

SCRUTINY FOR POLICIES AND PLACE COMMITTEE

Minutes of a Meeting of the Scrutiny for Policies and Place Committee held in the Council Chamber, Shire Hall, Taunton, on Tuesday 11 September 2018 at 9.30 am

Present: Cllr M Lewis (Vice-Chair), Cllr P Ham, Cllr B Filmer, Cllr John Hunt, Cllr J Thorne, Cllr G Noel, Cllr L Leyshon, Cllr A Groskop (Chair) and Cllr N Bloomfield

Other Members present: Cllr C Aparicio Paul, Cllr M Chilcott, Cllr J Clarke, Cllr P Clayton, Cllr S Coles, Cllr H Davies, Cllr M Dimery, Cllr D Fothergill, Cllr G Frascini, Cllr A Govier, Cllr D Hall, Cllr D Huxtable, Cllr M Keating, Cllr J Lock, Cllr D Loveridge, Cllr T Munt, Cllr T Napper, Cllr F Nicholson, Cllr H Prior-Sankey, Cllr M Pullin, Cllr F Purbrick, Cllr L Redman, Cllr B Revans, Cllr M Rigby, Cllr J Williams and Cllr J Woodman

Apologies for absence:

117 **Declarations of Interest** - Agenda Item 2

There were no declarations of interest.

Ruth Hobbs declared that she was present as a co-opted Member of the Scrutiny for Policies, Children & Families Committee and represented School Governors.

118 **Minutes from the previous meeting held on 10 July 2018** - Agenda Item 3

The minutes of the meeting on 10 July were accepted as being accurate by the Committee.

119 **Public Question Time** - Agenda Item 4

There were 10 Public Questions in relation to Item 5.

Lyn Goodfellow asked how Somerset County Council proposes to cope with the impact of cutting core funding from Citizens Advice services in Somerset? She received a brief verbal response from the Junior Cabinet Member, Adults Social Care and will receive a written response.

Bob Ashford asked a question expressing concern over the impact of savings proposals on families in the Frome area particularly with regard to the following services: early years support; youth services and youth offending services; children and adults with disabilities; young carers and Citizens Advice services. He asked Members to consider how to mitigate the impact on the most vulnerable residents. He received a brief verbal response from the Junior Cabinet Member, Adults Social Care and will receive a written response.

Sarah Baker asked a question expressing concern over the proposed savings to young carers services and questioned whether Voluntary Community Sector Organisations would be able to provide sustainable and continued provision for

young carers. She received a brief verbal response from the Cabinet Member, Children & Families and will receive a written response.

Alison Adlam challenged the proposed cut to funding for the Young Carers Project run by SCC and asked if the consequences of closing this service have been fully considered? She received a brief verbal response from the Cabinet Member, Children & Families and will receive a written response.

Ruth Hobbs questioned whether sufficient time had been allowed for members of the public to read and comment on the proposals. She received a brief verbal response from the Council's Monitoring Officer and will receive a written response. Ruth asked further questions expressing concern regarding cuts to young carers services and questioning the robustness of data and impact assessments. She received a brief verbal response from the Cabinet Member, Children & Families and will receive a written response.

Neil Richards expressed concern regarding cuts to young carers services and questioned how young carers will receive the support they need. He received a brief verbal response from the Cabinet Member, Children & Families and will receive a written response.

Poppy Sparkes asked in regard to the proposal to cut Get Set level 2 services and given that it is well acknowledged that a child's early years are crucial to their life chances, what provision will there actually be for families that need extra support but are not a crisis point requiring intervention from social services? She received a brief verbal response from the Cabinet Member, Children & Families and will receive a written response.

Gem Salter asked a series of questions expressing concerns over proposals to cut services in Get Set, The Portage Home Visiting Service, SEN transport, short breaks service and early intervention services. She questioned how vulnerable and disabled children and their families will receive the support that they need in light of the proposals. She received a brief verbal response from the Cabinet Member, Children & Families and will receive a written response.

Alison Campbell asked a question expressing concern over proposed cuts to children's SEND services. She questioned how children's SEND needs will be met. She received a brief verbal response from the Cabinet Member, Children & Families and will receive a written response.

Alan Debenham questioned Councillor's lobbying efforts to central Government regarding the withdrawal of the revenue support grant. He also questioned why the Council was having to make such drastic in-year savings having set a balanced budget in February 2018. He received a brief verbal response from the Leader and Deputy Leader of the Council and will receive a written response.

120 **2018/19 Revenue Budget Monitoring Report - Agenda Item 5**

The Committee began by considering the Cabinet report which was introduced by The Deputy Leader of the Council and the Interim Director of Finance.

