



Hampshire
County Council

Children & Young People Select Committee 12 January 2023 Budget Briefing 2023/24

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Presentation Outline

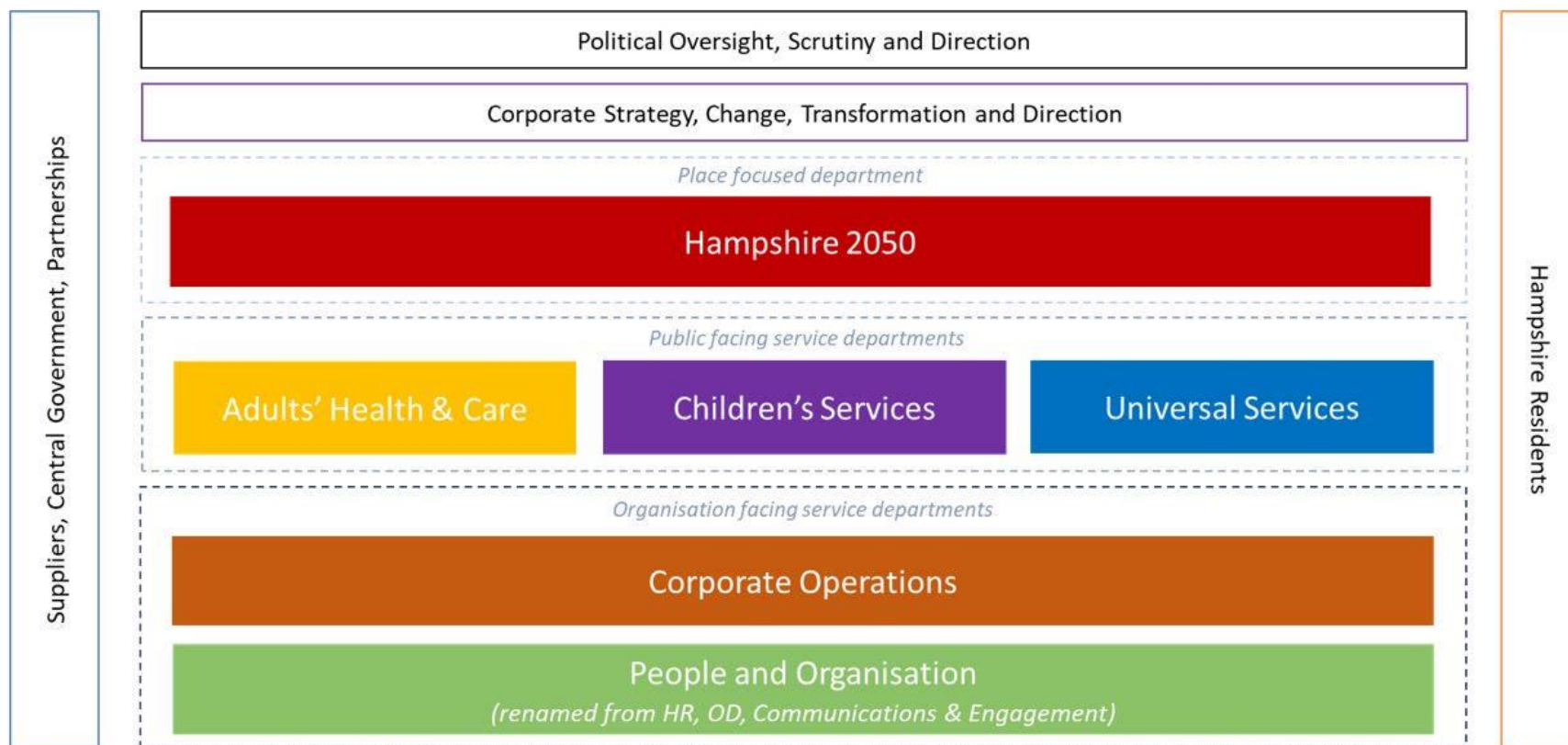
- Local Government Finance Settlement and Provisional Cash Limits
- Children's Services Revenue Budget
- Key Directorate Challenges and Priorities

Local Government Finance Settlement

	December Report £m	LGF Settlement £m	Change £m
Increase in Social Care Grant	15.0	23.5	8.5
Decrease in Services Grant	(8.2)	(3.5)	4.7
Business Rates	16.0	13.0	(3.0)
Total change in resources	22.8	33.0	10.2

- The Council is £10.2m less worse off than previous forecasts reported to December Cabinet
- The reduction in Business Rates income reflects the change from RPI to CPI, however this is still a best estimate of the impact at this stage
- Whilst this is welcome news, this still leaves the Council with a predicted gap of at least £41m for 2023/24
- A full update on the Finance Settlement and budget position will be provided to Cabinet and Council in February

HCC Organisation Model



- ❑ Provisional cash limits are broadly aligned to the new Directorate structure set out above
- ❑ Budgets have initially been restructured on a 'lift and shift' basis, and further refinement will be required during the period to 2023/24 to ensure budgets accurately match the services and roles aligned to each Directorate

Provisional Cash limits

	All Directorates		Children's Services Directorate	
	£m	% Change	£m	% Change
2022/23 Non-Schools Cash Limit	910		256	
+ Base changes	55	+6%	31	+12
+ Inflation	56	+6%	11	+4
+ Growth and Pressures	98	+11%	37	+14
2023/24 Cash Limit before savings	1,119	+23%	335	+31
- SP2023 Savings	(80)	(9%)	(22)	(9)
2023/24 Cash Limit after savings	1,039	+14%	313	+22

- **Base changes:** Mostly additional grant income, including grant to meet SP2023 targets
- **Inflation:** Includes £20.7m for 2022/23 pay award and £35.1m non-pay inflation
- **Growth and Pressures:** £36.7m relating to Children's Services (Social Workers, Home to School Transport, Children Looked After), and £58.5m relating to Adults Care Packages

