

Meeting:	Children and young people scrutiny committee
Meeting date:	Monday 25 November 2019
Title of report:	Review of budget and corporate plan proposals for 2020/21 relating to the remit of the Children and Young People Scrutiny Committee
Report by:	Leader of the council

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To seek the views of the children and young people scrutiny committee on the budget proposals for 2020/21 and on the draft corporate plan as they relate to the remit of the committee.

The draft proposals show an overall increase of £3.5m in the proposed base revenue budget for children and families, this includes funding cost pressures related to looked after children and funding new initiatives in providing services to the edge of care and improving social care services.

The proposed budget follows a base budget exercise reviewing the expected service demand. Savings of £0.3m will be required in 2020/21 to deliver a balanced budget.

Two capital projects totalling £6.5m are recommended for consideration, being additional funding of £5.4m towards investment at Peterchurch Primary School and additional funding of £1.2m for investment at Brookfield school.

The committee is invited to make recommendations to inform and support the process for making cabinet proposals to Council regarding the adoption of the budget and associated budget framework items, including providing constructive challenge to the cabinet's proposals.

Recommendation(s)

That:

- (a) the committee determine any recommendation it wishes to make to Cabinet in relation to the 2020/21 budget and corporate plan proposals specifically affecting children and young people, the draft:
 - a. corporate plan at appendix 1;
 - b. revenue budget at appendix 2; and
 - c. capital investment budget at appendix 4.

Alternative options

1. There are no alternatives to the recommendations; Cabinet is responsible for developing budget proposals and a draft corporate plan for council consideration and it is a function of this committee to make reports or recommendations to the executive with respect to the discharge of any functions which are the responsibility of the executive. The council's budget and policy framework rules require Cabinet to consult with scrutiny committees on budget proposals in order that the scrutiny committee members may inform and support the process for making Cabinet proposals to Council.
2. It is open to the committee to recommend alternative spending proposals or strategic priorities; however given the legal requirement to set a balanced budget should additional expenditure be proposed compensatory savings proposals must also be identified.

Key considerations

3. Every four years, Herefordshire Council develops a corporate plan which sets out the council's ambition and priorities. The three key themes within the proposed corporate plan attached at appendix 1 are:
 - Community - Build communities to ensure everyone lives well and safely together
 - Economy - Support an economy which builds on the county's strengths and resources
 - Environment - Protect our environment and keep Herefordshire a great place to live
4. Herefordshire Council completed its first round of informal consultation on the draft new four year corporate plan covering the period 2020-2024 during September and October. More than 1,500 people provided feedback on the priorities for the county. This supports the policy and investment priorities for Herefordshire and sets the scene for a more detailed consultation on the 2020/21 budget proposals throughout November.
5. The budget proposals support the key themes and aim to manage increasing demand for formal social care services by supporting people and families to lead healthy and independent lives within their own communities by continuing to invest in preventative support local to where people live.
6. The council has invested in children's social care over a period from May 2018. This has resulted in increasing management capacity, team manager capacity and have an

additional team manager in both the assessment and children protection court teams. There are now additional family support workers to provide capacity and take some tasks from social workers. The council is actively recruiting social workers and are part of a regional approach to this.

7. There has been an increase in business support capacity to increase the availability of business support for convening and minuting of meetings therefore releasing social work time from these tasks; the council has also appointed a case progression officer to add additional capacity to ensuring improvement in care planning, timeliness and outcomes for children. Otter software, which is voice recognition software to enable social workers to spend less time on recording casework has been introduced. There has also been an increased investment in early help family support workers to enable more preventative work to take place.
8. Social work practice has benefited from investment in strengthening legal services dedicated to children's safeguarding. The council has also reduced reliance on agency social workers in a number of areas but remain reliant on their work in some of our teams and challenges remain in some parts of the service. The focus remains on retaining existing staff and the council has improved remuneration and training offer (informed by suggestions from staff themselves) to support this. There is now a permanent management team at head of services and team manager level. This is the first time for a number of years that this has been achieved and should enable a consistent focus on practice and decision making.
9. Ofsted highlighted, in the focused visit in January 2019, that performance management information was beginning to support some key areas of improvement in key areas of practice; and acknowledge that whilst further work is required to improve the accuracy of performance information, that management grip and understanding of the service has significantly improved. Individual service area action plans and performance are reviewed monthly at the assistant director/head of service meeting, at the directorate senior management team meetings and feed into cabinet and children and families scrutiny meetings on performance.
10. The children and families scrutiny committee reviews performance against the improvement plan on a quarterly basis. Monthly performance challenge sessions which include the chief executive, leader of the council, lead member, group leaders and the chair and vice chair of children's wellbeing scrutiny committee consider both quantitative and qualitative information. This provides a challenging dialogue to inform priorities and drive improvement.
11. The Children's Integrated Needs Assessment (ChINA) and the Oral Health Needs Assessment have both highlighted the importance of action to address the relatively high levels of tooth decay and obesity of Herefordshire children. Work is being taken forward to increase the number of children accessing fluoride varnish and enabling targeted, supervised tooth brushing as well as encouraging parents to take their child to the dentist.
12. The committee is invited to comment on the draft corporate plan proposed specifically in reference to children and young people.
13. The proposals provide a balanced budget and include a 4% total increase in council tax, a 3% pay settlement, 200 additional new homes above the assumed growth in new homes and the central government 2019 spending review announcement.

