

Manchester City Council Report for Resolution

Report to: Executive – 11 January 2017
Children and Young People Scrutiny Committee – 31 January 2017

Subject: Children's Services and Education and Skills Budget and Business
Planning: 2017-2020

Report of: Director of Children's Services and Director of Education and Skills

Purpose of the Report

This report provides a high level overview of the priorities to be delivered in Children's Services and Education and Skills throughout 2017-2020 alongside the Directorate's saving proposals. Accompanying delivery plans which set out the performance, financial, risk management and workforce monitoring framework are in development and will be prepared for the scrutiny committees in late January / early February.

The report sets the savings the directorate proposes to make in the context of its objectives. The delivery plans will provide a framework to be used throughout 2017-2020 to monitor performance towards objectives, workforce development, risk and financial outturn. Taken together, the five Directorate reports and delivery plans show how the Directorates will work together and with partners to progress towards the vision for Manchester set out in the Our Manchester Strategy.

The vision, objectives and key changes described in this report will be communicated to staff across the Directorate to ensure that staff at all levels of the organisation understand how their role contributes towards the vision for the city.

Recommendations

The Executive is recommended to:

- A) Note and endorse the draft budget proposals contained within this report, which are subject to consultation as part of the overall budget setting process; and
- B) Note that final budget proposals will be considered by the Executive on 8 February for recommendation to Council.

Scrutiny Committee is requested to comment on the draft Budget and Business Plan for Children's Services and Education and Skills.

Wards Affected: All

Manchester Strategy Outcomes	Summary of the Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Supporting the Corporate Core in driving forward the growth agenda with a particular focus on integrated commissioning and delivery which will focus on utilising available resources effectively and developing a diversity of providers including entrepreneurs and social enterprises. This will provide opportunities for local jobs
A highly skilled city: world class and home grown talent sustaining the city's economic success	Integrated commissioning will focus on utilising available resources to connect local people to education and employment opportunities, promoting independence and reducing worklessness. Working with schools and further education providers to ensure children and young people achieve their potential and develop skills which will enable them to access future employment opportunities arising from economic growth in the city. Working with schools to engage and support our communities.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The focus is on changing behaviours to promote independence, early intervention and prevention, the development of evidence-based interventions to inform new delivery models integration with partners where appropriate.
A liveable and low carbon city: a destination of choice to live, visit, work	Development of integrated health and social care models that connect services and evidence-based interventions to local people and enable families and staff to influence commissioning decisions aligned to locally identified needs. Schools as community hubs playing an essential role in delivering high quality education as well as reaching out to communities and leading early intervention and prevention approaches at a local level
A connected city: world class infrastructure and connectivity to drive growth	

Full details are in the body of the report, along with implications for

- Equal Opportunities
- Risk Management
- Legal Considerations

Financial Consequences for the Capital and Revenue Budgets

The proposals set out in this report form part of the draft revenue budget submitted to the Executive on 11 January 2017.

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Background documents (available for public inspection):

None

1. About Children's Services and Education and Skills

- 1.1 The Directorate for Children and Families is responsible for social care services for children and families, public health, and for education, skills and youth services, with statutory responsibilities for safeguarding children and young people and a broad range of other functions.
- 1.2 In line with the priorities of the Our Manchester Strategy, the Directorate is focused on helping people who have to rely more than most on targeted and specialist services to make the changes in their lives which will see them become more independent. It must be ensured that every child has the best possible start in life and that everyone in the city has the same opportunities, life chances and potential to lead safe, healthy happy and fulfilled lives. Connecting people to the economic growth of Manchester by helping them overcome the barriers to training and jobs is key to this.
- 1.3 In doing this, public services must be radically transformed so they are focused around people and communities rather than organisation silos. The Directorate is working across traditional organisational boundaries to bring innovation and new ways of working to the fore. For example, work continues to be progressed with partners to embed a new approach to Early Help assessments which starts from strengths and what is important to families and encourages and supports families to make the changes which will impact positively on their lives.
- 1.4 Alongside this, Manchester's Locality Plan sets out the vision for the transformation of integrated, place-based working and commissioning in health and social care, leading to a single commissioning function (SCF). The plan, which is jointly owned by a range of partners, includes a shared ambition that children and young people in the city are safe and have the opportunity to thrive as they become adults. The development of the Single Commissioning Function, Single Hospital Service and Local Care Organisation (LCO) together will provide a number of opportunities to shape and integrate the aspects of children's services with health provision whilst at the same time influence the wider service offer for children, young people and their families. Changes to the demographics in the City bring both challenges and opportunities for Children's Services. Manchester has experienced significant growth in its overall population and that of children and young people in recent years as well as an increase in children and young people with additional needs. This growth has seen emerging challenges in respect of school place planning and being able to respond to high levels of transience, for example, the period of the school summer holiday has seen the arrival in the City of nearly 1,000 children seeking a school place.
- 1.5 The City has shown great resilience throughout the period of the recession, subsequent recovery and austerity; resulting in levels of worklessness in the city falling and more people educated to degree level and fewer people with no qualifications. At the same time however, Manchester has experienced an increase in the number of young people, including looked after children, who are not in education, employment or training (NEET) and for whom it remains

the case that poor skill levels, worklessness and benefit dependency are characteristics of their everyday experiences and community. In addition, these same young people are all too often over represented in criminal justice and mental health systems.

