

Minutes



Performance Scrutiny Committee - People

Date: 14 January 2020

Time: 10.00 am

Present: Councillors D Williams (Chair), J Cleverly, M Linton, H Thomas, C Townsend, T Watkins, J Richards and S Marshall

In Attendance: C Humphrey (Interim Strategic Director - People), S Morgan (Chief Education Officer), M Rushworth (Head of Finance), C Watts (Senior Finance Business Partner), M Lawrence (Scrutiny Adviser) and Thomas (Governance Officer)

Apologies: Councillors J Watkins
Dr A Daly (Diocese Representative)

1 **Declarations of Interest**

Councillor T Watkins declared an interest in the Frailty Service referred to in the Business Case for Proposal 4, as a family member had recently been a service user.

2 **Minutes of Previous Meetings**

The Minutes of the meetings held on 5th and 19th November 2019 were **approved** as a true and accurate record.

3 **2020-21 Budget and Medium Term Financial Projections (MTFP)**

Attendees:

- Chris Humphrey, Interim Strategic Director - People
- Meirion Rushworth - Head of Finance
- Sarah Morgan – Chief Education Officer
- Clare Watts – Senior Finance Business Partner

The Interim Strategic Director – People offered the apologies of the Head of Children and Young People Services to the Committee, as she was unable to attend this meeting.

Adult and Community Services

Proposal 1 - AS2021/04 – Reduction in Day Opportunities Budget

The Interim Strategic Director - People reported that the proposed £100k savings were an underspend, as a result of the number of people who attended the Day Opportunities service reducing. A range of activities was offered over a week, but some in the community rather than in one base, so provision and staffing required had been adjusted accordingly.

Members asked the following:

- A Member stated that the underspend figure of £100k was significant and queried where this figure came from and asked about partnerships with the Health and Voluntary Sector.

The Interim Strategic Director - People advised that the Mental Health Day Service at Brynglas had reduced from 5 days to 3 days. The Service was being provided in a different way by providing support in the community and by working closely with the Health Board and agencies such as MIND and Growing Spaces. Any vacancies had also been held.

- A Member queried how placing more services in third sector organisations could be sustained, given the reduction in the funding / budgets some of the organisations were facing.

The Interim Strategic Director - People explained that some of those partners had been successful in drawing down funding from other sources, and they had worked closely with the organisations to redesign services, as they had secure funding. Whilst the organisations had been involved in the development, funding continued to be a challenge for Local authorities and the Third Sector and it was recognised that there were no guarantees for future resilience.

Proposal 2 - AS2021/05 - Telecare Service

The Interim Strategic Director - People explained that work upon reconfiguring the service had been underway for a while. Previously mainly in-house, the service was now provided in partnership with Monmouthshire Council to install equipment and Caerphilly Council to monitor calls. The Service was in the process of withdrawing from the previous service contract with Worcester Telecare and had also been able to draw down funding from the Integrated Care Fund and draw down equipment upon demand, so it didn't become out of date. The cost of the Service had been standardised so service users were billed the same charge and received the same level of service, which had made the running costs of the service more sustainable and it was a better service.

Members asked the following:

- A Member asked if there an increase in cost to the user and what use was being made of new technology.

The Interim Strategic Director - People explained that the price had been fixed in between the price of the two previous providers resulting in a slight increase or slight decrease to service users.

The service now sat within the Occupational Therapy team and they were looking into increased use of new technology, such as using Alexa to prompt reminders to take medication. Although this helped reduce non-essential visits from carers, this would only be part of users care package.

- A Member asked what additional funding was the Council receiving for providing the Telecare Service and would this be a regular income.

The Interim Strategic Director - People replied that capital expenditure had been reduced due to a successful bid for regional ICF funding for provision of equipment and this funding was guaranteed from Welsh Government until 2021.

Proposal 3 - AS2021/07 - Reduction in funding awarded to third sector organisations

The Interim Strategic Director - People briefly outlined recommendations to reduce funding to the following Third Sector Organisations by the figures outlined in the report to: Growing Space; Hafal; Mind; Deaf Clubs; People First; Citizens Advice Bureau; and Carers Grant.

Members asked the following:

- A Member queried whether a Fairness and Equalities Impact Assessment (FEIA) had been completed for this Budget Proposal, as the Business Case stated that it required one, but one had not been published.

