

## **CHILDREN & YOUNG PEOPLE SCRUTINY COMMITTEE BUDGET MONITORING PANEL NOTES – 25 November 2015**

**Panel Members** in Attendance – Councillors, Murphy and Joyce

The Panel held its second meeting on 25 November to review and evaluate the recently published month 6 budget monitoring Cabinet report and associated documents. The meeting was held in advance of the December Committee meeting to enable Members to identify any issues which they wish to scrutinise in detail and develop any lines of inquiry they may wish to report to Committee at its meeting on 8 December.

The Members were provided with copies of the Education and Lifelong Learning and Children's Service's financial information from the, Month 6 Budget Monitoring Cabinet report including the update on 2015/16 budget savings, and an update on the outstanding 2014/15 savings proposals dated 12 November. Members were also provided with copies of the Committee's letter following the month 4 panel meetings and the responses received in respect of the letters.

The papers enabled the Members to analysis the key areas of spending in Education and Children's Services, as well as their progress in achieving the savings agreed by Council in February. Members also discussed the comments added to the budget savings table explaining the Departments progress being made in achieving the agreed savings.

The Director of Children's Services was invited to expand on a number of issues highlighted in the Month 6 savings matrix, and expand on some of the comments that Finance had put into the budget matrix and respond to the issues highlighted in the, still outstanding, Committee's letter

The Head of Performance, Resources and Services for Education was invited to expand on a number of issues highlighted in the Month 6 savings matrix, and expand on some of the comments that Finance had put into the budget matrix.

The Panel initially agreed that the focus of this meeting should be on those areas highlighted in the letters, previously sent to the Cabinet Members and Directors, which had identified areas of concern from the Month 4 budget monitoring report.

### **Corporate**

The Members welcomed the response to the letter and noted its contents.

## Education

The Members noted the Cabinet Members response to their letter and agreed to focus on the budget saving arising from the Staff Realignment and Restructure. Members had expressed concern that the finance comments against this saving stated that “Whilst some savings have been achieved there is a level of uncertainty in respect of the full level of savings”. Members noted that this saving had been put on hold, due to the Estyn inspection, however the Panel considered that this saving must be fully achieved by the end of this financial year and requested details of how the full saving would be achieved.

Members receive a further update on this saving line based around the Month 8 budget projections. These included:

- A number of vacant posts had been identified for deletion
- Education ICT had developed a product that was now being sold to schools
- Monies had been returned from the consortium
- A senior achievement officers post had been transferred to the Consortium
- Schools catering income had increased considerably

Members were informed that by Month 9 budgetary monitoring projection there would be a reduction in expenditure, and by the end of March the savings would be fully achieved.

Members were also informed that these were only projections and there were inherent risks, particularly around the education of children placed outside the authority.

## Children’s Services

The Director informed the Members that he had drafted a response to the Committee’s letter, however it had not yet been sent as he was still waiting for some financial input into the response.

The Director explained that Children’s Services is a high risk area and any budget restrictions must not impact on the safeguarding of children. As such the Budget monitoring of the Directorates savings has to take into account any funding implications arising for the safeguarding of any child.

In response to the questions raised in the Committee's letter, the Director explained the follow:

**Payment by Results Looked after Children & Rehabilitation Project Year 1-**

The Director explained that the contractor was not fulfilling the contract and although a detailed action plan had been agreed to help strengthen the contracts implementation, progress was still slow. As a result saving was not being made and expectations for this year were low.

**Business Support Review (Lean Review)** - The Director explained that this saving was proving difficult to achieve and no alternatives had been found.

**Market and Demand Management of Commissioned Residential Services**

– The Director explained that this saving had been based on exercises undertaken in other UK local authorities, however as further work was undertaken the opportunities for making savings through a review of commissioning had proved very disappointing.

**Budget Realignment** - The Director explained that the Service Accountant had projected the ongoing expenditure for 2015/16 for external placements, leaving care support costs and adoption allowances to estimate the level of finding required for 2015/16, this indicated that those budget lines would require an uplift of £2.5M just to fund the current level of service. The Director suggested that further information could be provided by the service accountant

Following consideration of all the information, the Panel agreed to recommend that the Committee enable the Panel to:

- Hold further budget monitoring meetings following the publication of Month 9 and Month 12 Budget Monitoring Reports
- Monitor the achievement of the Education budget savings at Month 9 and Month 12;
- Review the information received from Finance on the calculation of the Budget alignment in Children's service; and
- To continue to monitor the projected overspend in respect to external placements for looked after children, leaving care support costs and adoption allowances, ideally using monthly expenditure statements.

**Martyn Hutchings**

**Principal Scrutiny Officer**  
**26 November 2015**