

## CHILDREN'S SCRUTINY COMMITTEE

18 January 2022

### Present:-

Councillors S Aves, J Brazil, P Bullivant, G Gribble, R Hannaford (Chair), L Hellyer, F Letch MBE and L Samuel

### Apologies:-

Councillors C Mabin, J Bradford, J Hawkins, P Sanders, M Squires and J Wilton-Love and C Mabin (Church of England Representative)

### Members attending in accordance with Standing Order 25

Councillors Leadbetter, Saywell and Twiss

#### \* 18 **Items Requiring Urgent Attention**

There was no matter raised as a matter of urgency.

#### \* 19 **Public Participation**

There were no oral representations from members of the public.

#### \* 20 **Budget 2022/23 and Capital Programme for 2022/23 to 2026/27**

The Committee noted that the proposed budget for the 2022/23 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 any relevant resolutions and an overview of those issues arising 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 the Chief Officer for Children's Services (DF/22/01) 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 prioritisation reductions. The Report also detailed the proposed medium-term capital programme for Children's Services and how it was funded.

The Cabinet, at its meeting of 8th December 2021, had set Revenue Budget targets for 2022/23. That Report outlined the targets in paragraph 2 which represented an overall increase of £48.7 million or 8.4%. The increased Revenue Spending Targets for 2022/23 now totalled just over £629 millions.

As detailed within budget monitoring reports, significant pressures had been and were continuing to be experienced within Devon and across the country. The unprecedented set of circumstances faced by the country had led to demand growth, cost base increases and acute labour shortages. Adult Care and Health and Children's services in particular were continuing to experience in year operational pressures and many of the current year pressures were translating into budget pressures for 2022/23.

It was proposed to further support time limited pressures, invest to save programmes and to provide the critical services with time to manage demand and transform further by utilising some of the Council's reserves.

The Capital Programme for 2022/23 to 2026/27 would be presented to Cabinet at the February Budget meeting.

At the Cabinet meeting on the 12<sup>th</sup> January, an update was given following the Provisional Local Government Settlement 2022/23 which was received on the 16<sup>th</sup> December 2021. The 2022/23 local government finance settlement was for one year only and was based on the Spending Review 2021 (SR21) funding levels. As part of SR21, the Chancellor had announced an additional £1.6bn per annum (2022/23 to 2024/25) for local government and the majority of this amount had been included in the Core Spending Power figures.

The council tax referendum limit would be 2% for local authorities, with social care authorities allowed an additional 1% social care precept.

Devon's Core Funding of £103.2 million (and grants announced so far) was as follows.

	<b>£000</b>
Revenue Support Grant	566
Business Rates Central Government Top Up	80,654
BRRS Local Element	21,997
<b>Core Funding</b>	<b>103,217</b>
New Homes Bonus	2,143
Rural Services Delivery Grant	7,823
Social Care Grant	32,317
Improved Better Care Fund	29,126
ASC Reform/Market Sustainability & Cost of Care Fund	2,413
Services Grant	7,076

The provisional settlement was very close to what was expected, and no change was therefore proposed to the Budget Targets for 2022/23 that were agreed by Cabinet in December which were Revenue Spending Targets for 2022/23 totalling just over £629 millions with the relevant service budgets as outlined below, showing an increase in all service areas.

	<b>2021/22 Adjusted Budget *</b>	<b>Inflation &amp; Pressures</b>	<b>Savings &amp; additional Income</b>	<b>2022/23 Budget</b>	<b>Net change</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
1 Adult Care & Health	283,294	47,875	(18,241)	312,928	29,634	10.5%
2 Childrens Services	159,036	28,787	(11,675)	176,148	17,112	10.8%
3 Communities, Public Health E&P	40,280	3,809	(2,846)	41,243	963	2.4%
4 Corporate Services	40,937	3,612	(2,830)	41,719	782	1.9%
5 Highways, Infrastructure D&W	57,124	3,349	(3,149)	57,324	200	0.4%
	<b>580,671</b>	<b>87,432</b>	<b>(38,741)</b>	<b>629,362</b>	<b>48,691</b>	<b>8.4%</b>

\* Adjusted for permanent virements

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 11<sup>th</sup> February 2022 formulating a budget for consideration by the County Council on 17<sup>th</sup> February 2022.

The Chief Officer for Children's Services, commented on the likely implications of the 2022/23 target for individual service areas, confirming that the overall approach had been to strike a balance between the reality of the financial challenges facing the Council and providing sustainable support services against the increasing demands of front-line services and operational demands.

