

MEDIUM TERM SERVICE AND RESOURCE PLAN

CHILDREN'S SERVICE

2010 /11 - 2012/13

1. Introduction

(i) This plan sets out the key influences on children's services over the next three years and it outlines the changes that we wish to make in order that we can deliver our vision and priorities for children and young people over that timescale. Finally, the plan outlines proposals to achieve financial balance in an increasingly challenging local and national context. The plan takes into account the following:

- The Sustainable Community Strategy
- The Children and Young People Plan
- Legislative change now before Parliament
- The Council's Change Programme
- The Corporate Plan
- The Local Area Agreement (2008) and the specific targets relating to Children's Services
- Demands placed upon services as a result of demographic change
- Levels of performance compared with priorities
- Benchmarking against other Local Authorities
- Other requirements placed upon services, these include; the recent House of Lords (G v Southwark) judgement and the impact of the recession upon family resilience and capacity

(ii) The remainder of this report is divided into the following sections:

- Context
- Financial Targets and Benchmarking
- Drivers for Change
- Options for the future
- Summary and Conclusion
- Next Steps

2. Context

(i) Staff, Resources and Finances

The services included in this plan are listed in Appendix 1 together with related staff numbers and previous year budgets. This is the starting point for the three year plan. Changes start with this as the base.

(ii) Performance Targets

The service has 78 performance indicators of the 198 National indicators (NI's) set by National Government. Within these are 16 mandatory NI's covering safeguarding and pupil attainment. Several NI's have been identified as 'Stretch Targets' within the Local Area Agreement (2008).

- S14 - Proportion of schools achieving 'Healthy School' Status
- NI 117 - 16-18 year olds who are not in education, training or employment
- In addition to the above the service has local targets related to the Children and Young People's Plan (CYPP) and the Corporate Plan. All of these NI's and local targets are listed in Appendix 2.

3. Financial Targets and Benchmarking

(i) The financial context for the medium term plan is challenging. Overall the Council has to make service cuts equivalent to at least 5% per annum. This figure assumes a 2.5% increase in Council Tax and nil increase in Government grant from 2010 onwards. The actual Council Tax increase will be recommended by Cabinet in February and considered by Council later that month. There is a risk of reduced funding for capital in future years, a 50% reduction is likely, and other adverse financial impacts are possible following the next national elections in 2011 and when the next national Comprehensive Spending Review takes place.

(ii) The Government expects Councils to achieve 4% annual cashable efficiency savings and takes this target into account in setting its grant support for the Council. The Council's income (excluding DSG) comes from government formula grant (17%) Council Tax (32%) fees, charges and specific service grants (51%)

(iii) The cash limit for Children's Services are shown in Appendix 1. In effect the service, along with all other Council Services, faces a 'standstill' budget despite observing intensifying pressures particularly in relation to our social care duties.

The impact of these pressures along with inflation result in savings targets of:

Year	Amount	Percentage	Cash Limit
2010 – 11	2,130k	9.2%	£24,203k
2011 – 12	723k	3%	£24,132k
2012 – 13	583k	2.4%	£24,126k

(iv) The service benchmarks its costs against unitary authorities and South West Authorities on an annual basis. A summary of this information is shown in Appendix 3. The summary shows 23 grouped headings where as the full version has 142 indicators based on the section 52 statement.

Of the 142 indicators 50 relate to the dedicated schools grant (DSG), of these Bath and North East Somerset is above the unitary average (median) on only 8 of the service areas. For non DSG funded activities Bath and North East Somerset is above the unitary average on only 12 out of 92 indicators.

4. Drivers for Change

(i) Sustainable community Strategy and Corporate Plan

The SCS affects the Children's Service Department through the Council's Corporate Plan and the Children and Young People's Plan

The main points directly affecting Children's Services are summarised below under Corporate Plan headings:

- Improving the life chances of disadvantaged children and young people – *The Children's Service leads on this and it is central to the role of all services particularly Early Years and Extended Services, Schools, School Improvement and Achievement, Inclusion Support, Specialist Behaviour, Social Care Services, Youth Services and Connexions*
- Improving School buildings – *This is a critical role in terms of improving the environment for learning and thus raising standards of attainment and achievement and therefore either maintaining or improving the reputation of the Council as high achieving and ambitious for its children and young people.*
- Building communities where people feel safe and secure – *The Youth Offending Team works to prevent offending and re-offending behaviour. There is also a clear link to the work of the Children's Social Care Teams, the Children Missing Education Service and the Commissioning Team*

re: substance and alcohol misuse, mentoring and other 'diversionary' services that we commission.

