

# Cabinet

## Agenda

Thursday 7 December 2017

**The Cabinet will meet at SHIRE HALL, WARWICK on Thursday 7 December 2017 at 13.45.**

Please note that this meeting will be filmed for live broadcast on the internet. By entering the meeting room and using the public seating area you are consenting to being filmed. All recording will be undertaken in accordance with the Council's Standing Orders.

The agenda will be:

### **1. General**

#### **1) Apologies for absence.**

#### **2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests.**

Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. A member attending a meeting where a matter arises in which s/he has a disclosable pecuniary interest must (unless s/he has a dispensation):

- Declare the interest if s/he has not already registered it
- Not participate in any discussion or vote
- Must leave the meeting room until the matter has been dealt with.
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests must still be declared in accordance with the Code of Conduct. These should be declared at the commencement of the meeting.

#### **3) Minutes of the meeting held on the 9 November 2017**

To approve the minutes of the meeting held on 9 November 2017.

#### **4) Public Speaking**

To note any requests to speak in accordance with the Council's Public Speaking Scheme (see footnote to this agenda).

**2. 2018/19 Refresh of the Medium Term Financial Plan 2020 Background Information and Proposals from Corporate Board**

This report sets out proposals on how the County Council will meet the financial challenges currently facing it.

Cabinet Portfolio Holder: Councillor Peter Butlin

**3. Warwick District Libraries and the Future of Sunday Opening in Libraries**

This report asks Cabinet to consider changes proposed to libraries in Warwick District and the future of Sunday opening of libraries.

Cabinet Portfolio Holder: Councillor Kam Kaur

**4. Local Authority Multi-Academy Trusts**

This report asks that Cabinet notes the renewed emphasis on Warwickshire's 'Family of Schools' rather than establishing a Local Authority Multi-Academy Trust.

Cabinet Portfolio Holder: Councillor Colin Hayfield

**5. Education, Health and Care Plans – Personal Budget and Direct Payments Policy**

It is necessary for the County Council to develop an executive personal budget policy in order to meet the requirements of the SEND Code of Practice 2015 for children with Education, Health and Care plans. This report presents that policy for approval.

Cabinet Portfolio Holder: Councillor Colin Hayfield

**6. Any Urgent Items**

Any other items the Chair considers are urgent

**7. Reports Containing Confidential or Exempt Information**

To consider passing the following resolution:

'That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972'.

EXEMPT ITEMS FOR DISCUSSION IN PRIVATE (PURPLE PAPERS)

**8. Joint Working Opportunities - Waste**

This report sets out for discussion by Cabinet various models for future waste management in Warwickshire.

Cabinet Portfolio Holder: Councillor Jeff Clarke

**9. Property Services Review & Facilities Management and Construction Delivery Options**

This report requests that Cabinet approves that further work be undertaken around new ways of delivering the Property Services, Facilities Management and Construction Delivery Services.

Cabinet Portfolio Holder: Councillor Peter Butlin

**David Carter**  
**Joint Managing Director**  
**Warwickshire County Council**  
**December 2017**

**Cabinet Membership and Portfolio Responsibilities**

Councillor Izzi Seccombe OBE (**Leader of the Council and Chair of Cabinet**)  
[cllrmsseccombe@warwickshire.gov.uk](mailto:cllrmsseccombe@warwickshire.gov.uk)

Councillor Peter Butlin (**Deputy Leader, Finance**)  
[cllrbutlin@warwickshire.gov.uk](mailto:cllrbutlin@warwickshire.gov.uk)

Councillor Les Caborn (**Adult Social Care and Health**)  
[cllrcaborn@warwickshire.gov.uk](mailto:cllrcaborn@warwickshire.gov.uk)

Councillor Jeff Clarke (**Transport & Environment**)  
[cllrclarke@warwickshire.gov.uk](mailto:cllrclarke@warwickshire.gov.uk)

Councillor Colin Hayfield (**Education and Learning**)  
[cllrhayfield@warwickshire.gov.uk](mailto:cllrhayfield@warwickshire.gov.uk)

Councillor Kam Kaur (**Customer and Transformation**)  
[cllrkaur@warwickshire.gov.uk](mailto:cllrkaur@warwickshire.gov.uk)

Councillor Jeff Morgan (**Children's Services**)  
[cllrmorgan@warwickshire.gov](mailto:cllrmorgan@warwickshire.gov)

Councillor Howard Roberts (**Fire and Community Safety**)  
[cllrroberts@warwickshire.gov.uk](mailto:cllrroberts@warwickshire.gov.uk)

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All public papers are available at [www.warwickshire.gov.uk/cmis](http://www.warwickshire.gov.uk/cmis)

### **Non-voting Invitees -**

Councillor Jerry Roodhouse (**Leader of the Liberal Democrat Group**),  
cllrroodhouse@warwickshire.gov.uk

Councillor Richard Chattaway (**Leader of the Labour Group**)

or their representatives.

### **Public Speaking**

Any member of the public who is resident or who works in Warwickshire may speak at the meeting for up to three minutes on any item on the agenda for this meeting. This can be in the form of a statement or a question. If you wish to speak please notify Paul Williams (see below) in writing at least two clear working days before the meeting. You should give your name and address and the subject upon which you wish to speak. Full details of the public speaking scheme are set out in the Council's Standing Orders (Standing Order 34).

**General Enquiries:** Please contact Paul Williams, Democratic Services Team Leader

Tel 01926 418196 or email: [paulwilliamscl@warwickshire.gov.uk](mailto:paulwilliamscl@warwickshire.gov.uk)

**Minutes of the meeting of the Cabinet  
held on 9 November 2017**

**Present**

**Cabinet Members:**

Councillors	Izzi Seccombe OBE	Leader of Council and Chair of Cabinet
	Peter Butlin	Deputy Leader (Finance & Property)
	Les Caborn	Adult Social Care & Health
	Jeff Clarke	Transport & Environment
	Colin Hayfield	Education and Learning
	Kam Kaur	Customer & Transformation
	Jeff Morgan	Children's Services
	Howard Roberts	Fire & Community Safety

**Non-Voting Invitees:**

Councillor Richard Chattaway	Leader of the Labour Group
Councillor Jerry Roodhouse	Leader of the Liberal Democrat Group

**Other Councillors:**

Councillors Sarah Boad, Jonathan Chilvers, Corinne Davies, Judy Falp, John Holland, Keith Kondakor, Bill Olnor, Clive Rickhards, Alan Webb, Chris Williams

**Public attendance:** 25

**1. General**

**(1) Apologies for absence**

None

**(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests**

Regarding agenda item 8, Local Healthwatch Service: Consultation Findings and Proposed Service Model, Councillor Jerry Roodhouse (Leader of the Liberal Democrat Group) declared a non-pecuniary interest as a Director of Warwickshire Healthwatch.

**(3) Minutes of the meeting held on 10 October 2017 and Matters Arising**

The minutes for the meeting held on 10 October 2017 were agreed as an accurate record and signed by the Chair.

**(4) Public Speaking**

Councillor Izzi Seccombe welcomed members of the public to the meeting and invited the three members of the public who had registered to speak to do so.

**Councillor Jane Knight** (Warwick District Council) – Having explained her role with the Early Years Action Group and Warwick District Council,

Councillor Jane Knight stressed three areas that must be considered if the proposals before Cabinet are to proceed. These are.

- Accessibility – The ability of people to access the services being delivered under the new model.
- Collaborative Integration – The need for all agencies and other bodies involved in delivery of the new model to communicate and work effectively together
- Accreditation – The services delivered must be of the highest quality.

Councillor Knight questioned whether the model proposed could be delivered within the available budget. It was noted that budgets for other services such as Health Visitors and the Family Nurse Partnership are being cut as is Smart Start funding. In addition, the extension of the age range from 0-5 to 0-19 may also serve to dilute the services it is possible to deliver to the very young. Councillor Knight concluded by asking the County Council to add funds to sustain the service for an additional two years.

**Sarah Frankland** read a statement from Jessica Timmis who was unable to attend the meeting.

The following is a summary of the issues Jessica raised in her statement:

- Jessica's Children's Centre had proved a vital resource and had helped maintain good physical and mental health for herself and her family.
- During the early months a mother goes through a lot of changes - physical, emotional, social and financial changes. The health of mothers is of paramount importance in the good development of a baby and research regarding attachment reveals that if things go wrong at this time it can have a profound effect on a child in later life.
- The Children's Centres' cuts will mean a huge increase in crisis intervention bills.
- Mothering can be an isolating, challenging and terrifying without good support. This needs to be local, particularly for mothers who are not physically able to drive.
- Mental and wellbeing support is crucial at the initial and vulnerable stages. Signposting to toddler and other groups is not appropriate during this vulnerable stage where they might not offer the specific services found in Children's Centres.
- Mothers seek help for a range of complex issues that may not be picked up without the haven of the children centre.
- The cuts are hitting those with the least energy and time to protest against it. Many will feel too drained to attend meetings or fill in a complicated form on line.
- The strength of opposition to the cuts is represented by the many people who have added their comments to the 'life-line' banner (displayed outside Shire Hall prior to the meeting)

**Tim Naylor** began by stating that he believed that the County Council had already decided how it was going to proceed with the proposals on the table. Having informed the meeting that he had been a Councillor for 16 years and a school governor for 30 years he made the following points.

- The consultation period for the 0-5 redesign should not have been held over the summer holiday period.
- With increases in child poverty, the use of food banks, childhood mental health issues, children with special educational needs and children who do not have English as a first language there has never been so much need for the support currently provided by Children's Centres.
- It is recognised that the principal driver for the service changes is to save money.
- If the Children's Centres close a wealth of experience and skill will be lost. Outcomes will be poorer and the uptake of services will decrease.
- The key to securing successful outcomes for people is early intervention. In the long term, widespread problems will increase.

Councillor Izzi Seccombe thanked the speakers for their contributions.

## 2. 0-5 Redesign of Children's Centres

Councillor Jeff Morgan (Portfolio Holder for Children's Services) introduced this item by explaining that the papers and the proposals for service changes within it were the result of a great deal of hard work. Councillors from all groups had been involved in developing the 0-5 agenda especially through Smart Start.

The conclusion from the work undertaken was that the current arrangements for Children's Centres are unsustainable. There is a need to improve services and target them on those people who need them the most. One concern has been that many of the most vulnerable families will avoid using Children's Centres.

The meeting was reminded that the report before it is not simply about the closure of Children's Centres. Rather it sets out proposals for the delivery of good services moving forward. For example by taking in-house the 38 Family Support Workers the funding for these workers can be made more secure than it is at present.

Members were reminded of the extent of the consultation exercise that had been undertaken. Public consultation meetings, the use of an online questionnaire, informal drop-ins at Children's Centres, phone calls, focus groups and staff engagement roadshows had all served to attract a significant response and body of evidence.

Councillor Morgan then explained the proposals as set out in the published report concluding that there is a possibility that the number of Children's Centres that will have to close may be small. The next stage will be to discuss service delivery with providers with a view to new contracts starting from September 2019.

It was noted that the model proposed has been introduced elsewhere. In Essex the number of centres had been reduced by around half but the number of families being supported had increased by 22%.

Councillor Chris Williams (Vice Chair of the Children and Young People Overview and Scrutiny Committee) explained that on 7 November the committee had met specifically to consider this matter. He then introduced the eight recommendations for Cabinet that had come from that meeting. Councillor Jeff Morgan thanked the Overview and Scrutiny Committee for its work and proposed a further (7<sup>th</sup>)

recommendation for Cabinet that the committee's recommendations be accepted. This was agreed.

Councillor Izzi Seccombe reiterated that Warwickshire County Council is not unique in reviewing its Children's Centres. The Council has an agreed budget and savings plan and these must be adhered to as much as possible. In addition there is a growing recognition that it is the services being delivered rather than the buildings they are delivered from that are key to successful outcomes for children and their families. Councillor Izzi Seccombe then asked elected members for their contributions.

Councillor Colin Hayfield (Portfolio for Education and Learning) stated that he had visited a number of schools in his area and had noted that some Children's Centres are open for only one day a week. He asked if this was a good use of resources and whether the schools to which they are attached could not make better use of the buildings. This would not necessarily mean the exclusive use by one or other party but shared use to optimise the asset. It was also explained that in North Warwickshire outreach work has developed automatically reflecting the rural nature of the area.

Councillor Alan Webb read out a statement from Councillor Matt Western. Within that statement the following points were highlighted.

- Warwickshire is a prosperous county with income levels and life expectancy above those found nationally.
- The services provided by the County Council have been excellent but are now facing huge pressures due to reductions in government funding.
- Funding for Children's Centres in Warwickshire has been reduced in recent years. A further reduction of £1.12m is currently proposed.
- The proposals will result in the closure of a number of Children's Centres.
- The hub and spoke proposal will see unqualified staff attempting to deliver services.
- Funding for services will become blurred by the extension of the age range to 19.
- The Council would not consider closing primary schools or FE colleges.
- Warwickshire has seen an increase in demand for mental health care.
- There is no evidence in the report that alternative funding streams have been considered. The Council should defer making a decision until such time as these alternatives have been explored.
- The County Council has considerable reserves and should use these to support the Children's Centres.

In response to Councillor Western's proposals for the use of reserves Councillor Izzi Seccombe observed that this would only delay the decision. The Council, she added, needs to avoid stagnation and should look for new ways of delivering better services.

Councillor John Holland considered that not enough has been done around property and property management. More could be done with other agencies to identify ways of optimising the use of property assets. This could build on the work of the Health and Wellbeing Board which is looking to identify opportunities for greater collaboration between agencies.



Councillor Bill Olnier called for greater investment to be made in the current Children's Centres and suggested that it was unlikely that all of the Cabinet would be supportive of the proposals.

Councillor Corinne Davies expressed her support for the Children's Centres and concerns that the consultation exercise was flawed. She added that in her view the 0-19 budget remained unclear and asked that consideration be given to the use of reserves to support the Centres.

Councillor Jonathan Chilvers (Leader of the Green Group) stated that in his opinion there is no need to cut Children's Centres but there is a need to review how services are delivered. In order to do this a robust transition plan is required.

Councillor Keith Kondakor stated that people in Warwickshire value Children's Centres more than they do having each council having a different waste collection system. If savings could be made through a combined approach to waste management this could be used for services such as Children's Centres.

Councillor Jerry Roodhouse (Leader of the Liberal Democrat Group) emphasised the importance of the Smart Start Strategy in guiding the funding and delivery of 0-5 children's services. It was recognised that some children's centres are underutilised with limited opening hours or closure forced upon them by maintenance issues. A transition fund will need to be set aside using whatever resources have been identified for this. Clarification was sought over how much money is available for transition. In addition Councillor Jerry Roodhouse asked for clarification as to whether the 38 Family Support Worker posts were in addition to the in-house Family Support Worker Service or whether they would address gaps currently within the in-house service as a result of vacancies. Similarly clarification was sought on whether the mental health leads within the FSW service were additional or existing. It was agreed that a briefing note would be sent to Councillor Roodhouse on the matter.

Councillor Clive Rickhards stated that he could see little evidence in the report of where improvements to the services delivered will be made. .

Councillor Richard Chattaway (Leader of the Labour Group) thanked officers for their efforts to date recognising that their work had not been easy. He stated that he considered the consultation exercise to have been robust but challenged whether people's comments had been listened to. To illustrate this he cited the case of Nuneaton where despite strong support for Abbey Children's Centre (in an area of high deprivation) the decision had been made to close this in favour of Riversley. In response Councillor Jeff Morgan informed Cabinet that Riversley had been selected owing to its central location, better facilities and proximity to health services.

Councillor Chattaway stated that there is no clarity over the budgets for each Children's Centre and suggested that there remain a number of challenges around integration that should be addressed before the changes are introduced.

Councillor Sarah Boad noted that her local Children's Centre at Lillington is open for only 21 hours per week. Greater use would be made of it if it was open for 40 hours.

Councillor Les Caborn (Portfolio Holder for Adult Social Care and Health) pointed out that the process leading up to the meeting had commenced in 2015 and had involved many parties. The issue of service review is about more than Children's

Centres. It concerns the MASH, CAMHS, Health Visitors, Midwifery and the entire 0-5 agenda.

Councillor Peter Butlin (Deputy Leader and Portfolio Holder for Finance and Property) suggested that to use reserves to prop up services for one year would be negligent. He added that broadening the service to the 0-19 age group would not be detrimental. 0-5 would be an integral part of this.

Councillor Jeff Morgan summed up by emphasising that 0-5 services will not be diluted by the 0-19 agenda. The introduction of other healthcare services will see them bring their own budgets. He reiterated that reserves should not be used to support the current arrangements adding that it will now be possible to provide more targeted services.

## **Resolved**

That Cabinet:

- 1) Notes the consultation process and analysis attached set out in Appendix 1 of the report and the Equality Impact Assessment set out in Appendix 3 of the report.
- 2) Agrees that the Strategic Director for People be authorised to take any necessary steps to implement the Hybrid Model and the recommended approach to transitional arrangements outlined in Section 5 and detailed in Appendix 2 of the report, on terms and conditions satisfactory to the Joint Managing Director (Resources);
- 3) Agrees that the Strategic Director for People be authorised to arrange with the exception of Atherstone, Stockingford and St. Michael's, the transition of 2HELP places from the proposed Children and Family Centres to the Private, Voluntary and Independent Nursery Sector on terms and conditions satisfactory to the Joint Managing Director (Resources);
- 4) Agrees that the Strategic Director for People and the Joint Managing Director (Resources) are authorised to terminate the lease agreements with the current providers of Kenilworth (Bertie Road), Warwick and Whitnash Children Centres and to arrange the responsibility for the day to day operation of the buildings being assumed by the Maintained Nursery Schools;
- 5) Agrees that the Strategic Director for People and the Joint Managing Director (Resources) be authorised to develop and implement the process for the reassignment of sites that are no longer designated as Children and Family Centres; and
- 6) Agrees that the timescales for implementation as outlined in Section 6 be approved.
- 7) Agrees that the eight recommendations agreed by the Children and Young People Overview and Scrutiny Committee at its meeting on 7 November 2017 be endorsed. These are:

That the Children and Young People Overview and Scrutiny Committee:

- (a) Welcomes the increase in the number of proposed Children and Family Centres in the revised proposals to Cabinet from 12 to 14 and the adoption of a transitional approach to implementation of the new Hybrid Model as outlined in the report.
- (b) Welcomes the prioritisation of Family Support which has to date through the Family Support Worker model been successful in improving outcomes for local children and families and the proposal for an integrated Family Support Work service as set out in the report to Cabinet.
- (c) Asks that Cabinet ensures that those providers operating the 14 Children and Family Centres clearly outline how they will successfully deliver outreach services from the list of 16 Outreach Centres identified at 1.4 (b) of the report to Cabinet.
- (d) Asks that Cabinet ensures that all new providers operating Children and Family Centres in rural areas supply detailed proposals outlining how they will provide services for those 'hard to reach' families within their geographical areas.
- (e) Asks that Cabinet ensures that (i) ongoing progress reports are provided to CYPOS in respect of the 'milestones' as outlined in the timetable at 6.4 of the report to Cabinet and (ii) that if these proposals are accepted by Cabinet detailed implementation plans are brought forward to CYPOS for consideration when available.
- (f) Asks Cabinet to ensure that, prior to any closure of the 11 sites that will no longer be designated as Children's Centres or as providing Children's Centre services as identified at 1.4 (d) of the report to Cabinet, regard will be given to current usage, provision and proximity to the proposed Children and Family Centres in respect of identified outreach needs.
- (g) Asks Cabinet to review the present arrangements around local advisory boards to ensure greater inclusivity, local involvement and accountability moving forward.
- (h) Asks that Cabinet ensure there is a quality assurance framework within the commissioning process, which includes all safeguarding matters.

