



Hampshire
County Council

Children & Young People Select Committee 14 January 2022 Budget Briefing 2022/23

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Presentation Outline

- Local Government Finance Settlement – Key Issues
- County Council Context
- Children's Services Revenue Budget
- Key Departmental Challenges and Priorities

Local Government Finance Settlement – Key Issues

Provisional Local Government Finance Settlement 2022/23

- A one year provisional Finance Settlement for 2022/23 was announced on 16 December but final figures will not be confirmed by the Government until late January or early February
- Future year's funding allocations will be determined following the outcome of a consultation on the existing local government funding formula to be carried out in Spring 2022
- Key items include:
 - **£11.0m** additional social care grant distributed based on the existing adult's funding formula
 - **£8.3m** 2022/23 Services Grant. The £822m national pot will be redistributed based on the new funding formula from 2023/24.
 - A **£3.6m** uplift in business rates compensation grants

Provisional Local Government Finance Settlement 2022/23

- An initial allocation of **£3.2m** from the **Market Sustainability and Fair Cost of Care Fund**. This is part of the government's package to support the recently announced social care reforms, providing funding for local authorities to:
 - Work with care providers to prepare local care markets for reform
 - Move towards paying providers a fair cost of care
- A **£0.9m** inflationary uplift for the Improved Better Care Fund
- Continuation of the New Homes Bonus for a further year, worth **£3.5m** to the Council in 2022/23
- **Total additional funding of £26.5m**
- **2.99% increase in council tax, 1% lower than the assumptions held within the MTFs. Estimated increase of £29.7m rather than previously assumed £36.7m.**
- **Total increase in core spending power of 6.3%**

County Council context

Increasing financial pressure:

- **Seven** successive two-year **change programmes** implemented since 2010 to deliver cumulative savings of **£640m**
- As at December 2021 the Council is working to achieve **savings of £127m** including **£47m** of slipped Tt2019 and Tt2021 savings and a further **£80m** SP2023 savings required by 2023/24.
- **Inflation** has risen to the highest level since 2011, with CPI reaching **5.1%** in November 2021
- Additional National Insurance costs of **£2.3m** for internal staff and associated increases to contractual costs
- Significant pressures are building in adult social care with **market prices** now around **16-18% higher** than the Council's existing provision, which will create an **additional budget pressure in 2022/23**
- 2022/23 is an interim year within the context of the MTFs with the budget being balanced using £40.2m from the budget bridging reserve. **It is now forecast that a significantly bigger draw from the reserve will be required.**

