

Monmouthshire Select Committee Minutes

Meeting of Adults Select Committee held at County Hall, Usk with Remote Attendance on Tuesday, 22nd June, 2021 at 10.00 am

Councillors Present

County Councillor (Chairman)
County Councillor (Vice Chairman)

County Councillors: L.Brown, R. Edwards,
M.Groucutt, R. Harris, S. Howarth, M. Powell,
S. Woodhouse and M.Lane

Officers in Attendance

Jonathan Davies, Acting Assistant Head of Finance
Tyrone Stokes, Accountant
Hazel Ilett, Scrutiny Manager
Robert McGowan, Policy and Scrutiny Officer
C. Bowie, Chair Monmouthshire Mind
T. Crowhurst, Access for All Forum

APOLOGIES: None

1. Declarations of interest.

There were no declarations of interest.

2. Public Open Forum.

No members of the public were present.

3. Scrutiny of the Revenue and Capital Outturn reports for 2020-2021.

Tyrone Stokes presented the report and answered the members' questions with Jonathan Davies.

Challenge:

Is there any particular reason for the increase in looked-after children?

It's not just pertaining to Monmouthshire, or even Wales: the significant increase is throughout the UK. For Monmouthshire, there only needs to be a couple of large families who come in for there to be a large increase e.g. one with 6 siblings and one with 7, which came in since 19/20. Within the directorate, we look to boost our in-house provision i.e. increase and develop our own foster carers so that we can give the best start to our looked-after children. But, unfortunately, sometimes the best care is out-of-county or residential care. With that, the cost then goes up. The average unit cost for a looked after child is £50k; it's slightly less if they go into foster care, but if they go into residential it could be £3-400k. Many years ago the numbers were smaller but since then court activities have increased, and the judiciary system is now quite vocal in how they feel children's lives should be lived, which has had an effect on our numbers.

What's happened to the time limits regarding the expenditure of capital at the Crick Road site?

We gave a full update at Month 9 regarding Crick Road and the timescales, which was followed by a press release. Crick Road is a partnership scheme with the intermediate care fund, managed and hosted by our health colleagues through Aneurin Bevan. In terms of timescales, we are managing that. We have engaged fully with Welsh Government, and have their support. They realise that the pandemic has had a significant effect on the construction industry. We have therefore been given permission to manage that scheme, and the time envelope has been moved on. So there's no risk relating to the time limit and that funding.

How much do we have in earmarked reserves, how much in free reserves, and in the revenue surplus?

Reserves are outlined in Section 3 of the report. We made specific replenishment of earmarked reserves of just over £4m at the end of the year. The reserves representing the council fund have remained untouched, which carries forward as just under £9m on the local authority side and nearly £3.5m on the schools side. When Cabinet received the reserves update in the autumn, we identified that Monmouthshire was at the lower end of reserves balances, compared to other Welsh authorities, in terms of reserve cover compared to revenue budget. We appreciated that we needed to bolster reserves if possible, looking ahead to various challenges e.g. social care and pandemic recovery.

So, there's about £4m in earmarked and £9m in general reserves? How do we compare in relation to the percentage that we are supposed to have of capital vs. revenue?

The increase of £4m is on top of the £6m we already had in earmarked reserves, taking the total up to £10.6m. On the council fund side, it's just under £9m. The ratio mentioned relates to the council fund ratio to net revenue budget, so it disregards earmarked reserves. At present, we are just over 5% of net revenue budget; the guidance from Welsh Government is that that ratio should be between 4% and 6%, so we are comfortably in the middle of that. Regarding our being at the lower end overall, that is taking into account those earmarked reserves – so taken as a collective, and compared to our budget, across Wales we are at the lowest end of that coverage.

What's the revenue position regarding surpluses?

The £9m is the cover that we have to invest directly. Reserve cover is a rough measure for comparing across authorities in Wales because some will be in a different investment position regarding their reserves: some might have invested significant amounts and are looking to reap the benefits of that, in terms of service delivery, so looking for a longer-term return on those reserves. Whereas others might be at the start of that journey. It's a rough guide but a useful one to keep an eye on.

Website information relating to finance is poor. Outturn statements are never given – the public interest is in the money that is spent. Why is that information not on the website?

This is a fair point. All of the monitoring reports that come through Cabinet are held within a separate section from those where the budgets sit – they go through the Cabinet reports. So all of the information is available but is indeed in different places, and therefore hard for the public to track. This is something we can reflect on; the website layout could certainly be revisited and potentially updated.

Members continually find the reports hard to understand. Can simple tables be used, featuring the same headings as in the budget, showing the outturn statements against those headings, and with an accompanying explanatory paragraph?

Feedback differs on the outturn reports, with some members saying that they appreciate the level of detail and explanation. But there is certainly a lot of information. There is a clear and condensed outturn report for each service area at the start of the report that gives an initial indication of where the issues might lie. The report then goes into detail about where the variances are. We are in a difficult position as members have differing opinions on the level of detail in the reports.