Children's Services Revenue Budget 2023/24

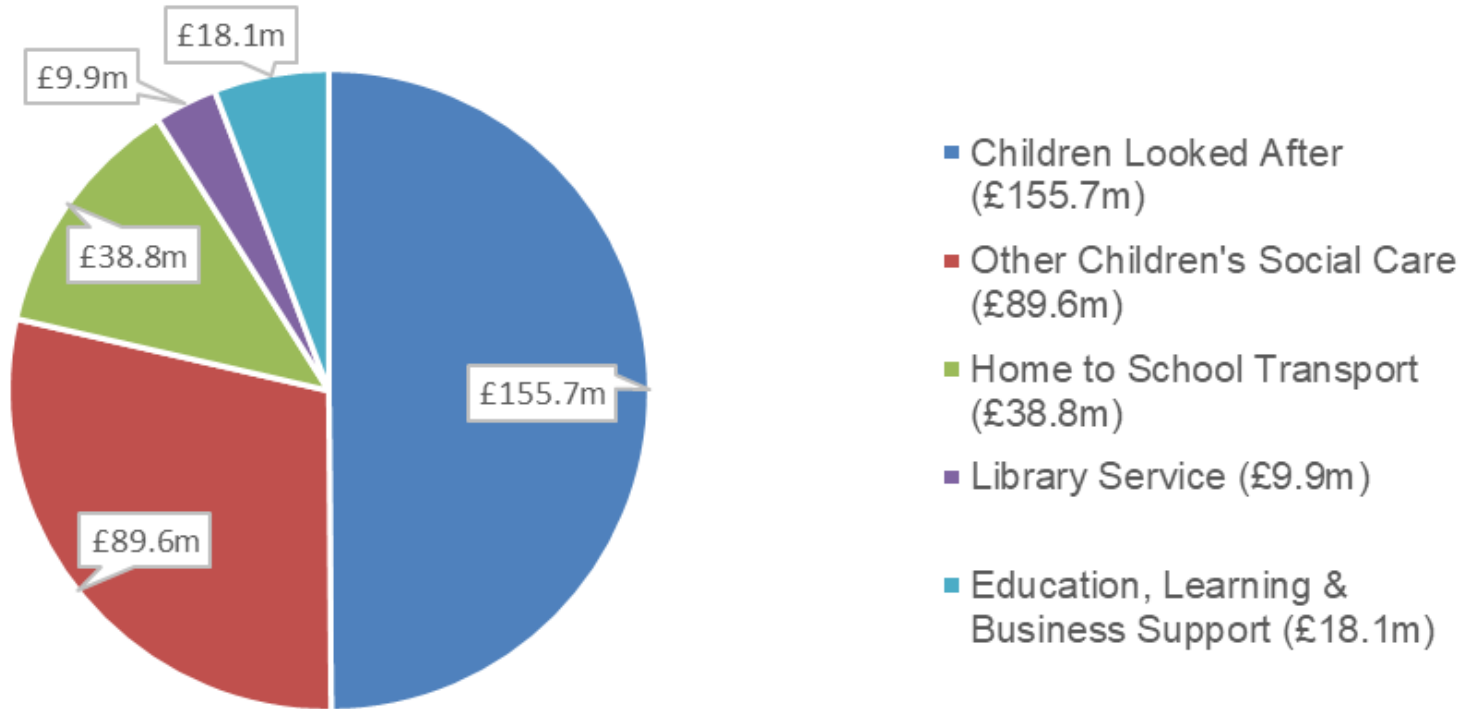
Children's Services Revenue Budget

	Revised Budget 2022/23 £'000	Proposed Budget 2023/24 £'000
Schools	1,007,466	1,075,676
Non-Schools	289,003*	312,126
Total Cash Limited Services	1,296,469	1,387,802

* Restated to include the Library service. County Supplies and HC3S are held as trading units outside of the cash limit.

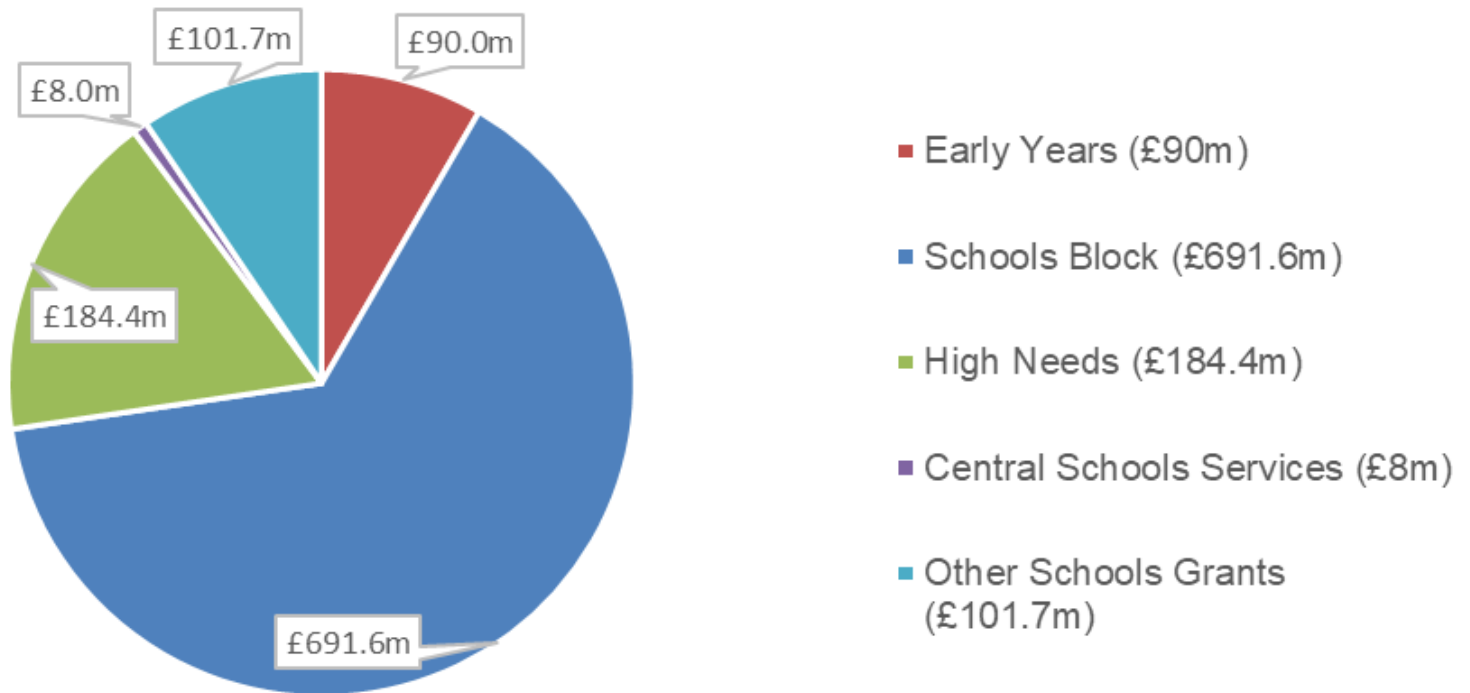
Children's Services Revenue Budget 2023/24