The Interim Strategic Director – People advised that a FEIA had been completed for the Proposal and should have been published.

- A Member expressed concern that that for some of the third sector organisations this proposal represented a substantial loss of income, particularly if future EU funding were to be lost and could the Council look at ways of helping these organisations seek funding from other sources.

The Interim Strategic Director - People responded by saying that most of these partners understood the environment worked under and part of the conversations held with them, were around helping them look for alternative funding from other sources.

- A Member commented that the Citizens Advice Bureau was a vital service for many and questioned the savings proposal and asked what other funding CAB had.

The Interim Strategic Director - People confirmed that CAB were supported by funding from Adult and Community Services, Corporate funding, Supporting People and Welsh Government Funding streams. Rolling the Council support into one contract would make it easier for CAB to manage delivery and would still be sustainable to continue as an important service.

- A Member asked how no reduction in service could be ensured, given the removal of funding from third party organisations, and whether the funding still met the objectives of the Council.

The Interim Strategic Director – People advised that most of the organisations are national charities and are realistic and had worked with the Service upon the proposed saving, and she advised that the funding still met the objectives of the Council.

- A Member expressed concern that the budget savings proposal for CAB and the impact, needed to be made clear to the public in consultation, that the Council was not removing all of its funding, but rolling support into one contract.

The Interim Strategic Director confirmed that the public consultation was already underway and would be fed back to the Cabinet in February.

- A Member questioned the proposed reduction of £20k Carers Grant.

The Interim Strategic Director - People explained that the availability of significant Welsh Government ICF funding through a Grant specifically for Carers had increased the resource for Carers, so the existing budget of £40k had been underutilised and was being reduced by £20K.

Proposal 4 - AS2021/08 - Staffing Review

The Interim Strategic Director - People explained that the budget proposal involved an internal review of existing staffing resources, taking into account any existing vacancies in order to put in place a sustainable staffing structure, whilst trying to maintain front-line services.

Members asked the following:

- A Member queried the cost to the Council of agreeing to any requests for voluntary redundancy.

The Head of Finance confirmed that it would be up to the Head of Service to accept a request or not and if a role was deemed to still be required, then the request would always be refused. Whilst a voluntary redundancy would be preferable to a compulsory redundancy, the Head of Service would consider the needs of the service first and refuse the request if the post were still required. The Interim Strategic Director – People advised that redundancies were not being considered at that moment, restructuring was being explored and hopefully could avoid redundancies.

- A Member queried the figure of 9 Full Time Equivalent (FTE) posts affected by this particular proposal.

The Interim Strategic Director - People clarified that this was not 9 individual staff but that the total individual savings through, for example, changes to working patterns would equate to 9 FTEs.

- A Member praised the service, however added that some adjustment could be made to the scheduling of calls to limit carers travelling back and forth between the East and West of the City.

Children and Family Services

A Member advised the Interim Strategic Director asked whether a Fairness and Equalities Impact Assessment (FEIA) had been completed for Budget Proposals 5, 6 and 7, as the Business Cases stated that they required one, but none had been published.

The Interim Strategic Director – People advised that FEIAs had been completed for the Proposals and should have been published.

Proposal 5 - CFS2021/02 - Family Support Services - Barnado's Partnership

The Interim Strategic Director - People outlined the proposal to reduce the current budget by £75k from £600k, reconfiguring the staffing team and using ICF funding to do some work in-house instead of by Barnado's, so accessing other funds to mitigate the saving and the impact on the service was not significant.

Members asked the following:

- Concern was expressed about the “lower capacity to accept referrals and a potential impact on the number of children in care” referred to in the Business Case, on page 65 of the report.

The Interim Strategic Director - People responded that any change would have a consequence, but the Service would be reconfigured to manage the change and that

these proposed changes had been discussed with Barnados. The ICF and Transformation Grant funding would assist, although there would be some impact by the proposal.

Proposal 6 - CFS2021/05 - Staffing across Children's Services

The Interim Strategic Director - People outlined the proposal and referred to the Business Case.

Members asked the following:

- A Member expressed concern regarding the funding shift from core to grant funding for unaccompanied asylum seeking children and the sustainability of that funding post-Brexit and asked whether the posts were permanent, or temporary and linked to the funding.

