

## Gloucestershire County Council Budget Consultation 2022/23

<b>Schools' Forum Date</b>	13 <sup>th</sup> January 2022
<b>Type of Decision</b>	For information and comment as part of the consultation
<b>Background Documents</b>	<p>Council Strategy and Medium Term Financial Strategy 2021/22 – 2023/24 Council Report: 17<sup>th</sup> February 2021</p> <p>Cabinet Report: 22<sup>nd</sup> December 2021: Draft Council Strategy and MTFS 2022/23 to 2025/26. Link for full report – Item 5 on the Agenda</p> <p><a href="#">Cabinet Report 22nd December 2021 Draft MTFS 2022/23</a></p>
<b>Author</b>	<p>Sue Hall, Finance Business Partner</p> <p><i>Extracts of report presented by:</i></p> <p>Paul Blacker: Director of Finance Steve Mawson: Executive Director of Corporate Resources Jayne Fuller: Corporate Finance Manager</p>
<b>Purpose of Report</b>	To inform the Schools Forum of the budget strategy and draft details for 2022/23 and the MTFS covering the period 2022/23 to 2025/26.
<b>Key Recommendations</b>	That the report is noted and that any comments are fed back through the Council's consultation process by 21 <sup>st</sup> January 2022.
<b>Resource Implications</b>	The report covers the Council's overall budget and the specific financial implications for Children and Families.

### Summary of Information

The attached report is the summary MTFS position presented to Cabinet on the 22<sup>nd</sup> December 2021 for the whole Council. The link to the detailed report is included above but a number of specific annexes relating to the overall budget and specifically to Children and Families are attached for information. These include:-

- Annex 2: Budget Summary by Service Area for the Council & budget movements in services for Children and Families
- Annex 1 - Children and Families Commissioning Intentions 2022/23

In summary it is proposed that Children and Families receives cost increases of £14.786 million and achieves cost reductions of £0.205 million, a net increase in budget of £14.581 million. The Council's financial planning cycle has recognised the continued pressure on the children's and families budget during 2021/22. The forecast overspend at October was £17.328 million but included within these figures is the forecast additional cost of the impact of COVID-19 on budgets which totals £9.026 million giving an underlying over-spend of £8.302 million and this is reflected in the investment being made.

## Annex 2 – Budget Summary by Service Area

### Medium Term Financial Strategy – 2022/23 Budget – Overall Summary

Budget Area	Approved 2021/22 Budget	Removal of 2021/22 One Off Budget Adjustments	Agreed Budget Transfers between Service Areas	MTFS 2021/22 Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Proposed 2022/23 Budget	Cash Increase / Decrease	Percentage Increase / Decrease
	£'000	£000	£000	£'000	£000	£000	£000	£'000	£000	%
<b>Programme Budget Areas</b>										
Adults	156,533	-	-707	155,826	1,006	12,378	-3,986	165,224	8,691	5.55%
Vulnerable Children	105,693	-282	-1,307	104,104	1,091	10,717	-3	115,909	10,216	9.67%
Other Children Services	20,878	-200	1,237	21,915	360	2,618	-202	24,691	3,813	18.26%
Economy, Environment and Infrastructure	75,888	-1,060	426	75,254	497	11,081	-4,172	82,660	6,772	8.92%
Community Safety	20,009	-	-7	20,002	479	727	-14	21,194	1,185	5.92%
Prevention & Wellbeing	35,566	-470	-	35,096	67	1,014	-73	36,104	538	1.51%
Corporate Resources	34,591	-50	943	35,484	780	2,983	-1,337	37,910	3,319	9.59%
Technical & Countywide	33,850	-13	-585	33,252	43	4,046	-1,200	36,141	2,291	6.77%
<b>Total Budget</b>	<b>483,008</b>	<b>-2,075</b>	<b>-</b>	<b>480,933</b>	<b>4,323</b>	<b>45,564</b>	<b>-10,987</b>	<b>519,833</b>	<b>36,825</b>	<b>7.62%</b>

