

REPORT FOR DECISION

DECISION OF:	The Cabinet
DATE:	20th February 2019
SUBJECT:	Children, Young People and Culture Directorate Budget 2019/20
REPORT FROM:	Councillor Sharon Briggs - Cabinet Member for Children, Young People and Culture
CONTACT OFFICER:	Karen Dolton, Executive Director, Children, Young People and Culture
TYPE OF DECISION:	CABINET
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain.
SUMMARY:	<p>This report forms part of a suite of reports to support the Council in setting a budget for 2019/20.</p> <p>The report explains the progress made by the Children, Young People and Culture Directorate in delivering its budget savings for 2017/189 and 2018/19 – the first 2 years of the Council's current 3 year budget.</p> <p>The report also sets out the proposals for savings for 2019/20 – the final year of the 3 year budget.</p> <p>These changes are included in the overall budget report which appears elsewhere on this agenda.</p>
OPTIONS & RECOMMENDED OPTION	That the proposals for changes to the Children, Young People and Culture Directorate budget for 2019/20 be approved and recommended to Council as part of the overall Corporate Budget.
IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	<p>The proposed savings represent the final year (2019/20) of the 3 year budget programme.</p> <p>Delivery is essential to ensure a balanced</p>

	budget position for the Council.
Health and Safety	Proposals will be implemented in line with Health & Safety guidance
Statement by Executive Director of Resources:	Proposals with staffing implications will be implemented in accordance with the relevant consultation / HR policies.
Equality/Diversity implications:	In respect of the Council's equalities duties, these apply to consideration of the allocation of budget and service planning. In respect of individual decisions, the overall budget is only at a formative stage. Once full and final decisions are taken, the Council will comply with its full duties via the completion and consideration of the appropriate analyses, including consideration of mitigating steps and alternatives.
Considered by Monitoring Officer:	<p>In summary, the Council is required to set a council tax and balanced budget on recommendations from Cabinet. The Cabinet have full authority to implement the budget within the budget framework set by Council and have wide discretion in doing so. Whilst the overall budget sets individual budgets and plans for service areas, these are formative at this stage. Any full and final decisions will be made by the Cabinet or officers under delegated powers during the forthcoming year, at which point full and separate consideration to the Council's duties, including but not limited to, equalities and appropriate consultation, will be considered and finalised.</p> <p>In setting the proposed budget and considering proposals for savings, due regard has to be given to relevant considerations including equality, human rights, proportionality, reasonableness, the need to deliver statutory obligations, legitimate expectation and the Council's priorities.</p> <p>The Cabinet will also have to have due regard to the potential for any cumulative impact on some groups from separate work streams arising from the budget. Sufficient flexibility and delegation will be built into each programme that arises from this</p>

	budget, to ensure that any consultation exercise and detailed equality impact that identifies a need to make adjustments can be implemented.
Wards Affected:	All
Scrutiny Interest:	Overview & Scrutiny

TRACKING/PROCESS

DIRECTOR: Karen Dolton

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
	20/2/19		
Scrutiny Committee	Committee	Council	

1.0 BACKGROUND

The Council's budget for 2017-20 includes proposals for budget reduction of the Children, Young People and Culture Directorate alongside the strategic priorities of the Directorate to achieve the Council aims and ambitions.

This report explains progress in delivering those savings and sets out proposals for the final year of the current 3-year budget cycle, and outlines plans for achieving savings in the next 3 year medium term budget planning cycle.

Savings targets for the recovery of the DSG overspend are contained in a separate report.

The budget changes are designed to support or have the least negative impact on the Directorate delivering its contribution to the Council's objectives for the future of Bury.

This report should be read alongside the other four Directorate reports and the overall corporate budget report.

2.0 THE CHILDREN, YOUNG PEOPLE AND CULTURE DIRECTORATE

- 2.1 The Directorate undertakes a number of statutory and regulatory functions which include:

- The commissioning and provision of Early Years services ensuring sufficiency of child care placements and quality assuring standards of providers.
- Early Help and preventative services through a range of family support services which range from parenting programmes; support with budgeting and housing, family relationships and emotional and behavioural support.
- Statutory social work for children who are assessed as vulnerable and in need of support, at risk of harm and abuse or who are looked after by the Council and placed in Foster Care and Residential Homes.
- A range of educational support services including school attendance, Special Educational Needs and Disability and school psychology.
- Youth Offending and Youth Support Services and Services for young people leaving care.

2.2 The Directorate is a key member of a number of strategic partnerships, which include; Bury Safeguarding Children Board, Bury Community Safety Partnership and Bury Health and Wellbeing Board, The Children's Trust, and Bury Education Strategic Board.

