



Hampshire
County Council

Children & Young People Select Committee 13 January 2021 Budget Briefing 2021/22

Steve Crocker
Director of Children's Services

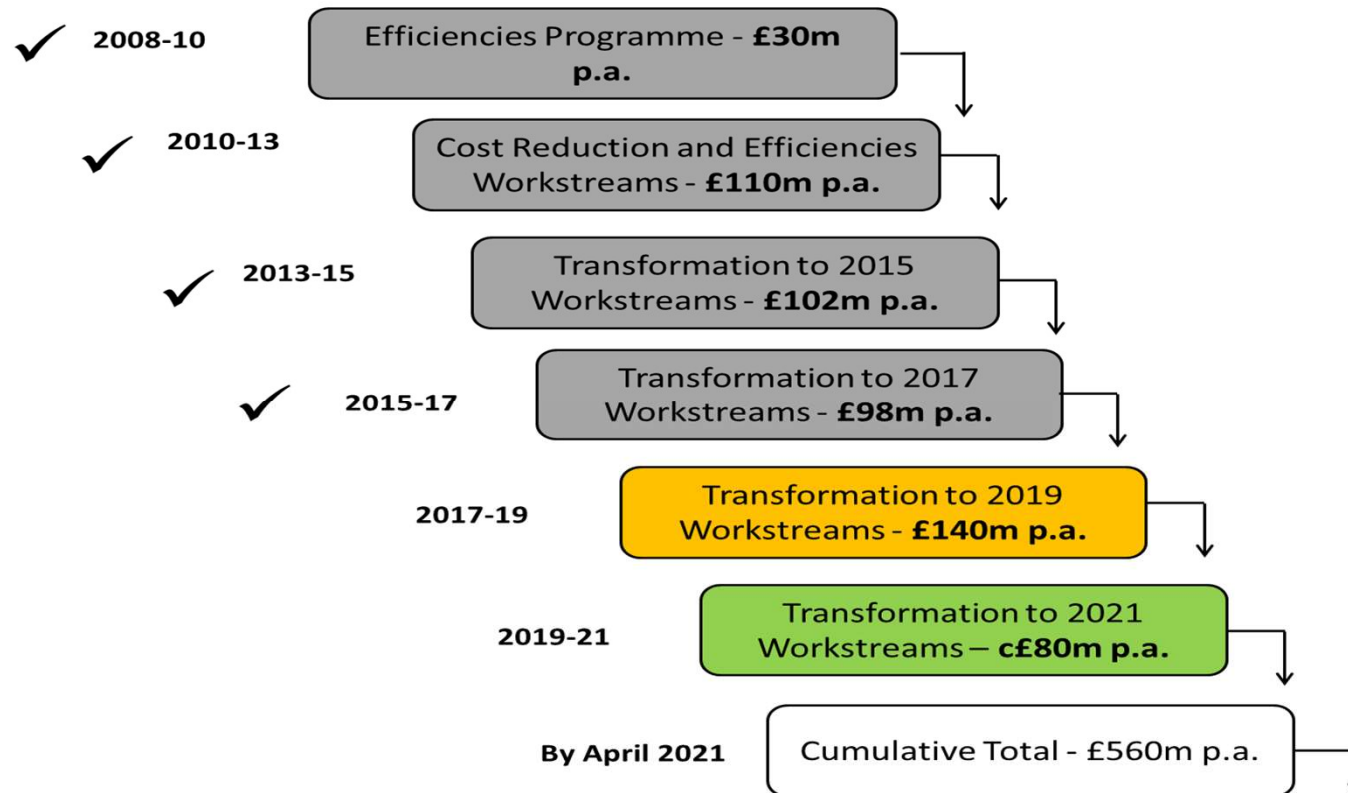
Erica Meadus
Senior Finance Business Partner

Presentation Outline

- County Council Context
- Local Government Finance Settlement – Key Issues
- Reserves Position
- Update on Transformation to 2021 (Tt2021) Programme
- Key Departmental Challenges and Issues
- Children’s Services Budget Proposals and Revenue Budget