## Annex 2

### 2022/23 Children and Families Budget - Vulnerable Children

	Cost Increases £000	Cost Reductions £000	£000
<b><u>Budget Changes:</u></b>			
<b>Approved MTFs 2021/22 Budget</b>			<b>105,693</b>
<b>Removal of 2021/22 One Off Budget Increase</b>			<b>-282</b>
<b>Agreed Service Budget Transfers</b>			<b>-1,307</b>
<b>Starting Budget (2021/22 Revised Budget)</b>			<b><u>104,104</u></b>
<b><u>Cost Increases</u></b>			
Pay Inflation (2%)	849		
Increase in National Insurance Contributions (1.25%)	242		
External Placements budget: Rise in number and cost of placements - this funding, one-off funding and the contract uplift will fund circa 338 external placement at a unit price of £109,000. Current external placement numbers excluding specific COVID cases is 358 (September) but reducing Children in Care numbers and the use of the in-house service will reduce the current requirement	5,013		
Fostering/Adoption/SGO & Child Arrangement Allowances. Child allowances based on 21/22 increase 1.97%, carers fees 1.6% (April CPI), contract 2%. Increase is against the budget which will cover number of allowances as follows:- Fostering 405, Child Arrangement Orders 25, SGOs 415, Adoption 161.	283		
SGO'S Increased Numbers - 60 new SGOs assumed in 22/23 and on-going. The model is based on the estimated numbers at the start of the year 22/23 (445) less estimated leavers (20) and starters (60) which are profiled over the year.	208		
Increasing the Recruitment of New Foster Carers & Building the Resilience of Existing Foster Carers. This includes 6.4 FTEs to support recruitment of foster carers, panels and admin support; funding for marketing to attract new carers and to support carers through the mockingbird family model	493		
Inflation increase on CCG/GHT/GHC contracts including CAMHs, Functional Family Therapy and Multiagency teams	76		
Contract inflation on external placement budget based on 1.5% inflation per year for fostering and 3.5% residential/ supported living where contracts are being procured	601		
Increased workload in the Friends & Family Assessment & Support Team from 235 (17/18) to 336 (20/21) assessments replacing independent assessments for permanent staff. An additional 5.4 fte to manage current demand plus 1 fte Manager, 1 fte Admin	319		
Increase in children's social work posts based on caseload recalibration & the implementation of systemic practice includes DCYPs proposal. This will fund an additional 27 FTEs including social workers, CP chairs, management and admin staff to meet rising demand and ensure caseloads are manageable	1,324		

<b>2022/23 Children and Families Budget - Vulnerable Children Continued</b>	<b>Cost Increases £000</b>	<b>Cost Reductions £000</b>	<b>£000</b>
Increase in existing establishment within MASH / Children's Services Front Door to meet rising demand to increase the resource to handle information requests (Including Subject Access Requests), contributing to the EHCP Process, OFSTED enquires, Court ordered requests for information, safeguarding checks. Additional 4.5 ftes including social workers, researchers and admin support	175		
SR 21 Supporting Families (£200m over SR) Assumed Spending Pressures		359	
<b>One Off Cost Increases</b>			
Increase in children's social worker agency hourly rate offered to recruit front line roles to stay competitive. The current budget position already provides a small "top up" for establishment posts to off-set the difference between permanent and agency staff, but the increase in agency social worker rates will result in an additional budget pressure.	700		
External Placements budget: Rise in number and cost of placements - this one-off funding, permanent funding of £5m above and the contract uplift will fund circa 338 external placement at a unit price of £109,000. Current external placement numbers excluding specific COVID cases is 358 (September) but reducing Children in Care numbers and the use of the in-house service will reduce the current requirement and future requirements into 23/24		1,000	
Increasing the Recruitment of New Foster Carers & Building the Resilience of Existing Foster Carers. One off training costs for Mockingbird Family Model to support carers		81	
Additional Business Staff for Legal & ICT development tasks during 2022/23 and this will fund 2.6 FTEs admin and management staff	85		
<b><u>Cost Reductions</u></b>			
<b><u>Income Targets</u></b>			
Income 3% Increase		-3	
<b>TOTAL PROPOSED NET CHANGE</b>	<b>11,808</b>	<b>-3</b>	<b>11,805</b>
<b>Children &amp; Families - Vulnerable Children Budget 2022/23</b>			<b>115,909</b>