Non-schools £312.1m



Children's Services Revenue Budget 2023/24

- Schools £1075.7m



Key Directorate Challenges and Priorities

Steve Crocker
Director Children's Services

Key Directorate Challenges / Priorities

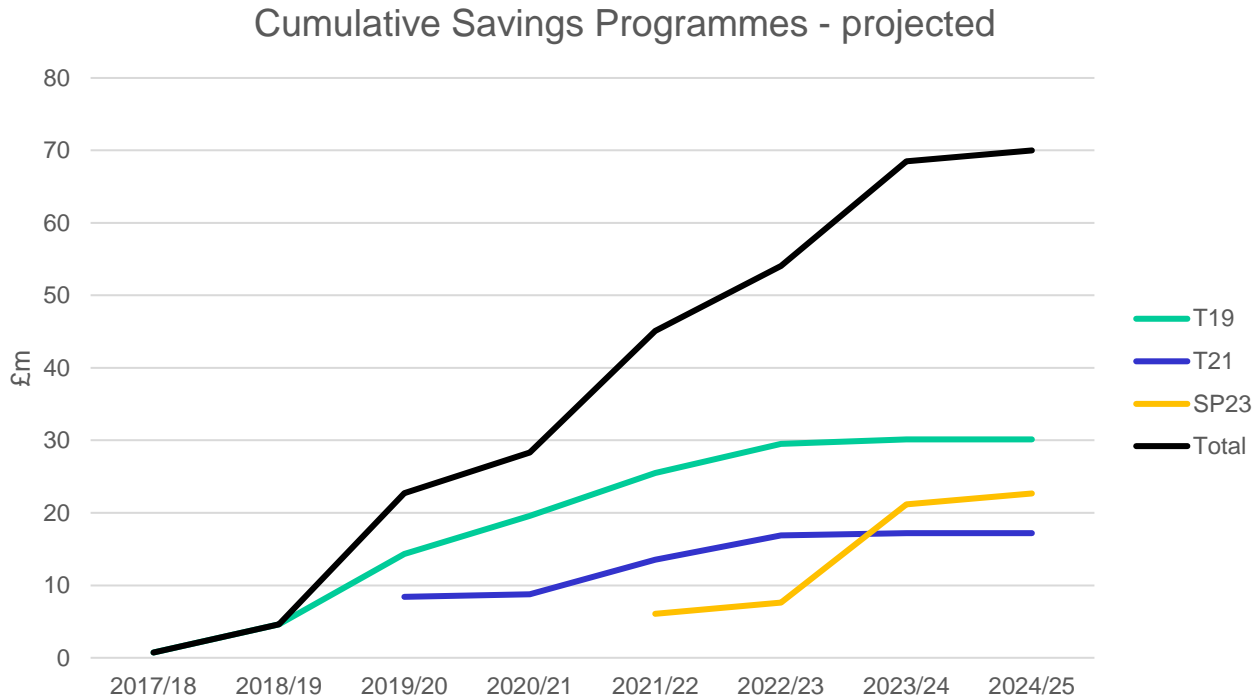
Principles:

- 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 Directorate 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)
- Growth in numbers of Education Health and Care plans
- Social worker recruitment and retention
- Special Educational Needs pressures
- School Transport operational challenges
- Unaccompanied Asylum Seeking Children

