

Children's Services Transformation to 2021 (Tt2021) Revenue Saving Proposals

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18 September 2019

Agenda Item 6

Summary

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- Tt2021 Approach
- Children's Services Saving Proposals
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SR2019

- 2019/20 represented final year of the current SR period.
- Four year SR originally planned for summer 2019 but impacted by Brexit and the national political situation.
- One year SR announced on 4th September. We still have no certainty beyond 2020/21 but this was not unexpected and was partly balanced by the promise of an early indication of the ‘settlement’ for local government.
- Content mirrored key issues we have been raising for some time with government, particularly cost pressures in social care services which are outstripping forecasts included in the original Tt2021 planning figures.

SR2019

- Key issues for the County Council:
 - ✓ £2.5bn nationally for continuation of existing one off grants across social care - HCC allocation circa £38.5m, majority already assumed in MTFS.
 - ✓ Extra £1bn for adults' and children's social care - HCC allocation £15m - £20m depending on distribution methodology (to be consulted upon).
 - ✓ Core council tax 2% and continuation of a 2% adult social care precept. Below assumptions in the MTFS - loss to HCC circa £12m of recurring income over the two years of the Tt2021 Programme.
 - ✓ Additional funding for schools, including £700m for SEN – HCC allocation if distributed on basis applied before, circa £16.8m. Would help address future growth but is not a solution to the cumulative deficit position schools will face at the end of 2019/20.
- Overall position broadly neutral.

County Council Context

- £480m removed from budgets over nine years.
- £80m forecast budget gap for the two years to 2021/22.
- Tt2019 was significantly more challenging than previous programmes and so Tt2021 will be even more difficult.
- Extended delivery and overlapping programmes increases risk and complexity.
- County Council public consultation.
- Medium Term Financial Strategy update to Cabinet in October and County Council in November.