County Council Context

Efficiency and Transformation Programmes



A further £80m Savings Programme has also been put in place to deliver full savings by 1 April 2023

Budget Forecast 2021/22 – MTFS Position

- Savings targets for 2021/22 were approved as part of the MTFS in 2018 to deliver £80m and proposals agreed in November 2019 to give the time for implementation.
- Anticipated delay in some elements of the delivery of cash release for the Tt2021 Programme factored into the MTFS and sufficient one off funding provided to meet any potential gap over the period.
- Proposed to increase council tax by the referendum limit (originally 3.99%, 2% for social care costs on top of the referendum limit of 2% for core council tax).
- This was clearly before the impact of Covid-19!

Covid 19 – As Reported to Cabinet in November

- Covid-19 has created a range of impacts from response costs and losses, increased demand and impacts on council tax and business rate income, some of which extend into future years
- County Council's strategy is to try to deal with this as a one off medium term impact so that it does not require additional departmental savings to be made and protects the resources available to support future savings programmes
- After allowing for Government support (prior to the Spending Review and provisional settlement) we faced unfunded costs and losses of £210m over the medium term.
- A response package of reserves and other funding was put in place totalling £160m, leaving a requirement for further Government funding of at least £50m to close the gap.

Local Government Finance Settlement – Key Issues

Provisional Local Government Finance Settlement 2021/22

- The Spending Review announcement in November whilst positive brought no longer term certainty as it was again only for one year.
- The provisional Local Government Finance Settlement for 2021/22 was announced on 17 December but final figures will not be confirmed by the Government until late January or early February.
- Key items include:
 - ✓ Council tax increase of 4.99% permitted, 3% for social care costs on top of the referendum limit of 2% for core council tax – additional 1% will generate £7m.

Provisional Local Government Finance Settlement 2021/22

- ✓ Additional social care funding for 2021/22. However, HCC will only receive £1.2m from this (compared to estimate of £5m), as most of the funding has been given to areas with low council tax bases.
- ✓ Extra funding to help councils Covid-19 cost pressures in 2021/22 – HCC allocation £24m.
- ✓ Funding to meet increased demand for council tax support – HCC allocation £8.1m.
- ✓ New Homes Bonus continues with no new legacy payments – HCC allocation £3.9m. Consultation to be launched into the future of the scheme.

Reserves Position

Reserves Strategy

- Deliberate policy to make savings ahead of need and then use these funds to meet costs of the next phase of transformation.
- Total reserves of more than £643.1m as at 31 March 2020, more than half of which (£351.2m) is committed to existing revenue programmes and capital spend.
- £92.2m in departments cost of change and trading account reserves to be used for investment and future transformation / savings delivery and to cash flow delivery of Tt2019 and Tt2021.
- £45.9 set aside to mitigate risks (mainly the insurance reserve as we self insure).
- £15.4m in schools reserves (net of DSG deficit), £5.1m for the EM3 LEP and £22.3m in GF balance (broadly in line with minimum reserves policy).
- The strength of our reserves has been critical in developing the Covid-19 financial response package.

Reserves Strategy

Only £111.1m (17.3%) is truly 'available' to support one off spending and is made up as follows :

	Balance 31/03/19 £'000	Balance 31/03/20 £'000	% of Total
<u>'Available' Reserves</u>			
Budget Bridging Reserve	65,001	78,509	12.2
Invest to Save	29,201	22,290	3.5
Corporate Policy Reserve	6,397	6,852	1.1
Organisational Change Reserve	3,626	3,442	0.5
	<u>104,225</u>	<u>111,093</u>	<u>17.3</u>

* The use of the BBR to support the revenue budget and cash flow Tt2019 and Tt2021 is already planned in the period to 2023/24 and beyond - draw in 2020/21 to cover Tt2019 & Tt2021 cash flow and interim year is £44.4m. The uncommitted balance of the other reserves currently forms part of the Covid-19 financial response package.