14. The proposed 2020/21 revenue budget is based on an assumed total council tax increase of 4%, 2% increase in core council tax and a 2% adult social care precept. This increases the band D equivalent charge to £1,575.29 representing an increase of £1.17 per week.
15. The 2% adult social precept will generate additional income of £2m, this income is ring-fenced to fund the proposed 2020/21 adult and communities base budget.
16. Council will be asked to approve the 2020/21 budget on 14 February 2020; this will follow confirmation of the final financial settlement for 2020/21 which is expected to follow the general election on 12 December. Council will also be asked to approve the updated medium term financial strategy (MTFS), treasury management strategy and the capital strategy.
17. If central government announces additional funding to Herefordshire in the final settlement then Cabinet will aim to seek the views of the scrutiny committees as to the best way of deploying the extra funding.

Base budget proposed and savings plan

18. A base budget review has been completed ahead of proposing the draft 2020/21 budget, this review involved:-
 - Costing the service based on the current requirement of the service, not rolling over previous budgets.
 - Income budgets to reflect income receivable.
 - Pay budgets to reflect actual establishment, deleting vacant posts without budget or not planned to be filled.
 - Performance in 2019/20
 - Projected population pressures
 - 2019/20 policy changes
 - Scorecard target attainment
 - Building in a staffing vacancy factor, assuming there isn't full establishment for the full year.
19. The budget proposal also includes additional funding towards new initiatives in early support and improved support service to those families in need. The proposed budget is shown below.

19/20 revised base £k	Savings £k	Looked after children £k	Edge of care £k	Improving social care services £k	Inflation pressures £k	Total £k
27,185	(300)	1,100	1,000	1,000	714	30,699

20. The proposed additional looked after children budget will fund placement costs of both looked after children and costs associated with corporate parenting role of care leavers. The budget position will continue to be closely monitored to highlight quickly any need for remedial action if actual costs indicate a potential overspend. The proposed edge of care investment will be used to provide intensive support to enable children and families to

remain together when otherwise the child might enter into care. The funding will also be used to fund work with the child and family with the aim to reunite safely if a child does enter care. The proposed investment in improving the quality of social care services for vulnerable children and young people will provide additional capacity to frontline teams, court work and quality assurance.

21. The savings requirement for children and families for 2020/21 remains as set out in the 2019/20 medium term financial strategy (MTFS), at £0.3m to be achieved managing inflation and securing contract efficiencies.
22. The proposed budget for 2020/21 is attached at appendix 2. The proposed till receipt as a result of the proposal is also attached at appendix 3. The base budget proposal shows the net budget position; the gross budget will include the dedicated school grant, improved better care fund and public health grant.

Financing

23. The 2020/21 net budget requirement is financed by retained funding from council tax (£109.4m) and business rates (£36.7m) as shown in the Appendix 2. Assumptions include a 4% increase in council tax (2% general increase and 2% adult social care precept) and business rate reliefs being funded via a central government grant. It reflects the delay in the roll out of business rate devolution into 2021/22. Central government funding is included as announced in the 2019 spending review which delays the impact of the fairer funding review into 2021/22.
24. The proposed budget is in line with the 2019 spending review announced in September however the general election on 12 December may change the final local government funding settlement from central government in 2020/21.
25. Central government confirmed the intended rolling-over of specific social care grants and a new spending power of £11bn grant for Adults and Children social care (inclusive of the adult care precept at 2%), £3.4m for Herefordshire.
26. If the final settlement provides additional monies to the draft base budget shown above, unless the use of those funds is specified by government, Cabinet will seek the views of the scrutiny committees as to the best way of deploying the extra funding. In the interim the funding will be allocated to reserves.