Savings Programmes

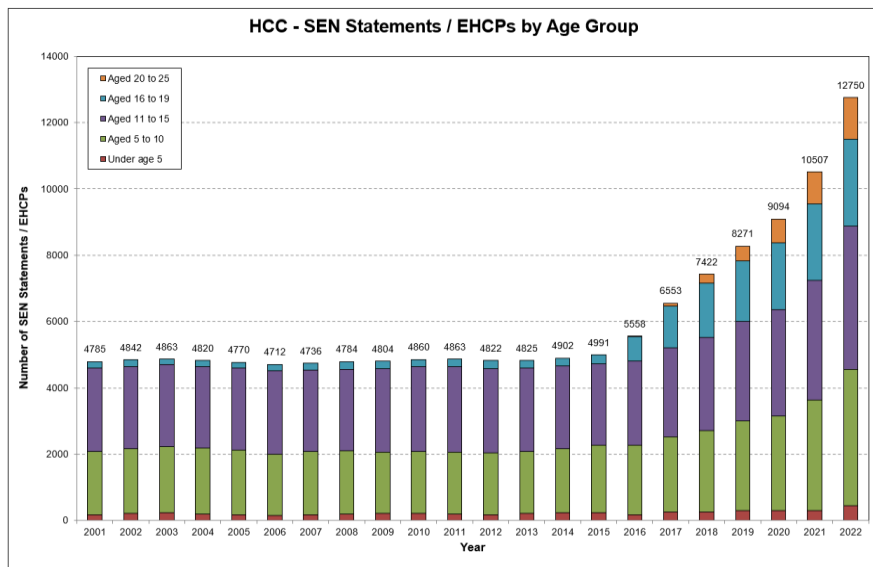


note: school transport SP23 savings rated red under review

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 2022 there has been a 160% increase in the number of EHC Plans.

This growth has continued to accelerate and as of the end of October 2022 Hampshire maintains 14,435 EHC Plans, an increase of 19% on the same period last year.



Age groups*	Oct-21	Oct-22	% increase
Under 5s	333	522	56.8%
Aged 5-10	3845	4539	18.0%
Aged 11 - 15	4162	5083	22.1%
Aged 16-19	2577	2851	10.6%
Aged 20+	1205	1440	19.5%
Grand Total	12,122	14,435	19.1%

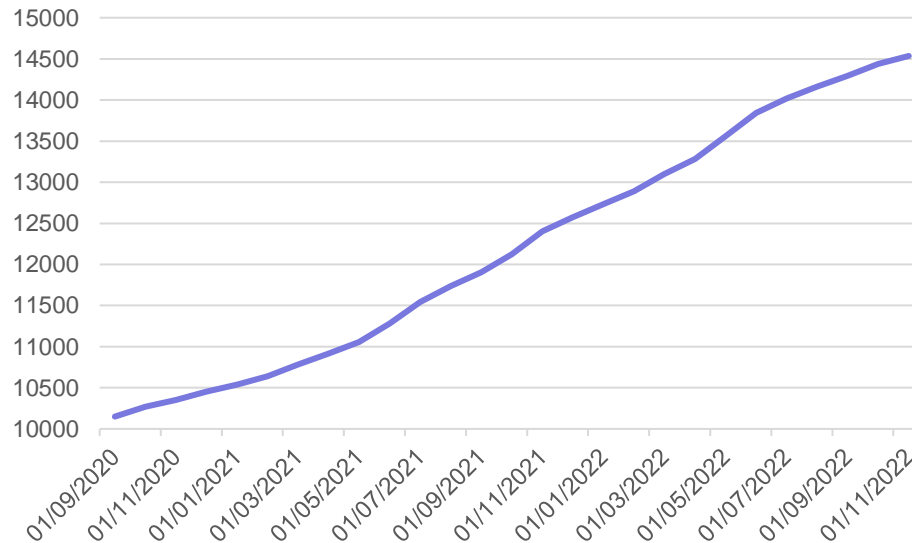
*Age as at the start of each academic year

The age group with the biggest percentage increase is the under age 5 group, where the number of EHCPs has seen an increase from 333 to 522 (56.8%).

High Needs Block

This growth has continued in 2022 and as of the end of November, Hampshire maintains 14,537 EHC Plans.

A 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. A further presentation was made on the Delivering Better Value programme at the November meeting of the Education Advisory Panel. This went into further detail about the mitigation strategies.



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 provisional allocation of High Needs Block funding for Hampshire for 2022/23 is £176.2m which equates to £999 per mainstream pupil
- The average level of funding per pupil in South East authorities is £1,201
- If Hampshire was funded at the South East local authorities average level, then we would receive an additional £35.5 million which would deliver a forecasted surplus budget.
- It is recognised that Hampshire High Needs profile may not represent the average for the South East and if this is corrected for, we would be closer to a balanced funding position than a surplus.

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*	£27.7m
2022/23	£176.2m	£23.3m**	£29.1m
2023/24	£187.2m	£11.0m	£24.2m

* Includes £2.5m for baselining of Teachers Pay and Pension Grants included in DSG allocations going forward.

** Includes Supplementary Grant £2m included in DSG allocations going forward.

Workstreams

Building Capacity – Sector Led SEN Improvement

- Adding strength to the overall work to improve SEN support across the system.
- 26 Hampshire groups submitted an Expression of Interest, 13 of which were successful following scrutiny by the panel of LA officers and HT reps.
- Funded through the High Needs Block; a total on this initiative of £412k.
- Projects started in September 2022 and run through to end March 2024.

Build Capacity - SEN Support

- District and phase projects co-ordinated through School Improvement Managers continue; some are on-going from the previous financial year with ‘build-ons’, others are new, the majority of these are offered to all schools in the district/phase fully funded, some have target groups.
- Various networking and collaborative opportunities continue, for example SENCo networks and resourced provision networks/offers of support and advice.
- Embedding the SEN Support Guidance remains a priority.
- The annual visit to maintained schools has a continued focus on this area and wider inclusion.

Workstreams

Preparing for Adulthood

Post-16 Employability hubs

- The Employability Hub model represents a 1+1+1 study programme, focused on employability and access to work placements, ending in an established pathway to employment, such as Supported Internships.
- There are currently seven employability hubs. 84 learners currently active. Five primary outcomes have been achieved (four paid employment outcomes and one apprenticeship). 81% engagement in work experience.
- Two additional employability hubs are joining in 2022 (BCOT & Fareham), bringing the total Employability hubs up to nine across Hampshire.

Independence hubs

- HSDC Alton opened in September 2022 with eight spaces.
- Three additional hubs have been confirmed for 2023 openings (Farnborough College of Technology, Andover and Brockenhurst).

