

Report of the Strategic Director of Children's Services to the meeting of Children's Services Overview and Scrutiny Committee to be held on 17 January 2018.

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Subject:

Children's Services budget proposals

Summary statement:

**This report provides information on the Children's Services budget proposals for
2018-19 and 2019-20**

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Portfolio:

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Overview & Scrutiny Area:

Children's Services

1. SUMMARY

- 1.1 This report provides information on the Children's Services budget proposals 2018-19 and 2019-20.
- 1.2 On 5 December 2017 the Executive considered a report concerning the updated draft budget and Council tax proposals for 2018-19 and 2019-20, and approved these proposals for consultation as required with the public, interested parties, staff and trade unions.

2. BACKGROUND

- 2.1 On 5 December 2017 the Executive considered a report concerning the updated draft budget and Council tax proposals for 2018-19 and 2019-20, and approved these proposals for consultation as required with the public, interested parties, staff and trade unions. In line with the previous year's practice, a revised indicative budget plan to 2020/21 was also presented in this report to show how the Council intends to meet the budget deficit by 2020-21.
- 2.2 In line with the Financial Plan presented to Council last year, the budget proposals align resources to the Council's priority outcomes, which are:
- A great start and good schools for all our children
 - Better Health Better Lives
 - Better Skills, more good jobs and a growing economy
 - Decent homes that people can afford to live in
 - Safe, clean and active communities
 - A well-run Council, using all our resources to deliver our priorities
- 2.3 The four year financial plan has been developed following an extensive priority outcome-led planning process and focusses the level of investment the Council intends to make in the activities and services to achieve its priority outcomes.
- 2.4 Local Government continues to face challenges and uncertainties. The four year plan will continue to be monitored with action taken to reflect changes to the forecast position. The Council's Medium Term Financial Strategy (MTFS) forecasts a financial gap of £12.4m in 2018/19 rising to £20.1m in 2019/20, with a further potential gap of £45.8m by 2023/24.
- 2.5 The report made detailed proposals for refreshing the 2018/19 position and set out the detailed financial plans for 2019/20.
- 2.6 For 2020/21 it indicated the level of affordable spending on Council priorities and signalled the need for continued engagement with stakeholders in developing plans and proposals.
- 2.7 Since 2010, the Council has approved £255.8m of budget savings, and has invested £48m into priority areas – largely to address the impact of demographic growth.

- 2.8 This financial plan incorporates savings of £30.7m over the two years 2018/19 (£7.1m) and 2019/20 (£23.6m). With a further indicative savings requirement of £37.5m in 2020/21.
- 2.9 Increasing demand for statutory services and increasing costs of those services have meant that not all savings agreed by Council in previous years have been met. This has required reconsideration of some budgets. These considerations are reflected in the report presented to Executive on the 5 December 2017.

3. CHILDREN'S SERVICES

- 3.1 The department has responsibility for delivering a Great Start and Good Schools for all our children in the UK's youngest city. It is also a major contributor in delivering two other Council priority outcomes which are: Better Health, Better Lives, and Better Skills, More Good Jobs and a Growing Economy.
- 3.2 In the last year, despite continuing budget constraints, the Department has worked to improve outcomes for individuals, with some significant improvements being realised in the following areas:
- Educational attainment. Improvements seen at each stage from early years through Key Stages (KS) 1-5.
 - Bradford schools amongst the most improved in England
 - Improved Progress 8 scores over the previous year (this measures individual children's progress from the end of primary to the end of secondary school) with the district being the fourth most improved area in England for progress made by secondary school pupils.
 - Investment to attract and retain teachers: more than 200 Primary teachers recruited in the last 2 years as part of a Council funded campaign now set to expand to the Secondary sector.
 - Promotion of Bradford's Education Covenant
 - Below the national average number of 16-18 year-olds who are not in employment, education or training
 - Rates of 18-24 year-olds claiming unemployment benefits are improving
 - 3,000 young people supported into employment since the start of the Get Bradford Working Programme – further external funding secured to continue this work.
 - Successful early management of risk - Bradford has 38.2 children per 10,000 on a Child Protection Plan, which compares well to a national rate of 43.1 per 10,000 and a regional average of 41.7 per 10,000.
 - Bradford has achieved strong performance for children's social care despite a comparatively low cost base. Comparator information about per capita spending on children demonstrates that Bradford has the lowest cost base within West Yorkshire, a significantly lower cost than the average for both Metropolitan and national authorities.
 - Success in managing the proportion of children needing care. Bradford has 61 Looked after Children per 10,000 Children, compared with a statistical

