

Cabinet

A meeting of Cabinet was held on Thursday, 19th February, 2015.

Present: Cllr Robert Cook (Chair); Cllr Jim Beall, Cllr Ken Dixon, Cllr David Harrington, Cllr Mrs Ann McCoy, Cllr Steve Nelson, Cllr David Rose and Cllr Michael Smith.

Officers: N Schneider (CE), J Danks, B Brown, L King (R); P Dobson (DNS); J Humphreys (CESC); D E Bond, P K Bell (LD).

Also in attendance: None.

Apologies: Cllr Coleman.

CAB Declarations of Interest

135/14

Each of the Cabinet Members present declared a disclosable pecuniary interest in respect of agenda item 4 - Medium Term Financial Plan Update and Strategy due to having beneficial interests in property in the borough/ being Council Tax Payers.

Councillor Nelson declared a personal non prejudicial interest in respect of agenda item 4 – Medium Term Financial Plan as he was a member of Tristar Board.

CAB Review of Children, Education and Social Care Delivery Arrangements - 136/14 Children's Services

Consideration was given to report that provided Members with proposals for delivery and succession planning arrangements in Children's Services.

In September 2014, Cabinet agreed there was a need to review the arrangements for service delivery in Children's Services following the receipt of a report from CMT.

Cabinet had previously accepted the need to take forward the work under Shaping the Brighter Future (SBF) to ensure there was capacity and resilience moving forward within the Council. CMT also highlighted some pertinent facts relating to the work being undertaken in the Shaping the Brighter Future Programme which highlighted the need to prioritise a review of Children's Services in order to ensure there was resilience moving forward in the Service over the coming years.

The Council had encountered significant reductions in Government funding. Between 2010 and 2015 there was a reduction of £52m and this included at least £3m in respect of Early Intervention Grant which had a significant impact on the service. In addition, the reduction in National allocation of Education Services Grant and the conversion of some schools to Academies had seen funding for the service reduce by £1.8m. An element of this had been accounted for in the Council's MTFP and a review of Education, Early Years and Complex Needs identifies the savings of £1,050 required to deal with the ESG reduction.

CMT had oversight of the review, and the review had included input across a number of service areas within the Council

As part of the Review, the Corporate Director and Human Resources Manager, had met with relevant Heads of Services affected by the Review (3 Heads of Service), all 3rd Tier Managers within Children's Services (13 posts), and a number of 4th Tier Managers from across Children's Services (13 people seen). The Corporate Director had also met previously with the Children's Social Care Team Managers.

In total, 29 one to one interviews had taken place and staff had been given the opportunity to discuss their current role and areas of responsibility, their own thoughts on the current structure and how it might be improved, and also their own thoughts in relation to Succession Planning and how long they saw themselves working for Stockton Borough Council.

Meetings had taken place with the teaching and non-teaching Trade Unions to discuss issues and proposals arising from the previous Cabinet report and need to achieve the required ESG savings. Further service review consultation would take place with both trade unions and employees subject to Cabinet's approval of the proposal and recommendations in the report.

In undertaking the Review the Director wanted to consider the scope and breadth of the services, with a view to ensuring that wherever possible there was capacity to improve quality and performance within the service areas and to ensure there was additional capacity to drive the Big Ticket agenda. The Director also wanted to take the opportunity to realign some services.

The operational Heads of Service – Head of Education, Early Years and Complex Needs and Head of Children and Young People Operational Services, had very broad areas of responsibility which gave rise to capacity issues and some service areas could be better realigned. In addition there was a changing role for the local authority in supporting schools and academies, whilst there was a need to focus on improving social work practice to achieve better outcomes for children and young people.

The Head of BUSI supported the operational services in adults and children services with performance and intelligence information and systems and leads on external inspection however responsibility for performance, planning and inspection could be delivered by more focussed operational Heads of Service roles whilst the longer term visioning and service change was better aligned to the transformation agenda. There were also a number of capacity issues arising from the significant workload of FOIs, DSARs, and complaints which may be more efficiently and effectively managed corporately. Other areas of responsibility, such as Independent Review, could be managed by an operational Head of Service.

Of the 3rd Tier Managers within CESC, the majority were now over 50 years of age, with five Managers 55 years or more, there were only three 3rd Tier Managers under 50. Most 4th Tier Managers were also over 45 years of age, with some over 50 years of age.