- 1.6 In addition to the demographic and changes in national policy, Children's Services are also working within the context of significant change and reform locally that is being driven through Our Manchester Strategy, Locality Plan and City Deal.

Budget Consultation

- 1.7. Since the Budget Options were published in October, the Council has invited residents and stakeholders to tell us what they think about which options they think should be part of the final budget. We know from the earlier budget conversation that education services and support for children in care and families is of high importance to Manchester residents, as are youth and community services. Of the Budget Options published in October, £6.69m were from Children's Services, Education and Skills. Following the consultation these have been reduced to £1.62m. These proposals also make a provision for efficiencies made within the Directorate to be reinvested to continue to support the delivery of better outcomes for Looked After Children.
- 1.8. Respondents feel most strongly that options which should not be accepted are those which impact on the vulnerable. Options that respondents disagreed with, and which are not part of the draft proposals, include the youth and play, early years and the Health Visitor service. The draft proposals for Children's Services reflect these priorities. Proposals for Children's Services are therefore drawn from options largely supported by respondents - reusing schools sites, changes to the way Schools pay for services provided by the Council and the way we provide services to Looked After Children.
- 1.9 The option relating to School Crossing Patrols has been changed based on feedback during the consultation and the Council is proposing to invest more to make them as safe as possible.

2. Children's Services and Education and Skills – Vision

- 2.1. The Children's Board as a key strategic partnership vision statement is:

“Our Manchester – building a safe, happy, healthy and successful future for children and young people.”

- 2.2. The Directorate has worked with partners during 2015/16 to refresh our vision for children and young people and our Children and Young People's plan which sets out how it will be achieved. Significant improvements have been delivered since the Ofsted Inspection in 2014 and the Directorate has a clear improvement plan, can evidence progress against it and is on track with delivering the required improvements.

- 2.3 Manchester's Children and Young People's Plan sets out further how the city intends to take forward the overall ambition and approach described in Our Manchester and our Locality Plan in relation to children and young people. This is a plan for children, not children's services. All parts of the city have a role in supporting our children and young people, not least families.
- 2.4 It sets out priorities both for **what** the Council wants to achieve and also **how** they will be achieved. This reflects the wider Our Manchester approach that is being taken forward in the city. It promotes a different way of working in the city, one which at its core forges a deeper understanding of children, families and local communities, listening to what they care about and working together to improve quality of life.
- 2.5 The message is clear, as a City we are ambitious for all 'our' children and young people and the plan is intended to stimulate different ways of working, consistent with the emerging Our Manchester approach and the integration of reform under the following four aspects:
- **Safe** - *All children and young people feel safe; their welfare promoted and safeguarded from within their homes, schools and communities;*
 - **Happy** - *All children and young people grow up happy – having fun, having opportunities to take part in leisure and culture activities, and having good social, emotional, and mental health;*
 - **Healthy** - *All children and young people enjoy good physical and mental health that enables them to lead healthy, active lives, and to have the resilience to overcome emotional and behavioural challenges; and*
 - **Successful** - *All children and young people have the opportunity to thrive and succeed in their education, emotional and personal lives.*
- 2.6 The plan also highlights particular areas that Manchester is 'passionate' about achieving: ensuring children and young people live in safe, stable and loving homes; reducing the number of children and young people in care; ensuring children and young people have the best start in the first years of life; and ensuring children and young people fulfil their potential, attend a good school and take advantage of the opportunities in the city.
- 2.7 Children's Services are an active member in the Greater Manchester (GM) review of services for children which is seeking to improve outcomes for children in a wider context of GM being below the national average on a range of outcomes and evidence of significant variation of consistency, demand, outcomes between authorities, and the cost of children's services.
- 2.8 The collective aspiration is for high quality, high impact services for children across ten authorities designed as one GM system. This will be enabled by the current GM development of a framework to develop system leaders, supported by a workforce strategy for services for children underpinned by social work development through the GM Social Work Academy. It will be

further developed by other roles such as key worker functions using the Troubled Families learning on a GM basis. The systems thinking analysis which is guiding the GM development of multi-agency asset based, place based approaches in GM communities, will offer holistic support from early help to edge of care to statutory intervention for children.