Members were advised that in the event that the grant disappears in the future, then a case would be made to seek core funding. It was confirmed that posts were permanent, but their funding would change.

- A Member expressed concern about the proposed removal of posts, in particular social workers, potentially creating pressure on service resilience and moving pressures elsewhere in the service.

The Interim Strategic Director - People responded by saying that whilst there would always be a need for social workers, there could be flexibility in how the teams operated. Service demands changed over time, with reduction in demands in certain areas and increases in others, so some services needed restructuring. Posts could also be funded in alternative ways. The posts had been identified because some mitigation was possible and so the risk to the service could be minimised.

- A Member asked whether this proposal included a full review, or had just focussed on vacant posts to utilise as a saving.

The Interim Strategic Director – People responded that the proposal contained a mixed approach and included some vacant posts, restructuring and some alternative funding streams.

Proposal 7 - CFS2021/06 - Reduction of posts across Children's Services

The Interim Strategic Director - People outlined the proposal and referred to the Business Case.

Members asked the following:

- A Member asked whether the whole of the Service was being restructured.

The Interim Strategic Director- People Reduction in demands in certain areas and an increase in others meant that staff could be utilised in the areas of most need. Whilst this was not the result of a major restructure, it was an opportunity to improve how the service worked and look for potential savings at the same time.

- A Member commented that they recognised the difficulties facing Heads of Service in carrying out this type of staffing review and applauded the staff for continuing to carry out their required roles whilst these often difficult decisions were being made.

A Member asked whether a Fairness and Equalities Impact Assessment (FEIA) had been completed for Budget Proposals 5, 6 and 7 above, as the Business Cases stated that they required one, but none had been published.

The Interim Strategic Director - People advised that FEIAs had been completed for the Proposal and should have been published.

Education

Proposal 8 - EDU2021/01 – Education Welfare Service Savings Proposals

The Chief Education Officer outlined the proposal and referred to the Business Case.

Members asked the following:

- Members expressed their concern that a reduction in the number of Educational Welfare Officers would have a detrimental impact on school attendance and subsequent Estyn reports, putting pressure on individual schools and queried if there were any alternative funding streams identified to schools to apply for directly.

The Chief Education Officer confirmed that whilst poor attendance was certainly linked to poor Estyn reports, there were other factors also taken into consideration. Whilst attendance figures across the City had improved, the loss of 2 Educational Welfare Officer posts would mean the need to focus more closely on those schools, which were seen as a priority. At the moment EWOs focussed on those pupils with 85% or less attendance and schools focussed on the higher levels. There was a good working relationship with schools and a constant reassessment in seeking flexible funding grants that schools could utilise. Regular half- term meetings with schools provided the opportunity to share information on best practice within schools and any grants which may be available.

- Members asked if some children still took holidays during term time and also queried if there had been any increase in the level of pupils receiving free school meals.

The Chief Education Officer confirmed that there were still instances of holidays being taken during term time and that parents were issued fixed penalty notices for this. No profit could be made from fixed penalty fines; the income received covered the administration costs and was reinvested in family engagement via the Education Service.

- A Member commented that there was certainly a drop off in the uptake of free school meals for pupils transferring from Primary to Secondary education, possibly due to the opting in/out methods in place and suggested that this needed to be looked into as levels of funding could be affected.

Proposal 9 - EDU2021/02 - Reduction of the Inclusion Enrichment Team

The Chief Education Officer outlined the proposal and referred to the Business Case.

Members asked the following:

- A Member expressed concern that there were currently long waiting lists for referred pupils to be seen by an educational psychologist and asked what impact the proposal would have and what the effect would be cluster wise.

The Chief Education Officer advised that whilst this proposal would certainly have an impact on schools, there was a need to look closely at this area of work to assess where the loss could be most easily managed and it would probably not affect psychologist posts but other areas. Cluster wise the proposal could slow down processes and could reduce the amount of teacher training.

- A Member asked how the service compared with other Authorities' services and whether resources could be shared with other Authorities.

The Chief Education Officer advised that there was not any sharing of resources between Authorities, however, there was a sharing of information strategically between Heads of Inclusion.

