

CHILDREN'S SCRUTINY COMMITTEE

20 January 2020

Present:-

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

Apologies:-

Councillor A Connett and Mrs C Mabin

Members attending in accordance with Standing Order 25

Councillors J Hart, J McInnes and A Dewhirst

* 150

Minutes

RESOLVED that the Minutes of the meeting held on 18 November 2019 be signed as a correct record.

* 151

Items Requiring Urgent Attention

There was no matter raised as a matter of urgency.

* 152

Public Participation

There were no oral representations from members of the public.

* 153

Budget 2020/21 and Capital Programme for 2020/21 to 2024/25

The Committee welcomed the proposed budget for the 2020/21 financial year being 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 will 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 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/20/02) on the 2020/21 Budget which included sections on the Provisional Local Government Finance Settlement made by Government and the budget targets set by the Cabinet for each service area which included inflation, commitment and savings. 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 11th December 2019, had set Revenue Budget targets for 2020/21 which totalled £529.974 millions. 2019/20 had been the last year of the four-year Local Government Financial Settlement and 2020/21 was hoped to be the first year of a new multi-year settlement that would contain the outcome of the Fairer Funding Review, the Business Rates reset and 75% or 100% Business Rates Retention, but this had not happened. In September, the Chancellor announced a one-year Spending Round (badged as a 'Roll-forward' for Local Government) but it did contain some proposals for additional funding including the SR19 Social Care Support Grant, Schools funding and SEND High Needs Block. The Fairer Funding Review along with both the Business Rates reset and Retention plans were delayed until at least 2021/22.

On the 20th December, the Secretary of State for the Ministry for Housing, Communities and Local Government, The Rt. Hon. Robert Jenrick MP, made a written statement to Parliament on the Provisional Local Government Finance Settlement 2020/21. This was as expected and gave an opportunity to increase the Spending Targets that were previously set. The settlement was for one year only. The targets were revisited by the Cabinet on 15th January 2020.

In relation to Council Tax, the referendum limit was 2% with social care authorities allowed a 2% social care precept. The three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff/Top Up amounts) had all increased by 1.63%, in line with the September 2019 CPI inflation figure. The Revenue Support Grant had increased in line with the Business Rates Retention system (+1.63%) and in relation to the Social Care Support Grant and Improved Better Care Fund, the provisional settlement confirmed the previously proposed national amounts and allocation methodologies. The national allocation of £81m and methodology for distribution of the Rural Services Delivery Grant remained unchanged from 2019/20 and there were no new business rates pilots for 2020/21.

The increased Revenue Spending Targets for 2020/21 now totalled £541.2 millions which represented an increase of £11.3 millions on the December Targets and an increase of £43.1 millions or 8.7% on 2019/20.

The target budget for Adult Care & Health had increased by £7.7 millions, for Children's Services an increase of £2.5 million. The increased Targets also included £60,000 for additional legal support within Corporate Services and £1 million within Highways, Infrastructure and Waste to help with drainage issues on the Highway network.

The target budget for Adult Care & Health was £260.258 millions, a net change of £23.714 millions or 10.0%. For Children's Services, this was £146.845 millions, the net change being £11.538 millions (8.5%). Community Health, Environment & Prosperity was £39.713 millions, with the net change of £925.000 or 2.4%. For Corporate Services £37.160 millions, a net increase of £2.479 millions (7.1%) and in relation to Highways, Infrastructure Development & Waste £57.508 millions, an increase of £2.790 millions (5.1%).

Although the final settlement would not be received until late January or February, the risk of the figures being very different was low.

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 14th February 2020 formulating a budget for consideration by the County Council on 20 February 2020.

The Chief Officer and Heads of Service commented on the likely implications of the 2020/21 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 a year dominated by Brexit and political unease, culminating in December's General Election, which had all added to an unprecedented level of financial uncertainty for local government. Adult and Children's Services in particular were experiencing significant financial pressures, with a shortfall in grant funding related to Special Educational Needs and Disabilities a major concern for the coming year and into the future.

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 £146.845 millions (an increase of 8.5% from 2019/20) and included inflation and pressures of £12,709 millions and required savings and income initiatives of £1.171 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 2020/21 Impact Assessment, circulated prior to the meeting, giving an overview of the impact assessments for all service areas (available [here](#)) 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:

- one of the greatest pressures in Children's Social Care continued to be the rising cost of residential and supported accommodation for looked after children, driven by the ongoing lack of sufficiency in the market at local and national levels;
- in recognition of changes in the types of package of care children and young people needed access to, across the service £2.5 millions had been provided in the budget to meet growth;
- an additional £1.4 millions had been allocated for short breaks and community-based packages for disabled children to better meet increasing demand and complexity;
- investment of £247,000 had been provided to fund an additional team of social workers to support Transitions into adulthood;
- additional funding of £155,000 had been provided to boost capacity to ensure great communication, participation and engagement of children, young people and their families and carers, focussing on Special Educational Needs and Disabilities and Children's Social Care;
- acceleration of plans to step children down from exceptional or high cost placements was expected to save £520,000 and a review of non-statutory services and joint funding arrangements was expected to realise savings of just under £650,000;
- additional funding of £1 million for Public Health Nursing to increase front line capacity to meet demand, with more efficient ways of working planned through better use of IT and accommodation; and the Service actively recruiting to vacant posts which were critical to the effective delivery of the service across Devon;
- the Designated Schools Grant (DSG) was increasing by £29.1 millions within the schools and early year settings, with cost pressure continuing to relate to the SEND High Needs service;

- concerns had been raised with the Department of Education over the rising costs and demand of special educational needs, and although Government had responded with £780 millions nationally for 2020/21, it was not sufficient to deal with the demand on the High Needs Block;
- regulatory and operational pressures continued to grow on the school transport service, putting pressure on bus and coach operators, resulting in a 15% increase in re-tendering costs; and
- the cost of Personalised School Transport continued to rise due to a continued increase in the number of children requiring complex transport arrangements, increasing costs by approximately 15% over the past year.

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

RESOLVED

- (a) that the provisional financial settlement and its impact on spending targets and on the proposed Children's Services budget for 2020/21 and the issues and/or observations set out above be drawn to the attention of the Cabinet meeting on 14 February 2020;
- (b) that the Committee welcomes and supports the £11 million increase in the budget for Children's Services with recognition of the robust planning undertaken by the Service to address needs led budgets and recognise the change in language used in the preparation of the budget;
- (c) that the Committee record concern for Cabinet to satisfy itself about the realism of achieving the £1.1million savings, notwithstanding the edge of care work coming to fruition;
- (d) that Cabinet be asked:
 - (i) to write to Secretary of State for Education requesting fair funding for schools, drawing attention to:
 - the insufficiency of High Needs Block Funding to meet the needs of children with SEND in Devon. The Committee requests that the funding formula is no longer based on outdated census data applied to meet current needs, and also takes account of complete pay and pension funding for non-teaching school staff; and
 - funding for small rural schools which are particularly prevalent in Devon;
 - (ii) to ask Government to review year on year funding arrangements and grant based initiatives to provide longer term funding arrangements, supporting financial certainty and longer-term planning;
 - (iii) for investment in the workforce designed to curb the spend in agency cost; and
 - (iv) to consider further investment in early help for SEND.

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

The Meeting started at 10.30 am and finished at 1.17 pm