- 2.9 A particular area of focus over the coming years will be ensuring that the schools system in Manchester continues to grow to match the significant increases in the child population of the City: achieving this requires strong partnership – with existing schools (including academies), with the DfE and their free schools programme, and with strategic spatial developments across the City, given the challenges in securing sufficient land for future school developments. Ensuring fair access and inclusion for all within such a rapidly growing system is a particular challenge within the current context.
- 2.10 The Government has published a Green Paper ('Schools that work for everyone') which is the subject of ongoing consultation and includes the proposal to allow new grammar schools to be created. Whilst the government has confirmed that the proposal in the White Paper, Educational Excellence Everywhere, for forced academisation of all schools has been dropped, it remains their policy (reconfirmed in the Green Paper) that a fully academised system is the long term goal. Legislation now requires the academisation of any school judged inadequate by Ofsted, and has created a new category of 'Coasting School' for those below certain performance thresholds, with the possibility of forced academisation for such schools if improvement is not secured. Manchester already has 42% of pupils attending academies, and this is likely to continue to rise over time. The City's Strategic Education Partnership Board has already expressed a commitment to all schools working in structured partnerships – and recognises that for some, these will be Multi-Academy Trusts (MATs), and for others, federations of maintained schools or other approaches. Such groupings provide the structural units for the future shape of the school system, grown from groups of successful schools in the City, and many will be well placed to take the leading roles and form the anchor institutions outlined above. Ensuring that future groupings of schools and the development of new and enhanced provision are aligned to the City's (and GM's) priorities will require sustained capacity for school engagement, despite the government's reductions in funding to Councils to fulfil this function through the changes to the Education Services Grant.
- 2.11 The service has been at the heart of developments within Greater Manchester, through the Review of Services for Children, to develop a framework that would see future school developments – whether government funded or locally funded – focussed on local contextual factors. These could include spatial growth, skills needs and population growth – alongside national priorities for the school system.

Early Years

- 2.12 Working to secure a sufficient and high quality childcare market is central to securing good quality early learning for children across the City, and the

service works proactively with all parts of the sector – from childminders to large day care providers and schools – to promote quality and inclusive practice. With an increasing population and the continued provision of near universal full time free early learning for 3 year olds in the City, there are significant challenges for the sector, and the service will continue to work closely with it, particularly to promote the take up of the free early learning entitlement.

- 2.13 The integrated Early Years Delivery Model, incorporating the work of Manchester's Sure Start Children's Centres and their outreach teams, the work of Health Visitors (in delivering the Healthy Child Programme) and other partners, is overseen in partnership within the service. The future context for the Early Years Delivery Model is covered elsewhere as its development becomes integrated with that of Early Help services across the City.

Youth and Play

- 2.14 The service secures the commissioning of a wide range of youth and play activities from a significant number of voluntary and community sector organisations across the City; these activities are a vital contribution to neighbourhoods and to the transition of young people into adulthood, and their importance in this regard was highlighted in the Budget Conversation. To develop and sustain such organisations, and to create the opportunity to maximise investment in this sector, the Council has worked with partners to establish Young Manchester, a trust focussed on developing and commissioning provision across the City. Through this model, external funding will be targeted to complement the Council's funded activities.
- 2.15 The provision of a targeted youth support service is also vital in securing support for young people most at risk of disengaging from learning and secure pathways into further learning and employment.

Young People's Engagement

- 2.16 Ensuring that the voice of young people is heard is central to the development of the right provision across the City, and at the heart of an Our Manchester approach. Through universal engagement (through the Manchester Youth Council – which now works through a partnership model with over 60 affiliated school councils and youth groups) and targeted activity to secure the voice of young people within decisions that affect their lives.

Skills and Adult Education

- 2.17 The Manchester Adult Education Service (MAES) operates within the service, providing learning opportunities focussed on basic and key skills essential for personal development and accessing employment. The focus on literacy, numeracy, digital skills and ESOL ensures that the grant funding provided has the maximum impact on the City's priorities. The expected devolution of the Adult Education Budget to the GM Combined Authority, and associated outcomes frameworks developed within GM to secure future commissioning of

this provision, will be a key context in which the service will work to further develop and secure provision for the City.

- 2.18 More widely, devolution of some responsibilities for work and skills sets the context for work in partnership to secure relevant pathways into further skills and education and, in due course, work for all young people and adults; a particular focus on the development of pathways into apprenticeships is important, particularly in the context of the introduction of the apprenticeship levy.