Proposal 10 - EDU2021/03 - Gwent Music Service Reduction in Hardship Funding

The Chief Education Officer outlined the proposal and referred to the Business Case.

Members asked the following:

- A Member stressed the importance of supporting music and the arts facilities within schools because of their enrichment qualities for pupils, and for less advantaged pupils in particular. Whilst recognising Newport's contribution to the service, the proposed reduction represented a significant amount and would have a big impact on the pupils.

The Chief Education Officer responded by saying that music services across the region in general were struggling for funding and that work was ongoing to seek access to additional funds. Whilst helping and supporting, there was a need to be mindful that Newport's contribution was greater than the other contributors.

- A Member asked if there was other support provided to the Gwent Music Service by the Authority.

The Chief Education Officer advised that support was provided by the use of buildings, and the Music Service had been successful in securing a large grant last year and was waiting to hear about the same grant this year.

- A Member asked whether the Pupil Deprivation Grant was the same in Wales as in England and whether it could be used for Music.

The Chief Education Officer confirmed that it was the same, but that schools had to use it to ensure pupils do as well as they could. It could be used for Music and in some schools it was used for music taster sessions to garner enthusiasm, or group lessons, 1 to 1s or group ensembles on weekends. A school applied if they had a child in need. A review of Gwent Music's policy on the use of hardship / deprivation grant could provide clarity.

- A Member queried how the Authority is working to signpost grants from the Arts etc. to give pupils a broader culture.

The Chief Education Officer advised that the Music Service Manager had volunteered to lead the All Wales work on accessing additional funds, which looked to achieve sustainability and help to support.

Proposal 11 EDU2021/04 – Improved Budget Efficiency within Education Services

The Chief Education Officer referred to the Business Case to review the Gwent Education Minority Ethnic Services (GEMS) management charge and transfer the Key Stage 2 Pupil Referral Unit provision to an alternative and improved location.

Members asked the following:

- A Member enquired whether transport was provided for those attending the relocated PRU.

The Chief Education Officer confirmed that transport was provided for those not living within walking distance.

Schools Funding - Section 3 of the Cabinet Report

- A Member expressed concern at the statement in paragraph 3.11, page 29 of the Cabinet report attached as Appendix A, regarding Schools and the impact upon the Council's overall Budget of Schools' overspending:

“The level of in year overspending was highlighted as a risk in 2018/19 and continues to be a significant area of concern. Schools have used £1.7m from school reserves over the last 2 years to fund overspending on their budgets and current projections of £3.1m overspending would see reserve balances fall to zero at the end of this current 2019/20 financial year. Officers continue to work closely with schools to ensure that deficit recovery plans are in place and that action is taken to reduce spend. This resolution is critical as current spending levels in schools is not sustainable and has the potential to cause a significant and adverse impact on the councils overall finances if it continues.”

The Head of Finance confirmed that if a school were to go into a negative balance financially then the Council would have the impact of the deficit. The Service worked very closely with schools to assess overspending issues and, where necessary, examined their business and recovery plans. Based on current forecasts there would be no capacity to overspend next year and given this challenge, it was vital that the Council continued to review carefully all budget pressures regularly and ensure that services operated in such a way as to manage demands effectively.

- Members were concerned that Governing Bodies be made aware of the implications of any deficits overspends upon the Council's ability to balance its budget.

The Chief Education Officer commented that the message was communicated via a variety of methods: in Schools Forums and the Minutes sent to all schools, which should be read by all governors; at regular Headteacher meetings there was always a discussion about finance and the need for schools to look after their own finances and balance their budgets. It was stressed that they recognise the need to be responsible and make challenging decisions where necessary. Headteachers also held their own meeting with Governors and so they should be aware of the challenges being faced by their respective schools.

The Chief Education Officer proposed a Briefing Note could be sent to each Governing Body to remind them of the need to set a balanced budget, the impact of individual school's deficits upon the Council's Budget, the need to pull in the forecasted deficits and that individual school reviews could assist them where necessary.

The Head of Finance advised that Cabinet had approved the draft proposals and were now consulting upon them and were aware of the schools' position and the need to balance. School reserves would be close to, if not zero by the end of the year and there would be no capacity to absorb overspends next year. Schools needed to recognise that they could not exist in isolation and that any overspend or budget issue affected the whole city and other services collectively as a Council.