Update on Transforming the Council to 2021 Programme



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Transforming the Council to 2021

- Savings target of £80m agreed as part of the MTFS in 2018.
- Savings proposals to meet this were agreed in November 2019.
- **There are therefore no new savings proposals to consider as part of this budget setting process.**
- Consultation (where required) and implementation has been progressing throughout 2020/21, alongside Covid-19 response and recovery activity, with periodic reports to CMT and Cabinet.
- Progress will continue to be closely monitored over the extended time period of the Tt2021 Programme.

Transforming the Council to 2021

- Scale of the transformation, notably in Adults' Health & Care and lead in times for achieving savings will cause delay in some of the delivery of cash savings for the Tt2021 Programme.
- Cash flow support required on a one-off basis to manage the extended delivery timetable will in the most part be met from departmental cost of change reserves, boosted by some early delivery in 2020/21.
- Further contingency held corporately to cover any remaining shortfall, including the impact of Covid-19.
- High degree of confidence this can be covered but we will be managing this alongside the development of the 2023 Savings Programme (SP2023).

Summary of T21 Savings Proposals TARGET

- £17.2m

	£'000
Government Funding	8,100
Home to School Transport	2,969
Transforming Social Care	2,728
Short Breaks	596
Health Contributions	1,800
Education and Inclusion	210
Youth Offending Team	150
Children with Disabilities	554
Support Services	95
Total Children's Services	17,202

Key Issues from Implementation

- £14.5m anticipated delivery in 2021/22
- Shortfall funded with corporate cash flow
- Transforming social care slipped by 6 months for covid operational impact
- Home to School Transport slipped as resource diverted away from transformation due to covid
- Home to School Transport market impact from covid too impacting tender arrangements.

Key Departmental Issues and Challenges

Steve Crocker

Director Children's Services

Key Departmental Issues / Challenges

Principles:

- Ensure a safe and effective social care system for children
- Ensure sufficient capacity to lead, challenge and improve the education system
- Continue to recognise that our workforce is our strength
- Tightly target limited resources
- Secure and sustain targeted and co-ordinated early help
- Maximise the opportunities to create efficiencies and maintain and enhance services through partnerships and sold service arrangements.

Key Departmental Issues / Challenges

- High quality/ low spending over many years now
- Demand for services
- Cost of services eg independent sector
- Delivery of savings plans
- Financial pressures in schools (esp. High needs)
- Social worker recruitment and retention
- Special Educational Needs pressures
- Covid

1989 CHILDREN ACT SECTION 47 CHILD PROTECTION INVESTIGATIONS

2010-2012	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
111,700	124,600	127,100	142,500	160,150	172,290	185,450	198,090	201,170	201,000

AN INCREASE OF 80%

CHILDREN SUBJECT TO AN INITIAL CHILD PROTECTION CONFERENCE

2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
53,000	56,20	60,100	65,200	71,400	73,050	75,890	79,470	77,440	77,470

AN INCREASE OF 46%

CHILD PROTECTION PLANS IN ENGLAND

Category	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Neglect	15,800	17,300	18,600	18,220	17,980	20,620	22,130	22,610	24,390	25,550	25,180	25,700
Phys abuse	4,400	5,000	4,800	4,690	4,280	4,050	3,610	3,570	3,180	3,390	3,510	3,250
Sexl abuse	2,000	2,300	2,400	2,220	2,030	2,100	2,230	2,270	2,130	2,090	2,090	1,890
Emtl abuse	9,100	10,800	11,400	12,330	14,730	17,200	18,030	19,260	18,750	20,320	20,000	19,460
Multiple	2,900	3,700	5,500	5,390	4,120	4,320	3,680	2,600	2,630	2,460	1,480	1,220
Total	34,200	39,100	42,700	42,850	43,140	48,290	49,680	50,310	51,080	53,810	52,260	51,520

