

MEDIUM TERM SERVICE & RESOURCE PLAN PEOPLE & COMMUNITIES (Children's Services) 2013-14 until 2015-16

1. Introduction

This plan shows the changes that are already taking place and proposals for the future in response to the key influences and challenges facing the People & Communities Department (Children's Services).

This plan is one of a series of plans that make up the Council's **Medium Term Service & Resource Plan**:

- People & Communities
 - Children's (this plan)
 - Adult Social Care, Health and Housing
- Place
 - Service Delivery (Planning, Transport, Waste, Highways, Libraries, Tourism Leisure & Culture)
- Regeneration, Skills & Major Projects
- Resources

The overall context is raising demand for services but public expenditure cuts that are unparalleled since the Second World War. In the short term this Council's reserves and commercial sources of income, together with its long term financial plans and efficiencies, put it in a strong position. However, the situation is now radically changing with the need for a shift towards substantial reductions in service provision to supplement efficiencies.

A separate document summarises the main financial assumptions and parameters (See Appendix 5).

The **external and corporate influences** on this plan can be summarised as follows:

- Cuts in public expenditure and reduced council budgets – this is the third year of the 2010 Government Comprehensive Spending Review which covers the four years to 2014/2015 – the savings are very challenging and are set to continue well beyond 2013 – CSR 2010 took 28% out of local government funding (for the first 3 years of this settlement) and additional cuts are now coming in.
- There is a key demographic change with a projected 40% increase in the older population by 2026 creating a significant additional financial pressure and an increase of the entire population of 12% by the same date.
- Increases in Council Tax will in future be supplemented by 6 year's worth of new homes bonus – these changes are helping to offset the cuts but only have a relatively marginal impact.

- Business rates growth (or decline) will from April 2013 become the responsibility of local government (as at least 50% will be retained or lost locally) and a level of growth below 1% p.a. is expected - with 90% of growth occurring as a result of growth in the enterprise area in Bath.
- No end is yet in sight for the review of funding of social care – following the Dilnot Commission - the increasing costs of care run the risk of making Council budgets unviable over the next decade, although there have been suggestions there may be some announcements as part of CSR 2013 to help mitigate this.
- The Government estimates that there are 220 families in Bath and North East Somerset experiencing a range of needs and who are costing services between £250K and £300K p.a. per family. Joining up services between agencies supporting such families is becoming a national and local priority.
- Schools continue to self-fund (though the Direct School Grant ring fenced budgets) but those that become Academies, which is the majority of secondary schools, are independent of the Council and its support. This creates diseconomies that have to be absorbed as the local education authority role diminishes.
- Government expects that councils will continue to deliver further efficiencies and minimise Council Tax increases – Government guidance says increases are to be below 2% in 2013 to avoid triggering a local referendum and a 1% grant (for 2 years) to temporarily reward Councils for a 2013/14 Council Tax freeze.
- Changes in Government legislation, regulations and guidance - there are some simplifications and some new scope for local decision making but at the same time radical and demanding changes such as:
 - Localism, Planning Reform, new grant funding to support local government (less money and less types of grant),
 - Return of a share of Business Rates and related growth to local government, new Benefits system (Universal Credits and Council Tax Benefits – the latter now called Council Tax Support),
 - Incentives for growth (new homes bonus, regional growth fund, Business Rates growth, Local Enterprise Partnerships, more discretion over Council Tax discounts such as for empty homes and a second homes premium).
 - The Council will also be taking on significant statutory functions for Health and Wellbeing in the area and the connected strategies and Boards.
- Proposed legislation to reform the educational and decision-making system for children with Special Educational Needs; the impact of the proposals is difficult to gauge as the pilot schemes established by Government will not have reported prior to the changes that are being piloted are enshrined in law.
- Introduction of a third Ofsted Inspection Framework for Safeguarding and Looked After Children Services within a two year period. The new framework will follow the ‘journey’ of the child or young person and will focus upon quality of practice and management oversight whilst the new framework (implemented in May 2013) will be multi-agency in focus,

greatest emphasis will continue to be upon the Local Authority as the lead agency.

The Council published a new corporate plan in 2012 which outlined a new vision and objectives. The Council Change Programme remains a key driver for internal efficiencies and improvements in services to customers. Note: A summary from the latest Joint Strategic Needs Assessment – the source of some of the above needs-related statistics - is attached as an Appendix. (More detail is also available on the Council's website).

2. Existing Staff Resources & Finances

The services incorporated in this plan are listed below together with related staff numbers.

	2011-12 Actuals		2012-13 Budget		
	Gross £m	Net £m	Gross £m	Net £m	Staff FTEs
Children, Young People and Families	14.24	11.503	23.452	22.263	132.58
Learning and Inclusion	23.283	17.223	10.761	8.516	207.78
Health, Commissioning and Strategy	16.431	87.398	13.961	111.833	70.28
Schools	86.317	76.936	100.748	100.748	0
TOTAL	140.271	18.264	148.922	19.694	410.64

A more detailed analysis of planned revenue and capital expenditure is contained in the Appendix 1 and 2.

