

# Scrutiny for Policies, Children and Families Committee

Friday 19 July 2019

10.00 am Library Meeting Room, Taunton Library



To: The Members of the Scrutiny for Policies, Children and Families Committee

Cllr L Redman (Chair), Cllr R Williams (Vice-Chair), Cllr M Dimery, Cllr N Hewitt-Cooper, Cllr James Hunt, Cllr J Lock, Cllr W Wallace, Cllr J Williams.  
Mr P, Elliot, Ms Helen Fenn, Mrs Ruth Hobbs and Mrs Eilleen Tipper

All Somerset County Council Members are invited to attend meetings of the Cabinet and Scrutiny Committees.

Issued By Scott Wooldridge, Strategic Manager - Democratic Services - 11 July 2019

For further information about the meeting, please contact Neil Milne on 01823 359045 or [ndmilne@somerset.gov.uk](mailto:ndmilne@somerset.gov.uk)

Guidance about procedures at the meeting follows the printed agenda.

This meeting will be open to the public and press, subject to the passing of any resolution under Section 100A (4) of the Local Government Act 1972.

This agenda and the attached reports and background papers are available on request prior to the meeting in large print, Braille, audio tape & disc and can be translated into different languages. They can also be accessed via the council's website on [www.somerset.gov.uk/agendasandpapers](http://www.somerset.gov.uk/agendasandpapers)



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# AGENDA

Item Scrutiny for Policies, Children and Families Committee - 10.00 am Friday 19 July 2019

**\*\* Public Guidance notes contained in agenda annexe \*\***

1 **Apologies for Absence**

to receive Members' apologies

2 **Declarations of Interest**

Details of all Members' interests in District, Town and Parish Councils will be displayed in the meeting room. The Statutory Register of Member's Interests can be inspected via the Community Governance team.

3 **Minutes from the previous meeting** (Pages 5 - 14)

The Committee is asked to confirm the minutes are accurate.

4 **Public Question Time**

The Chairman will allow members of the public to ask a question or make a statement about any matter on the agenda for this meeting. **These questions may be taken during the meeting, when the relevant agenda item is considered, at the Chairman's discretion.**

5 **Scrutiny Work Programme** (Pages 15 - 28)

To discuss any items for the forthcoming work programme. To assist the discussion, the following documents are attached:

- a) – The Cabinet's latest published forward plan;
- b) – Current Work Programme for the Committee;
- c) – Outcome Tracker.

6 **2019/20 Revenue Budget Monitoring - Month 2 Report** (Pages 29 - 56)

To consider these reports.

7 **Any other urgent items of business**

The Chairman may raise any items of urgent business.

## Guidance notes for the meeting

### 1. Inspection of Papers

Any person wishing to inspect Minutes, reports, or the background papers for any item on the Agenda should contact the Committee Administrator for the meeting on 01823 359045 or email: [democraticservices@somerset.gov.uk](mailto:democraticservices@somerset.gov.uk)  
They can also be accessed via the council's website on [www.somerset.gov.uk/agendasandpapers](http://www.somerset.gov.uk/agendasandpapers)

### 2. Members' Code of Conduct requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: Honesty; Integrity; Selflessness; Objectivity; Accountability; Openness; Leadership. The Code of Conduct can be viewed at: <http://www.somerset.gov.uk/organisation/key-documents/the-councils-constitution/>

### 3. Minutes of the Meeting

Details of the issues discussed and recommendations made at the meeting will be set out in the Minutes, which the Committee will be asked to approve as a correct record at its next meeting.

### 4. Public Question Time

**If you wish to speak, please tell the Committee's Administrator by 5.00pm on Monday 15 July.**

At the Chair of the Committee's invitation you may ask questions and/or make statements or comments about any matter on the Committee's agenda – providing you have given the required notice. You may also present a petition on any matter within the Committee's remit. The length of public question time will be no more than 30 minutes in total.

A slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been signed. However, questions or statements about any matter on the Agenda for this meeting may be taken at the time when each matter is considered.

You must direct your questions and comments through the Chair. You may not take a direct part in the debate. The Chair will decide when public participation is to finish.

If there are many people present at the meeting for one particular item, the Chair may adjourn the meeting to allow views to be expressed more freely. If an item on the Agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

An issue will not be deferred just because you cannot be present for the meeting. Remember that the amount of time you speak will be restricted, normally to two minutes only.

## 5. **Exclusion of Press & Public**

If when considering an item on the Agenda, the Committee may consider it appropriate to pass a resolution under Section 100A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act.

## 6. **Committee Rooms & Council Chamber and hearing aid users**

To assist hearing aid users the meeting rooms have infra-red audio transmission systems. To use this facility you need a hearing aid set to the T position.

## 7. **Recording of meetings**

The Council supports the principles of openness and transparency. It allows filming, recording and taking photographs at its meetings that are open to the public - providing this is done in a non-disruptive manner. Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings and a designated area will be provided for anyone wishing to film part or all of the proceedings.

No filming or recording may take place when the press and public are excluded for that part of the meeting. As a matter of courtesy to the public, anyone wishing to film or record proceedings is asked to provide reasonable notice to the Committee Administrator so that the relevant Chair can inform those present at the start of the meeting.

We would ask that, as far as possible, members of the public aren't filmed unless they are playing an active role such as speaking within a meeting and there may be occasions when speaking members of the public request not to be filmed.

The Council will be undertaking audio recording of some of its meetings in County Hall as part of its investigation into a business case for the recording and potential webcasting of meetings in the future.

A copy of the Council's Recording of Meetings Protocol should be on display at the meeting for inspection, alternatively contact the Committee Administrator for the meeting in advance.

## SCRUTINY FOR POLICIES, CHILDREN AND FAMILIES COMMITTEE

Minutes of a Meeting of the Scrutiny for Policies, Children and Families Committee held in the Library Meeting Room, Taunton Library, on Friday 14 June 2019 at 10.00 am

**Present:** Cllr L Redman (Chair), Cllr R Williams (Vice-Chair), Cllr M Dimery, Cllr N Hewitt-Cooper, Cllr James Hunt, Cllr J Lock, Cllr W Wallace and Mrs Eileen Tipper.

**Other Members present:** Cllr M Chilcott, Cllr C Lawrence and Cllr T Munt.

**Apologies for absence:** Cllr J Williams, Elliot, Ms Helen Fenn and Ruth Hobbs

### 74 **Declarations of Interest** - Agenda Item 2

There were no declarations.

### 75 **Minutes from the previous meeting** - Agenda Item 3

The Committee agreed that the minutes of the last meeting, subject to a few amendments were accurate and the Chair signed them.

### 76 **Public Question Time** - Agenda Item 4

The Chair of the Committee invited Mr Nigel Behan, of the UNITE Trade Union, to ask a question about agenda item 6 Family Support Service update.

He noted it was stated in the report that: "Phase 3 will consider the integration of additional child and adults services to achieve a holistic 'think family' model."

Question 1 - What planning has been undertaken (and modelling) in considering the possible various options of a holistic 'think family' model?

In response it was stated that the Council was currently only at the end of Phase 1 and are still focused on the safe transfer and embedding on Public Health Nurses in to the Council. Also a part of the Council and Somerset Clinical Commissioning Group strategy included 'Fit for Our Future' and this would look at further strengthening locality working among professionals who supported children and families, across the health and care systems.

Question 2 - Are there other Local Authority examples (evidence) of the proposed Phase 3 service which have been studied, analysed, assessed (outcomes etc.), can these studies etc. be shared and what Lessons have been Learnt so far?

In response it was explained that Somerset had been recently invited to attend an event at the Houses of Parliament focused on 'family hub' delivery. The Head of Service for Public Health Nursing had attended and in addition would be using the evidence gathered from other areas such as Doncaster and Hertfordshire, to inform future developments in Somerset.

**77 Scrutiny Work Programme - Agenda Item 5**

The Chair of the Committee explained the reports that make up the work programme agenda item and the importance the Committee should attach to planning its future work.

The Committee then considered and noted the Cabinet's Forward Plan of proposed key decisions in forthcoming months.

The Committee considered and agreed its own work programme and the future agenda items listed. It was again requested that the Impact of Universal Credit on children's lives in families in receipt of Council services be considered at a future meeting. It was also requested that the subject of safe routes to school as part of the school building programme be considered at a future meeting.

The Chair invited Officers from the Council's SEND team to speak about the proposed SEND workshop at the July meeting and an overview was provided.

The Committee agreed that the next meeting would be a 2 agenda item meeting with a financial budget monitoring report, with a 2 hour (approx) SEND workshop. It was also suggested that members of the Health and Well-being Board be invited to the meeting.

It was noted that the Outcome Tracker had been refreshed and updated and it was accepted.

**78 Family Support Service (FSS) Update - Agenda Item 6**

The Committee received an update on the progress of this phase of change for Public Health (PH) nurses within the Family Support Service, since the Cabinet approval in February 2018 and subsequent decisions regarding Council early help services in September 2018 and February 2019.

Regarding Phase 1 of the Transfer of Specialist Public Health Nursing to the Council the following achievements were hailed:

- Accommodation plan completed;
- IT deployment completed in first three days of transfer;
- CQC registration in place;
- Clinical governance and incident reporting processes agreed and ratified by Governance Group;
- Employment and processes completed on time for first month payroll.

It was stated that the Somerset vision was for - Healthy, happy staff and communities and it was recognised that it was easier to build strong, healthy individuals than repair broken ones. A diagram was shown of a green valley with snow-capped mountains beyond and the valley contained 4 'base-camps'. The base camps were Early Identification, Development of People and Ideas, Empowering all, and Prevention. It was suggested that continued improvements in those areas would help all to scale the mountains.

Looking back Members were reminded that the key objectives for the first 12 months following the transition had been:

- Compliance with Care Quality Commission regulated standards;
- Integration of all Operational Teams in Public Health;
- Joint planning with Public Health Commissioners to transform services to meet service specification;
- Compliance with key performance indicators;
- Workforce development supported by the Council;
- Contribute to the Fit for Our Future strategy by developing locality working to support children and families, across the health and care system.

During the consideration of the report, issues/concerns were raised, questions asked/answered and further information was provided on:

- Officers wished to publicly acknowledge the continued support and co-operation of all staff, including new and previous employers who had all been very helpful both before and after the changes;
- It was asked if the numbers of school nurses had risen or fallen and if they would be focused on a health education role? In response it was explained that there were 16 full time equivalent school nurses for the 256 schools in Somerset. It was thought unlikely the number would increase as there was a clear budget for the service to work within and the team were determined to use the available resource more effectively across the 0-19 range;
- It was stated that the overall approach for the School nursing service would be to change from being task orientated to doing more school-based development programmes. An example was given in Bridgwater where the PH nurses were attending new parents' events at schools and participating in school assemblies to raise awareness of various topics;
- It was noted that the PH nurses, after some initial reservations, had embraced the changes and they had seen many transitions over 20 years and they know that a one size fits all approach would not work and there would be different needs in each community, for example some areas in the County had a 3 tier (by age) school system meaning for some children middle schools were an extra transition point;
- Regarding the two- and a half-year health checks it was noted that 85% of families take up the offer, and the set target for the rate of age expected development of 80% had been too ambitious, as only 69% of children were achieving their age expected development;
- The service was continually looking to develop and improve all areas and encouraged families to opt in and engage if they wanted to and a review was conducted each time contact was made;
- It was explained that the 'Red Book' referred to was a child's personal health record, from the ante natal period onwards and parents were encouraged to take it with them to any appointment with the child, so information can be added and updated over time;
- Finally, it was asked if the PH nurses wore uniforms and it was stated they did not wear uniforms and there were no plans for them to do so.