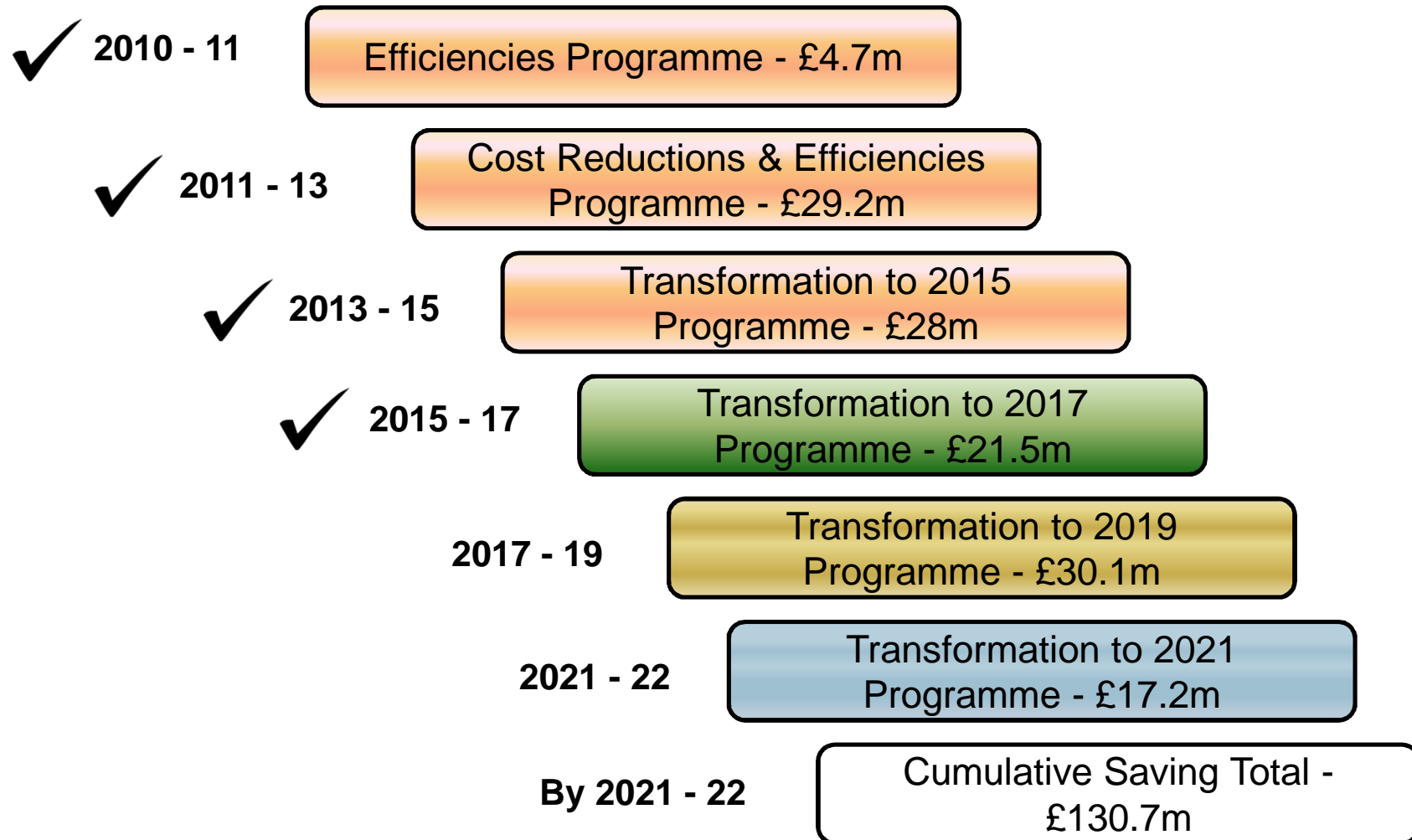
Departmental Context - Principles

- Ensure a safe and effective social care system for children;
- Ensure sufficient capacity to lead, challenge and improve the education system to help ensure high quality educational outcomes for all but particularly more vulnerable groups;
- Continue to recognise that our workforce is our strength and that we will further develop and maintain a strong, diverse workforce