

**Notes of the Community Focused Efficient Council Scrutiny Meeting held on
Wednesday, 6th October 2010 at 6.00 pm in the
Scrutiny Meeting Room, Civic Offices, Telford**

Present: Councillors Clive Mollett, Louise Lomax, Angels McClements, Bill Tomlinson and Co-optee Roy Williams.

Also in attendance: Mike Atherton, Head of Community Protection; Ken Clarke, Head of Finance; Jim Collins, Head of Learning & Achievement; David Sidaway, Head of Property & Design; James Dunn, Estates Team Leader; Stephanie Jones, Scrutiny Officer.

Apologies: Councillors David Chaplin, Adrian Meredith and Co-optee Maurice Viney

<u>Minute/Action</u>	<u>Action to be taken by</u>
1. Minutes of the last meeting will be approved at the next formal meeting of the Committee, and draft copies will be circulated.	<u>SJ</u>
2. <u>Service and Financial Planning Report – 2010/11 update and medium term outlook</u> Members considered the report that was presented to Cabinet on 10 th August. The report showed that Revenue spending was projected to be within budget at year end, and it was confirmed that this is still the case, even with the mid-year grant cuts. It was however noted that cumulative service overspends had been offset against the unallocated balance in the contingency, and that this is not a sustainable position. The key service pressures in the report were noted, particularly the overspend in Looked After Children and Adult Social Care, and the shortfalls in income from rent of property, the ice rink and planning fees. The Committee requested a report on Adult Social Care costs at the next meeting. It was noted that of the combined contingencies of £2.725, under a quarter is left for the remainder of the year. The Committee asked how the position compared to this time last year. KC will provide figures. (Circulated 12 th October) The in-year revenue grant cuts were noted (£3.06m revenue, £0.99m capital), and Appendix 1 and 1a gave details of the amounts and the steps taken to address them. The revenue shortfall was £407k, but the restructure had been accelerated to bring projected savings forward to this year, and savings will rise as the programme continues. £3.5m of the combined service balances had been reserved for restructure costs, so that staff savings are recognised straightaway. In addition, £1.3m of the balances had been reserved for additional in-year pressures. Unspent money from balances will be carried forward. Treasury performance had continued to outperform budget, now by around £850k, mainly due to slippage in the capital programme which had deferred the need to borrow. Income collection was marginally below target, more due to late collection rather than non-payment. The target is set on the profile of receipts for the previous year and this may be adjusted	<u>KC</u>

for 2011/12.

The report outlined the medium-term outlook and the major policy reforms that will impact on the Council. The coalition government's aim is to reduce spending to pay off the deficit as quickly as possible whilst avoiding a double-dip recession. The Comprehensive Spending Review (CSR) in October will give an indication of the scale of cuts to the public sector. Health and overseas aid have been protected, and education to some extent. Local Authority cuts will be between 25-40% - the latest indications are of a 33% cut. It will not be known what the cuts mean in real terms and phasing until December when the Council receives the Revenue Support Grant (RSG). The model used for distributing money to Local Authorities has changed and it was not known if this would favour Telford & Wrekin or not. Each 1% cut to the Council's grants on General Fund would equate to a reduction of around £1m.

The following responses were made to questions raised during the presentation:

- Budget modelling has been done on a 33% reduction in line with the latest indications from the government and our knowledge about other authorities assumptions.
- Budget modelling takes account of the Council's statutory duties, although there are no statutory minimum levels of service laid out, so there can still be efficiencies even in statutory areas. This does not mean that the Council is intending to reduce all services to minimum levels.
- Savings targets of 20% had been set for both staff and non-staff costs. The Service Reviews are exploring new and more efficient ways of delivering services, and radical options are being considered. The targets are lower than the projected 33% cut because the RSG only accounts for a proportion of the Council's total funding, and other income sources will hopefully not be affected. The Appendices to the report shows what is being cut now to deal with the in-year grant losses.
- Interest and principal repayments from prudential borrowing for capital projects is built into revenue budget projections. The impact of changes resulting from delayed capital projects is also reflected.
- The Council is aware that there will be on-going pressure on its budget from the tightening up of Continuing Health Care (CHC) funding by the PCT
- The government is looking at floors and ceilings for the distribution of local authority funding. A major review of local government finance is scheduled for 2011.
- Once the £3.5m reserved for redundancies has been used up, any further redundancy costs will need to be budgeted for in next year's budget/offset as a first call against savings generated from further restructurings.
- The TWS contract is being reviewed for any flexibility to save money within the terms of the contract

The Council has a statutory duty for looked after children, but the service review is trying to look for alternative ways to deliver the service, although care of children is paramount.