The Chair of the Committee thanked Officers for the overview and presentation and the update was accepted.

## 79 **Self Harm Update** - Agenda Item 7

The Committee considered this report that provided an update following the submission last December of the Annual Report of the Director of Public Health 2018 on Emotional Health and Wellbeing entitled 'Looking through the Lens of Self-Harm'. The report had looked at the issue of emotional resilience and had investigated emergency hospital admissions for self-harm.

It was noted that many of such admissions were single occurrence events, typically following an attempted paracetamol overdose. A key aim was to promote emotional resilience in young people and reduce the stigma associated of asking for help, as it was reported that 77% of young people did not know who to approach. The service was aiming to provide the right information, advice and guidance to help service users help themselves and target support to those who need it most.

The report had reflected that the increase in the number of admissions appeared to have been due to rising rates amongst girls and young women aged between 10 and 24. Those rates were found to peak at around the age of 15 and were mainly for single admissions to hospital.

It was clear there was an increasing pattern of self-harm in Somerset which reflected the emotional distress young people were experiencing as they internalised their problems. It was acknowledged there was a need to develop a greater understanding of self-harming behaviour, and what support was needed to help young people, their parents, teachers and others to better promote positive emotional health and wellbeing and resilience.

Members attention was drawn to the report and the 8 recommendations that had been highlighted in the annual report and an update was provided on each and it was noted that overall good progress had been made on all 8 areas.

In respect of Recommendation 1 it was reported that last June the Council had launched the Somerset Wellbeing Framework which provided schools with the guidance and support to develop a 'whole school approach to mental health. This would enable schools to look at every aspect of school life in relation to wellbeing including the curriculum, the environment, pupils, staff and parents too. The Clinical Commissioning Group (CCG) commissioned the SHARE (Schools, Health and Resilience Education) service and to date 8256 students and 388 parents had benefitted from the service. In addition Public Health were funding a series of self-harm awareness sessions to schools and allied professionals that would be delivered by the Educational Psychology service.

Recommendation 2 had recognised a need to develop more accessible guidance and information about self-harm for young people. It was reported that through funding from NHS England and the CCG a Schools Self-harm project had launched, with one worker in place who would be joined by a second. Part of their brief was to develop more accessible guidance and



information and the first phase would be to develop a shared protocol which would include a new early intervention pathway. Once completed it was envisaged all key stakeholders would be invited to sign up to the protocol before it was launched and promoted.

Recommendation 3 had suggested that all schools should adopt the Somerset Wellbeing Framework to support and promote positive emotional health and wellbeing and, where appropriate, could consider developing school based self-harm policies. Members heard that part of the Schools self-harm project was to promote the development of a school's self-harm policy. To date the worker had been into thirty-four schools to introduce the project and hear more about the needs of the schools. 4 schools had signed up to pilot some new training devised by the self-harm project and 5 schools had booked the project for their September INSET days.

It was noted that Recommendation 4 had suggested that Health and care services ensure that the mental health of children and young people be given greater prominence, ensuring that prevention and early intervention was offered along with treatment. It was reported that through the Emotional Wellbeing and Mental Health Collaborative Group, partners had been fully engaged in developing a whole system-wide programme to improving the social, emotional and mental health of children and young people, entitled 'Resilient Young People'.

Recommendation 5 had recognised the importance of developing stronger individuals, families and communities as being central to improving resilience. A joined-up approach to this would provide a far greater impact than organisations operating independently. It was noted that the Improving Lives Strategy (2018-2019) embraced the spirit of this recommendation and included in the Future in Mind Strategy was a Stronger Communities theme and this would help deliver this recommendation.

Regarding Recommendation 6 had recognised an increased national investment in mental health, which provided a significant opportunity to invest in improving emotional health and wellbeing and that early intervention would be paramount. It was reported that the emotional wellbeing and mental health collaborative group had been working with the CCG and had submitted a bid to be a trailblazer area. If successful this would allow for increased early intervention services based around education, with additional resources to fund Education Wellbeing Practitioners and a designated lead in 44 schools across the County.

Recommendation 7 recognised the need for us to deepen our understanding of self-harm practices and understand more about the emotional resilience of children and young people and what could be done to improve it. Members heard that a bid had been submitted to NHS England to fund the setting up of a self-harm register to improve the data and the understanding of self-harming behaviour in children and young people. The Self-harm steering group were working on a baseline data set including monitoring the schools attended by young people who were admitted for self-harm. A key element to this work would be talking and listening to a range of stakeholders to help develop understanding.

Finally, Recommendation 8 – acknowledged the need to continue to listen to what children and young people were saying about their experiences and to work with them in designing the solutions. It was noted that the CAMHS Participation Group had been engaged with the self-harm schools project and would continue to share their experiences and ideas with the Project Workers.

During the consideration of the report, issues/concerns were raised, questions asked/answered and further information was provided on:

- It was asked if the SHARE service was being evaluated? Also, if self-harm could be embedded in to Schools' behaviour policy? And were there plans to analyse schools with high self-harm rates against those with low rates? In response it was explained that as SHARE was commissioned by the CCG they would carefully overview contract management. Every school should have an up to date behaviour policy and self-harm policy and they should be linked. On the issue of self-harm rates between schools, there was a county wide matrix to register all reported incidents and this would help to differentiate and possibly flag a safeguarding need;
- There was a question about the reported peak of admissions for girls at the age of 15 and it was asked about the peak age for admissions (if there was one) for boys? In response it was explained that this information could be provided;
- There was a question about governance and money and if it would be possible to increase intervention without more money. The DCS noted in response that there would be a discussion about the future arrangements and it would be important not to undermine partnership arrangements to avoid duplication. Providing funding and support would prove challenging but accountability through the Health and Well-being Board would remain unchanged;
- Regarding data sharing between partners (including hospitals) it was asked if that information was being shared with others to allow intervention if necessary? In response it was noted that there was a self-harm register although it was clear that some information was not 'triangulated' and shared between partners. It was noted that Bristol had adopted a register, and this had helped to reduce admissions;
- There was a question about the Council's quarterly newsletter 'Your Somerset' and if this was available electronically and in other formats? It was noted from Members' comments that it did not seem to be delivered to every house in Somerset as it should be;
- On the subject of the appropriateness of information being offered to young people by teachers and other professionals in the 24hour social media age it was asked how this could be most effectively done and how best to encourage young people to express their feelings. In response it was stated that everyone should be reassured that it was quite normal to feel normal things. Public health grapple with those issues, and it was important to normalise talking about mental health and enable everyone at whatever age to have those conversations;
- There was a brief discussion about the availability of cheap paracetamol and the appropriateness of the warnings on the packets

and it was noted that companies did not appear to be interested in making changes and everyone was encouraged to complain to shops where they were sold cheaply;

- On the topic of funding, the Chair of the Health and Well-being Board (HWB) noted that the HWB did not have any funding and was looking at find ways forward and highlighted a willingness amongst partners to make data sharing, easier, fairer and equal.

The Chair thanked the officers for the update and congratulated them on the news they had recently won an award through the Faculty of Public Health. He reiterated that it was important for all Members to raise awareness of mental health issues and that it was OK not to be OK. It was requested that weblinks be sent to Members for the 'Life Hacks' training.

## 80 **Proposals to implement the new Somerset Safeguarding Children Partnership arrangements** - Agenda Item 8

The Committee considered this report, requested at the last meeting, to provide an update on the progress towards the new safeguarding children arrangements to be known as the Somerset Safeguarding Children Partnership, replacing the Somerset Safeguarding Children Board.

Members heard that the 3 Somerset Safeguarding Partners (Avon & Somerset Constabulary, the Clinical Commissioning Group and the Council) had the responsibility for this and they continued to work towards new arrangements, working together to safeguard and promote the welfare of all children in the local area.

It was reported that it was being proposed that arrangements between the partners remained informal in legal terms at a regional level. The regional Safeguarding Partners had agreed to establish a non-binding memorandum of understanding between themselves, the terms of which had yet to be agreed, while they explore opportunities for further and closer joint working to create efficiencies across the region.

The Committee were interested in the proposals for Scrutiny arrangements as the report referred to 'those remaining in Somerset' with the possibility of future contractual arrangements to be delegated to a regional level. Attention turned to the appendix of the report which noted it would be vital to ensure that core child protection responsibilities remained at the forefront of the new Somerset Safeguarding Children Partnership.

It suggested that Scrutiny arrangements fell into three broad areas: Independent scrutiny arrangements; Local scrutiny arrangements; and Regional scrutiny arrangements.

Members heard that it was not currently planned to have an independent chair of the Somerset Safeguarding Children Partnership Executive, but the 3 key Safeguarding Partners were exploring the option of an Independent Chair for the Quality and Performance function and/or independent auditors. It was also noted that, unlike the current Independent Chair of the Safeguarding Board,

there would be flexibility under the new arrangements to appoint more than one person to carry out independent scrutiny activity.

In response to a question it was explained that it would be expected any independent scrutineer would have the experience and skills to carry out robust scrutiny and in the longer term, the 5 Local Authority areas in the Avon and Somerset Constabulary region would look to appoint a pool of independent scrutineers with appropriate experience, knowledge and skills to undertake scrutiny activity across the region.

Turning to the local scrutiny arrangements it was noted that although it was no longer a statutory requirement to present an annual report to the scrutiny committee it was envisaged that the Council's scrutiny function would play an important part in providing challenge.

Members also heard that the Safeguarding Partners were exploring the possibility of a system for regional partners (outside Somerset but within the Avon and Somerset Constabulary area) to scrutinise the local Somerset arrangements. Regional opportunities for independent scrutiny would become clearer over the next few months e.g. peer reviews, and external challenge.

There was a brief discussion about possible arrangements and it was noted that terms of reference for any regional activity would need to be developed to ensure that collective resources were maximised to ensure an effective and efficient process. It was thought most scrutiny would be provided locally at the start of the new arrangements.