3. Children's Services and Education and Skills – Objectives

- 3.1. An overarching strategic objective is to ensure that the directorate's activity is aligned to the Our Manchester Strategy and that the Our Manchester approach is embedded throughout the directorate. The Our Manchester Strategy provides the overarching framework and priorities for action by the Council and partners from all sectors over the next 10 years. These priorities are known as the 64 'We Wills' and in order to be able to achieve these high-level goals there must be a radical change in the way that the council and other organisations across the city operate. This radical change is the Our Manchester approach.
- 3.2. The Our Manchester approach is a redefined role for the Council and public services as a whole. It puts people at the centre of everything we do, recognising that people are more important than processes, procedures or organisational boundaries, and changing the way that the council works to reflect this. It is about listening, then learning, then responding. It is about creating the capacity, interest, enthusiasm and expertise for individuals and communities to do things for themselves. Finally it is about working together more, by building long term relationships and having honest conversations that are 'solution focussed' which give a say and role to both those who need services and those who provide them.
- 3.3. Together with the other Directorates of the Council, Children and Families Directorate will deliver the shared vision and objectives set out in Our Manchester. Our approach will be one of *working with* children, families and wider stakeholders in the city, *not doing to*, consistent with the Our Manchester approach. There will always be instances where public services have to take direct action in order to protect children; even then our overall approach will be to work alongside children and families, equipping and enabling them to succeed, safeguard and protect children and young people.
- 3.4. In addition, the context set out in Section 2 highlights the Children and Young People Plan and Work and Skills Strategy priority areas in which the work of the service is set. Such priorities are translated into the key areas of focus for the service:
- 3.5. Children's Services
- Supporting children and families through an Early Help Offer (including Youth Justice)

- Developing an effective integrated social care, education and health assessment, planning and commissioning service for children and young people with a learning disability
- A responsive and safe “front door” from contact via the MASH through to assessment by a qualified Social Worker
- Improving the quality and consistency of practice
- Safely reducing the number of Looked After Children
- Continually improving the experiences and outcomes for Looked After Children and Care Leavers
- Improving the range and quality of Residential, Fostering & Adoption provision
- Workforce development to ensure the staff are confident, have the right skills, and are supported to work in new ways

3.6. Education and Skills

- A year’s focus on Reading, to support engagement and success in both formal and informal learning
- Securing improved outcomes, particularly at GCSE, and continuing to improve the quality of the school system and its provision **including for** children with SEND
- Improving the quality, relevance and accessibility of pathways into further learning and employment
- Securing sufficient good quality school places
- Integrating relevant early years services into early help through a platform of schools as anchor institutions
- Ensuring the voice of children and young people is a key influencer in decision making and services that affect their lives
- Developing youth and play services through a new relationship with Young Manchester
- Developing the MAES offer in the context of new Greater Manchester commissioning frameworks

Delivery of Objectives and Savings

4.0. The Directorate Budget

4.1 The current Directorate budget for 2016/17 is summarised in the table below.

Service Area	2016/17 Gross Budget	2016/17 Net Budget	2016/17 Budgeted Post (FTE)
	£,000	£,000	
Children's Services	77,332	67,861	780
Education and Skills	513,774	30,768	569
Directorate Core and Back Office Services	3,573	3,581	92
Total	594,679	102,210	1,441

4.2. The budget 2017-20 by business areas is provided in **Appendix 1**. The approved adjustments to the current base budget reflect:

- (i) SEN grant – from 2017/18 treated as a specific grant instead of a cash limit allocation (£0.383m); and
- (ii) Savings 2016/17, the full year effect of proposals developed in the 2016 process, detailed below (2017/18 £0.473m).

	2017/18
	£'000
Early help case loads review	323
Public Health services	250
Free travel policy	-100
Total	473

Early help case loads review £0.323m

In 2016/17 it was agreed early help key worker caseloads would be increased to working with circa 8-10 families at any one time (in line with other authorities). The impact of this was to create additional capacity. This has enabled vacant posts to be deleted and a cashable saving of £0.648m. Implementing from the end of September 2016 generated a half-year saving (£0.323m) in 2016/17, and a further £0.323m from the full-year effect in 2017/18.

Public Health Services £0.250m

Responsibility for commissioning public health services started to transfer to local authorities in 2013/14 and was completed in October 2015. The expenditure on specific public health services for children is now one of the four major areas of expenditure from the public health grant. The public health grant allocation for Manchester in 2017/18 will be £53.250m, a reduction of £1.346m compared to 2016/17. This reduction will be met by efficiencies across all major areas of public health expenditure including sexual health, wellbeing services and children's public health. However it is important to note that because Greater Manchester (GM) authorities are part of the 100% business rates retention pilot, the public health grant in GM is moving to be funded from business rates in 2017/18.

