

MEDIUM TERM SERVICE & RESOURCE PLAN CHILDREN'S SERVICE

2012-13 until 2014-15

Introduction

This plan sets out the key influences on the Children's Service together with the intended approach to service and resource planning. This plan is one of a series of plans that make up the Council's Medium Term Service & Resource Plan:

- People and Communities Department comprising:
 - Children's Service (this plan) (Learning and Inclusion, Youth, Youth Offending, Safeguarding Social Care and Family Support, Early Years and Play, Health, Commissioning and Strategic Planning Services).
 - Housing, Health & Social Care (this is jointly produced with the PCT) (Non-Acute Health and Adults Social Care Commissioning, Housing Services, Supporting People, Mental Health Services, Adult Safeguarding and Audit and Assurance,
- Resources & Support Services (Council Connect, Improvement & Performance, Finance, Legal & Democratic, Policy & Partnerships, Property, Revenues & Benefits, Risk & Assurance, IT and Transformation)
- Customer Services (Planning, Transport, Waste, Highways, Libraries, Tourism Leisure & Culture)
- Development & Major Projects (Economic Development & Project Management & Delivery)

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

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

- Cuts in public expenditure and reduced council budgets – this is the second year of the 2010 Government Comprehensive Spending Review – savings have been 'front loaded' and are very challenging
- There is a key demographic change with a projected 40% increase in the older population by 2026 creating a significant additional financial pressure
- Government expectation that councils will continue to deliver further efficiencies
- 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 Business Rates growth to local government, new Benefits system (Universal Credits and Council Tax Benefits), Incentives for growth (new homes bonus, regional growth fund, Business Rates growth, Local Enterprise Partnerships). The Council will also be taking on significant statutory functions for Health and Wellbeing in the area and the connected strategies and Boards.
- The Council will be publishing a new corporate plan in 2012. It will include a new vision and objectives and explain how we will efficiently direct our resources to address the

issues that matter to the area and its people. Council Change Programme – this remains a key driver for internal efficiencies and improvements in services to customers. It also targets priorities and needs as well as initiatives to join up services between public agencies

Further detail about these external and corporate influences is given in Appendix 4.

Staff, Resources and Finances

The services incorporated in this plan are listed below together with related staff numbers and current year's budgets. This is the starting point for the 3 year plan. Changes start with this as the base:

	Gross £m	Net £m	Staff FTE
Children's Service Divisions:			
Safeguarding and Social Care	11.102	10.468	
Learning & Inclusion	9.281	7.352	
Health, Commissioning & Planning	131.187	3.361	
Total cash limit	151.570	21.181	418

Notes:

(1) Revenue budgets are for 2011/12 - prior to any changes arising from this plan.

(2) The gross figures are before income including government grants..

(3) Health, Commissioning & Planning gross figure includes school budgets funded by the DSG

(4) The FTE staff figures do not include school staff

A copy of the draft capital programme is attached as Appendix 1.

Growth Areas

Social Care pressures total £200k

£100k Care placements

£100k Care leavers services

Additionally pressures exist in servicing borrowing for the capital programme totally £130k which relate to the decision of the administration to support the development of a sixth form for St. Mark's CE School and St. Gregory's RC College.

There is also pay and general inflation pressures mainly related placement fees, these total £130k.

The pressures that were anticipated to impact upon our Social Care functions have materialised. Our 'In Care' population has remained broadly stable at around 155-160 children and young people. However this is 30-35 placements above the population in the years up to 2009-10 i.e. a rise of 24 – 28% in the numbers in our care population.

In addition the population of children and young people with Child Protection (CP) Plans has risen from an average of 72-75 to 100-105 i.e. a 40% increase

Key Proposed Changes Years 1-3

The basic approach in Children's Services response to these drivers for change is to:

- support front line service delivery
- continue to target support services for savings
- continue to rationalise service delivery particularly in relation to (i) Lean Review/Service Re-design of Children's Social Care Services and (ii) the impact of the academies funding 'top slice' on the shape/scope of Local Education Authority functions.
- Rationalise use of assets and service delivery locations
- Further develop corporate and service specialist commissioning and procurement approaches to deliver best value and outcomes from commissioned services.

Over the next year the Children's Service will integrate into the wider People and Communities Department in line with recent Council decisions. This will result in the integration of some functions across the 'children', 'adult' and 'health' landscape whilst other functions may remain wholly or partly distinct/separate. The proposed final structures will emerge during spring 2012 and are dependent upon the work between service management and the Institute for Public Care (IPC).

Finances and service impacts

The service impacts of the changes are set out in the attached impact analysis (appendix 3)

The targets for the service are at two levels. The base target is for savings in the region of 5% of gross spend and over the next three years is as follows:

- 2012-13 £954k
- 2013-14 £178k
- 2014-15 £582k

During the current financial year (2011-12) the service had to deal with an 11.9% reduction which equates to a cash reduction of £2.9m. This was in addition to 'in year' cuts in 2010-11 made by Central Government to a range of grants used by the Council to provide services to children, young people and families.