During the consideration of the report, issues/concerns were raised, questions asked/answered and further information was provided on:

- To whom would the Committee make recommendations? Would the Committee be able to consider the proposed arrangements for the regional partnership executive and forum? Who would be the lead representatives in the 3 partner organisations and would they be named? In response it was noted that the Director of Children's Services (DCS) would be the Council's Rep/Lead Officer in the partnership and the role for the Council's Scrutiny Committee would be scrutinising the input of the Council to the partnership arrangements;
- It was asked if there would be an opportunity for Members to scrutinise the regional arrangements and how would Members know if the desired outcomes, such as any agreed key performance indicators (KPI's) were being met? In response the DCS noted on the 'regional question' that there were no proposals for regional accountability, each area of the partnership would be accountable, and the plan was for regional co-operation (collaborative model) not a governance structure and the Council in Somerset would not be able to scrutinise its partners. There were no plans for KPI's as the focus would be on effectively delivering on 'the front line' and it was envisaged there would be enough detail available to monitor 'front-line' delivery. The Council's strategic direction had been set out in the Children and Young People's Plan (CYPP), and

it was stated that it was already known that most of the work currently being undertaken between the 3 partners was very good;

- Members expressed concern about knowing what details and questions to ask as they would not know what to ask for and/or about if they were not aware of everything, making it difficult for them to hold the partnership to account. In response the DCS noted that KPI's remained for Children's Services but they did not tell the whole story of achievement or performance and the Committee would be able to hold him to account for the Council's contribution to the partnership and make any recommendations to him;
- A question was asked about who would scrutinise and how much information would they have? Would there be a distinction between safeguarding and protection? Would the responsibilities of scrutineers be clearly defined? Were there plans to get feedback from stakeholders and how would information be disseminated? In response the DCS noted that the Council would be seeking greater engagement with relevant agencies. He acknowledged that under the previous arrangements the Children's Trust focused on 'welfare issues' and safeguarding and protection did overlap, although the 3 Lead partners would not be delivering safeguarding on 'the ground'. Regarding the scrutiny role there would be no barrier to the Committee interviewing other partners and/or visiting areas, including the 'front line', to check if the arrangements were working on the ground;
- The DCS confirmed the Committee would only be able to hold the Council's contribution to the partnership to account and independent scrutineers would be accountable to the Council and be able to attend Committee meetings;
- It was suggested that any boundaries that existed between the partners should be permeable as the Council and its partners should avoid working in 'silos'. The DCS stated that scrutiny would be a responsibility of the 3 partners to bring together, it would be separate from the Committee although Members could question the independent scrutineers or Lead Officers;
- There continued to be confusion as it appeared the partnership would be in the middle, with each partner scrutinising their own element, and Members asked for clarity about what governance and scrutiny would look like locally, and if partnership scrutiny would be a part of that, and who would be available to advise Members locally, such as a partnership officer? In response the DCS suggested that the 3 partners could join up to collectively hold the partnership to account and this might be something Members wishes to explore along with reporting to the Health and Well-being Board;
- Members did not support the idea that the Committee would scrutinise the scrutineers, and the example of the Local Enterprise Partnership (LEP) was cited as this had a joint scrutiny committee with participants of all its members. The DCS referred to page 77 of the official guidance (not circulated) that reportedly stipulated in respect of scrutinising practices that a professional background would be required, and this would therefore be something quite different from what the Committee was used to;

- It was suggested, given the Committee's confusion, that the Chair and Vice Chair met with the DCS and Portfolio holder to discuss this issue in more detail as there did not appear to be a consensus to make a recommendation to the Cabinet for its meeting in July. The DCS noted that he was not seeking authorisation as the proposals had been nationally prescribed although he could include comments from the Committee in his report for the July Cabinet meeting;
- The Deputy Leader of Council stated that she understood that the new partnership would be an outside body and not a Council function, and as such the scrutiny committee could call them in to ask questions but could not direct them as they were a separate entity and the DCS confirmed this to be an accurate summary. The DCS also noted that targeted joint area assessments would continue despite the Somerset Safeguarding Children Board being replaced by the new arrangements.

The Chair stated that he thought the Committee should be involved with any joint scrutiny of the partnership and be given time to consider how this might be best achieved, including the effectiveness/purpose of visits to 'front line' areas. The Chair and Vice Chair undertook to meet with the DCS and Portfolio holder outside of the meeting to discuss the issues further and establish clarity.

**81 Any other urgent items of business - Agenda Item 9**

The Chair of the Committee, after ascertaining there were no other items of business, thanked all those present for attending and closed the meeting at 12.35.

**(The meeting ended at Time Not Specified)**

**CHAIRMAN**

## Somerset County Council Forward Plan of proposed Key Decisions

The County Council is required to set out details of planned key decisions at least 28 calendar days before they are due to be taken. This forward plan sets out key decisions to be taken at Cabinet meetings as well as individual key decisions to be taken by either the Leader, a Cabinet Member or an Officer. The very latest details can always be found on our website at:

<http://democracy.somerset.gov.uk/mgListPlans.aspx?RPId=134&RD=0&FD=1&bcr=1>

Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 defines a key decision as an executive decision which is likely:

(a) to result in the relevant local authority incurring expenditure which is, or the making of savings which are, significant having regard to the relevant local authority's budget for the service or function to which the decision relates; or

(b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority.

The Council has decided that the relevant threshold at or above which the decision is significant will be £500,000 for capital / revenue expenditure or savings. Money delegated to schools as part of the Scheme of Financial Management of Schools exercise is exempt from these thresholds once it is delegated to the school.

Cabinet meetings are held in public at County Hall unless Cabinet resolve for all or part of the meeting to be held in private in order to consider exempt information/confidential business. The Forward Plan will show where this is intended. Agendas and reports for Cabinet meetings are also published on the Council's website at least five clear working days before the meeting date.

Individual key decisions that are shown in the plan as being proposed to be taken "not before" a date will be taken within a month of that date, with the requirement that a report setting out the proposed decision will be published on the Council's website at least five working days before the date of decision. Any representations received will be considered by the decision maker at the decision meeting.

In addition to key decisions, the forward plan shown below lists other business that is scheduled to be considered at a Cabinet meeting during the period of the Plan, which will also include reports for information. The monthly printed plan is updated on an ad hoc basis during each month. *Where possible the County Council will attempt to keep to the dates shown in the Plan. It is quite likely, however, that some items will need to be rescheduled and new items added as new circumstances come to light.* Please ensure therefore that you refer to the most up to date plan.

For general enquiries about the Forward Plan:

- You can view it on the County Council web site at <http://democracy.somerset.gov.uk/mgListPlans.aspx?RPId=134&RD=0&FD=1&bcr=1>
- You can arrange to inspect it at County Hall (in Taunton).
- Alternatively, copies can be obtained from Scott Wooldridge or Michael Bryant in the Democratic Services Team by telephoning (01823) 357628 or 359500.

To view the Forward Plan on the website you will need a copy of Adobe Acrobat Reader available free from [www.adobe.com](http://www.adobe.com)  
Please note that it could take up to 2 minutes to download this PDF document depending on your Internet connection speed.

To make representations about proposed decisions:

Please contact the officer identified against the relevant decision in the Forward Plan to find out more information or about how your representations can be made and considered by the decision maker.

The Agenda and Papers for Cabinet meetings can be found on the County Council's website at:  
<http://democracy.somerset.gov.uk/ieListMeetings.aspx?CId=134&Year=0>



Weekly version of plan published on 2 July 2019

FP Refs	Decision Date/Maker	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring it to be considered in private?	Contact Officer for any representations to be made ahead of the proposed decision
<b>FP/19/04/11</b> First published: 24 April 2019	8 Jul 2019 Cabinet	Issue: Development of the Medium Term Financial Plan 2020/21 Decision: To receive an update on the Council's financial position and the proposals for the development of the MTFP 2020/21			Sheila Collins
<b>FP/19/06/03</b> First published: 14 June 2019	8 Jul 2019 Cabinet	Issue: Month 2 Revenue Budget Monitoring Decision: To agree the report			Interim Finance Director
<b>FP/19/05/11</b> First published: 28 May 2019	8 Jul 2019 Cabinet	Issue: Treasury Management Out turn Decision: To agree the report			Alan Sanford, Principal Investment Officer Tel: 01823 359585
<b>FP/19/06/01</b> First published: 11 June 2019	8 Jul 2019 Cabinet	Issue: Children's Safeguarding Arrangements Decision: To agree this report			Julian Wooster, Director of Children's Services Tel: 01823 359544
<b>FP/19/02/12</b> First published: 29 April 2019	Not before 10th Jul 2019 Interim Finance Director, Cabinet Member for Economic Development, Planning and Community Infrastructure	Issue: To accept ERDF grant funding for the Bruton Enterprise Centre and sign the subsequent terms and conditions of funding agreements Decision: To agree to accept ERDF grant funding for the construction of the Bruton Enterprise Centre and to sign the subsequent terms and conditions of funding agreements	Decision to accept ERDF grant funding and sign contract Appendix 1 - Bruton Enterprise Centre - Equality Impact Assessment		Katriona Lovelock, Economic Development Officer Tel: 01823 359873

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FP Refs	Decision Date/Maker	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring it to be considered in private?	Contact Officer for any representations to be made ahead of the proposed decision
<b>FP/19/06/05</b> First published: 17 June 2019	14 Aug 2019 Cabinet	Issue: Month 3 Revenue Budget Monitoring Decision: To consider the report			Interim Finance Director
<b>FP/19/07/02</b> First published:	14 Aug 2019 Cabinet	Issue: Decision to Award the contract of providing the Shared Lives scheme in Somerset Decision: Cabinet will be asked to approve the direct award of a 36 month contract of registration and management of the Shared Lives Scheme in Somerset, including the TUPE of 4 members of staff to Shared Lives South West			Steve Veevers, Strategic Commissioning Manager Tel: 01823359155
<b>FP/19/06/11</b> First published: 24 June 2019	14 Aug 2019 Cabinet	Issue: Adult Social Care - outcome of Ombudsman Decision: To consider the outcome from the Ombudsman			Mel Lock, Adults & Health Operations Director Tel: 01823 356207
<b>FP/19/07/01</b> First published: 2 July 2019	Not before 26th Aug 2019 Cabinet Member for Highways and Transport	Issue: Decision to extend the Term Maintenance Contract for Highways Lighting maintenance services Decision: Somerset County Council's existing maintenance contract for highways street lighting is due to end in March 2020. The contract allows for up to a 48-month extension. This decision proposes that the Council should use this option to extend the contract.			Neil Guild, Highways Asset Improvement Officer