The Deputy Leader set out the financial pressures faced by the Council and the reasons for the savings proposals. Members heard that the budget is under significant pressure and that reserves are not adequate to support the overspend. This is not sustainable and decisive action must be taken to address this at pace. A number of the proposals have no service impact at all and Members were reassured that everything had been done to minimise impact on the services most valued by residents. The Deputy Leader accepted that some of the proposals are challenging but reminded Members of the report of the external auditors Grant Thornton in July 2018. She proposed the report and its recommendations as being an essential step towards a sustainable future for Somerset County Council, in which it can continue to deliver high priority and high value services to its residents.

The Interim Director of Finance highlighted that if no action is taken the Council's revenue budget will be overspent by at least £11m and that local government bodies are prohibited from having unfunded overspends. He provided an explanation of capital receipts flexibility, earmarked reserves, General Fund and contingency and informed Members that a fuller review of the capital programme and its funding will be undertaken over the autumn period. He advised that the proposed measures, if agreed, lead him to the conclusion that the overspend on the revenue budget can be reduced to no more than £2m and that every effort will be made during the remainder of the year to reduce this further.

During the debate the following points were raised:

- It was clarified that the rules concerning the use of capital receipts were changed in 2016/17 when the government agreed that they could be used for specific transformation activity. This has to produce an on-going benefit to revenue and can't be used for day to day spending.
- It was clarified that capital receipts can be used to pay capital loans interest but the interest is spread over the life of the asset, so this method doesn't always represent good value for money and can have less impact over a number of years.
- Members queried what amount could be saved by paying off capital loans. The Council has a number of long-term loans and pays around £6m per year in interest. However, the debt profile is taken over a long period and the structure of the loans means that it is difficult and expensive to pay loans off early.
- Members were informed that capital receipts can also be used to build an asset and avoid any interest costs and this may also reduce on-going running costs, for example, investing in ICT may reduce overheads.
- Concern was raised that the 2017/18 budget was also overspent and that the financial overspend had not been addressed early enough.

- Members questioned the deliverability of the proposals as some of the savings were already built into the budget. Members were informed that officers in each service area had been asked to indicate their confidence in each proposal and that this had been used to manage the contingency in case of non-delivery.
- It was confirmed that the current level of reserves in £5.8m with a further £2m set aside in the revenue budget which will be transferred in the last month of the financial year. Members questioned whether this was sufficient as it did not meet the government guidance of 5% of the budget. It was confirmed that there is no government guidance on reserves only good practice. Although the reserves are below 5% this has been discussed with the external auditors in terms of the rationale and management plans to replenish. It was confirmed that the additional £2m was part of the base budget and is an allocated sum of money in the revenue budget.
- Members queried the term Negative Earmarked Reserves (NER) and how this differs from a loan. It was explained that NER is an accounting tactic used where there is an anticipation of a future income stream, similar to a personal overdraft. It differs from a loan as it entails borrowing using internal cash flow by borrowing from internal accounts that do have funds available. It was confirmed that it is unlikely that all NER's will be replenished in the short term but that the measures being put in place would ensure that they would not need to be used in the longer term.
- A Member stated that when the Learning Disability contract was transferred to Dimensions, they were led to believe that there was a physical £4.9m reserve but questioned whether this was actually a liability, particularly as such a small saving had been made so far. It was clarified that at the point of embarking on the contract there was a known initial burden on the revenue budget but it was anticipated that this would be repaid over the terms of the contract. This has now been put back as a risk to the revenue budget until we can be more confident of the savings.

The Committee agreed to consider the savings proposals by service area using the summary in Appendix C1 as a guide.

Adult Social Care proposals.

During the debate the following points were raised:

- A Member questioned whether it was appropriate to use the Better Care Fund to support the Discovery Negative Earmarked Reserve (NER), whether this would be repayable by Discovery and what effect this would have on the work programme. It was clarified that it was originally planned that Discovery would pay back the £4.9m NER over the term of the contract. As we are now less confident about the rate of payback, this will be dealt with in the revenue budget and not in an NER. The proposal is to offset this using the Better Care Fund (BCF). There is no obligation for Discovery to pay this back but it will be monitored over time. Members were assured that it is appropriate to use the BCF for

this as it meets the three priority areas set by government for its use. The Council has taken advice from the LGA and the Somerset CCG and has received assurance from both as to appropriacy. The Council had intended to use the BCF for a number of other services and will not now be able to provide this in the same way or as quickly as was hoped.