AN INCREASE OF 51%

Hampshire Activity

Contact and Referrals	2015-16		2016-17		2017-18		2018-19		2019-20	
	Denom	Value	Denom	Value	Denom	Value	Denom	Value	Denom	Value
Number of initial contacts		77934		87235		106010		117188		125413
Referral source: Individual	1835	11.0%	2165	11.1%	1908	11.5%	1906	10.4%	2303	11.4%
Education	4149	24.9%	4559	23.5%	3862	23.3%	4432	24.1%	5007	24.8%
Health Services	2148	12.9%	2603	13.4%	2251	13.6%	3063	16.6%	3656	18.1%
Housing	277	1.7%	233	1.2%	174	1.0%	188	1.0%	248	1.2%
Local Authority Services	1596	9.6%	1606	8.3%	1704	10.3%	1661	9.0%	1600	7.9%
Police	4346	26.1%	5360	27.6%	4265	25.7%	4559	24.8%	4585	22.7%
Other legal agency	370	2.2%	447	2.3%	388	2.3%	593	3.2%	696	3.4%
Other	1255	7.5%	1765	9.1%	1194	7.2%	1248	6.8%	1262	6.2%
Anonymous	400	2.4%	478	2.5%	384	2.3%	495	2.7%	531	2.6%
Unknown	290	1.7%	219	1.0%	466	2.8%	263	1.4%	332	1.6%
Not recorded	0	0.0%	0	0%	0	0.0%	0	0.0%	0	0.0%

Our Transformation journey continues but the vision remains the same...

A whole system change to create...

A **family** service – a system focused on improving outcomes for the child in the family context

A social work led, integrated, **multi-disciplinary service**, from the front door to specialist services

An approach supporting social workers to deliver **meaningful interventions** and create lasting change

Improved flexibility for good practice **to flourish**

Children are supported within their own **family/community** wherever possible.

Delivered through:

A methodology and toolkit that systematically helps us intervene effectively

Lean processes, mobile working and easy to use IT that enhances the way we work

A stable organisation structure that is multi-disciplinary by design and enables & empowers front line staff

Access to the right, shared, information, at the right time to enabled informed decision making

Strong, resilient working partnerships that pull in the same direction

Culture & behaviours at all levels that are family and outcomes focused



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What we heard from Ofsted...

“Social workers are highly skilled at building and sustaining enduring relationships with children. This is a considerable strength in Hampshire.”

The Hampshire Approach permeates the work with children and families, building confidence and resilience and leading to positive outcomes for children

“A highly successful large-scale transformation programme has included the creation of additional social work posts and an innovative pathway of support for newly qualified social workers.”

“Tenacious and creative work is undertaken to support children to safely remain in the care of their families wherever possible. Intensive support workers demonstrate skill through their sensitive, relationship-based work with families”