Weekly version of plan published on 2 July 2019

FP Refs	Decision Date/Maker	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring it to be considered in private?	Contact Officer for any representations to be made ahead of the proposed decision
<p><b>FP/18/11/11</b> First published: 21 November 2018</p>	<p>Not before 2nd Sep 2019 Cabinet Member for Adult Social Care</p>	<p>Issue: Decision to conclude the establishment of an Open Framework Agreement for Reablement Providers in Somerset Decision: To award an open framework that will ensure continued and new supply of reablement care across the county, mirroring the current arrangement for homecare. This follows interim contractual arrangements that were put in place following the unsuccessful</p>			<p>Tim Baverstock, Strategic Commissioning Manager - Strategic Commissioning</p>
<p><b>FP/19/01/12</b> First published: 5 February 2019</p>	<p>Not before 2nd Sep 2019 Cabinet Member for Public Health and Wellbeing</p>	<p>Issue: Adoption of the Somerset Air Quality Statement Decision: To agree the adoption of the statement</p>			<p>Stewart Brock, Public Health Specialist, Public Health Tel: 01823357235</p>
<p><b>FP/19/04/13</b> First published: 29 April 2019</p>	<p>Not before 2nd Sep 2019 Cabinet Member for Economic Development, Planning and Community Infrastructure</p>	<p>Issue: Decision to appoint a contractor from a framework for the delivery of the Bruton Enterprise Centre Decision: To agree to appoint a supplier for the delivery of the Bruton Enterprise Centre</p>			<p>Katriona Lovelock, Economic Development Officer Tel: 01823 359873</p>

FP Refs	Decision Date/Maker	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring it to be considered in private?	Contact Officer for any representations to be made ahead of the proposed decision
<p><b>FP/19/01/02</b> First published: 3 January 2019</p>	<p>Not before 2nd Sep 2019 Interim Finance Director</p>	<p>Issue: Acceptance of European Regional Development Funding for the Heart of the South West Inward Investment Project Decision: Approval for Somerset County Council (SCC), in its capacity as the accountable body for the Heart of the South West Local Enterprise Partnership, to accept £1,181,308 of European Regional Development Funding (ERDF) for the Heart of the South West Inward Investment Project and to enter into an associated funding agreement with the Ministry for Housing, Communities and Local Government (MHCLG)</p>	<p>Heart of the South West Inward Investment Project</p>		<p>Paul Hickson, Strategic Manager - Economy and Planning Tel: 07977 400838</p>
<p><b>FP/19/03/03</b> First published: 26 March 2019</p>	<p>Not before 2nd Sep 2019 Director for Economic and Community Infrastructure Commissioning, Interim Finance Director</p>	<p>Issue: Somerset Energy Innovation Centre (Phase 3) - acceptance of Growth Deal 3 Funding Decision: Approves acceptance of Heart of the South West Growth Deal 3 funding £2,542,755 for the development of phase 3 of the Somerset Energy Innovation Centre and approve the decision to proceed with the construction of SEIC 3</p>			<p>Julie Wooler, Economic Development &amp; Strategic Tourism Officer</p>

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FP Refs	Decision Date/Maker	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring it to be considered in private?	Contact Officer for any representations to be made ahead of the proposed decision
<b>FP/18/04/06</b> First published: 30 April 2018	Not before 2nd Sep 2019 Director of Commissioning and Lead Commissioner for Economic Community Infrastructure	Issue: Procurement of the HotSW Growth Hub Service Decision: To undertake the procurement of a Business Support Service (Growth Hub) on behalf of the HotSW LEP			Melanie Roberts, Service Manager - Economic Policy Tel: 01823359209
<b>FP/19/06/02</b> First published: 14 June 2019	2 Sep 2019 Director of Children's Services, ECI Commissioning Director	Issue: Approval to submit the full application for European Social Funding, under Priority Axis 1 - Inclusive Labour Markets (1.2) Decision: To consider thie report			Melanie Roberts, Service Manager - Economic Policy Tel: 01823359209
<b>fp/19/05/12</b> First published: 31 May 2019	Not before 2nd Sep 2019 Cabinet Member for Children and Families	Issue: Revision of the number of early years places developers will be required to fund for children from new housing developments in Somerset Decision: To agree to increase the number of early years places developers will be required to fund for children from new housing developments, from 5 places per 100 dwellings to 9 places per 100 dwellings.			Julia Balmford
<b>FP/19/04/01</b> First published: 3 April 2019	Not before 2nd Sep 2019 Director of Corporate Affairs	Issue: The award of a contract for the provision of replacement end of life mobile devices & connections Decision: To approve the award of a three-year contract.	Replacement mobile devices		Andy Kennell Tel: 01823359268

Weekly version of plan published on 2 July 2019

FP Refs	Decision Date/Maker	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring it to be considered in private?	Contact Officer for any representations to be made ahead of the proposed decision
<b>FP/10/01/11</b> First published: 5 February 2019	Not before 2nd Sep 2019 Cabinet Member for Education and Council Transformation	Issue: Bridgwater College Academy Expansion - Funding Decision: To agree funding as required			Elizabeth Smith, Service Manager – Schools Commissioning Tel: 01823 356260
<b>FP/18/11/10</b> First published: 20 November 2018	Not before 2nd Sep 2019 Economic and Community Infrastructure Commissioning Director, Cabinet Member for Economic Development, Planning and Community Infrastructure	Issue: Decision to approve revisions to the Connecting Devon and Somerset phase 2 deployment contracts Decision: To approve revisions to the Connecting Devon and Somerset phase 2 deployment contracts			Nathaniel Lucas, Senior Economic Development Officer Tel: 01823359210
<b>FP/19/05/09</b> First published: 28 May 2019	25 Sep 2019 Cabinet	Issue: Q1+1 Performance Report Decision: To agree the report			Simon Clifford, Customers & Communities Director Tel: 01823359166
<b>FP/19/06/05</b> First published: 17 June 2019	25 Sep 2019 Cabinet	Issue: Month 4 (Q1+1) Revenue Budget Monitoring Decision: To consider the report			Interim Finance Director
<b>FP/19/06/09</b> First published: 17 June 2019	25 Sep 2019 Cabinet	Issue: Month 4 Capital Budget Monitoring Decision: To consider the report			Interim Finance Director

Weekly version of plan published on 2 July 2019

FP Refs	Decision Date/Maker	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring it to be considered in private?	Contact Officer for any representations to be made ahead of the proposed decision
<b>FP/19/05/10</b> First published: 28 May 2019	18 Nov 2019 Cabinet	Issue: Q2 Performance Report Decision: To agree the report.			Simon Clifford, Customers & Communities Director Tel: 01823359166

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## Scrutiny for Policies Children and Families Committee Work Programme

Committee meetings		Lead Member & Officer
<b>19 July</b>		
SEND Workshop & Q+A session		Annette Perrington
Financial budget monitoring (Q1) report		Sheila Collins
<b>13 September</b>		
Update from the Early Help Commissioning Board		Angela Gascoigne
Children's Social Care Statutory Customer Feedback report		Julian Wooster
CYP Mental Health Local Transformation Plan		John Dunning
Scrutiny review report		Jamie Jackson
<b>18 October</b>		
West Somerset Opportunity Area update		Julia Ridge
Syrian Vulnerable Persons Resettlement Scheme Update		Orla Dunn
CYPP Update 2019-2022 – Year 1 Quarter 1		Fiona Phur
<b>15 November</b>		
Annual Somerset Safeguarding Children Board		Sally Halls
Safe routes to school		Alyn Jones
Autism Strategy		
<b>13 December</b>		
CYPP Update 2019-2022 – Year 1 Quarter 2		Fiona Phur
<b>24 January 2020</b>		
<b>13 March</b>		

(What impact does that have on Children in Somerset?)

## Scrutiny for Policies Children and Families Committee Work Programme

<b>24 April</b>		
<b>15 May</b>		
<b>12 June</b>		

**Note:** Members of the Scrutiny Committee and all other Members of Somerset County Council are invited to contribute items for inclusion in the work programme. Please contact Democratic Services (01823) 359500 & [democraticservices@somerset.gov.uk](mailto:democraticservices@somerset.gov.uk) who will assist you in submitting your item.

**Possible future items:**

A Joint meeting with Adults & Health Scrutiny Committee: CAHMS service;  
 Immunisations;  
 Oral health;  
 Transitions Plans for LD service users (18-25) going in to Adult Services;  
 The impact on Children and Families of the next stage of migration/roll out of Universal Credit.

(What impact does that have on Children in Somerset?)

## Scrutiny for Policies Children & Families Committee Outcome Tracker

Agenda items	Action owner	Agreed Outcome	RAG Status
<b>22 July 2016</b>			
Unaccompanied Asylum-Seeking Children (UASC)	Scrutiny Manager	There was a suggestion that the Council consider approaching the local Muslim Community to work with and offer advice on this area and that such a representative might also be invited to become a co-opted Member of the Committee.	Pending – this is being progressed with the Equalities Officer
<b>26 April 2019</b>			
Regional Adoption Agency	Suzanne Lyus	The update was accepted, and the Chair suggested, and it was agreed that an update report be provided in 6 months.	Pending
<b>17 May 2019</b>			
SEND Update	Annette Perrington	The Committee accepted the update and welcomed the offer of a 'SEND workshop' and a Q&A session, Members were encouraged to think about possible questions, and areas they would like to discuss in more detail.	Pending – workshop session at 17 July meeting
Somerset Children's Trust – revised safeguarding arrangements	Caroline Dowson	The Committee agreed that it would like to receive a further report on this topic to include details on: <ul style="list-style-type: none"> <li>• the future framework and detail particularly regarding scrutiny;</li> <li>• how the voice of the child would be heard;</li> <li>• assurances concerning the new governance arrangements; and</li> <li>• how risk would be managed.</li> </ul>	Completed – report to June meeting
<b>14 June 2019</b>			
Work Programme		The Committee agreed that the next meeting would be a 2 agenda item meeting with a financial budget monitoring report, with a 2 hour SEND workshop. Health and Wellbeing Board members would be invited.	Completed

## Scrutiny for Policies Children & Families Committee Outcome Tracker

Self-Harm Update		It was requested that the Life Hacks website details be circulated. A question was asked about the comparison rates for young males regarding self-harm and it was stated details would be provided. There was a discussion about Your Somerset and deliveries and availability and it was stated further details would be provided.	Completed
Proposals to implement the new Somerset Safeguarding Children Partnership arrangements		The Chair and Vice Chair undertook to meet with the DCS and Portfolio holder outside of the meeting to discuss the issues further and establish clarity.	Completed

The new CYPP 2019-2022 had been produced following a multi-agency process, overseen by Somerset Children's Trust.  
The CYPP had 4 priorities: **Supported Families; Healthy Lives; A Great Education; Positive Outcomes.**

Completed	Action complete and will be removed from tracker for next meeting and retained on Master Tracker document.
Pending	Action on-going or plans in place to address.
Incomplete	No action currently in place with a minimum of 3 months since action agreed.