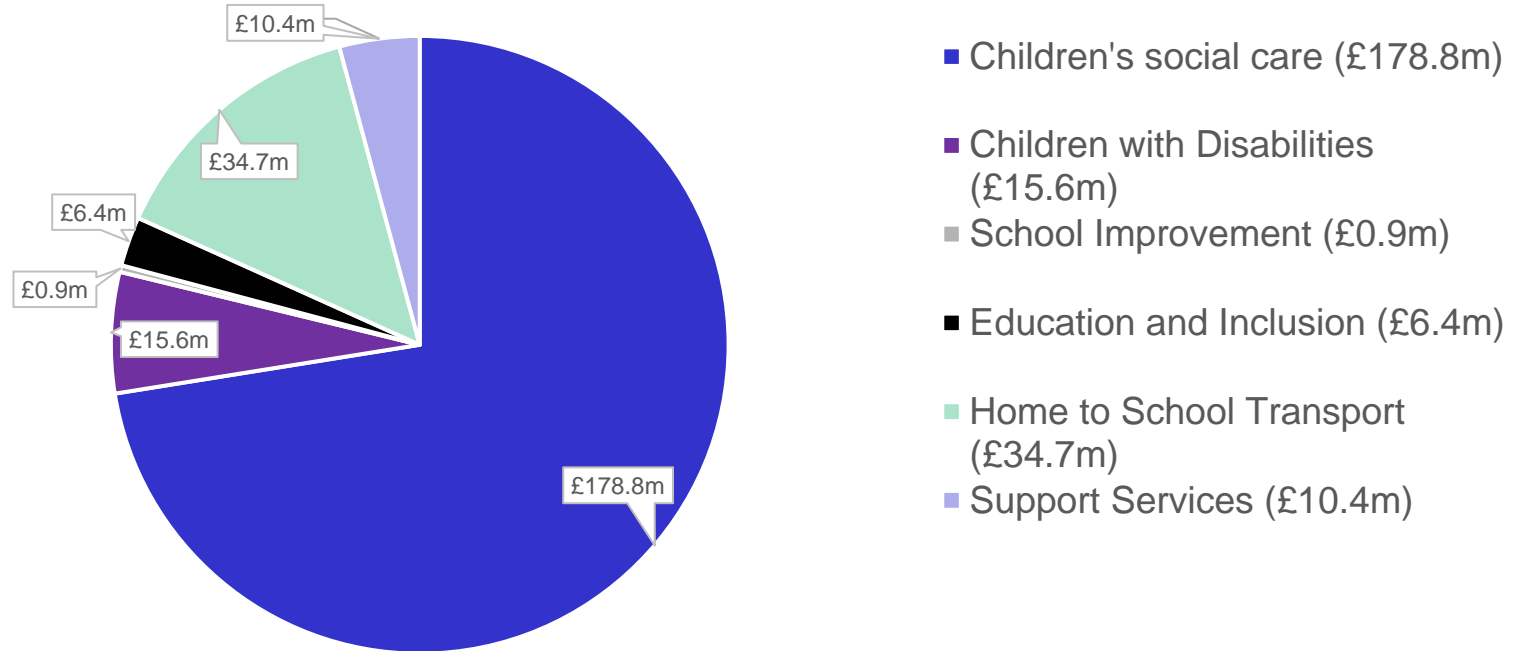
Children's Services Budget 2022/23

Children's Services Revenue Budget

	Revised Budget 2021/22 £'000	Proposed Budget 2022/23 £'000
Schools	947,909	1007,261
Non-Schools	239,086	246,675
Total Cash Limited Services	1,186,995	1,253,936

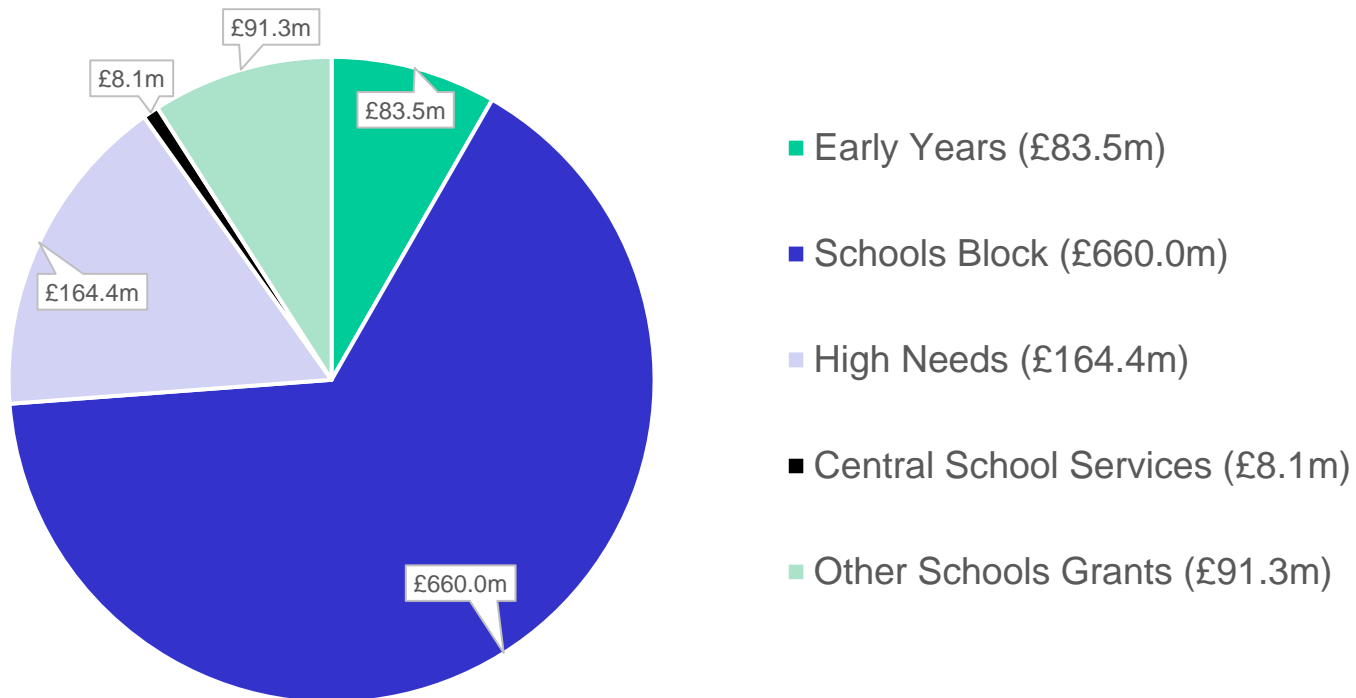
Children's Services Revenue Budget 2022/23