Workstreams

Place Planning & Commissioning

- Place Planning strategy is being refreshed, for implementation in 2023.
- Bids have been submitted for two new special schools under the recently announced free school wave:
 - A 125 place 8-16 SEMH provision based in Eastleigh
 - A 125 place 4-16 SLD provision based in Fareham
- Additional places have been developed – see next slide
- Approval has been granted to develop an in-house SaLT resource, in response to demand and to reduce discretionary spend.

Bring-back cost avoidance

- **Hampshire:** 389 children identified as a priority in the independent sector for review. 69 annual reviews have been completed to date giving a 2022/23 cost avoidance of £1,236,722. 18 placements have been identified as ceasing as a result of annual reviews.

Current SEND Schemes in Development

Area / School	Places/ Type of School	Proposed Opening Date
Osborne School, Winchester	20 SLD	March 2022
Riverside School, Waterlooville	20 MLD/SLD	March 2022
Hollywater School, Bordon	8 SLD	Sept 2022
Norman Gate School, Andover	10 MLD/ASC	Sept 2022
Samuel Cody Specialist Sports College, Farnborough	90 SEMH	Sept 2022
Icknield School, Andover	10 SLD	Dec 2022
Mark Way School, Andover	20 MLD/ASC	Feb 2023
Henry Tyndale School, Farnborough	35 SLD / ASC	Sept 2023

Key

ASC – Autistic Spectrum Condition **MLD** – Moderate Learning Difficulty **SEMH** – Social, Emotional & Mental Health **SLD** – Severe Learning Difficulty

Workstreams

Dynamic ECHP Support

- This initiative will increase the number of annual reviews that the local authority are involved with.
- The focus will be on more dynamic support and placement choices that meet the changing needs of children and young people
- The aim is for children and young people to achieve improved outcomes and build their resilience to thrive in a mainstream environment.
- A sign of success will be more plans stepped down or ceased as EHCPs focus on increasing independence with aligned support.
- Work has been undertaken to review the current annual review position – next step is to agree which annual reviews to prioritise, before looking at the process and framework that sits around this.

Workstreams

Special Schools Funding Review

- A review is underway of the existing funding model(s) and the factors affecting the variation in funding across in special schools and resourced provisions.
- The workstream will propose a standardised special school and resource provision funding framework to be implemented during 2023.
- The timeline is:
 - Review period April 2022 – October 2022
 - Framework development and testing October 2022 – August 2023
 - Implementation September 2023
- Virtual information sessions have been held for all special schools and resource provisions.
- More in-depth interviews are scheduled with schools over the summer.

Review of outreach services

- A review of outreach services provided by special schools and Education is currently underway.
- Analysis of existing data is ongoing, and interviews have been held with a wide range of provider Headteachers and Outreach Workers.
- Mainstream schools are being consulted on the impact of the outreach.

DSG Medium Term Forecast

	Mitigated (including the impact of savings / cost avoidance)								
	2018/19 Outturn	2019/20 Outturn	2020/21 Outturn	2021/22 Outturn	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
Total Expenditure	937.8	967.8	1,029.8	1,131.5	1,191.0	1,232.4	1,250.1	1,268.1	1,288.8
Total Income	928.5	958.8	1,017.1	1,106.9	1,161.9	1,208.2	1,212.7	1,217.4	1,222.3
Net In-year Position	9.2	9.0	12.7	24.6	29.1	24.2	37.4	50.7	66.6
Of which									
High Needs Block	10.5	15.2	15.8	27.7	32.9	24.2	37.4	50.7	66.6
Other Blocks	-1.3	-6.2	-3.1	-3.1	-3.8	-0.1	-0.1	-0.1	-0.1
Cumulative DSG Reserve Balance	13.7	22.8	35.4	60.0	89.2	113.3	150.7	201.3	267.9
Deficit as % of Funding	1.5%	2.4%	3.5%	5.4%	7.7%	9.4%	12.4%	16.5%	21.9%
Excluding the Impact of Savings									
Net In-year Position	10.0	15.3	23.4	41.7	51.4	53.5	73.7	93.4	116.5
Cumulative DSG Reserve Balance	13.7	29.0	52.4	94.1	145.5	198.9	272.6	366.0	482.6
Deficit as % of Funding	1.5%	3.0%	5.2%	8.5%	12.5%	16.5%	22.5%	30.1%	39.5%
Savings/ Cost Avoidance	0.8	6.3	10.7	17.1	22.3	29.3	36.3	42.8	49.9