neighbour average of 74 per 10,000 Children. This figure is also significantly lower than the majority of core cites. Indicatively, if the numbers of Looked After Children in Bradford were the same as average statistical neighbour benchmarks, the cost of supporting Looked After Children would be approximately £6.8m higher per year.

3.3 Bradford was announced as an Education Opportunity Area. An additional £6m of funding will be available over a three year programme to support improvement of attainment for pupils from disadvantaged backgrounds. A further £5m will also be available over the same period to ensure disadvantaged young people have access to high quality skills and employment training. Whilst spend on the programme needs to align with grant criteria, this funding will support the delivery of key priorities and outcomes across the department.

The Department has been successful in leading a partnership bid to deliver the ESIF Local Flexibilities for the Unemployed Contract, securing matched funding to maximise the remainder of the partner funding that had been allocated for SkillsHouse and the Employment Opportunities Fund within Get Bradford Working.

This contract is called Skills Training and Employment Pathways or STEP. STEP is voluntary for participants and will focus on delivery of a package of tailored support to address worklessness of unemployed disadvantaged individuals. The provision aims to engage with the individual, identify and address barriers to work, using a range of specialist support/provision to move Participants into sustained work at the earliest opportunity.

The total value of the contract including match is £9.6million over three years. The contract will deliver across the Bradford and Leeds Local Authorities with Leeds City Council as one of the key delivery partners. 72% of the delivery will be in Bradford with the remainder in Leeds.

In total the STEP programme will support:

- Over 5000 individuals with job search and employability;
- Over 1500 individuals into employment; and
- Over 700 individuals will sustain employment at 6 months.

Bradford, in partnership with Leeds was the only successful Local Authority to bid for European and Big Lottery Funding to deliver the **Stronger Families programme**. This compliments our Families first programme by assisting adults in vulnerable families to move closer to the labour market. All the evidence shows that children usually have better outcomes if they live in families where adults are in employment. There are already some exceptional results from the £1.6 million pound programme.

B Positive pathways our £3.2 million intervention fund went live on 1st April and was formally launched by the Robert Goodwill DfE Minister in November. Teams have been assembled over the year and we have now had our evaluation partners confirmed as Oxford and York University. A cost benefit analysis will be produced in due course, but we can already demonstrate cost avoidance by preventing teenagers coming into care through strengthened edge of care work. The number of children in external residential care has declined by more than 20% over the

year.

- 3.4 A variety of services within Education, Employment and Skills are working towards traded services resulting in full cost recovery. Support is being given to teams and income generation targets are being set. Decisions will be made later in the year whether a service is going to be viable and as a result whether any services are going to need to close. Decisions will be made primarily based on financial viability. Services working towards full cost recovery include Governor services and the Play service. The service currently generates approximately £4.9m of income from traded services. The table below provides a summary of this income.

