

Finance & Resources Scrutiny Committee

Scrutiny Review of Draft Council Budget 2017-18 and Medium Term Planning and Funding Position to 2020-21

Outcomes of Challenge Sessions

Directorate	Children, Families & Education
Proposal Number	16-002-04
Title	Structural budget deficit for 2017-18
Proposal	£23,200K service pressure

Commentary

The Director of Children, Families and Education (CFE) advised that she was confident that the proposal was soundly based. Savings could be identified in the directorate in the following areas: identifying things which were no longer required; a review of commissioned contracts; the removal of duplication and a review of high placement costs. In addition a new structural design would help enhance efficiency and the best use of resources.

Benchmarking of costs against statistical neighbours had been undertaken and 52 actions identified in order to reduce spending. All non-essential spending had ceased.

Historically certain areas within the budget had returned overspends because they had not been well-funded. These areas had been identified as agency placements; the No Recourse to Public Funds (NRPF) function; special guardianship and kinship costs and legal costs. Bad debt provision had been tightened up.

The directorate had experienced an increase in demand peaking at 1,037 children in the care of the Council at the end of November 2016.

Councillors sought assurances that if the directorate incurred an overspend in 2017/18 it would not require further funding from the corporate centre or need to tap into Council reserves. The Director of CFE stated that there was no 'overdraft' available and that there would be no overspend by the directorate.

Councillors questioned whether there had been an increase in cases of people being referred to the Council having No Recourse to Public Funding. The Director of CFE advised that there were currently no figures available to show this however central government were being lobbied in this regard.

Councillors expressed concern about the cost of using agency staff. The Director of CFE advised that a simple comparison with the cost of permanent staff appeared to show a gap, however when other costs were taken into consideration the difference was reduced. Furthermore an East Midlands Framework Agreement was in place, which capped the cost of agency staff. The new structure for the directorate would also support the recruitment of permanent staff.

It was questioned whether the zero-based budgeting methodology used by the Council had resulted in a focus on using resources solely for statutory responsibilities.

Councillors were advised that this was not the case and that resources were being used beyond just statutory responsibilities, for example in areas such as Early Help.

Councillors questioned whether work to review social care transport formed part of the Total Transport Review and sought confirmation that the saving was not being counted twice by both the Place Commissioning and CFE directorates. The Director CFE advised that the £600K saving identified in the Place Commissioning draft budget was related to school transport, however the budget lay within the CFE directorate. Special Education Needs and Social Care Transport costs formed part of the Review and links to community transport providers would be part of this. Councillors were reassured by the zero-based budgeting approach used in the development of the draft budget.

Recommendations to Cabinet	Proposed Cabinet Response
That the Cabinet recognises that the Finance & Resources Scrutiny Committee has confidence in the capacity to deliver proposal 16-002-04.	Noted
Scrutiny risk rating	Green

Directorate	Children, Families & Education
Proposal Number	15-002-15
Title	Children's Services demographic growth
Proposal	£2,370K service pressure
Commentary	
<p>The Director of CFE advised that there was confidence in the robustness of forecasting used to identify the resources needed to address demographic growth. This forecasting represented a 'business as usual' function of the directorate, and processes were in place to take into account a range of factors, including school places, housing growth, the school census and birth rates. However, it was not possible to forecast the number of people who would need care and the resulting demand on the service in future.</p> <p>Councillors subsequently noted the importance of ensuring that good decisions were made about referrals of children and young people. This could be supported by undertaking work with partners to improve their understanding of the issues and processes involved. Early prevention work would also be undertaken with Public Health as well as further supporting action in conjunction with First for Wellbeing, including the provision of school nurses.</p>	
Recommendations to Cabinet	
Proposed Cabinet Response	
That the Cabinet recognises that the Finance & Resources Scrutiny Committee notes that there are risks associated with forecasting of future demands for children's services but has confidence in the capacity to deliver proposal 15-002-15.	Noted
Scrutiny risk rating	Amber

Directorate	Children, Families & Education
Proposal Number	16-002-01
Title	Targeted early help service contracts
Proposal	(£9,800K) service transformation

Commentary

Councillors were advised that £6.8m in savings had been identified and were on track. £2.3m would be achieved through the cessation of some current contracts and £4.5m by bringing Children's Centres back in-house. A further £3m saving had yet to be identified: this would be made across the whole commissioning area and would be identified by the end of the 2016-17 financial year. The Director of CFE was confident that the savings required by the proposal would be achieved and that the figures which had been presented had been thoroughly worked through. The Director of CFE went on to emphasise that the creation of the new Children's Services delivery vehicle would enable it to attract new external investment. However, it was important for all current budget deficits to be resolved in the 2017/18 budget in order to provide a sound basis that instilled confidence in future social investors.