which is adaptable and flexible and which has succession planning built in;

Departmental Context – Principles (2)

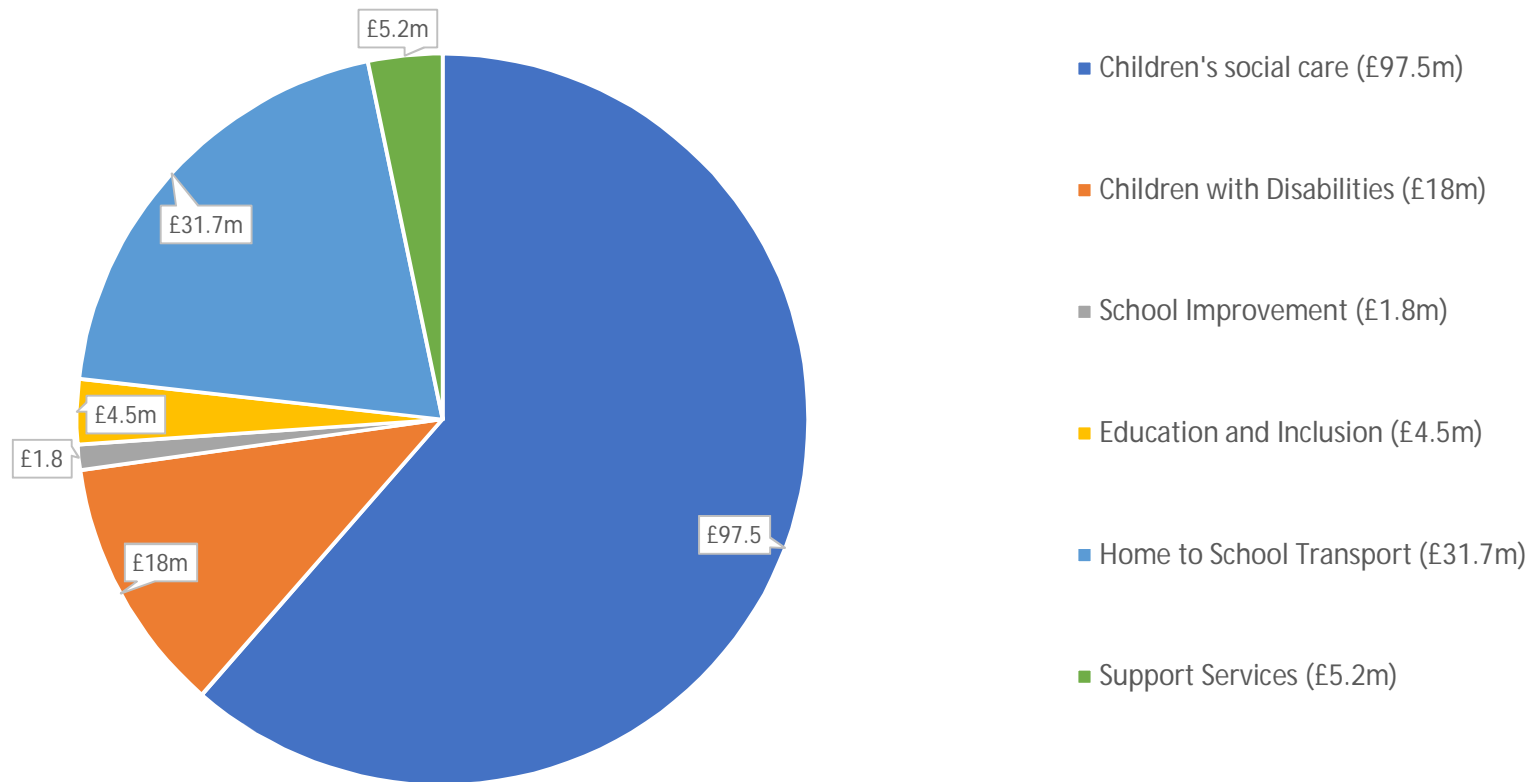
- Tightly target limited resources according to the needs of children and families;
- Secure and sustain targeted and co-ordinated early help provision; and
- Maximise the opportunities to create efficiencies and maintain and enhance services through partnership and sold service arrangements.

