet and Council.

The Committee then considered the joint report of the Director of Finance and Public Value and the Director of Children and Young People's Futures (DFP/24/03) on the provisional financial settlement made by Government and the spending targets set by the Cabinet for each service area which included inflation, commitments and any service reductions. The Report also detailed the proposed medium-term capital programme for the Children's Services and how it was funded.

An amended page 14 of the Report was tabled at the meeting, which should correctly read: Savings total (8,586) and overall Total 21,507.

The Cabinet, at its meeting of 10 January 2024, had set Revenue Budget targets for 2024/25. That Report had presented the proposed service budget targets for 2024/25 totalling £743.4 million, a net increase of £43.8 million or 6.3% compared to the 2023/24 adjusted budget.

In terms of the Budget for 2024/25, inflationary pressures continue to be felt across the economy, local government and partners and social care was particularly impacted by increases to the national living wage. Senior Leadership Team had worked extensively to develop plans to manage net service costs within affordable financial targets in light of local authorities across the country continuing to face financial challenges due to high inflation and interest rates as well as demands on local service provision.

To enable the authority to set a balanced budget, savings, alternative funding and additional income of £49.6 million had been identified. Overall, there was additional funding of £43.8 million or 6.3% for services next year.

It was not currently planned to support the proposed budget targets by using general reserve balances. In recognition of the SEND Deficit and Safety Valve considerations, it was anticipated the Council would need to set aside funds in 2024/25 – and in subsequent years in the Medium Term Financial Plan – to increase the SEND Safety Valve Reserve. An update on the SEND position would be reflected in the proposed budget presented to Members in February 2024.

The Capital Programme for 2024/25 to 2028/29 would be presented to Cabinet at the February Budget meeting.

On 18th December 2023, the Rt Hon Michael Gove, Secretary of State for Levelling Up, Housing and Communities, released a Written Ministerial Statement to Parliament setting out the provisional local government finance settlement for 2024/25 financial year. The Final Settlement was likely to follow in early February 2024.

Authorities could increase Council Tax for 2024/25 by up to the referendum limit of 2.99% and social care authorities could also increase the precept by

up to a further 2% specifically to fund adult social care costs (4.99% in total without a referendum being required).

Devon's Core Funding (and grants announced so far) was as follows. Other existing grants were expected to be published soon and would be reported as part of the overall budget papers in February, if known by then.

Core Funding Income	2023/24	2024/25
	Settlement	Provisional Settlement
	£000	£000
Revenue Support Grant (RSG)	669	713
Business Rates – Central Government Top Up	83,428	86,461
Business Rates – Local Element*	21,566	23,884
Total Core Funding	105,663	111,058

**The actual amount received will be derived from returns completed by Devon Districts in January 2024.*

Other Grant Income Included in the Settlement	2023/24	2024/25
	Settlement	Provisional Settlement
	£000	£000
New Homes Bonus	963	1,140
Rural Services Delivery Grant	8,744	8,744
Services Grant	4,152	653
Social Care Grant	54,015	63,280
Improved Better Care Fund	29,127	29,127
Adult Social Care Market Sustainability and Improvement Fund*	13,811	15,643
Adult Social Care Discharge Fund	4,084	6,806
Total Other Grant Income	114,896	125,393

**The ASC Market Sustainability and Improvement Fund 2023/24 settlement figure includes £8.373 million allocated in the Settlement in February 2023, plus £5.438 million additional in-year allocation confirmed in August 2023.*

The proposed service revenue budget targets for the 2024/25 financial year were set out in the table below.

	2023/24 Adjusted Base Budget £000	Inflation and National Living Wage £000	Other Growth and Pressures £000	Savings, Alternative Funding and Additional Income £000	2024/25 Target Budget £000	Net Change 2023/24 to 2024/25 £000 %	
Integrated Adult Social Care	340,245	29,887	20,025	(29,411)	360,746	20,501	6.0%
Children and Young People's Futures	206,278	9,795	20,862	(9,150)	227,785	21,507	10.4%
Public Health, Communities & Prosperity	21,678	533	289	(1,577)	20,923	(755)	-3.5%
Corporate Services	49,755	2,160	1,361	(4,831)	48,445	(1,310)	-2.6%
Climate Change, Environment & Transport	81,619	6,144	2,348	(4,629)	85,482	3,863	4.7%
Totals	699,575	48,519	44,886	(49,598)	743,382	43,807	6.3%