The Children's Service Department directly and indirectly supports a number of SCS and Corporate Plan priorities for example:

Improving transport – through effective and efficient Home to School Transport and through addressing very local school-place supply issues to reduce the need to transport children longer distances to be educated

Climate Change and sustainable growth – through development of Eco-schools and ensuring that new buildings are as environmentally – friendly as possible. Also, through the curriculum children and young people are becoming much more aware of the impact of human activity and our technologies upon the climate and the need to become more sustainable

(ii) Children and Young People's Plan (CYPP)

All service activity can be related to the CYPP priorities with specific focus on key priorities:

- *Promotion of Healthy Lifestyles and good mental health – The service leads the Healthy Schools and Healthy Schools Plus programmes, the former being a LAA stretch target for the Council. In addition a range of services are provided or commissioned to reduce Teenage Pregnancy (TP) and Sexually Transmitted Diseases (STD's). We also promote activities to support good mental health through community health, public health and extended services*
- *Provision of a safe environment – This includes Safeguarding, Child Protection work and training for our staff and partners, ensuring effective multi-agency practice and commissioning of awareness-raising training for all Council staff who may come into contact with Children and Young People. In addition we have been a Play Pathfinder pilot authority accessing Government Grant to refurbish 31 Play areas across the Authority. The service also commissions the Play Rangers Service to enable safe play by children. A range of pre and post school activities are also commissioned by the Service and Schools which promote safe play and understanding risk.*
- *Closing attainment gaps – through targeted challenge and support to early learning settings and schools, this has reduced the gap between the most deprived children and the rest by the end of the foundation stage. We also provide a range of early years and extended services to enable children to prepare for school entry and ongoing learning. A particular focus is placed upon the progress of Children in Care and those from BME backgrounds.*
- *Better services for disabled children - The service has improved short term breaks and holiday play / respite schemes for families with disabled*

children; work is ongoing to improve the effectiveness of wheelchair services to support independence and wellbeing.

- A range of participation and advocacy initiatives are in place to enable Children and Young People to have a voice.
- Extensive planning for 14-19 education has been done, 3 Diplomas are now being delivered with a recent Ofsted inspection judging two as 'outstanding' and one as 'good'. Our planning and development was judged as good with outstanding features.
- We are a pilot area for remodelling of social work and the service is at the forefront of the Councils' 'New ways of working' initiative with all staff moving to a new and flexible ways of working.

A new CYPP will be developed for 2011-2014, initial proposals for its vision are: 'Prepared for Life'. Government will publish statutory guidance for the new plan in Spring 2010.

(iii) Legislative Change

- **Safeguarding:** major changes to social care practices and management including:
 - Protected caseloads for newly qualified staff
 - Workload management to prevent 'overloading' of social workers with too many / too complex cases
 - Protected entitlement to training and development
 - Protected entitlement to supervision
 - New National Performance Indicators for safeguarding
 - A move to Independent Chairing of LSCB's
 - Improved / strengthen quality assurance and audit requirements
- **Machinery of Government:** major changes to planning and funding of post 16 education and training. New duties placed upon Local Authority's with a range of new bodies to manage duties previously carried out by the LSC
- **New entitlements:**
 - Equalisation of Early Learning funding
 - Extended entitlement to Early Learning sessions
 - Entitlement to Sure Start support to vulnerable children (and families)
- **New Inspection frameworks:** Government will be changing the focus of the National Strategies to place greater radiance on school-led improvement. Local Authority's will shift focus to analysis, challenge and commissioning of school improvement work, this has implications for our advisory and consultancy functions from April 2011 onwards. From April

2011 Ofsted will undertake annual unannounced inspections of contact, referral and assessment services and a 3 yearly announced inspection of Safeguarding and Children in Care arrangements.

- **Your child, your schools, our future-building a 21st century schools system:** as well as the areas identified above, School Improvement Service will be expected to intervene in schools where there is underperformance. Changes to the school Improvement Partner programme identify a new role for SIPs. The Service will have responsibility for quality assurance of the programme, training and deployment of SIPs.

(iv) Change Programme

The reasons for the Change Programme have been referred to previously.

The service is the 'pilot' for new ways of working. The concentration of staff at Riverside combined with greater use of flexible working has been used to reduce spend on parking permits etc.

Lean Reviews are being planned for the Social Care function, parent support and other areas and change diagnostics are being used to allow comparison of spend /activity to drive out efficiencies.