The Leadership Group commentary in the Report highlighted how over the last two years the Council had worked with other organisations to respond to and manage the impacts of COVID-19. As a community leader and part of

Team Devon it had new responsibilities for addressing issues such as food poverty, financial hardship and shielding. During that time the pressures on health, social care and children's services had increased. Those pressures had been exacerbated by the fragility of the care market and difficulties of recruiting key workers. The Council's finances and workforce remained under significant pressure and strain.

The Chief Officer referred to service specific issues as outlined in the Report, including:

#### Children's Social Care:

- There was investment in early help and the children's social care response following first point of contact to enable children and families to be effectively helped at the right time and avoid further escalation into child protection and the need for care.
- Strategies focussed on providing the right support at the right time early on, at the "Front Door".
- Further investment in the workforce of £3.4 millions of targeted measures to recruit and retain social workers, agreed by Cabinet in September 2021, in recognition of the need to improve terms and conditions for children's social workers in key frontline safeguarding teams, and building a more stable workforce.
- Strategic leadership capacity had been strengthened, with an additional £180,000 of funding for an additional Deputy Chief Officer, Children's Health and Wellbeing, and an additional Tier 3 leadership role responsible for placements and fostering.
- Bridges (formally known as Edge of Care) was an invest to save improvement strategy, with the multi-disciplinary team now fully operational and successfully contributing to better outcomes for children, working alongside them and their families at an early stage and was partly credited for the sustained reduction in the number of children coming into care, from a high of 840 at its peak, to around 805.
- There were significant cost pressures of £4.6 million in demand-led budgets for placements for children looked after, independent special school care placements and Special Guardianships.

#### Public Health Nursing:

- The national and local shortfall in trained Health Visitors and School Nurses remained a challenging issue. The Service had successfully recruited qualifying Specialist Community Public Health Nurses although this did not cover all vacancies and recruitment remained a focus.

#### General Fund:

- The regulatory and operational pressures within School transport remained high and together with external market pressures caused by COVID-19, was putting pressure on bus, coach, and taxi operators.
- The cost of Personalised School Transport continued to rise due to a continued increase in the number of children requiring complex transport arrangements.
- The Education and Inclusion Services contract, formerly Babcock LDP, would be brought back in house from August 2022.

#### Schools Funding:

- In 2022/23 the Dedicated Schools Grant (DSG) for schools and early years setting would increase by £40 million, due to the increase in the National Funding Formula for the DSG announced by the Department for Education (DfE) in 2019.
- Significant cost pressure continued to relate to the SEND High Needs service. This was largely due to continued increases in the number of children with an Education Health and Care Plan (EHCP).
- Devon continued to raise concerns with the DfE over the rising costs and demand of special educational needs, and although government had responded nationally with £730 million for 2022/23 and a further £325 million in the recent spending review, Devon's share of this funding was £12.5 million which was not sufficient to deal with the demand on the High Needs Block.

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 (excluding the Dedicated Schools Grant) was £176.1 millions (an increase of 10.8% from 2022/23), and included inflation and pressures of £28,787 millions and required savings and income initiatives of £11,675 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 2022/23 Impact Assessment, circulated prior to the meeting, giving an overview of the impact assessments for all service areas (available at: <https://www.devon.gov.uk/impact/budget22-23/> 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:

- The need to look at medium to long term budgeting, rather than planning a yearly budget. Officers advised that there had been 3-year Government Spending Review in autumn, however this did not translate into a multi-year financial settlement for local government. The Council had multi-year plans for each Service area and planned for medium term financial plans, but this was difficult when government funding was yearly. The Full Council meeting in February would have medium term plans included, however these would be subject to change.
- The Troubled Families funding, (changed name to Supporting Families), would receive a 40% uplift by 2024/25, and the Service was budgeting for a £1.6m grant in 2022/23.
- There was no planned reduction in Public Health Nursing (PHN). Newly trained students were coming through the system, which would help staffing shortfalls.
- Negotiations with the DfE around deficit in SEND had begun and whether this would be a negotiation for a repayment package in instalments, or additional money coming from government. It was expected an agreement would be reached by the end of March this year, as to whether additional funding would be received from the DfE.
- The budget had been carefully considered with assumptions in mind based on previous years, including transport. However, what was difficult to predict were the conditions in which the Council was operating, around Covid and staff shortages. There had been significant impacts because of the pandemic, when professionals were unable to see young people during lockdowns, and the Service was still working through some of those impacts.
- How being underfunded in Devon schools was impacting on the Early Help offer and the ability to protect young people. Officers advised that the biggest impact was seen in class sizes and support staff members e.g. Teaching Assistants (TA's). In 2017 schools saw a reduced budget resulting in a reduction in class sizes, as well as less TA's to support children with additional needs. Last year, for the first time since 2017,

school budgets had started to increase, however schools were struggling to recruit TA's and support staff which was impacting on school's ability to support children. The High Needs Block (HNB) was also funded through a national formula that was not based on numbers of pupils with an EHCP, but on historical factors and deprivation and as such Devon was significantly underfunded.