Non-schools £246.7m



Children's Services Revenue Budget 2022/23

- Schools £1007.3m



Key Departmental Challenges and Priorities

Steve Crocker
Director Children's Services

Key Departmental Challenges / Priorities

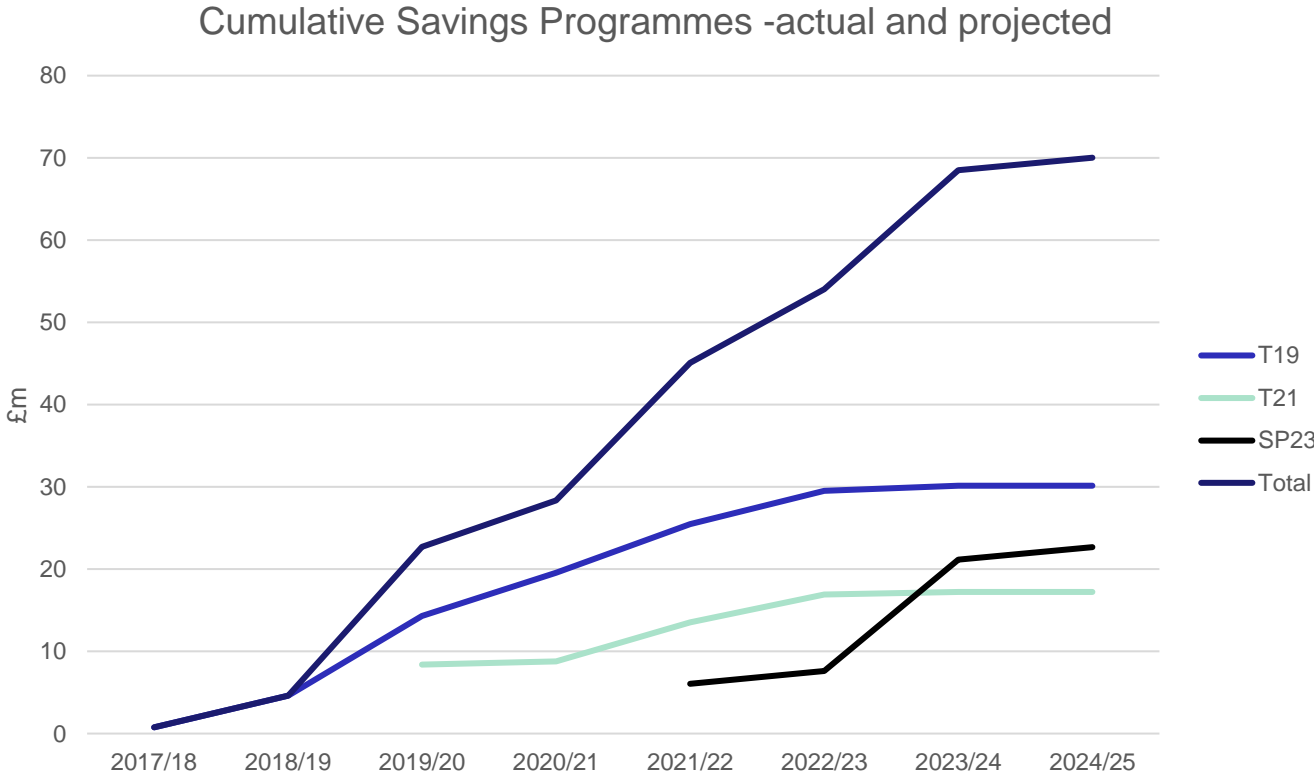
Principles:

- 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 and complexity of services
- Cost of services e.g. independent sector
- Delivery of savings plans
- Financial pressures in schools (esp. High needs)
- Social worker recruitment and retention
- Special Educational Needs pressures
- Home to School Transport operational challenges
- Covid impact

Savings Programmes



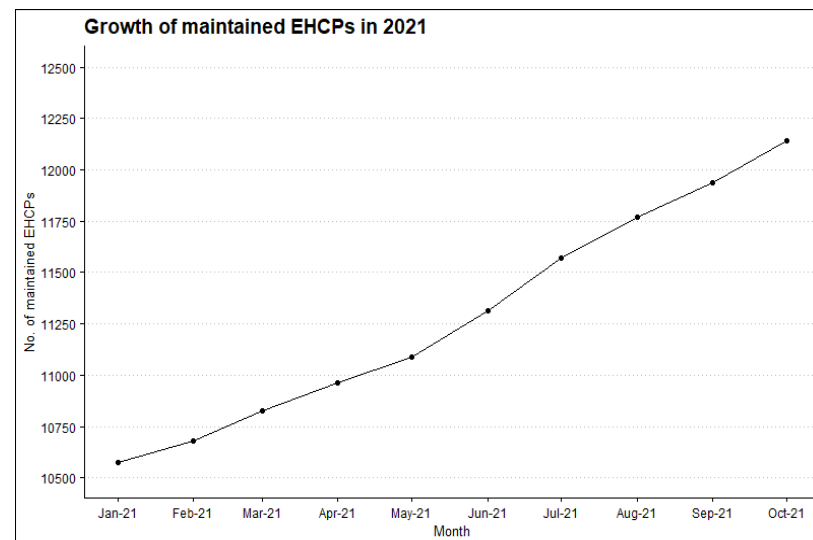
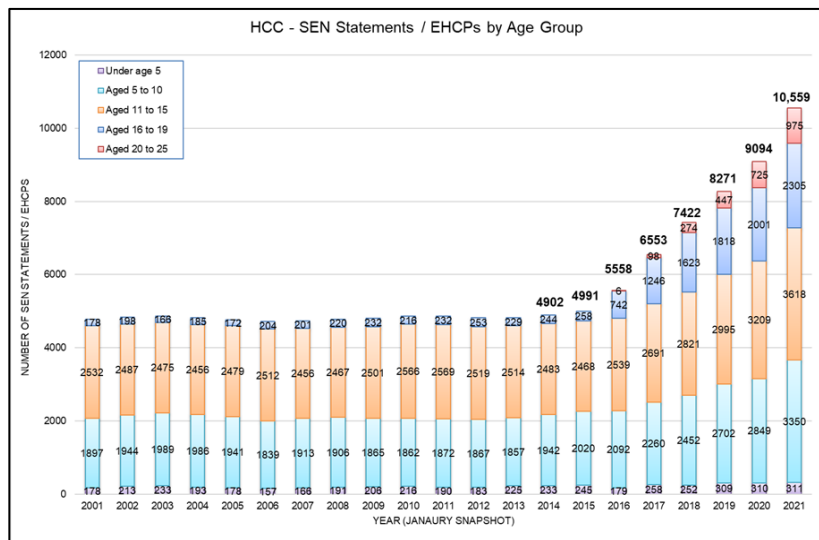
High Needs Block Budget

There is a pressure on the High Needs Block which has been created as a consequence of the increase in EHCP plans being maintained.