Somerset County Council  
Scrutiny for Policies, Children and Families  
Committee 19 July 2019

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## **2019/20 Revenue Budget Monitoring – Month 2 Report**

Lead Officer: Sheila Collins, Interim Director of Finance

Author: Leah Green, Finance Manager MTFP – Corporate

Finance Contact Details: [SDCollins@somerset.gov.uk](mailto:SDCollins@somerset.gov.uk) 01823 359028

Cabinet Member: Cllr Mandy Chilcott – Cabinet Member for Resources

Division and Local Member: All

### **1. Summary**

- 1.1.** This report provides the first indication of the year regarding the potential Revenue Budget outturn position for the 2019/20 financial year. It highlights variances to the Medium-Term Financial Plan (MTFP) assumptions, as well as emerging issues, risks, areas of concern and proposed actions to resolve them.

The Council's Medium-Term Financial Plan (2019-22) sets out proposals to further develop its financial resilience over the long-term whilst also supporting the delivery of the Council's key priorities.

- 1.2.** This report is a summary and shows a projected **balanced position** for the authority. However Key Service forecasts project a small net overspend. The majority of the variance is within Children's Services and Trading Units (Dillington House). Management action is under development in these areas with the aim of ensuring a balanced budget by the end of the year, although until these are more fully developed, this variance is being reported. Other areas of the Council have minor variances. It must be noted that the projected balanced position assumes that contingency will be allocated to off-set any unmanageable overspend. If management action fails to address the current forecast overspend in services £5.284m of the Corporate Contingency budget will be available for future in-year pressures.
- 1.3.** Children & Learning Central Commissioning are reporting an adverse variance within their budget of £0.557m. This is largely due to 3 routes being omitted from the Capita reporting in 2018/19, and therefore the budget re-base, resulting in a pressure of £0.498m in Home to School transport. The recommendation to Cabinet is that this pressure be funded by a transfer from the corporate contingency fund (see recommendations section of the main Cabinet report).
- 1.4.** Children & Families Operations are reporting an adverse variance of £0.417m. This is mainly due to projected overspends within the External Placements budget offset by underspends within the Unaccompanied Asylum-Seeking Children (UASC) budget, Allowances and Staffing budgets.

The overspend within the placements budget is due to increases in residential

placements primarily due to a shortage of foster placements. Additionally, other placements have not ended as planned, resulting in a forecast overspend at the beginning of the financial year.

- 1.5. To ensure that the financial position is closely monitored within Children's Services fortnightly meetings will take place involving key managers in the service and finance to scrutinise the current position of the children looked after budgets and to ensure appropriate management actions are identified and implemented. Improved financial management data aligned to activity is being produced in the form of a metrics report providing an overview across the service as well as a focus on areas of historic volatility.

## **2. Issues for consideration / Recommendations**

- 2.1. The Committee is asked to comment on the projected revenue outturn for 2019/20 for the Children's Services budget, whether there are any suggestions for additional management actions or alternative options that they would like to recommend to the Cabinet.
- 2.2. The Committee is asked to consider any issues or information they would like to be addressed or included in future reports.

## **3. Background**

- 3.1. At the start of the 2018/19 financial year the Council recognised that urgent action was required to manage its financial situation differently to ensure it remained within its resources in 2018/19; with low financial resilience due to reduced reserves and a significant overspend forecast early in the year action was required immediately. During the year, a dramatic turnaround in the Council's finances was achieved through a tighter financial grip on spending, robust monitoring of the revenue budget, difficult decisions to make budget reductions, and a determination to significantly rebuild resilience through reserves.
- 3.2. In 2018/19, the Council finished the financial year with an underspend of £5.909m against a net budget of £317.882m (-1.85%). The General Fund Reserve was rebuilt to an end of year balance of £16.366m and opportunity was also taken to replenish some of the Council's negative reserve balances. This was achieved through a tighter financial grip on spending and budget reductions arising from additional savings proposals during the year.
- 3.3. A robust approach to budget planning for 2019/20 onwards has ensured that the budget assumptions are realistic, and deliverable, in particular the Children's revenue budget was re-based. However due to continuing rising cost pressures, from demographic demand growth in social care for adults and children, the Council must not loosen its financial grip.

**4. Consultations undertaken**

4.1. See Annex A

**5. Implications**

5.1. See Annex A

**6. Background papers**

- 6.1.
- 2018/19 Revenue Outturn Report to Cabinet – 10 June 2019
  - Revenue Budget – Medium Term Financial Plan 2019-22 to Full Council – 20 February 2019

**Note:** For sight of individual background papers please contact the report author

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## ANNEX A

### Decision Report – Cabinet

Decision Date – 8<sup>th</sup> July 2019

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#### 2019/20 Revenue Budget Monitoring – Month 2 Highlight Report

Cabinet Member(s): Cllr Mandy Chilcott – Cabinet Member for Resources

Division and Local Member(s): All

Lead Officer: Sheila Collins, Interim Director of Finance

Author: Leah Green, Finance Manager MTFP – Corporate

Finance Contact Details: [SDCollins@somerset.gov.uk](mailto:SDCollins@somerset.gov.uk) 01823 359028

	<b>Seen by:</b>	<b>Name</b>	<b>Date</b>
	County Solicitor	Honor Clarke	26/6/2019
	Monitoring Officer	Scott Wooldridge	26/6/2019
	Corporate Finance	Sheila Collins	26/6/2019
	Human Resources	Chris Squire	26/6/2019
	Property	Paula Hewitt / Claire Lovett	26/6/2019
	Procurement / ICT	Simon Clifford	26/6/2019
	Senior Manager	Sheila Collins	26/6/2019
	Commissioning Development Team	<a href="mailto:commissioningdevelopments@somerset.gov.uk">commissioningdevelopments@somerset.gov.uk</a>	26/6/2019
	Local Member(s)	All	26/6/2019
	Cabinet Member	Mandy Chilcott	26/6/2019
	Opposition Spokesperson	Liz Leyshon	26/6/2019
	Relevant Scrutiny Chairman	Cllr Anna Groskop for Scrutiny Place	26/6/2019
<b>Forward Plan Reference:</b>	FP/19/06/03		
<b>Summary:</b>	This report provides the first indication of the year regarding the potential Revenue Budget outturn position for the 2019/20 financial year. It highlights variances to the Medium-Term Financial Plan (MTFP) assumptions, as well as emerging		

	<p>issues, risks, areas of concern and proposed actions to resolve them. The Council’s Medium-Term Financial Plan (2019-22) sets out proposals to further develop its financial resilience over the long-term whilst also supporting the delivery of the Council’s key priorities.</p> <p>This report is a summary and shows a projected <b>balanced position</b> for the authority. However Key Service forecasts project a small net overspend. The majority of the variance is within Children’s Services and Trading Units (Dillington House). Management action is under development in these areas with the aim of ensuring a balanced budget by the end of the year, although until these are more fully developed, this variance is being reported. Other areas of the Council have minor variances. It must be noted that the projected balanced position assumes that contingency will be allocated to off-set any unmanageable overspend. If management action fails to address the current forecast overspend in services £5.284m of the Corporate Contingency budget will be available for future in-year pressures.</p>
<p><b>Recommendations:</b></p>	<p><b>It is RECOMMENDED that the Cabinet approves:</b></p> <ol style="list-style-type: none"> <li>1. The contribution of £3.390m to the Corporate Priorities Reserve as detailed in section 1.4 and 2.6 which further supports the council’s long term financial resilience.</li> <li>2. The transfer of £0.498m of Corporate Contingency to support the pressure in Home to School Transport as detailed in section 2.2.</li> </ol> <p>It is also recommended that Cabinet comments upon the contents of this report and the potential outturn position for the year.</p>
<p><b>Reasons for Recommendations:</b></p>	<p>Closely monitoring spend against the agreed budget is necessary to ensure that the Council delivers its priorities within its means. This report requires action to be taken so that this objective can be met.</p>

<b>Links to County Vision, Business Plan and Medium-Term Financial Strategy:</b>	The Medium-Term Financial Plan (MTFP) sets the funding for the County Vision and the use of those funds is then monitored, via this report and others throughout the year to ensure delivery of Council objectives and actions within the resources available.
<b>Consultations and co-production undertaken:</b>	Information and explanations have been sought from directors on individual aspects of this report and their comments are contained in the report. Due process and consultations will be carried out where required for any further specific proposals for change.
<b>Financial Implications:</b>	The financial implications are identified throughout the report.
<b>Legal Implications:</b>	There are no specific legal implications arising from this report.
<b>HR Implications:</b>	There are no HR implications arising directly from this report, but remedial actions may have such implications. These will be dealt with in any subsequent reports.
<b>Risk Implications:</b>	<p>Our corporate risk register recognises the risk to containing spend within budget in the face of service pressures, reducing funding and the challenges of delivering ever more savings and efficiencies.</p> <p>Although broader market uncertainty exists in view of the current Brexit negotiations, at this stage any precise implications are not known. The Council needs to be alert to potential implications as negotiations develop and respond accordingly at the time.</p> <p>The Children’s Services budget, while rebased, remains under pressure as the Service continues to improve and due to the sensitivity of some aspects of the services to volume changes, especially placements.</p> <p>The Organisational Risk (00043) has a broad perspective, encompassing both current year spending and future years’ budgets. At the beginning of each year this corporate risk is reviewed.</p> <p>This has taken place and the risk up-dated to focus on 2019/20 acknowledging that improvement has been</p>

	<p>made, resulting in identification of a new updated risk description of "Maintaining a balanced budget for 2019/20 and ensuring a sustainable MTFP". There is a risk to the council's long-term sustainability if there are significant in-year service overspends, and or if the council suffers significant loss of funding in future years its ability to prepare a robust and sustainable MTFP for 2020/21 onwards may be impacted."</p> <p>Alongside the review of the risk description, likelihood and impact of the risk has also been evaluated and the risk score remains at the current level of "very high" (4x4(16)).</p> <p>The financial situation is still vulnerable to increased demand or poor management. Robust control must be maintained.</p>					
	<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>16</b>

<p><b>Other Implications (including due regard implications):</b></p>	<p><b><u>Equalities Implications</u></b></p> <p>There are no specific equalities implications arising from the contents of this report.</p> <p><b><u>Community Safety Implications</u></b></p> <p>There are no community safety implications arising from the contents of this report.</p> <p><b><u>Sustainability Implications</u></b></p> <p>There are no sustainability implications arising from this report.</p> <p><b><u>Health and Safety Implications</u></b></p> <p>There are no health and safety implications arising from this report.</p> <p><b><u>Privacy Implications</u></b></p> <p>There are no privacy implications arising from this report.</p> <p><b><u>Health and Wellbeing Implications</u></b></p>				
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	There are no health and wellbeing implications arising from this report.
<b>Scrutiny comments / recommendation (if any):</b>	This report will be presented to Scrutiny for Policies and Place Committee, on 16 <sup>th</sup> July 2019; comments arising will be made available to the Cabinet at a subsequent meeting.

## 1. Background

**1.1.** Following the significant financial turnaround during 2018/19, which was reported to Cabinet on 10 June 2019, and the more robust approach to budget planning for 2019/20 onward, which was approved by Council in February 2019, the Council is focused on continuing the improved transparency and rigour around its financial management throughout 2019/20. Although this report is the first formal revenue budget monitoring for 2019/20, an early outlook has already been incorporated into the Outturn report presented to the Cabinet in June.