AGREED

- **To note the report**
- **A report on Adult Social Care costs to be brought to the next meeting**

SJ

2. a)

Position on SEN cost

Members considered the briefing note on SEN provision and costs.

It was noted that most SEN spend is on out of borough placements and statements, both of which are very difficult to forecast and control. Work had been focused on earlier intervention and more effective preventative support for the young person to reduce the need to place them out of borough, and more effective work with partners to reduce the number and financial implications of statements.

A recent Ofsted report identified 1 in 5 young people nationally as SEN, and a suggestion had been made that some students were given the label unnecessarily. In Telford & Wrekin, 20.1% of children at primary school have an identified need, and 20.8% at secondary school. Parents had become more proactive in their children's education and there had been an upward trend in the number of parents requesting assessments, and the number of parental requests being upheld at tribunal. It was thought this trend would continue. There was an annual review process and under new regulations parents could insist on change at every review. All of this had led to growing expenditure and budget pressure.

Schools receive SEN money in March based on the latest available information about the number of statemented children at the school. Any new statements and changes to existing statements during the year are the statutory responsibility of the local authority, and funded from central contingency budgets. It is very difficult to predict the number of statements and the level of support required.

In the last academic year there was an average of 30 statement assessments per month. In July there had been 37, with 2 turned down, leading to an extra 35 in the system in one month alone. Until 3 years ago, the budget was split between 3 cost areas; SEN, children's social care and the PCT. The PCT no longer provide funding, children's social care budgets have been squeezed, so costs come out of the SEN budget. The budget had been built up and there was £75k unused, but this could be wiped out or overspent by one parent winning a tribunal.

Consideration had been given to providing specialist services within the borough such as at Jigsaw. Under the Heads of Service review, it had been proposed that SEN is moved into the Integrated Care and Support delivery unit to bring high cost care together as a potential saving.

The following responses were made to questions raised during the presentation:

- The members raised concerns that the increased number of

requests for assessments and statements could indicate that children are not receiving the right level of support at school. The officer responded that there had also been % increases in children on the autistic spectrum and children with behavioural, emotional and social difficulties (BESD). 23.9% had been diagnosed as having BESD compared to less than 20% five years ago. Two specialist centres are being planned as part of the Sport & Learning Communities programme, and the Service Review is also looking at special school provision. On-line training around national strategies is available to up-skill teachers, but the Lamb review had made it more likely that parents would go for a statement.

- There were 13 young people placed at independent schools outside the borough. Jigsaw had been set up to reduce the necessity of placing out of borough. It provides 18 day and 12 residential places. It was intended to accommodate high-end demanding young people with the most complex needs. The provider went bankrupt in the first year so that the young people placed there had to be moved out of borough, and it had been difficult bringing them back because parents were reluctant to uproot children who had settled elsewhere. In the meantime the Jigsaw places had been filled, although not necessarily with young people from the client group for which it was intended. The balance can be redressed as we go forward, and this will ensure the Council is not funding a level of provision in excess of the young person's needs.

AGREED

- **To note the report**
- **That the In-depth budget scrutiny review would pick up issues relating to SEN out of borough placements in more detail.**

2. b)

Position on B&B costs

Members considered the briefing note on B&B provision and costs.