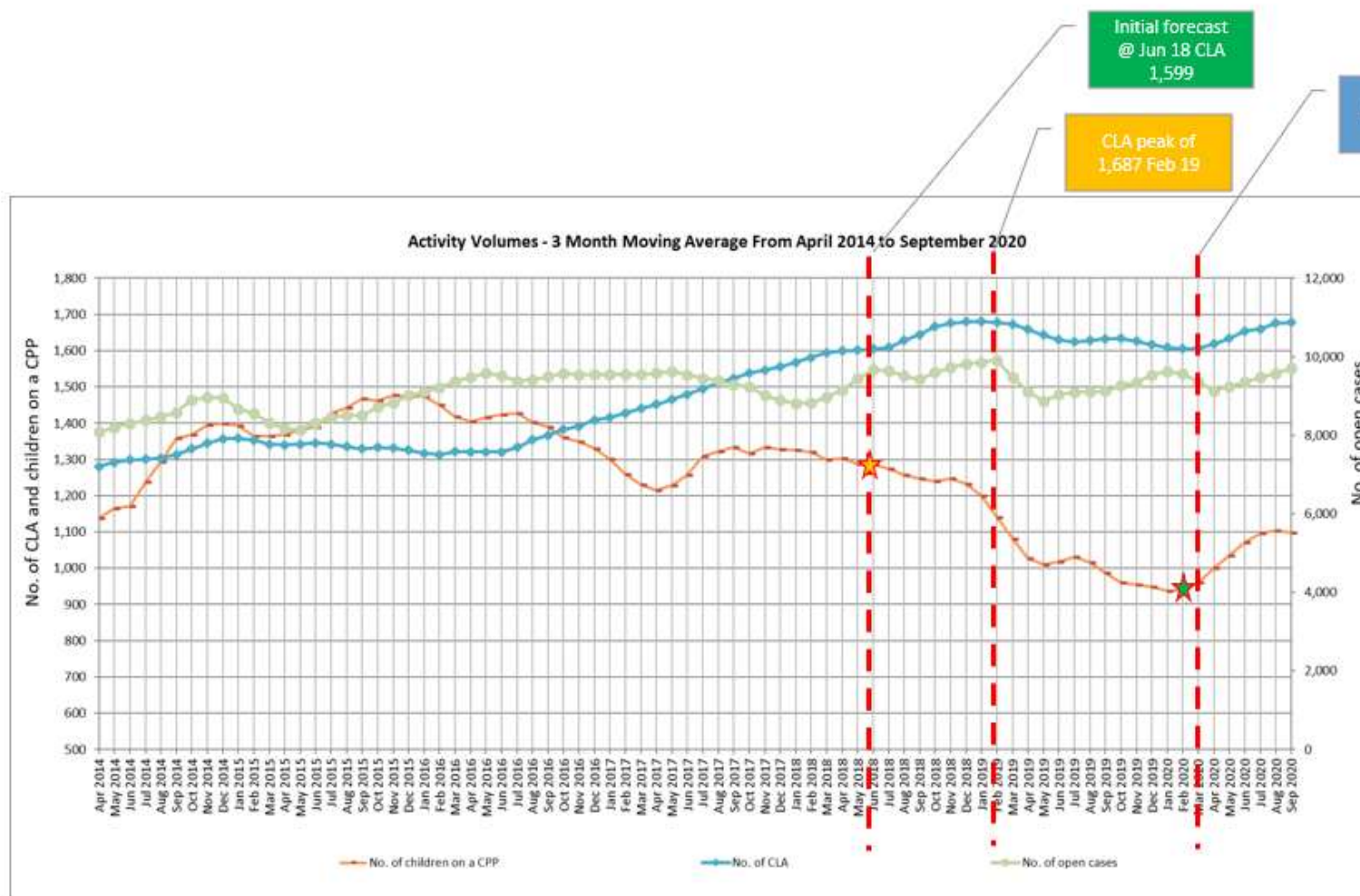
“Staff are skilled at using ‘strengths-based’ approaches and empowering children and families to take control of their plans. This is having a particularly positive and tangible impact on children’s outcomes”

Full inspection of Hampshire Children’s Services, Ofsted, June 2019



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CLA and CP Trends:



- CLA increased from **1,599** in June 18 to **1,687** in Feb 19, then dropped to **1,602** at March 20. Since Covid, CLA has risen again, but peaked at **1,697** in September 20, before dropping back to **1,672** in October.
- CP numbers dropped significantly (36%) from **1,281** in Jun 18 to **916** in Feb 20. From March it rose to **1,113**, but since August it has flattened off.
- Case numbers have remained relatively stable over this period