Capital Budget

27. Attached at appendix 4 is the proposed additional capital investment budget requests for children and families, totalling £6.5m. The two investment proposals are:-
 - Peterchurch Primary School £5.4m (total programme budget increasing to £10.9m). A replacement primary school for Peterchurch including all teaching and support spaces, including playground and playing field, necessary for it to function as a full one form entry school but with the provision of five classes initially. The facility will include for the provision of a nursery to accommodate the one currently on site and some work to the swimming pool to enable its continued use.
 - Brookfield School, £1.2m (increasing the total investment budget to £3.9m). Improvement project seeking to achieve; higher school buildings compliance with DfE building bulletin104 for special educational needs settings, more robust fire evacuation buildings compliance, the release of a council owned split site facility

at Symonds Street, the capacity to deliver the full statutory curriculum, and improved accommodation for girls with social emotional mental health needs.

28. Capital investment proposals were reviewed informally by cabinet and the above two have progressed. It was felt the other two projects submitted that consisted of asbestos surveys and works (£0.5m) and works on boilers and heating in schools (£1.5m) should be managed within the annual schools maintenance grant, already in the approved programme. The business cases for all four projects are attached at appendix 5.

Budget setting timetable

29. Below is a summary of the 2020/21 budget setting timetable.

Date	Event	Purpose
6 November 2019	Public consultation	Four weeks of consultation with the public on the budget proposals
18 November 2019	Adults and wellbeing scrutiny committee	To consider adults and wellbeing revenue and capital budget proposals and agree any recommendations to be made to Cabinet
25 November 2019	Children and young people scrutiny committee	To consider children and young people revenue and capital budget proposals and agree any recommendations to be made to Cabinet
29 November 2019	General scrutiny committee	To consider the overall revenue and capital budget proposals and agree any recommendations to be made to Cabinet
13 January 2020	Adults and wellbeing scrutiny committee	To consider the adults and wellbeing revenue and capital budget proposals following the conclusion of public consultation and agree any recommendations to be made to Cabinet
14 January 2020	Children and young people scrutiny committee	To consider the children and young people revenue and capital budget proposals following the conclusion of public consultation and agree any recommendations to be made to Cabinet
27 January 2020	General scrutiny committee	To consider the overall revenue and capital budget proposals following the conclusion of public consultation and agree any recommendations to be made to Cabinet
30 January 2020	Cabinet	To agree the draft revenue and capital budget 2020/21, treasury management strategy, capital strategy and medium term financial strategy for recommendation to Council
(9.30am) 14 February 2020	Council	Deadline for Members intending to propose an amended motion (as per Section 1 paragraph 4.1.105 and 4.1.106 of Constitution)
14 February 2020	Council	To agree the council's revenue and capital budget for 2019/20, treasury management strategy, capital strategy and medium term financial strategy

Community impact

30. The budget proposals demonstrate how the council is using its financial resources to deliver the priorities within the proposed corporate plan.
31. The council is committed to delivering continued improvement, positive change and outcomes in delivering key priorities.
32. In accordance with the principles of the code of corporate governance, Herefordshire Council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review.

Equality duty

33. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
34. Service specific equality impact assessments will be completed for the service specific budget proposals to assess the impact on the protected characteristic as set out in the Equality Act 2010. The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified.

Resource implications

35. The financial implications are as set out in the report. The ongoing operational costs including, HR, IT and property resource requirements are included in the draft budget and will be detailed in separate governance decision reports as appropriate.

Legal implications

36. When setting the budget it is important that councillors are aware of the legal requirements and obligations. Councillors are required to act prudently when setting the budget and council tax so that they act in a way that considers local taxpayers. This also covers the impact on future taxpayers.
37. The Local Government Finance Act 1992 requires a council to set a balanced budget. To do this the council must prepare a budget that covers not only the expenditure but also the funding to meet the proposed budget. The budget has to be fully funded and the income from all sources must meet the expenditure.

