

## **Children and Families Overview and Scrutiny Committee**

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**Date of Meeting:** 25 November 2019

**Report Title:** Children and Families Budget proposals, 2020/21 to 2023/24

**Portfolio Holder:** Cllr Dorothy Flude, Portfolio Holder for Children and Families

**Senior Officer:** Mark Palethorpe, Acting Executive Director of People

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### **1. Report Summary**

- 1.1. On 1 November 2019 Cheshire East Council issued its Pre-Budget Consultation, setting out proposals for change across the Council for the period 2020/21 to 2023/24. This report sets out the proposals in relation to the Children and Families Service.

### **2. Recommendation/s**

- 2.1. That Committee:
- a) Note the proposals set out in the Pre-Budget Consultation.
  - b) Provide feedback on the proposals as part of the consultation.

### **3. Reasons for Recommendation/s**

- 3.1. The Children and Families Overview and Scrutiny Committee provide essential ongoing scrutiny to the service.

### **4. Other Options Considered**

- 4.1. A number of other budget proposals were considered as part of the annual high level business planning process. However, those within the Pre-Budget Consultation were those supported through the initial stages of development.

## **5. Background**

- 5.1. Cheshire East's Pre-Budget Consultation was published on 1 November 2019. Set against a backdrop of increasing demand and rising costs, the report sets out service proposals and financial plans for the period from 1 April 2020 through to 31 March 2021.
- 5.2. Interested parties are encouraged to review and comment on the Council's Budget proposals at: [www.cheshireeast.gov.uk/budget](http://www.cheshireeast.gov.uk/budget)
- 5.3. The consultation runs until 6 January 2020 and findings will be considered before the final budget is agreed by full council on 20 February 2020. The extracts at Appendix 1 relate to the specific budget proposals for Children's Services and are provided to the Committee as an opportunity for discussion and scrutiny of the proposals.
- 5.4. The implications of individual proposals may be much wider for individuals affected by each proposal. Where this is the case, we intend to undertake full and proper consultation with key stakeholders.

## **6. Implications of the Recommendations**

### **6.1. Legal Implications**

- 6.1.1. Legal advice will be sought, where applicable, to ensure that any changes in services do not impact on our ability to meet our statutory requirements.

### **6.2. Finance Implications**

- 6.2.1. The financial implication of each proposal is set out at Appendix 1.

### **6.3. Policy Implications**

- 6.3.1. Any policy changes as a result of the proposals will be agreed through the usual processes.

### **6.4. Equality Implications**

- 6.4.1. An Equality Impact Assessment has been completed for each business case.

### **6.5. Human Resources Implications**

- 6.5.1. If approved, there will be some implications for staffing as a result of these proposals, in particular in the way that they work. These will be subject to the relevant consultations with staff.

## **6.6. Risk Management Implications**

6.6.1. There is a risk that, following consultation, some of these proposals may be subject to change or be removed from the budget. Risks on individual proposals will be considered in detail as part of the consultation process.

## **6.7. Rural Communities Implications**

6.7.1. There are no direct implications for rural communities.

## **6.8. Implications for Children & Young People/Cared for Children**

6.8.1. These proposals will impact on services for children and young people. Impact assessments have been completed for each proposal. We will work to mitigate any negative impact on children and young people.

## **6.9. Public Health Implications**

6.9.1. There are no direct implications for public health.

## **6.10. Climate Change Implications**

6.10.1. There are no direct implications for climate change.

## **7. Ward Members Affected**

7.1. These proposals relate to business cases across Children's Services and all wards are likely to be affected.

## **8. Consultation & Engagement**

8.1. The Children and Families proposals are subject to consultation through the pre-budget consultation process. The implications of individual proposals will be subject to full consultation with key stakeholders, where appropriate.

