

CHILDREN'S SCRUTINY COMMITTEE

26 January 2023

Present:-

Councillors R Hannaford (Chair), P Sanders, S Aves, P Bullivant, C Channon, G Gribble, L Hellyer, F Letch MBE, L Samuel, M Squires and J Wilton-Love

Councillor J Bradford (remote)

Apologies:-

Councillors J Brazil, J Hawkins and Ms C Platt

Members attending in accordance with Standing Order 25

Councillors Dewhirst, Hart, Leadbetter, Saywell and Twiss

* 70 **Items Requiring Urgent Attention**

There was no matter raised as a matter of urgency.

* 71 **Public Participation**

There were no oral representations from members of the public.

* 72 **Budget 2023/24 and Capital Programme for 2023/24 to 2027/28**

The Committee noted that the proposed budget for the 2023/24 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 Public Value and the Chief Officer for Children's Services (DF/23/04) 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 11 January 2023, had set Revenue Budget targets for 2023/24. That Report outlined the targets in paragraph 3.8 which represented a net increase in service budgets of £66.2 million, which was a 10.5% increase.

As detailed within budget monitoring reports, significant pressures had been and were continuing to be experienced within Devon and across the country. The cost of living and geopolitical situation had created huge financial pressures nationally. As a consequence, the authority had faced unprecedented price and demand pressures in the current year and although significant savings had been found to offset this many had been one off measures. In addition, there had been much more uncertainty in terms of central government funding to local government, combined with the most challenging budget round that the Authority had faced in recent decades.

Budget monitoring at month 2 identified an unprecedented forecast overspend and therefore since the month 2 report, a Financial Sustainability Programme had been set up to address the level of overspending. The programme had been successful in containing some expenditure and making savings, which was reflected in a significantly improved outturn forecast by month 8.

The Capital Programme for 2023/24 to 2027/28 would be presented to Cabinet at the February Budget meeting.

On 19 December 2022, 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 2023/24 financial year. This was in line with the Spending Review 2021 and updated for the announcements made in the Autumn Statement of 17 November 2022.

The provisional local government finance settlement for 2023/24 was a single year settlement, as was the previous year. Government had outlined national funding levels for 2024/25 but uncertainty remained at individual council level, as distribution mechanisms for 2024/25 were unconfirmed.

The provisional settlement confirmed that the Core Spending Power included the flexibility in setting Council Tax for 2023/24 by setting the referendum limit at 2.99% and that social care authorities could increase the adult social care precept by 2% - and therefore raise Council Tax by up to 4.99% overall without a referendum being required.

Devon's Core Funding of £107.2 million (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.

	£000
Revenue Support Grant	669
Business Rates Central Government Top Up	83,428
Business Rates - Local Element	23,064
Core Funding	107,161
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New Homes Bonus	883
Rural Services Delivery Grant	7,823
Social Care Grant	54,015
Improved Better Care Fund	29,127
Adult Social Care Market Sustainability Improvement Fund	8,373
Adult Social Care Discharge Fund	4,084
Services Grant	3,987
	108,292

The proposed service revenue budget targets for the 2023/24 financial year were set out in the table below.

	2022/23 Adjusted Base Budget £000	Inflation and National Living Wage £000	Other Pressures £000	Savings, alternative funding and additional income £000	2023/24 Target Budget £000	Net change £000	
Integrated Adult Social Care	311,968	29,535	29,999	(32,200)	339,302	27,334	8.8%
Childrens and Young Peoples Futures	176,205	9,585	32,376	(9,563)	208,603	32,398	18.4%
Public Health, Communities & Prosperity	20,308	874	617	(404)	21,395	1,087	5.4%
Corporate Services	42,213	4,470	623	(2,458)	44,848	2,635	6.2%
Climate Change, Environment & Transport	79,117	7,037	214	(4,468)	81,900	2,783	3.5%
Service budgets total	629,811	51,501	63,829	(49,093)	696,048	66,237	10.5%

2022/23 Base budget 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 10 February 2023 formulating a budget for consideration by the County Council on 16 February 2023.

The Cabinet Member and the Committee welcomed the increase in funding and the need for it to be spent wisely and in an intelligent way, with close monitoring. As Corporate Parents, all Members had a vested interest in ensuring each child had a better future. The Cabinet Member, as a member of the F40 group, continued to press for fair funding for Devon.

The Leadership Group commentary in the Report highlighted how urgent action taken over the past year to cut own costs and find savings coupled with the welcome additional funding in the government's provisional financial settlement had certainly helped to mitigate some pressures, but many challenges remained. The next 12 months would continue to be to work with partners to meet the needs of the young, old and most vulnerable across Devon.