Departmental Transformation Journey



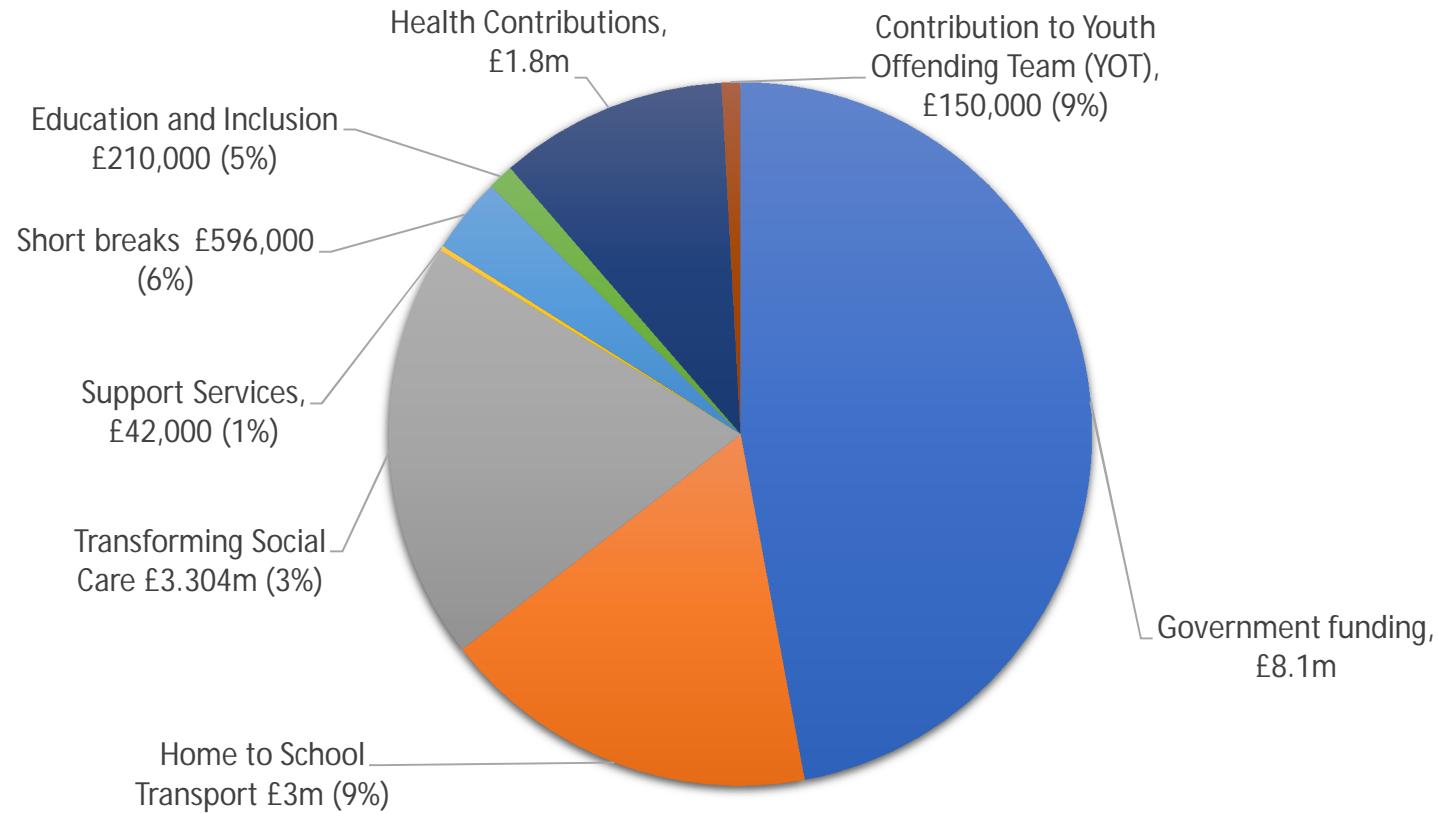
Children's Services Budget

Net Budget 2019/20 of £158.8m by Service Activity



Children's Services Tt2021 Reductions

Tt2021 Target of £17.2m by workstream



Tt2021 Approach

- Savings in our proposals for Tt2021 have been through paring back to the minimum the service provision we can offer across the full range of Children's Services, whilst meeting our statutory duties and running a safe and effective service.
- The nature of the Tt2019 programme was transformational and it was agreed to be delivered over a four year period. Tt2021 is planned for delivery within the two years, so will run in parallel.

Proposed Savings 2021

Workstream	Total Budget	Full Year Savings Proposals	Savings Proposals as % of Budget
	£'000	£'000	%
Government Funding	-	8,100	na
Home to School Transport	31,684	3,000	9
Transforming Social Care	104,360	3,304	3
Support Services	5,212	42	1
Short breaks	9,422*	596	6
Education and Inclusion	4,539	210	5
Health Contributions	n/a	1,800	-
Youth Offending team	1,754	150	9%
School Improvement	1,790	-	-
TOTAL	158,761	17,202	11%

*Non CLA Children with disabilities budgets

Proposal 1 - Government Funding (£8.1m)

- Announced by the Government to support social care in 2018/19.
- County Council agreed allocation in full to Children's Services.
- Agreed to budget for this income to recur, and this is being used towards the department's Tt2021 target.

Proposal 2 - Home To School Transport (£3m)

- Eight strands:
 - Special Education Needs transport eligibility;
 - External contractor spend;
 - Route planning software;
 - Spend to save mini bus scheme;
 - Mileage allowances;
 - Process and team efficiencies;
 - School escort provision; and
 - Service review.

Proposal 3 - Transforming Social Care (£3.304m)

- Includes:
 - Further development of the new operating model;
 - Continue to increase the numbers of children who can remain safely at home;
 - Step down plan to enable children with less complex disabilities to live in family settings;
 - Sustainable reductions in admin cost; and
 - Focussed action to maintain cost of placements.

Proposal 4 - Admin Efficiencies (£42k)

- To review admin support within the department.

Proposal 5 - Short Breaks (£596k)

- Further review the distribution and range of short break activities on offer;
- Focus grant allocations on core priorities (identified by parents and carers); and
- Reduce funding to Hampshire Parent Carer network.

- Will be subject to public consultation.

Proposal 6 - Education and Inclusion (£210k)

- Three strands:
 - Review of processes and structures around the early years service;
 - Review support for inclusion services; and
 - Maximise the use of external income streams within Hampshire Futures and reduce reliance on County Council budgets.