In preparing for 2012-13 and beyond the service has not been able to identify the required level of savings to deliver £954k. At present the service has identified £480k of savings leaving a gap of £474k.

In addition to this the service has a number of pressure or growth items which are:

- Inflation £130k
- Care Placements £100k
- Care Leavers £100k
- Supported Borrowing costs £130k

These pressure/growth items would be funded through additional savings made within the service. Given the pressures upon the service and the difficulty of the service to make a base savings target this results in an overall funding gap for 2012-13 of £804k.

At present the Government are consulting upon a number of changes that will impact upon the operation of the Children's Service and the Wider Council.

Firstly, DfE are consulting upon a methodology to fund academies for the services no longer provided to them by their 'host' Local Authority. In the current year (2011-12) the Council had £425k 'top-sliced' from its Rate Support Grant (RSG). DfE had already indicated that a further £335k would be removed for 2012-13. However, the proposed method for calculating the ongoing 'top-slice' could result in a worst case scenario reduction of a further £1.5m during 2012-13. This would therefore total £2.26m reduction to the RSG.

This amount equates to roughly two thirds of what the Council spends on its Local Education Authority role if the budgets for Home to School Transport and Redundancy and Retirement are removed. Therefore the reduction must be apportioned across all Council Services as it applies to all such service areas.

Secondly, Professor Eileen Munro's review of Child Protection Social Work practice has concluded and reported and DfE are now re-writing the statutory guidance known as 'Working Together'. Consultation is already underway on the Statutory Role of The Director of Children's Services, which is complementary to the 'Working Together' guidance. It is envisaged that some parts of the statutory performance management framework will be dismantled. However, local authorities will be expected to retain or develop strong and robust internal systems to ensure that children, young people and families receive services at the earliest opportunity and with only minimal recourse to statutory procedures related to the merits/needs of each individual case.

The service has been a 'journey' authority working alongside Professor Munro and our re-design of our services will be implemented during the 2012-13 financial year. Because Government changes are predicated on the concept of 'early help', work done on re-design to date and our strong performance on cost benchmarking, no service reductions have been proposed in the children's social care functions.

An emerging related area of risk is the change proposed by the Ministry of Justice in relation to the costs of remands of Young Offenders to custody. At present the local authority meets 30% of remands of children or young people made to welfare/secure home placements. There is no contribution to remands made to Young Offenders Institutions or Prisons. The Ministry of Justice propose to shift financial responsibility to local authorities over an as yet to be determined number of years. This will result on additional pressure on Children's Service placement budgets if Government does not fully fund these new burdens (as it should under the 'New Burdens Doctrine').

The following analysis provides a greater breakdown of the proposed contribution to the savings target.

Base Savings Target 2012-13

	Growth/Pressure Identified	£330k
➤	Base Target	£954k
➤	Total Target	£1,284k
➤	Target Achieved	£480k
➤	Balance	£804k

Summary of Proposals to meet base targets

➤	Cashable Efficiency Savings	£250k
➤	Reduced Service Levels	£230k
➤	Total	£480k

The main reduced service levels relate to the following and are summarised in more detail in the Impact Analysis at Appendix 2.

- Stage 3 of School Improvement and Achievement restructure £30k
- Children Missing Education Service – reduction to secondary schools £30k
- Traveller Education Service reduction £15k
- 14-19 Shared Service £110k
- Schools Capital and Organisation Team £45k

Early Years Foundation Stage

Majority continue to attain securely within the ELG and achieve good outcomes across all areas of learning. Targeted intervention and support for schools/settings has resulted in improved outcomes for the most vulnerable particularly in CLL.

Proportions reaching LA threshold target of 78 points and 6+ across all scales in CLL and PSE has risen to 58.3% compared to 56% in 2010.

Very good progress has been made in narrowing the gap between the lowest 20% and their peers (equally target) 28.2 (2011) 29 (2010) 31.4 (2009).

Key Stage 1

- Outcomes 2011, at the expected level of 2+ remain significantly above national averages in Reading, Writing and Mathematics and are the highest in the South West.
- High attainers achieve well at Level 3 particularly in mathematics and reading. Results are consistently above those nationally.

Key Stage 2

- Note that in 2010 only 33 schools out of 57 participated in national tests at age 11
- 77% attained level 4+ in English and Mathematics (3% above national).
- 24% attained the higher level 5 (3% above national)
- In 2011 progress is above national in English and in Mathematics where as it was in line last year. It remains a priority to further build on this and to improve progress for all. This will be a key focus in the revised OFSTED process which will be in place from January 2011.