3. Key Proposed Changes – Years 1 to 3 – 2013/14 to 2015/16

There is a need to take a structured approach to the next 3 years. The scale of the cuts across all services means that individual years should not be progressed in isolation. **A 3-year programme** is needed with cuts front loaded as far as possible whilst involving the community as far as possible and being mindful of impacts on specific groups within our local community.

Taking account of the above the approach in the People & Communities (Children's Services) Department is to:

- Continue to restructure the Department to deliver sufficient quality targeted and specialist services to meet our statutory responsibilities

including safeguarding. Maintain as many early targeted support services as possible to support children & families within the community and prevent the need for more costly services later on.

- Review and rationalise our pathways for service delivery to recognise reduction in services
- Develop our commissioning intensions to work with local organisations including the voluntary sector in the light of reduced budgets.
- Managing the impact of centralisations and reductions in corporate support services
- Managing further the impacts of the creation of Academies and the changing Local Education Authority role
- Retain sufficient capacity so that the council can implement local change resulting from new legislation over the next three years
- Maintain a focus on providing quality social care services to targeted children, young people and families and improving these within the resource envelope available
- Review policies and pathways around early help and intervention across the age range to ensure that policy and operational thresholds reflect the re-designed services and reduced resource levels available
- Establish a new 'Connecting Families' service and response to address the factors identified by Government and align this within our re-configured range of services for children, young people and families

Restructuring of People & Communities Department

The restructuring of People & Communities Department is the culmination of consultation undertaken as part of the corporate Change Programme and Council decisions. It seeks to bring together work streams which considered: our changing external policy and legislative environment; the strengths and weaknesses of a commissioner- provider separation; the on-going implications of health service reform; the increasing autonomy of the schools and education system; the potential impact of the Munro Review and the increasing pressure upon Social Care systems; our profoundly shifting demography and the increasing complexity of society and the challenges this presents.

Our structure proposals must equip us to manage the challenging financial agenda as well as helping us to be more efficient and deliver value for money.

Phase 2 of the restructuring to appoint 3rd tier managers will be completed by January 2013. Phase 3 to determine other tier structures will start before the new structure is in place in April 2013 and it is anticipated the new structure will be fully operational by September 2013.

The main aims of the restructuring changes are to:-

- Introduce an internal commissioning function for children and young people's services, with appropriate safeguarding and quality assurance arrangements;

- Align commissioning functions across children's, adults, public health and health to enable effective joint working to improve our collective response to the needs of our communities and manage public resources effectively
- Create a strategic team focused on Education outcomes, supporting and challenging schools and academies in the shifting educational landscape;
- Allow children's provider services to focus on their core business and be responsive to a new 'market place' for their services;
- Create a Business Support Team post, managing a range of functions that support the whole department and provide a link to restructured corporate functions as appropriate.
- To introduce, within the Children and Young People's Specialist Service Provider Division a new model for delivery of the Children's Social Care Service, which was initiated by the Lean Review and informed by the re-design pilots, the Munro Review of Child Protection Services, and the outcomes, recommendations and actions taken subsequent to our Ofsted Inspection in January 2012. This is intended to enable the service to continue to work effectively as part of the multi-agency disciplinary response to families in difficulties across Bath and North East Somerset.
- Enable the Music Service to adapt to the reduction in funding and move towards trading directly with parents (instead of schools). This will enlarge our customer base for marketing opportunities and offer a more flexible model of delivery.

4. Finances and Service Impacts

The savings proposals totalling £4.345m set out in Appendix 3 can be summarised as follows:

- Management and service re-structure to remove a range of posts as some service areas reduce in size and scope.
- Further stripping out of education service capacity as schools become more autonomous and responsible for their own operation and improvement.
- Discontinue the current Connexions Service contract and create an integrated, mainly targeted Youth/Young People Service combining Youth and Connexions Services.

- Reduced commissioning of additional services for certain groups of children, young people and families. This aligns with Government announcements in further reductions in the Early Intervention Grant.
- Reduced Children's Centre and Early Years Services leading to a whole-service re-structuring and consideration of new models of service delivery to be fully implemented from April 2015.
- Reduced Family Support Services leading to a redesign of the overall provision of these services.

The service impacts of the changes are set out in the attached impact analysis at Appendix 3.

The following targets have been set for the next three years:

- | | |
|-----------|---------|
| • 2013/14 | £0,995m |
| • 2014/15 | £1,163m |
| • 2015/16 | £2,187m |

When unavoidable growth is added in for 2013/14 to 2015/16 itemised in Appendix 3 and is mainly associated with contract inflation, pay increments and demographic growth. This means the real savings over the 3 year period will need to be in the region of 9.02% of gross spend (excluding schools).