### **3. One Organisational Plan Quarterly Progress Report: April-September 2017**

Councillor Peter Butlin welcomed the new approach to reporting and then proceeded to summarise the key elements of the report. Regarding the revenue budget an underspend of £45000 was noted. This is well within the 2% tolerance level. Overspends have been reported by the Children and Families, Education and Learning and Fire and Rescue services. Within the savings plan an overall shortfall of £1.433 million is forecast. Within Children and Families the failure to meet targets is largely attributable to a shortage of foster carers. Within Adult Social Care further reductions in transport costs need to be identified.

Councillor Bill Olnier asked, given the level of reserves held by the County Council (£125 million) if some of this could not be used to support Children's Centres.

Councillor Butlin reminded Cabinet of his previous answer to this suggestion provided under item 2.

Referring to page 6 of 15 Councillor Jerry Roodhouse highlighted the number of people killed or seriously injured on Warwickshire's roads as being an area of concern. In addition the level of re-offending by young people, whilst shown as better than the national average should be better. Finally, Councillor Roodhouse observed the continuing issues with the highways maintenance contract where targets are not being met and constituents are increasingly having cause to complain. In response, Councillor Jeff Clarke (Portfolio Holder for Transport and Environment) stated that the Council's Road Safety Team had recently won a prestigious award as the most improved team in the country. Cabinet welcomed this and commended the team. The meeting was then informed that the highways maintenance contract was at 90% of target.

Councillor Keith Kondakor expressed the view that resources are being wasted. In particular he was concerned that there remain six separate waste authorities in Warwickshire and that there is no clarity over the future of the Bermuda Connectivity project. In response to the waste management arrangements Cabinet was informed that a report is to be presented to Cabinet at its meeting in December.

Councillor Kondakor welcomed the proposal to introduce web streaming adding that this can be used for meetings (eg web conference and briefings) other than those of members.

## **Resolved**

That Cabinet:

- a) Notes the progress on the delivery of the One Organisational Plan (2017-20) as at the end of September 2017 as summarised in Sections 1 to 3 of the report and detailed in Appendix A of the report;
- b) Would wish to remind Corporate Board and Heads of Service of the importance of delivering a balanced budget both collectively and individually and that proposals for action to bring those budgets overspending back on track should be discussed with Portfolio Holders as a matter of urgency;
- c) Approves the net transfer of £0.469 million from Business Unit reserves to support the delivery of services in future years, as outlined in section 3.2 of the report;
- d) Approves the revised capital payments totals and the revised financing of the 2017/18 capital programme as detailed in the table in section 3.4 of the report; and
- e) Approves the increase in the cost of the refurbishment of Old Shire Hall of £0.936 million to meet the requirements of being a commercial events venue funded from revenue/capital resources previously approved for Property Services and improving the customer experience in Customer Services, as detailed in section 3.4 of the report.

#### **4. Education and Learning (Schools) Capital Programme 2017-18 and Approval of Statutory Proposals**

Councillor Colin Hayfield introduced the report explaining the purpose behind each section. Referencing paragraph 1.3 Councillor Keith Kondakor highlighted the pressure building for secondary school places as the bulge in the number of pupils currently at primary level moves upwards. Outward migration from Coventry has left 10000 surplus places in the city but has added to pressures in Warwickshire.

The proposal to build a new school in Weddington was welcomed but it was suggested that residents will need to be assured that this will not result in the existing school closing.

#### **Resolved**

That Cabinet agrees:

- 1) That the following proposals for prescribed alterations are approved:
  - To enlarge the premises of Newdigate Primary School on a phased basis with effect from 1st September 2018;
  - To enlarge the premises of High Meadow Infant School and extend the upper age range of the School by 4 years on a phased basis with effect from 1st September 2019 so that it becomes a primary school with effect from September 2022; and
  - To enlarge the premises of Michael Drayton Junior School on a phased basis with effect from 1st September 2018.
- 2) That Council is recommended to approve that the sum of £14,956,085 is added to the capital programme to deliver the schemes outlined in Section 3 of the report; and
- 3) Subject to Council agreeing to add the schemes to the capital programme, that the Joint Managing Director (Communities) is authorised to invite tenders and enter into the appropriate contracts on terms and conditions acceptable to the Joint Managing Director (Resources) for these schemes.

#### **5. Adoption Central England (ACE) - Go Live**

Councillor Jeff Morgan explained that this was a good news story. The government has encouraged local authorities to work together on adoption to share expertise and for ACE, Warwickshire will be the lead council. Members welcomed the initiative but expressed the view that it should not lessen the Council's ability to support its own clients. Officers explained that the report before Cabinet marked the end of an 18 month journey adding that they were very confident that they could

deliver whilst remaining one of the top authorities in the country for adoption services. An annual report on progress will be produced and circulated to members.

## **Resolved**

That Cabinet:

- 1) Notes the outcomes of the engagement and consultation and the resulting equality impact assessment;
- 2) Agrees that the Council enter into a partnership agreement with Solihull Metropolitan Borough Council, Coventry City Council and Worcestershire County Council for Warwickshire County Council as host. This will be to undertake the delivery of each authority's adoption service and some of its Special Guardianship support services as stated in the agreed ACE Service Specification through Adoption Central England (ACE) on terms and conditions satisfactory to the Joint Managing Director (Resources); and
- 3) Agrees the provisional financial proposals as outlined in section 9 of the report to fund ACE and authorises the Head of Finance in consultation with the Strategic Director for People Group to agree the final financial arrangements including the value of the total cash limit.

## **6. Review of Concessionary Transport Scheme**

Councillor Jeff Clarke explained that a good response had been made to the consultation exercise carried out as part of the review. Requests had been made for rail travel to be included in the scheme but it was explained that this was not possible. Councillor Keith Kondakor stressed the importance of concessionary travel in rural areas and to town centres. Reduced services make it more difficult for people to travel. He noted that as the County Council provides a subsidy to London Midland for rail services there should be some scope to negotiate with that company.

In response to a question from Councillor Sarah Boad the meeting was informed that that the County Council pays the bus operators an agreed fare for each route based on an average. The length of the actual journey by the passholder does not matter.

Councillor Judy Falp highlighted the importance of public transport in reducing loneliness.

## **Resolved**

That Cabinet agrees that:

- 1) the scheme remains unchanged, with discretionary weekday travel times for Warwickshire residents starting from 9.00am and finishing at midnight on weekdays, with the exception of the services described in paragraph 14.3 of the report which can be boarded before 9.00am;

- 2) the scheme is agreed for a further period of five years, from April 2018 until March 2023, and that a further review of the discretionary elements is carried out during summer 2022; and
- 3) a review of the discretionary elements is carried out sooner in the event of changes to the statutory scheme by central government.

## **7. Electric Vehicle Recharging Strategy**

Following an introduction by Councillor Jeff Clarke who explained the importance of Warwickshire in terms of the motor industry, Councillor Keith Kondakor welcomed the strategy adding that the County Council should consider using electric pool cars. He stated that a number of myths need to be dispelled regarding electric vehicle charging eg that the electrical supply grid will not be able to cope at peak charging times. Cabinet was informed that plans are being developed to install electric charging points in the Barrack Street car park.

Councillor Bill Olnor welcomed the strategy emphasising the potential role of electrically driven delivery vans.

Councillor Colin Hayfield suggested that the rate of change of technology means that the strategy will soon need to be reviewed. He added that with emerging local plans district and borough councils should take the opportunity to make sure charging infrastructure is included in new developments.

In response to a series of questions presented by Councillor Sarah Boad, Cabinet was informed that there remain a number of obstacles to be overcome.

It was agreed that copies of the strategy should be sent to town and parish councils.

Councillor Jerry Roodhouse suggested that as the County Council is leading on the one public estate initiative this should be referenced in the strategy.

Councillor Richard Chattaway observed that the County Council could consider the use of electric buses. In response to this Cabinet was informed that a trial route was being developed.

### **Resolved**

That Cabinet:

- 1) Endorses the Electric Vehicle Charging Infrastructure Strategy 2017-2026; and
- 2) Recommends that the Council adds the Strategy as an addendum to the Local Transport Plan 2011-2026.

## **8. Local Healthwatch Service: Consultation Findings and Proposed Service Model**

Following a brief introduction from Councillor Les Caborn, members welcomed the report.

## **Resolved**

That Cabinet:

- 1) Agree findings of the consultation process which will inform the Local Healthwatch re-tender;
- 2) Approve the principles of the new service, in order to proceed with the procurement of the new Local Healthwatch Service; and
- 3) That the Joint Managing Director (Communities) be authorised to commence an appropriate procurement process and award any contracts for the service on terms and conditions satisfactory to Joint Managing Director (Resources).

## **9. Warwickshire Unauthorised Encampments Protocol 2017**

Councillor Jeff Clarke informed that the meeting that the protocol was the result of an initiative undertaken by the Warwickshire Police and Crime Commissioner. Members welcomed the document and agreed that copies of it should be sent to local MPs and to town and parish councils.

Regarding the two emergency stopping places proposed for the county the view was expressed that these are taking too long to develop. In response the meeting was informed that one is almost complete, the other delayed by legal complications.

## **Resolved**

That Cabinet adopt the Warwickshire Protocol 2017 as the Council's overarching approach to managing unauthorised Gypsy and Traveller Encampments.

## **10. Loneliness Advisory Group**

Members welcomed the report agreeing that the group should comprise seven members.

## **Resolved**

That Cabinet

- 1) agrees the terms of reference for the Loneliness Advisory Group as set out in the appendix of the report and
- 2) agrees the group will comprise seven members

## **11. Establishment of ESPO Trading Company**

Councillor Peter Butlin explained that the County Council is one of six shareholder authorities in ESPO. The development of a trading company will open up opportunities to explore other markets.

## **Resolved**



That Cabinet:

- a) Notes the decision of the ESPO Management Committee, having reviewed the detailed business case and other documents, to recommend each of the six member authorities to establish a new trading company;
- b) Gives approval to the establishment of a new trading company, 'ESPO Trading Limited' on the basis outlined in this report and that the Joint Managing Director (Resources) be authorised to agree the terms of and sign the necessary documentation to give effect to this decision;
- c) Notes that the Board of Directors of the trading company will include five officers, acting as Executive Directors made up as follows:
  - (i) Three officers from ESPO being the following office holders:
    - Director of ESPO
    - Deputy Director and Chief Commercial Officer
    - Assistant Director of Finance and IT
  - (ii) The Director of Corporate Resources (Leicestershire County Council) or his nominee;
  - (iii) An officer nominated by the other Shareholder (member authorities) of ESPO;
- d) Gives approval for arrangements to be put in place to indemnify the ESPO and other Council officers in discharging their role as Executive Directors of the Company;
- e) Notes that the Shareholders (member authorities) may nominate up to two Non-Executive Directors to serve on the Board of the Company;
- f) Notes that each of the six member authorities will be equal shareholders in the new Company and that the shareholder representative on the new company will be one elected member from each member authority drawn from the membership of the ESPO Management Committee; and
- g) Notes that the shareholder representatives (Elected Members) will be responsible for taking strategic decisions and agreeing the Annual Business Plan for the Company.

## **12. Receipt of Report of Local Government and Social Care Ombudsman**

Following a brief introduction by Councillor Jeff Morgan, Beate Wagner (Head of Children and Families) explained that the County Council had been following guidelines from the Fostering Network on the payment of allowances. Foster Parents are provided with a general allowance which they can control. Allowances in Warwickshire are above the national rate and it was considered appropriate that the cost of taking a child to school should be covered by that allowance. The complaint was made by foster parents who considered this not to be the case. The

complaint went through the normal County Council complaints procedure but with no resolution ended up with the Ombudsman.

Cabinet was informed that the decision made against the Council could have implications for the level of freedom the Council can give Foster Carers regarding the use of allowances. There will also be implications for the Council budget as further payments will almost certainly need to be made.

**Resolved**

That Cabinet approve the action plan, following the publication of the Report of the Local Government and Social Care Ombudsman on 11 October 2017, as outlined in paragraph 3 of the report.

**13. Any Urgent Items**

None

The meeting rose at 16.00.

.....  
Chair

## Cabinet

7 December 2017

### 2018/19 Refresh of the Medium Term Financial Plan 2020 Background Information and Proposals from Corporate Board

#### Recommendation

Cabinet are asked to

- (1) Put forward their draft 2018/19 Budget and refresh of the 2017-20 Medium Term Financial Plan, taking into account the information presented in this report and the views of Corporate Board on that information.
- (2) Authorise the Joint Managing Directors, the Strategic Director of People Group and the Chief Fire Officer to begin any preparatory work necessary to deliver the budget proposals, prior to the final decision on the budget on 6 February 2018.

#### 1. Introduction

- 1.1. In February 2017, Council agreed a One Organisational Plan (OOP) for the period 2017-20. The Plan is supported by a Medium Term Financial Plan (MTFP) that balances spending need and resources over the three year period. After taking into account the forecast levels of government funding, the key elements of this plan are:
  - An annual 1.99% increase in council tax plus an additional 2% adult social care levy each year
  - The delivery of £67 million savings.
  - Fully funding the expected cost of inflation
  - Using the medium term contingency to cover the timing differences between the expected cost increases and the delivery of savings.
- 1.2. On 7 September 2017 Cabinet agreed the timetable and actions for agreeing the 2018/19 budget in an effective and timely way. This required that any recommendations for refreshing the OOP 2020 Plan from Corporate Board are

consistent with the core purpose to 'ensure that the economy is vibrant and we can use the proceeds from that to ensure our most vulnerable residents are kept safe and that children and young people across the county have the opportunity to thrive and fulfil their potential'.

- 1.3. This report makes available, for Elected Members, the latest financial information that will underpin the 2018/19 refresh and the views of Corporate Board and the Head of Finance on that information. The financial refresh of the OOP 2020 Plan will, in effect, be the process that leads to the agreement of the budget and the setting of the 2018/19 council tax in February 2018. The information presented in this report is structured over the following areas:
- The financial context within which the budget will be agreed (section 2),
  - The proposed strategy adopted by Corporate Board (section 3),
  - The proposed funding allocations from Corporate Board and the resultant savings plan (sections 4 and 5),
  - The summary revenue budget position (section 6),
  - The adult social care medium term financial plan (section 7)
  - The extent of any flexibility for Members (sections 8 and 9),
  - The status of the capital programme (section 10) and
  - The requirements on the organisation to deliver a balanced budget (section 11).
- 1.4. The report will then go on to consider the timetable and next steps between now and when the final decision on the 2018/19 budget is made on 6 February 2018.

## **2. Context**

- 2.1. The tightness of the financial position and continuing austerity means the approach to setting the budget for 2018/19 remains unchanged. The focus has been on those areas where additional investment is considered unavoidable.
- 2.2. Outside of these areas, services will continue to need to absorb pressures by reprioritising work. Moreover, it is anticipated this will continue to be the norm for the foreseeable future. Similarly, any additional responsibilities not funded through the Local Government Finance Settlement will need to be considered against our current workload.
- 2.3. The principle of the adult social care 'bubble' has been retained assuming all increases in the demand/cost of adult social care services are managed within the level of additional income from the 2% levy on council tax and government grants, including the Improved Better Care Fund. The funding envelope for

adult social care and the resulting medium term financial plan are considered in more detail in Section 7.

- 2.4. For all the Authority's other services, when the budget was approved in February, the MTFP was balanced through to 2019/20 with £2.5 million each year available for allocation. Since that time the Government has clarified the levels of grant the authority will receive to compensate for the business rate reliefs announced as part of the Chancellor's last budget. Therefore, for all other services the amount of available resource to meet additional spending need in 2019/20 is now £3.6 million. These levels of funding are in addition to the £11.7 million for provision for inflationary pressures. The overall revenue position, excluding adult social care is detailed in Table 1 below.

<b>Table 1: Overall Predicted Council Revenue Position – All Services excluding Adult Social Care</b>				
		<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
<b>Resources</b>	Revenue Support Grant	(20.389)	(9.690)	-
	Other Grants	(31.375)	(28.350)	(27.661)
	Collection Fund surplus	(1.981)	-	-
	Reserves	(10.616)	(0.293)	-
	Business Rates	(61.443)	(63.370)	(65.076)
	Council tax	(142.860)	(150.659)	(157.966)
	<b>Total resources</b>	<b>(268.664)</b>	<b>(252.362)</b>	<b>(250.703)</b>
<b>Spending</b>	Base Budget	270.539	253.478	252.262
	Changes in responsibilities	(1.349)	-	-
	Inflation	4.979	5.664	6.048
	Identified spending pressures	21.392	1.134	0.536
	Approved savings plan	(26.897)	(10.414)	(11.758)
	<b>Total net spending</b>	<b>268.664</b>	<b>249.862</b>	<b>247.088</b>
	<b>Remaining resources</b>	<b>0</b>	<b>2.500</b>	<b>3.615</b>

- 2.5. Whilst we remain confident that our financial projections are robust, there are two uncertainties:
- The impact of the provisional Local Government Finance Settlement.
  - The impact of the National Living Wage, consequent changes to national pay scales and the potential removal of the public sector pay cap.

- 2.6. In addition to the available resources identified in the tables above, the authority has capacity in the region of £11.8 million within corporate reserves to support one-off projects or changes to phasing of the savings plan. This would retain the minimum in-year level of working capital and level of General Reserves required.

- 2.7. We will not know the level of Revenue Support Grant and other government grants until mid-December 2017 and the council tax and business rates taxbases will not be known until mid-January 2018.
- 2.8. The tightness of the funding available to support new allocations of up to £2.5 million in 2018/19 and provision for a further £3.6 million in 2019/20 means, other things being equal, there will continue to be a much greater degree of rationing in the allocation of resources.
- 2.9. Alongside the increasingly constrained resources it should be noted that by the end of 2017/18 we will have delivered about 50% of the OOP 2020 savings target. 50% remains to be delivered in the next two years. Successful delivery of these savings remains a significant financial risk for the authority, reinforcing the limited extent of any room for manoeuvre.