Free Travel Policy £-0.100m

Free travel seeks to support parental preference in choosing a school, particularly for children and young people from low income families, children and young people who are looked after or have been previously looked after and those who live in homeless or temporary accommodation. It is also intended to support regular attendance for those children travelling longer distances to and from school each day, and therefore reducing potential negative attendance/social care/housing issues. It was previously proposed that the policy agreed in 2015 for incremental implementation is applied to all applicants for the primary and secondary free travel passes in the school year 2016/17, not just those applying within the reception, year one, year

seven and year eight cohorts, as would have been the case under a continued phased implementation. This saving was additional for 2016/17 only and needs reversing 2017/18 onwards as the planned budget already included this reduction from 2017/18 onwards.

(iii) 2017-20 Savings Proposals

Education and Skills saving proposals detailed at Section 7 below 2017/18 £1.221m, 2018/19 £0.220m and 2019/20 £0.180m.

4.3. This reduces the 2016/17 net budget from £102.210m to £100.133m 2017/18, £99.913m 2018/19 and £99.733m 2019/20.

4.4 Grant Programmes

In addition to the Dedicated Schools Grant the Directorate's budget includes a range of other service areas funded through government grant which are summarised in the table below and accompanying notes. At this stage, the 2017/18 budget assumptions assume an equivalent level of grant to 2016/17 and budgets are updated in year as grant announcements are made. They are reflected in the gross expenditure budget detailed at Appendix 1.

Grant Programme	Business Area	Grant Funding £'000
Private Finance Initiative	Education and Skills	3,664
Youth Justice	Children's Safeguarding	1,131
Talk English	Education and Skills	620
Remand	Children's Safeguarding	212
Adult Education and Skills	Education and Skills	7,780
Troubled Families	Children's Safeguarding	3,281
Staying Put	Children's Safeguarding	497
Special Educational Needs and Disability Implementation Grant	Children's Safeguarding	435
School Improvement Fund	Education and Skills	TBC
High Needs Strategic Planning Fund	Education and Skills	235
Total		17,855

The details on each of these grants are as follows:-

- (i) **Private Finance Initiative** – Education and Funding Agency grant related to two Manchester schools which have a 25 year contract with a provider for facilities management.
- (ii) **Youth Justice** - Supports services to respond to and reduce offending behaviour; addressing the risk factors associated with it.
- (iii) **Talk English** – A specific programme to support and develop English language skills and integration within communities.

- (iv) **Remand** – a contributory grant in respect of children remanded to youth custody, for which the full costs are met by the respective Local Authority.
- (v) **Adult Education and Skills** – A grant from the Skill Funding Agency to support adult learning to Manchester residents.
- (vi) **Troubled Families** – A results based funding scheme that provides financial incentive, attachment fee and sustained success payments to get to improve outcomes for troubled families.
- (vii) **Staying Put** - grant to contribute to the financial costs that enable young people to continue to live with their former foster carers once they turn 18.
- (viii) **Special Educational Needs Grant Implementation Grant** – A Department for Education transition grant to support special educational needs and disabilities reforms.
- (ix) **School Improvement** - The Secretary of State announced on the 1st December an annual school improvement grant for local authorities, starting from September 2017. At a national level it will provide £50 m per year for school improvement. Manchester's allocation is yet to be confirmed.
- (xi) **High needs strategic planning fund** - Government has announced funding for councils to carry out a strategic review of their high needs provision.

4.5 The Dedicated Schools Grant and Schools Funding Reform

The Dedicated Schools Grant (DSG) is the source of funding for the provision of education for children aged 2-15. It comprises three funding blocks (Schools, Early Years and High Needs). Use of DSG must be made in accordance with schools funding regulations.

In July the government announced that the planned implementation of the national funding formula (NFF) for 5-16 year olds and high needs would be postponed from 2017/18 to 2018/19. A consultation on the proposed Schools and High Needs National Funding Formulae has now been launched and will run to March 2017. The detailed proposals and potential impact on Manchester are outlined in a report elsewhere on the agenda. The key headlines from the consultation are:

- The proposed introduction of a school-level national funding formula where the funding for each school, largely based on the funding each pupil attracts to their school, is determined nationally;

- Implementation of the proposed formula for mainstream schools from 2018/19, allocating funding to local authorities to distribute for one year, and then to schools directly from 2019-20;
- The proposed creation of a central schools block for local authorities' ongoing duties;
- Proposals to ensure stability for schools through retaining the minimum funding guarantee and transitional protection and by providing practical help, including a restructuring fund; and
- A proposed change to the High Needs Block resource distribution from lump sum to part formula based. This element of the grant is proposed to be 50% lump sum based on historic spend and 50% formula funding.

The DSG is a key consideration in the Directorate budget. For 2017/18, the grant is estimated at £497m and this is reflected in the gross expenditure budget under Education and Skills provided at Appendix 1. The schools funding system has national restrictions to minimise fluctuations in funding for schools, but consequently also limits flexibility and makes the management of overall resources, particularly for the high needs block, more challenging. The Manchester Schools Forum has worked closely with the Director of Education and Skills to ensure the on-going financial sustainability of services within the high needs block, which support schools, but this is becoming increasingly difficult with increasing volume of Special Educational Needs (in proportion to the City's growing population) and a fairly static budget.