- Members expressed concern that the proposal for unpaid leave was unfair and would not be upheld by Unions. It was suggested that this could instead be applied to senior managers only and to Members in receipt of a Special Responsibility Allowance (SRA). Other Members thought that the proposal was preferable to redundancies. It was explained that the proposal was intended to help reduce the number of redundancies. The Council is aware that the proposal is not popular with staff and is consulting with Unions. It was clarified that only Full Council could take the decision to reduce SRA payments.
- Members questioned what support was being given to the Citizen's Advice (CA) service to source other funding. The Council recognises that the CA service has a valuable role and provides a variety of support. However, some parts of the contract do not represent good value for money and the Council has been in discussion with the CA service well before these proposals were made about a new future model, perhaps using funding from alternative sources such as District Councils.
- It was confirmed that the council pays the CA service for three distinct activities including care and to administer the Local Assistance Scheme (LAS). Care expenditure would not be affected this year and has already been paid in advance. However, it is believed that there is an opportunity to make a small savings with regard to LAS payments.
- Members questioned the progress of the Discovery contract. It was clarified that previously LD services were not sustainable and needed radical transformation. SCC took action to address this through the Discovery contract and the funding gap was known at the beginning of the contract. Transformation is happening but not at the pace that SCC or Discovery would like to see. We are committed to ensuring that the contract will deliver the necessary transformation.
- Members questioned what the plan would be if the Discovery contract savings were not realised in a timely fashion. It was confirmed that monthly contract meetings are being held to look at delivery and milestones. We are able to apply pressure and have begun to do so. If required we would refer this back to Cabinet.
- It was clarified that the adult social care budget is underspent meaning that its strategy to reduce spend whilst improving outcomes is working.
- A Member expressed regret that more time for scrutiny had not been possible but recognised that local government funding is broken. Concern was expressed that using the better care fund was only a temporary fix and would push the problem elsewhere. Members questioned whether the council had consulted with NHS England over the use of this funding. It was confirmed that there are two better care funds: one which comes from the NHS and one which comes directly to the council. The council was not required to consult with the CCG but did so because it considered this to be prudent and appropriate.
- Members questioned whether the Discovery loan would be repaid if it is now to be included in the revenue budget. It was clarified that this is not

a loan but a mechanism to manage money within the council. The cost of the contract exceeds the budget in the first years and is less than the budget in the final years. There is a monthly billing regime for this which is adjusted depending on the amount delivered.

- In response to concern raised over proposed reductions to the short breaks service, it was clarified that there are currently three residential settings for this service. Two are well used and one is poorly attended and has maintenance costs associated with it. The proposal is to provide the service using two settings only. Nobody has an assessed need of a holiday, but the council is developing a broader range of break options and support to explore as well as addressing an inefficiency.
- Members expressed concern over the proposal for two days unpaid leave for staff and questioned what would happen if the consultation with union members was unsuccessful. It was clarified that the proposal is forecast to save around £500k per year but the council would need to look at measures elsewhere if this could not be achieved.

The Director of Adult Social Services agreed to provide a briefing for members of the Scrutiny for Policies, Adults & Health Committee to explain the financial mechanism for the Discovery contract in more detail.

Following public representation and lengthy debate, significant concern was raised regarding the proposal to reduce funding for Citizen's Advice Bureau (CAB) services. It was widely recognised that the CAB provides a wide range of valuable services and that the relatively small investment by SCC enables huge benefits. Concern was raised that reducing funding now would create additional issues and expense in the future. The Committee agreed the following recommendation:

1. Proposed by Cllr L Leyshon, seconded by Cllr John Hunt

In relation to ASC 03, the Scrutiny for Policies and Place Committee recommends that the Cabinet considers the possibility of a stepped decrease in funding for CAB services to allow the opportunity for the CAB to undertake their own transformation.

Children's Services proposals.

The Director of Children's Services reassured Members that despite challenging conditions the proposals will not prevent the Council from delivering its statutory duties and will not undermine the Council's ambition to deliver a good children's service.

During the debate the following points were raised:

- Members questioned when they would have sight of the People2 report and it was confirmed that no such report has yet been published. Some early advice has been given and this has been incorporated into the savings proposals. The report should be ready by the end of September and will be shared with Councillors.