## **9. Access to Information**

9.1. The full Pre-Budget Consultation document can be found at: [https://www.cheshireeast.gov.uk/council\\_and\\_democracy/your\\_council/council\\_finance\\_and\\_governance/cheshire\\_east\\_budget/cheshire-east-budget.aspx](https://www.cheshireeast.gov.uk/council_and_democracy/your_council/council_finance_and_governance/cheshire_east_budget/cheshire-east-budget.aspx)

## **10. Contact Information**

10.1. Any questions relating to this report should be directed to the following officer:

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Job Title: Acting Executive Director of People

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## Children's Services Extract from the Pre-Budget Consultation 2020-24

## Proposals to vary the Budget under Outcome 3 (Education):

<b>Changing the way we work</b> <i>Managing services in a way that achieves more for less. Investing in modern technology for better quality outputs, eliminating duplication and streamlining processes.</i>	<b>2020/21</b> <b>£m*</b>	<b>2021/22</b> <b>£m*</b>	<b>2022/23</b> <b>£m*</b>	<b>2023/24</b> <b>£m*</b>
<b>8. Review of Children and Families Transport Policies and delivery arrangements (Revenue Savings)</b>  The Council currently spends a significant amount of its budget on transport within children's services. As part of an ongoing review of transport we will work with the current school transport provider, Transport Service Solutions (TSS), and other interested groups, to explore all options to provide a more cost effective solution through effective commissioning of travel across all children and families services.  <i>Impact on Education Participation and Pupil Support Service Budget =</i>	<b>-0.280</b>	<b>-0.560</b>	<b>-0.560</b>	<b>-0.560</b>
<b>9. Transport cost for SEND (Revenue Investment)</b>  Increased demand for the provision of statutory transport due to the increased numbers of cared for children, children with special education needs and school age pupils due to housing developments.  <i>Impact on Education Partnership and Pupil Support Service Budget =</i>	<b>+0.300</b>	<b>+0.300</b>	<b>+0.300</b>	<b>+0.300</b>
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2019/20</a>.            Values are not cumulative</i>				

<b>Changing the way we work</b> <i>Managing services in a way that achieves more for less. Investing in modern technology for better quality outputs, eliminating duplication and streamlining processes.</i>	2020/21 £m*	2021/22 £m*	2022/23 £m*	2023/24 £m*
<b>10. Contribution to Cheshire Youth Justice Service (Revenue Savings)</b>  Cheshire East experiences below the national average of youth offending; meaning we have relatively lower levels of young people who enter the youth justice system compared to Boroughs of a similar size and demographic. Cheshire East has been part of the single Cheshire-wide Youth Justice Service since 2016. The agreed financial contribution to the service was set at £334,000 per year but saw a request to increase annually in response to inflation and pay increases for staff. There has been no reduction in the level of Youth Justice service resources for three years from Cheshire East, where other neighbouring authorities have reduced their contribution. Therefore, the proposal is to reduce the Council's contribution to deliver a single Youth Justice Service by 20% across the Cheshire Constabulary area.  <i>Impact on Youth Justice Service Budget =</i>				
	<b>-0.045</b>	<b>-0.090</b>	<b>-0.090</b>	<b>-0.090</b>
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2019/20</a>.  Values are not cumulative</i>				

<b>Changing the way we work</b> <i>Managing services in a way that achieves more for less. Investing in modern technology for better quality outputs, eliminating duplication and streamlining processes.</i>	<b>2020/21</b> <b>£m*</b>	<b>2021/22</b> <b>£m*</b>	<b>2022/23</b> <b>£m*</b>	<b>2023/24</b> <b>£m*</b>
<b>11. Skills Strategy (Revenue Savings)</b>  To adjust the Lifelong Learning Team contribution as this budget has underspent over the last two years. This team and the service offer is delivered through Education and Skills Funding Agency Grant. The team fully draws down the grant and therefore the Council budget used to subsidise the staffing on this team can be reduced without impact.  This will be enabled through more efficient working supported by the development of a skills strategy for young people and new governance arrangements being established.  <i>Impact on Education Infrastructure and Outcomes Service Budget =</i>				
	<b>-0.020</b>	<b>-0.020</b>	<b>-0.020</b>	<b>-0.020</b>
<b>12. Locality Working (Revenue Savings)</b>  To redesign Early Help Services on a locality delivery model, streamlining management arrangements to increase integration and reduce duplication. Evidence suggests that local areas that operate a joined-up model of locality working tend to have more positive outcomes for children and young people. We need to learn from the best to get the best for our children.  <i>Impact on Early Years and Family Service Budget =</i>				
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2019/20</a>.            Values are not cumulative</i>				