The Chief Officer for Children's Services 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 £208,603 millions (a net increase of 18.4% from 2022/23), and included inflation, National Living Wage and other pressures of £9,585 millions and £32,376 millions respectively, and required savings and additional income of £9,563 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 2023/24 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 and other operational matters affecting Children's Services raised at the meeting included the following:

Children Social Care:

- Overall, the budget increase was welcomed, but close monitoring was required and to this end monthly meetings with Scrutiny and Finance would be arranged.
- Concern at the pace of change in the Children's Services and that delivery of change should be carried out much more quickly and robustly.
- Concern at the School Transport savings, as numbers requiring transport were increasing.
- All Members were encouraged to attend the Corporate Parenting Forums, in their role as corporate parents.
- Suggestion that the Scrutiny Committee meetings take place in rotation around the County, in addition to the Scrutiny visits already planned.
- As a result of the additional £20 million investment, the Placement Sufficiency Strategy would be reviewed, led by the Head of Corporate Parenting and the Head of Commissioning. A multiagency Placement forum was held twice a week reviewing current placements and support packages, with significant savings already having been made from high cost placements.
- There was discussion around the unaccompanied asylum-seeking children.
- Special Guardianship and Adoption arrangements would also form part of the Sufficiency Strategy review.
- It was noted that the cross cutting corporate and other savings of £144,000 at paragraph 5.11.5 of the report was not connected to the Children's Centres and should have been on a separate line.
- A review of Early Help would be carried out of which children's centres would form part to ensure a joined up response for children in Devon; and the contract had been extended for a year to enable that review to be undertaken.
- As to workforce recruitment and retention:

- o There were currently 10 unfilled social worker vacancies, which was a significant improvement on the previous year, although recruitment of agency and permanent staff was needed to create stability in the workforce.
 - o Caseloads were more manageable and had reduced to an average of 16, a considerable reduction over 2021/22.
 - o A permanent workforce was now needed to be worked on with a reduction in the number of agency workers. With improved benefits now in place, it was hoped to attract more permanent staff to Devon.
 - o It was hoped that by 2024 the Council would have its own 'home grown' cohort of social workers.
- Phase 1 of the Leadership reshape (tiers 3 and 4) had now been concluded and successful recruitments made to nine of the 10 heads of service posts, therefore, high cost project teams were no longer needed. The Committee welcomed the stability this would bring to the Service.

Public Health Nursing

- The Service were not experiencing any issues post-pandemic; indeed the Care Quality Commission had just published its report on the good work of the Service.
- Members queried whether any part of this budget would be used for Early Help for mental health in schools and Officers confirmed this would be considered as part of the current review on the Early Help offer; also that the Department for Education were offering grants for eligible schools to train mental health leads.

Education Learning and Inclusion Services

- Schools Transport now had an in-house provision of four vehicles that would achieve significant savings through the year.
- The Independent Travel team trained young people with additional needs to use public transport, thereby improving life skills and saving taxi costs.
- Improved confidence in the Stagecoach service meant that more young people using public transport could be reinstated.
- There were no changes in eligibility for schools transport this year, although an increase in fees for post-16 and concessionary passengers was currently being consulted upon, however Members voiced concern that any increases should not deter young people and vulnerable families from accessing education.

Schools Funding

- Concern at the continued budget pressures in relation to SEND, largely due to the increasing demand for an EHCP - there were currently just under 8,500 EHCPs in Devon.
- Concern at the backlog of EHCP assessments, although interim staff were coming in to progress these.
- Concern at the increased numbers of permanently excluded children from primary schools with SEND needs, following a return to school post-pandemic, and the provision of alternative provision.
- Members welcomed the new Special School provision.
- Concern at the delay in receiving a decision from Government as to the Safety Valve Intervention Initiative. The Cabinet Member reported that he was due to meet the Minister next week to discuss.

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

RESOLVED that the Committee

Welcomes and supports:

1. The 18.4% increase in the budget for Children's Services and the Committee looks forward to seeing the resulting improvement in Children's Services.
2. The efforts of Children's Services staff to continue to support Children in Devon and delivering services through restorative practice.
3. The endeavours of the Cabinet Member as a member of the F40 group to continue to press for fairer funding for Devon's Children.

Record concern:

4. The realism of achieving the £9.6 million in-year savings and particularly the £2.6 million from school transport, anticipating the fees and charges review; whilst appreciating the service has embedded Scrutiny's previous comments and now provides in-house transport.
5. Uncertainty around senior leadership changes in Children's Services in supporting the pace of change of the authority to rise to meet the challenges in Children's and the resulting pressure on the budget.

6. The continued reliance on agency staff, acknowledging the progress made in permanent staff recruitment to reduce this.
7. The ongoing uncertainty with government regarding the SEND high needs block safety value process considering the cumulative deficit of £127 million to the end of the current financial year.

Cabinet be asked to:

8. Explore the expansion of curriculum support and mental health provision to schools, with a view to providing a broader curriculum creating a positive learning environment for all pupils and especially those with Social Emotional and Mental Health Needs to reduce permanent exclusions and improve attendance.
9. Support the Children's Scrutiny Committee in their critical friend challenge of the in-year financial position with monthly monitoring reporting to Committee to include direction of travel and value for money in the following areas:
 - EHCPs
 - External Care and SEND placements
 - Recruitment and Retention / Agency figures
 - School transportand trialling this governance approach for 3 months.
10. Increase the pace of work to support the needs of key workers by working with Devon stakeholders to embed an essential offer including accommodation, training and travel. The Scrutiny Committee strongly believes that this will help ease the financial burden on the authority.

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

The Meeting started at 10.30 am and finished at 1.05 pm