2.3 The Directorate budgets and staffing are:

Children & Young People	2018/19 Budget £'000
Staffing	22,678
Other	27,074
Gross Expenditure	49,752
Income	(9,580)
Net Expenditure	40,172

Total workforce: 517 FTE (excluding schools)

Workforce includes HR, Business support, statutory social workers, early years workers ensure that children are school ready, early help workers and a workforce that work with schools to ensure schools are improving and effective.

3.0 CONTRIBUTION TO COUNCIL PRIORITIES

3.1 The Directorate contributes to the following priorities for Bury:

Safe and Supportive Communities –

Promote and protect the educational, social and emotional needs of children and young people and intervening where children and young people need are not safe or achieving their potential. The Directorate also leads on creating opportunities for children and their families to lead fulfilling lives and make an effective contribution to their communities

Reducing demand through access to early help that creates healthier, safer and better educated population

Ensuring children are safe from harm

Securing the provision of services which address the needs of all children and young people, including the most disadvantaged and vulnerable, and their families and carers improving outcomes for children and young people.

Equipping people for lifelong employment through skills and learning –

The LA acts as convenor, broker and quality improvement agency of school effectiveness and improvement through promoting inclusive education that will ensure that all children and young people have the best chance of achieving good skills that will enable them to move into employment.

The LA works to ensure every child attends at least a good school and is successful in learning and work

4.0 THREE YEAR BUDGET 2017-20

4.1 The savings target for the Directorate to be achieved from 2017/18 in the 3-year budget to 2019/20 was £7.65 million. There were 18 areas identified across the Directorate where savings were proposed. These are summarised in the table below, identifying the amounts achieved and what is still required within the remainder of the current three year budget:

Proposal (Theme)	Original Target	Revised Target	Achieved 2017/18	Achieved 2018/19	Target 2019/20
	£000's	£000's	£000's	£000's	£000's
Reduced Pension Liabilities	500	500	120	230	150
Business Support Functions	240	240	100	72	68
Traded Services Finance / HR	250	250	80	50	120
Social Care	1,250	100	100	0	0
Early Years / Children Centres	950	1,300	350	550	400
Service Reviews / Transformation	1,570	2,860	150	364	2,346
Asset Management, inc Libraries	1,150	1,150	500	560	90
Procurement Contract reviews	150	150	0	0	150
Tourist Information Centre	50	50	50	0	0
Maximise External Funding	1,540	1,050	1,050	0	0
Savings Target	7,650	7,650	2,500	1,826	3,324

Key achievements in meeting the savings requirements during 2017/18 and 2018/19 include:

- Completion of service reviews, including Traded Services, in line with maximising efficiencies and making best use of opportunities through Mutual Settlement Scheme (MSS) and Voluntary Early Retirement (VER)
- Review of Library provision across the Borough
- Review of Early Years & Children's Centres delivery models, removing vacancies within team structures and budgets
- Rationalisation of building assets
- Maximising opportunity of available external funding
- Review of back office functions.

4.2 It should be noted that Revised Savings targets have been required notably in the following areas:

- Social Care – target not achieved due to unrealistic original savings targets proposed against budgets facing significant demand pressures including high cost placements for Looked After Children and Foster Care.
- External Funding – target not achieved due to pressures in respect to an accumulated deficit on the Dedicated Schools Grant (DSG) specifically in respect to high cost Special Educational Needs and Disabilities (SEND) placements. The DSG recovery plan is outlined in a separate report.
- Service Reviews / Transformation – target increased due to turnaround plans required to mitigate the impact of unachievable savings targets mentioned above together with identifying cashable savings predicted through Greater Manchester (GM) Innovation funding and Health and Social Care Locality Transformation proposals developed since the original targets were proposed.

4.3 The three year position is summarised below;

Children & Young People	£'000	£'000
Original Target		7,650
Delivered – Years 1 & 2		(4,326)
To be delivered – Year 3		(2,799)
Slippage		525
Pressures		3,200
Support required through 19/20 Budget		3,725

The Directorate has already achieved the required budget savings during the first two years of the current budget cycle, and is set to achieve the planned savings in the final year of this.