Key Stage 4

- Provisional data from the DfE for GCSE results show another increase in the proportion of pupils achieving 5+A*-C grades in any subject and 5+ A*-C grades including English and Mathematics has also increased for schools within Bath and North East Somerset.
- Young people have again enjoyed success in relation to the measure of 5+ A*-C including English and mathematics. 64% of all pupils achieved this target compared with a national figure of 58.3% and 57.5% in the SW. This represents a 3.3 increase on 2010 and the fourth year in succession that the measure has increased. The increase in the 5+A*-C figure with and without English and maths of 80.9% has increased by 3.5% this year. This is the fifth year an increase has taken place. These latest performance measures show we are performing better than all other LAs in the SW for 5 A*-C figure and only the Isles of Scilly out-perform the LA for 5A*-C including English and maths

Social Care Performance

Social Care functions continue to perform well despite issues with assessment timescales. The service has usually moved between Ofsted categories of 'Performs well' and 'Performs Excellently'. The most recent Ofsted inspection judgements for the Fostering Service was 'excellent' and for the Adoption Service 'good with outstanding features'. The safeguarding children arrangements were judged as sound within unannounced inspections of contact, referral and assessment services. Particular strengths include placement stability for children in care. Areas requiring improvement include supporting care leavers into employment, education and training.

Young people Not in Education, Employment and Training (NEETs)

The number and percentage of young people who are NEET has increased over the last twelve months and now stands at 5% of all 16-18 year olds. Stay on rates at schools and colleges for 16-18 year olds in Bath and NE Somerset are high. The additional NEET young people in the 2011 cohort are mainly 18 year olds, who are completing courses, and finding it difficult to get into employment. They are a diverse group including young people with level 3 qualifications, young people with learning difficulties and young people with other barriers such as behaviour or offending issues. We have significant numbers of 18 year olds (nearly 40%) who have been unemployed for 4 months or more. There is evidence that many 18 year old leavers with good qualifications are taking jobs which require few or no qualifications – this in turn is making it even more difficult for young people with few qualifications and skills, and/or other barriers, to find work.

Connexions Advisers continue to regularly contact all young people who are NEET, supporting them to move into the education and training opportunities available. The 'Into EET' panel continues to work to improve provision, either through developing current programmes or commissioning new ones. The new European Social Fund engagement programmes have recently started and could be a positive first step towards employment for some young people.

Workforce Planning

The previous strategy to support the workforce has been incorporated into the non- statutory Children and Young People's Plan 2011-2014 (CYPP). An action plan has been developed alongside the CYPP that details the 4 priority areas, the outcomes to be achieved and how they will be measured. The 4 priority areas are: Delivery of a range of child protection training across the workforce, in line with Working Together 2010: Recruitment, Retention and Development of Staff: Strengthen inter-agency and multi-disciplinary working and workforce re-modelling and promote better supervision, leadership and management.

Significant progress has been made in establishing a virtual training team, undertaking a training needs analyses and pulling together all available training in one place. Key areas for development over the next year will be the creation of a central commissioning team (virtual), standardization of booking forms, evaluation forms and the use of one database in order to get a record of individual staff's training and development.

Performance + Benchmarking

All aspects of our service have been benchmarked for performance and value for money. Broadly speaking, the service delivers well and has below average costs. Whilst there can never be room for complacency this does mean that further savings require us to fundamentally examine our role and priorities, rather than expecting to identify significant cost efficiencies without impacting on services.

The gross budget for the service includes the Direct Schools Grant. The use of the grant is determined via the Schools Forum and any savings made become available for the forum to allocate to schools' priorities, so cannot contribute to LA savings programmes. Our 'stewardship' role includes ensuring as far as possible that the grant is spent efficiently and effectively and recent benchmarking suggests we have an appropriate balance of schools funding and LA funding for educational services. A recent review of the use of the DSG by PWC has commented favourably on our performance in ensuring that appropriate items are changed to the DSG as per government regulation.

Further independent reviews on Home to School Transport have commented favourably on our approach to ensuring VFM in the service delivery.

Bath & North East Somerset continues to maintain its position as one of the highest performing Children's Services Local Authorities in the Country

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, demand pressures on social care (with an aging population), climate change issues but also the growth and economic prosperity opportunities arising from an expanding population.

Public expenditure reductions will continue for some years to come. Most of the expenditure cuts will most likely be over the next 4 years but after that tight control over public expenditure is likely to need to continue.

The Council's role as an enabler and commissioner so that local people have access to the right services from a range of providers 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. More similar changes are likely to follow.

Approval of this plan

This plan is being considered by Early Years Children & Youth Policy Development Scrutiny Panel Children on 28th November 2011.

The Portfolio holder for Early Years, Children and Youth Services will review it after that so that changes can be incorporated prior to January PDSP when service action plans will be considered.

The various medium term plans will be brought together for consideration by PDSP in February and then Cabinet with budget recommendations made to the February meeting of Council.

Appendices

Appendix 1 - Capital programme

Appendix 2 - Service specific changes

Appendix 3 - Impact of proposed budget changes

Appendix 4 - Key national and local drivers for medium term plans

Appendix 5 - Council's financial context