

CHILDREN'S SCRUTINY COMMITTEE

21 January 2019

Present:-

Councillors R Hannaford (Chair), D Sellis (Vice-Chair), S Aves, F Biederman, J Brazil, E Brennan, I Chubb, G Gribble, L Hellyer, R Hosking, J Mathews, A Saywell and M Squires

Apologies:-

Councillors C Channon, J Hawkins, T Inch and C Mabin

Members attending in accordance with Standing Order 25

Councillor J McInnes

* 92

Minutes

RESOLVED that the minutes of the Children's Scrutiny Committee meeting held on 26 November 2018 be signed as a correct record.

* 93

Items Requiring Urgent Attention

There was no item raised as a matter of urgency.

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Public Participation

There were no oral representations received at the meeting from a member of the public.

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Budget 2019/20

Revenue Budget 2019/20 and Capital Programme for 2019/20 to 2023/24.

The Committee noted that the proposed budget for the 2019/20 financial year would be scrutinised by individual Scrutiny Committees, according to the remit set out in the Constitution.

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 would 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 County Treasurer and the Chief Officer for Children's Services (CT/19/02) 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 each service area which included inflation, commitment and

service prioritisation reductions. The Report also detailed the proposed medium-term capital programme for the Children's Service and how it was funded.

The Cabinet, at its meeting of 12th December 2018, had set Revenue Budget targets for 2019/20 which totalled £493.850 millions. The targets incorporated inflation and pressures and income initiatives and savings required to set a budget within reduced funding levels provided by Government in the recent provisional financial settlement. This included funding for budget pressures of £33.353 millions that mainly related to additional expenditure to allow for service growth to cater for demographic changes such as increased children and adult service users and unavoidable cost pressures. Savings and income initiatives of £13.398 millions were required to set a balanced budget. The target for Adult Care and Health also included £5.045 millions in relation to the One-off Improved Better Care Fund grant announced by the Chancellor in March 2017.

The Chancellor of the Exchequer presented the Budget to the House of Commons on the 29th October 2018; a month earlier than last year. The Budget contained additional funding for Local Government in both 2018/19 and 2019/20. The additional funding for the current year, 2018/19, was of a Capital nature and was set out in the Report. For 2019/20 the Chancellor announced an additional £650 millions of Revenue funding for Adult and Children's Social Care. £410 millions was for a Social Care Support Grant that was being given in response to concerns nationally of pressures in Social Care, including Children's. The remaining £240 millions was a Winter Pressures Grant and would need to be pooled into the Better Care Fund but was specifically for Councils to spend on Adult Social Care.

The Provisional Local Government Settlement for 2019/20 was announced on 13th December, a week later than originally scheduled due to the ongoing Brexit debates. 2019/20 was the final year of the four-year settlement and the core funding Provisional settlement of £101.5 millions was as expected. As the authority was a 100% Business Rates Pilot in 2018/19 a direct comparison of the Council's core funding was more difficult but on a like for like basis the 2019/20 Provisional Settlement represented a reduction, in cash terms, of £13.5 millions or 11.7%.

The provisional settlement had set the Council Tax increase that would trigger a referendum, excluding the Social Care Precept, at 3% for 2019/20; the same level as 2018/19.

The Adult Social Care Precept regulations remained unchanged. In 2016/17, the Social Care Precept was capped at 2% per annum for the period 2016/17 to 2019/20. Members recalled that Government changed the regulations in 2017/18 and allowed Authorities to increase the precept to a maximum of 3% per annum over the period 2017/18 to 2019/20 as long as the total increase over the three years did not exceed 6%. The Council increased the Adult Social Care Precept by 3% in 2017/18 and 2% in 2018/19 leaving 1% available for 2019/20.

In the summer the Government had invited Local Authorities to apply to become 75% Business Rate Pilots. It was hoped that the 2018/19 100% Pilots would continue into 2019/20 but this was not the case. As part of the Provisional Settlement the Government announced which applications had been successful for 75% Pilot, but Devon had not been selected.

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 on 15 February 2019 formulating a budget for consideration by the County Council on 21 February 2019.

The Chief Officer and Heads of Service, commented on the likely implications of the 2019/20 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 referred to the turbulent financial climate for Local Government and the importance of getting the best value from every pound raised locally and ensuring investment went to the point of need. This included working with partners and being innovative, flexible and creative including the adoption of the digital agenda.