Between the reforms taking effect in 2015 and January 2021 there has been a 135% increase in the number of EHC Plans.

This growth has accelerated in 2021 and as of the end of October, Hampshire maintains over 12,000 EHC Plans.

A full report was brought to the Children and Young People Select Committee in November outlining the causes of the pressure and the mitigation strategies being applied to manage expenditure.



High Needs Block Funding

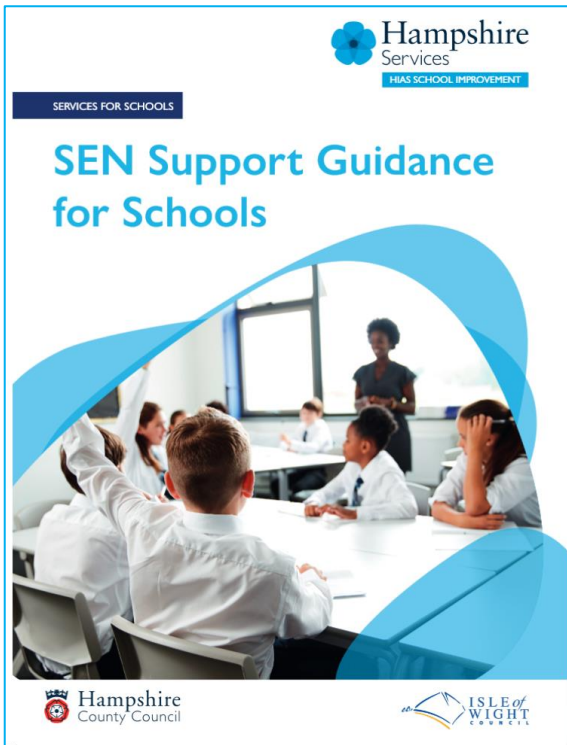
The High Needs Block DSG allocation has increased over the last three years however there continues to be a pressure each year due to increases in demand and complexity of needs.

- The allocation of High Needs Block funding for Hampshire for 2022/23 is £169.9m which equates to £964 per mainstream pupil
- The average level of funding per pupil in South East authorities is £1,158
- If Hampshire was funded at the South East authorities average level then we would receive an additional £34 million which would deliver a balanced budget.

Year	High Needs allocation	Increase in funding	In-year High Needs pressure
2019/20	£115.7m	£4.1m	£15.2m
2020/21	£135.1m	£19.4m	£15.8m
2021/22	£152.9m	£17.9m*	£22.7m

**includes £2.5m for baselining of Teachers Pay and Pension Grants*

SEN Support Strategy



- SEN Support – a level of need identified within the SEND Code of Practice.
- Revised guidance for schools launched February 2021.
- Schools, parent/carers, children and young people were key contributors to the revision.
- A drive to ensure the guidance underpins strong practice in every classroom and every school.
- High-quality, inclusive teaching is key.
- A range of strategies and professional development opportunities available to schools to build capacity across the system in order to meet needs at this level.
- Targeted development work for different layers; headteachers, middle leaders, class teachers, SENCos, support staff, governors, recently qualified and trainee teachers.

SEN Capital Place Planning Strategy

For September 2021:

184 places created:

- 2 school refurbishments (Forest Park & Saxon Wood)
- 5 Resourced Provisions (Bedenham, Wildground Junior, Ashley Infant, Noadswood, South View Infant and Junior)
- 1 new school (Austen Academy)

Being developed for 2022:

Additional places:

- Mark Way School, Andover
- Norman Gate School, Andover
- Henry Tyndale School, Farnborough
- Redlands Primary, Fareham (for hearing impairments)
- Pinewood Infant School, Farnborough
- Guillemont Junior School, Farnborough
- Samuel Cody Special School

Preparation for Adulthood

- **Employment**

- We have developed a county-wide, joined up and high performing employability offer for young people with SEND which focuses on progression into sustained paid employment.
- Employability Hubs became operational in Autumn 2020, with a further 4 hubs that opened this term.
- From 2022, it is hoped new Independence Hubs will be open in FE Colleges for young people with complex needs.