<b>Income generation</b> <i>Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.</i>	<b>2020/21</b> <b>£m*</b>	<b>2021/22</b> <b>£m*</b>	<b>2022/23</b> <b>£m*</b>	<b>2023/24</b> <b>£m*</b>
<b>13. Rental Income for shared service delivery space – NHS and Nursery (Revenue Income Generation)</b>  <p>The department has not introduced rental rates or income charges for Children Centres in the past three years. The proposal is to introduce rental charges for use of rooms and delivery spaces in the Childrens Centres. NHS agencies including delivery of the 0-19 service contract and midwifery contract currently use these facilities for free. The proposal also includes introducing room hire costs for training at Oakenclough.</p> <p style="text-align: right;"><i>Impact on Early Years and Family Service Budget =</i></p>	<p style="text-align: center;"><b>-0.020</b></p>	<p style="text-align: center;"><b>-0.030</b></p>	<p style="text-align: center;"><b>-0.030</b></p>	<p style="text-align: center;"><b>-0.030</b></p>
<b>14. Income from Outdoor Education (Revenue Income Generation)</b>  <p>The proposal is to generate income to fund case workers through encouraging schools to buy Cheshire East services rather than from external providers. This will be done by developing the Council's in-house Alternative Education Provision for Outdoor Education and alternative education from the Youth Prevention Service.</p> <p style="text-align: right;"><i>Impact on Early Years and Family Service Budget =</i></p>	<p style="text-align: center;"><b>-0.035</b></p>	<p style="text-align: center;"><b>-0.085</b></p>	<p style="text-align: center;"><b>-0.085</b></p>	<p style="text-align: center;"><b>-0.085</b></p>
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2019/20</a>.</i></p> <p style="text-align: center;"><i>Values are not cumulative</i></p>				



<b>Investment in services</b> <i>Investment will be put into systems that support key services and into other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>	<b>2020/21</b> <b>£m*</b>	<b>2021/22</b> <b>£m*</b>	<b>2022/23</b> <b>£m*</b>	<b>2023/24</b> <b>£m*</b>
<b>15. Essential Kitchen Infrastructure (Capital Investment)</b>  To improve the kitchen facilities in the schools that buy-back the Catering Service by installing new dishwashers and combination ovens. The equipment will improve food quality and lead to service efficiencies which will enable the Catering Service to maintain the current levels of buy-back.  <i>New Capital Investment 2020/21 =</i> <i>New Capital Investment 2021/22 =</i>	<b>+0.220</b>	<b>+0.220</b>		
<b>16. Provision of Sufficient School Places - SEND (Capital Investment)</b>  The Council has a statutory duty to ensure that there are sufficient school places in our schools to meet demands of the local children. Having the right educational placement for all children and young people is key to their development so this investment aims to increase the number of Special Education Needs and Disabilities (SEND) placements within Cheshire East schools.  <i>New Capital Investment 2020/21 =</i> <i>New Capital Investment 2021/22 =</i> <i>New Capital Investment 2022/23 =</i>	<b>+1.000</b>	<b>+4.330</b>	<b>+1.000</b>	
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2019/20</a>.</i> <i>Values are not cumulative</i>				