(v) Demographic change / other requirements placed upon the Service

- **Children in Care (CiC) Population**

There has been a relatively small but financially costly increase in the CiC population. Using national comparative data Bath and North East Somerset has one of the lowest CiC populations in England and has not experienced the type of dramatic rise in this population seen elsewhere following the reporting of the 'Baby Peter' case. However, a number of factors are affecting the CiC population level and it is forecast that this population will rise from an average of 126 in 2008-9 to 145 by March 2011. This is the largest cause of extra financial pressure in 2010-11.

The factors affecting this are:

Children with Child Protection Plans where their environment is not improving to an extent which allows the CPP to be safely removed. Where this is happening children are not best served by leaving them in neglectful / dangerous circumstances and thus they are entering care.

Associated with the above is some growth in the number of sibling groups entering care from this category i.e. whole families of children are entering the care system.

The impact of the 'Public Law outline'.

This was implemented by Government to speed up Care Proceedings and reduce the number of children waiting in the system for years before the Court makes a final care decision. This requires Local Authorities to 'parallel plan' for children i.e. seeking to maintain at home or to return children to their home whilst also making contingency plans in case those strategies do not work. This means that timescales for care planning, lodging cases with the Court and seeking the relevant care orders are being speeded up and this has caused some children to come into our care at an earlier stage than they would have done in the past. Again this relates to children with Child Protection Plans particularly for neglect and emotional abuse.

- **G v Southwark**

The House of Lords has given a ruling which re-affirms the right of 16-17 year old young people to be assessed under the Children Act 1989, where the assessment concludes that they are 'Children in Need' they must be treated as such and not simply as a young person in need of housing or accommodation. The ruling does not extend the law but has over ruled the interpretation of this given to Local Authorities by Central Government in guidance circulars.

This Authority has in place a Supported Lodgings scheme to support such vulnerable young people. However, the ruling does open up the possibility of our having to take into care those most vulnerable young people and plan the provision of after care support. Again this will increase the CiC population and add to an increased need in support services.

Both of these factors are causing a major financial pressure in 2009-10 (£620,000 - £725,000) and 2011-12 (£1.3m) and a workload pressure as we are staffed to deal with a population of 120-130.

- **Laming Report into Safeguarding**

This report followed the death of Baby Peter and the urgent Joint Area Review of Haringey Council. The service and partners in safeguarding have audited our practices against the Haringey findings and whilst our practice is sound there is a need to invest in our safeguarding structures in terms of both front line services and quality improvement arrangements. These changes require investment of £246,000 in 2010-11.

We have one of the lowest 'conversion' rates from "contacts" to our Social Care Teams to acceptance as a "referral". We are at approximately half the national average. A thresholds review has been undertaken and whilst these are high, they are appropriate and consistently applied. However, there is a clear need to invest in more social work capacity to ensure that our front line decision making is strong and to address the

workload issues across the social care teams emerging from increasing numbers of referrals and allocated cases.

In addition to this there is a National Social Work Task Force which has made some interim recommendations that will restrict case loads for newly qualified staff, extend periods of qualification and training and introduce entitlements to supervision, regular training and reviews. This cannot be quantified yet but will require more posts as case loads will not be allowed to exceed the maximum and there will have to be capacity to cover absence when staff are accessing training, development, reviews and supervision. This pressure may be contained as a result of the Lean Review of our social care functions i.e. resources may be freed up to re allocate to these emerging pressures.

- **Increasing numbers of disabled children / Special Educational Needs**

In line with the demographic trends within Adult Social Care and Housing there is a continuing growth in this group of children and young people. Most of the costs associated with this fall into the Dedicated Schools Grant (DSG). However, there are increasing pressures on early years provision also the populations of our special schools and units are increasing and more funding is required to support children with special educational needs in mainstream primary and secondary schools. In turn this places pressures on the small central teams which support inclusion (Educational Psychology, Specialist Teaching and Children Missing Education Services)

5. Options for the future

(i) Summary of savings targets for 2010/11 – 2012/13 is given below:

	2010/11 £000	2011/12 £000	2012/13 £000
Baseline position (b/f from previous year)	24,216	24,143	24,137
Total growth items	2,057	717	593
Budget requirement including growth	26,273	24,860	24,730
Savings/additional income requirement	-2,130	-723	-583
Proposed budget (planned spend)	24,143	24,137	24,147
Sources:			
Corporate net cash limit	24,143	24,137	24,147

(ii) Our existing strategy has operated for a number of years and has sought to balance growth and pressures with compensating efficiency savings and reductions. This has restrained financial growth every year

since 2006-7. Since 2007-8 the only area of substantial budgetary increase has been the CiC placement budget. However, these increases were related to complexity of need rather than volume and simply reinstated budget reductions made in the former Housing and Social Care Service.