## 2022/23 Children and Families Budget - Other Children Services

	Cost Increases £000	Cost Reductions £000	£000
Approved MTFS 2021/22 Budget			20,878
Removal of 2021/22 One Off Budget Increase		-	200
Agreed Service Budget Transfers			1,237
<b>Starting Budget (2021/22 Revised Budget)</b>			<b>21,915</b>
<b><u>Budget Changes:</u></b>			
<b><u>Cost Increases</u></b>			
Pay Inflation (2%)	239		
Increase in National Insurance Contributions (1.25%)	121		
Home to school transport - funding required to cover the cost pressure in 2021/22 due to the increase in number and cost of SEN transport routes. Numbers of EHCPs have increased by 24% from January 2019 to June 2021 and the Council currently provides assistance with home to school transport for approximately 34% of these students although this figure is rising.	984		
Provision for Statutory SEND services and SEND support services due to the increase in number of Education, Health and Care Plans (EHCPs) assumed at 300 to 350 a year and 450 CYP with SEN support - additional staff required to support this need and provide manageable workloads. This will include 9 FTE EHCP caseworkers and additional needs support, 1 FTE Education Psychologist, 3.5 FTE to support the information, advice and guidance for SEND bringing the service close to the South West average	658		
<b>One Off Cost Increases</b>			
Home to school transport - funding to cover the growth expected in 2022/23 in SEN routes based on additional Education, Health and Care plans estimated at 119 additional students per year requiring transport	976		
<b><u>Cost Reductions</u></b>			
Education Pensions: Reduce the budget based on an assessment of the reduction in number of pensioners and spouses based on age and trends		-150	
Release of a long standing vacant post in the Education Data Hub		-26	
<b><u>Income Targets</u></b>			
Income 3% Increase		-26	
<b>TOTAL PROPOSED NET CHANGE</b>	<b>2,978</b>	<b>-202</b>	<b>2,776</b>
<b>Children &amp; Families - Other Services Budget 2022/23</b>			<b>24,691</b>

## Annex 1 – Commissioning Intentions 2022-23

Directorate	Children and Families
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### Context and Strategic Direction

Children’s commissioning continues to make significant strides on the road to improvement. Whilst there are strong signs of progress, the challenge remains to both increase pace and ensure consistent practice and performance. The service is clear as to the main areas that require focus in readiness for a full Ofsted inspection, and intensive work is well underway to ensure implementation of key strategies aimed at improving service outcomes for Children, Young People and Families.

As well as our ongoing work programmes with Health, Youth, Placements and Families, Children’s has now taken on responsibility for the commissioning of Short Breaks and addressing the challenge of a lack of in-house non-disability related residential provision which has resulted in placements far away from home as well as considerable costs on an already pressured budget.

During the pandemic the commissioning hub has taken on responsibility for a number of government grants and initiatives, supporting vulnerable children young people and families. These include the COVID – Winter Grant, Local Support grant and Household support grant, as well as delivering the Holiday Activity Fund delivering a summer programme for children with the county. As part of the National Spending Review this programme will be funded for a further 3 years.

Our strategic direction continues to follow the Children and Families Plan, and is further informed by our Sufficiency Strategy - Right Placement First Time, the Gloucestershire Joint Health and Wellbeing Strategy 2019-2030, the NHS Long Term Plan, 2019–2024 and the national strategy for autistic children, young people and adults 2021-2026. The NHS England CYP Transformation Programme also provides national direction on priorities for children and young people, and Our local Preparation for Adulthood Strategy brings together the key priorities for young people, where seamless transition to adulthood is particularly important. This will continue to be implemented over 2022-2023. Our Placements work has been particularly impacted by new legislation/statutory guidance barring the placement of Under 16s in unregistered accommodation, and there is a move away from over reliance on frameworks and towards increased control of placement availability in-county that is flexible and of good quality.

In Education, we are working within the context of the School Places Strategy to commission and deliver sufficient high quality school places, where they are needed at the appropriate time and despite the pandemic, we are achieving delivery targets for the majority of schemes. We continue to ensure that CYP are able to access schools through the coordinated and in year (fair access) admissions processes and where eligible are provided with transport assistance to school.

There is an increasing challenge of securing appropriate levels of developer contributions towards essential school infrastructure arising from new housing development. Working with Strategic Planning colleagues we continue to make the

case at appeal. A new survey of pupil yields from new development is being commissioned to inform education planning policy in 2022.

In addition to mainstream school place planning we are also carefully monitoring the need to commission and deliver more special school places. A constant rise in the number of children and young people with an Education Health and Care plan has put significant pressure on our existing special school infrastructure. A new school is already planned to open in the Autumn of 2023, but it is likely that further special schools will need to be commissioned for future years.

SEND services are a local area high priority, we are revising our Local Area SEND and Inclusion strategy. In order for education services to identify needs, develop and deliver effective SEND and Inclusion service recent changes have been to Education and Inclusion Leadership arrangements to drive these developments forward.

Our progress on current priorities has inevitably been disrupted by the Covid pandemic and there has been a need to realign priorities in response to constantly changing local and national needs resulting from the pandemic, to ensure we continue to meet our statutory responsibilities to children and families. By way of example, Cabinet permission was obtained to delay the reconfiguration and retendering of Youth Support Services by an additional year in order for the service to respond to the immediate needs brought on by the pandemic. We have also reconfigured the composition and function of a wide range of departmental panels to achieve better consistency of proactive and decision making across Children's and Families commissioning.