5. Timeline of Key Changes

- 5.1 The Children's Services Single Service Plan outlines the priority areas of activity required to improve the overall level of provision for children receiving services from social care, which will ultimately lead to a reduction in children looked after and children in need which will allow savings to be realised. The plan is reviewed and refreshed on an annual basis.
- 5.2 High level milestones are as follows:

Dates	Activity
2017/18	Move to regional adoption agency arrangements
By Apr 2018	Revision to Special Guardianship Order rates
April 2018	Implementation of locality based Sure Start Model
2018/19	Early Help Strategy leads to reduction in demand
2019/20	LAC numbers reduced to be in line with Core City averages

6. Children's Services Budget Proposals

Key Changes and Savings

6.1. Service Efficiencies

The Looked After Children Investment and Capacity Model - £0.886m 2017/18, £0.993m 2018/19 and £1.019m 2019/20.

To support the Improvement Plan, the City Council approved the deployment of £24.254m over 2015-21 to invest in new working arrangements, evidence based practice and capacity to:

- Develop an effective city wide 'early help' offer;
- Improve the consistency and quality of social work practice;
- Safely reduce the number of Looked After Children over four years by 382;
- Shift 310 foster care placements from independent foster care agencies to Internal foster carers; and
- Implement manageable workloads – A target average of 18 children per qualified social work practitioner across the service will be introduced.

As part of the budget preparation work the investment strategy combined with the investment options to increase social work capacity has been refreshed in order to give an overall sustainable investment approach for Children's Services. In addition to the planned savings already agreed in the investment strategy of £19m 2016-21, the update provides proposals for savings of:

- Children Services' commissioning (£0.886m) from 2017/18;
- A revision to Special Guardianship Order rates (£0.300m) from 2018/19;
- A re-profile of the LAC reduction 2016/17 activity targets for foster care shift of 33 (25% in 2017/18 and 75% 2018/19) and adoption of 24 (100% 2018/19);
- The introduction of a further 100 LAC reduction activity target (internal fostering) in 2019/20 (£1.019m) which was previously nil.

The saving options are summarised in the table below:

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Commissioning	886		
SGO rates review		300	
Recovery of forecast shortfall on activity targets		693	
Additional LAC reduction target 19/20 – 100			1,019
Total	886	993	1,019

Rather than releasing these savings towards the Council's savings target it is proposed to retain the saving to maintain the financial balance on the overall investment model, a full update is provided below.

Looked After Children (LAC) Investment Model

6.2. The LAC Investment Model was established to:

- provide the up-front investment for the Troubled Families and Early Help model to help deliver savings from reduced LAC numbers which would then fund these service on an on-going basis; and
- provide further support via additional social work capacity and targeted interventions and evidence based practice to provide better support to children and young people to either prevent them from becoming looked after, or to move them more quickly to permanence.

The objective was also to deliver additional savings to the revenue budget which could be 'cashed' as the number of looked after children reduced.

- 6.3. The initial LAC Investment Strategy totalled £14.094m over 2015-17, front loaded with £11.461m deployed in 2015/16 and £2.633m in 2016/17. By 2017/18 the model was forecast to be financially self-sustaining. A further £10.160m investment was agreed from the use of the Council's reserves and transferred to the Children's Investment Fund Reserve to meet the cost of additional social workers over a period of four years. It was agreed in June 2016 that in order to deliver the pace of improvement and ambitions the service needs to move to a caseload of 18 per social worker.
- 6.4. Since 2010/11 the population of Manchester has increased and is more transient, between July-September 2016 approximately 1,000 children moved into the authority. In addition, the number of UASC children and young people has increased over a similar period from 26 to 42; all of whom have additional needs that extend beyond their counterparts. The Home Office meet basic placement costs for these young people; however this does not take into account Social Work time and any additional needs/specialist provision.
- 6.5. Despite the above, since 2011 the number of looked after children per 10,000 population has continued to reduce from 113 per 10,000 population in 2011 to 103 as at 31 October 2016. In addition the annual spend on placements has been reduced by c£14m. This is due to reductions in numbers, the change in the mix of types of placements and better procurement activity by working regionally and by negotiating additional cost reductions based on volume. This has resulted in the average placement cost for fostering and residential being £9 p/w less than 2015/16 and £66 p/w less than 2010/11.
- 6.6. The targets developed in 2014 were based on the best information available at that time. These assumed that 310 placements would shift from external to internal foster carers and an overall reduction of 382 in the number of Children Looked After. This was supported by additional investment to increase payments and support to internal foster carers, the investment in early help and additional capacity in the Fostering and Adoption services.
- 6.7. More detailed modelling work is now well progressed and reaching completion to enable a much deeper understanding of the LAC population and what needs to be in place to enable the planned reduction to be achieved. The service are still on target to reduce numbers to the core cities average of 900-

1,000 by 2019/20, however this will take longer to achieve than originally planned.