Description of Service or Charge	£m
Outdoor Education Centre	0.9
Curriculum ICT (including licenses)	1.5
Music Service	0.7
Education Social Work Service	0.4
Education Psychology Service	0.4
School Clerking Service	0.3
Play Services	0.2
Achievement Service/Data Team	0.2
School Governor Service	0.1
Interfaith Education	0.1
Behaviour Support Services	0.1
Subtotal Education Fees or Charge	4.9

- 3.5 Despite these successes, there are also a number of challenges facing the department, such as:

- Increasing number of referrals into children's social services: an increase of 240 in April to June 2017 compared to the same period in 2016
- Increase of 9% in the numbers of children in local authority care at the end of June 2017 compared to June 2016
- Cost of care places increasing – 21% locally since 2013 compared to 23% over the same period nationally
- Increasing numbers of young people as the population rises by 3000 per year
- 29% of local children live in poverty – increasing the demand for specialist services
- Impact of other factors, such as domestic abuse, on demand for services
- The role of the Courts in impacting on LA finances

Within this context, the service had been allocated £9.13m of savings for 2016-17 and 2017-18. The service is on track to deliver £5.99m of these savings with a £3.14m shortfall by end of 2017-18.

The table below outlines the adjustments proposed in relation to the above to Council Executive:

Amendments to Previous Budget Decisions

Ref.	Description	Prior Year	2018-19 £000
3C7	Reducing the cost of high cost placements – Children's Social Care	-1,039	-250
3C8	Reducing the number of looked after children by 75	-815	0
4C4	Child Protection Management restructure	-60	-240
4C9	Disabled Children – reduce staffing on CAMHS and reduce budget by 1%	0	-34
4C10	Review Team – review budget and reduce by 2% in 2018/19	0	-24
4C14	Reducing agency spend	-1,025	-36
4C15	Review of front door customer contact	0	-46
	Total	-2,939	-630

Section 4 of this Report details the additional proposals to Council Executive in relation to the budget for Children's Services.

3.6 Children's Services key priorities remain as described within the Council and District Plan 2016-20 and are:

- Ensuring that children start school ready to learn
- Accelerating educational attainment and achievement
- Ensuring young people are ready for life and work
- Ensuring educational, employment and skill opportunities for all
- Safeguarding vulnerable children and young people
- Reducing health and social inequalities

Proposals being consulted on reflect these priorities.

3.7 The following considerations have been made in developing these budget proposals:

- Delivering preventative and early help support from locality bases
- Reflects that Dedicated School Grant now transferred to schools
- Better use of staff and management across various services
- Better use of grants to external providers
- Better use and targeting of non-staffing budget to achieve outcomes.
- Supporting use of personalised budgets
- Developing cross regional services i.e. One Adoption and White Rose

3.8 Mechanisms in place to support and manage delivery of the budget proposals:

- Consultations with all relevant stakeholders to inform planned changes
- Named managers responsible for plans and programmes for change
- Programme Team actively supporting managers in developing and reporting on programmes and plans to achieve budget savings – including developing milestones and key performance indicators

- A Social Care Internal Change board meets regularly to track and monitor change within the department , and to offer support to managers leading change programmes.
- Children’s Change Board – chaired by Strategic Director, meeting monthly, oversees progress against all budget lines ensuring savings are on target to be delivered, determining remedial action as required
- Health and Well Being Board
- Cross-Council Outcome Delivery Boards – chaired by responsible Strategic Director - meet four weekly to ensure programmes and projects on target.
- Great Start and Good Schools Delivery Board, Better Health Better Lives and Skills, Jobs and Economy each have responsibilities to deliver on Outcomes associated with Children’s Services
- Council Overall Budget Board – meets four weekly, receives exception reports and either tasks responsible strategic directors with bringing budget saving programmes back to schedule or re-schedules targets within the life of the programme.

4. FINANCIAL & RESOURCE APPRAISAL

4.1 The tables below provide a summary of the budget proposals for Children’s Services:

Schedule of 2019/20 proposals open for consultation up to 28th January 2018 (2018/19 for reference only)