Councillors questioned the degree of risk that reducing services would result in increased future costs, for example in Early Years Services. The Director of CFE advised that work was being undertaken to review current contracts and identify those which did not give best value. There was no real clarity of the methodologies employed and therefore no evidence of results could be measured. It was important that specific interventions needed to be developed rather than a more general approach. Resources were being pooled, such as the through Troubled Families team, and early help teams would no longer work separately.

Councillors questioned whether consideration could be given to awarding longer contracts to Voluntary & Community Sector (VCS) organisations in order to give them more stability. The Director of CFE advised that she preferred to achieve this by developing partnership working and that there was a need to take into account that budgets were only set for one year in advance.

Councillors considered a presentation from representatives of Home Start about their position, which made the following points:

- Home Start provided a bespoke service working with families using highly trained volunteers.
- Home Start was currently sub-contracted through the Action for Children contract and supported the proposal that the current contract be extended until June 2017. Representatives suggested that they would be interested in working directly with the Council and would like to meet for further discussions about future working.
- Home Start was an established national charity and saved money by reducing the need for more expensive professional interventions.

Recommendations to Cabinet	Proposed Cabinet Response
That the Cabinet recognises that the Finance & Resources Scrutiny Committee notes that there are risks associated with the implementation of culture change required by proposal 16-002-01, but has confidence in the capacity to deliver the proposal.	Noted
Scrutiny risk rating	Amber

Directorate	Children, Families & Education
Proposal Number	16-002-06
Title	New models of care delivery
Proposal	(£2,500K) efficiency
Commentary	
<p>The Director of CFE advised that too many 17-18 year olds were being taken into care but without any real outcomes. An example of a new model of care delivery was the Multi Systemic Therapy (MST) programme, which worked with both adolescents and the family providing up to 12 weeks clinically supervised support outside the home. This approach enabled more young people to return home and therefore reduce the costs incurred.</p> <p>Councillors sought reassurance that the size of the saving from this proposal was realistic and that it could be delivered within the 2017/18 financial year as proposed. The Director of CFE expressed confidence that the saving would be achieved. The MST programme was just one of several new models of care delivery. A saving of £400K had been identified through the implementation of a new approval gateway and the completion of the Belinda Ferrison House facility for independent supported living would create further savings. Children's homes were not currently being used to capacity and savings would be made by bringing children back in-county.</p>	
Recommendations to Cabinet	Proposed Cabinet Response
That the Cabinet recognises that the Finance & Resources Scrutiny Committee has confidence in the capacity to deliver proposal 16-002-06.	Noted
Scrutiny risk rating	Green

Directorate	Children, Families & Education	
Proposal Number	16-002-07	
Title	Changes to the Leaving Care policy	
Proposal	(£540K) efficiency	
Commentary		
Councillors were advised that the Leaving Care Policy was being revised to be made more robust. This would provide greater clarity to staff and remove previous ineffective practice such as the payment of housing benefit by the Council when it was not required to do so.		
Recommendations to Cabinet		
That the Cabinet recognises that the Finance & Resources Scrutiny Committee has confidence in the capacity to deliver proposal 16-002-07.		Proposed Cabinet Response
		Noted
Scrutiny risk rating		Green

Directorate	Children, Families & Education	
Proposal Number	16-002-08	
Title	Children's Placement Commissioning Efficiencies	
Proposal	(£350K) efficiency	
Commentary		
Councillors were advised that £350K in savings had already been achieved. A robust conversation with Homes to Aspire had been undertaken with the aim of bringing children back in-county through the block purchasing of beds for 25 children with complex needs.		
Councillors sought confirmation that the 25 beds would be filled. The Director of CFE confirmed that she was confident that they would be and it was important to get the right children in place. Regional Commissioning East Midlands had helped to drive down purchasing costs.		
Recommendations to Cabinet		
That the Cabinet recognises that the Finance & Resources Scrutiny Committee has confidence in the capacity to deliver proposal 16-002-08.		Proposed Cabinet Response
		Noted
Scrutiny Risk Rating		Green