**1.2.** Despite confidence that the more robust approach to budget planning for 2019/20 onwards has ensured that the budget assumptions are realistic, and deliverable, due to continuing rising cost pressures, from demographic demand growth in social care for adults and children, the Council must, and will, sustain this tighter financial grip going forwards. This will include monthly monitoring report to Cabinet and continual improvements to the format, content and layout of the reports to aid effective review and scrutiny.

### 1.3. Reserves

During 2018/19 significant progress was made in replenishing the Council's reserves position, with total balances at the end of the year being £26.075m for Earmarked Reserves and £17.689m for General Fund Reserve. This budget monitoring report sets out the forecast planned use of earmarked reserves with a summary set out in the table below (Table 1). Earmarked reserves are set aside for specific purposes and the transfer to and from those reserves during the year are presented to Cabinet for approval.

#### **Table 1 – Planned Use of Earmarked Reserves (2019/20)**

Service	Planned Use of Earmarked Reserves (£m)
<b>Draws from Earmarked Reserves:</b>	
Adult Services	2.830
Economic & Community Infrastructure Services	0.441
<b>Contributions to Earmarked Reserves:</b>	
Corporate & Support Services	-1.231
Non-Service	-3.357
<b>Total net increase in Earmarked Reserves</b>	<b>-1.316</b>

### **Adults Services**

A request is made to draw down an element of the Adults Social Care Earmarked Reserve relating to Home First (£0.330m) and £2.500m from the Adults & Health System Earmarked Reserve relating to Somerset's Sustainability and Transformation Plan. These amounts will be used to fund joint working arrangements between Somerset County Council and Somerset Clinical Commissioning Group.

### **Economic & Community Infrastructure Services**

£0.052m is projected to be drawn from the Total Transport reserve – the purpose of the Total Transport Pilot Fund is to implement a cross-sector approach to the delivery of supported services. Somerset County Council (along with Gloucester County Council) are using the grant to fund the development of integrated IT infrastructure that will encourage the use of various methods of public transport through ease of access. The transfer from the reserve will cover the dedicated project officer time along with various development and implementation costs. The fund is expected to be fully used either in 2019/20 or early 2020/21 dependent on the success of user acceptance testing.

£0.794m will be transferred to the Somerset Rivers Authority (SRA) reserve and as host authority, the Council holds the funds for the SRA. The transfer to the reserve is due to it being anticipated that less will be spent on projects and schemes than will be received from Somerset County Council/District Councils/Internal Drainage Boards (IDB) in 2019/20. A substantial amount is being held as provision for the Sowy River/King Sedgemoor Drain enhancement scheme, it is expected that this will be used in 2020/21 onwards.

£0.077m will be drawn from the Libraries Stock Reserve to fund an in-year stock

write off.

£0.043m is projected to be transferred to the Parking Reserve. This is because projected underspends for Parking Services must be spent as per the Road Traffic Regulation Act 1984, Section 55. Currently it is anticipated that the reserve will be used to fund new Automatic Number Plate Recognition (ANPR) cameras and a new Traffic Regulations Orders digital system, however this has not yet been agreed.

£0.390m is expected to be drawn from the Economic Development Earmarked Reserve (ED Fund) during 2019-20 on various projects including £0.200m on the iAero capital scheme at Yeovil and £0.050m on the Somerset Energy Innovation Centre building 3 at Bridgwater. The new enterprise centres being built at Wells and Wiveliscombe together with the maintenance on the existing enterprise centres will account for around £0.140m.

£0.830m is expected to be drawn from the Local Enterprise Partnership (LEP) General Reserve to fund the LEP activities planned for 2019-20.

£0.071m is to be contributed to the Strategic Property reserves incorporating; £0.032m to the Futures for Somerset reserve. The Council pays employees seconded to Futures for Somerset, for which Futures for Somerset reimburse those payroll payments. This reimbursement includes an uplift for the estimated redundancy costs of those staff, as redundancies will not be funded from the SCC Central Redundancies budget. Any surplus on the Futures for Somerset cost centre is transferred to this earmarked reserve in preparation for the relevant redundancies. £0.039m will be contributed to the Repairs & Maintenance (R&M) Uncommitted (Buildings Maintenance Fund). Planned repairs and maintenance is covered by revenue budget within Strategic Property. The intention is that any balance on the R&M Earmarked Reserve will be drawn down cover any excess unplanned or reactive maintenance.

### **Corporate & Support Services**

£0.937m is projected to be transferred to the Building Schools for the Future (BSF) equalisation reserve. The BSF Private Finance Initiative (PFI) Project relates to three schools in Somerset and the reserve held relates to the profiled lifecycle of the BSF Project. The plan is that drawdowns from this reserve towards the end of the 30-year duration of the BSF project will bring the equalisation reserve balance to zero.

£0.040m will be contributed to the Heart of the South West (HOSW) Joint Committee reserve. The Council is the administering authority for the HOSW Joint Committee. Partner authorities send contributions to SCC to cover the administration and certain project work that SCC procure on behalf of the Joint Committee. The earmarked reserve balance is the surplus of those funds, which will either be spent as directed

by the Joint Committee or transferred to another authority if the admin responsibility moves.

£0.253m is planned to be contributed to the Elections Reserve. The Elections budget funds the running of the Council's election every four years and any by-elections that occur in the interim. The earmarked reserve is built up over the quadrennium, and the increasing balance on this reserve will fund the next election in May 2021. In total the last Somerset County Council election in 2017 cost £945,000.

### **Non-Service**

The Council has budgeted, as part of its Medium-Term Financial Plan (MTFP 2019-22), to repay £3.389m of negative reserves for the Repairs and Maintenance Fund (R&M) and the Buildings Maintenance Indemnity Scheme (BMIS) in 2019/20. However, these negative reserves were eliminated in 2018/19 using part of the Council's underspend reported as part of the outturn report at Cabinet's meeting in June which has enabled alternative use of this funding in 2019/20. A request is made to contribute this favourable variance to the new Corporate Priorities Reserve set up in 2018/19.

There is also a request to draw down £0.033m from earmarked reserves made up of £6,700 from the HR Services Earmarked Reserve to fund the quarterly Wyvern Lease Charges (due to end in July) and £26,000 from the revenue backed Capital Fund to fund the ING Lease payment for Leisure Equipment that the Council procured before the service externalised (due to end in August).

### **General Fund**

The 2019/20 revenue budget includes plans to improve the Council's resilience of its General Fund Reserve by £2.500m: made up of an annual contribution of £2.000m, and an additional £0.500m contribution (one-off) to the Prevention Fund that makes £1.000m in total – as agreed at Full Council in February 2019. This £0.500m will be more accurately reflected as a contribution to the Prevention Fund Earmarked Reserves rather than General Fund Reserve since Full Council were specific about how this funding would be used.

This means the General Fund balance at the beginning of 2019/20 is £18.366m (rather than £18.866m as reported in the 2018/19 Revenue Outturn report to Cabinet on the 10<sup>th</sup> June 2019).

## **1.4. Capital Receipts Flexibilities**

During 2018/19 a full review of business cases supporting the transformation activity that utilised the capital receipts flexibilities was undertaken. During the



review there was an agreement that some costs in 2019/20 would also utilise this flexibility with a planned value of £2.795m. The current forecast use of this flexibility for 2019/20 is £2.642m, which is included in the overall forecast position. This is a small reduction of £0.153m and provides assurance that the costs of the transformational activity is on track. The table below (Table 2) gives a summary of the transformational projects and current forecast value.

**Table 2 – Planned use of Capital Receipts Flexibilities**

Service		Planned Costs £m	Forecast Costs £m	Description
Adult Services	Learning Disabilities	0.624	0.624	Contractual transformation costs
Children and Families	Getset	0.055	0.000	Supporting the Family Support Service model
ECI Services	Property	0.206	0.206	Costs associated with property rationalisation and transforming the use of assets
	Economic Development	0.381	0.381	Supporting the roll-out of Broadband, underpinning how services can be delivered to the public
	Commissioning	0.070	0.070	Commissioning development and working towards integrated commissioning solutions
	Libraries	0.066	0.000	Costs associated with the activity supporting the Library transformation
Corporate & Support Services	Core Council Programme	1.006	0.981	Costs within the Core Council Programme team who support transformational projects across the Council
	ICT and related costs	0.233	0.227	Costs associated with supporting the digital transformational changes across the Council
	Customers and Communities	0.154	0.154	Costs supporting the transformation of the customer "front door" service delivery
<b>SCC Total</b>		<b>2.795</b>	<b>2.643</b>	

### **1.5. Transforming Somerset County Council to Improve Lives Programme (TSTILP)**

The Transforming Somerset County Council to Improve Lives Programme (TSTILP) will deliver an ambitious redesign of the Council's services to enable the Authority to better manage demand and put prevention at the heart of its thinking.

During the budget setting process for 2019/20 a new Invest to Save Fund (ITS) Earmarked Reserve was set up to fund internal projects designed to improve the Council's efficiency and drive down future revenue costs and also to reduce the need to use Capital Receipts Flexibilities (CRF).

Any activities that contribute to Transformation outcomes requiring investment from a funding stream, e.g. ITS Fund or CRF will require a business case to be completed and will pass through an approval process, which then assesses and determines the most appropriate funding of these costs, be it ITS Fund or CRF.

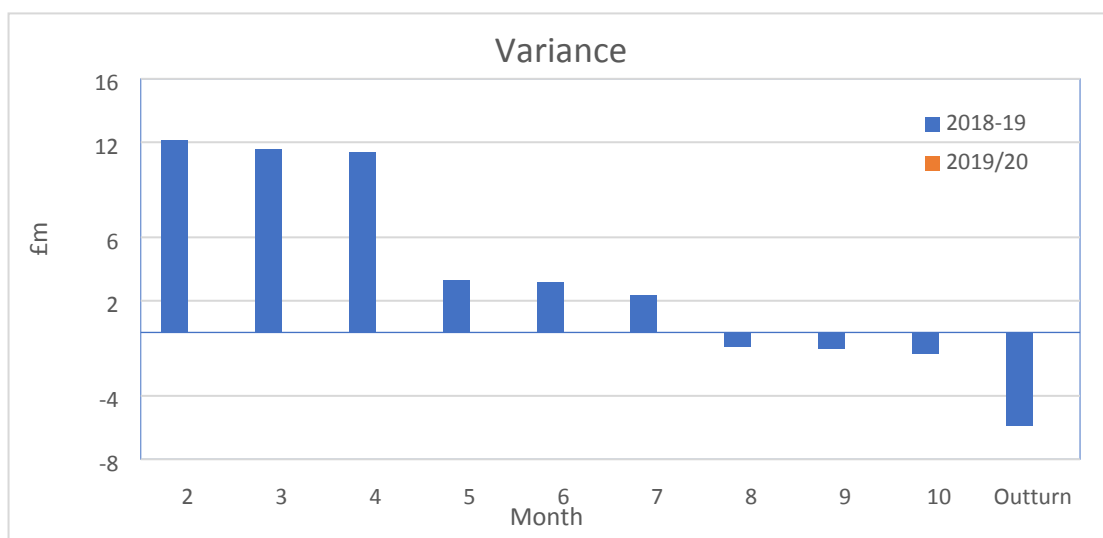
As at the end of May 2019, the estimated cost of additional resources required to facilitate the Transforming Somerset to Improve Lives Programme during 2019/20 is £0.448m.