- 4.4 Compounding the difficulties of achieving the savings target together with sustaining a balanced budget, the demand pressures referred to above have resulted in the Directorate reporting a recurring overspend position, including pressures brought forward from 2016/17 into the current three year budget period 2017/18 to 2019/20. The table below demonstrates the ongoing pressures together with mitigations which will reduce the pressures in 2019/20:

Pressures	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Cumulative pressure (overspend)	1.3	2.7	4.2	4.2
Mitigations				
Cost transfer to DSG	-	-	-	(0.6)
Investment in Foster Care	-	-	-	(0.2)
Ofsted Action Plan	-	-	-	(0.2)
Residual pressure c/fwd	2.7	4.2	4.2	3.2

Whilst every effort is made to achieve the savings targets in line with the detailed plans and in accordance to required timeframe within the three year budget period, the Directorate will use £3.2m of earmarked to meet the ongoing residual pressures within the budget proposals in 2019/20.

5.0 BUDGET PROPOSALS 2019/20

5.1 Overall proposals

Following on from the savings achieved as shown in the table feature in 4.1, the Directorate budget for 2019/20 includes a requirement to meet the balance of savings within the three-year budget period.

Please note Early Years is now included together with Service Reviews and Transformation in respect to the development of the Early Help model and the view to include all Directorate reviews in one area.

The budget proposals to achieve the savings for 2019/20 are outlined below:

Proposal (Theme)	Target 2019/20	On track within 2019/20	Delayed within 2019/20	Delayed beyond 2019/20
	£000's	£000's	£000's	£000's
Reduced Pension Liabilities	150	150	0	0
Business Support Functions	68	68	0	0
Traded Services Finance / HR	120	120	0	0

Early Years / Early Help / Service Reviews / Transformation	2,746	646	1,575	525
Asset Management, inc Libraries	90	90	0	0
Procurement Contract reviews	150	150	0	0
Savings Target- to be delivered	3,324	1,224	1,575	525

The savings targets include detailed plans to achieve and are summarised below:

- Reduced Pension Liabilities – achieved through an ever reducing number of former employees (former teachers) historically in receipt of enhanced lifetime pension benefits provided during the 1980's and early 1990's
- Business Support Functions – reduction in line with efficiencies, better use of ICT and service integration including data sharing and pooled budgets.
- Traded Services Finance / HR – Reduction in costs through efficiencies and use of ICT whilst maintaining traded services income levels. Planned management of staff capacities and use of Mutual Settlement and Voluntary Early Retirement (VER) opportunities.
- Service Reviews and Transformation – whole Directorate planned re-organisation subject to consultation with staff and unions. Incorporates developments required to address capacity and business transformation whilst maximising savings through Mutual Settlement and Voluntary Early Retirement (VER) opportunities.
- Asset Management – rationalisation and relocation from buildings including Higher Lane, St Mary's Place, utilising capacity at Knowsley Place and New Kershaw Centre
- Procurement and Contract reviews – renegotiation of contract unit prices and re-tendering to alternative better value offers. In conjunction with Corporate Procurement and Contracts review.
- Investment secured through GM Transformation and Innovation funds will support delivery of the savings by giving capacity to develop a new Integrated Neighbourhood Early Help Service. This will help the better management of demand and release savings
- Invest to save funding approval to improve payments to foster carers in order to attract more foster carers to Bury. This investment will support the delivery of savings as it will reduce the reliance on the use of external foster care providers which cost more than our own carers
- The amount identified as 'Delayed within 2019/20' (£1.575m) is due to the development of the Directorate structure and finalisation of plans including consultation with staff and unions to be undertaken during February/April 2019. This amount will be delivered in 2019/20.

- The amount identified as 'Delayed beyond 2019/20' (£525k) is in respect of anticipating the part-year delay in implementation of revised structures and line management arrangements to ensure proper and robust consultation may be undertaken prior to implementation. This figure may be reduced and be partly realised within 2019/20 depending on the actual timescale to implement.

In addition to the savings targets to be achieved the Directorate budget for 2019/20 will require recognition of the residual demand pressures of £3.2 million as outlined in the table at 4.3 above. This will be funded from earmarked reserves in 2019/20, with a plan in place to reduce demand in future years.

5.2 The Delivery Model

The Health and Social Care Locality Plan Transformation Fund is supporting the development of sustainable Early Help offer for children and their families in Bury. Building on the successes of the Troubled Families approach and the work of Team Oasis, the ambition of the Early Help Transformation model is to develop a new Early Help offer using an integrated, coordinated and targeted approach which shifts activity away from reactive interventions to proactive ones. By identifying and supporting vulnerable families at an earlier stage, the escalation of their needs can be prevented through timely and appropriate interventions, addressing issues at root cause.

The delivery model is based on national and international examples of best practice and will seek to support the development of a whole family based approach that is able to deal holistically with all the issues a family faces and encourage residents to take greater responsibility for meeting their own needs, and those of their families and their communities.