- Members questioned whether the proposals will impact on those children most in need and were reassured that none of the proposals will impinge on the council providing services to those most in need. There will be no impact on our provision of statutory duties.
- Members questioned whether a child will always be placed in the most appropriate place for them and that this will be considered before cost. It was clarified that the use of public resources is a key element for anything we do at SCC. The 50% delivery relates to the placement on offer satisfying the child and their families. The Education Tribunal can direct SCC. Cost is a consideration. We have a number of children in Somerset travelling a long distance which is not in their best interests and it is important for children to be included in their local community.
- A Member expressed concern that the proposals for Getset services and early help support are based on inaccurate data as a reduction in referrals doesn't reflect the real picture but instead changes to the system. There is concern that these proposals will result in children requiring greater service and possibly care further down the line. There is a need to consult with service users and providers to make the right decisions. It was clarified that there has been no consultation with users but that the proposal will not prevent us from providing statutory services. Many other authorities have already adopted the model we are proposing. It is important to implement the decision and we will expect to be held to account for the delivery.
- Concern was raised over the proposals for young carers services and asked whether the council was confident it was acting legally. It was clarified that the council is confident about the legal aspects and that many authorities do not have a dedicated young carers service but instead needs are met through an alternative assessment service. The service does a fantastic job and we will ensure this continues but in a different format. The county solicitor confirmed that all proposals have been looked at very thoroughly from a legal perspective and all have been found acceptable.
- Concern was raised about the proposals for youth services as most of these take place in areas of deprivation. The proposals will turn vulnerable young people onto the street and will store problems for the future.
- Concern was expressed that the reduction in preventative services will result in huge spikes in the number of children requiring care and will impact on children and their families.
- A member queried what would happen if the Higher Needs (HN) recovery plan fails and it was clarified that the recovery plan currently in place has been successful, but demand has been increasing.
- A member questioned whether the Designated Medical Officer has sufficient capacity to cope with any increase and it was confirmed that currently children's services has been picking up the cost for this but the proposal is to transfer this cost to the dedicated schools grant.
- It was clarified that the cabinet decision and consultation with the school's forum are separate.
- It was clarified that there is no proposal to make changes to the early help team which provides support to children with disabilities.

Public representation and significant concern was also raised regarding the proposal to re-model support for Young Carers. Members were concerned that this could result in more young people being referred to Children's Services. Members also questioned the accuracy of the budget for this service. The Committee agreed the following recommendation:

2. Proposed by Cllr M Lewis, seconded by Cllr John Hunt

With regard to CAF 20, The Scrutiny for Policies and Place Committee recommends that the Cabinet reconsiders the Young Carers element of the savings proposals until a robust business case has been developed and put forward.

Corporate Services proposals.

During the debate the following points were raised:

- A member asked for more detail around the proposal to reduce posts within the commercial & procurement service. It was clarified that the service is proposing to remove some administration support and ask officers to carry out their own administration tasks.
- With regard to Corp-02, it was clarified that £1.9m which was originally earmarked for reserves will now be used for the revenue budget.
- With regard to C&C-01, it was clarified that the external income will be sourced from the Local Enterprise Partnership and the Somerset CCG.
- It was clarified that it is proposed to reduce the Chair of Council's budget by 25%.

Economic & Community Infrastructure Services proposals.

During the debate the following points were raised:

- Members questioned the future arrangements for the Park & Ride service and whether the savings made could be used towards another savings proposal. It was clarified that Taunton Deane Borough Council (TDBC) offered to fund the service for 1 year and the Hinkley Point C proposal is unaffected by this. Both of these savings will be used to contribute to the revenue budget overspend. The Council is committed to working with the service operator and with TDBC to work towards a sustainable option for the long-term.
- With regard to ECI-12, it was clarified that Cabinet approval is being sought to start a consultation so there is no view of what is required at this stage. The consultation will be resourced through the in-house team and their workload will be re-prioritised.
- It was clarified that there is a proposal to remove salt banks and the Council will work with rural communities that express a desire for salt.
- It was clarified that council is proposing to look at connectivity and not just height when deciding on salting routes.
- Concern was raised that reducing jetting and flood prevention activity would have an impact on flooding. It was clarified that this is an in-year proposal only and will be reconsidered next year. There is a safety budget to enable a response to any safety issues. Some minor flood

activities will be deferred to next year but we will continue to work with the SRA.

- Concern was raised about imposing controls on building repairs and maintenance. It was clarified that if the maintenance related to health & safety, was contractually required or affected building integrity it would still be carried out. The on-going savings relate to efficiencies in bringing services back in-house now that the estate is smaller.
- It was agreed to recognise the importance of considering parish council precepting timetables when consulting on proposed changes to services.

121 Customer Experience Annual Feedback Report 2017/18 - Agenda Item 6

It was agreed to defer this item to the next meeting.

122 Scrutiny for Policies and Place Committee Work Programme - Agenda Item 7

The Committee considered and noted the Council's Forward Plan of proposed key decisions.

Following debate, the Committee requested the following addition to the work programme:

- Customer Experience Annual Feedback Report 2017/18 (Oct 2018)

123 Any other urgent items of business - Agenda Item 8

There were no other items of business.

(The meeting ended at 3.15 pm)

CHAIRMAN