<b>Investment in services</b> <i>Investment will be put into systems that support key services and into other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>	<b>2020/21</b> <b>£m*</b>	<b>2021/22</b> <b>£m*</b>	<b>2022/23</b> <b>£m*</b>	<b>2023/24</b> <b>£m*</b>
<b>17. Provision of Sufficient School Places – Basic Need (Capital Investment)</b>  <p>The Council has a statutory duty to ensure that there are sufficient school places in our schools to meet demands of local children. Having the right educational placement for all children and young people is key to their development so this project aims to increase the number of placements within key Cheshire East planning areas across the Borough.</p> <p style="text-align: right;"><i>New Capital Investment 2020/21 =</i></p> <p style="text-align: right;"><i>New Capital Investment 2021/22 =</i></p> <p style="text-align: right;"><i>New Capital Investment 2022/23 =</i></p> <p style="text-align: right;"><i>New Capital Investment 2023/24 =</i></p>	<b>+3.100</b>	<b>+6.150</b>	<b>+12.900</b>	<b>+4.700</b>
<b>18. Primary School Provision at key development sites within the Borough (Capital Investment)</b>  <p>As part of developing key housing and infrastructure sites within the Borough there will be a requirement to provide additional primary school provision. Funding for school places is frequently funded from significant grant and developer contributions.</p> <p style="text-align: right;"><i>New Capital Investment 2020/21 =</i></p> <p style="text-align: right;"><i>New Capital Investment 2021/22 =</i></p> <p style="text-align: right;"><i>New Capital Investment 2022/23 =</i></p>	<b>+1.200</b>	<b>+6.300</b>	<b>+0.700</b>	
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2019/20</a>.</i></p> <p style="text-align: center;"><i>Values are not cumulative</i></p>				

## Proposals to vary the Budget under Outcome 5 (Social Care)

<b>Changing the way we work</b> <i>Managing services in a way that achieves more for less. Investing in modern technology for better quality outputs, eliminating duplication and streamlining processes.</i>	2020/21 £m*	2021/22 £m*	2022/23 £m*	2023/24 £m*
<b>34. FACT 22 Investment (Revenue Savings)</b>  <p>FACT 22 have successfully delivered a service across Crewe and Macclesfield, working intensely with Child in Need. This has been evidenced through feedback from children and families on the positive impact FACT 22 has had on their lives and also a reduction in the repeat referral rate to Children's Social Care. Over the last 6 months children's social care have significantly improved the recruitment and retention of quality social work staff across the Children In Need/Child Protection services. As such, children's social care will be able to deliver the work carried out by FACT 22 within our own service and use the residual funding in alternative ways. This new way of working will support children considered to be at risk of Contextual Safeguarding, on the edge of care or custody.</p> <p>The current contract is commissioned until March 2020 and it is proposed not to recommission this service.</p> <p><i>Impact on Education Participation and Pupil Support Service Budget =</i></p>				
	-0.150	-0.150	-0.150	-0.150
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2019/20</a>.</i></p> <p><i>Values are not cumulative</i></p>				

<b>Investment in services</b> <i>Investment will be put into systems that support key services and into other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>	<b>2020/21</b> <b>£m*</b>	<b>2021/22</b> <b>£m*</b>	<b>2022/23</b> <b>£m*</b>	<b>2023/24</b> <b>£m*</b>
<p><b>41. Cared for Children and Care Leavers (Revenue Investment)</b></p> <p>There has been a 17% increase in the numbers of cared for children in Cheshire East over the last year, which is a situation being experienced elsewhere, both regionally and nationally. Although we are still below national and local comparators, admissions to care have continued to exceed the number of discharges and the complexity of needs of individuals are increasing due to improved assessments and effective prevention arrangements. This increase in numbers and complexity has resulted in the need for additional placement purchases, including high cost placements, and additional staffing to support children, young people and care leavers.</p> <p><i>Impact on Commissioning – Social Care – Cared for Children Service Budget =</i></p>	<p><b>+1.800</b></p>	<p><b>+3.100</b></p>	<p><b>+4.400</b></p>	<p><b>+5.700</b></p>
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2019/20</a>.</i></p> <p><i>Values are not cumulative</i></p>				