

## CHILDREN'S SCRUTINY COMMITTEE

25 January 2021

### Present:-

Councillors R Hannaford (Chair), D Sellis (Vice-Chair), S Aves, F Biederman, J Brazil, C Channon, I Chubb, G Gribble, J Hawkins, L Hellyer, R Hosking, T Inch, A Saywell, M Squires, A Connett and P Sanders

### Apologies:-

C Mabin (Church of England Diocesan representative)

### Members attending in accordance with Standing Order 25

Councillors Chugg, Dewhurst, Hart and McInnes

\* 197

### Minutes

**RESOLVED** that the Minutes of the meeting held on 10 November 2020 be signed as a correct record.

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### Items Requiring Urgent Attention

There was no matter raised as a matter of urgency.

\* 199

### Public Participation

There were no oral representations from Members of the Public.

\* 200

### Budget 2021/22 and Capital Programme for 2021/22 to 2025/26

The Committee noted that the proposed budget for the 2021/22 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 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/21/03) on the provisional financial settlement made by Government 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 Children's Services and how it was funded.

The Cabinet, at its meeting of 9th December 2020, had set Revenue Budget targets for 2021/22. That Report had also updated on the recent Spending Review (SR2020) and presented Budget Targets for 2021/22, which were set out in full at paragraph 3 of its Report and represented an overall increase of £28.4 millions or 5.2% (based on Revenue Spending Targets for 2021/22 of just over £571 millions).

In terms of the Spending Review 2020, this confirmed a one-year spending review, not the three years hoped for, but with the economic and financial impact of the Pandemic this had been reduced to one year.

This Report also outlined the key messages from SR2020 that would impact next year's budget. Some of these included:

- Core Spending Power to increase by 4.5%;
- A new Social Care grant of £300 millions (nationally);
- The Council Tax increase that would trigger the need for a referendum was 2%;
- The option to set an Adult Social Care Precept of up to 3%;
- Current Social Care grants would continue next year;
- A public sector pay freeze, except for those earning less than £24,000;
- The National Living Wage would increase by 2.2% to £8.91 per hour;
- A grant of £670 million nationally to offset some of the impact of the Pandemic on the Council Tax Base;
- A Council Tax Income Guarantee Scheme to compensate authorities for 75% of irrecoverable losses in the current year;
- The current New Homes Bonus scheme would continue;
- The Fairer Funding Review, 75% Business Rate Retention and Business Rates Reset had been delayed; and
- COVID funding of £1.55 billions nationally; along with the continuation of the 75% COVID Sales Fees and Charges compensation scheme into the first quarter of 2021/22.

A number of grants (likely ringfenced) had also been announced including Cyber Security modernisation, Test and Trace, Personal Protective

Equipment, Rough Sleepers, Domestic Abuse, Troubled Families, School Transport Capacity, Secure Children's Homes, Social Housing Decarbonisation, Roads Maintenance & upgrades, Cycling, High Street Regeneration and Levelling up for local infrastructure.

The Capital Programme for 2021/22 to 2025/26 would be presented to Cabinet at the February Budget meeting.

However, at the Cabinet meeting on the 13th January, revised spending targets were presented following the Provisional Settlement for 2021/22 which was received on the 17th December.

The Provisional Settlement for the County Council was as follows:

**£000**

Revenue Support Grant	549
Business Rates Central Government Top Up	80,654
New Homes Bonus	2,486
Rural Services Delivery Grant	7,823
Social Care Support Grant SR20	3,149
Social Care Support Grant SR19	20,160
Improved Better Care Fund	28,270
Covid-19 Funding	14,823
Council Tax Support Grant	6,358

Notwithstanding the targets set by Cabinet in December (Revenue Spending Targets of just over £571 millions), much had happened, including a new variant of the Coronavirus and another national lockdown which had led to a review of those Targets.

The proposed changes were:

- reducing the planned savings by £3.7 millions across Adult Care & Health, Children's Services and Highways, Infrastructure and Waste;
- an additional Investment of £302,000 in Legal Services to support Children's Services and Risk Management to support the whole organisation; and
- an additional £3.3 millions to fund the cost of the 2.2% increase in the National Living Wage.

In summary, the proposed Budget Targets had increased by just under £7.3 millions to nearly £578.5 millions, an increase of 6.6% on the 2020/21 Budget.

The revised Budget Targets for 2021/22 were as follows.

The budget for Adult Care & Health was £282,435 millions, a net change of £21.6 millions or 8.3%. For Children's Services, this was £158,267 millions,

the net change being £11,398 millions (7.8%). Community Health, Environment & Prosperity was £39,873 millions, with the net change of £81,000 or 0.2%. For Corporate Services £40,387 millions, a net increase of £2,821 millions (7.5%) and in relation to Highways, Infrastructure Development & Waste £57,520 millions, a decrease of £307,000 (-0.5%).

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 12 February 2021 formulating a budget for consideration by the County Council on 18 February 2021.

The Chief Officer and Heads of Service commented on the likely implications of the 2021/22 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 difficulties experienced in the past 12 months, the associated costs with responding to the COVID-19 pandemic, and preparations to support residents and businesses to leave the EU. Teams across the Council had worked fast to adapt and establish new ways of working to continue delivering services and information to the people of Devon. The overall financial impact of leaving the EU on Devon's local economy - alongside the impact of COVID-19 - was still largely unknown and supporting the local business community remained a priority for the Council.

The Head of Services referred to service specific issues as outlined in the Report, including:

#### Children's Social Care:

- the greatest cost pressures were driven by increasing levels of demand with more children in care, often with complex needs;
- the budget for Children's Social Care had increased next year, to account for high cost areas such as placements for care, short breaks and community based packages for disabled children, and to address improvements identified as a result of the OFSTED inspection around staffing, providing support for Care Leavers, investment in quality assurance, and to take forward SEND plan; and,
- improvements in salaries had been made to front line services to reduce the high dependency on agency staff.