Throughout the Review process, it was evident that staff were very positive about working in Stockton and working for the organisation.

One of the key issues highlighted during the interviews however, was that whilst staff were positive about working in Stockton Borough Council, a significant number stated that they did not feel their workload was manageable, this was particularly noticeable in Children's Social Care, and most indicated this was impacting on their work / life balance and health and some indicated that they were considering looking for other posts or were considering retiring within the next few years, unless there were structural solutions.

Social Care Team Managers had indicated that the number of staff they were line managing was not tenable and was impacting on their ability to ensure effective supervision and practice of their staff. The known increase in requests by Social Workers for part-time working would impact further.

Only a small number of Managers in CESC felt they had capacity to take on additional areas of responsibility.

The Review had highlighted that there were some opportunities for succession planning, albeit there were gaps in identifying any staff who may want to move to 2nd Tier Social Care role over the next few years.

There would be a need to review some elements of the proposed structure late in 2015 to accommodate any changes required to implement the North of Tees MASH developments.

It was proposed that all three of the proposed new Heads of Service be responsible for the performance, quality and outcome measures for their area and for preparation for their areas subject to Ofsted Inspections.

The report identified the new Head of Service posts as:-

Head of Safeguarding and Looked After Post
Head of Early Intervention, Partnership and Planning
Head of Schools and SEN

The report highlighted the proposed responsibilities and expectations of the new Head of Service posts.

The proposals would achieve the identified Education Support Grant saving.

It was proposed that all 3 new Head of Service posts be restricted to applicants from within the scope of the review in the first instance. A Members appointment process would be required and in view of the timetable detailed below it was important that these arrangements be made in late April 2015 to enable the appointed Heads of Service to participate in the appointment arrangements to their structure. It was appreciated that this would be a particular busy time for members. It was proposed that the appointment arrangements be delegated to the Director in consultation with the Cabinet Member Children and Young People.

The proposals for the functions of the Business Support and Improvement Service were detailed within the report.

It was anticipated that some temporary additional resource would be required, in

addition to the permanent structure outlined above, to carry out the reviews of Children's Centres, School Place Planning and School transport as outlined in the Council MTFP saving proposals in June 2013. This work would be resourced on a fixed term basis and had not been included within the permanent responsibilities of the 3 new Head of Service posts.

It was also anticipated that further work be required to review the administration and clerical arrangements to support the proposed new service.

Subject to Cabinet and Council approval it was proposed that staff consultation would commence on 2nd March 2015. Should the proposals be agreed this would enable recruitment to the new structure to take place in late April / early May 2015. It was anticipated that implementation be phased over the course of a few months with full implementation in September 2015.

RESOLVED that:-

1. The Review of Children's Services be noted.
2. The deletion of the current three Heads of Service posts be approved:-

Head of Children and Young People's Services
Head of Education, Early Years and Complex Needs
Head of Business Support and Improvement

3. The reconfiguring of Children's Services and the creation of three new Heads of Service posts be approved:-

Head of Safeguarding and Looked After Children
Head of Early Intervention, Partnership and Planning
Head of Schools and SEN

The Director of CESC in conjunction with the Cabinet Member, Children and Young People to be delegated authority to make the Member Panel appointment arrangements.

4. The consultation be approved with staff and Trade Unions in relation to the revised structure for Children's Services and the final amendments be delegated to the Corporate Director, in consultation with relevant Cabinet Members.

5. The savings made in relation to the Education Support Grant be noted and the funding identified for the reconfiguration of Children's Services identified at Paragraph 39 and 40 of the report be agreed.

CAB **Medium Term Financial Plan Update and Strategy**
137/14

Consideration was given to a report on the Medium Term Financial Plan Update and Strategy.

This was the final report in setting the Council's 2015/16 budget and Council

Tax and outlining the Medium Term Financial Plan (MTFP) position to 2019.

The MTFP report for 2015/16 to 2018/19 was attached to the report. The report outlined the Council Tax proposals and budget for 2015/16 and the indicative MTFP for the next three years.

The report updated the position from that reported to Cabinet and Council in February 2014 and in particular reflected implications arising from the Autumn Statement and the Local Government Finance Settlement for 2015/16.

