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Finance Panel – 26 .11.2021

MINUTES OF A MEETING OF THE FINANCE PANEL HELD AT ON FRIDAY, 26 NOVEMBER 2021

PRESENT

County Councillors JG Morris (Chair), L Fitzpatrick, J Gibson-Watt, A Jenner, J Pugh, P Roberts, E Vaughan, D A Thomas, R G Thomas and Mr J Brautigam

Cabinet Portfolio Holders In Attendance: County Councillors A W Davies, Portfolio Holder for Finance and R Powell, Portfolio Holder for Young People and Culture

Officers: Jan Coles, Head of Children's Services, Jo Harris, Senior Strategic Commissioning Manager, Jackie Pugh, Finance Manager and Jane Thomas, Head of Finance

1.	APOLOGIES
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An apology for absence was received from County Councillor M J Dorrance

2.	NOTES
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Documents:

- Notes of the last meeting

Outcomes:

- **Noted**

3.	ACCESS TO INFORMATION
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RESOLVED to exclude the public for the following item of business on the grounds that there would be disclosure to them of exempt information under category 1 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

4.	CHILDREN'S SERVICES - BUDGET PRESSURES
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The Chair of the Health and Care Committee explained the context for the presentation to be made to the Finance Panel by the Head of Children's Services. Pre decision scrutiny on a request by the Service for a virement to cover additional expenditure had been undertaken and a report prepared for consideration by informal Cabinet and Executive Management Team. The issues raised within it had prompted the presentation to be made to an informal meeting of Health and Care Committee and detailed the background for the increased costs.

The Panel had been concerned regarding the impact on the current year and future years' budgets. Comparator data has also been compiled by the Finance Team and Powys costs per child are higher than similar authorities.

During the presentation the Head of Service highlighted the significant costs associated with a few placements. All authorities are facing significant challenges in sourcing appropriate placements in addition to recruiting social workers and care staff. The Chair of the Health and Care Committee had commented at Cabinet that one particular concern was that the Authority were currently picking up some costs that should be met by the Health Board. It was noted that during the covid period, data has shown that young women are suffering more with mental health issues. Some of these issues overlap the Health Board and Authority and endeavours should be made to support young people with mental health issues adequately. The Health Authority has money in its budget to meet this need. Provision within mid Wales needs to be addressed.

The Portfolio Holder had also suggested at a national level that mental health therapeutic intervention would sit better within local authorities but to date there has been no agreement.

The Panel noted that property had been acquired some time ago to provide residential placements and asked for an update on progress. An application for registration has been submitted to CIW for registration. Once operational, and staff are in place, this will provide two residential beds – these will not be for children with the most complex needs. The Closer to Home Strategy commenced three years ago. Since the pandemic there are insufficient placements for children available nationally.

Legacy issues remain from the time when the service was not functioning as it should – this could take several years to work through the system. New ways of working such as Early Help and Intervention and prevention have been implemented as part of the Children's Services restructure, but it will take some time for the full benefits of new strategies to be realised however there has been a reduction in the numbers of Children Looked after.

The Head of Finance reported that the criteria for accessing funds from the Hardship Fund were strict. Tapering arrangements were being introduced for the remainder of the current financial year. She assured the Panel that wherever possible, costs would be recovered from the Fund. Reserves would be used as a last resort. However, it was important that all Members understand the pressures to ensure that appropriate budgets are set for all services. The impact of increased expenditure on other services' budgets and Council Tax needs to be understood.

The Head of Finance reported that current charges invoiced and Section 33 monies were being processed and paid by the Health Board but there remained an issue with historic debt which was being dealt with at a senior level.

The Head of Children's Services was asked if she worked closely with Housing Services as there was an opportunity for care leavers or other placements to be made available within new developments being processed. All opportunities were being taken.

The Chair reiterated the national emergency in Children's Services but also noted the need to fund appropriate budgets and the need to maintain an adequate level of reserves.

5.	CHILDREN'S SERVICES DATA ANALYSIS
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The Finance Manager took the Panel through a presentation on costs and other data relating to children's services across Wales and in particular against similar rural authorities.

The Head of Finance noted the need to understand what is driving the data and why costs in Powys appeared to be higher than comparator authorities. The information was being provided to the service, Cabinet and scrutiny committees to aid understanding.

The Portfolio Holder informed the Panel that the number of Children Looked After was lower than it had been for many years demonstrating that the early help and prevention strategies were working. The Panel had previously noted that the cost per unit in Gwynedd was considerably less, but the Portfolio Holder reported that the numbers of CLA and care orders were rising in Gwynedd. That authority also benefits from a more stable workforce with no agency support. Powys is in a position where it has to compete with many neighbouring authorities for staff.

The Head of Children's Services had reported that legacy costs are a real problem. For example, placements for children aged 16-17 who came into care during the 'legacy' period, were typically 30% higher than for children aged 16-17 entering care outside of that time period. This could not be explained easily but is due to the need for 2:1 staffing and therapeutic costs.

It was noted that the budget for Children's Services had remained relatively static for a number of years. In 2017/18 there were cost reductions which were not achieved. The Panel were reminded of the importance of impact assessments when considering potential cost reductions. The service had not been adequately supported and decisions had been made when there was little data available and outcomes were not predicted. There had also been a lack of oversight and accountability. The numbers of CLA were lower but it is acknowledged that some children had been left in dangerous situations. It was the Portfolio Holder's opinion that if the authority does what is right for an individual child, this will also represent the most financially sustainable position for the Authority. The current position is much clearer with sound data, quality assurance and intelligence having improved. This will continue. The culture and leadership of the service is integral and staff must be valued.

It was suggested that financial modelling should be provided to monitor how the legacy costs will move through the system. This has been undertaken for 16+ placements and other work is continuing.

6.	CHILDREN'S SERVICES VIREMENT
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Considered within Item 4 above.

7.	BUDGET PLANNING 2022/23
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The Head of Finance reported that the budget was being developed through Executive Management Team and the Senior Leadership Team, with proposals being brought forward to bridge the gap. The settlement will be announced on 20 December but there are no indications as yet of what it might be. The Welsh Government Budget has increased so an improved settlement is anticipated. However, there were other commitments being announced such as free school meals for all primary school children and these could be included in the improved estimates, all of which will need to be carefully considered when the settlement is announced. The Portfolio Holder for Finance indicated that there were 46 policy areas that were being addressed at a national level and that the Welsh Government was to review its capital budget.

8.	WORK PROGRAMME
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The next meeting is scheduled to take place on Monday 20 December 2021 when budget proposals will be discussed.

County Councillor JG Morris (Chair)