Ref.	Proposal for Change	2018-19 Impact £000	2019-20 Impact £000
4C1	Education Services – From 2017 part of the Dedicated Schools Grant will be passed directly to schools. There will therefore be a reduction in Council spending but no reduction in base budget. The proposal is included here as there could be staffing implications.	0	0
4C2	Early Years - From 2017 part of the Dedicated Schools Grant will be removed. Plans are being formulated to develop a coherent and targeted suite of early years’ services including early help, family centres and early years’ including Children’s Centres. The proposal is included here as there could be staffing implications.	0	0
4C3	Children’s Services – staffing, restructure, reduction in the Connexions contract with longer term service brought back in to Council, investigate regional data centre, cessation of Employment Opportunities Fund (EOF).	150	50
3C7	Looked After Children - Reducing the cost of high cost placements	250	0
4C4	Child Protection management restructure – reduction in teams by four to ten with potential reduction in team managers plus review other overall budgets	240	0
4C5	Children’s Social Care management restructure – review of management structure leading to proposed reduction of two service manager posts and one team manager	85	0
4C6	Early Help –review structures in early help for children and families commissioned from VCS, youth offending team, crime prevention, family centres, families first	120	660
4C7	Looked After Team – review of staffing and non staffing budgets	19	19
4C8	Fostering and Adoption – review team manager structure with potential reduction of one team manager post	50	0

4C9	Disabled Children Team – to build on review already underway with CAMHS, review overall staffing and non staffing budget	34	0
4C10	Child Protection Review Team – vacancy management, use of software to reduce administrative requirements	24	0
4C11	Leaving Care – to review staffing and non staffing budgets to achieve a saving of 2% in yr 1 and a further 1% in yr 2	34	0
4C13	Drugs and Alcohol Team – review of the work of the team and all other services that support young people with alcohol and drug issues	50	0
4C14	Child Protection - Reducing agency spend in Children’s Social Care Services	36	0
4C15	Child Protection - Review of front door customer contact to Children’s Social Care Services	46	0
	Total	1,138	729

New Proposals open for Consultation until 12th of February 2018

Ref.	Proposal for Change	2018-19 Impact £000	2019-20 Impact £000	2020-21 Impact £000
5C1	Review Respite Provision after the introduction of personalised budgets	0	400	0
4C2	Prevention and Early Help – detailed proposals form part of the Executive report Doc AC -7th November 2017	0	3,000	2,561
	Total	0	3,400	2,561

4.2 The above tables do **not** include a further saving of £4.8m in the Prevention & Early Help budgets (mainly in relation to School Nursing and Health Visiting), currently being consulted on, that will be delivered in total by 2021. However, they do include the £6.5m saving from this area to be delivered in 2020-21.

4.3 Additional funding of £2.8m has been allocated to Children’s Social Care in the Council’s last two budgets and a further £625k a year over the next three years is proposed in order to respond to demographic trends

4.4 An additional investment of £300k a year is proposed in order to continue work to prevent child sexual exploitation.

4.5 The value of proposals under consultation until 28th January 2018 is £1,129k and relate to the 2019-20 budget saving proposals. There is a separate consultation on the Early Help proposals which ends on the 12th of February 2018.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

5.1 Outcomes from current consultations may mean that specific proposals cannot be delivered or may need reforecasting.

5.2 Demand for statutory services may increase beyond forecasts and current budget provision.

- 5.3 The Programme Control processes in place serve to maintain appropriate support, challenge and robust strategic level oversight of progress in balancing the budget with safe and effective services.

6. LEGAL APPRAISAL

- 6.1 The Council must comply with all legal requirements and local agreements to consult on proposals to change or withdraw services before the Council is asked to make any final decisions.

- 6.2 The legal requirements for a proper consultation exercise are as follows:

- Consultation must be at a time when proposals are at a formative stage.
- Sufficient reasons for the proposals must be given to allow intelligent consideration and response .
- Adequate time must be given for a response
- The product of the consultation must be conscientiously taken into account before the decision is made.

- 6.3 Section 149 of the Equality Act 2010 (the public sector equality duty) provides that:

- (1) A public authority must, in the exercise of its functions, have due regard to the need to –

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- (2) A person who is not a public authority but who exercises public functions must, in the exercise of those functions, have due regard to the matters mentioned in subsection (1).