## Needs Analysis

There are a number of current needs driving service development in Children's. Some needs are evidenced by steeply rising referral rates into services, with an increase of children in care, doubling of caseload in Housing advice, substance misuse, Mental Health referrals (Jun-Aug 2021, 806 referrals to Core CAMHS +33% change from previous year), young people needing support and treatment for eating disorders (referrals to the Eating disorder clinic averaged 8 per month in 2019/20. In 2020/21 this has risen to an average of 31 per month) and Speech and Language Therapy, coupled with an upturn in the previously declining teenage pregnancy rate. Engaging care leavers who are furthest from the jobs market is also a particular challenge in a shrinking economy.

With regards to Placements, national paucity of provision is being chased by multiple authorities (often on the same framework), which has inevitably led to scarcity of provision and created a 'Provider led' environment, alongside a predictable increase of costs with no associated increase in quality of outcome or availability. Our data further informs us that 85.5% of GCC young people in care placed in residential provision (including those funded by Health) were placed outside of our borders, resulting in young people being far from home and substantial pressure on budgets.

The same applies to specialist education places and a detailed review of projected future need is underway in response to the continuing growth in EHC Plans to inform the next bidding round for new Specialist Free School proposals expected in spring 2022 (from around 3,000 in 2017 to almost 4,500 in 2021 and represents 3.6% of the school pupil cohort). This in turn is influencing demand for home to school transport

(HTST), at a time when contractors are struggling to meet demand and the paucity of competition is driving up prices. An external review of HTST has been commissioned to consider how best to manage the increasing demand, which is due to report in January 2022.

Children under 5 are now our biggest cohort of children coming into care, this has change as in 2017 the biggest cohort was 10-15yrs. Some of this change could be due to the pandemic, where families have lost their resilience during this time without the support services usually in place, contributing to this change in demographic could also be the reconfiguration of Children Centres in 2017 reducing the universal and support offers to families.

The Short breaks team continues to analyse need and have consequently begun to achieve increased clarity and a better understand of the number of children and young people eligible for short breaks alongside the needs of their families. The combination of both factors coupled with a clearer appreciation of the effect of the pandemic on existing Providers and new entrants will enable a comprehensive Sufficiency Strategy to be co-produced and shared with prospective providers. Moving forward, this in turn will lead to more effective commissioning of services and better outcomes for Children Young people and their Families.

## Resources

The total base budget (excluding the Dedicated School Grant and other grants) for Vulnerable Children (£104.1m) and Other Children's Services including Education services (£21.9m) is £126m for 2021/22. The significant operational pressures in the Service are reflected in pressure nationally as well as locally, and the current year's forecast over-spend of £8.3m (excluding COVID related costs) coupled with the MTFS proposals seek to address this underlying position. The investment proposed for 2022/23 is £11.8m in Vulnerable Children and £3m in Other Children's Services, a total of £14.8m. Due to the financial pressure in the Service, limited savings of £0.2m are proposed with a large element of these relating to the declining cost of education deferred pensions. The net increase in the total budget will be £14.6m although some of the funding will only be allocated for 2022/23.

The proposed investment within Vulnerable Children includes funding for external placements (£5m with £1m one-off) to fund the current activity and costs, additional social care staff (£2.2m) to reduce caseloads and fund the cost of agency social workers and fostering staff and allowances including special guardianships orders (£1.4m). Other Children's Services includes proposals to cover the cost pressure in Home to school transport (£2m) for SEN routes and the cost of procuring new routes and additional staff to support SEND and systems (£0.7m). Other investments cover pay inflation estimates, contract inflation and administration support.

There are no identified resources for youth support in the MTFS beyond current contract budgets. Providers (such as GYC, CCP, Barnardos, Prospects) have used their workforce and volunteers flexibly during Covid, and successfully leveraged in external monies.

Revenue funding of Short Break provision will be achieved within existing budget allocations. Families who are in receipt of Direct Payments will be approached to ask

whether they wish to continue with their current arrangements or whether they wish the Council to commission on their behalf. It is hoped that by 'flexing' allocations between directly commissioned services and those bought by Direct Payments greater financial efficiencies will be achieved. We do not anticipate significant savings as part of the Tender; rather it provides an opportunity to manage costs more effectively for up to 50% of our jointly funded residential placements. We also anticipate that the Local Authority should see reductions in travel time and associated claims by social workers if the tender is successful in ensuring more young people live within Gloucestershire or close by. We are also in a strong position to bid for DfE monies being made available as part of a new £19.5M Children's home capital building programme. If we are successful with a bid, it will accelerate our programme to develop residential provision in county for our children and young people.