(iii) Within this strategy and recognising the pressures on our CiC placement budget, we have aimed to maximise our use of in house foster carers. Where this can not be achieved we next look to Independent Fostering Providers with very few children and young people placed in institutional care. We therefore normally have over 90% of our CiC population in Foster Care therefore we use this placement 'mix' to keep costs to a minimum.

(iv) Given the pressures on the CiC population outlined elsewhere and changes in the IFP market, we are facing increased costs per placement as our in house capacity is almost fully used and the number of IFP placements is limited due to other Local Authorities closing down their own provision (children's homes) and transferring large numbers of children to IFP's as an alternative. The service has a small expert contracting team which negotiates procurement contracts and costs. This means that our social workers concentrate on assessment of need not procuring of placements. Our placement contract review system ensures that placement costs are reviewed every 6 months to ensure best value.

(v) In seeking to achieve financial balance we have returned to benchmarking data and adopted the following approach

- **Efficiency First** – prioritise those areas where either our knowledge of the market and / or benchmarking of our performance and / or spend indicates that efficiency gains can be made through better procurement or commissioning and streamlining / tightening processes.
- **Service Re-design** – to focus on outcome measures and reduce / remove unnecessary / costly processes or service aspects not in line with our priorities
- **Reduced Provision /Access** – in the context of demographic pressures and reduced public sector finances, it will be necessary to limit access to services

(vi) Benchmarking analysis shows only a small number of service areas that are above Unitary Average spend, these have been targeted for reduction during 2010-11. In addition to this, a number of reductions are proposed that are regarded as low risk although all will have some impact.

All proposals have been considered against the following criteria;

- Consistency with / risk to our overall strategy
- Benchmark performance, spend and where possible policy and performance
- Deliver ability, will the proposed deliver real savings and what capacity is required to deliver the saving / change
- Likely impacts upon staffing and partners
- Risks associated with the proposal

(vii) This has resulted in a series of proposals set out below.

Item/Description	Saving 2010-11 £k	Saving 2011-12 £k	Saving 2012-13 £k	Total
1. Departmental running expenses	20			20
2. Remove Secure Accommodation	35			35
3. Restructure Democracy & Participation Projects	19			19
4. Schools causing concern budget	25			25
5. Restructure Parent Support Project	20			20
6. Reduce Primary Consultancy	14			14
7. Reduce Care Matters Project	30			30
8. DSG contribution to 'out LA' placements	400			400
9. Inflation Income from DSG	256	230	235	721
10. Reduce admin support (linked to other re-designs)	50			50

11. Restructure Inclusion Support	210			210
12. Service redesign and procurement		500	100	600
13. Remove Post - 16 SEN HTST	40	40	45	125
14. Merge Management of Preventative Services	50			50
Total Savings	1,169	770	380	2,469
Growth	1,957	717	593	3,367
Saving	1,169	770	380	2,319
To be identified	861	-47	203	1017

(viii) It is estimated that our CiC population will rise from 126 as at April 2009 to 145 (15%) by April 2011. Therefore there will be intense pressure on the care placement budgets during this period. During 2011 – 12 a large number of young people currently in care will reach the age of 18 and be able to leave care if they wish to. Therefore it is estimated that our CiC population will then fall from 145 in April 2011 to 137 by April 2012. This could release some funds from the care placement budgets, however, it is assumed that a number will request continuation care as is now permitted under the Children (Leaving Care) Act 2000. Also any change to the placement mix referred to in paragraph 5 (iii) above will impact upon costs.

Further work will be required to build as accurate a picture as possible of activity levels and financial costs.

(ix) In 2010 – 11 the service is unable to balance growth / pressures with compensating efficiencies and reductions. Benchmarking shows that we deliver high quality outcomes despite lower levels of funding. The only

areas of above unitary average spend are some aspects of 'Access', 'Care Leaving' and 'Social Care Family Support'

(x) Access covers the provision of education welfare and attendance support, this area of work is covered by the Inclusion Support Service which has been required to make reductions of £210,000 in 2010 – 11. The 'above average' expenditure on access compared to other unitary authorities equals to £75,000 therefore substantial reductions over and above this amount have already been planned. Also included is Home to School Transport costs, given the rural sparsity factor we can not see a way of reducing spend.