DSG medium term forecast

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m	£m	£m
Total expenditure	937.7	967.8	1,029.8	1,135.4	1,176.3	1,219.6	1,237.2
Total income	928.5	958.8	1,017.1	1,109.6	1,159.6	1,199.8	1,215.4
Net in-year position	9.2	9.0	12.7	25.8	16.7	19.8	21.8
High Needs Block	10.5	15.2	15.8	26.8	16.7	19.8	21.8
Other blocks	-1.3	-6.2	-3.1	-1.0	0.0	0.0	0.0

Cumulative DSG Deficit Reserve	13.7	22.7	35.4	61.2	78.0	97.8	119.5
Deficit as % of funding	1.5%	2.4%	3.5%	5.5%	6.7%	8.1%	9.8%

Excluding the impact of savings

Net in-year position	10.0	15.3	23.4	42.7	42.5	51.9	56.9
Cumulative DSG Deficit Reserve	14.5	29.8	53.2	95.9	138.5	190.3	247.2
Deficit as % of funding	1.6%	3.1%	5.2%	8.6%	11.9%	15.9%	20.3%

Savings / cost avoidance	0.8	6.3	10.7	16.9	25.8	32.1	35.1
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High Needs workstreams

Workstream	Ref.	Projects within the workstream	Breakdown of savings (-) / additional costs (+)						
			2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Post-16	W1	Post-16 resourced provisions (Living Futures Hubs)	0	0	0	43	-358	-1,889	-3,496
	W2	Post-16 Employability Hubs	0	0	84	-252	-910	-2,253	-3,591
Sufficiency	W3	Sufficiency strategy, including place planning	0	-2,480	-5,962	-10,881	-17,988	-21,427	-21,604
	W4	Reduce reliance on out of county placements through annual reviews	-669	-1,479	-1,840	-2,546	-3,022	-3,036	-2,911
Smarter Commissioning	W6	Improved procurement of independent placements	0	0	-94	-335	-459	-459	-459
Provision Framework	W9	Commission SEMH places from education centres		-385	-474	-555	-555	-555	-555
Other	W10	Review of funding for Deaf Instructors			-22	-22			
	W11	Reduction of commissioned places in education centres		-270	-460	-460	-460	-460	-460
	W12	Nurture groups		-63	-63	-63	-63	-63	-63
	W13	Cease the SEN support agreement (SENSA)		-1,100	-1,100	-1,100	-1,100	-1,100	-1,100
	W14	Reduce Notional SEN top-up		-103	-33	-75	-75	-75	-75
	W15	Review of Primary Behaviour Service			-159	-159	-159	-159	-159
	W16	Review of Specialist Teacher Advisory Service	-113	-403	-552	-552	-609	-650	-650
			-782	-6,283	-10,675	-16,957	-25,758	-32,126	-35,123

1989 CHILDREN ACT SECTION 47 CHILD PROTECTION INVESTIGATIONS

2010-2011 2011-2012 2012-2013 2013-2014 2014-2015 2015-2016 2016-2017 2017-2018 2018-2019 2019-2020 2020-2021

111,700	124,600	127,190	142,710	160,490	172,510	185,680	198,090	201,170	201,000	198,790
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AN INCREASE OF 78%
Nationally since 2010-2011

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	2020-2021
53,000	56,200	60,080	65,190	71,410	73,050	76,930	79,470	77,440	77,470	72,580