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 £135.153 millions (an increase of 9.4% from 2018/19) and included inflation and pressures of £13.229 millions and required savings and income initiatives of £1.645 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 now before the Committee referred to the Budget 2019/20 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/budget-2019-2020>) 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 need 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 the following:

- Children's Social Care and the sufficiency of appropriate placements for children in care both locally and nationally, particularly meeting the needs of children with complex needs;
- the number of Looked After Children had increased in 2018/19 with substantial cost increases, particularly for residential placements; resulting in an additional £8.2 millions in the 2019/20 budget for inflation and demand pressure;
- an additional £1 million provided for foster carer allowances;
- the use of the Business Rate Retention Scheme funding for innovation and early help;
- an increase in the Dedicated Schools Grant (DSG) of £10.2 millions within the schools and early year settings, due to the rise in pupil numbers within schools and additional funding for high needs identified by the Education Secretary in December 2018;
- however, Members noted this equated to a minor increase of £10 per pupil with Devon's pupils still £294 worse off than the national average; equivalent to £26.8millions;
- significant cost pressures within the DSG relating to the High Needs Service, due to an increase in demand and a rise in the number of students remaining in post 16 education and the associated costs of educating pupils with complex needs;
- schools balances reducing – within Devon's maintained schools net balances expected to decrease compared to the 2017/18 position. In the past 12 months Devon schools had lost approximately 500 teachers and support staff in order to balance budgets;
- pressure on placements at special schools across the County and the need to invest in both specialist and mainstream provision; the Committee welcomed the two new Special Schools being built in Newton Abbot and Tiverton;
- the need to invest in the recruitment and retention of teachers in Devon; and

- the Council investing in Independent Travel Training for young people, and a lack of market sufficiency in school transport due to less providers being available which had led to an increase in costs of contracts.

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

RESOLVED

- (a) that the Committee continues to be concerned about the potential overspend of the Children's budget, noting with concern the estimated future cost to the authority due to demographic pressure and increases in demand. The Committee recognises the robust planning undertaken by the Service to address needs led budgets but still places these concerns on record to the Cabinet;
- (b) that the Committee supports the proposed 1% Social Care Precept;
- (c) that the Committee welcomes and supports the commitment to invest business rates retention pilot scheme monies, once approved, into Children's Services including for Edge of Care and Crisis Care, with an expectation of innovative invest to save initiatives;
- (d) that the Committee welcome the additional investment of:
 - i. £8.2 millions in the 2019/20 budget for Looked After Children;
 - ii. £1 million additional funding to support the Scrutiny recommendation on changes to Foster Care Allowances; and
 - iii. the planned investment of £2 millions in service improvement and development.
- (e) that the Committee places on record it's support for the Council's flexible and adaptable approach moving to direct delivery of the following services:
 - i. Residential Short Breaks;
 - ii. Rehabilitation Officers for the Visually Impaired Children's Services;
 - iii. Public Health Nursing; and
 - iv. Portage.
- (f) that the Committee welcomes the endeavours undertaken by this Council to achieve fairer funding for children in schools across Devon and the additional £10.2million increase to the Dedicated Schools Grant. However, this Committee highlights the reality that this is mainly due to an increase in pupil numbers and in real terms will only be an additional £10 per pupil and is still a **shortfall of £294 compared to the national average** funding for each pupil, specifically recommending:
 - i. the Committee remains very concerned about the investment in Devon's Children and strongly ask the Cabinet to continue to pursue this matter until funding for education is needs led and equitable with other similar local authorities; and
 - ii. the Committee encourages consideration of how parents and schools' voices' can be recognised and supported on these issues, including sharing information (e.g. a factsheet).
- (g) that the Committee requests that Cabinet continue to press Government for investment in SEND support; whilst commending the work in increasing specialist provision as well as the success in developing two new special schools in Tiverton and Newton Abbot; and,
- (h) that consideration be given to a co-ordinated approach to address concerns about recruitment and retention of teaching and learning support staff, including:

- i. recognition and extension of Devon approaches to mentoring, coaching and career development as well as the launch of a new DCC recruitment website with a dedicated section on the benefits of working in education in Devon; and
- ii. lobby central Government reflecting the serious concerns about recruitment and retention of teaching staff.

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

The Meeting started at 10.30 am and finished at 1.20 pm