38. Best estimates have to be employed so that all anticipated expenditure and resources are identified. If the budget includes unallocated savings or unidentified income then these have to be carefully handled to demonstrate that these do not create a deficit budget. An intention to set a deficit budget is not permitted under local government legislation.
39. The council must decide every year how much they are going to raise from council tax. The decision is based on a budget that sets out estimates of what is planned to be spent on services. Because the level of council tax is set before the year begins and cannot be increased during the year, risks and uncertainties have to be considered, that might force higher spending more on the services than planned. Allowance is made for these risks by: making prudent allowance in the estimates for services; and ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.
40. The council's budget and policy framework rules require that the chairmen of a scrutiny committee shall take steps to ensure that the relevant committee work programmes include any budget and policy framework plan or strategy, to enable scrutiny members to inform and support the process for making cabinet proposals to Council.
41. Section 106 of the Local Government Finance Act 1992 restricting councillors voting on certain matters where they are in arrears of council tax, does not apply to scrutiny function as the views from scrutiny on the budget are not a recommendation for approval, a resolution or any other type of decision. As a result a s106 check of councillors arrears has not been undertaken.

Risk management

42. Section 25 of the Local Government Act 2003 requires the S151 officer to report to Council when it is setting the budget and precept (council tax). Council is required to take this report into account when making its budget and precept decision. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
43. The budget has been updated using the best available information; current spending, anticipated pressures and the provisional settlement. This draft will be updated through the budget setting timetable.
44. The most substantial risks have been assessed as part of the budget process and reasonable mitigation has been made. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process.
45. There are additional risks to delivery of budgets including the delivery of new homes, Brexit, government policy changes following the general election and unplanned pressures. We are maintaining a general fund reserve balance above the minimum requirement and an annual contingency budget to manage these risks.
46. Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster than the national average and some specific areas of inequalities amongst families and young people. Focusing public health commissioning and strategy on growth management through disease prevention and behaviour change in communities is critical for medium term change. In addition resetting our relationship with communities focussing services on areas of greatest professional need will support the MTFS.

Consultees

47. Initial consultation on the draft corporate plan has been completed. Views on headline priorities were collected via 6 'voting boxes'. Each participant was given 10 tokens to place in the 6 boxes according to their personal views and priorities. For those interested in commenting on sub-priorities a 'sticky dot' exercise was used which encouraged people to place a green sticky dot against those sub priorities with which they strongly agreed and a red sticky dot against those with which they strongly disagreed. Participants were also encouraged to leave comments or indicate 'missing' priorities on a comments sheet.
48. 1,056 people participated in the consultation at pop-up events the same exercise was replicated online and accessed via the Herefordshire Council website, in which an additional 358 residents responded.
49. Combined results from the tokens and survey monkey are shown below:-

Maintenance of roads and public spaces	3,827
Protect and enhance our environment	3,504
Start building new affordable council housing	2,683
More travel choices e.g. cycling, buses, community transport	2,661
Invest in job creation skills and training	2,582
Help people to help themselves e.g. advice, support, community projects	2,225

50. Out of the six draft priorities:

- Maintenance of roads and public spaces came out highest in terms of votes.
 - Protect and enhance our environment was the 2nd most popular priority.
 - The 3rd highest priority, 'Build our own sustainable council houses', is over 800 votes behind the 2nd ranked priority.
 - 'Help people to help themselves' was the lowest priority, with over 350 votes behind the next priority.
51. The council's 2020/21 budget consultation is live until 4 December. Along with consulting on new initiatives the consultation includes similar questions to the 2019/20 budget consultation to gauge if the public opinion has changed over time.
52. The consultation is open to all, including parish councils, health partners, the schools forum, business ratepayers, council taxpayers, the trade unions, political groups on the council and the scrutiny committees. Meetings were specifically held with businesses, parish councils and representatives from the voluntary sector to promote the consultation and information was also sent to partner bodies.

Appendices

- Appendix 1 draft corporate plan
Appendix 2 draft 2020/21 revenue budget

Appendix 3	draft till receipt of 2020/21 budget proposal
Appendix 4	capital investment budget requests
Appendix 5	capital investment business cases
Appendix 6	committee presentation

Background papers

None identified

Please include a glossary of terms, abbreviations and acronyms used in this report.