### **1.6. Summary Forecast 2019/20 – Revenue Budget**

The Council's forecast shows a projected balanced position when compared to the revenue budget of £327.967m. There is a forecast overspend in Key Service Spend with the majority of the variance is within Children's Services and Trading Units (Dillington House). Most other areas of the Council are within reasonable tolerance.

- 1.7.** The following graph (Graph 1) compares the reported monthly budget variances in 2018/19 and the current financial year.

#### **Graph 1 – Revenue Budget Variances 2018/19 and 2019/20**



**1.8.** The table showing the projected outturn, and variances from agreed budgets, are set out in Appendix A. The paragraphs below offer short explanations of the major parts of those variances.

## **2. Key Variances**

**2.1. Adults Services** (*Net budget £126.030m, -£0.002m projected underspend.*)

### **Adult Services: favourable -£0.002m**

The projected position for Adults' services during 2019/20 is an underspend of £0.002m. There are a number of factors that go into this variation and these are explained below.

The Adult Social Care council tax precept of 1% for 2019/20 raised an additional £2.605m which will be invested in social care market. The fee rate for Home Care has been increased by 3% and the rate increase for Residential and Nursing placements increased by 2.5%. As well as the precept investment there is also an additional £1.800m made available for Learning Disabilities demography and inflation.

Adult Social Care has seen a further reduction in the use of Nursing placements. There are 41 less than at the end of March and this leads to a projected underspend of £1.422m. Reduced use of Residential and Nursing placements is a continuation of the trend seen throughout 2018/19 and is in line with both the overall strategy of 'Promoting Independence' and associated commissioning intentions to keep people living within their own home where it is safe to do so.

A positive reaction to the above reduction is an increase in the delivery of Home Care both in people's homes and in Extra Care Housing schemes. There was a

drop off in this spend during 2018/19 but as expected we are now starting to see an upturn as people remain living in the community for longer.

Mental Health spend is projected to increase by £0.375m. This is due to the full year effect of Home Care and Supported Living, with 2 large packages in particular contributing to the pressure. These are both joint funded with the Clinical Commissioning Group. Offsetting these increases is a reduction of 6 Residential placements which is a change from the increases seen throughout 2018/19.

One area where there is a pressure is the LD Pooled Budget which is projecting an overspend of £0.885m. This is made up of a £1.221m pressure against the Purchasing budget which is slightly offset by a £0.336m underspend against the Discovery contract. In discussions with the CCG it has been agreed that this overspend will be funded by the Better Care Fund inflation, therefore benefitting both organisations. The pressure has been created by the full year effect of 18/19 costs rather than new placements however this is an area that will need to be watched closely to ensure future growth is managed as it has been in the previous 2 years.

There continues to be a number of vacant posts within the overall Adults staffing establishment and although there is a plan to appoint to these during the year, it is still projected that the staffing budget will underspend by £0.615m. This will be closely monitored throughout the year.

There are MTFP savings of £5.157m to be achieved during 2019/20. Of these £2.280m have already been fully achieved with the remainder on track to be delivered throughout the year.

## **2.2. Children's Services** *(Net budget £82.338m, £0.974m projected overspend)*

### **Children & Learning Central Commissioning: adverse £0.557m**

The budgets for transporting children and young people to and from their place of education are projecting a combined overspend of £0.538m. The impact of 3 routes being omitted from the Capita reporting in 2018/19, and therefore the rebase, has now been calculated resulting in a pressure of £0.498m in Home to School transport. It is recommended that this pressure be funded by a transfer from contingency (see recommendations section).

Increased routes within SEN transport has contributed an additional £0.040m. The Services' planned transformation work throughout the year is expected to reduce the overall forecast overspend. Additional quality assurance work is being undertaken by the finance service to ensure systems, processes and forecasting

are as accurate as possible going forward.

**Children & Families Operations: adverse £0.417m**

**External Placements: adverse £1.000m**

External placements is projecting an overspend of £1.000m, 5.2% above budget.

The increase in the care population reported in at the end of December 2018 fed through to an increase in residential placements in the 3rd and 4th quarter primarily due to a shortage of foster placements. Other placements have not ended as planned resulting in an external placement forecast overspend of £2.600m at the beginning of the financial year. Focussed management action has been undertaken during April and May 2019 to reduce this overspend by £0.541m and further efficiencies through lower placement costs has reduced this by a further £0.094m.

When the budget was approved there was combined headroom and growth equivalent to £1.100m for new placements and increased costs in 2019/20. This has been applied reducing the forecast overspend on external placements to £1.000m

The placements savings target of £1.649m is currently forecasting achievement of £1.515m, leaving £0.134m still to be identified. The activities to achieve these savings is being monitored via the Transformation Board.

The placements forecast currently assumes a standstill position in terms of number and type of placements. Given the volatility of this area of activity with placement costs for the most complex children costing up to £0.250m per child in a full year, this brings a risk that any increase or escalation of placement type will have an adverse impact on the future financial position, conversely a reduction in a number of these high cost placements may result in an underspend in this budget area. In addition, the projection does not account the impact of further service actions.

To ensure that the financial position is closely monitored fortnightly meetings will take place involving key managers in the service and finance to scrutinise the current position of the children looked after budgets and to ensure appropriate management actions are identified and implemented. Improved financial management data aligned to activity is being produced in the form of a metrics report providing an overview across the service as well as a focus on areas of historic volatility. The report links the financial position to the operational activity to enable managers to better understand the financial impact of their decision making and identify opportunities to reduce costs.

The revised Quarterly Performance Review Meetings (QPRM) have a key financial/activity component and the Q1 meeting in July will test the effectiveness of the new model.

It is worth noting that in terms of spend this budget area is forecast to spend £2.6m (£3.6m excluding the overspend) less on External Placements in 19/20 than in 18/19. This reflects continuing improvement in social work practice as care planning is a main driver of costs. With the exception of South Somerset, where staffing continues to be very challenging, all teams are close to their target performance. Further reductions in the care population can only be achieved by more effective interventions with parents/carers with drug and alcohol driven familial neglect.

**Leaving Care: adverse £0.200m**

The successful placement of 16 and 17-year olds into Pathway to Independence (P2i) accommodation has created a pressure on the Leaving Care budget of £0.200m. In addition to being a positive outcome for these young people, it has contributed to reducing the costs of external placements.

**Unaccompanied Asylum-Seeking Children (UASC): favourable - £0.139m**

An increase in the grant rate for over 18 Unaccompanied Asylum-Seeking Children (UASC) is projected to increase grant income by £0.139m.

**Transport: adverse £0.200m**

The use of transport for contact visits has increased above the level anticipated resulting in a projected overspend of £0.200m. A review of use of transport is being undertaken by the service to address this and enable appropriate management actions to be identified.

**Allowances: favourable - £0.300m.**

A reduction in the projected volumes of allowances across Permanence has given rise to a forecast underspend of £0.300m.

**Staffing: favourable - £0.500m**

There are £0.500m of vacancy savings across the service, in particular Emotional Health and Wellbeing and the Kinship Team, where a number of vacancies are actively being recruited to.

### **2.3. Public Health** *(Net budget £0.979m, on budget.)*

#### **Public Health: on budget £0.000m**

The Public Health budget is made up of two elements. The ring-fenced Public Health Grant of £20.176m and £0.979m of Somerset County Council funding. The main focus of this funding is preventative services and the major areas of spend are Public Health Nursing Services, Sexual Health Services, NHS Health Checks and the Somerset Drug and Alcohol Partnership. There is a small planned underspend projected against this budget. The Director of Public Health is currently developing a plan to use this underspend to increase capacity within the specialist public health team to provide additional support to the developing prevention focus across the organisation and wider system.

The Public Health Grant funding has reduced by £0.547m in 2019/20 and savings have been identified to achieve this in full. There is also an in year saving against the Somerset County Council funding of £0.100m and this has also been achieved.

### **2.4. Economy Community and Infrastructure** *(Net budget £65.355m, £0.018m projected overspend)*

#### **Economy & Community Infrastructure: adverse variance £0.018m**

Economy Community and Infrastructure's (ECI) are forecasting an overspend of £0.018m for 2019/20. The major variations are;

Highways and Transport Commissioning are projecting a £0.275m overspend, this is as a result of new urgent technical studies, and additional staff costs to improve service levels in highways development management.

Whilst Highways is forecasting an £0.206m overspend it is anticipated that this will be addressed through the Skanska contract and more accurate forecasting data. The forecast rebate is set in the annual plan will be updated as usual to allow for changes such as additional DfT monies.

Property Services are projecting an £0.173m underspend this is due to County Farms income not yet reducing as expected, as a result of the delay in the sale of County Farms

Transporting Somerset are £0.264m underspent, this in the main is due to Concessionary Fares projections. However, it is very early in the year and Concessionary Fares volumes and County Ticket take up can impact the outturn position as the year progresses

Economy Community and Infrastructure have £3.165m of savings for 2019/20. Of this £1.776m has been achieved, £1.281m is on track to be achieved a £0.108m will be met through a substitute saving.

**2.5. Corporate and Support Services** *(Net Budget £21.499m, -£0.012m projected underspend.)*

**Corporate and Support Services: favourable -£0.012m**

Corporate and Support Services are forecasting an underspend of £0.012m for 2019/20. This is due to the following;

Democratic Services are projecting an overspend of £0.011m, this is due to the £0.027m overspend on Partnership Governance, in part offset by a number of small underspends elsewhere within the service.

Legal Services are £0.029m overspent due to anticipated cost of counsel fees for 2019/20. This will be reviewed throughout the year.

Commercial and Procurement are forecasting an £0.081m underspend, as a result of a number of staff vacancies that are yet to be filled and staff MTFP savings being achieved earlier than anticipated.

The ICT budget is projecting an £0.029m overspend for 2019/20 due to the under recovery of income. This will be reviewed throughout the year through budget monitoring.

All other areas within Corporate and Support Services are anticipated to come in on budget for 2019/20 at this stage.

Corporate & Support Services have £3.577m of savings for 2019/20. Of this £2.541m has been achieved, £1.004m is on track to be achieved a £0.032m is currently unachievable. This unachievable saving within Democratic Services for income recovery and generation will be found from other areas within Corporate & Support Services.