### **3. Budget Strategy**

- 3.1. As outlined above there is minimal headroom available to support new allocations in 2018/19. Alongside this, in the quarterly OOP Progress reports, Business Units are flagging up the difficulties of managing the on-going delivery of services within the current level of resources available to them. In response Corporate Board have adopted a structured approach to determining those specific service areas where the provision of additional funding cannot be avoided.
- 3.2. The budget strategy adopted has been:
  - The fundamentals of the OOP budget strategy remain unchanged. By the end of 2019/20 the budget will be balanced and sustainable into the future with no on-going spending need being funded from one-off resources without an approved exit strategy being in place.
  - Sustainable solutions will be found in respect of those services where structural overspends have emerged over the last two years.
  - A focus on Business Units dealing with and absorbing additional spending need within existing resources, using their reserves to manage any timing differences.
  - Any gap between our funding projections and the eventual financial settlement will be managed within reserves, predominantly the Medium

Term Contingency. This will ensure proposals for 2018/19 can be made with a degree of surety.

- 3.3. This means there is no financial capacity to fund any on-going new or different initiatives without identifying what will be stopped or cut to provide the necessary funding.
- 3.4. For ease of understanding and to ensure all the key issues are fully considered Section 4 considers all services except adult social care and Section 7 outlines the proposed refresh of the adult social care 'bubble' that will continue to develop alongside the negotiations with health over the allocation of the Better Care Fund and the emerging guidance from the Department of Health.

#### **4. Proposed Funding Allocations**

- 4.1. Corporate Board have been clear through budget monitoring that the priority for 2018/19 would be to ensure the long term financial sustainability of services and to continue to drive forward the implementation of the Council's transformation agenda. This position has not changed. The new demand for resources that is emerging is the impact of the National Living Wage, how it relates to our existing pay scales and the potential removal of the public sector pay cap.

#### **4.2. Inflationary Costs**

As part of the medium term financial planning framework Council agreed to continue to provide for inflationary costs but also requested that a mid-year review of the inflation assumptions within the MTFP was undertaken to ensure we were not over-providing for inflation in light of the continued historically low inflation rates. The provision for inflation in the MTFP approved in February is £5.7 million. This was based on the estimated cost of a 2% increase in pay, prices and contract costs partly offset by assuming more income on all fees and charges.

These figures have been reworked based on the latest approved budget and reflecting where specific increases in cost are known, e.g. the latest actuarial valuation of the Pension Fund. The latest figures show **2%** inflation will cost £5.4 million in 2018/19. A breakdown of this analysis is shown in Table 2.

Table 2: Cost of Inflation in 2018/19 (excluding adult social care)		
	£m	
Provision	5.7	
Less:		
• Pay	2.4	Includes impact of National Living Wage in 2018/19
• Prices/Contracts	4.3	
• Income	-2.0	
• Additional Firefighters Pay	0.2	Provision for the potential increase in the firefighters national pay offer from 2% to 3% in 2018/19
• LG Pension Scheme	0.5	Lump sum contribution to deficit
<b>Unallocated</b>	<b>0.3</b>	

This would leave £0.3 million of the MTFP provision for inflation unallocated. Each additional 1% pay award is estimated to cost £1.1 million (excluding adult social care, which would be a further £0.2 million). There is only capacity within the MTFP for 2018/19 to increase pay by a further 0.3% without reducing the funding set aside to meet spending pressures.

It is worth adding a caveat to these figures. Whilst the cost of inflation at 2% is manageable within the parameters of the MTFP in 2018/19 there is significant additional pay pressure likely to impact on the authority in 2019/20:

- **National Living Wage (NLW)** - The additional impact of the NLW in 2019/20 is expected to be £0.2 million. Also, if the NLW continues to increase for those at the lower end of the pay scale as expected, from April 2019 we will for the first time be faced with the need to deal with the impact of pay differentials as some supervisors will then be paid the same rate of pay as the people they supervise.
- **National Pay Spine**- The National Joint Council, which is the national local government pay negotiating body, is currently working on potential options for changes to the national pay spine to meet NLW obligations and deal with the impact on pay differentials. This work is not expected to be completed until early in 2019 but initial modelling suggests this may cost between £1 million and £2 million.

Depending on the inflation rate at the time and the underlying level of increase in basic pay in 2019/20 providing for these costs may exceed the 2019/20 inflation provision in the MTFP. Corporate Board are therefore proposing that any unallocated inflation provision in 2018/19 is retained corporately to provide additional capacity to deal with the expected increases in pay-related costs in 2019/20. Even with managing the inflation provision over two years it is likely that some of the funding set aside for pressures will need to be diverted to meet the cost of pay inflation in 2019/20.



In making this inflation allocation it is acknowledged that the allocation to Business Units for inflation is an approximate cost, recognising that some costs will increase above the standard rate and some below and that once the overall allocation has been agreed a Business Unit should have the opportunity to allocate the funding provided to reflect where inflation will impact at a local level.

#### **4.3. Proposed Permanent Budget Allocations**

Corporate Board have identified seven areas where they are proposing additional budget allocations to meet known spending pressures are needed. The magnitude of these pressures means this would use all of the available resources identified in the MTFP.

The specific proposals for 2018/19, totalling £1.720 million, are as follows:

- Waste management - £252,000
- Special educational needs and disability assessment - £599,000
- Child sexual exploitation, missing children and trafficking and LADO services - £214,000
- School transport for looked after children - £200,000
- Adoption service and the Regional Adoption Agency - £204,000
- Family Information Service - £102,000
- Information management including subject access requests - £149,000

**Appendix A** provides a summary and brief detail of those spending needs recommended for approval. It also lists those spending pressures put forward by services that are not supported by Corporate Board. Further detail on all of the proposals is available on request as background information.

#### **4.4. Fire and Rescue Service Savings**

The above allocations leave £0.780 million of the £2.500 million available for spending pressures unallocated. It is the view of Corporate Board that all of this funding should be used to reduce the savings target for the Fire and Rescue Service.

The Fire and Rescue Service savings target of £2.3 million by 2020 was predicated on benefitting from economies of scale as a result of joint working with neighbouring authorities. The reduction in the savings target is required because at the current time there are no meaningful discussions about large scale collaboration/merger that could deliver the required savings and ensure OOP 2020 remains in balance.

Allocating the remaining resource in this way would still leave the Fire and Rescue Service with a target to deliver £1.520 million savings by 2020. The

allocation would allow time for Corporate Board and the Service to work together to develop savings proposals for the balance of £1.520 million for Members to consider. The aim is to complete this work by Spring 2018 which will allow adequate time to shape proposals where necessary, ready for 2019/20 implementation. To help with this work we will bring in some dedicated capacity to provide independent support and analysis. This will be funded from within existing 2017/18 resources.

#### **4.5. Proposed Time-Limited Allocations**

In addition to the £2.500 million permanent budget allocations Corporate Board are also proposing further time-limited allocations of £9.237 million. This uses just over three quarters of the one-off funding available.

The specific proposals, totalling £9.237 million, are as follows:

- Waste management - £322,000 for 2018/19 only
- Public Health rephasing of savings plans – £2,188,000 in 2018/19
- HS2 - £235,000 in 2018/19 and £200,000 in 2019/20
- Skills for employment project extension - £300,000 for two years
- Family group conferencing - £146,000 for two years
- Backdated element of foster carers allowances for school transport for looked after children - £240,000 in 2018/19
- Specialist equipment for children with special educational needs and disabilities - £125,000 in 2018/19 only
- Regional Adoption Agency - £94,000 in 2019/20
- Priority families and family support - £425,000 for two years
- Children and Families rephasing of savings plans - £1,272,000 in 2018/19
- Provision for the 2018/19 impact of policy changes for transport costs of looked after children - £125,000 in 2018/19
- Digital First customer transformation programme - £2,500,000 over the next two years
- Early Years (Dedicated Schools Grant) - £194,000 in 2018/19

**Appendix B** provides a summary and brief detail of those time-limited spending needs recommended for approval. It also lists those time-limited spending pressures put forward by services that are not supported by Corporate Board. Further detail on all of the proposals is available on request as background information.

- 4.6. Supporting these allocations would use over three quarters of the available one-off resources for 2018/19 and 2019/20. However, there are a number of other emerging pressures on resources that may crystallise during 2018/19. These include the impact of rising interest rates on the cost of borrowing,

continuing growth of demand-led pressures in children's services, the timing of dividend payments from newly created local authority controlled companies and/or joint ventures, the financial impact of new accounting standards and statutory regulations currently out to consultation.

Until we better understand how these may impact and we have the capacity to accommodate them without undermining the sustainability of OOP 2020, Corporate Board strongly advise Members not to commit this resource to temporarily support the 2018/19 budget.

## 5. Savings Plans

- 5.1. As part of the 2018/19 refresh Heads of Service were also asked if they wanted to adjust their savings plans based on experience to date. To maintain the integrity of the OOP this had to be done within the following framework:
- The total level of savings to be delivered by a Business Unit by 2019/20 and in each individual year should remain unchanged.
  - Changes should only be proposed where a specific savings proposal is not expected to deliver the level of savings planned. In these circumstances an alternative of increasing the level of saving from another project or introducing a new saving proposal be brought forward for consideration.
- 5.2. This is consistent with the requirement, included as part of the budget resolution that *"where any savings proposal does not materialise to the degree shown, the Head of Service in conjunction with the relevant Strategic Director and Portfolio Holder, should identify alternative proposals to ensure the savings targets are delivered"*.
- 5.3. Those areas where changes to the level of the savings plan, either in total or in the phasing were considered in Sections 4. In addition to these changes Property Services and Customer Services have both requested minor wording changes to better explain how their savings targets are being delivered.
- 5.4. For Customer Services the change is to include the Customer Service Centre in the overall management restructure of the Business Unit. Property Services have requested to combine their proposals from the rationalisation of the Council's property estate to provide added flexibility over the order of disposals. These changes deliver the same level of savings in the same phasing. Corporate Board are supportive of these proposals.

## 6. Summary Revenue Position

- 6.1. Table 3 shows Table 1 updated for the proposals (excluding adult social care) outlined in this report. It shows all the available resources being used, with no headroom to make any additional allocations. It also confirms that the only time-limited resources being used to balance the budget in 2019/20 are to fund one-off spending need.

<b>Table 3: OOP Medium Term Financial Plan 2018/19 and 2019/20 incorporating proposals from Corporate Board (excluding adult social care)</b>		
	<b>2018/19 £m</b>	<b>2019/20 £m</b>
<b><u>Resources</u></b>		
Revenue Support Grant	(9.690)	-
Other Grants	(28.350)	(27.661)
Business Rates	(63.370)	(65.076)
Council tax	(150.659)	(157.966)
<b>Total resources</b>	<b>(252.362)</b>	<b>(250.703)</b>
<b><u>Spending</u></b>		
Base Budget	253.478	255.242
Inflation	5.664	6.048
Previously Approved Spending Pressures	1.409	0.530
Proposed Permanent Spending Allocations	1.720	-
Proposed One-off/time-limited funding allocations	4.612	1.165
Provision for new on-going allocations (headroom)	-	3.615
Savings plan	(6.859)	(14.732)
<b>Total spending</b>	<b>260.024</b>	<b>251.868</b>
<b>Shortfall</b>	<b>7.662</b>	<b>1.165</b>
Use of reserves to balance the MTFP	(7.662)	(1.165)
<b>Shortfall/(surplus) after savings</b>	<b>-</b>	<b>-</b>

## 7. Adult Social Care

- 7.1. With the principle of the adult social care “bubble” in place the approach to the refresh is slightly different from other services. The amount of money available is known (an estimated additional £27.1 million over the next two years). The 2017/18 medium term financial plan for adult social care set out the intended use of the funding known at the time and the July Cabinet report has added to this the use of the additional funding for social care announced by central government in March.

- 7.2. Therefore the focus of the 2018/19 refresh has been the proposed amendments to these plans, verifying the pressures and savings 2018/19 and

the proposed use of the additional funding and in doing so ensuring the proposals support the vision of greater integration between health and social care. In doing so, the demands and pressures on the service have been reviewed to consider the extent that they warrant the continuation of the policy of levying the additional 2% Council Tax levy each year.

7.3. Table 3 below sets out our latest revenue resource forecasts. The figures show that, assuming all planned savings are delivered and the level of resources expected does not change, the authority will have an additional £27.1 million to fund increases in the demand/cost of adult social care over the next two years.

<b>Table 3: Overall Predicted Council Revenue Position – Adult Social Care</b>				
		2017/18 £m	2018/19 £m	2019/20 £m
<b>Resources</b>	Grants (inc. Improved Better Care Fund)	(23.179)	(24.039)	(25.778)
	Council tax – 2% adult social care levy	(9.638)	(14.861)	(20.378)
	Council tax – fixed main element	(103.676)	(102.876)	(102.876)
	<b>Total resources</b>	<b>(136.493)</b>	<b>(141.776)</b>	<b>(149.032)</b>
<b>Spending</b>	Base Budget	122.169	133.098	140.622
	Changes in responsibilities	1.349	-	-
	Identified spending pressures (including inflation)	18.038	-	-
	Approved savings plan	(5.063)	(5.487)	(4.561)
	<b>Total net spending</b>	<b>136.493</b>	<b>127.611</b>	<b>136.061</b>
	<b>Remaining resources</b>	<b>0</b>	<b>14.165</b>	<b>12.971</b>

7.4. The proposed plan, attached at **Appendix D**, aims to set out how to best commit resources to activity in order to make the most of the resources available. It sets out the proposed high level spending plan which is categorised as follows:

- Inflation related expenditure – £11.711 million in line with Corporate assumptions.
- Demand led expenditure - £7.053 million based on latest statistics including an additional £1.0 million for demand in Deprivation of Liberty Safeguards.
- Supplementary iBCF plans - £3.166 million funded from Improved Better Care Fund grant.
- Reduction in savings plan - £5.206 million based on latest projections

7.5. Because adult social care is containing all plans within its own financial envelope, resources can be used to mitigate high risk savings plans, for example those related to community capacity building. In addition, savings

made can be utilised to address pressures and demands. Any reduction in savings reduces the ability to invest or address demand pressures.

- 7.6. The plans for the Supplementary iBCF have been agreed with Health colleagues and were reported to the Health and Wellbeing Board on 11 September 2017. The planned use of the iBCF funding includes the reduction of high risk savings targets.

## **8. Flexibility in the Budget – On-going**

- 8.1. The on-going flexibility in the budget arises from three potential sources:
- The increase in the local taxbase
  - Varying the level of council tax increase
  - Identification of further savings and/or reductions in spending on services.

### **8.2. Increase in the Local Taxbase**

The MTFP, as currently approved, requires 1,500 additional houses in Warwickshire (band D equivalents) each year to remain in balance. Every additional 250 increases in household numbers above this could generate an additional £0.3 million revenue funding. The Council's current policy is that any growth in the taxbase above that needed to finance the MTFP would be used to increase the funding available in the Capital Investment Fund. This report has been prepared on the basis of this policy continuing. We will not have final confirmation of the likely increase in the taxbase and therefore any potential additional funding available until mid-January 2018.

### **8.3. Varying the Level of Council Tax**

Within the revenue resource forecasts there is only one element of an on-going resource where a decision is needed by Elected Members – the annual council tax rise. Council tax is the biggest source of income the authority receives. Table 4 below shows the increased level of savings that would have to be delivered if the annual 1.99% increase included as part of the financing of OOP 2020 were varied.

<b>Table 4: Additional savings required at varying council tax levels</b>	<b>£m</b>
0% increase for 2 years	+10.4
1% increase for 2 years	+5.2
1.99% in 2018/19 and 0.0% in 2019/20	+5.3

In deciding the increase in the council tax in 2018/19 Elected Members need to consider the council tax referendum threshold. The threshold at which a

referendum on the council tax increase will be triggered has not been formally announced for 2018/19 and beyond. The figures in Table 4 assume the indicative maximum 1.99% increase previously announced remains. The cost of holding a referendum on a council tax increase above this threshold level is estimated to be about £1 million. This cost would have to be factored into the budget, even if a referendum were unsuccessful.

There has been some discussion nationally about additional flexibility to raise council tax above these levels specifically for the Fire and Rescue Service in much the same way as we are able to levy the additional 2% council tax for adult social care. If this flexibility is included as part of the Local Government Finance Settlement it will be reported to Members as part of the 2018/19 budget update paper to Cabinet in January. In advance of any Government announcement Members should not assume any such flexibility in preparing their draft budget proposals.

#### **8.4. Increased Investment/Deletion of Savings proposals by a Political Group**

The proposed allocations outlined above use all of the available on-going resources currently known. If a Political Group wish to make any allocations in addition to these or delete an existing savings proposal (see Section 5) then a specific alternative saving will need to be identified and/or an alternative plan for funding any of the issues identified in paragraph 4.3 brought forward at the same time. Only once this has been identified will an implementation plan for delivering the extra saving be developed by the Head of Service in conjunction with the relevant Strategic Director and Portfolio Holder/Spokesperson.

When making decisions about savings Members are reminded of the need to comply with equality duties and that any replacement proposals may require consultation and an equality impact assessment before they can be implemented.

## 9. Flexibility in the Budget – One-off

- 9.1. Our reserves, based on the Quarter 2 OOP Progress report are forecast to be £125.2 million at the end of 2017/18. A breakdown of the forecast level of reserves is shown in Table 5.

Reserve	Current Forecast At March 2018 £m	Planned use in 2018/19 £m	Planned use in 2019/20 £m	Forecast as at March 2020 £m
General Reserves	21.3	-	-	21.3
Medium Term Contingency	14.0	(7.7)	(1.2)	5.1
Insurance Fund	8.4	-	-	8.4
Redundancy Fund	12.4	-	-	12.4
Earmarked – Schools/DSG	18.7	-	-	18.7
Earmarked – Non-Schools	19.7	-	-	19.7
Service Savings	30.7	-	-	30.7
<b>Total</b>	<b>125.2</b>	<b>(7.7)</b>	<b>(1.2)</b>	<b>116.3</b>

- 9.2. The following paragraphs provided a brief commentary on each type of reserve highlighting where there is any flexibility in using some of these funds to support the financial refresh of OOP 2020.

### 9.3. General Reserves

Legislation requires that the Head of Finance make an annual statement on the adequacy of general reserves and provisions. The risk assessment for 2017/18 confirmed that the minimum level of general reserves it was prudent to retain was £18.5 million. General reserves are currently forecast to be £21.3 million by the end of 2017/18.