- (3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to –

(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;

(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- (4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- (5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to –
- (a) tackle prejudice, and
- (b) promote understanding.
- (6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.
- (7) The relevant protected characteristics are –

age;
disability;
gender reassignment;
pregnancy and maternity;
race;
religion or belief;
sex;
sexual orientation

Officers have prepared equality impact assessments on the proposals to assist elected members in having regard to this duty.

6.4 Section 3(1) Local Government Act 1999 imposes a duty on local authorities to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Section 3(2) requires local authorities to consult representatives of Persons:

- Liable to pay any tax in respect of the authority
- Liable to pay non-domestic rates
- Who use or who are likely to use services provided by the authority
- Appearing to the authority to have an interest in any area within which the authority carries out functions for the purpose of deciding how to fulfil the duty imposed by Section 3 (1).

- 6.5 Pursuant to Section 188 Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA 1992) the Council as employer is required to consult the recognised Trade Unions where there is a proposal to dismiss by reason of redundancy (which includes voluntary redundancy) 20 or more employees at an establishment within a period of 90 days or less. If 100 or more employees are at risk of dismissal by reason of redundancy at any one establishment within a period of 90 days or less the consultation must begin at least 45 days before the first of the dismissals takes effect.
- 6.6 Where a proposal gives rise to a transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006, trade union consultation will be carried out in accordance with those Regulations.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

Each proposal is subject to an initial Equality Impact Assessment, which will be developed through the consultation period. The consultation provides the opportunity for the Council better to understand:

- The consequences for individuals with protected characteristics affected by changes, particularly related to proposals relating to social care
- Any cumulative impact on groups with protected characteristics.

7.2 SUSTAINABILITY IMPLICATIONS

There are no direct sustainability implications resulting from this report.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

There are no direct sustainability implications resulting from this report.

7.4 COMMUNITY SAFETY IMPLICATIONS

Where there are any community safety implications arising from individual budget proposals these will be covered in the consultation exercise. Any implications arising from the consultation will be presented to subsequent meetings of the Executive.

7.5 HUMAN RIGHTS ACT

There are no direct human rights implications arising from this report.

7.6 TRADE UNION

- 7.6.1 In accordance with the requirements of Section 188 Trade Union and Labour Relations (Consolidation Act) 1992, consultation with the Trade Unions will commence on 27th November 2017.
- 7.6.2 The **new** proposals provided to the Trade Unions highlight the areas where staff could be at risk of redundancy and show that the proposed likely full time equivalent (FTE) reductions in a number of areas is calculated to be 41.8 FTEs reductions for 2018/19 and 10 FTEs in 2019/20.
- 7.6.3 These numbers also exclude the 240 FTEs in relation to the proposal on Prevention and Early Help announced on 30th October 2017.
- 7.6.4 Where a proposal gives rise to a transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006, trade union consultations will be carried out in accordance with those regulations.
- 7.6.5 Senior Management explained the proposals in more detail to the Trade Unions at the Trade Union meetings that took place from 7th December 2017.
- 7.6.6 Equality Impact Assessments (EQIA) are being prepared on all proposals that have a staffing implication, these will be available as part of the consultation process. All information from individual EQIAs will feed into an overall Corporate EQIA.
- 7.6.7 Staff will also be briefed on the proposals.

7.7 WARD IMPLICATIONS

Affects all wards

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

None

10. RECOMMENDATIONS

The Children's Services Overview and Scrutiny Committee to note the details of the budget saving proposals for 2018-19 and 2019-20

11. APPENDICES

None

12. BACKGROUND DOCUMENTS

Document AB - Mid-Year Finance and Performance Statement for 2017/18 – Executive 7th November 2017

Document AC – Prevention and Early Help – Executive 7th November 2017

Document AJ - Proposed Financial Plan updated 2018/19 to 2020/21 – Executive 5 December 2017

Document AE - Children's Services Budget Considerations (2017-18 and 2018-19) – Children's Overview & Scrutiny Committee 24 January 2017

The Council Plan 2016-20