It is indeed essential that all of the information be available, should members wish to see it. However, we have asked that there also be a single page explaining each budget, the spending, reasons for surpluses, etc. Is that not possible?

We do produce that in the papers but the complexity we have is that the Select committee is concerned with the services within its remit, which is why we have produced the separate Appendix 6 outlining those specific areas, but we also wanted to give members the whole pack that was taken to Cabinet earlier this month, as it gives the overall picture and details. The covering report does produce a single table, but the complexity of the authority entails a high level of detail and commentary. However, we will take on board the feedback and look to simplify where we can. 31.08

Training for members in how to read this sort of accounting would be very useful.

Yes, training would be good. We are in a state of change within the Finance team; once that has settled we can take on this matter. We can also change our delivery by giving the summaries first, as suggested above.

A considerable amount has gone back into reserves from the directorate. On the grants side, if we are audited and haven't spent the money, will we have to give it back?

For 2021-2, the most significant grant we have from Welsh Government is the Social Care Workforce and Sustainability grant, mentioned as part of the 2021 outturn report. 2021 was the first year of that grant, in which we received £1m. Without that figure, we would be another £1m overspent. It is therefore a significant grant boosting the bottom line. We have fully met all the terms and conditions for that grant. These allowed us to use certain core expenditures against that grant. We've ensured there will be no risk when auditors come in of us falling foul of those terms and conditions. The grant has been extended for another year, and increase the size, giving us an extra £250k. That will be used to hold up the bottom line. The risk will be if that funding is taken away the following year. We have a plethora of other grants throughout the Social Care and Health directorate. We fully met those terms and conditions too, so there is no risk. If there is any underspend, we are fully accounted for that amount to be returned to the grant awarding body. If we have permission to deviate from the grant, we ensure that that is in writing.

In Adult Social Care, the main Covid grant has been the Hardship fund, which we have distributed to our core providers. For example, where care homes have had to close due to Covid, they now have significant vacancies – the Covid Hardship fund has allowed us to pass that funding to those providers to ensure that they have financial sustainability.

Do we have a surplus of vacancies, too? When we budgeted for Social Health and Care, we surely had surpluses there – vacant posts, etc.?

There are no significant vacancies in frontline Adult Social Care. The vacancies that the report refers to are more the office-based staff. We ensure that frontline services has all the staffing resources required, then where we can keep back office vacancies, that's what we've tried to

do. Children's Services are outside this directorate but it does affect the bottom line: we have social worker vacancies but we've had to fill those with agency staff, which brings a slightly higher cost (as mentioned at Month 9). This is more the availability of specific children's services social workers at that time.

Can you explain what has happened on the Myst project mentioned on p39-40, relating to Social Care and Health?

The Myst project falls outside this Select, as it pertains to Children's services. It is a multi-agency therapy delivery service. We have seen a significant increase in looked-after children, as mentioned earlier. With intermediate care funding that we've had through Health, we've looked at more specialist services to address those high-end complex children's cases, and we can put specific therapy support in place, looking to bring them more in-county. We can only do that if we have a rounded offer i.e. with other support beyond trained foster carers. So we've set up the specialist team that targets these specific cases, to see if we can bring the children in county and give them a better offer. The Myst project refers to this. With the £250k, we've looked at some cases that specifically meet those criteria. We want to ensure we meet all of a child's needs, and then we will look at reducing the cost.

Is the £250k therefore a savings surplus, or an amount that is still waiting to be used?

Yes, it's a specific mandated saving. As part of the medium term financial plan, we had a specific mandate for that team to deliver a saving, targeting those high cost care packages in children's services.

What is the explanation for the reduction in disability services of £7k in the same chart?

We look at every opportunity in which we can 'co-habitate' with other services. We don't believe in having lots of offices where they aren't needed. Sometimes we look at service re-delivery, and there is a natural savings fallout. In this case, with disability, there have simply been natural savings: we decided to reduce some office space but there is no effect on service delivery as a result.

Chair's Summary:

Thank you to officers. We will liaise with officers to arrange a training session for members, covering financial reports. It is important to highlight the grants where they are used: members would like to see a list of the Welsh Government grants that we've obtained.

4. Adults Select Committee Forward Work Programme.

The Gypsy and Travellers workshop is being arranged; it will likely take place in the early autumn. Some of the areas raised this morning should be fleshed out in the next meeting, covering Performance Reporting.

5. Council and Cabinet Forward Work Plan.

6. To confirm the minutes of the previous meeting.

The minutes were confirmed and signed as an accurate record (proposed by Councillor Harris and seconded by Councillor Woodhouse).

7. Next Meeting: Tuesday 27th July 2021 at 10.00am.

The meeting ended at **11.05 am**