It was noted that eliminating B&B accommodation for young people and reducing homelessness generally is a national as well as a local priority. There was pressure from the lack of affordable housing in the borough. The national indicator for B&B usage (numbers on the last day of the month) was not thought to give an accurate picture so a new measure had been introduced to reflect the overall position better, which is reported weekly and correlated to the monitoring of the housing benefits subsidy. The number of YP in B&B had continued to fall (the average for September 2010 was 4.56 YP per night) but the confident aim was to eradicate the use of B&B for YP except in absolute emergencies by the year end. The subsidy had been reduced by £220k from 2008/09-2009/10 with a further reduction of £34k projected for 2010/11.

Some existing and planned reduction measures were outlined:

- Continued improved early intervention
- The introduction of the YP joint assessment pathway
- The development of short-stay supported accommodation units at Dodmore Grange, linked to the assessment

pathway. 2 units of supported accommodation were already in use, a further 4 units would come on-stream in Oct & 3 more units will be available from Nov 10. This could produce part-year savings in lost housing benefit subsidy of £40k-£50k and full year savings in excess of £100k.

- Discussions with B&B providers with a view to inviting tenders during October for provision of supported lodgings type accommodation
- Extension of the general and substance misuse bond scheme

It should be recognised that B&B can provide YP with supportive accommodation and can be a better solution than flats or houses where they may be isolated, vulnerable and lack support.

The following responses were made to questions raised during the presentation:

- Dodmore Grange has a 4 and 3 unit configuration. A support contract is in place to provide support through the Supported People Programme. There is a concierge service from 7am-10pm. The units help YP to live independently but in a supported environment until they can move on, with a risk assessment.
- If Dodmore cannot meet demand, work is being done with landlords to develop house shares, or supported lodgings, to accommodate YP until they can move into permanent housing. Robust risk assessments will be done to ensure vulnerable people do not pose a risk to themselves or others when finding suitable accommodation. The housing supply gap is a challenge.
- The members recommended that the care and risk elements of Dodmore are monitored. These arrangements form part of the support packages for vulnerable people and will be provided as requested by Members.
- Members expressed concern about the prospect of vulnerable young people being accommodated out of borough. MA confirmed that no YP are now sent out of the borough, and commented that generally homeless young people are very vulnerable and that in some circumstances B&B can provide a good back-stop rather than accommodating them in inappropriate or inadequate housing.

AGREED

The members agreed they were very happy with the progress that had been made on this issue.

3.

Capital Receipts

The members received a verbal report on capital receipts and a map illustrating the disposal strategy was tabled. The difference between the budget of March 2010 projected value of capital receipts and the revised valuation was a potential reduction of £1m.. A comprehensive re-evaluation exercise had been carried out for all planned disposals. The reduction will have a minimal impact on borrowing requirements.

The following responses were made to questions raised during the presentation:

- The assessment included all sites and looked at existing values, projected values over the period of disposals, legal issues, site and environmental issues and the phasing of sites for disposal. Some new sites and smaller properties had been brought into the disposal programme.
- Although some properties had fallen in value, others had potentially increased from a planning perspective, and new properties had been brought in which accounted for the minimal reduction in the overall projected budget figure for capital receipts.
- In response to the question as to whether the disposal of larger sites for housing developments should be delayed until the appetite for housing recovers, the Head of Property & Design replied that the Council is working with the HCA on this. The Regional Spatial Strategy and standards of development may be relaxed leaving a bigger margin to allow for the softening in the market and to delay disposal until market recovery.
- Congestion on housing developments should be alleviated by the removal of obligations specifying a minimum number of houses with it possibly being based on the profile of the neighbourhood.
- It had been recognised that there needed to be a change in the way properties are managed and to ensure that service delivery drives property solutions and not the other way around.
- Various sources of information such as the land registry, Savilles, other comparable evidence had been used to assess the value of sites to ensure the projections are realistic. The assessment had been prudent and had been given rigorous challenge.

AGREED

The good result of the reassessment exercise was noted.

4. Report on Keeping Elected Members Informed

There were no further questions arising from the report circulated, but 2 members expressed disappointment that events of a significant nature had happened in their wards and that they had not been made aware of them.

5. Forward Plan

- AS noted above, the members requested a report on Adult Social Care costs for the next meeting.
- BT requested information about whether a minimum level is set for the delivery of statutory services. (This was responded to in an e-mail of 12th October)