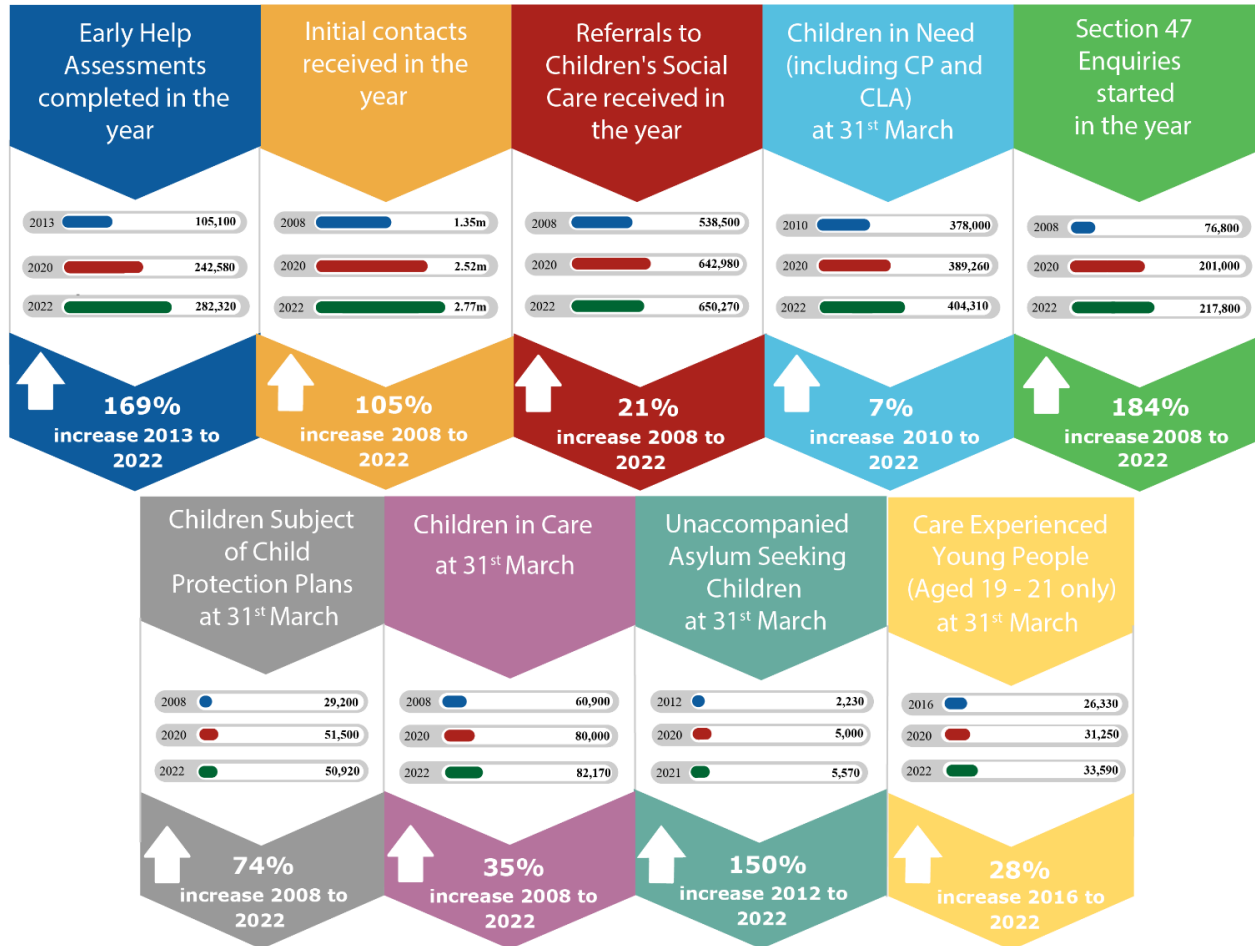
Note values above represent £m

High Needs Workstreams

		Breakdown of savings / cost avoidance								
Workstream	Project	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Preparing for adulthood	SEND independence hubs				5	106	-1,296	-3,127	-4,913	-6,613
	SEND employability hubs			86	-281	-738	-1,172	-1,824	-2,455	-3,313
Place planning and commissioning	Place planning / sufficiency		-2,480	-5,962	-10,881	-15,207	-20,254	-24,688	-28,675	-33,316
	Reducing reliance on out of county places through annual reviews	-669	-1,479	-1,840	-2,546	-2,839	-2,894	-3,060	-3,097	-3,072
	Improved commissioning of independent places			-94	-335	-551	-617	-617	-617	-617
	Review of funding for Deaf Instructors			-22	-29	-7	0	0	0	0
	Review of places commissioned for education centres		-270	-460	-460	-460	-413	-380	-380	-380
	Commissioning SEMH places from education centres		-385	-474	-599	-596	-594	-591	-588	-585
	Review of funding for nurture groups		-63	-63	-63	-63	-63	-63	-63	-63
High needs top-up funding review	Cease the SEN Support Agreement (SENSA)		-1,100	-1,100	-1,100	-1,100	-1,100	-1,100	-1,100	-1,100
	Reduce the notional SEN top-up		-103	-33	-75	-75	-75	-75	-75	-75
Other	Review of the Primary Behavior Service			-159	-159	-159	-159	-159	-159	-159
	Review of the Specialist Teacher Advisory Service	-113	-403	-552	-552	-609	-650	-650	-650	-650
		-782	-6,283	-10,673	-17,075	-22,298	-29,287	-36,334	-42,772	-49,943

- Saving forecasts reflect a reduction of £32.0m between 2022/23 and 2026/27 since the July update.
- The majority of the reduction relates to the place planning and sufficiency workstream forecast reducing by £28.7m and SEND employability hubs forecast reducing by £3.2m.

