

**SWYDDFA CYMORTH Y CABINET
CABINET SUPPORT OFFICE**

Fy Nghyf / My Ref:
Eich Cyf / Your ref: Scrutiny/CYP/MJH

Dyddiad / Date: 15 February 2018

**Councillor Lee Bridgeman
Chair – Children and Young People Scrutiny Committee
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Dear Cllr Bridgeman

**Children and Young People Scrutiny Committee – Corporate Plan and Draft
Cabinet Budget Proposals 2018/19**

Thank you for your letter dated 14 February 2018 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 15 February 2018.

Corporate Plan and overview

In relation to budget consultation, within the Corporate Plan for 2018 – 2021 there is an objective to review and refresh the Council's engagement process and tools including the Citizen Panel by June 2018 in order to improve the robustness of the Council's consultation exercise.

Children's Services

In order to address your comments in respect of the Children's Services budget, I believe it would be helpful to outline the Cabinet's approach to funding and meeting budget pressures in Children's Services. This includes a budget realignment to meet the full year impact of known commitments in the current financial year together with the provision of a contingency budget to meet potential but as yet unknown costs in the forthcoming financial year. This approach ensures that where the level of specific pressures that occur during a financial year result in an overspend within the service, these known pressures are then fully funded as part of the Council's Budget for the following year. This is an essential element of the Council's approach to financial resilience, ensuring that on-going financial issues in one year are not carried forward and allowed to build up in the future. This is reflected in the proposed budget for 2018/19 by a budget realignment for Children's Services of £3.990 million. This is an addition to the £1.5 million allocation already built into the Medium Term Financial Plan and Budget Strategy to reflect the impact of demographic pressures. These sums total £5.490 million and reflect the full year effect of known commitments at the time of preparing the Cabinet's budget proposal to Council.

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The other element of the Council's approach to funding and meeting budget pressures in Children's Services is to maintain a service specific contingency budget in order to reflect the potential for increased costs in relation to external placements for looked after Children during the forthcoming financial year and this is set out in paragraph 58 of the Cabinet Budget Proposals Report. The Contingency budget of £950,000 is specifically in relation to the potential financial cost of an increase in the number of placements during the year and would enable funding to be provided for up to 24 full year or 48 half year external fostering placements. A separate allocation of £450,000 has also been made to meet exceptional inflation costs in Children's Services in 2018/19 including the impact of the Children's 4 Cs Collaborative Framework. Although there have been significant budget pressures in Children's Services in recent years, this is not necessarily an indicator for the future with no direct link as such to demographic trends. Future trends in relation to looked after children are difficult to define with the need for placements often identified at short notice in relation to a particular set of circumstances and often with significant costs attached to them. This was certainly the case in the current financial year with increased placements reflecting a range of issues including specific child protection issues and family breakdowns involving multiple children. There is therefore no right or wrong figure in relation to the amount allocated to the contingency budget, it is simply a judgement of what is reasonable in the context of the Council's overall budget together with a recognition that there is a clear possibility that some level of further pressures will arise. In arriving at this judgement, regard is also taken of the preventative measures and other excellent work being undertaken within the Social Services Directorate to control costs, to return children from out of county and to reduce the number of children for whom care placements may be required in the future.

Increasing the Contingency Budget for as yet unknown costs would only increase the funding gap and would require further savings to be identified in other service budgets including within Social Services. The alternative would be to further increase Council Tax.

With regard to the £3.990 million budget realignment, this is entirely in relation to Children's Services as set out above.

The Director of Social Services has reminded the Committee that it has already received a detailed presentation on the anticipated medium and long term impacts of its early help strategy including signs of safety and has agreed to make a further presentation covering this and other matters relating to residential accommodation for children in the near future.

Education

Your comments in relation to loss of grants for Education and in respect of the Education Capital Programme are noted.

With regard to the introduction of the Travel Support Allowance, the view is that this may benefit families on low incomes by giving them more flexibility in how they use their money. There is the opportunity to review these arrangements should attendance at school become an issue.

Regarding the concerns expressed around the travel arrangements to Llanishen High, I will arrange for a separate response as this is not directly related to the budget being discussed at Cabinet today.

Play Service

The Committee's comments are noted.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Weaver', with a long horizontal flourish extending to the right.

Y Cyngorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member for
Finance, Modernisation & Performance

