

Council

29 November 2017

0-5 Redesign of Children's Centres

Report of the Joint Managing Director (Resources)

1. Background

1.1 On 2nd February 2017, Warwickshire County Council approved its 3 year Corporate Plan. Within the One Organisational Plan 2020, there are savings required in relation to 0-5 Services. On 15th June, Cabinet received and approved a proposed model for consultation. The consultation was undertaken between 29th June and 11th September and a revised service model was proposed in the light of the outcomes of the consultation process and the need to transform services for children and families over the next 3 years.

1.2 A full report setting out the outcome of consultation and the final proposals was considered and agreed by Cabinet on 9th November, along with recommendations from an extraordinary meeting of the Children and Young People Overview and Scrutiny Committee held on 7th November.

The decision made by Cabinet is set out in the appendix for reference.

2. Information in relation to the motion before Council

2.1 The motion before Council is as follows:

"This Council supports the ambition of ensuring all of Warwickshire's children have the best start in life. To ensure there are sufficient resources to achieve this ambition, the Council agrees to amend the Medium Term Financial Plan for 2018/19 by the inclusion of £1.12M for Children's Centres to be met from reserves. Any change to the ongoing funding should be considered as part of the 2018/19 budget process".

2.2 For the motion to be implemented, two financial issues will need to be resolved, as part of the 2018/19 budget setting process:

- £1.12m of one-off resources will need to be identified, to fund the delay in implementation of the proposed childrens centres saving from 2018/19 to 2019/20
- Ongoing alternate savings of £1.12M, or alternate funding sources, will need to be identified, as part of the 2018/19 budget setting considerations, if changes are proposed to existing savings in this area, in order to ensure that the medium term financial plan remains fully balanced, on an ongoing basis, by 2019/20.

2.3 Each of these considerations is amplified on below.

3. Financial considerations

3.1 In putting forward their proposals all Political Groups are reminded that local authorities are required by law to have a balanced budget. 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. 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, by 2019/20 the budget needs to be balanced on an ongoing basis, with no ongoing spending funded from one off resources.

One-off Monies / Use of Reserves

3.2 In terms of one-off monies to fund the delay in implementing savings, a final decision about whether there are any reserves available to support the setting of the 2018/19 budget will not 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 2018 along with the 2018/19 risk assessment of the minimum level of General Reserves. It would not be prudent to use one-off funding to support the budget at this stage, but it is acknowledged that by the time the 2018/19 budget is set in February 2018, it is highly likely that there will be flexibility available to Political Groups to set aside £1.12M of one-off resources, should they choose to do so.

Ongoing Savings

3.3 In terms of ongoing savings, if a Political Group wishes to delete or decrease an existing savings proposal, then a specific alternative saving will need to be identified and/or an alternative plan for funding must be brought forward at the same time. When this has been identified an implementation plan for

delivering the extra saving will be developed by the Head of Service in conjunction with the relevant Strategic Director and Portfolio Holder and / or Spokesperson. In this particular case, if changes are proposed to existing savings in this area, £1.12M of alternate savings, or an alternate funding source, will need to be identified as part of the 2018/19 budget considerations, for the medium term financial plan to remain in balance. The motion allows for this.

4. Implementation Implications

- 4.1 In order to ensure that the medium term financial plan remains fully balanced on an ongoing basis from 2019/20, work will need to continue in relation to the implementation of the proposals agreed by Cabinet, unless and until alternative savings or alternative funding proposals which meet this requirement are approved.
- 4.2 If alternate proposals are identified that result in a different model of service delivery, then this may require a further round of consultation. The costs of any additional consultation and any subsequent reprofiling of savings will also need to be reflected in any 2018/19 budget considerations.

5. Conclusions

- 5.1 The motion does not affect the 2017/18 budget directly. If the motion is passed, then Political Groups will need to reflect the additional funding commitments as a first call on both one-off and ongoing resources as part of the 2018/19 budget setting deliberations.

Background Information

None

	Name	Contact Information
Report Author/ Head of Service	John Betts Sarah Duxbury	johnbetts@warwickshire.gov.uk sarahduxbury@warwickshire.gov.uk
Joint Managing Director	David Carter	davidcarter@warwickshire.gov.uk