The risk assessment for 2018/19 will be formally updated and reported to Cabinet in January. There is nothing to suggest that the level of financial risk facing the authority has materially decreased. If anything the increasingly difficult decisions to deliver the required level of savings experienced and the use of reserves to delay/defer delivery means the underlying level of financial risk is increasing. Consequently, whilst there is currently £2.8 million in General Reserves that could be released to support the budget, no commitments should be made until the risk assessment for 2018/19 has been completed and the financial impact of the emerging financial pressures outlined in paragraph 4.6 crystallise.



#### **9.4. Medium Term Contingency**

This reserve was created in 2012/13 to manage any phasing/timing difficulties with the delivery of the current and future savings plans. The Medium Term Contingency is now forecast to be £14.0 million by the end of 2017/18. The proposals outlined in this paper require the use of £8.9 million of reserves. When this is added to the £5 million minimum level of working capital required and will be needed for any difficulties in the delivery of savings in the next two years, this leaves £0.1 million potentially available to support one-off investment to deliver long term sustainability of services. This effectively means there are no available one-off resources remaining for use as part of the 2018/19 budget proposals.

#### **9.5. Insurance Fund**

The £8.4 million in the Insurance Fund is the amount set aside to meet our insurance liabilities either in areas where we self-insure (such as IT equipment) or to meet any policy excesses. This resource is not available to support the budget.

#### **9.6. Provision for Redundancy Costs**

The Provision for Redundancy Costs is funding set aside to meet the one-off costs of reducing the number of employees as a consequence of delivering the savings plan i.e. redundancy payments and/or pension strain. From 2017/18 onwards it is expected that the level of the reserve will reduce on an annual basis. Without the reserve additional savings would need to be identified each year to fund any potential redundancy costs.

#### **9.7. Schools Reserves**

The £15.7 million in school reserves is money belonging to schools and cannot be used to support the County Council's budget.

#### **9.8. Earmarked (Non School) Reserves**

Earmarked Reserves are created where a Business Unit holds funding for a specific purpose. The current forecast of £18.0 million cannot be used to support the budget more widely; £8.5 million is set aside for statutory purposes or to fund existing Member decisions such as the government grant for the priority families' initiative and funding for speed awareness to be spent in partnership with Warwickshire Police. The remaining £9.5 million is set aside for specific investment projects.

#### **9.9. Service Savings**

This is funding accumulated by Business Units from previous years underspends. Of the £30.7 million forecast to be in these reserves, nearly 40% is held by the Social Care and Support and Strategic Commissioning Business Units. These service savings have been set aside by Business Units to

support transformation and as contingencies against delays in the delivery of their savings plans. The ability to carry forward reasonable underspends supports effective financial management across the authority and reinforces the responsibility for financial accountability. Corporate Board propose that none of this funding is used to directly support the budget but that the role of Strategic Directors, in ensuring any funding held covers service-based risks and that plans for the use of the reserve in accordance with the organisation's priorities are in place for the resource to be retained, is reiterated.

Holding these service reserves to cover financial risks in this way also reduces the level of funding needed to be held corporately to manage the financial risks facing the organisation, particularly around social care.

- 9.10. A final decision about whether there are any reserves over and above those outlined in this report available to support the budget cannot be made until after the Quarter 3 budget monitoring information is available and the outcome of the Local Government Finance Settlement is known. This information will be formally reported to Cabinet in January along with the 2018/19 risk assessment of the minimum level of General Reserves. No one-off funding, outside of that identified in this report should be used to support the budget at this stage.

## **10. Status of the Capital Programme**

- 10.1. The 2017/18 budget saw the introduction of an integrated Capital Strategy for the period of OOP 2020. This strategy put in place a long term maintenance programme for the authority, with all other capital resources being allocated to a Capital Investment Fund (CIF). The evaluation criteria and process for all bids for capital resources seeking support was approved by Members in March 2017. This ensures a focus for the allocation of capital resources on the delivery of OOP 2020.
- 10.2. As part of the 2017/18 budget Members also approved the use of any growth in the tax base above that needed to finance the MTFP would be used to fund the financing costs of extra borrowing. For 2017/18 this equated to additional borrowing (and capital spend) of £28.5 million.
- 10.3. The MTFP, as currently approved, requires 1,500 additional houses in Warwickshire (band D equivalents) each year to remain in balance. Every additional 250 increases in household numbers above this could increase the funding available in the Capital Investment Fund by just under £4 million as a result of generating an additional £0.3 million revenue funding.

- 10.4. This report proposes no changes to the capital programme and assumes the retention of the approach put in place for 2017/18 is retained.
- 10.5. Separately the Government is currently consulting on the required content for an authority's capital strategy. If these changes are implemented for 2018/19 in line with current plans this will require additional technical content to be included as an addendum to the capital strategy and for the updated strategy to be approved as part of the 2018/19 budget. This will not impact on Member's previous decisions on how capital resources are raised and used. Any additional requirements will be reported to Cabinet as part of the budget update report in January.

## **11. The Need for a Balanced Budget**

- 11.1. In putting forward their proposals Members are reminded that local authorities are required by law to have a balanced budget. However what is meant by 'balanced' is not defined in law. A prudent definition of a sustainable balanced budget is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term.
- 11.2. To avoid an unbalanced budget the Local Authority has to be financially resilient. Setting a clear medium-term financial plan helps clarify expected income and expenditure. Accurate awareness of the funding available in the forthcoming years means the Council stands a better chance of balancing the budget. Reserves are a useful option for balancing the budget in the short-term. However, reserves should not be used to pay for day-to-day expenditure and it is important that they are replaced when the short-term need has passed. Therefore, the financial plan needs to be fully balanced over the remaining two years of the OOP 2020 Plan. This means by 2019/20 the budget needs to be balanced on an ongoing basis, with no ongoing spending funded from one off resources.
- 11.3. If the budget is unbalanced then the Chief Finance Officer, supported by Corporate Board will have to consider issuing a Section 114 notice. Such a notice is only given in the gravest of circumstances, as during that time spending and other financial activity is suspended and the External Auditors and the Department for Communities and Local Government (DCLG) may then have to take over the running of the Authority.

## 12. Timescales and Next Steps

12.1. The Local Government Finance Settlement is expected to be announced before the end of December. The impact of this announcement will be reported to Members at Cabinet in January, at the latest. Council will then make the final decision on the 2018/19 budget at their meeting on 6 February 2018.

12.2. The proposed timetable is shown below.

Approach to Agreeing the 2018/19 Budget	
Date	Report
7 December	Report to Cabinet from Corporate Board on their budget proposals
20 December	Cabinet release their initial response to the proposals from Corporate Board
December and January	Political Groups develop their response to the proposals based on the information provided in the December Cabinet report and the Cabinet's response
25 January	Report to Cabinet outlining final information to be used in setting the budget. Cabinet release the Conservative Group's 2018/19 budget resolution(s)
31 January	Opposition Groups release any amendments to the Conservative Group's proposals
2 February	Comparison of budget resolutions released
6 February	Council agree 2018/19 budget and council tax

## 13. Background Papers

13.1. The submissions from services outlining their additional funding needs.

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Elected Members have not been consulted in the preparation of this report.

## 2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
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Allocations Supported

Community Services	Waste Management - an allocation to mitigate the direct impact of housing growth and contract inflation	252	2,550 new homes have been built in the last year which has resulted in an extra 2,728 tonnes of waste material per annum having to be processed.  In addition, costs have increased as a result of inflation on disposal contracts, statutory recycling credits and statutory landfill taxes which are greater than the 2017/18 budgeted inflation allowance.
Education and Learning	SENDAR - budget pressures	599	The Special Educational Needs and Disability Assessment and Review (SENDAR) team budget has been propped up by the SEND Implementation Grant and resources set aside by the Head of Service to meet future years' savings. The SEND Grant has also funded commissioned statutory work, such as Information, Advice and Support and Education Psychology assessments. From April 2018, current funding levels cannot be maintained due to future saving plans and the ending of the SEND Grant. Assuming the same expenditure in 2018/19, this presents a resource gap of £0.413m and to maintain existing commissions of statutory work currently funded through the SEND Grant £0.186m is required.

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
Children and Families	Child Sexual Exploitation, Missing Children and Trafficking Team and Local Authority Designated Officer (LADO) Service	214	<p><b>Child Sexual Exploitation:</b> Funding for missing children's teams has previously come from underspends in Social Work teams. As the Social Work teams now require their full staffing quotient, this way of funding the current 3.5 FTE Missing Children Practitioners is no longer available as there has been a resulting financial pressure to be addressed from 1st April 2017. Note that the current 3.5 FTE are currently on temporary contracts. In recognition of the need to identify a more sustainable funding source providing the service funding of £0.167 million will allow the service to appoint permanent MCPs and to meet our statutory requirement for all children who go missing to receive a Return Home Interview, this statutory requirement was not being met</p> <p><b>Local Authority Designated Officer (LADO):</b> The LADO is responsible in accordance with statutory guidance for overseeing the management of allegations against adults who work in a position of trust with children. This includes allegations against staff or volunteers who work in statutory, voluntary or independent sector organisations in Warwickshire. The Ofsted Inspection of children services in May 2017 found that designated officer arrangements for the management of allegations against professionals are insufficiently robust, and, as a result, interventions have not always been timely. In order to appropriately respond to Ofsted's inspection and for the service to meet statutory responsibilities and operational demands, the current establishment is insufficient. Additional funding of £0.047 million will be used to fund additional staffing resources to meet demand and OFSTED requirements/recommendations.</p>

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
Children and Families	School Transport for Looked After Children	200	<p>There is an ongoing pressure on the school transport budget for Children Looked After which is part of wider transport issues across the County Council where WCC has not been able to reduce expenditure. The ongoing pressure relates to an original transport savings target from 2014 that has not been achievable. £0.6 million was addressed through alternative savings plans. However this has not been able to address an additional pressure on this budget of £0.2 million which has remained as an overspend into 2017/18.</p>
Children and Families	Adoption Service and the development of the Regional Adoption Agency (ACE)	204	<p>The hard to place grant received from Central Government has over the last 3 years enabled LAs to claim back fees for the purchase of adoption placements for children from other LAs, this came to an end on 31 March 2017. This means that WCC now has to fund placements for these children where we are unable to recruit our own adopters within reasonable timescales for children with specific and complex needs, this is further compounded by the failure to achieve the budgeted total income from selling of inter-agency placements.</p> <p>There is therefore a recurring estimated shortfall of £0.204 million until spend activity changes as a result of the planned efficiencies that the ACE will bring and a reduction in the number of net placements made outside of the ACE.</p>

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
Customer Service	Family Information Service (FIS)	102	The children and families – a vision for the future model in the OOP 2020 savings plan document illustrates that making the savings relies on easy access to information advice and signposting. The aim is that if families can access accurate and up to date information at the earliest opportunity this will prevent the needs of the family from escalating, and thus the need to access more expensive specialised services. Therefore, there is a reliance on the FIS service to deliver cost effective early intervention, in order to deliver this there is a requirement to increase the capacity of the FIS team by 3.5 FTE at an annual cost of £0.102 million.
IT Services	Information Management - Subject Access Requests	149	<p>The Information Governance (IG) team in Information Assets provide support to Children &amp; Families processing subject access request (SARs) for all teams except Adoption.</p> <p>Based on the savings in social worker, administrator and care manager's time and cost, it is recommended that the funding for IG resources continues in order to meet Data Protection legislation and the Information Commissioner's requirements.</p> <p>Allocating this resource will also help the IG team in preparations for the major requirements under the General Data Protection Regulations in that it will free up resources to ensure we meet these requirements.</p>
Fire and Rescue	Provision pending decisions on the level of savings to be delivered by the Fire and Rescue Service	780	
<b>Permanent Allocations Agreed</b>		<b>2,500</b>	



2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
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Allocations Not Supported

Community Services	Waste Management - budget pressures	71	Allocations in excess of current levels of structural overspend. Rejected as assumes a level of growth in the future.
Education and Learning	SENDAR budget pressures	434	A further £0.434m was requested to increase SENDAR to staffing levels required to meet statutory requirements, however, Corporate Board decided this element relates to the expansion of the service
Public Health	Drugs and Alcohol Service	400	Drugs and Alcohol is our biggest OOP2020 savings target at £1.3m. Public Health savings have been used to reinvest in high need areas either recurrently or as one off investments. Failure to deliver would require us to consider alternative savings in other areas which in turn would compromise the imperative to meet our mandated requirement. Strategic outcomes remain the same but the market may not deliver a viable service based on the current levels of reduction proposed in OOP2020.  Rejected as request to permanently reduce savings target.

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
Children and Families	Annual Health Charge for the cost of Medical Advice relating to adoption & Special Guardianship Orders (SGOs) Health Assessment	83	<p>Local Authorities have a statutory duty to seek health information in relation to adoptive parents and the matches between adoptive parents and children. The most recent advice by the Department of Health and NHS England is that CCGs have a right to require the Local Authority to fund certain activities that were previously funded by the CCGs. Our local CCGs are now exercising that right, creating this cost pressure. WCC has contested this unsuccessfully.</p> <p>Rejected as reciprocal changes to the services WCC funds which are nominally health spend should offset this</p>
Children and Families	The Children's Social Work Act 2017 – Extension of Duties to Care Leavers	281	<p>The Children's Social Work Act 2017 requires the Local Authority to provide a Personal Advisor service for Care Leavers up to the age of 25 years. This is a new requirement; previously this service was available up to the age of 21 years. This service must also to be provided to Unaccompanied Asylum Seeking Children &amp; Young People.</p> <p>Rejected as we are anticipating New Burdens funding which, when received, will be allocated to the service</p>

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
Customer Service	Sunday Opening at the Hub Libraries (Leamington, Nuneaton and Rugby) and maintain current opening hours at Whitnash and Lillington libraries	83	<p>To retain Sunday opening at the hub libraries beyond 31st March 2018 and not implement the saving plan agreed as part of the 2014-18 OOP that has been deferred for two years through the allocation of one-off funding. In addition, to retain current opening hours at Whitnash and Lillington libraries after Warwick District Council informed us of their intention to withdraw one stop shop service delivery and staffing from these libraries.</p> <p>Rejected but left on the list for Members to consider in view of their previous decision on Sunday opening.</p>
Permanent Allocations Rejected		1,352	

## 2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation Time-limited Funding

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Allocations Supported				
Community Services	Waste Management Budget Pressures	322	0	<p>At the beginning of 2017/18, Rugby BC resolved to start charging its residents for the collection of green waste at the kerbside. The result is that more of the material is entering the general waste stream and therefore putting extra pressure on our disposal costs.</p> <p>In addition, we are now no longer able to put their residual waste through Coventry Energy from Waste facility and have been forced to divert all of their material to landfill. The increased green waste takes our waste over the permitted NOx level within their site permit. This has greatly increased our costs by £0.322 million.</p> <p>We are seeking a permanent resolution to this issue in 2018/19.</p>
Education & Learning	Quality of Early Years Education and Family Support Workers	194	0	<p>Funding to improve the quality of early years education and continue the work of family support workers pending review in 2018/19.</p>

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Public Health	Rephasing of savings plans*	2,188	0	<p>As a result of the budget reductions between 2015/16 to 2017/18 and the election delays between October 2016 and June 2017 Public Health have an underlying OOP2020 savings deficit of £1.463 million that will be added to the 2018/19 savings target of £2.188 million.</p> <p>Together, in 2018/19 these would result in an unachievable saving for Public Health of £3.651 million.</p> <p>Due to the need to meet the outstanding savings from 2015/16 – 2017/18 in 2018/19, it is requested that the OOP 2020 2018/19 additional savings target of £2.188 million is re-phased into 2019/20.</p>
Transport and Economy	HS2 Phase 1 delivery & Phase 2b Hybrid Bill	235	200	<p>HS2 Phase 1 is now an Act of Parliament and requires WCC to engage and discharge a number of additional statutory duties, some of which will be recoverable via an Service Level Agreement with HS2. The recoverable funds from HS2 will not cover all costs of supporting all of the council services and communities affected by HS2. This is because the petitioning and community support elements are excluded by HS2 as recoverable costs. The funding will provide the necessary revenue resource to develop mitigation plans that fully recognise the value of the country parks as community assets and revenue generating services of the council.</p> <p>Additional cost will also be incurred through the engagement with North Warwickshire communities to support them during their experience of the Phase 2b Hybrid Bill and appearance at the Select Committees in Parliament</p>

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Transport and Economy	Skills for Employment Project Extension	300	300	<p>The time-limited funding allocated in the 2014/15 Budget Resolution to establish and implement the Skills for Employment Programme finishes in 2017/18. A residual £350,000 is held in reserves to enable funding of on-going commitments that the programme has entered into (predominantly to take advantage of leveraging external funding from the European Social Fund). As such, the Skills for Employment Programme resources will be fully committed by the end of 2017/18, and no further new investments or interventions would be possible.</p> <p>A two year extension to the programme would ensure continuity of the valuable investments that are being made to support schools &amp; colleges on employability skills and careers advice; develop a strategic approach to supporting skills solutions and career routeways for young people in our priority sectors; and enable us to create a joint long-term plan for this agenda on the back of the new National Careers Strategy, evolution of the Careers &amp; Enterprise Company, and any potential devolved or external funding streams.</p>
Children and Families	Family Group Conferencing	146	146	<p>The need is to develop the Family Group Conferencing service by funding a further 3 x Family Group Conference co-ordinators at a cost of £48.7k each pa including on costs.</p> <p>Evaluation of the Smart Start project demonstrated a reduction in CLA giving a financial return greater than the investment made. This request seeks to develop and do more to increase the benefits and to reduce further the number of Children Looked After. The intention is to widen the age range and cover the whole of the County.</p> <p>Two years funding only, after that to be funded from savings.</p>

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Children and Families	School Transport for Looked After Children	240	0	The Local Government Ombudsman has found the Local Authority is acting unlawfully in the way it is remunerating our Foster Carers for school transport for children who are eligible for free school transport and has determined that in future all entitled children aged 4 years to 16 years should receive school transport and that transport costs should not be met from Foster Carer allowances. The Local Authority has agreed to back-date any requests to 2015 where Foster Carers feel they are out of pocket as a result of school transporting, this backdated element is expected to cost £0.240 million.
Children and Families	Specialist Equipment For Children with Special Educational Needs and Disabilities (SEND)	125	0	<p>There has been an increase both in volume and spend for non-stock equipment, more expensive non-standard equipment is being used to support an increased number of children with complex needs living in the community.</p> <p>An increase in population and an ongoing potential increase of families moving into the area will mean an increase in children with significant disability requiring specialist equipment. Equipment enables children and young people with SEND to remain at home and to access local education and health services. This then in turn prevents increased costs associated with alternative care.</p> <p>A one-off allocation has been made pending further work being carried out to improve understanding of the cost drivers that have resulted in increases to expenditure and to assess whether this is likely to be an ongoing pressure or represents a one-off change in patterns.</p>