The Head of Finance reminded the Committee that the Cabinet's Draft Budget Proposals had been developed ahead of the Local Government Settlement being received and that subsequently Cabinet had flexibility of around £7M to consider its final budget proposals following consultation and any proposed new investments. He advised the Committee of the need to clearly articulate in the Minutes its comments upon specific proposals, for consideration by the Cabinet as part of the consultation.

The Chair thanked the Invitees for attending.

Conclusion - Comments to the Cabinet

The Committee noted the budget proposals relevant to the People Service Areas and agreed to forward the minutes to the Cabinet as a summary of the issues raised.

The Committee wished to make the following comments to the Cabinet on the Proposals within the People Service Areas:

General Comments

- The Committee commented upon the inconsistency of the completion of Business Cases, with varying levels of detail provided.
- The Committee expressed concern that not all the Fairness and Equalities impact Assessments identified as being required in Business Cases had been made available, and published as required.

Proposal 3 - AS2021/07 - Reduction in funding awarded to third sector organisations

- Citizens Advice Bureau:
The Committee expressed concern that the work of the CAB was essential and vital in the economic climate and the need to ensure it was not undermined. The budget savings proposal for CAB and the impact needed to be made clear to the public in consultation, that the Council was not removing all of its funding, but rolling support into one contract.
- Growing Space:
The Committee was concerned about the sustainability of the service's funding beyond the ending of the European funding.
- Mind:
The Committee was concerned about a potential future shortfall, if future funding streams via the Consortium ceased.
- Deaf Club:
The Committee asked whether the organisation could be assisted / signposted towards premises.
- Carers Grant:
The Committee was concerned about a potential future shortfall, if future funding from the Welsh Government Integrated Care Funding ceased post 2021.

Proposal 5 - CFS2021/02 - Family Support Services - Barnado's Partnership

- The Committee expressed concern about the impact of this proposal upon "lower capacity to accept referrals and a potential impact upon the number of children in care" referred to

in the business Case, and also the potential future cost to the Authority if future funding from the Welsh Government Integrated Care Fund ceased post 2021.

Social Services Proposals:

- The Committee expressed concern that the need for social services was increasing whilst the proposals being considered across Adult and Community Services and Children and Family Services totalled a reduction of over £1M, a large proportion upon the redesign of services and removal of staffing. Concern was expressed over the reliance upon ICF and Transformation Grant funding and future funding pressures, should these WG funding streams be discontinued post 2021.

Proposal 8 - EDU2021/01 – Education Welfare Service Savings Proposals

- The Committee expressed concerned about the impact the proposed reduction of 2 FTE Educational Welfare Officers would have upon school attendance, and in the longer term schools going into special measures and the pressure upon schools.

Proposal 9 - EDU2021/02 - Reduction of the Inclusion Enrichment Team

- The Committee expressed concern about the proposal to reduce the Inclusion Team, the effect upon service users and the reduction in teacher training, and felt strongly that the reduction should not affect the Ed Psych front line service. The Committee requested that the Cabinet remove this proposal, given the flexibility in the Budget since the receipt of the Local Government Settlement

Proposal 10 - EDU2021/03 - Gwent Music Service Reduction in Hardship Funding

- The Committee were concerned about the proposed removal of part of the subsidy for hardship funding, due to the likely impact upon disadvantaged children. The Committee requested that the Cabinet remove this proposal, given the flexibility in the Budget since the receipt of the Local Government Settlement.
- The Committee suggested that Gwent Music be requested to review its policy on the use of hardship / deprivation grant to provide clarity.

Schools Funding:

- The Committee recommended the development of a more strategic 3 year Council Medium Term Financial Planning process, which would assist with planning the Council's Budget further ahead and link with planning further ahead for schools funding.
- The Committee endorsed that a Briefing Note be sent to each Governing Body to remind them of the need to set a balanced budget, the impact of individual school's deficits upon the Council's Budget, the need to pull in the forecasted deficits and that individual school reviews could assist them where necessary.

The Chair advised the Committee that this would be the Scrutiny Adviser's last Scrutiny Committee meeting before she left the Authority to take up her new post, thanked her for her support and wished her well for the future.

The meeting terminated at 1.00 pm