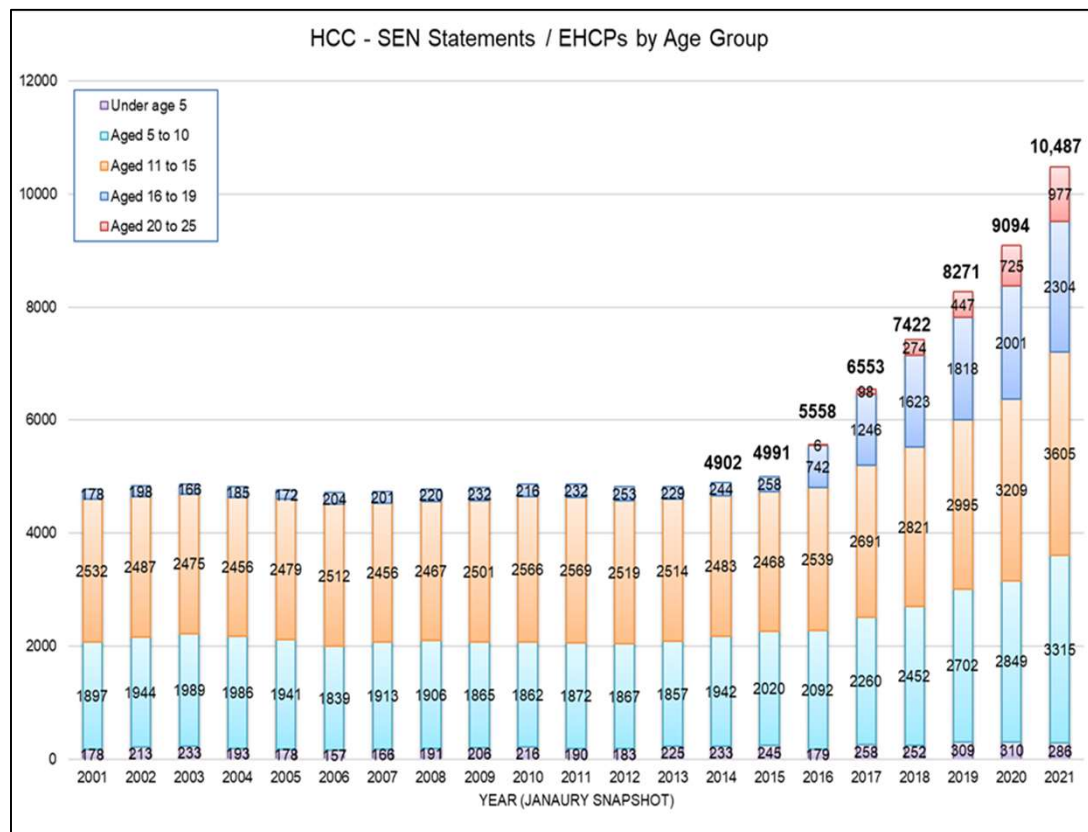


Impact in numbers

Since November 2018:

- **23%** reduction in Child Protection Plans
- **4%** reduction in Looked After Children
- **30%** reduction in social work caseloads
- **30%** of staff spending less time travelling as a result of mobile working
- **92%** of files audited showed improved outcomes for children

SEN: Education, Health and Care Plans



- Significant rise in number of maintained EHCPs of 110% between 2015 - 2020
- Growth in all age ranges but uneven
 - 15% increase in maintained plans between 2019 and 2020
 - significant growth in 5-10 year olds between 2019 and 2020 of 16%
 - 20-25 year old age range continues to grow and has increased by 35% between 2019 and 2020
- Requests slightly dipped in 2020 by 5%, Covid-19 could have played a part in this due to school closures
- Recent inspection of implementation of reforms positive in Hampshire

SEN: Issues to be addressed to manage budget pressures

- Ensure high needs block used efficiently
- Tackle rise in demand
- Develop maintained specialist provision to reduce high-cost placement expenditure
- Cease plans where appropriate
- Strengthen joint commissioning

SEN: Strategies undertaken successfully to reduce expenditure 2019/20

Efficiency measures	Provision/service changes
Bring back of out of county post-16 placements into local colleges achieved saving of £2m	48 places reduction at education centres with £280,000 saving built into the 2019/20 budget
Pilot SENSA scheme now ceased saving £1.1m	Nurture groups now sold service with £63,000 budget being released in 2019/20
Also saved £75,000 notional SEN top-up funding	STA review saving £403,000 in 2019/20
	Reduced reliance on independent non-maintained sector by increasing in-house provision. £2.1m saving in 2019/20