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Children and Families	Adoption Service and the development of the Regional Adoption Agency (ACE)	0	94	<p>There is a national mandate to become part of a Regional Adoption Agency and Warwickshire County Council will be the host for Adoption Central England (ACE) for Warwickshire, Coventry, Solihull and Worcestershire. It has been agreed that all partners will work together to bringing the unit cost towards the current WCC levels from Year 2 of operation. Based on current RAA modelling as agreed with partners, the arising pressure of the higher unit costs for WCC in Year 2 is estimated to be an additional £0.094 million.</p> <p>It is anticipated that the budget pressures will be reduced by 2020/21, by evolving to a successful practice of placing more children within the ACE region thereby reducing the payment of inter-agency fees and by a reduction in overall unit costs across the Agency.</p>
Children and Families	Priority Families and Family Support	425	425	<p>The county council funding element of the Priority Families scheme will be withdrawn at the end of 2017/18. Nationally the government is committed to March 2020. Without a further budget commitment from the County Council, Priority Families would only be able to afford to fund Early Help Officer support and four Family Support Workers by 19/20. However reduced capacity would also have an impact on our ability to achieve the level of Payment by Results that we are currently claiming for evidencing the 'turnaround' of families.</p> <p>Even with the commitment of the Council to continue the current £0.425m funding for the last 2 years of programme, there would still need to be substantial reductions in the service delivery costs in the final year. There will be a degree of mitigation through the work of the 0-5 redesign project.</p>



Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Children and Families	Rephasing of savings plans*	1,272	0	<p><b>Children's Centres:</b> A commitment has been made to avoid disrupting the 2 Help Offer and to continue this to July 2018. This also provides time and capacity to evaluate options arising as a result of the consultation. As a result the savings have been re-profiled on the assumption that the planned implementation moves out 4 months to July 2017. This will involve negotiations with providers to try to mitigate costs of up to £0.093 million per month where this is possible.</p> <p><b>Children Looked After Placements:</b> It has taken a longer lead-in time for the in-house fostering recruitment campaign to gain traction, therefore we are using a higher number of external fostering placements and fewer in-house placements than anticipated. This is currently being mitigated by a lower use of residential care as the highest cost placements than budgeted for.</p>
Corporate	Provision for the potential additional cost of school transport payments to foster carers	125	0	<p>The Local Government Ombudsman has found the Local Authority is acting unlawfully in the way it is remunerating our Foster Carers for school transport for children who are eligible for free school transport and has determined that in future all entitled children aged 4 years to 16 years should receive school transport and that transport costs should not be met from Foster Carer allowances. A provision for funding in 2018/19 only has been made, pending a decision on the Council's policy going forward.</p>

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Corporate	Digital First Customer Transformation Programme	2,500	0	<p>The expectations around digital access and ease of doing things online has increased and will continue to do so at pace. Councils face dealing with huge volumes of data and the need to continue to make investment in technology to help pinpoint people who need support, to improve outcomes for customers and facilitate better service delivery.</p> <p>The WCC Transformation Programme has a dedicated work stream: Digital First, which seeks to deliver further improvements in service redesign using digital capabilities. Our Digital First Transformation Programme is not just about putting things on line, it is about transforming our service offer around the needs of the customer. We will continue to transform the way we work to be more efficient, commercial and innovative in how we deliver our services. Our digital first programme will focus emphasis on saving money and improving the customer experience.</p> <p>The programme will ensure digital inclusion is given equal importance; digital Inclusion, those customers who are vulnerable and unable to access services on line are not disadvantaged.</p>
	In-year Time-limited Allocations Agreed	8,072	1,165	
	Total Time-limited Funding Allocated		9,237	

\*Rephasings of savings plans are shown as a reduction in the savings plan rather than as time limited allocations on the budget report

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
<b>Allocations Not Supported</b>				
Community Services	Timebanking In Warwickshire	45	45	<p>£0.090 million requested to deliver a two year pilot 'Time Banking' Project. Time Banks are community based initiatives, which provide a means of exchange, whereby units of time act as the currency. This proposal relates to establishing a time bank, using the approach advocated and supported by Time bank UK. This can support the growth of the volunteering economy within Warwickshire, as a part of the Community Capacity Transformation Programme. Whilst there is widespread support for the establishment of a Time bank within Warwickshire, there is currently no resource available to deliver.</p> <p>This has been rejected as categorised as not an essential service.</p>
Transport and Economy	Skills for Employment Project Extension	200	200	Agreed to revert back to previous arrangements only hence £0.2 million rejected.
Children and Families	Priority Families and Family Support	300	300	<p>Family and Parenting service is currently funded by a variety of sources, approximately 75% of which are time limited or subject to annual review. – county council funding withdrawn at end of 2017/18. Within this, £0.3m is a time limited budget which currently supports the costs of 12 x 0-5 Family Support Workers and is due to cease at the end of 2017/18.</p> <p>Continued funding for the Family Support Workers for a further 2 years would have an enabling impact on the delivery of the new Family Hub model under the 0-5 redesign. Otherwise a number of staff contracts would end at the same time as the 0-5 redesign is being implemented.</p> <p>Rejected as funding was originally for transition per Government scheme ending in 2017/18.</p>
<b>Time-limited Funding Requests Rejected</b>		<b>545</b>	<b>545</b>	

2018/19 Budget Refresh - Proposals for Corporate Board for the Savings Plan  
(excluding adult social care)

Appendix C

Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	<b>Community Services Business Unit</b>		
CG-CS-06	Youth Justice Service - a service redesign focussed on reactive court ordered activity with a reduction in staffing and management costs as a result	0	222
CG-CS-11	Community Services Management - a reduction in the funding for training, legal costs and projects and a reduction in management posts consistent with the redesign of the Business Unit	206	206
CG-CS-12	Trading Standards - implementation of a service redesign focussed on generic roles for trading standards officers and a 'one team' approach removing specialisms, partially offset by additional investment in intelligence to aid assessment and resilience, as a result there will be a reduction in staffing and management costs. Activity that delivers internet safety for vulnerable people will be protected	203	203
CG-CS-13	Waste Management - a reduction waste tonnage to landfill, an increase in trade waste and third party income, an increase in recycling and a change in the allocation of recycling credits for green waste and food waste	36	679
CG-CS-14	Communities Resources - a reduction in activity and staffing to focus on statutory activity such as freedom of information requests and information governance matters.	22	43
CG-CS-15	Heritage and Culture - a refocus of services on the Market Hall Museum, the County Records office and income generation	280	360
	<b>Total for Community Services</b>	<b>747</b>	<b>1,713</b>

2018/19 Budget Refresh - Proposals for Corporate Board for the Savings Plan  
(excluding adult social care)

Appendix C

Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	<b>Education and Learning Business Unit</b>		
CG-EL-03	Attendance, Compliance & Enforcement Service (ACE): Reduce the number of cases that require intervention, effective use of funding from the priority families programme, increase trading with academy schools outside Warwickshire and reductions in the service	139	139
CG-EL-05	Reduction in management and administration and the removal of the funding set aside for school-based projects that arise during the year.	110	110
CG-EL-06	Restructure of the school improvement and early years quality improvement functions and the post-16 team to reflect the approach to school-led improvement approach and policy outlined in the Education for All Bill.	101	101
CG-EL-07	Access and Organisation; a reduction in planning costs, the removal of funding for vacant sites and removing the provision for the set-up costs of new schools	35	70
CG-EL-08	Stop funding redundancy costs for schools and only provide for existing commitments	100	221
CG-EL-09	Reduction in the Home to School Transport Budget.	320	1,648
	<b>Total for Education and Learning</b>	<b>805</b>	<b>2,289</b>

2018/19 Budget Refresh - Proposals for Corporate Board for the Savings Plan  
(excluding adult social care)

Appendix C

Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	<b>Public Health Business Unit</b>		
CG-PH-02	Drugs and Alcohol - a reduction in costs, prioritised through a redesign and recommissioning process	0	923
CG-PH-03	Healthwatch - re-tendering and redesign of the service to allow greater use of different channels, of volunteers and alignment with other similar agencies	0	45
CG-PH-04	Dietetics - retain the acute provision and move community provision towards the preventative approach with access criteria and lower priority requirements accessed through other community provision.	0	200
CG-PH-05	Reduce staffing and overheads across the Business Unit	0	200
CG-PH-06	Smoking Cessation - redesign services to accommodate the changes in how the public are choosing to quit smoking	0	100
CG-PH-07	Health Visitors and Family Nurse Practitioners - reduction in costs, prioritised through a redesign and recommissioning process	0	735
CG-PH-08	Advocacy - retendering and redesign of the service, combining the two advocacy approaches into one (see proposed saving from Healthwatch)	0	85
	<b>Total for Public Health</b>	<b>0</b>	<b>2,288</b>
	<b>Transport and Economy Business Unit</b>		
CG-TE-03	Increased income as a result of pricing changes in Design Services, bringing our charges in line with the sector norm.	50	100
CG-TE-06	Generate income by an increase in the fees payable for licences and permits, including skips, scaffold, street café licenses and vehicular access requests.	5	10
CG-TE-07	Increase income targets to reflect current activity levels from Section 184 and Minor Works, Section 38 Agreements and pre application advice for highways.	10	20
CG-TE-09	Increase parking income as a result of re-tendering for the Civil Parking Enforcement operation, increased residential parking permits and on-street parking charges	44	88

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Appendix C

Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
CG-TE-10	Increased income from the permit scheme for working on the highway as a result of systems development efficiencies and a more targeted site inspection regime will ensure compliance with permit scheme approvals.	85	250
CG-TE-14	Commissioning of the cycle training service to an external provider.	5	5
CG-TE-15	Energy savings as a result of the capital investment into LED technology within our street lighting stock.	400	700
CG-TE-16	Increased income from the current portfolio of business centres as a result of sustained higher levels of occupancy and through proactive measures to improve service quality to enable increased rents in line with market conditions.	20	50
CG-TE-17	Increased income and surplus from County Fleet Maintenance following the installation of an MOT test facility at the new Hawkes Point site.	25	50
CG-TE-18	Develop the market for pre application advice, with the introduction of the pre-application charges in Flood Risk	20	20
CG-TE-19	Generate new income from the implementation and operation of a highway permit scheme for Solihull MBC. The County Council currently manages a similar permit scheme for Coventry City Council.	25	50
CG-TE-20	Winter gritting route optimisation as a result of rationalising depots to a single south depot.	0	25
CG-TE-21	Reduction in depot maintenance costs as a result of rationalising depots to a single south depot.	0	75
CG-TE-22	Increased income by the introduction of a new charging schedule for parking permits, including a consideration of a business parking permit scheme.	0	698
CG-TE-23	Increased income by developing portfolio of business centres, creating new units in areas of demand to support local economic growth and generate a positive financial return to the Council	0	80
<b>Total for Transport &amp; Economy Business Unit</b>		<b>689</b>	<b>2,221</b>

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Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	<b>Children and Families Business Unit</b>		
PG-CF-01	Reductions, savings and efficiencies in the operation of the Business Unit including a refocus of council-led parenting training, efficiency savings from the establishment of a regional adoption agency and fully integrating the Priority Families team into the management and operational structures of the Business Unit	149	209
PG-CF-04	Delivery of a reduction in the need for children to become or remain looked after in Warwickshire	1,592	4,792
PG-CF-05 & CF-OOP 14-18	Children's Centres - a redesign of the service to reflect targeting support on those with greatest need	748	1,120
PG-CF-06	Changes to the placement mix of Children Looked After and improved management of placements, including building on best practice to improve the numbers of women that go on to successfully parent or make a positive choice not to have further children and delivery of a specialist single placement fostercare scheme	140	860
PG-CF-07	Savings in the commissioning of services including a reduction in external residential placement costs through a move to more collaborative provision and the development of a framework agreement to reduce the cost of psychological assessments	215	215
PG-CF-08	Increase the income generated from traded services including new income generation opportunities within the CAMHS contract	110	160
CF-OOP14-18	Children's Centres	0	0
PG-PPA-06	Reduction in the funding allocated to provide training for the Adults and Children's Safeguarding Boards	40	40
PG-PPA-07	Integration of the support services provided to the Adult and Children's Safeguarding Boards	31	31
	<b>Total for Children and Families</b>	<b>3,025</b>	<b>7,427</b>



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Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	<b>Strategic Commissioning Business Unit</b>		
PG-SCOM-01	Reduction in the Housing Related Support Programme through a further redesign of the service to ensure support is provided to the most vulnerable, supporting individuals to become more independent and self-sufficient. Review of contracts with a view to reducing costs/services, including decommissioning some specialist services and re-modelling and recommissioning generic housing related support services.	0	400
PG-SCOM-04	Reduce and reshape the staffing structure within the Business Unit and a reduction in programme and management support	49	171
PG-SCOM-05	All Age Disabilities - commission only statutory advocacy services and redesign appointee services	49	49
PG-SCOM-06	Integration of existing commissioning functions into a single commissioning service and generation of an income stream through joint commissioning with and on behalf of partner organisations	125	150
PG-PPA-04	Reduction in historic pension costs that will decline naturally over time	12	24
PG-PPA-05	Reduction in the contingency and projects budget of the Business Unit and the delivery of a rationalised Head of Service structure once the redesign and transformation work has been delivered.	22	204
PG-PPA-08	Rationalisation of the system supporting the Local Authority Designated Officer function with the main social care ICT systems to enable a saving in licensing costs and reductions in Google licence costs	4	24
PG-PPA-09	Redesign of the support function for Care Records ICT Systems	65	65
PG-PPA-10	Reduction in business redesign and collaboration functions and funding for service specific learning and development activity	0	66
	<b>Total for Strategic Commissioning</b>	<b>326</b>	<b>1,153</b>

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Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	<b>Customer Services Business Unit</b>		
RG-CS-02	Increase income from the Registration Service	10	45
RG-CS-05	Reduction in Library and One Stop Shop and Customer Service Centre management and support staff consistent with the restructure and redesign of these services	0	90
	<b>Total for Customer Services</b>	<b>10</b>	<b>135</b>
	<b>Finance Business Unit</b>		
RG-FIN-04	The service will reduce the number of staff it employs to support both service managers and Elected Members for budget setting, quarterly financial monitoring and final accounts, by focussing more on training and on-line support and redesigning services to improve the "financial literacy" of the organisation.	35	40
RG-FIN-05	The service will reduce the need for current staffing capacity by focussing on greater use of standardised processing of transactions, less manual intervention and exploring the benefits of a broader transactional service across the organisation.	30	120
	<b>Total for Finance</b>	<b>65</b>	<b>160</b>

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Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	<b>Human Resources Business Unit</b>		
RG-HR-05	Workforce Strategy and Organisational Development Service - Redesign the service reducing management and team capacity; streamlining learning and development processes with the HR Service Centre and reducing spend on corporately funded learning.	27	76
RG-HR-06	Implement a new HR and payroll system to replace HRMS and restructure the HR Service Centre. This will include the review of charges for all external customers	0	229
RG-HR-07	The purchase of the new HR and payroll system will provide an alternative learning management and e-learning option resulting in the decommissioning of WILMA and a reduction in the current licence costs.	0	31
RG-HR-08	Employee welfare - Review the employee welfare service, including seeking a more cost effective provider of staff care and a reduction of support to managers in health and safety and well-being.	48	48
	<b>Total for Human Resources</b>	<b>75</b>	<b>384</b>

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Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	<b>IT Services Business Unit</b>		
RG-IA-10	Savings in the costs associated with the management of the Information Assets Service. This includes options to rationalise the management structure associated with the refocused operational activity and a more commissioning style structure. It also includes an option to offer staff alternative working arrangements such as reduced hours.	58	123
RG-IA-11	Reduction in the costs associated with the management and support of the ICT Infrastructure equipment that is used to deliver our ICT systems and related facilities. This includes savings associated with the introduction of a new modern telephony service, further contract benefits and adoption of a capital approach for some projects/products.	110	210
RG-IA-12	Reduction in the funding associated with the provision of ICT Help Desk and Support Services, and a further reduction in the volume and costs of the personal computing facilities provided to staff and elected members.	145	285
RG-IA-13	Savings in the staffing budget for the Strategy, Programme and Information Team as Project and Programme management support capacity is reduced as part of the general reduction in size of the Council.	50	150
	<b>Total for IT Services</b>	<b>363</b>	<b>768</b>
	<b>Law and Governance Business Unit</b>		
RG-LG-02	Internal Audit - Savings achieved through streamlining processes and restructure of service	20	20
RG-LG-03	Increased surplus from external legal work - combination of reducing operating costs, increasing utilisation and delivering more external hours to external customers at increased hourly rates.	29	63
	<b>Total for Law and Governance</b>	<b>49</b>	<b>83</b>

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Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	<b>Performance Business Unit</b>		
RG-PE-03	Reduction in management and operational capacity through streamlining processes and redesigning the service.	45	90
RG-PE-04	Reduction in software tools and procured data sets which are used to provide insight and intelligence in support of transformation and service delivery for the Council.	10	20
	<b>Total for Performance</b>	<b>55</b>	<b>110</b>
	<b>Property Services Business Unit</b>		
RG-PA-03	Reduction in the Council's borrowing costs as a result of using capital receipts from the sale of land and buildings (both urban sites and smallholdings) to reduce long term debt	500	1,140
RG-PA-04	Reductions in WCC's landlord maintenance budget commensurate with the reduction in property holdings	50	100
	<b>Total for Property Services</b>	<b>550</b>	<b>1,240</b>
	<b>Fire and Rescue</b>		
	Alternative savings to be identified	0	1,520
	<b>Total for Fire and Rescue</b>	<b>0</b>	<b>1,520</b>

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Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	Other Services		
OS-OS-03	Management restructure	100	100
	Total for Other Services	100	100
	CUMULATIVE TOTAL	6,859	21,591
	IN-YEAR TOTAL	6,859	14,732

# Adult Social Care Proposed Medium Term Financial Plan 2018/19 to 2019/20

## 1 Introduction

- 1.1 The purpose of this report is to detail the proposed adult social care medium term financial plan (MTFP) for 2018/19 to 2019/20 following a refresh of the original plan set for 2017/18. The report is set within the context of the adult social care (ASC) service managing within its own financial envelope.
- 1.2 The 2017/18 MTFP for adult social care set out the intended use of the funding known at the time and the July 2017 Cabinet report added to this the use of the additional funding for social care announced by central government in March.
- 1.3 The focus of the 2018/19 refresh has included updating the overall financial envelope for updated information; a verification of pressures and savings; a review of the proposed use of the additional funding; and ensuring that proposals support the vision of greater integration between health and social care. In doing so, the demands and pressures on the service have been reviewed to confirm that they warrant the continuation of the policy of levying the additional 2% Council Tax levy for ASC each year.