Safeguarding Pressures: Change in children's services activity

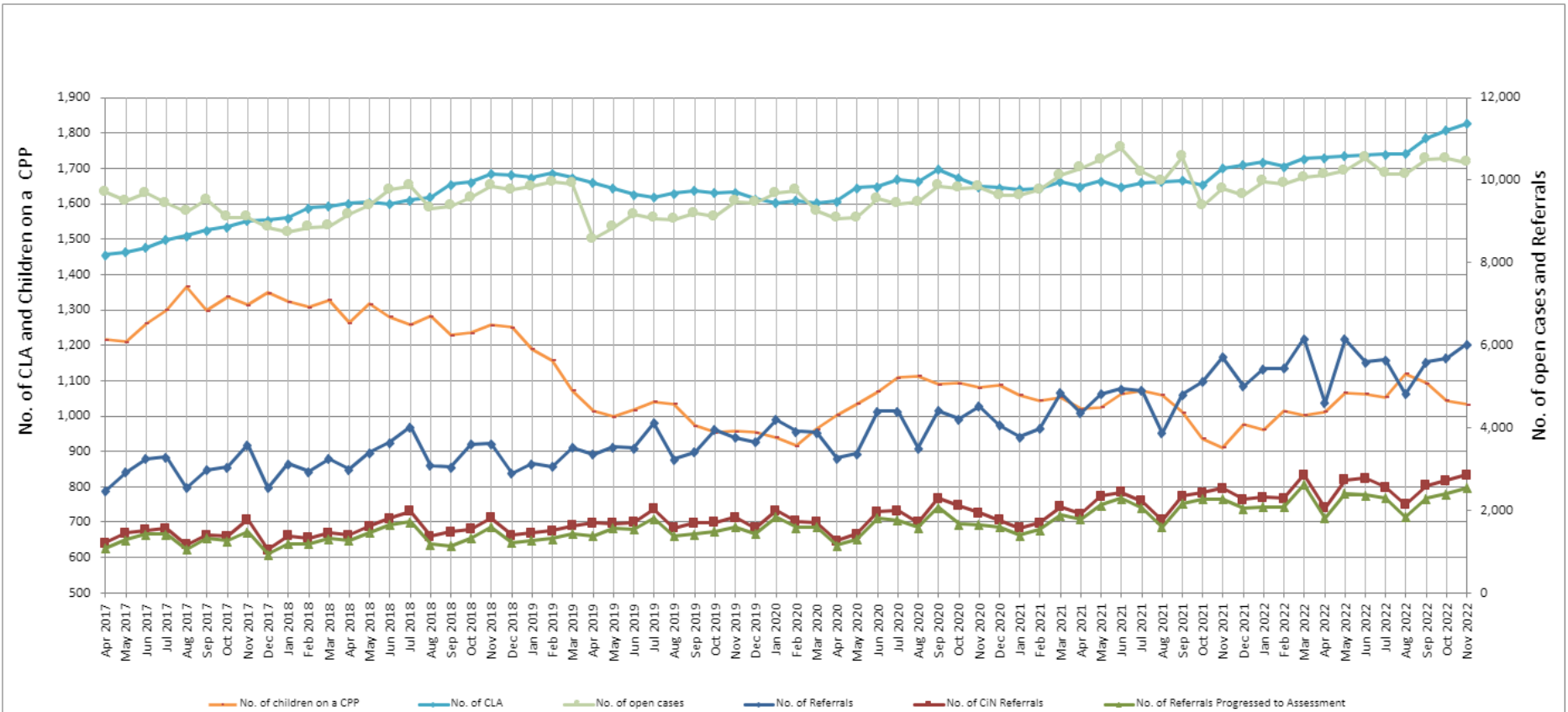


Hampshire Activity

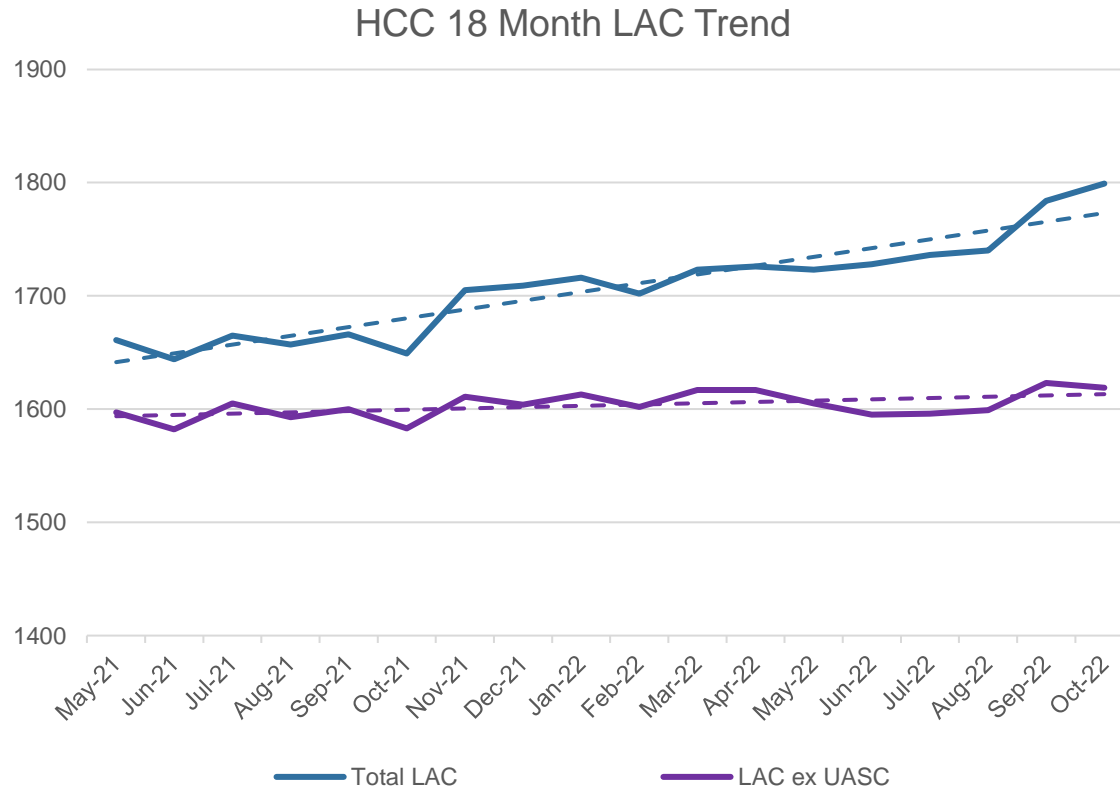
	2016-2017		2017-2018		2018-2019		2019-2020		2020-2021		2021-2022	
Initial Contacts:	89,132		106,010		117,188		125,413		129,090		153,033	
Referrals:												
Individual	4,284	11.3%	3,866	10.8%	4,116	10.3%	4,680	10.5%	4,960	9.9%	5,268	8.7%
Education	7,763	20.5%	7,739	21.5%	8,791	21.9%	10,164	22.9%	9,291	18.6%	14,142	23.3%
Health Services	5,111	13.5%	4,815	13.4%	4,534	11.3%	8,238	18.5%	10,333	20.7%	12,275	20.2%
Police	10,702	28.3%	9,631	26.8%	9,960	24.8%	9,910	22.3%	13,197	26.4%	15,692	25.8%
Local Authority Services	3,958	10.5%	4,284	11.9%	4,474	11.2%	4,598	10.3%	4,951	9.9%	5,923	9.7%
Other	3,181	8.4%	2,451	6.8%	2,725	6.8%	2,663	6.0%	2,579	5.2%	2,714	4.5%
Other Legal Agency	851	2.2%	949	2.6%	1,289	3.2%	1,532	3.4%	1,978	4.0%	2,236	3.7%
Housing	438	1.2%	400	1.1%	426	1.1%	457	1.0%	418	0.8%	469	0.8%
Anonymous	1,030	2.7%	913	2.5%	1,342	3.3%	1,446	3.3%	1,710	3.4%	1,544	2.5%
Unknown	513	1.4%	905	2.5%	2,447	6.1%	746	1.7%	505	1.0%	498	0.8%
Grand Total	37,831		35,953		40,104		44,434		49,922		60,761	