6.8. The detailed work has shown that:

- Both the level of need and the nature of the profile have been underestimated. Needs are increasingly more complex (teenagers, mental health, significant behavioural issues and emotional needs);.
- Of the 512 children placed with external providers, over 51% have been with their current carer for over two years. There is therefore a 'legacy cohort' who are now in stable placements;
- There is a continued need to ensure that the MASH is operating effectively to improve the quality and reduce the number of inappropriate referrals to Children's Social Care; and
- There are limited interventions to deal with crisis interventions to prevent people from becoming looked after.

6.9. With the changes that have been made over the last eight months there is now confidence that the numbers of children 'unnecessarily' becoming looked after will reduce and those that do enter the looked after system will have a more timely plan of permanence outside of Local Authority care. For those children who form the 'legacy' the objective is to secure an alternative plan of permanence for them (Special Guardianship or similar) and the combination of both approaches will enable the reduction in 'looked after' children to circa 1,000, which is comparable to core city averages and as originally predicted, to be achieved. However, the impact of this 'legacy' means the delivery of the planned savings at the scale and pace aimed for has not been achievable.

6.10. The numbers of children turning 18 and requiring Leaving Care support are also increasing and need to be included within the overall financial planning for the budget next year.

6.11. The table below sets out the actual trend in LAC numbers and the further target reductions. The current number of looked after children is 1,216.

	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>
External Residential	71	52	53	43	37	37	37
External Fostering	620	534	450	330	271	271	271
Internal Residential	35	35	31	18	18	18	18
Internal Fostering & TACP	331	349	395	438	386	331	309
	1,057	970	929	829	712	657	635
Other LAC including UASC	234	267	287	307	327	347	365
Total Reported LAC	1,291	1,237	1,216	1,136	1,039	1,004	1,000

Note: Other LAC includes UASC (fostering and residential), placed with parent, supported accommodation (non-leaving care), adoption awaiting legal sign off

6.12. There is confidence that the above planned reductions will be achieved due to:

- Increases in internal fostering numbers are being achieved – it is anticipated an additional 42 fostering households will be recruited. The ‘Manchester Offer’ now compares favourably with Independent Foster Care counterparts;
- There is a sustained improvement on adoption numbers with a forecast of 90 children being adopted and more timely in this financial year;
- There has been success in moving away from residential care – Manchester has 6% of LAC in residential care compared to 8% nationally; and
- The development of the Adolescent Support Unit (which is due to come on line in January 2017). This will have a critical role in reducing the number of admissions, with an estimated 42 per annum being prevented from entering the looked after system at an average cost of £42k each.

6.13. However for the reasons set out above, it will not be possible to deliver the savings from the LAC investment model as originally articulated and in the time period originally envisaged, although there is confidence that the savings can be delivered in future years. Specifically, there is a forecast shortfall on the 2016/17 targets for external fostering and external residential that creates a deficit in the overall model. The planned savings for 2017/18 to 2019/20 are £2.898m, with £0.886m for 2017/18, rising to £1.879m in 2018/19 and £2.898m in 2019/20. Rather than releasing these savings towards the Council’s savings target it is necessary to retain the saving to maintain the financial balance on the overall model.

6.14. It should be noted that the position has been compounded by the ending of the Troubled Families investment in 2019/20. The funding and development of the Troubled Families and early intervention work is being reassessed as part of the work outlined in this paper to develop effective early help and preventative services.

6.15. The financial implications of the above are summarised in the table below:

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Financial Shortfall	976	1,957	3,035
Less One-off slippage in recruitment funding from 2016/17	(962)	0	0
Add additional costs for leaving care	872	872	872
Sub Total	886	2,829	3,907
Less assumed delivery of saving	(886)	(1,879)	(2,898)
Net Additional Cost	0	950	1,009