SEN: Strategies underway to reduce demand and placement expenditure

Reduce demand	Reduce placement expenditure
Person centred approaches to increase family confidence in support offer and earlier conversations about provision	Further £2m gross projected savings for 2020/21 from bring back strategy (academic year)
Co-production of SEN Support guidance	Improved procurement £1.6m projected savings with £195,000 planned in 2020/21 (reduced savings to date due to Covid restrictions)
SEN Support is focus of all HIAS annual visits	Spend to save funding to enhance support to schools at annual reviews where escalation of costs likely
Area peer support groups for SENCOs	A new network of 'Future SEND Hubs', expansion of a County-wide Supported Internship and Supported Apprenticeship offer. £123,000 saving planned in 2021/22
Promotion of the revised training offer	Reduced reliance on independent non-maintained sector by increasing in-house provision. Planned cumulative saving of £6m in 2020/21
Develop local panels	Joint commissioning strategy underway to increase health contribution
Working with Health partners on early intervention	

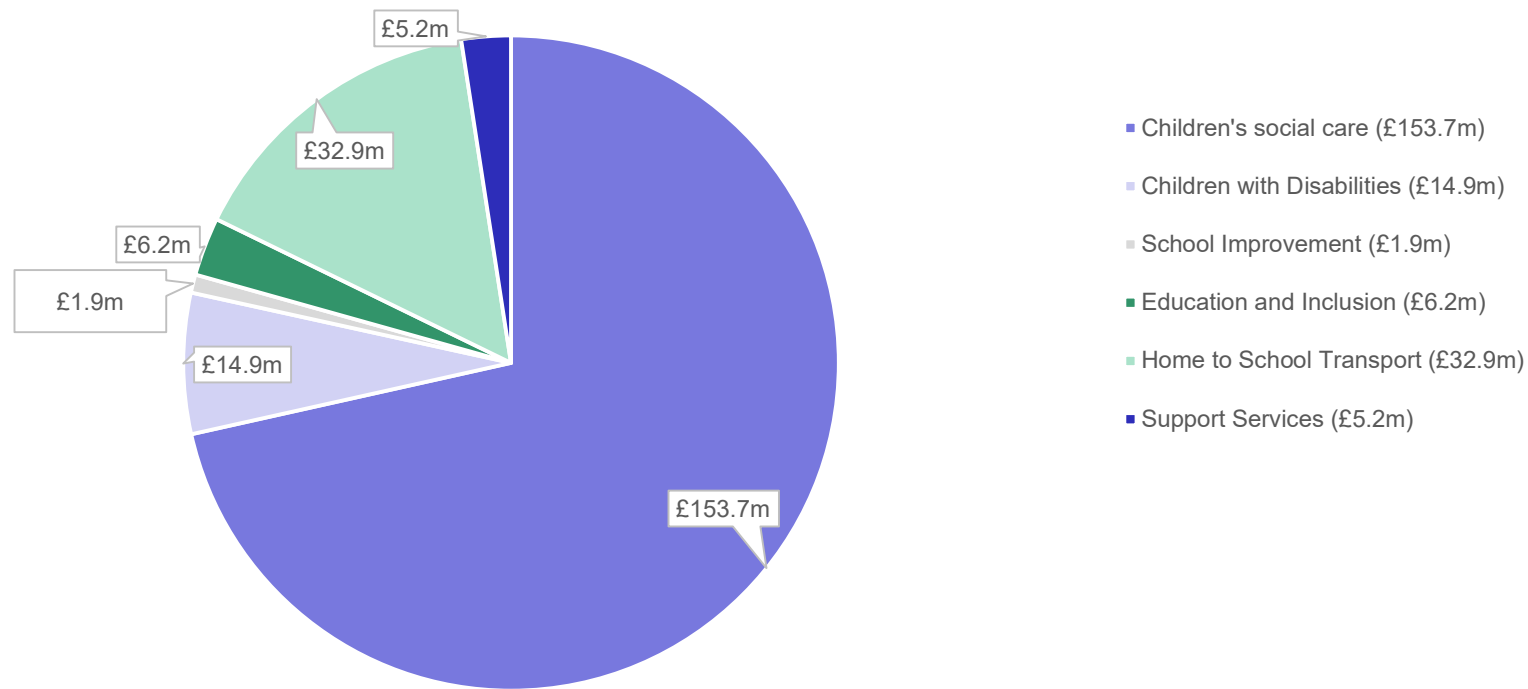
Children's Services Budget 2021/22

Children's Services Revenue Budget

	Revised Budget 2020/21 £'000	Proposed Budget 2021/22 £'000
Schools	912,489	942,548
Non-Schools	221,250	214,856
Total Cash Limited Services	1,133,739	1,157,404