Activity Volumes

Referral trend up, CPP trend down, CLA trend flat, but recent up-tick due to increases in UASC



Trend in Looked After Children



Children's Social Care over the last year

- There has been an increase in referrals to children's social care, the reasons are complex - a significant increase in children with mental health issues, increase in families living in poverty with associated increases in domestic violence, adult mental ill-health and adult substance misuse issues
- Over 30% increase in demand over the last 2 years
- There has been an increase in social work assessments being completed
- We had seen an increase in numbers of children subject to child protection plans although this is now starting to reduce to pre-pandemic levels.
- Despite the above the numbers of children coming into care has largely plateaued (nationally a 5% increase) - our transformation/practice model remains highly effective.



Transforming Social Care: Our transformation journey continues

The Transforming Social Care programme is now in its third phase and continues to deliver innovative whole system change. As we start 2023 we are already working on Phase 3 of the programme and setting out our ambitions for future.

Phase 3 projects:



Family Connections Service - Implementing the 'Family Connections Service' as a central team to carry out the assessment of connected carers and SGO. Implement a support package for Special Guardians.



PEPs - Improving the PEP processes, forms and systems to ensure the end-to-end process is efficient and effective, meets the statutory requirements and ultimately supports our CYP to attain highly.



Virtual School and College - Ensuring the Virtual School and College are delivered as per the statutory duty and are effective, timely and efficient.



Education in Residential – Identifying improvements to ensure CYP in Residential settings are obtaining the routine, structure and support they require to attain highly and where needed provision will be adapted to enable them to succeed.



Family Help pilot – Creating new roles in CAST teams to increase resilience and optimise the skills and experience of differently qualified workers. Pilot 'family help model' as recommended in the care review, to achieve local, multiagency support, at the right time for children and families.



Transforming Social Care

Phase 2 Completed Projects – up to 2022



Care Leaver Housing



Care Leaver Emotional and Mental Health



Care Leaver Health Passports



Recurring Care Proceeding Review



Partnership Development



Safeguarding Unit



Contact Service Review



IRS Review



Volunteer Service Review



Virtual Reality



Challenging Behaviour



Family Meetings



Health Assessments for Children in Care



Friends and Family Care



Reunification



Modernising Placement Programme: We are in the delivery phase

MPP started in October 2019 and it builds on the foundations achieved by the TSC programme. The aim of MPP is to develop a continuum of care which can provide the right accommodation and support at the right time for our children in care in Hampshire.

In progress



Online Resources for Foster Carers - Which will be updated centrally and available for reference as and when needed.



Refined Hampshire Hive Model - As this support network grows, we'll continue to monitor and review the model to ensure it's benefitting our foster carers and the children they're looking after.



Skills Fee Review and Refinement - Making sure we have a competitive and fair financial package to recruit and retain foster carers.



A Package of Additional Support for Foster Carers - This will include events for the whole family to attend and a private Facebook group, to ensure all carers feel they are part of a community and have a network of professional and peer-to-peer support as and when needed.



Long Service Recognition Events for Foster Carers - By celebrating foster carers as they reach key milestones with HCC, we will show them we value their commitment, encourage them to continue their journey with us, and continue to grow our team of experienced foster carers.



Improved Inductions and Opportunities for Staff Development - So there is a standardised, improved induction for all roles in the service, and there are policies in place to ensure staff are supported for both induction and continuing professional development. We will also align and optimise the training pathways for residential and fostering staff.



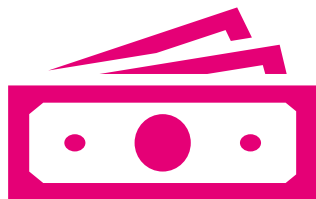
Modernising Placements Programme

Completed Projects – up to 2022

Foster Carer Vacancy Management App



Interim Skills Fees Model



FRAT – Increased and enhanced recruitment and marketing activity to attract more foster carers



Hampshire Hives



Foster Carer Retention Plan



Out of Hours Support



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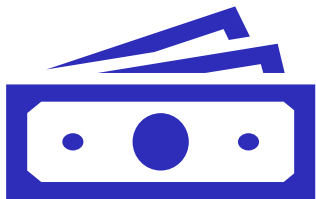
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Hampshire Hives



Foster Carer Retention Plan



Out of Hours Support



Looking Ahead...

- Independent Review of Children's Social Care
- UASC and National Transfer Scheme
- National shortage of children's social workers/agency usage
- National shortage of placements for those with challenging behaviours
- Inflationary and shortage costs in school transport
- Impact of SEN review on High Needs Block
- Positive impact of HAF funding