The Stockport Family Model has been agreed through partnership discussions as the delivery model to deliver a transformational 'Early Help' service in Bury. It is underpinned by restorative practice, helping families to deal with conflict and challenge and repair relationships. It is an integrated service for children and families delivered through multi-agency, co-located, locality-based teams with access to a range of specialist borough-wide services. To deliver this, Stockport have structured their Early Help, health and social care workforce around three locality areas and the Early Help offer has been designed around the local school system - 'the team around' approach.

The 'team around' the school / early years reflects the Stockport Family broader principles. It involves bringing a dedicated Early Help workforce into school settings in order to improve coordinated and accessible support to struggling families at an early stage, manage concerns locally and reduce referrals. In addition, each school is provided a single point of contact for access to the Early Help services and teams in order to further reduce the time taken to meet children's needs or to address concerns raised by school leaders.

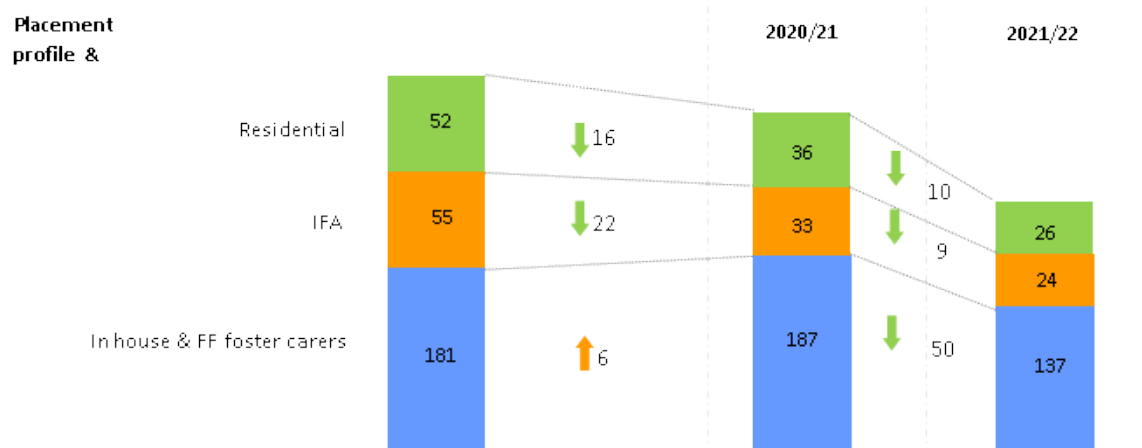
It is proposed in Bury we reconfigure Early Help services into three integrated neighbourhoods, which will provide:

- **Support from 0-19** – it is envisioned that children's centres will be repurposed to provide support on a family basis covering individuals from before birth to the ages of 0 – 19.
- **An integrated approach** – Early Help teams will be restructured to ensure silo working is eradicated and that support for any child and family is fast and effective. Integrated teams will be able to be more responsive to local changes and will be shaped to fit the local area of need.
- **Assertive outreach** - proactive identification and targeting of individuals in Tiers 1&2 before they get through to Tier 3 level of need. This will be through the trusted assessor model and aligned working with partners in health, housing, policing and education.
- **A single team** - professionals will come together in the new service as one team. Every worker, whatever their original specialism or background, will take on the lead family worker role for a number of families, dealing with all the issues those families face. Managers will come from a range of disciplines and the service will include volunteers, including peer supporters.
- **Single assessment and plan** – families have told us repeatedly they do not want to tell their stories multiple times. A single assessment is key – following an accepted referral and assignment to an appropriate key worker, families will undergo a holistic single assessment, through which a single plan is developed. These will both be logged on to the case management system, accessible to other individuals and partner agencies that may also be working with the family.
- **Evidence based interventions** – key workers will be trained in 'Restorative Practices' and will use a range of evidenced based strength and asset based interventions.

Bury has bucked the national and regional trend over the last 2 years with its LAC headline figure remaining relatively stable and showing a slight reduction from 350 as at 31st March 2017 to 340 as at 1st January 2019. However, whilst LAC numbers have remained stable, spend on placement costs have increased. There are a number of reasons for this including:

- More children are placed in Residential Care
- More children are placed in the Independent Fostering Sector incurring a higher cost
- The age profile of children entering the care system has increased; over 50% new entrants are now 11 – 15 years with older children more likely to enter Residential care.

Whilst there is ongoing work to safely reduce the numbers of Looked after Children, as shown with targets in the chart below, in order to change the placement profile a project has been developed to increase the number of in-house foster placements and therefore reduce the reliance of Independent Foster carers and avoid a continuation of the significant cost pressures associated with this type of provision.