Proposal 7 - Health Contributions (£1.8m)

- Working with Clinical Commissioning Groups to more effectively jointly commission and fund care.

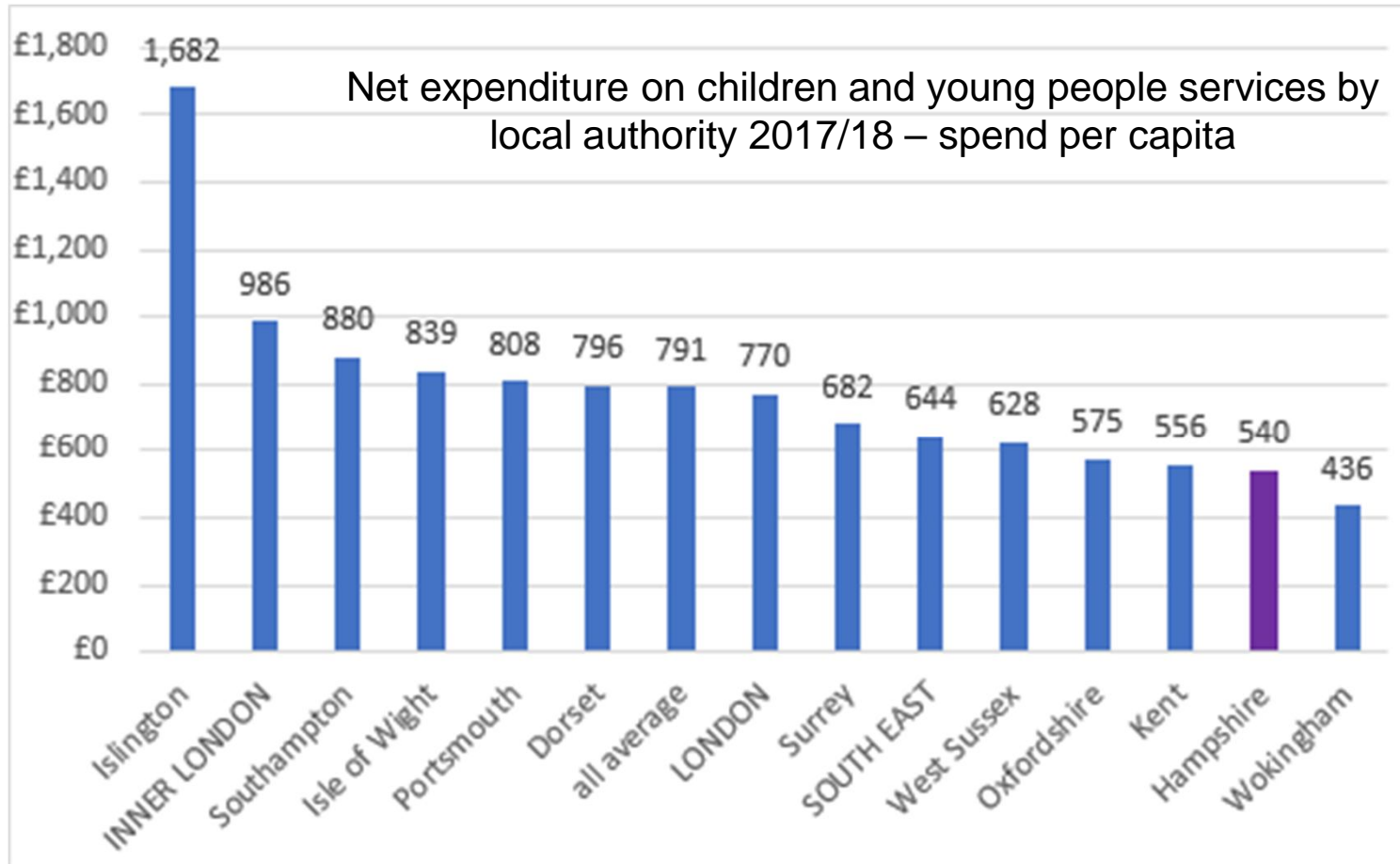
Proposal 8 - Youth Offending Team (£150k)

- Focus on delivering an efficient and effective Youth Offending Service.