Directorate	Children, Families & Education	
Proposal Number	16-002-02	
Title	Children's Services workforce remodelling and system improvements	
Proposal	(£3,000K) service transformation	
Commentary		
<p>The Director of CFE advised that the saving had been identified through non-social worker costs across the directorate and a reduction in the number of managers through, in the main, voluntary redundancy. 87 members of staff would be lost saving just under £2.7m and the remaining £320K would be delivered through the Business Support Review. The direct line of support for social workers would be unaffected.</p> <p>Councillors raised concerns about the level of agency social workers and the associated costs around this. The Director of CFE advised that the saving was being made from a different cohort of staff, but that the use of agency staff was a concern. People wanted a higher salary to take up permanent positions but remuneration could not simply be increased just for social care staff within Local Government Terms and Conditions.</p>		
Recommendations to Cabinet		
That the Cabinet recognises that the Finance & Resources Scrutiny Committee has confidence in the capacity to deliver proposal 16-002-02.		Proposed Cabinet Response
		Noted
Scrutiny risk rating		Green

Directorate	Children, Families & Education	
Proposal Number	16-002-10	
Title	Rationalisation of school improvement services	
Proposal	(£640K) service cut	
Commentary		
<p>The Director of CFE explained that this was a one-off saving that had already been achieved through the removal of the Race to the Top budget and a reduction in the schools redundancy budget.</p>		
Recommendations to Cabinet		
That the Cabinet recognises that the Finance & Resources Scrutiny Committee has confidence in the capacity to deliver proposal 16-002-10.		Proposed Cabinet Response
		Noted
Scrutiny Risk Rating		Green

Directorate	Children, Families & Education	
Proposal Number	16-002-03	
Title	First point of contact improvements	
Proposal	(£1,000K) service transformation	
Commentary		
<p>Councillors were advised that the proposed saving related to one team within the Multi Agency Safeguarding Hub (MASH), which consisted of agency staff. However, the right processes had to be put into place before the saving could be achieved. The MASH would be undergoing a review beginning at the end of February/early March led by Professor David Thorpe, who was Department for Education and Ofsted approved. A new assessment process needed to be put into place and this would lead to savings. Careful planning was necessary especially regarding resources and capacity.</p> <p>Councillors noted that they were reassured by the assertive approach being taken to managing the CFE Directorate, which this draft budget proposal particularly demonstrated.</p>		
Recommendations to Cabinet		
That the Cabinet recognises that the Finance & Resources Scrutiny Committee has confidence in the capacity to deliver proposal 16-002-03.		Proposed Cabinet Response
		Noted
Scrutiny risk rating		Green

Directorate	Children, Families & Education	
Proposal Number	15-004-19c	
Title	Fees and charges	
Proposal	(£41K) income generation	
Commentary		
<p>The Director of CFE advised that the projected sum would be generated by changing to full cost recovery for services that the local authority currently provided to other organisations at a subsidised rate.</p>		
Recommendations to Cabinet		
That the Cabinet recognises that the Finance & Resources Scrutiny Committee has confidence in the capacity to deliver proposal 15-004-19c.		Proposed Cabinet Response
		Noted
Scrutiny Risk Rating		Green

Directorate	Children, Families & Education	
Proposal Number	16-002-09	
Title	Commercial trading and strategic alliances	
Proposal	(£750K) income generation by 2020/21	
Commentary		
<p>The Director of CFE advised that conversations had already been had with interested social investors about the scope to work with them when operating as a Children's Trust. Savings would be accrued by looking at new ways of delivering services that would reduce demand on the Council. Nevertheless, careful consideration would be required prior to contracts being agreed.</p> <p>Councillors questioned whether the Council had the appropriate capability and experience to draw up complex contracts required by this approach. The Director of CFE responded that lawyers were working on the delivery of the proposed new Children's Services vehicle. The Council would not enter into new arrangements before all aspects had been thoroughly considered.</p>		
Recommendations to Cabinet		
That the Cabinet recognises that the Finance & Resources Scrutiny Committee has confidence in the capacity to deliver proposal 16-002-09.		Proposed Cabinet Response
		Noted
Scrutiny Risk Rating		Green

BLANK PAGE