There are several aspects to this project which include:

- Enhanced foster care offer – payment uplift from January 2019 to make Bury more competitive
- Improved and timelier assessment and approval process for foster carers
- Marketing officer in place from January 2019 to lead on recruitment campaigns
- Better intelligence to support targeted recruitment
- Ambassador scheme started for foster carers to support recruitment.

5.3 Implications for 2020/21 and next budget cycle

Due to the scale of change required to deliver the outcomes and quality set out in this paper (table shown in paragraph 5.1), some savings and pressures due to be delivered by 2019/20 will be delayed beyond that point. A focus area for 2020/21 and the next budget cycle is to make our plans even stronger to minimise any risks of non-delivery, together with a robust approach to budgeting for the high level of volatility within LAC placements.

5.4 Workforce implications

In adopting and implementing the new Early Help transformation model, and addressing the savings plan as outlined, there will be a re-modelling of teams

across the Directorate to achieve the new service model in locality and neighbourhood teams for the benefit of children and families.

As staff in the Early Help model will be drawn from across both social care and education teams, a process of consultation with staff and staff associations will formally begin in February 2019 and conclude in April 2019, whereby those staff affected will have been re-positioned into their new teams within a re-modelled Directorate structure.

A significant aspect of developing the new Early Help Model will be workforce reform as we move from a current disparate service structure that provides a fragmented approach to an integrated neighbourhood delivery model which will require staff to come together and work within a defined geographical "place". This will require staff to make a shift from being predominately building based to be able to work across community assets within a given geographical location integrating with local services.

In adopting the Stockport Family Support Model, relevant staff will be trained in strength based interventions including restorative practice.

In terms of improvements made to the Fostering Service, through Transformation monies, a review of the service configuration has already been undertaken with a new post of marketing officer recruited to and the enhancement of two existing posts to improve data analysis and performance management capacity.

When compared to the original workforce of 517 full-time equivalent (FTE) staff the outcome of the re-modelling of services and Early Help transformation will see a revised estimated workforce of 490 FTE to be achieved through Mutual Settlement and Voluntary Early Retirement schemes where possible.

The estimated impact on workforce numbers is shown in the following table:

Division	Current	Proposed
	FTE	FTE
Education & Inclusion	185.22	174.30
Social Care / Safeguarding	174.13	178.93
Early Help	86.23	67.73
Business Support (Finance, HR, Administration)	71.50	69.50
Total	517.07	490.45

5.5 Investments

In achieving the transformation and budget savings within the given service pressures, we are able to benefit from additional non-recurrent funding supported by investment from the following areas which are outlined in separate detailed business cases and transformation papers:

- GM Health and Social Care Transformation Fund – transformation scheme to shift the balance of foster care from external to internal foster carers £0.5m
- GM Children's Innovation Fund – for the costs of deploying the Stockport Families model £0.5m
- Corporate funding £0.2m 'Invest to Save'
- Ofsted Improvement Action Plan £0.2m

6.0 CONCLUSION

- 6.1 This budget report is a key report for the Council, as it presents an outline of how the Children, Young People and Culture Directorate will address the key financial savings set in a context of transformation, challenge, and alongside key service pressures with a medium to high risk. This will require significant support and investment to achieve the necessary changes in culture and working practices between partners and agencies across the education, health and care sectors.
- 6.2 Members are asked to consider the medium level of risk around the directorate achieving the savings against the cost pressures as outlined in the report, given the high level of uncertainty around addressing the costs and volume of Looked after Children in Bury.
- 6.3 It is important that Members' consider the findings of the report, the key issues raised, the challenges in addressing the financial savings targets, and in doing so shape and support our directorate response and strategy.
- 6.4 The Council is asked to approve the proposals as outlined in the report, whilst also understanding the cultural shift in working practices and in the opportunity to now share risk and responsibilities for children and their families to a multi-agency approach by adopting a new Early Help transformation delivery model, as well as changes in working practices between schools and the Early Help support agencies to ensure inclusive solutions for all children to be educated and supported in Bury.
- 6.5 Council are asked to consider the medium level of risk around the directorate achieving the savings against the cost pressures as outlined in the report, given the high level of uncertainty around addressing the costs and volume of Looked after Children in Bury. Similarly, Council are asked to note the mitigations / measures outlined in this report to manage this risk.
- 6.6 It is important that Members' consider the findings of the report, the key issues raised, the challenges in addressing the financial savings targets, and in doing so shape and support our directorate response and strategy.

List of Background Papers:-

Contact Details:-

[Cllr Sharon Briggs, Lead Member of Children's Services]