### School Funding:

- Dedicated School Grant (DSG) - nationally there was an increase in funding and for the first time Devon schools would be in receipt of every element of the national funding formula. However, this still meant Devon was one of the lowest funded Local Authorities (122 of 150 authorities), as weighting was given to the number of disadvantaged and Free School Meal pupils, which was not seen in all Devon areas.
- Within the DSG there was significant cost pressure related 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).
- There was continued pressure on school Transport within the Council's General Fund due to an increase in personalised transport required for children with SEND.
- There was continued pressure on schools in responding to COVID-19 and the associated costs. Government had provided some reimbursement but would not fully recognise costs incurred by schools; the F40 group continued to lobby government.
- High Needs Block – Devon was ranked 122 out of 150 councils based on funding for high needs. The Council currently received £599 per head of population aged 2-18 years; however, the Council funded up to age 25 years. The England average was £623 per population. The funding did not consider the number of children with an EHCP, which Devon had more than the national average.
- The Council was working with Devon schools to support more children in mainstream education settings; however, there were a large number of pupils that required special school settings, with placements in the independent sector increasing the pressure on budgets.
- An additional 300 school places had been secured through capital investment and a special free school bid, increasing the capacity in the mainstream special school capacity by 20% and further reducing the reliance on in the independent sector.

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 £158,267 millions (an increase of 7.8% from 2020/21), and included inflation and pressures of £13,787 millions and required savings and income initiatives of £2,389 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 2021/22 Impact Assessment](#), 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:

- It had been a difficult year to model the likely trajectory for some areas of demand, given the impact of the COVID-19 pandemic. This financial year had seen an increase in the number of children coming into care in Devon, there had been some delay of children leaving Care due to the pandemic, and the impact of the pandemic on families had caused considerable hardship. It was difficult to know full impact of the pandemic on families and communities in Devon at this time.
- There was a high level of risk on service areas if the level of demand in the community continued – especially with a new longer lockdown, and the new variant strain of the virus, which created a lot of unknowns.
- Public Health Nursing (PHN) vacancies - staffing remained a challenging position since the Service returned inhouse, which had impacted on performance. Vacancy rates were 21.5% and the Service had developed a recruitment strategy, offering incentives to recruit in those areas which were still struggling. It was expected that vacancy rates would drop to 8% by next month. After the first lockdown, there had been a number of interests from people wanting to move down to Devon.
- Savings had been made in PHN due to changes in running costs this year, such as mileage and the use of ICT to facilitate new ways of working.
- There was a national shortage of Public Health Nurses and a Government review was looking into bursary arrangements to encourage more people into PHN training. The Committee noted its support in writing to Government to support the recruitment of public health nurses.
- The transitioning of children to adult services had continued despite challenge dues to the pandemic.
- Social care costs in Devon being more per child than other local authorities. The Council undertook continuous value for money comparisons against other authorities, using comparative systems and

auditing. In monitoring the unit costs for residential and fostering placements, the Council did receive good value for money. The Committee agreed to undertake further work into this area, around value for money and comparator information in children's social care.

- Residential support and inhouse placements - The Council supported children to remain with their birth families wherever possible. Where children were placed in care, 77% of children were placed in family placements and inhouse foster carers. The Council had an excellent relationship with the local provider network and was committed to providing good value placements for Devon children in Devon. The Council had seen an increase in the number of children coming into care rather than an increase in placement costs.
- The number of children placed outside of Devon had decreased; however, those that were tended to be placed in neighbouring authorities.
- School transport was a service for children and not schools, and therefore remained a responsibility of the LA. The Committee considered the additional cost of school transport for a rural authority like Devon.
- The need for longer term funding and a strategy for inclusion.

The Committee placed on record its thanks to all staff and officers within Children's Services for their continued hard work and dedication throughout this year and during the COVID-19 pandemic.

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

**RESOLVED** that the Children's Scrutiny Committee:

**Welcomes and supports**

1. The endeavours taken in financial planning by the Service and subsequently the £11.398 millions overall increase in the budget for Children's Services, specifically:
  - a) £5.3 millions for looked after children;
  - b) £1.7 millions to increase staffing capacity for Corporate Parenting and other front line teams;
  - c) £791,000 for inflationary pressures;
  - d) Planned savings of £2 millions.
2. The lobbying efforts of this Council to receive fair funding for Devon Schools.
3. Capital spend to create 300 additional places for children with Special Educational Needs.

**Record concern:**

4. Cabinet to satisfy itself about the realism of working to the 'best case scenario' considering the longer term impacts the COVID-19 Pandemic

will have on the demand for services and subsequent pressures on the Children's Services budget.

**Cabinet be asked to:**

5. Lobby Government to:
  - A. Provide additional support for public health nursing
  - B. Address the SEND high needs funding block deficit
  - C. Provide funding based on the number of EHCPs not solely deprivation.
  - D. review year on year funding arrangements and grant based initiatives to support financial certainty and longer-term planning particularly regarding early help and inclusion.
  - E. Streamline the grant application process
6. Continue to reduce the vacancy rate for public health nursing with a view to achieve a full complement of staff.
7. Explore future opportunities for in-house provision for residential children's care.
8. Consider greater work on modelling determinants of demand in future years to support more accurate predictions in areas of spend; whilst acknowledging that Children's Services is a demand led service.
9. Consider rurality when funding school transport.

**For the work programme:**

- Future scrutiny work on value for money comparisons with other authorities – particularly those authorities who are highly rated by Ofsted.
- Further understanding of mental health support
- School Transport cost developments

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

The Meeting started at 10.00 am and finished at 12.36 pm