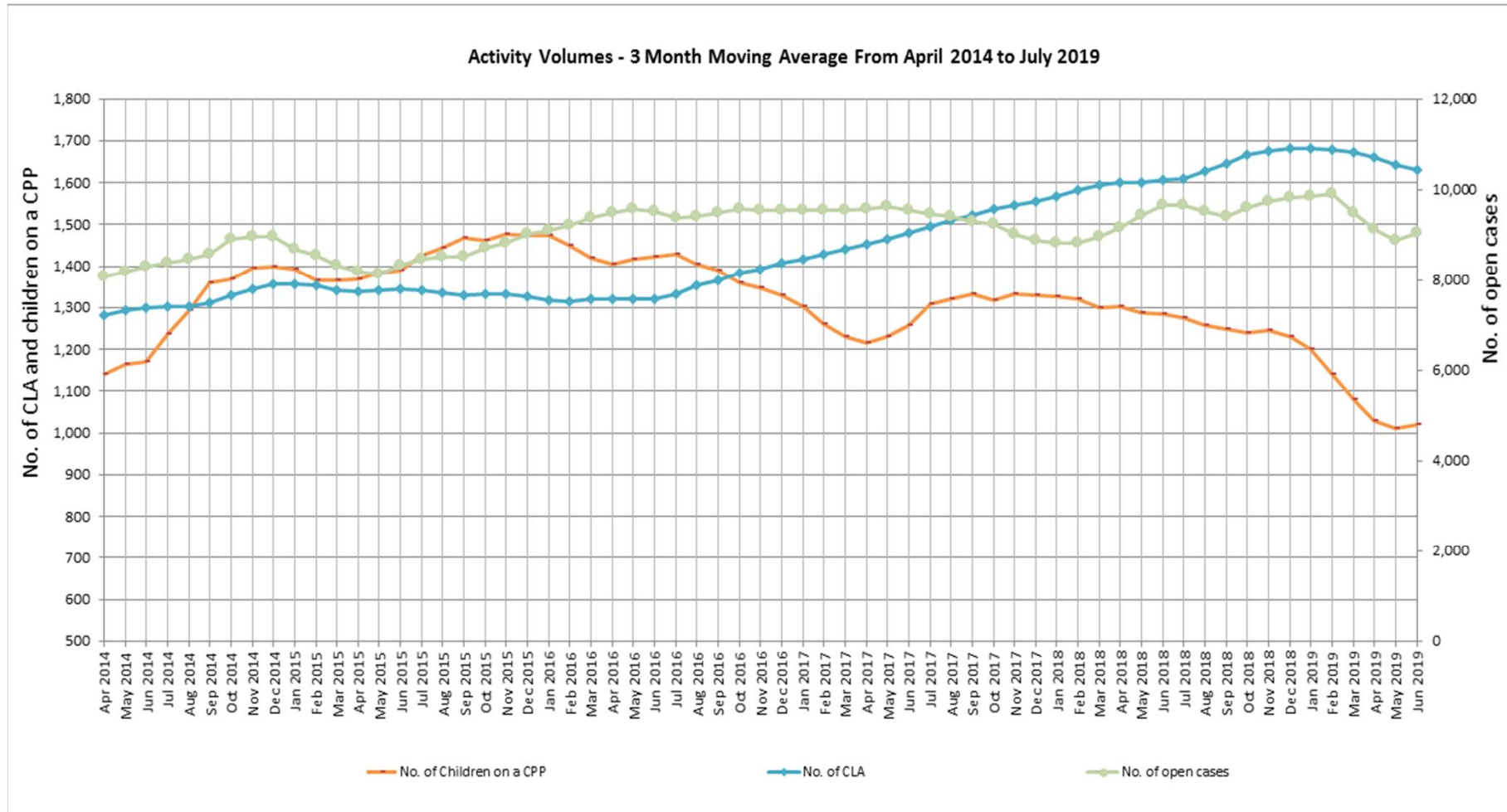
Major Issues

- Funding for children's services in Hampshire is relatively low;
- The majority of the department's spend is external, primarily relating to placement costs of children looked after; and
- Some areas of potential savings would have a profound impact on our statutory duties.