The approach to the financial position was revised in February 2013 to effectively freeze all service budgets. The approach recognised likely growth in Big Ticket spend areas with the strategy being that reviews would aim to stem their growth pressures. The report revised Big Ticket growth and savings estimates and updated Members on the progress of the Big Ticket reviews.

The report contained sections on:-

- Background & Context (including national position)
- Financial position at 31 December 2014
- Big Ticket Update
- Council Tax
- Updated Medium Term Financial Plan
- One-off Resources
- Capital Programme
- Business Rate Relief Scheme
- Pay Policy Statement
- Precept Levels
- Treasury Management Strategy

A table within the report outlined the managed surplus position of each service. Given the approach for Big Ticket areas, they were not included in these figures and were covered separately in the report.

The overall position for the Big Ticket areas for 2014/15, based on the position at the end of December, was summarised within the report, together with an updated position for future years.

The MTFP assumed a 1.9% increase. If Members opted to freeze Council Tax for 2015/16, the impact was outlined within the report.

The impact on the Medium Term Financial Plan of a decision to freeze Council Tax was approximately £500,000 in 2015/16. If the freeze grant did not continue from 2016/17 onwards, the pressure would increase to £1.3m per year.

Given the level of financial pressure facing the Council and in particular, the level of uncertainty around all future Government Funding and future Council Tax restrictions, any increase in budget pressures through accepting the freeze would make a difficult financial position even more challenging. It was therefore recommended that Council increase Council Tax by 1.9%. This would mean a 32p per week increase in Band A (48p at Band D).

The revised MTFP position based on the information within the report was

summarised within the report.

The position incorporating the Big Ticket areas was detailed within the report.

In line with the agreed approach to the MTFP, it was proposed that the 2015/16 budget gap be funded from the £7.5m from 2014/15 to ensure a balanced position, with the remainder retained to manage the transition in delivering further savings in the context of the uncertainty regarding future funding allocations prior to the General Election.

The overall position on available capital and one-off resources was summarised within the report.

A table within the report demonstrated that after replenishing working balances, there would be £9.8m in one off resources to be considered as part of the 2015/16 budget.

RECOMMENDED to Council that:-

1. In accordance with the Local Government Act 2003, Members note that the Section 151 Officer confirms that the following recommendations:-

- a) represent a robust budget which has been prepared in line with best practice,**
- b) provide adequate working balances at 3% of general fund, and**
- c) that the controlled reserves and provisions are adequate for their purpose.**

General Fund Budget

2. The reduction in Government funding between 2010/11 and 2015/16 of £52m (approximately 43% in cash terms, 59% in real terms) be noted.

3. A 2015/16 Council Tax requirement for Stockton-on-Tees Borough Council of £69,851,478 be approved.

4. A 2015/16 Council Tax requirement for Stockton-on-Tees Borough Council inclusive of Parish Precepts (£649,128) of £70,500,606 be approved.

5. The 2015/16 budget and indicative 2015/19 MTFP as outlined in paragraphs 5.26 – 5.30 and the use of balances and reserves as outlined in paragraph 6.8 and 6.9 be approved.

Taxation

SBC

6. The Council Tax for Stockton-on-Tees Borough Council prior to Parish, Fire and Police Precepts be increased by 1.9%, i.e. to £1,337.60 at Band D (£891.73 at Band A) be approved.

Fire, Police & Parish

7. The Police precept of £10,771,185 which equates to a Council Tax of £206.26 at Band D (£137.51 at Band A) be noted.

8. The Fire precept of £3,674,304 which equates to a Council Tax of £70.36 at Band D (£46.91 at Band A) be noted.

9. The Parish precepts as set out in paragraph 10.4 of the budget report be noted.

Capital

10. The Capital Programme attached at Appendix A & B be approved.

Organisational and HR

11. The Pay Policy Statement attached at Appendix C to the report be approved.

Council Tax - Statutory Requirements

12. The statutory requirements for Council Tax as shown in Appendix D be approved.

Treasury Management/Prudential Code

13. The Treasury Management Strategy, Minimum Revenue Provision Statement, Investment Strategy and Prudential Indicators for 2015/16 – 2017/18 as set out in Appendix E to the report be approved.