**AN INCREASE OF 37% Nationally since 2010-
2011**

CHILD PROTECTION PLANS IN ENGLAND

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Neglect	15,800	17,300	18,600	18,220	17,930	20,970	22,230	23,150	24,590	25,820	25,330	26,010	24,120
Emotional abuse	9,100	10,800	11,400	12,330	13,640	15,860	16,660	17,770	17,280	18,860	18,460	18,380	18,840
Physical abuse	4,400	5,000	4,800	4,690	4,670	4,760	4,350	4,200	3,950	4,120	4,170	3,820	3,650
Sexual abuse	2,000	2,300	2,400	2,220	2,030	2,210	2,340	2,370	2,260	2,180	2,230	1,970	1,930
Multiple	2,900	3,700	5,500	5,390	4,870	4,500	4,110	2,810	3,010	2,820	2,070	1,330	1,480
TOTAL	34,200	39,100	42,700	42,850	43,140	48,300	49,690	50,310	51,080	53,790	52,260	51,510	50,010

**AN INCREASE OF 46% Nationally since
2009**



Hampshire Activity

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Initial Contacts:	77,934	89,132	106,010	117,188	125,413	129,090

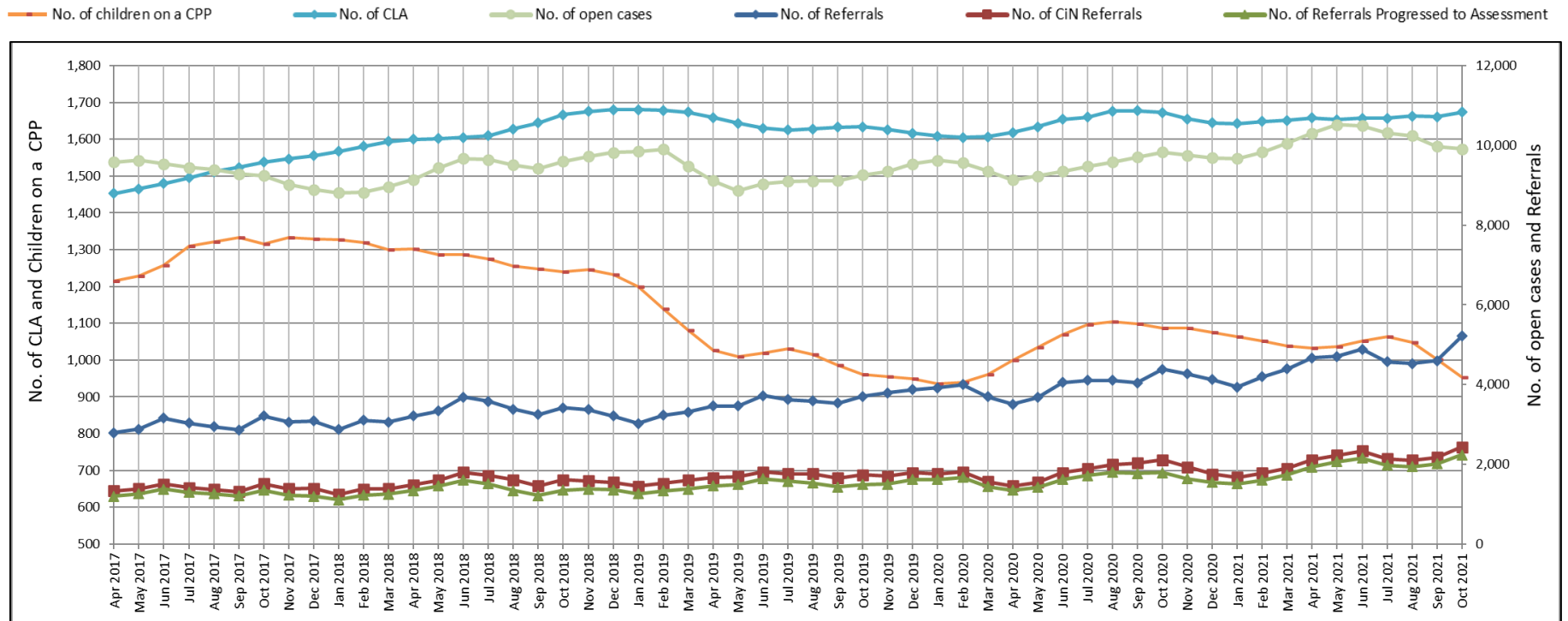
Referrals:

Individual	4,002	11.3%	4,284	11.3%	3,866	10.8%	4,116	10.3%	4,680	10.5%	4,960	9.9%
Education	7,489	21.2%	7,763	20.5%	7,739	21.5%	8,791	21.9%	10,164	22.9%	9,291	18.6%
Health Services	4,954	14.0%	5,111	13.5%	4,815	13.4%	4,534	11.3%	8,238	18.5%	10,333	20.7%
Police	9,618	27.2%	10,702	28.3%	9,631	26.8%	9,960	24.8%	9,910	22.3%	13,197	26.4%
Local Authority Services	4,175	11.8%	3,958	10.5%	4,284	11.9%	4,474	11.2%	4,598	10.3%	4,951	9.9%
Other	2,441	6.9%	3,181	8.4%	2,451	6.8%	2,725	6.8%	2,663	6.0%	2,579	5.2%
Other Legal Agency	766	2.2%	851	2.2%	949	2.6%	1,289	3.2%	1,532	3.4%	1,978	4.0%
Housing	467	1.3%	438	1.2%	400	1.1%	426	1.1%	457	1.0%	418	0.8%
Anonymous	949	2.7%	1,030	2.7%	913	2.5%	1,342	3.3%	1,446	3.3%	1,710	3.4%
Unknown	478	1.4%	513	1.4%	905	2.5%	2,447	6.1%	746	1.7%	505	1.0%
Grand Total	35,339		37,831		35,953		40,104		44,434		49,922	



Activity volumes

Referrals up, CPP down, CLA flat



Transforming Social Care

Despite the pandemic, our transformation has continued - Transforming Social Care programme is now in its second phase and continues to deliver innovative whole system change

Ongoing projects

- Implementation of Family Connections Service – assessment, preparation and support for Family and Friends Carers
- Continuing to embed Intensive and Specialist workers to work with priority families and keep/return more children safely home
- Right Time Right Place – family life isn't 9-5 and so this project is considering how our service could adapt to flexibly meet the demands of families and potentially attract new social workers who wish to work different hours/patterns
- Implementing improvements to the Independent Reviewing Service
- Implementing improvements to the Family Time Service (previously Contact Service)
- Working with health partners to implement Health Assessment improvements
- Trial of virtual reality headsets to increase understanding of the impact of trauma and harmful parental behaviours

Transforming Social Care

Completed Projects

- Improvements to Early Help and Group Work delivery
- Improvements to Volunteer Service
- Applying the Hampshire Approach to family meetings and plans
- Care Leavers projects (housing, emotional and mental health, health passport)
- Introduced the Challenging Behaviour programme 'Great Behaviour Breakdown'

What we heard from Joint Targeted Area Inspection

Risks and strengths for children are identified and carefully analysed and consistently informed by their previous history. The child's views and lived experiences are central to multi-agency decisions leading to proportionate action

Assessments completed in the children's assessment and safeguarding teams (CAST) use the strengths-based Hampshire model of practice effectively

"Innovative, responsive and continually evolving services delivered by skilled practitioners help families with a wide range of needs, including very complex difficulties.

"The multi-agency response to children at risk of criminal exploitation, trafficked, smuggled or who go missing is pioneering and impressive. "

"Responses to children at immediate risk of harm are timely and effective"

Childrens Social Care over the last year

- There has been an increase in contacts and referrals to children's social care, due to the pandemic. It is not clear if or when demand will return to pre-covid levels.
- There has been an increase in social work assessments being completed child in need plans.
- We had seen an increase in numbers of children subject to child protection plans although this is now starting to reduce.
- There was an increase in numbers of children becoming looked after, this appears to have plateaued.
- Recruitment and retention of social workers continues to present as a significant challenge in line with the national picture.
- The impact of high profile cases such as Arthur and Star are unknown, but history suggests we will see greater professional and public anxiety, further driving demand for children's social care.

Looking Ahead...

- UASC and National Transfer Scheme
- Inflationary and shortage costs in HTST
- Impact of Competition and Markets Authority enquiry into profit in residential care
- Impact of SEN review on High Needs Block
- Positive impact of HAF funding