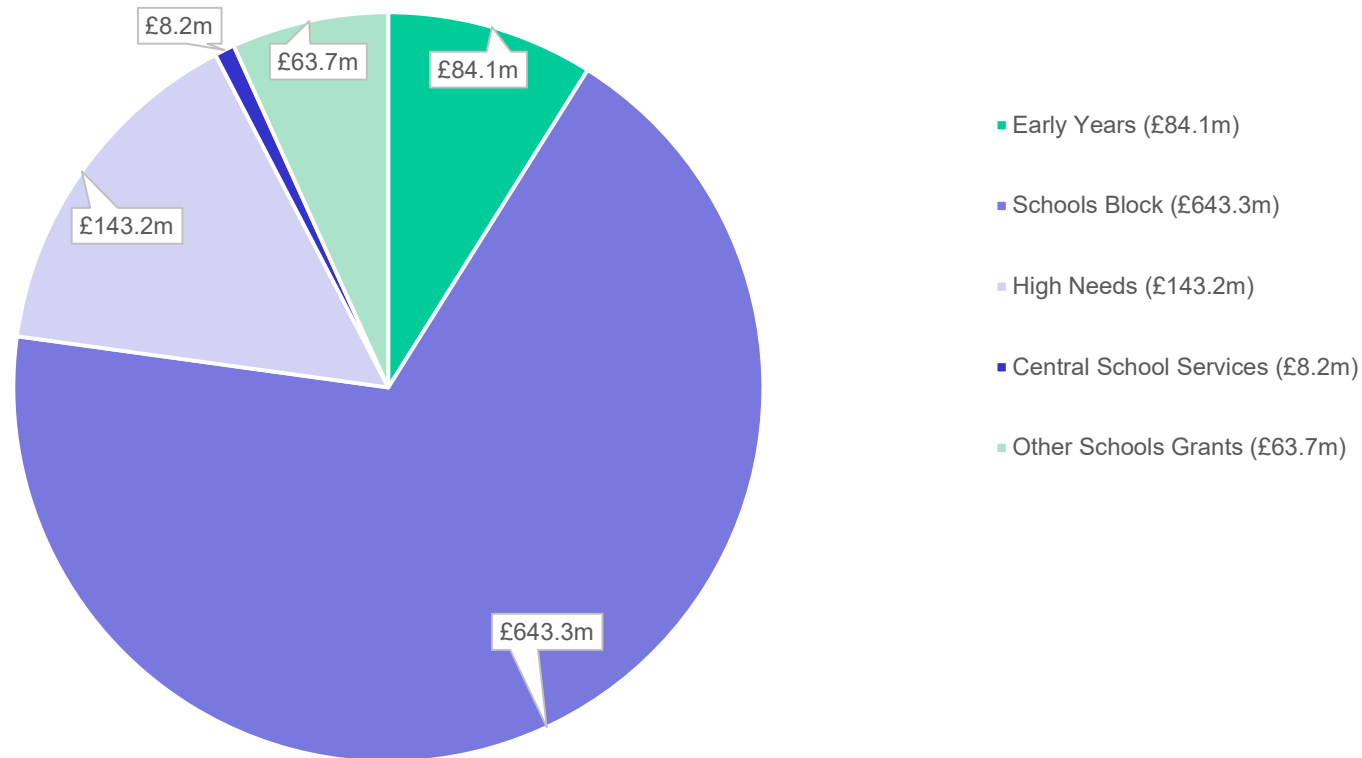
Children's Services Revenue Budget 2021/22

Non-schools £214.9m



Children's Services Revenue Budget 2021/22

Schools £942.5m



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