**2.6. Non-Service** *(Net budget £31.767m, -£1.267m projected underspend.)*

**Contingencies: favourable -£1.444m**

The budget allocated to contingencies as part of the budget setting process for



2019/20 was £7.226m. At this stage in the year it is prudent for this budget to be shown as fully committed however an element is being shown as a favourable variance to off-set the small overspend currently forecast in service areas and Trading Units. Following the request to transfer £0.498m of the Corporate Contingency budget to fund some of the pressure within Children's Services for SEN transport (as per section 2.2), the sum remaining available for the remainder of the year will be £6.728m. However, if the current overspend in other services and Trading Units is not mitigated by additional management action the remaining available budget would be £5.782m. If no other pressures materialise during the year the outturn position would be an overall underspend of this sum for the authority.

**Contributions: favourable -£0.018m**

Due to timing of information, a prudent estimate was made when the expenditure budget was set for third party payments. As a result, the Council will achieve an underspend of approximately £18,000 for this budget.

**Discontinued Services: favourable -£0.018m**

The projected £0.018m underspend on Discontinued Services arises from a variation in the number of individuals for whom the SCC Pension Fund charges SCC for compensation for loss of office.

**Central Debt Charges: no variance**

No variance is reported at this time. Further work is underway to analyse the 2018/19 capital spend funded by borrowing. As this was lower than forecasted it is expected to result in a saving on the amount MRP required in 2019/20. Similarly, there is the potential to make saving from not borrowing to the level forecast. The figures will be unknown until the quarter 1+1 capital forecasts are received.

**Investment Income: no variance**

The effect of ongoing political and economic events continues to make predicting interest rates volatile. The Authority's Treasury Management team continue to maximise the return on investments within the treasury investment framework.

**Use of Reserves: favourable -£2.934m**

As at month 2, the Council is reporting a favourable variance of £2.934m against the corporate use of reserves budget which is a result of the following

explanations.

An adverse variance of £0.400m due to a cross-cutting saving being identified as unachievable (R18-027 - Efficiencies across trading activities). This and other minor adverse variances are offset against a favourable variance of £3.390m due to the negative Repair and Maintenance (R&M) and Buildings Maintenance Indemnity Scheme (BMIS) reserve balances that have been re-paid in 2018/19 rather than 2019/20 as originally planned. The saving from the early repayment of the BMIS and R&M reserves has been set aside into the Corporate Priorities reserves to further improve the council's resilience.

**Special Grants: favourable -£0.244m**

The favourable variance of £0.244m is because the allocation for the 2019/20 Extended Rights to Free Travel Grant has now been confirmed which is more than originally budgeted for.

**2.7. Trading Units:** *(Net budget £0.00m, adverse £0.290m projected outturn position)*

**Dillington House: adverse £0.290m**

Dillington is currently forecasting a deficit of £290k following a budget/performance review of month 2 accounts. The variance reflects revised projections of income levels across all areas of activity. Costs have also been adjusted to reflect the reduction in activity. A development plan has been formulated and work is on-going to generate additional income wherever possible for this year and secure bookings for future years.

**Support Services for Education: on budget £0.000m**

Pressures within the service at this point of the year are expected to be managed within budget either through efficiencies or increased traded income.

**2.8. Delivery of Savings**

The different savings statuses are as follows:

- Red: This means that the saving has either been identified as being at risk of delivery, or the saving has been identified as being at risk of delivery and plans to replace the saving have not yet been agreed via the change control process.
- Green: The saving is on track for delivery.
- Blue: The saving has been delivered.

Savings proposals included within the 2019/20 budget are made up of savings agreed as part of MTFP 2018/19 additional savings agreed at Cabinet in September 2018 (MTFP2) and savings agreed as part of MTFP 2019/20.

99% of the proposals for change have been classified as having a green or blue status, meaning service directors are confident that these savings will be delivered or in the case of the blue savings, they have already been delivered. 1% of savings proposals have been classified as red meaning the savings are currently at risk or replacement savings have not been agreed through the change control process. The monitoring of the delivery of the savings across the three decision processes can be seen in Appendix B.

The following table (Table 3) shows a summarised breakdown of achievement of savings for 2019/20 (MTFP3)

**Table 3 – Revenue Savings 2019/20 (MTFP3)**

Service	Value of Approved Savings MTFP 2019-20	Red (controlled)	Green (on track)	Blue (delivered)
Adult Services	3,389,000	76,000	2,751,000	562,000
<b>Adults Services</b>	<b>3,389,000</b>	<b>76,000</b>	<b>2,751,000</b>	<b>562,000</b>
Children's Services	1,701,025	-	98,325	1,602,700
<b>Children's Services</b>	<b>1,701,025</b>	<b>-</b>	<b>98,325</b>	<b>1,602,700</b>
ECI Services	2,307,200	-	818,700	1,488,500
<b>ECI Services</b>	<b>2,307,200</b>	<b>-</b>	<b>818,700</b>	<b>1,488,500</b>
<b>Key Service Spending</b>	<b>7,397,225</b>	<b>76,000</b>	<b>3,668,025</b>	<b>3,653,200</b>
Corporate & Support Services	2,955,900	-	933,000	2,022,900
<b>Corporate &amp; Support Services</b>	<b>2,955,900</b>	<b>-</b>	<b>933,000</b>	<b>2,022,900</b>
<b>Total Services</b>	<b>10,353,125</b>	<b>76,000</b>	<b>4,601,025</b>	<b>5,676,100</b>
Non-Service	4,708,800	-	-	4,708,800
<b>Total Non-Service</b>	<b>4,708,800</b>	<b>-</b>	<b>-</b>	<b>4,708,800</b>
<b>TOTAL</b>				

	15,061,925	76,000	4,601,025	10,384,900
Percentage		1%	31%	69%

### 3. Options considered and reasons for rejecting them

3.1. There is no alternative but to undertake effective and thorough budget monitoring to follow through with appropriate actions to address any variances.

### 4. Background Papers

- 4.1.
- 2018/19 Revenue Outturn Report to Cabinet – 10 June 2019
  - Revenue Budget – Medium Term Financial Plan 2019-22 to Full Council – 20 February 2019

## Appendix A – Revenue Budget Monitoring (month 2) – Headline Summary Table

Service	Total Revised Budget	Net Variance Adverse / (Favourable)	Planned Use of Earmarked Reserves	Planned Use of Capital Receipts Flexibilities	Net Variance Adverse / (Favourable)	
	£m	£m	£m	£m	£m	%
Adult Services	126.030	3.452	(2.830)	(0.624)	(0.002)	(0.00%)
Children & Families - Operations	58.590	0.417	0.000	0.000	0.417	0.71%
Children & Learning - Commissioning	23.748	0.557	0.000	0.000	0.557	2.35%
Public Health	0.979	0.000	0.000	0.000	0.000	0.00%
Economic & Community Infrastructure Services	65.355	1.116	(0.441)	(0.657)	0.018	0.03%
<b>Key Services Spending</b>	<b>274.701</b>	<b>5.542</b>	<b>(3.271)</b>	<b>(1.281)</b>	<b>0.990</b>	<b>0.36%</b>
Corporate & Support Services	21.499	0.119	1.231	(1.362)	(0.012)	(0.06%)
Non-Service Items	31.767	(1.267)	3.357	0.000	(1.267)	(3.99%)
Trading Units	0.000	0.290	0.000	0.000	0.290	0.00%
<b>Support Services &amp; Corporate Spending</b>	<b>53.266</b>	<b>(0.858)</b>	<b>4.587</b>	<b>(1.362)</b>	<b>(0.990)</b>	<b>(1.86%)</b>
<b>Total SCC Spending</b>	<b>327.967</b>	<b>4.684</b>	<b>1.316</b>	<b>2.642</b>	<b>0.000</b>	<b>(0.00%)</b>

Total Revised Budget = Revised budget after transfers between services, not affecting the total budget for 2019/20

Adverse variance = one that deteriorates the projected outturn position

(Favourable) variance = one that improves the projected outturn position

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## Appendix B – Delivery of Savings Summary 2019/20

### Savings agreed in February 2019 for 2019/20:

Area	Agreed Savings (£m)	Red (at risk) £m	Green (on track) £m	Blue (delivered) £m
Adult Services	3,389,000	76,000	2,751,000	562,000
Children's Services	1,701,025	-	98,325	1,602,700
Corporate & Support Services	2,955,900	-	933,000	2,022,900
Economic & Community Infrastructure	2,307,200	-	818,700	1,488,500
Non-Service	4,708,800	-	-	4,708,800
<b>Grand Total</b>	<b>15,061,925</b>	<b>76,000</b>	<b>4,601,025</b>	<b>10,384,900</b>
<b>Percentage of Delivery</b>		<b>1%</b>	<b>31%</b>	<b>69%</b>

### Savings agreed in September 2018 (MTFP2) for 2019/20:

Area	Agreed Savings (£m)	Red (at risk) £m	Green (on track) £m	Blue (delivered) £m
Adult Services	1,717,800	-	-	1,717,800
Children's Services	2,891,800	5,800	2,635,000	251,000
Corporate & Support Services	564,700	32,000	14,800	517,900
Economic & Community Infrastructure	842,400	108,000	462,400	272,000
Non-Service	-	-	-	-
<b>Grand Total</b>	<b>6,016,700</b>	<b>145,800</b>	<b>3,112,200</b>	<b>2,758,700</b>
<b>Percentage of Delivery</b>		<b>2%</b>	<b>52%</b>	<b>46%</b>

**Savings agreed in February 2018 for 2019/20:**

Area	Agreed Savings £m	Red (at risk) £m	Green (on track) £m	Blue (delivered) £m
Adult Services	400,000	-	-	400,000
Children's Services	-	-	-	-
Corporate & Support Services	55,900	-	55,900	
Economic & Community Infrastructure	15,700	-	-	15,700
Non-Service	-	-	-	-
<b>Grand Total</b>	<b>471,600</b>	<b>-</b>	<b>55,900</b>	<b>415,700</b>
<b>Percentage of Delivery</b>		<b>0%</b>	<b>12%</b>	<b>88%</b>

**ALL Combined Savings for 2019/20:**

Area	Agreed Savings (£m)	Red (at risk) £m	Green (on track) £m	Blue (delivered) £m
Adult & Services	5,506,800	76,000	2,751,000	2,679,800
Children's Services	4,592,825	5,800	2,733,325	1,853,700
Corporate & Support Services	3,576,500	32,000	1,003,700	2,540,800
Economic & Community Infrastructure	3,165,300	108,000	1,281,100	1,776,200
Non-Service	4,708,800	-	-	4,708,800
<b>Grand Total</b>	<b>21,550,225</b>	<b>221,800</b>	<b>7,769,125</b>	<b>13,559,300</b>
<b>Percentage of Delivery</b>		<b>1%</b>	<b>36%</b>	<b>63%</b>