## 2 Financial Planning Assumptions

- 2.1 The adult social care budget is set within the following parameters:
  - There will be no additional funding for ASC from general council tax above the level in place when the ability to levy the additional 2% for ASC was introduced.
  - The ASC council tax precept is passported to the service in full.
  - Ring-fenced grants are passported to the service in full.
  - Savings targets within ASC contribute towards the creation of resources to cover adult social care related budget pressures.

### 3 Available Resources

- 3.1 Table 1 details the total resources forecast to be available for ASC over the remaining two years of OOP 2020. The figures assume a 2% levy in each year of the plan and also include the agreed Better Care Fund values for 2018/19 and assumed values for 2019/20.

	2018/19 £m	2019/20 £m
2017/18 Resources	136.943	
Fall-out of one-off funding allocated in 2017/18	(3.395)	
<b>Base Budget</b>	<b>133.098</b>	<b>141.776</b>
Extra Income from 2% ASC levy	5.223	5.517
Additional Better Care Fund Allocation	3.514	1.794
Other government grant changes	(0.059)	(0.055)
<b>Total Available Resources</b>	<b>141.776</b>	<b>149.032</b>

- 3.2 These resources need to be spent on ASC and in some cases the Council is required to certify this by completion of a return to Government, but there are no more detailed conditions or restraints on the use of the resources than that.

### 4 Integration with Health

- 4.1 Integration with health is built into the MTFP, due to the inclusion of the Better Care Fund (BCF), Improved Better Care Fund (iBCF), and Supplementary Improved Better Care Fund (SiBCF) resources. The various components of the BCF are detailed in Table 2.

	2017/18 £m	2018/19 £m	2019/20 £m
BCF <i>(2017/18 figure is the BCF assumed when the budget was set in February 2017)</i>	11.588	12.742	12.742
iBCF	-	4.340	9.305
Supplementary iBCF	8.300	6.320	3.149
<b>Total BCF</b>	<b>19.888</b>	<b>23.402</b>	<b>25.196</b>

- 4.2 The proposals contained within the MTFP for the use of the BCF, iBCF and SiBCF have been agreed with health colleagues and signed off already by Members through Cabinet and the Health and Wellbeing Board. The



submission to the Department of Health, on 11 September 2017, commits the Council to these plans and, therefore they have been incorporated into the MTFP, as agreed with partners.

- 4.3 In addition to this, the other areas of commitment are part of aligned goals with health about supporting people to remain independent and in the community and building resilience to prevent hospital admission.

## 5 Budget Principles

- 5.1 This proposed plan aims to set out the recommendations from Corporate Board on how to best commit resources to activity in order to make the most of the resources available. In order to do this, the plan is guided by the following principles:
- Commitments can relate to any activity that delivers ASC services.
  - Commitments can relate to services that support or facilitate the delivery of ASC services. This is important to ensure that supporting or facilitative services do not become limiting factors in the delivery or transformation of ASC. However, the spending base upon which demand pressures are calculated is the more direct spending, and the emphasis therefore needs to be more towards more direct spending.
  - Spending patterns do not have to perpetuate existing spending patterns. New investment provides the opportunity to expedite the modernisation of spending patterns.
  - Investments may occur in services that are being reduced by savings targets at the same time. This is not contradictory, rather it reflects the complex position that many activities can impact on the same service at the same time.
  - Included in the plan are funds set aside to reflect as yet unforeseen recurring commitments. This provides a facility to respond when needed and to support further transformation activity.

## 6 Spending Allocations

- 6.1 **Annex A** sets out the proposed high level spending plan for the use of the resources in Table 1. This is summarised in Table 3 below. Because adult social care is containing all plans within its own financial envelope, where the level of other pressures allows, resources can be used to mitigate high risk savings plans.

Table 3: Proposed Adult Social Care Spending Allocations		
	2018/19 £m	2019/20 £m
Base Budget (from Table 1)	133.098	141.776
Inflationary Pressures	5.976	5.735
Demand Led Pressures	4.264	2.901
Other Spending Pressures	(0.268)	0.156
Additional iBCF Commitments	1.308	0.704
<b>Total Spending Need</b>	<b>144.378</b>	<b>151.272</b>
Less Available Resources (from Table 1)	(141.776)	(149.032)
<b>Shortfall/(Surplus) Resources</b>	<b>2.602</b>	<b>2.240</b>
<b>Required Savings Plan</b>	<b>(2.602)</b>	<b>(2.240)</b>

6.2 The plans for the iBCF that have been agreed with Health colleagues include the reduction of high risk savings targets. Table 3 above and Annex A show commitments against the iBCF only for the areas which create additional spending. The elements which reduce savings plans have resulted in the adjustments are detailed in Section 7 and **Annex B**.

6.3 **Annex C** provides a full reconciliation of how all the iBCF and SiBCF resources are being used. This is summarised in the table below:

Table 4: iBCF and SiBCF Spending Commitments			
	2017/18 £m	2018/19 £m	2019/20 £m
Stabilising the Market	3.185	3.170	3.170
Protecting Social Care	1.872	3.127	4.167
Reducing Pressure on the NHS	1.920	2.465	2.265
Transformation Programme	0.250	0.500	0.800
Additional Support including redesign of 'Front Door' and Fire & Rescue Capability	1.073	1.398	0.757
<b>Total Commitments</b>	<b>8.300</b>	<b>10.660</b>	<b>11.159</b>

## 7 Savings Plans

7.1 Balancing the level of resources to the additional spending needs in ASC outlined above requires the delivery of £2.602 million of savings in 2018/19, increasing to £4.842 million by 2019/120. These levels of savings are significantly lower than those approved as part of the OOP 2020 savings plans in February 2017.

- 7.2 **Annex B** outlines the proposed ASC savings plan through to 2020 and identifies those elements where changes are being proposed. As mentioned in Section 6, the majority of the changes are reductions which are possible due to the increased funding for social care provided through the SiBCF. This has enabled the reduction of the most challenging plans.
- 7.3 Additional reductions are proposed to adjust for savings which are either contrary to the transformation model, or which are likely to result in greater pressures if delivered. These issues have been identified as the transformation model has been clarified.
- 7.4 The largest additional savings reductions are:
- The removal of the saving from reductions in disability short breaks (PG-SCS-04). The removal of this savings plan will help to support people to stay with their families and reduce the likelihood of carer breakdown.
  - The removal of the saving from national living wage (NLW) implementation management (PG-SCS-15). Inflation pressures are factored in within the pressures detailed in Annex A of this report, and therefore to simplify planning, the spending envelope reflects the latest thinking on what providers will need to manage changes to staff wages. This also sets out a more positive message to the market.
  - The removal of day opportunities savings (PG-SCS-19). Daycare has already been halved over the last 5 years, and the scope to redesign and improve the day opportunity offer has been identified, research into the outcomes met by daycare has shown that it is largely used for day respite for carers, and therefore reductions of this size are likely to cause larger pressures due to carer breakdown. This would be contrary to the transformation model.
- 7.5 The remaining list of savings is then focused on key initiatives which will support the transformation of social care.

## **8 Financial Risks and Reserves**

- 8.1 The key financial risks facing ASC have been identified as:
- Shortfalls or slippage in the delivery of savings plans.
  - Cost transfers from health service initiatives not matched by funding transfers.
  - Costs driven by strategies or activity in other sectors (eg CHC strategies by health partners)

- New burdens not matched with new resources, e.g Care Act Funding Reform.
- Difficulty in managing NLW changes and clarifications in application (e.g. if there needs to be 6 years back pay for sleeping night workers) and price inflation pressures.
- Difficulty in managing demand/demography pressures.
- Uneven allocation of funding resulting in some functions becoming a limiting factor. This could occur between different front line services or between front line and support services.

8.2 On the converse side, there may be a risk of inefficient planning or an unnecessary slowing of pace caused by overfunding. Where a service has spent significant time planning savings in order to create a balanced budget, followed by other agents making decisions to support the service with more money in the belief that it is in a critical situation (such as the BCF or one off grants).

8.3 Social Care and Support and Strategic Commissioning Business Units are currently forecast to have reserves of £8.319 million reserves relating to ASC.

8.4 These reserves provide the ability to support investment to deliver the longer term savings plans, and some cushion against one-off slippage in savings plans and well as enabling the service to remain financially balanced should any of the above risks materialise. The reserves also provide a buffer to manage any emerging pressures in the service.

8.5 It is therefore expected that ASC should be able to deliver a balanced budget throughout the OOP 2020 Plan period without requiring additional resources to be allocated and/or redirected from elsewhere across the organisation.

## **9 ASC Levy/Precept**

9.1 The current plan assumes a 2% increase in each year of the Medium Term Financial Plan. This equates to broadly £5m each year.

9.2 Local Authorities are allowed to increase the ASC levy by 6% between 2017/18 and 2019/20 but cannot go above 2% in 2019/20. If the levy is not applied (or is less than 2%) in 2018/19, it cannot be compensated for in 2019/20. The maximum options available are therefore 2% and 2% or 2% and 1% (in 2018/19 and 2019/20 respectively).

- 9.3 The spending plan in Annex A outlines in detail the expected pressures facing ASC. The inflationary pressures and the demand pressures are particularly significant in nature and the levy is critical to the Council in terms of addressing these. The removal of the levy, or a reduced levy would be likely to result in a financial deficit as these inflationary pressures and demand pressures manifest.
- 9.4 Although there are ASC reserves in place, it is not advised that these are utilised in place of the ASC levy. A permanent increase in the council tax taxbase secures in the long-term a higher income from council tax. Demographic predictions suggest that this is required. As noted earlier in the report, the ASC reserves are well placed to address unforeseen pressures and provide necessary investment to deliver required savings in the future.

## **10 Summary**

- 10.1 A balanced budget has been set for 2017/18 for adult social care but this has been made possible by the allocation of additional resources by Government and through Member's approving the additional 2% council tax levy for a second year.
- 10.2 There remain significant risks but the proposals outlined in this plan would provide a robust basis for delivering a balanced ASC MTFP through to 2020.

## Proposed Adult Social Care Spending Allocations

	2018/19 £'000	2019/20 £'000
<b>Inflationary Costs</b>		
Pay awards	524	1,057
Income inflation (primarily from charging)	(593)	(1,198)
Price inflation - general	70	140
Price / NLW inflation - Care at Home	1,440	2,821
Price / NLW inflation - Residential Care	2,456	4,811
Price / NLW inflation - Nursing Care	206	403
Price / NLW inflation - Other care	1,881	3,685
Sleeping Nights Cover (in addition to iBCF funding)	300	300
Inflation Contingency	(308)	(308)
<b>Inflation Sub Total</b>	<b>5,976</b>	<b>11,711</b>
<b>Demand Costs</b>		
Demand pressure - older people/older people mental health	1,455	2,535
Demand pressure - physical disabilities	80	178
Demand pressure - learning disabilities	2,028	3,753
Demand pressure - mental health	1	-
Deprivation of Liberty Standards	600	600
Integrated Community Equipment Services	100	100
<b>Demand Sub Total</b>	<b>4,264</b>	<b>7,166</b>
<b>Budget Pressures</b>		
Mosaic/Abacus development		
One Off Costs in 2017/18 dropping out - Investment Fund	(1,245)	(1,245)
Contingency - recurring	27	36
Organisational development	400	400
Community Capacity	(100)	(200)
Whole life disability service remodel	300	300
Disability Provider issues	350	450
Young Carers caring for adults	-	61
Mosaic Development - business analyst resource	-	86
<b>Pressure Sub-total</b>	<b>(268)</b>	<b>(112)</b>
<b>Additional iBCF Spending</b>		
Investment in market stability	(15)	(15)
Reducing pressure on the NHS	545	345
Protecting adult social Care	778	387
Currently unallocated	1,154	2,449
<b>iBCF Sub-total</b>	<b>2,462</b>	<b>3,166</b>
<b>Total</b>	<b>12,434</b>	<b>21,931</b>

## Adult Social Care Savings Plan - Proposed Changes

		Current Savings Plan		Changes		Proposed Savings Plan	
		2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000
PG-SCS-04	Redesign contract arrangements for short breaks for people with disabilities, ensuring more consistent use of residential respite	332	723	(332)	(723)	0	0
PG-SCS-06	Ensure the personal budget offer is consistent and appropriate to need, including the use of the Resource Allocation System	524	802	(172)	(302)	352	500
PG-SCS-07	Increased reliance on mainstream transport solutions to enable customers to access the services they need	165	408	0	0	165	408
PG-SCS-11	Service redesign for Social Care and Support teams (except Reablement - separate savings plan), reshaping the workforce to meet the future model of adult social care	550	1,189	(550)	(639)	0	550
PG-SCS-15	Management of the National Living Wage and inflation impacts through the development of a revised commissioning approach	1,100	1,100	(1,100)	(1,100)	0	0
PG-SCS-16	Use alternative 24 hour care options e.g. extra care housing and supported living	669	1,294	0	0	669	1,294
PG-SCS-17	Develop and shape community alternatives and improve social capital to reduce demand on statutory social care services	960	1,980	0	(780)	960	1,200
PG-SCS-18	Alternative solutions for low level needs for home care e.g. assistive technology, information, advice and community resources	416	830	0	(230)	416	600
PG-SCS-19	Consideration of alternatives to day opportunities	701	1,402	(701)	(1,402)	0	0
PG-SCS-20	Remodel direct payment employment support services	0	150	0	0	0	150
PG-SCS-21	Reshaping the information and advice contract aimed at supporting people to return home safely from hospital	0	100	0	0	0	100
PG-PPA-06	Reduction in the funding allocated to provide training for the Adults and Children's Safeguarding Boards	40	40	0	0	40	40
PG-PPA-07	Integration of the support services provided to the Adult and Children's Safeguarding Boards	30	30	(30)	(30)	0	0
	<b>Total for Social Care and Support</b>	<b>5,487</b>	<b>10,048</b>	<b>(2,885)</b>	<b>(5,206)</b>	<b>2,602</b>	<b>4,842</b>

## Proposed Use of the Improved Better Care Fund

	2017/18 £'000	2018/19 £'000	2019/20 £'000
<b>Stabilising the Market</b>			
Residential and nursing care fee rates	1,000	1,000	1,000
Home care fee rates	400	400	400
Workforce Development Training Arm - Operating Costs	215	215	215
Workforce Development Training Arm - Provider Bursary	300	400	400
Extra Care Housing Waking Nights Cover	350	455	455
Sleeping Nights Cover	920	700	700
<b>Total - Stabilising the Market</b>	<b>3,185</b>	<b>3,170</b>	<b>3,170</b>
<b>Protecting Social Care</b>			
Support to Carers - set up a 5 area model of carer support covering the whole county delivering and co-ordinating care support, training, peer support, etc.	100	100	100
Protecting older people community care budgets	693	1,734	2,735
Services to support dementia in the community	215	215	215
Care Management Capacity	539	550	639
Cost transfers from housing related support - Reductions in housing related support budgets have resulted in the identification of the meeting of adult social care needs which will have to continue to be met.	158	278	478
Social Worker capacity	167	250	0
<b>Total - Protecting Social Care</b>	<b>1,872</b>	<b>3,127</b>	<b>4,167</b>



## Proposed Use of the Improved Better Care Fund

	2017/18 £'000	2018/19 £'000	2019/20 £'000
<b>Reducing Pressure on the NHS</b>			
Rapid Response Support Team - to assist with avoiding preventable hospital admissions for a cared for individual that is living in their own home	300	465	465
Managing flow in and out of acute settings - purchase of packages of care with the specific purpose of facilitating discharge and avoiding admission to hospital.	575	350	350
Expanded brokerage and associated administration capacity to also extend service to cover acute/community and CHC.	100	200	200
OT and Physiotherapy Capacity - to support need in the short term and promote independence in the longer term.	200	400	200
Replacement care for carer breaks	200	250	250
Residential Respite Care Charging Policy	125	250	250
End of Life - Improving provider skills to support customers with end of life care, preventing hospital admission	70	200	200
Delayed Transfers of Care - supporting process improvements and data around the DTOC pathways	100	100	100
A&E on call worker - enabling late discharge from A&E by providing on call support to get people home out of hours, and supporting them until mainstream support can take over	100	100	100
Enhancing Social Prescribing	150	150	150
<b>Total - Reducing Pressure on the NHS</b>	<b>1,920</b>	<b>2,465</b>	<b>2,265</b>
<b>Transformation programme</b>			
Community capacity investment - increase the level of targeted investment in community capacity e.g. personalisation, micro enterprises, etc.	0	200	500
Market Sustainability (short term) - to support enhanced payments to market to ensure flow of provision during critical points in the year e.g. winter pressures.	200	0	0
Advocacy Support Capacity	50	100	100
Direct Payments Infrastructure	0	200	200
<b>Total - Transformation Programme</b>	<b>250</b>	<b>500</b>	<b>800</b>

## Proposed Use of the Improved Better Care Fund

	2017/18 £'000	2018/19 £'000	2019/20 £'000
<b>Additional Support</b>			
Redesign of OT (front door) - significant redesign of the 'Front Door' modelling e.g.; redesign of customer contact centre/website redesign including Directory/self assessment and emarket development.	316	641	0
Fire and Rescue Capability - in respect of: emergency medical response, slips trips and falls prevention, telecare rapid response support, home assessments hospital discharge.	207	207	207
Communications support	40	40	40
Support service support - commissioning, finance and programme management	250	250	250
Contingency - % sum of funding held for any penalty payment relating to DTOC.	260	260	260
<b>Total - Additional Support</b>	<b>1,073</b>	<b>1,398</b>	<b>757</b>
<b>Total Commitments</b>	<b>8,300</b>	<b>10,660</b>	<b>11,159</b>

## Cabinet

7 December 2017

### Warwick District Libraries and the Future of Sunday Opening in Libraries

#### Recommendations

That Cabinet

- 1) Authorises the Joint Managing Director (Resources) to relocate Whitnash Library to the new Hub Facility to be managed by the Whitnash Town Council at Acre Close in Whitnash on terms and conditions which are acceptable to him.
- 2) Subject to approving recommendation 1, Cabinet recommends to Council that £150,000 of the capital receipt from the sale of the current library be invested in a new library facility at the Whitnash Hub facility at Acre Close, Whitnash.
- 3) Notes the position regarding opening hours at Whitnash and Lillington libraries and Sunday opening at Leamington, Nuneaton and Rugby libraries.

#### 1. Review of One Stop Shops by Warwick District Council

- 1.1 Warwick District Council (WDC) and Warwickshire County Council (WCC) work in partnership to deliver a "One Stop Shop (OSS)" Service across five sites in the District, at Riverside House, Leamington Spa; Shire Hall, Warwick; Kenilworth Library; Whitnash Library and Lillington Library. This joint working arrangement has been in place since 2005.
- 1.2 WDC have undertaken a review of these One Stop Shops, approved by WDC Executive on 8 February 2017. The recommendation of the review report was to change the approach to service delivery at these sites. Final agreement to the proposals will be sought from WDC Executive in March 2018.