The 2023/24 Base Budget has been adjusted for permanent virements (budget transfers from other budget lines)

The Committee were reminded that its consideration of the draft Children's Services budget was just part of the process of setting the County Council's budget which, following this meeting, would culminate in the Cabinet meeting on 9th February 2024 formulating a budget for consideration by the County Council on 15th February 2024

The Leadership Group commentary in the Report stated it was a time of significant challenge for local Government as a whole. Despite the Government increasing local Councils' spending power, a combination of high inflation and rising demand meant that they faced some of their toughest ever financial decisions. In common with all local authorities, the Council had a legal obligation to set a balanced annual budget. The year ahead was not going to be easy, but the Council remained fully committed to doing all they could to get the most from every single pound it spent.

The Director of Children and Young People's Future referred to service specific issues as outlined in the Report, relating to Children's Social Care,

Public Health Nursing, Education Learning and Inclusion Services, and Schools Funding.

The Report also contained the detailed budget proposals for Children's Services, prepared in line with the targets referred to above, reflecting the different pressures and influences faced by services. The Children's Services base budget was £227,785 millions (a net increase of 10.4% from 2023/24), and included inflation, National Living Wage and other pressures of £9,795 millions and £20,862 millions respectively, and required savings and additional income of £9,150 millions.

Under the Equality Act 2010, the County Council had a legal duty to give due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations when making decisions about services. Where relevant, Impact Assessments were carried out to consider how best to meet this duty, which included mitigating against the negative impact of service reductions.

The Report before the Committee referred to the [Budget 2024-2025 - Impact Assessment \(devon.gov.uk\)](#) circulated prior to the meeting, giving an overview of the impact assessments for all service areas for the attention of Members so they were aware of the equality impact assessments undertaken as part of the budget's preparation, that any risk assessments and projections were adequate and the evidence supported the assumptions made in the formulation of the budget. Also bearing in mind that the preparation of Impact Assessments were a dynamic process and that individual assessments for specific proposals may need to be 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 the following:

Children Social Care:

- The difficulty of recruiting in-house foster carers; and that the service was part of a national initiative starting in April to attract more people. The pilot had taken place in the north-east which had seen increasing numbers coming forward and it was hoped to have the same effect here.
- Reassurance that a permanent leadership team was now in place to take forward changes.
- That placements, permanent staffing and foster care remained high priority for the service.

Education Learning and Inclusion Services:

- As part of the transformation programme looking at sufficiency of places, new special schools would be built, to increase places, and increased resource bases within mainstream schools to support children closer to home and in their local communities.
- Whether the budget for safeguarding and attendance was sufficient.
- Ongoing work with schools and health colleagues to meet the needs of children who are being permanently excluded.
- Work with Essex County Council on a redesign of the Education, SEND and Inclusion Services looking to create new focused ways of working.

Schools Funding:

- Concern at the Safety Valve Intervention Programme where the deficit for 2024/25 was budgeted to be £37 million.
- Reassurance that the Council was not in a position where a section 114 notice would need to be issued and that a balanced budget would be set in February.

Risk Assessment:

- Agreement that the performance of the Council's partner agencies be included in the risk assessment.

It was **MOVED** by Councillor Sanders, **SECONDED** by Councillor Squires and

RESOLVED that the Committee

Welcomes and supports:

1. The increase of 525 places in Devon's Special School estate.
2. The £2.2 million increase in the internal and external fostering budget, and the increased number of in-house foster carers by 30, and £3.2 million investment to development three in-house children's homes reducing the reliance on out of county placements and independent fostering agencies.
3. A permanent Head of Service manager level within Children's Social Care, and efforts to support the recruitment and retention of Social Workers, including ASYE.

Record concern:

4. The continued reliance on agency workers over successive years.

5. The ongoing concern with the continued overspend in the High Needs Block Budget for SEND considering the cumulative deficit, and the plans in place to reduce the overspend.
6. The cost differential between in-house fostering and independent fostering agencies to support children in care and the resultant budgetary impact.

Cabinet be asked to:

7. Continue to Support the Children's Scrutiny Committee in their critical friend challenge of the in-year financial position and progress on achieving transformation, including milestones and metrics, on keys areas such as the social worker agency rates, additional in house foster carers and in house residential provisions.
8. Consider investment in attendance and explore national, Department for Education, programmes, and pilots to increase attendance of children in school.
9. To add to the Risk Assessment the ongoing concern of partnership working.

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

The Meeting started at 10.30 am and finished at 12.40 pm