The main budget pressures in CCG budgets are packages of care for those children and young people who meet Continuing Care criteria and require health support and short breaks. Many agencies are not able to source staff, and for agencies who can provide staff, costs are higher. This links into wider workforce and short breaks developments. Where GCC funds services provided by the NHS, an MTFS bid proposes an inflationary increase for these services.

S17 cost pressure – Commissioning will become custodians of the budgets, developments from April 2022 will include processing spend in real time, and the implementation of new DPS framework for professional services to meet procurement requirements, improving efficiencies and quality of services.

Babies born in lockdown grant obtained from COMF funding – Joint HV and C&FC programme overseen by commissioning.

MTFS bids submitted as the Placements budget is constantly under pressure and the overspend continues to increase month on month despite best efforts to curb expenditure. The projection is a continuation of this upward trend for the foreseeable future until an astute commissioning model is able to begin addressing some of these needs and help the County Council to achieve better economies of scale in Placements.

Moving away from unregistered Placements for u16 YP creates a problem in the current market/environment, as demand does not necessarily decline with the unavailability of unregistered placements this puts further pressure on the placements budget.

The table below illustrates actual Placements spend to 31 August 2021.

Residential	£12,074,906
Fostering	£4,729,331
Supported Accommodation	£2,870,759
SEN	£2,455,365
Support	£291,174
Education	£0
Therapy	£0
Unregulated	£101,842
<b>Total</b>	<b>£22,523,375</b>

Outcomes and Priorities for the year – *headline bullets which will become our action plan*

Children's and Families Commissioning is working on delivering the following:

- Recommission integrated youth support contract by October 2022
- Maintain and monitoring youth support performance in all areas
- Commissioning of a new Day Centre service within the Trevone House provision
- Supporting delivery of the second year of the EUSS with voluntary partners
- Lead, develop and implementation of a model of good practice across the SW to enable UASC young people to successfully settle within Gloucestershire and the SW region
- Retain and resource support for young adult carers via GYC for April 2022
- Recommission children's social care advocacy services (alongside adult advocacy procurement) by October 2022
- Review resource for Appropriate Adults Service for the remaining two years of the contract.
- Deliver new direct provision Saturday Club and Holiday playscheme short break provision accessible to all areas of the County from April 2022
- Develop a specialist Saturday Club and Holiday play scheme short break provision for children and young people with multiple and complex needs from April 2022
- Develop a 2 bedded residential respite facility for children and young people with multiple and complex needs during 2022/23
- Develop two 6 bedded homes to be run on a therapeutic model, both of which will have supported accommodation as part of the contract
- Develop a placement portfolio of GCC through the capital programmes for the design development and delivery of, Southfield, Townsend and Barnwood
- Deliver GCC new Sufficiency Strategy for the new 3 years
- Develop a pseudo framework to deliver a multi year opportunity to develop residential provision for young people aged 12 – 17 years
- Development of a range of priorities in the NHS Long Term Plan
- Delivery of priorities as outlined in the NHS England CYP Transformation Programme
- Recommissioning of the C&FC's into a Family Hub model
- Extend Vulnerable Women's Project for a further year
- Explore the retendering of the Welfare Fund and FSM support

- Deliver efficiencies on the S17 Access to Resources Panel
- Develop and roll out the school improvement project model to increase pace and impact of school intervention activity
- Implement the new Virtual School Improvement plan to improve the impact of the service on educational outcomes for CIC, including the roll out of the E-PEP record to the schools' system
- To rollout the digitalisation programme for EHCP casework alongside longer term practice changes around EHCP assessment processes
- To re-shape the Educational Psychology Service to meet statutory, traded and WER demand within budget
- To review the SEND Local offer, including the coproduction work with the Future Me YP Ambassadors
- To progress the transformation of the Alternative Provision service to a unified service in appropriate accommodation for primary and secondary provision
- To provide HTST and SENTE provision in line with demand in a challenging tendering environment
- To restructure Traded services to ensure a MAT offer and services operating within revenue
- To maintain Early Years' sufficiency against national factors such as the ending of furlough and changes to national minimum wage on patterns of demand and provider capacity/sustainability.
- To manage EY sector needs arising from commissioning activity either underway or about to commence linked to family hubs, Children and Families Centres