#### 2. Warwick District Council Proposals

- 2.1 The District Council is proposing the following:
  - To withdraw WDC OSS staff and services from Lillington and Whitnash Libraries
  - To withdraw WDC OSS staff and services at Shire Hall from 1 pm on Saturdays
  - To continue to deliver a face-to-face service at Kenilworth Library, Shire Hall and Riverside House

- To implement self-service technology at Riverside House, Kenilworth Library and Shire Hall to access WDC services in line with their digital agenda
- 2.2 With respect to timelines WDC will take their final report to its Executive Committee in March 2018. If accepted, the District Council will implement its proposals during June next year.
  - 2.3 WCC will continue to manage the remaining services and staff on behalf of WDC.
  - 2.4 The withdrawal of the WDC OSS service and staff from Lillington and Whitnash Libraries will result in a reduction in opening hours from 32 hours to 22 hours at Lillington Library (this includes 2 hours one-off funding from Leamington Town Council ) and from 25 hours to 15 hours at Whitnash Library. The funding for Lillington Library from the Leamington Town Council to open an additional two hours per week is for a year. With reduced staffing there will no longer be any face-to-face delivery of WDC or WCC one stop shop services at these sites. Maintaining the current hours would cost £13,000 per annum for each library.
  - 2.5 The reduction in service at Shire Hall on Saturday afternoons from 1pm will mean there will no longer be face-to-face delivery of WDC or WCC one stop shop services from this time - a reduction of 3 hours. The level of customer demand for one stop shop services on Saturday afternoons is low.
  - 2.6 At the two remaining WCC sites (Shire Hall and Kenilworth Library,) the current layout will need to be assessed to see if it can accommodate installation of self-service technology and investment by WDC may be needed to accommodate this. Further detail is awaited on the type of technology being considered, whether it can also deliver WCC Services and whether any additional staffing resource is required to manage the use of technology by the public.

### 3. Whitnash Community Hub

- 3.1 Whitnash Town Council is currently based in Whitnash Library. In January 2019, the Town Council will move to a newly built Whitnash Community Hub. Warwick District Council has invested £0.5m in the Hub.
- 3.2 There is an opportunity to relocate Whitnash Library to the new Whitnash Community Hub when it is built and open to the public in January 2019. This option is based on the current offer from Whitnash Town Council (WTC), costs, benefits, assumptions and timescales as set out in detail below:

<b>Capital Costs</b>	<p>A capped contribution of £150,000 will be invested to cover build costs at the Hub for the new library accommodation of 85 sq m (which would include library space and a workroom). This is based on a cost of £1,765 per sq m including fees, risk and contingency. This capital cost will be funded from the sale of the existing Whitnash Library.</p> <p>An additional source of capital will be needed to cover the removal and fit out costs at the new location. This will be funded using the Customer Experience Capital Fund.</p>
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<p><b>Revenue Costs</b></p>	<p>Occupation at the Hub would be on the basis of a long leasehold interest. WCC's assumption is that this will be for a term of 99 years to reflect the significant capital investment. WTC has indicated that the rent payable under the lease will be a peppercorn to reflect the initial capital investment.</p> <p>WTC has provided an estimate of running costs for the new building of £55 per sq m. Based on a total library area of 85 sq m this equates to £4,675 per annum. A breakdown of the costs has not been obtained and further clarity will be required to confirm what is included within this figure. WCC's assumption is that running costs should not exceed the current costs at Franklin Road which are £13,000 per annum.</p> <p>WTC has stated that there will be no additional costs payable by the Library Service for access to and use of shared and communal areas within the Hub.</p>
<p><b>Benefits</b></p>	<p>Moving to the new Hub enables WCC to relocate the library to a multi-use building allowing for integration with a wider range of services and the opportunity of increased footfall.</p> <p>Occupation within a multi-use building offers the possibility of shared staffing arrangements and management by WTC outside the opening hours. This would be advantageous in light of the WDC proposals to withdraw OSS staff and services from Franklin Road and the re-location of WTC staff to the new Hub.</p>
<p><b>Assumptions</b></p>	<p>WCC's recommendation is based upon a capital investment of £150,000 which is to be capped. This figure is based on a realistic estimate of value of the current library site.</p> <p>The lease terms will need to be sufficiently flexible to enable WCC to manage future changes in Library Service delivery, for example a transfer of services to partner organisations or the creation of a community managed library.</p> <p>Although the library accommodation at the Hub will be a significant reduced in space in comparison to Franklin Road, WTC has agreed that the Library Service will have priority use of shared areas within the building and full access to communal facilities as required.</p> <p>At this stage only outline lease terms have been discussed and detailed Heads of Terms will need to be agreed and approved if the relocation is to proceed.</p>

<b>Timescales</b>	<p>WTC has appointed architects and building surveyors to progress the project design and build and this does not currently include the library service accommodation.</p> <p>The project is on a very tight schedule to submit a full planning application by the end of the year or soon after.</p> <p>In order to commit to relocate to the Hub a summary of final requirements and the basis for funding of works will need to be agreed as a matter of urgency.</p>
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#### **4. Sunday Opening at the Hub Libraries (Rugby, Leamington and Nuneaton)**

4.1 As part of the One Organisational Plan 2014-18 for Customer Service, the Library Service was required to make progress against a range of specific savings. These savings included:

- CS-D/G/J - Improve the effectiveness of the whole library network. A saving of £100,000 for the Library service.

4.2 £54,000 of this saving was to be achieved by the withdrawal of the Sunday Library Service which is delivered at the three main hub libraries of Rugby, Leamington and Nuneaton. The withdrawal of Sunday opening hours would enable enhanced payments and salary reductions to be offered as a saving.

4.3 A public consultation was carried out in the period January to March 2016 to gauge public reaction and feed into the final decision making process. The results of the survey were presented to Overview and Scrutiny in June 2016

4.4 During the budget setting process of February 2016 Council granted the service a one-off budget enhancement of £108,000 to allow the 3 libraries to remain open on Sundays for a further two years. This one-off funding ends on 31 March 2018.

4.5 Without a source of permanent funding to retain Sunday opening beyond 31 March 2018 the Service will be seeking permission following public consultation to withdraw Sunday opening from 1 April 2018. Otherwise, funding to retain Sunday opening will need to be considered as part of the 2018/19 budget discussions.

#### **Background Papers**

None

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## Cabinet

7 December 2017

### Local Authority Multi-Academy Trusts

#### Recommendation

That Cabinet notes the renewed emphasis on Warwickshire's 'Family of Schools' <sup>1</sup> rather than establishing a Local Authority Multi-Academy Trust at this time.

#### 1.0 Context

- 1.1 Following publication of the Government's 'Education Excellence Everywhere' White Paper in March 2016, Council officers considered the implications of a fully academised system both in terms of school standards and trading with schools. **Appendix 1** shows the current numbers of academies and maintained schools.
- 1.2 In October 2016 Cabinet authorised an exploration into the legal options, benefits and risks of establishing a Local Authority Multi-Academy Trust.
- 1.3 A project board was established in January 2017, with the Joint Managing Director (Communities) as the Project Sponsor. A headteacher reference group was set up and, in April, 2017 two 'independent experts' moved the project forwards. Feedback from schools indicated limited interest in the proposal (see **Appendix 2**.)
- 1.4 Following engagement with school leaders and relevant partners, and in the context of a new national Government, by July 2017 the benefits of the project remained unclear. A "stock-take" paper was therefore provided for the Joint Managing Directors to consider. This paper focussed on the changed educational landscape, and possible benefits of continuing with the project.
- 1.5 The Joint Managing Directors concluded that, given the change of emphasis nationally, the Council should not, at this point in time, pursue the establishment of a Local Authority Multi-Academy Trust. It was agreed to focus on the strengths of the current mixed market of academies and maintained schools, emphasizing the Council's commitment to the Warwickshire 'Family of Schools'.

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<sup>1</sup> Maintained, academy, federation, multi-academy trust, nursery, special, primary, secondary, Diocesan



## 2.0 Rationale

- 2.1 Section 2.2 in the Cabinet paper of October 2016 anticipated that the Government might review the stipulation that only 19.9% of Multi Academy Trust Governing Board members could be 'local authority influenced'. However, this criterion has not changed. There is consequently little tangible difference between the Council's current representation on governing bodies of maintained schools, and its role in a Local Authority Multi-Academy Trust.
- 2.2 The establishment of a series of smaller multi-academy trusts, facilitated and influenced by the Local Authority would still be achievable. However, financial analysis has revealed that costs would out-weigh benefits. In addition, the Council would relinquish its current school improvement role and would therefore lose a valuable opportunity to engage with maintained schools.
- 2.3 WES services are successful and well-regarded by schools. There is currently a strong trading relationship with maintained schools and with academies, without the need for a local authority multi-academy trust.
- 2.4 Headteachers and governors of maintained schools have told the Council that they would like clarity so that they can make the right decisions for their children and families. This recommendation provides transparency to support them in their decision-making. The message shared with school leaders in October 2017 is reproduced in **Appendix 3**.
- 2.5 The main risk of not forming a Local Authority Multi-Academy Trust is that the Council has less influence in supporting its most vulnerable schools, particularly small primary schools and schools facing budget deficits. However, support for the Warwickshire 'Family of Schools' combined with a strong Challenge Board and school-led improvement model does offset this risk. Also, as the rate of primary academisation has slowed, there is currently less risk that Councils will only be left with schools that are unattractive to sponsors and Multi-Academy Trusts. For the time being, in England and in Warwickshire, a mixed market of academies and maintained primary schools is the reality.

## 3.0 Next Steps

- 3.1 Councils retain statutory responsibilities relating to all learners, particularly those who are more vulnerable, and also house a range of statutory functions such as moderation of pupil assessment, sufficiency of school places and home to school transport.

In this context, if Cabinet endorses the recommendation, Council staff will:

- a) revisit and champion the concept of Warwickshire's 'Family of Schools'
- b) act on feedback from school leaders through groups such as the Challenge Board, Consortia, Area Analysis Groups and Schools Forum

- c) acknowledge the importance of roles played by the Diocese of Coventry and the Catholic Archdiocese of Birmingham in supporting their maintained schools, building on existing relationships
- d) promote school-led improvement whereby excellent school leaders, rather than Council officers, provide support and encouragement to maintained school leaders
- e) promote peer support, particularly for standalone academy leaders
- f) continue to act on feedback from school leaders so that WES services can go from strength to strength
- g) ensure that Council services operate appropriately, taking heed of the different approaches required for an academy or a maintained school.

## 4.0 Conclusion

- 4.1 Endorsement of the recommendation would place the Council's engagement with schools on a positive footing. It would provide clarity for school leaders, and acknowledge the strengths of the current mixed market of provision through Warwickshire's 'Family of Schools'.
- 4.2 Please note that an Equalities Impact Assessment has not been undertaken because recommendations in this paper do not represent a change in existing policy.

## Background papers

None

## Supporting Paper

Cabinet Report 6 October 2016 – Local Authority Multi-Academy Trusts

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Councillors Dahmash, Hayfield, C.Davies, Williams, Morgan and Roodhouse

## Appendix 1

### Academies and maintained schools in Warwickshire, October 2017 *NB schools in the process of academising are recorded as maintained*

#### 6 maintained Nursery Schools

#### Primary Schools

Type	Number	% of all primary schools
Maintained	154	77.8%
Academies	44	22.2%

#### Secondary Schools

Total number Secondary Schools = 36			
Academies	32		89%
Maintained	4		11%

#### Special Schools

Total number special schools = 12			
Academies	5		42%
LA Maintained	7		58%

## Appendix 2:

### Feedback from schools on joining a Local Authority Multi-Academy Trust

The most recent data relating to schools' feedback suggests that the maximum of schools looking to form a MAT with WCC would be 60 (25% of 243), with the Independent Experts indicating that schools consider they have four options:

- Stay maintained (and possibly form a schools' company);
- Join an existing MAT;
- Form a yet unspecified MAT with local schools; or
- If a church school, were bound by the decision of the Diocese.

During consortia meetings, only 13 Heads indicated an interest in exploring the options further and 5 expressed an ambition to form or join a MAT. The consortia meetings included discussion with schools about what support they would welcome if they were to set up a local MAT. The main areas identified indicated support in setting up a MAT. This indicates no substantive support in forming a MAT with the LA.

### Communication in October 2017

The following communication has been shared with school leaders through a range of opportunities including Heads Up, the Headteacher Conference, Schools Forum:

'The Council's Joint Managing Directors have explored in detail the possibility of Warwickshire developing a Local Authority Multi-Academy Trust(s). This work was undertaken following the publication of the 'Education Excellence Everywhere' white paper in March 2016, and the Council's Cabinet Paper of October 2016.

Very helpfully, Head Teachers and Warwickshire Schools have given considerable time and engagement to this work, and in particular expressed direct views through the headteacher reference group. Nationally, the policy context has been less than clear and at the same time it has become apparent that there are mixed appetites and/or perceived benefits to be gained from a LA MAT(s). Consequently, recommendation will be made to Cabinet in December 2017 that, given the change of emphasis nationally, the Local Authority should not, at this point in time, pursue establishment of a LA MAT. The Cabinet paper will emphasise Warwickshire's continued support for both maintained schools and academies, and recommend that the focus should now be on the strengths of the current mixed market of academies and maintained schools. The Council's commitment to the Warwickshire 'Family of Schools' remains as strong as ever and we hope this will simply be seen as a pragmatic position.

Our thanks to all who contributed to this evaluation'.

## **Cabinet**

**7 December 2017**

### **Education, Health and Care Plans – Personal Budget and Direct Payments Policy**

#### **Recommendations**

That Cabinet approves the Personal Budget and Direct Payments Policy for children and young people with Education, Health and Care plans.

#### **1.0 Purpose**

- 1.1 It is necessary for the local authority to develop a personal budget policy in order to meet the requirements of the SEND Code of Practice 2015 for children with Education, Health and Care plans.
- 1.2 The attached policy document (Appendix) has been approved by the Special Educational Needs and Disabilities (SEND) Programme Board. It has been developed by a multi-agency group including representatives of special schools, health, social care and Warwickshire Parent Carer Forum.

#### **2.0 Personal Budget Policy**

- 2.1 The policy document outlines the position of the local authority with regard to requests for personal budgets for education provision for the first time. This is based on the stipulations of the SEND Code of Practice.
- 2.2 The policy references existing personal budget policies for social care and Clinical Commissioning Groups. No change is made to these policies through this document. However, personal budgets from social care and health should be recorded on the EHC plan where they are approved.
- 2.3 The document outlines what the personal budget may and may not be used for, in accordance with legislation, and the different types of delivery methods for personal budgets. The administration processes that sit behind this policy are being developed by officers.

## Background papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): N/A

Other members: Councillors Dahmash, Morgan, Roodhouse, Williams, Hayfield, C.Davies

## Appendix

Personal Budget and Direct Payments Policy: Relating to Children and Young people aged 0-25 with Special Educational Needs and their Families

# APPENDIX

## Personal Budget and Direct Payments Policy

*Relating to Children and Young people aged 0-25 with  
Special Educational Needs and their Families*

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## **1. Background - Why do we need a policy on personal budgets and direct payments?**

- 1.1. The following policy relates to the duties of Warwickshire County Council under the Children and Families Act 2014 and the statutory guidance set out in the Special Educational Needs and Disability Code of Practice (SEND CoP) 0-25 years January 2015.
- 1.2. The policy has been developed by a group including parents, schools, health providers, commissioners in social care and education. The policy applies to any child or young person who has an Education, Health and Care (EHC) Plan and is relevant where a personal budget or direct payments have been requested or where direct payments have been agreed. Following the new SEND CoP parents and young people are supported to have much greater choice and control over how their education, health and care needs are met and by whom. Working with the commissioners in local authorities and health authorities, parents and young people have a range of new freedoms and flexibilities, including the option to take a personal budget, where they are eligible to do so.
- 1.3. The Children and Families Act 2014 gives an automatic right to parents and young people to request a personal budget from the local authority, which will set out how much money is required to secure aspects of the provision outlined in the plan. Parents and young people then have the opportunity to request that direct payments be made to them so that they can lead in commissioning of some or all of the provision identified and set out within the child or young person's EHC Plan.
- 1.4. Under the new legislation local authorities must set out a clear policy on personal budgets so that parents and young people are clear on the scope and the approach. Therefore, this policy aims to set out:
  - What a personal budget is
  - How to request a personal budget
  - The process for deciding on a personal budget
  - The circumstances in which direct payments can be made
  - How the funding will be made available
  - Description of services that lend themselves to the use of personal budgets and direct payments.

## **2. What is a personal budget?**

- 2.1. A personal budget is: "an amount of money identified by the local authority to deliver provision set out in an EHC plan where the parent or young person is involved in securing the provision". The funds can be held directly by the

parent or young person, or may be held and managed on their behalf by the local authority, school, college or other organisation or individual and used to commission the support specified in the EHC Plan (SEND Code of Practice 2014, p178).

- 2.2 Personal budgets are designed to pay for the elements of provision that the law states (and, where relevant, that local authorities and the NHS have agreed) can be offered as a personal budget. The aim of personal budgets is to increase independence and choice by giving parents and young people control over who delivers the provision that it is agreed children and young people need to receive through an EHC Plan.
- 2.3 A personal budget will only cover aspects of the support provision that can be individually commissioned, either by the parent or young person or by another person or the local authority, on the child or young person's behalf. The personal budget is not necessarily all of the resources that are available to support a child or young person, just the amount that can be used flexibly to support the special educational needs of the child /young person. It cannot be used to fund the costs of a school placement, including Age Weighted Pupil Unit (AWPU) payments for mainstream schools, planned place / additional place funding for special schools or fees for independent schools.
- 2.4 Where provided, Section J in the EHC Plan will set out information about the personal budget. Section J will not necessarily list all the costs relating to supporting a child or young person. It will set out how the Personal Budget will be used to deliver an agreed provision and meet agreed outcomes. It will detail arrangements about any direct payments

### **3. Who is eligible for a Personal Budget?**

- 3.1 A local authority that maintains an EHC plan, or is securing the preparation of an EHC plan, for a child or young person must prepare a personal budget for him or her if asked to do so by the child's parent or the young person

*See Appendix 1: Who would be excluded from holding a personal budget?*

### **4. When can a parent or young person request a personal budget?**

- 4.1 The request for a personal budget can be made either:
  - when an EHC Plan is being drafted; or

- when an EHC Plan is being reviewed/ re-assessed as part of the statutory process.