The proposals to meet the three year targets (including the corporate items) can be categorised as follows:

- | | |
|--------------------------|---------|
| » Cashable Efficiencies | £0.383m |
| » Additional Income | £0.021m |
| » Reduced Service Levels | £3.941m |

Savings proposals totalling **£4.345m** are set out in Appendix 3

5. National and local Performance Frameworks

There have been significant changes in the national performance regime in the last 18 months. An initial reduction in the national performance framework has been replaced by a number of service specific requirements in Adult Health & Social Care and Public Health. National inspection frameworks are anticipated to emerge in the future. National inspection frameworks in Adult and Children's Services (CQC and OFSTED) are continuing.

Further national performance frameworks are anticipated to emerge in the future. The local government Association (LGA) has introduced a new national Peer Challenge scheme. Most local authorities are expected to participate in this scheme which replaces the Audit Commission's Corporate Peer Assessment (CPA). This will allow local authorities to identify their own strengths and areas for

improvement. It is anticipated that Bath & North East Somerset Council will undergo a peer assessment in 2013.

The Council has developed a new performance framework which meets service specific national requirements and also provides local performance information to support effective decision making. This incorporates value for money (VFM) and benchmarking where information is available and a corporate VFM judgement continues to form part of the annual audit of accounts.

Currently, it is not possible for councils to compare their relative overall performance as this information is now not gathered nationally. However, continuing local monitoring indicates that levels of performance have been broadly sustained and we are currently reviewing how we can actively demonstrate this using new LGA mechanisms.

6. Workforce Planning

Workforce planning, as part of a broader Organisational Development, will remain critical during the course of this medium term plan as the Council reshapes to meet the financial challenges alongside the expectations of local communities

The aim must be to develop an agile workforce in terms of numbers, skill and competence that can be 'flexed' to meet changing needs. Each division in the department will be considering future organisational models and service plans for the next and subsequent years will be identifying workforce issues that will inform the development of the Council's on-going Organisational Workforce Development plan.

Over the next 3 years, there will be a reduction in overall staffing levels across the People & Communities (Children's Services) Department of around 34 FTE posts. A range of measures utilising the Council's Organisational Change Policy & Procedures will be deployed to minimise job loss and compulsory redundancy. Forward planning, together with sound staff and union consultation will help to mitigate the potential impacts. The potential impacts on staff morale, wellbeing and motivation will need to be considered, given both the Council's financial decisions and the more general economic climate in the country.

7. Longer Term Options – Years 4 to 10

The longer term solutions are more speculative and will in part be driven by the wider agenda for local government, city regions, Local Enterprise Partnerships, demand pressures on social care (with an aging population), climate change issues but also perhaps the growth and economic prosperity opportunities arising from an expanding population.

The proposed changes in the next 3 years are radical and will set the agenda for some years to come. Public expenditure reductions will also continue for some years to come. The slow recovery of the economy and public sector finances at a national level is a major concern and threat to local government.

The Council's role as an enabler and community leader is crucial so that local people have access to the right services is central to the changes described here. The changes in schools and health and social care alone will radically take this agenda forward over the next 3 years.

The fundamental issue remains the funding of social care. The increasing demands and associated costs are linked to the demographic change affecting all Councils as people are living longer and the population of people in care continues to grow. This runs the risk of making Council budgets unviable if a new approach and national funding system is not introduced. Councils will not be able to support their other priorities in the medium term if this issue remains unresolved.

A link to a report showing the potential effect of social care funding in the medium term is provided below – just after list of appendices. The analysis has been provided by the Local Government Association.

Approval of this plan

This plan is to be considered by the Early Years, Children & Youth Policy Development & Scrutiny Panel in November 2011.

The Portfolio holder for People & Communities (Children's Services) will then review it again so that any changes will be incorporated into a final version of the plan for approval alongside the overall budget in February 2013.

Appendices

Appendix 1	Children's Services Headline Numbers 2011/12- 2017/18
Appendix 2	Draft People & Communities Dept. Capital programme 2013/14-2017/18
Appendix 3	Children's Services MTSRP Service Impact Statement
Appendix 4	Joint Strategic Needs Assessment 2012 Exec Summary
Appendix 5	Corporate Financial Planning Assumptions
Appendix 6	LGA Funding outlook for Councils 2010/11-2019/20

More information about:

The Change Programme, the existing Sustainable Community /Strategy and Corporate Plan can be found on the Council's web site www.bathnes.gov.uk/

The Local Government Association has analysed the impact of the problem with social care funding and increased demand. This has a fundamental impact on the viability of council budgets beyond 2015/16. A link to this report is enclosed below:

http://www.local.gov.uk/web/guest/publications/-/journal_content/56/10171/3626323/PUBLICATION-TEMPLATE