(xi) Care Leaving is only marginally above unitary average spend and a £30,000 reduction in Care Matters funding has been identified for 2010 – 11. Family Support covers those preventative services provided to support families and prevent the removal of children into the care system. This is seen as valid expenditure which allows the authority to maintain one of the lowest CiC populations in England. There are no proposals to reduce this spend. This means that the service cannot achieve balance in 2010 – 11.

(xii) In 2011 – 12 if all factors remain equal; there are identified growth / pressures of £717,000 with identified efficiencies and reductions of £770,000. This provides for a net reduction in the Service budget.

(xiii) In 2012 – 13 if all factors remain equal, there is a gap of £213,000 which the service will seek to address probably through a saving resulting from the decline in the CiC population referred to earlier.

(xiv) To achieve the identified levels of efficiency and savings in 2011 – 12 and beyond the service will need to radically re-design some services particularly the Youth Service, the School Improvement and Achievement Service and the Social Care Function. During 2009 - 10 and 2010 - 11 the service will carry out a complete review of these areas with a view to developing wholly targeted services focused upon the most vulnerable groups and areas i.e. we will begin to shift from a 'universal' to a 'targetted' service model.

(xv) The service is utilising the Change Diagnostics information to look at other areas of possible efficiency and this will inform planning until March 2010.

(xvi) These proposals will lead to a significant reduction in staffing over the 2010/11 – 2012/13 period. At this point it is estimated that the service will reduce establishment by approximately 40 posts.

6. Workforce Implications

As mentioned above the service workforce will reduce over the next 2 – 5 years as the service re-structures in line with this plan.

The service reviews anticipated will reduce staffing levels and require the skill set of staff to change. In line with the Change Programme of the wider Council, it is anticipated that the Service will move towards a commissioning role and reduce its direct provider capacity as it seeks to assess local need, methods of meeting assessed need and the range of options available to deliver the service response required.

In addition, the service will begin to build its skills in relation to community capacity building and enablement so that local community and voluntary groups are better able to meet localised need without the need for long term direct provision by the Children's Service. This is in line with the Local Strategic Partnership decision to use Local Area Agreement Performance Reward Grant to support community capacity development. Particular areas relevant to the Children's Service may include Youth provision of positive activities, Play activities and extended services.

National policy shifts also have to be factored into any local planning such as changes to Primary and Secondary National Strategies, Safeguarding etc.

In broad terms it is envisaged that headcount trends will be as follows:

Learning & Inclusion – Downward trend
Safeguarding & Social Care – Upward trend
Health, Commissioning & Planning – steady state

In broad terms the skill set and skill mix will reflect the following:

- Increased social care capacity relating to both qualified social workers and a broader staff group supporting social workers, e.g. contact supervisors, social care assistants etc
- Development of better CPD and 'Grow our Own' to secure an ongoing supply of childcare qualified social workers
- Increased skills/experience in development of commissioning, procurement, contract management and negotiation, relationship management
- Increased skills/experience in performance management data collection, 'intelligent' analysis and Needs Assessment (whole population and segmented) to support service planning and commissioning
- Shared, integrated induction and CPD to support the single Children's workforce
- Continuing emphases on safeguarding and safer recruitment guidance and procedures to ensure compliance with revisions to 'Working Together' guidance.

7. Summary and Conclusions

This plan seeks to identify the major challenges ahead and to plan to meet these. The major challenge is in 2010 – 11 when there is a gap of £861,000 between unavoidable growth and pressures and identified savings and efficiencies.

At the time of drafting, this funding gap has not been closed down. Areas of discretionary spend have been identified and will be ended in 2010-11 or phased out from then onwards. Work has been done to review CiC population numbers to see if pressures can be reduced, it is not possible to reduce this further.

Other reductions are planned for 2011-12 onwards, this timing is deliverable as there is extensive work to be done during 2010-11 to bring about these reductions in a planned and co-ordinated manner.

Therefore the remaining options are to close down a number of service areas or request Cabinet to provide additional funding to reorganise the unique situation regarding our Children in Care duties.

8. Next Steps

Following consideration of this plan by this meeting of the Children and Young People Overview and Scrutiny Panel, the Cabinet Member for Children's Services will review it so that any changes can be incorporated prior to the January Children, Young People Overview and Scrutiny Panel meeting when the Service Action Plan will be considered.

Plans will then be brought together for consideration by Corporate Performance and Resources (CPR) O&S Panel in February and then to Cabinet which will then make recommendations to the February meeting of the Council.

The summary of financial placements and assumptions will also be reported to the CPR O&S Panel in November and kept under review and incorporated into February budget reports.