## **5. What is the process for requesting a personal budget?**

- 5.1 When a statutory assessment of SEN commences, the personal budget and direct payments processes will be discussed with the child's parents or young person to see if this is something they may be interested in pursuing, if appropriate. The benefits and responsibilities of having direct payments, or utilising one of the other methods of exercising control over a personal budget, will be explained by the EHC Plan Coordinator. An indicative amount will be estimated, if possible, at as an early a stage as possible. Parents / the young person can request which aspects of their plan they would like to exercise control over through direct payments or otherwise, via written feedback, and/or clear records of minutes, as part of the draft EHC Plan process, and letters to parents / young people containing the draft EHC Plan should make clear that this can be requested.
- 5.2 A request can also be made when an Education, Health and Care Plan is being reviewed/ reassessed, and this will also be made clear to parents.
- 5.3 Some families may already be accessing personal budgets / direct payments in terms of care and or personal health budgets, and these will continue throughout the statutory process and be referenced, as relevant, in the final EHC Plan.
- 5.4 At the point of the nomination of the name of the school/ college the aspects of a personal budget that could be part of a plan will be discussed and outlined. If, for example a parent/ young person wanted to use a personal budget to pay for support staff in school/ college this discussion should occur at an early stage as possible, since these staff can only be used in schools/ colleges with the clear agreement and permission of the school head teacher or college principal. Any staff employed to work in schools / colleges would have to follow that institution's code of conduct, for instance in regard to health and safety regulations, safeguarding, and other core policies. It is likely however that they would be regarded as employees of, or contractors for, either the parents / young person (if direct payments are provided) or the local authority or other nominated person (if the personal budget is being operated by them on behalf of the child / young person).

## 6. What will be included in a Personal Budget?

6.1 The full costed provision funded through the personal budget element will be clearly set out in Section J of the EHC Plan. The EHC provision will be costed, with a view to value for money (e.g. not costing more than services provided directly). Services that are supplied as part of a block contract or are within Universal or Targeted services would not normally be offered as a personal budget because of value for money considerations. This would also apply to other areas where it is difficult to disaggregate an individual cost from an overall amount, or where doing so would have an adverse impact on services provided or arranged by the local authority for other EHC Plan holders, or would not be an efficient use of the local authority's resources (Code of Practice 9.106). Throughout the statutory assessment there will be a cycle of assess-plan-do- review to ensure it meets value for money requirements.

6.2 A personal budget may be provided where a child or young person requires individual tailored support that goes beyond universal and targeted services. If agreed the following aspects could be included:

### 6.3 *Education*

6.3.1 Educational funding overview: Mainstream schools and colleges receive funding to support children and young people as follows:

- Element 1- standard placement funding. (A personal budget cannot be used to purchase the cost of standard placement funding)
- Element 2 – an amount of money to provide up to £6,000 (government prescribed threshold) per pupil per annum of targeted support that the school provides
- Element 3 – the amount of money provided by the Local Authority to meet higher level individual needs as 'top up' to Element 1 and 2.

6.3.2 This could include parts of, or all of element 3 of the High Needs budget, held by the local authority. In general, only High Needs (element 3) funding held by the local authority would form part of a personal budget for education. Which parts of this funding will be included will depend on the type of provision is being provided for the child or young person. In accordance with the above, services that are supplied as part of a block contract or are within Universal or Targeted services would not normally be included, neither would other provision where funding for one child cannot be disaggregated, if doing so would have an adverse impact on service provided or arranged for other EHC Plan holders, or where doing so would not be an efficient use of the local authority's resources. It is therefore not always possible for a school or college to release element 3 funding into a Personal Budget because it may be part of the existing overall provision.

A local authority may not make direct payments in respect of any goods or services which are to be used or provided in a school or post-16 institution without the written consent of the head teacher / principal. At the discretion of the head teacher/college principal a personal budget could include all/parts of element 2 funding.

6.3.3 In the circumstances of a request for a personal budget comprising aspects of the resources allocated to support a student by a college/ school through their budget (ie. a school or college mainstream budget or additional needs budget - termed element 2), this must occur at as an early stage as possible. The school/college will have discretion and it is likely that this would only be agreed by the school/ college in certain circumstances where a creative solution to provision is required and employment of staff, for the reasons set out in 6.3.2 above, would also require consent of the head teacher / principal.

6.3.4. In specialist educational placements (special schools, resource centres, specialist colleges, specialist training providers) there is a commissioned place (Element 1 and 2) plus any Element 3 “top-up” funding the learner needs above that. In these settings the ability to disaggregate costs of particular parts of provision are likely to be limited and will depend on individual circumstances.

#### 6.4 *Health*

6.4.1 Since October 2014 families of children eligible for Continuing Care (CC) as defined by the National Framework for Children and Young People’s Continuing Care have had a “right to have” a personal health budget. In the case of children this refers to the element of their care package that would normally be provided by the NHS once they become CC eligible and not the elements of their package provided by social care or education. In principle, the amount of money that would have normally been spent on NHS services as part of a child or young person’s Continuing Care package (except those services excluded as outlined in regulations) could be available to use as a personal health budget. Any agreed budget must be of a sufficient amount to ensure the health and wellbeing outcomes required for a child or young person can be realistically met.

6.4.2 The local Clinical Commissioning Group policies for personal health budgets are available at:

<http://www.southwarwickshireccg.nhs.uk/Health-Services/Personal-Health-Budgets>

<http://www.warwickshirenorthccg.nhs.uk/NHS-Care/Personal-Health-Budgets>

<http://www.coventryrugbyccg.nhs.uk/Health-Services/Personal-Health-Budgets>

6.4.3 Information about NHS Children's Continuing Care can be found at:

<https://www.gov.uk/government/publications/children-and-young-peoples-continuing-care-national-framework>

Information from NHS England about Personal Health Budgets can be found at:

[http://www.personalhealthbudgets.england.nhs.uk/library/Resources/Personalhealthbudgets/2014/Personal health budgets right to have guidance.pdf](http://www.personalhealthbudgets.england.nhs.uk/library/Resources/Personalhealthbudgets/2014/Personal%20health%20budgets%20right%20to%20have%20guidance.pdf)

## 6.5 *Social Care*

Children and young people are eligible for social care personal budgets when they need support beyond targeted and universal services. The budget could include funding arising from the assessed needs of the child in need and individual funding necessary to provide the family of a disabled child with a short break or family support. The social care policy is published separately at [www.warwickshire.gov.uk/send](http://www.warwickshire.gov.uk/send) .

## 6.6 *Travel Assistance*

If requested, and only when eligible under legislation or the transport policy to receive transport assistance, 'direct travel payments' can be provided on a 'cost per mile' basis. As this does not form part of education, health or social care it will not be referenced specifically within the EHC Plan.

Direct travel payments will only be given when financially viable and when no existing transport is in place. Should a more cost effective method of transport become available, the Local Authority reserves the right to withdraw the direct travel payment. Direct travel payments are subject to audit, and terms and conditions must be adhered to. More details can be found within the Warwickshire Transport Policy.

## 6.7 *Support and Provision that could form part of a personal budget/direct payment arrangement*

A personal budget and direct payments can only be used for funding provision specified within an EHC Plan. Therefore education elements funding through a personal budget must be those specified in Section F of the EHC Plan. Use of the personal budget and direct payments enable more choice to be exercised by parent and/or young people in how exactly provision is commissioned and provided to the child / young person in question. Areas of provision which might be funded through this method include:

- Additions to existing learning support - providing a more consistent offer of support to the child or young person
- Funding specialist input such as Speech and Language Therapy or Nursing / Medical support
- Funding a work experience or work-based learning opportunity
- Funding Alternative Education Provision (such as a private provider, college placement, tuition etc)
- Adding to the technology available to promote a pupil or students individual style of learning:
  - o Assistive technology
  - o Low level access aids including HI and VI

**Under no circumstances may a personal budget / direct payments be used to fund any provision that is not specified within an EHC Plan as being required.**

## **7. Calculating and agreeing the Personal Budget**

- 7.1 Each individual learner who has SEND and an EHCP will require different levels of support, even if they share types of SEND with other learners. The resources to fund the support needed to achieve the goals and outcomes set out in an EHC Plan are agreed as part of the assessment and planning process. Once the nature and level of support is determined, the option arises to request a personal budget so that the parent or young person can purchase the support for themselves. If agreed a potential budget will be shared during the EHC Needs Assessment Process or following a review of an EHC Plan so that detailed discussions can take place to clarify the needs to be met and the provision the personal budget will purchase to meet the individual outcomes identified in the EHC plan.
- 7.2 Final confirmation of the Personal Budget will be recorded in the finalised EHC Plan.
- 7.3 No funding will be available from the local authority except the amount specified within the agreed personal budget. Therefore those operating the personal budget, whether through direct payments or otherwise, will have access to no further public funds for educational provision. Parents/ young people in receipt of direct payments must therefore not to commit to spending any further amounts unless they are to be covered by other means, such as personal finances or a local charity.

## **8. Managing and Using a Personal Budget through Direct Payments and otherwise**

8.1 A personal budget is not the same as a direct payment. A direct payment is one of several ways that a personal budget can be managed. The following options to manage a Personal Budget are available:

- An arrangement whereby the local authority, school or college holds the funds and commissions the support specified in the plan (these are sometimes called notional budgets)
- Direct payments – where individuals receive the cash to contract, purchase and manage services themselves
- Third party arrangements – where funds (direct payments) are paid to and managed by an individual or organisation on behalf of the child's parent or the young person
- A combination of the above

8.2 If direct payments are made then they must be paid to a bank account set up specifically for the purpose of funding EHC provision.

8.3 If help is required in managing a personal budget this could occur from the Self Directed Support team, and parents / young people can request assistance from this team. Should the authority have any concerns over the capacity of a person to receive direct payments, then Mental Capacity Act assessment processes must be followed.

## **9. Monitoring and Review of Direct Payments**

9.1 Periodically, the local authority will examine how Direct Payments are being spent, to ensure that special educational provision is being provided and outcomes met, and that the direct payments are being used solely to meet the needs and provide the provision identified as being necessary for the child / young person within their EHC Plan. The direct payment recipient will be subject to regular audits in relation to the use and management of the direct payments. This is required to ensure that local authority monies are being used for the purpose laid out in the EHC Plan, the correct amounts are being used for each area of provision, and that accurate receipts and records are being kept. Any discrepancies will be investigated and resolved.

9.2 The local authority has the right to suspend or terminate the direct payment arrangements as a result of the findings of an audit of a direct payment



account. An audit of the individual's circumstances may take place at any time and local authority officers may demand immediate access to bank account details for the relevant account receiving direct payments to monitor usage of the account.

### **Reviews of Direct Payments**

9.3 When audits are being undertaken, consideration must be given as to whether the recipient's direct payment bank account is being managed correctly, records and receipts are up to date, monies are being used for the provision for which they were intended, and that the direct payment is appropriately meeting the special educational needs of the child or young person in question. The local authority has the right to increase, decrease, suspend or terminate direct payments in line with regular reviews or reassessments of the child or young person's special educational needs. A formal review of the child or young person's special educational needs will take place on at least an annual basis, and further review and re-assessments as necessary and in accordance with the law. Direct payments are only available whilst the child or young person retains an EHC Plan and when eligible under this policy.

### **Recovery of Direct Payments**

9.4 The local authority reserves the right to recover direct payments, in line with the authority's debt recovery policy, in the following circumstances:

- If the direct payment has not been used to provide the provision for which the direct payments have been provided, and as specified within the child or young person's EHC Plan;
- If the direct payments are not being used to meet the outcomes specified in the child or young person's EHC Plan, or if the commissioned provision is failing to meet these outcomes;
- If the direct payments have not been used due to a change in circumstances, whether temporarily or permanently;
- If a direct payment has been overpaid or paid in error;
- If there is a surplus in the direct payment account, which has been accrued above any amount agreed with the local authority;
- If the direct payments recipient has not met any condition which the local authority has properly imposed in the direct payments agreement or any agreed letters;
- If, following termination of direct payments, any direct payment monies remain in the direct payment account.

9.5 If there is found to be a build-up of unused direct payment funds in the recipient's direct payment account, the recipient must return the sums concerned. If this does not happen then they will be notified that these

unspent monies will be recovered, and recovery action will be taken by the local authority.

- 9.6 If the child or young person is no longer entitled to direct payments, or the recipient no longer wishes to receive them, and/or an overpayment has occurred due to an error on the part of the local authority or any other party, the direct payment recipient will be notified that this overpayment must be returned, and recovery action will be taken by the local authority if necessary.

### **Wrongful use of direct payments**

- 9.7 Where it appears that the direct payment recipient has been using the monies received for items or services other than those specified in the EHC Plan and agreed as being available for the use of a personal budget, or there is evidence of deliberate misuse of funds, the local authority will undertake a full reconciliation to ascertain the exact amount of money that has been inappropriately used and seek to recover it.
- 9.8 If direct payments have been inappropriately used (either intentionally or unintentionally) due to mismanagement of the direct payment account, or the direct payment account, or the direct payment recipient has shown themselves incapable or unwilling to manage their direct payment correctly, a review will be undertaken as a matter of urgency. If the outcome is that direct payment monies have been inappropriately used, the monies will be recovered.

## **10 Termination of Direct Payments**

- 10.1 If a direct payment recipient expresses a desire to terminate the direct payments, the reasons for the termination need to be provided to the local authority. The authority will then work with all relevant parties to plan how the relevant parts of their special educational provision will be met in an alternative way.
- 10.2 The local authority reserves the right to terminate the direct payments if terms of the direct payment agreement are breached. If this happens, the recipient will be informed in writing. In such cases, the local authority will then work with all relevant parties to plan how the relevant parts of their special educational provision will be met in an alternative way.

## **11. Managing Changes to Circumstances**

- 11.1 Regular reviews will occur as part of the assess-plan-do-review cycle in terms of a child/ young person's development. On a formal basis this will occur as part of the annual review, but can occur for individual elements more

frequently as needed. If a significant change in needs occur, then a review sooner than annually will occur in order to make necessary amendments to the EHC Plan. Following any changes to the EHC Plan a review of the impact that this has on personal budgets and any direct payments being made will take place, and new arrangements for the provision of an updated personal budget / direct payment will be made as soon as is practicable.

- 11.2 Where a child/young person has fluctuating difficulties, for example due to ongoing health needs, this should be taken into account within the EHC Plan. A request could be made for a “top up” amount or there could be a contingency that could be reclaimed by the local authority and / or health at the end of the financial year.

## **12. Negotiation and Disputes**

- 12.1 The Council will actively seek to resolve disagreements about the budget, the choice of management of the funding and the use of the personal budget throughout the EHC pathway. Should it not be possible to reach agreement at any stage of EHC pathway then the relevant service manager will be available to seek to resolve the dispute. If this does not result in resolution of the dispute then the matter may be referred to a senior manager. There are disagreement resolution services available as set out within the SEND Code of Practice.

### **Appeal Process**

- 12.2 An appeal can occur under the following circumstances:
- An aspect of provision listed in the Education, Health and Care Plan has not been offered in a personal budget which is wished for by the parent or young person if old enough and with the mental capacity to appeal.
  - A personal budget, or direct payments, have not been offered
  - The monies listed are felt not to be sufficient to cover the needs of the young person.
  - An appeal would then be made to the appropriate commissioner.

This must be in writing to:

SENDAR  
Saltisford Office Park  
Ansell Way  
Warwick  
CV34 4UL

- 11.3 Due legal process regarding any appeals will be followed as laid out in the Children and Families Act 2014 and/or the Code of Practice relating to the personal budgets for SEN and disability aspects of this legislation
- 11.4 The First-Tier Tribunal does not hear appeals about personal budgets or direct payments, but will hear appeals about the special educational provision to which a personal budget may apply.

## **12. Contact Details**

Contact us at:

**Email:** [sen@warwickshire.gov.uk](mailto:sen@warwickshire.gov.uk)

**Post:** SENDAR, Saltisford Office Park, Ansell Way, Warwick, CV34 4UL

**Tel:** 01926 742160

## **Appendix 1: Who would be excluded from holding a personal budget?**

*Anyone who has a child with an EHCP, or is post compulsory school age with one, can request a personal budget to meet their needs as outlined in the EHCP. This eligibility would be valid unless the following circumstances applied:*

- The child is in care. If in long term foster care the foster parents may access a personal budget if there is agreement as part of a care plan*
- The child has a Child Protection Plan. Any use of a personal budget would have to be part of the plan agreed at the multi professional Core Group meeting. If the use of it was felt not to meet the aims of the plan, and to compromise the safety of the child/ young person, it would not be agreed*
- A person subject to a drug or alcohol treatment programme (as in the regulations). If the person wishes to receive a direct payment and may be covered by this, there will be a discussion between the local authority and person involved to explore their particular circumstances in relation to the regulations. If a person has a gambling addiction this also may preclude them from receiving a personal budget.*
- The young person has a youth rehabilitation order The regulations (the legal guidance for the law relating to personal budgets) state the following:*

*“The following persons may not receive direct payments “*

*(a) a person who is subject to a drug rehabilitation requirement, as defined by section 209 of the Criminal Justice Act 2003 (a), imposed by a community order within the meaning of section 177 of that Act or by a suspended sentence order within the meaning of section 189 of that Act;*

*(b) a person who is subject to an alcohol treatment requirement, as defined by section 212 of the Criminal Justice Act 2003, imposed by a community order within the meaning of section 177 of that Act or by a suspended sentence order within the meaning of section 189 of that Act;*

*(c) a person who is released on licence under Part 2 of the Criminal Justice Act 1991(a), Chapter 6 of Part 12 of the Criminal Justice Act 2003 or Chapter 2 of Part 2 of the Crime (Sentences) Act 1997(b) subject to a non-standard licence condition requiring the offender to undertake offending behaviour work to address drug-related or alcohol related behaviour;*

*(d) a person who is required to submit to treatment for their drug or alcohol dependency by virtue of a community rehabilitation order within the meaning of section 41 of the Powers of Criminal Courts (Sentencing) Act 2000 or a*

*community punishment and rehabilitation order within the meaning of section 51 of that Act(c);*

*(e) a person who is subject to a drug treatment and testing order imposed under section 52 of the Powers of Criminal Courts (Sentencing) Act 2000(d).*

*(f) subject to a youth rehabilitation order imposed in accordance with paragraph 22 (drug treatment requirement) of Schedule 1 to the Criminal Justice and Immigration Act 2008 which requires the person to submit to treatment pursuant to a drug treatment requirement.*

*(g) Subject to a youth rehabilitation order imposed in accordance with paragraph 23 (drug testing requirement) of Schedule 1 to the Criminal Justice and Immigration Act 2008 which includes a drug testing requirement.*

*(h) subject to a youth rehabilitation order imposed in accordance with paragraph 24 (intoxicating substance treatment requirement) of Schedule 1 to the Criminal Justice and Immigration Act 2008 which requires the person to submit to treatment pursuant to an intoxicating substance treatment requirement.”*