Major Issues (2)



Our Challenge



Risks to Highlight

- If we don't embed the Hampshire Approach the expected change in families will be reduced;
- Emerging forms of abuse;
- If there is challenge to these proposals savings will have to be found from other areas; and
- If the required capacity and capability is insufficient to both transform and sustain the changes, savings are unlikely to be achieved and service quality will suffer, potentially leading to increased expenditure.

Equality Impacts to Highlight

- An Equality Impact Assessment has been completed for all the proposed workstreams.
- HTST identifies some impacts relating to a potential reduction in service for some SEN placements. Mitigation is better advice for parents regarding travel eligibility and choice of placement.
- Short breaks by nature has the potential to impact under 18 with disabilities and their parents/carers. The majority of attendees are male. Mitigation will include consultation to define priorities.
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Serving Hampshire – **Balancing the Budget 2019 Consultation**

Headline Findings



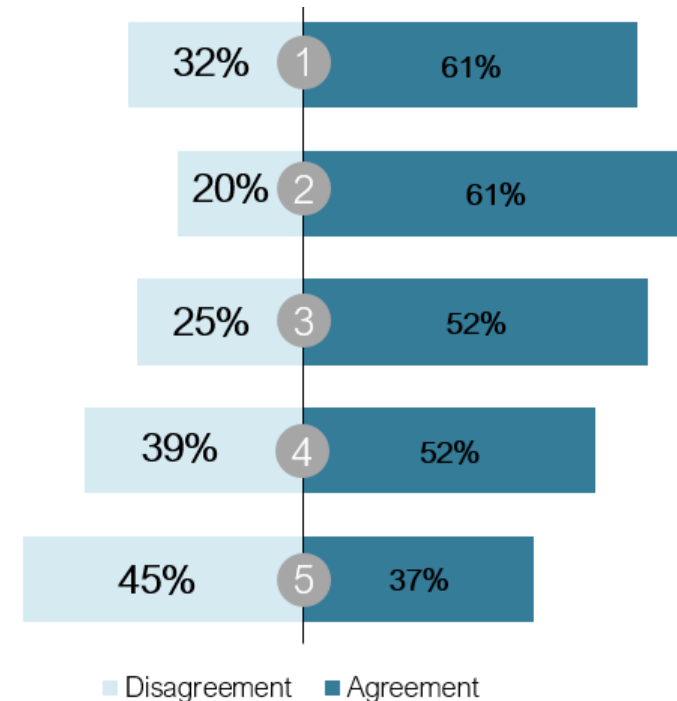
Consultation context

- The ***Serving Hampshire - Balancing the Budget*** 2019 consultation was designed to give all Hampshire residents and stakeholders the opportunity to have their say about ways to balance the County Council's budget.
- The consultation ran from midday on 5 June to 11.59 on 17 July 2019 and was widely promoted through a range of online and offline channels.
- Information Packs and Response Forms were made available both digitally and in hard copy in standard and Easy Read formats, with other formats available on request. Unstructured responses could be submitted via email, letter or as comments on social media.
- The **consultation received 5,432 responses** – 4,501 via the consultation Response Forms and 931 as unstructured responses via email/ letter (22) or social media (909).
- Of the responses submitted via the consultation Response Forms, 1,491 were from individuals and 28 from democratically elected representatives. Including the unstructured responses 44 groups, organisations or businesses responded.

Level of agreement with proposed options

Agreement or disagreement as to whether the County Council should. . . (Base: 4264)

1. Six out of ten respondents (61%) agreed with the position that reserves should not be used to plug the budget gap.
2. The same proportion (61%) felt that consideration should be given to changing local government arrangements in Hampshire.
3. Just over half of respondents (52%) agreed that the County Council should continue with its current financial strategy.
4. This was also the number that agreed with the principle of introducing and increasing charges for some services.
5. Just over one in three respondents (37%) agreed with the principle of reducing or changing services - but the proportion who disagreed was slightly higher (45%)



Tt2021 Key Messages

- Significant reductions in spend delivered to date;
- Significant corporate support for demand and complexity increases are fundamental;
- Careful consideration of our ability to meet statutory duties and maintain safe and effective services;
- Consultation will be undertaken; and
- Capacity and capability essential for transformation.

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