- Recruitment and Retention of staff across all Children's Services – issues in the local housing market were also pushing out local workers in the area. The Council had improved its pay and conditions for workers, yet the housing situation had made it difficult for workers to move to Devon for jobs. Members noted that whilst housing was not the responsibility of the County Council, District Councils were drawing up local plans and the County Council should be contributing to those to ensure there was housing for key workers as well as social housing.
- Members were keen that Social Workers were provided with relevant training to promote those careers. It was noted that Cornwall Council Social Workers were given time off work to train and work on their careers which was paid for by the Council and it was hoped Devon looked to offer the same. Members were advised that social workers were not expected to take time off for training and there was a training budget for staff which was looked at on a case-by-case basis. The service hoped to introduce a commissioned training offer.
- There was additional funding for Family Hubs which Devon had applied for. Other money was available under Early Help schemes which the Council was looking to bid for. Regarding the recommissioning of Children's Centres, the current contract was due to end at the end of March 2023, and the service would consider extending the contract.
- School transport – Members were advised that transport had gone through a difficult time with COVID, and the Council had supported operators through that process, looking to reinstate the programme of network reviews. The rates being paid per contract was increasing, and the Service looked to make the networks more efficient, by reallocating vehicles where necessary. A Review of DCCs fleet of vehicles was also ongoing, including the option to lease to the NHS to increase revenue. Members discussed in-house provision but noted it would not improve the situation regarding a lack of available drivers.
- The use of public transport - of 14,000 children that used school transport, approx. 2,000 used either public transport buses or train services. Public transport was going through a difficult time with commuters not returning to the same pre-pandemic levels. The Council aimed to use the additional capacity currently available to transfer local children to public transport services, which would increase revenue to operators which would protect the public network throughout the day.

- Individual taxi journeys went through a procurement service to secure best value, and future savings would be realised where journeys could be amalgamated or where children had left school and journeys could be stopped. The Council would be looking at electric vehicles moving forward.
- Cost pressures in Children's Services, were due in part to the difference in costing between inhouse provision (on average £25,000) and external independent places (on average £45,000) per school place. The number of children placed in independent settings had increased and was above the national average. The Council would be increasing state funded places by 525 places over the next 2 years.
- The number of EHCPs accepted was in line with national averages; however, the number of requests received in the first place in Devon was increasing exponentially and was above the national average.
- The current number of young people placed within inhouse fostering was 394, with 182 placed in the independent sector. The Service was budgeting to increase inhouse places next year to 409 places and 160 independent places.
- The number of unaccompanied asylum seeker children was less than anticipated, therefore the budget had been adjusted accordingly. However, this number could increase next year as Councils were expected to take more children.
- Domestic Violence and Abuse – Members noted that 75% of children entering the social care system had experienced some form of Domestic Violence, although for many it was not the primary presenting issue.

It was **MOVED** by Councillor Hannaford, **SECONDED** by Councillor Bullivant, and

**RESOLVED** that the Committee

**Welcome and supports:**

1. The 10.8% overall increase in the budget for Children's Service.
2. The ongoing discussions with the Department for Education on the Safety Valve Programme to support the reduction of the deficit in the SEND High Needs Block, and welcomes the agreement anticipated by the end of March 2022.



3. Capital investments to provide an additional 525 special school places by 2024.

**Record Concern:**

4. The Committee places on record dissatisfaction with the 1-year finance settlement against a demand led-budget and the resulting challenges in developing strategy without financial certainty.
5. Cabinet to satisfy itself about the realism of achieving £5.1 million savings in social care over the 2-year period outlined, considering the increase in cost of living, increases in demand and cost of the post-covid recovery.
6. Recognising the national challenges in recruitment and retention in Children's Social Care, ask Cabinet to seek to engage with District Council's local plan process to improve housing availability for key staff.
7. Ensure adequate funding is in place to adequately support the significant numbers of vulnerable children who have experienced domestic violence.

**Cabinet be asked to:**

8. Continue to lobby for fair funding for Devon children to support them to reach their potential including the large shortfall in Capital investment to maintain the school estate by creating and maintaining quality learning environments.
9. Support joined up working across Council departments for the improvement of youth Services.
10. Explore other authorities' approach to an in-house school transport service with a view to achieving the budget savings attributed to this service.

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

The Meeting started at 10.00 am and finished at 12.45 pm