



# Overview and Scrutiny Committee – Budget Scrutiny - Children & Culture Directorate

December 2019

Cllr Danny Hassell

Cabinet Member for Children, Schools and Young People



# Overall Position



The current pressures on the General Fund amount to £12.2m.

## **‘Overspending’**

- This consists of Children’s Social Care (£2.9m), Special Educational Needs (£1.7m), Youth Services and Commissioning (£1.5m), Children’s Resources (£1.3m) & Sport, Leisure and Culture (£0.6m).

## **Unachievable savings**

- This also includes unachievable savings amounting to £3.3m (Early Years £2.4m and SEND £0.9m) and slipped savings of £1.0m (Youth Services and Commissioning).

## **Recovery plan**

- There is a recovery action plan in place that currently suggests a reduction in the forecast overspend to £10.2m before drawdown from reserves of £0.6m.



# Children's Social Care



- Following conclusion of the “intervention and monitoring” phase of strengthening services, following the Ofsted ‘Good’ rating in June, we are now looking to “right-size” the budget for Children’s Social Care.
- **Staffing** - In order to continue this standard of service delivery, CSC require an additional investment of £1.6m to increase their frontline social work establishment by 25 posts. These 25 posts were funded via the Ofsted Improvement budget, therefore the request is to maintain the current staffing levels which have delivered the significant improvements seen over the past two years and endorsed by the recent Ofsted judgement of “Good”.



# Children's Social Care



- **Placements** - The sufficiency strategy has had an impact on the numbers of older young people reducing within the high cost placements. However this has been offset to some degree by an increase in more expensive placements such as those for mother and baby assessments. There is a growth bid of £1.8m to realign the placement budget.
- **Cost Reductions** - £1m of savings against the Social Work Academy and associated recruitment activity. These savings will come from converting current agency staff into permanent positions, through the recruitment, support and retention of newly qualified SW's (ASYE's) and recruitment of experienced SW's over a three year period.



# Contract Services



- Options for the future delivery of Contract Services were presented to and agreed by Cabinet in February 2019. The options included recommendations intended to reduce pressures on the budget for this service, including withdrawal of Secondary school catering, withdrawal from schools contract cleaning, a review of adults' welfare meals.
- Some changes have been made and are reducing the budget pressure this year.
- The action plan will have a phased impact during 2019/20 with fully delivery from 2020-21.



# Other areas of pressure



- **Leaving Care Service (Through-care)** - Cumulative funding pressure as a result of responsibilities for increasing number of Unaccompanied Asylum Seeking Children and change in legislation for LA responsibilities for young people up to age 25. In addition to the commitments made to provide accommodation for Dubs Children.
- **Early Years** – A growth bid has been prepared to reverse the 2017-18 pre agreed savings for Early Years. The proposal was flawed as the Early Years budget was funded by the Dedicated Schools Grant (DSG) not the revenue base budget. Therefore no savings could be achieved.
- **Sport, Leisure and Culture** - Recovery action plan proposes reducing spend against income by £0.6m to offset pressures within this service.



# Special Educational Needs



- There is a proposed growth bid to reverse the 2017-18 pre agreed savings for SEND. The business proposal was flawed as the SEND budget for Educational placements and associated support for children who have an Education, Health and Care Plan (EHCP) (a statutory requirement under C&F Act 2014) is funded by the Dedicated Schools Grant (DSG), not the council's general fund.
- The Dedicated Schools Grant (DSG) has a £7.7m overspend. This is principally in relation to the High Needs Funding Block.
- The council has been required to submit a recovery plan to DfE which outlines how the overspend will be addressed.
- The recovery plan includes reducing the amount of funding retained by LBTH to deliver support services, reducing demand for Alternative Provision and a reduction in all school top-up payments.
- The indicative High Needs Block funding for 2020/21 shows an increase of £7.3m which will decrease the overspend pressure.