- 6.16. The assumptions in the model continue to be developed and refined in the light of experience and there remain significant risks to delivery, particularly in 2017/18. The additional cost 2018-20 has been added to the Executive's proposals for growth and pressures.
- 6.17. The long term strategy is to create the conditions that enable practitioners to deliver transformational interventions with children and their families. Whilst this type of change is not a 'quick win' the evidence to date indicates the impact of the early help service and continuing improvement in the responsiveness and performance of Children's Social Care. It is this long term approach that will enable the realisation of sustainable savings. This reform is underpinned by a principle of strength based conversations and that it is better to intervene sooner in the right way; which will ultimately reduce the overall number of 'looked after' children; for which there are associated targets/milestones to track progress.
- 6.18. This work aligns with the three pillars (Single Hospital Service, Single Commissioning Function and Local Care Organisation) of Manchester's Locality Plan. This will include the assessment, planning and commissioning for those *Children and young people who have complex needs, are placed in high cost provision and require a multi-agency approach* subject to a single commissioning function in 2017/18.
- 6.19. In addition the Early Help offer to be continually developed to work with children, families and adults with additional needs; incorporating the reconfiguration of early years new delivery model to include Sure Start Children's Centres to deliver better, more integrated service through a locality based and school led model. This will also compliment the joint commissioning of the Health Visiting service, alignment with the current and ongoing review of community health services; all delivered from within the LCO and with an increased focus on acting as the lead professional for children and families in need of additional but not specialist support.
- 6.20. Whilst there is still a requirement that the investment model will deliver financial savings to the Council this will not now be achieved in the three year budget period. It also needs to be considered in the context of the developing joint commissioning arrangements and ensuring that appropriate funding arrangements for placements are agreed with Health Partners as part of the overall measures being developed as part of this report.

7.0. Education and Skills Budget Proposals

Key Changes and Savings

7.1 Service Efficiencies

- (i) Education Services Grant (ESG) - £1m 2017/18. This reflects education funding reforms and the role of schools. The ESG grant is currently £5m, and expected to fall to £2.6m in 2017/18 and £1.3m in 2018/19 based on government proposals to keep a retained duties per-pupil

amount of £15, funding of which will move to the Dedicated Schools Grant (DSG) and end the general duties element, currently £77 per-pupil from September 2017, with a transitional amount for the period April to August, now confirmed at £27.50 per pupil.

The government has subsequently confirmed those areas of activity currently funded through the ESG which can in future be funded from the Dedicated Schools Grant, with the permission of the Schools Forum. In addition, the government has also announced some replacement funding for school improvement that will be provided to local authorities to work with maintained schools; with amounts still to be announced. Options to address the reduction in grant include a combination of: further use of the DSG (£0.400m); de-delegation of funding from the DSG by maintained schools, agreed and approved by Schools Forum (£0.500m) and use of the recently-announced school improvement grant (expected to be at least £0.100m) as outlined above, the split between these areas may vary when further information is available.

(ii) Closed School Budget £0.221m 2017/18

Re-use of closed school sites for education purposes reduces the need for the budget. The achievement of the saving is dependent on demolition of building in a closed school site that is earmarked for housing.

(iii) School Crossing Patrols - £0.220m 2018/19

The Council currently funds School Crossing Patrols at 86 school crossings across the City. These crossings have been identified through risk assessments which consider a range of factors, including numbers of pedestrians, traffic flows and provisions at the site which are relevant to the safety of pedestrians. Crossings with an Amber or Red risk assessment are provided with a patrol. Nine Green rated crossings have patrols funded by individual or groups of schools. Of the current 86 crossings, 42 are Red-rated and 44 are Amber-rated. Capital investment of £800k (figure to be confirmed) including design fees will be made during the period 2017-2019 in a proportion of patrolled school crossing sites across the City to improve safety. Work has been commissioned to provide an outline design solution for each of the crossings currently provided with a patrol, which will include measures to improve pedestrian safety; such measures could range from new signs and lines to new guardrails, traffic calming, zebra crossings and new traffic controlled junctions. These improvements will benefit pedestrians at all times of the day, not just during the journey to and from school. Following this investment, associated improved safety and subsequent reassessment of the crossing sites, it is anticipated that a reduced number of crossings will be rated Red and Amber, and an associated saving will be made following the investment programme

in 2018/19. All crossings rated Red and Amber will continue, as now, to be provided with a school crossing patrol.

7.2 Service Improvement

- (i) Reconfiguring the Early Years New Delivery Model, including Sure Start Children's Centres, to deliver better, more integrated services through a locality-based school-led model £0.180m 2019/20

The Council, working with partners, is committed to ensuring that children have the best start in life and families are supported through the Early Years Delivery Model. The Model, incorporating an integrated assessment and intervention pathway from birth to the age of 5, is operated by an integrated workforce of health visitors and early years outreach workers, and utilises the Council's Sure Start Children's Centres (SSCCs) as bases for a combination of universal, targeted and specialist provision for children and families. The recent Budget Conversation demonstrated support for services and locations for children and families, with a very small number of specific comments in support of Sure Start Children's Centres; they were not, however, amongst those services and facilities considered most important by those engaging in the Budget Conversation.

It is proposed that the work of the Early Years Delivery Model is fully integrated into the Early Help system in the City to provide better targeted and sequenced early help and support for children and families, particularly in the early years and at Levels 2 and 3 of the early help framework. This approach would see the development of 12 school-led groups of SSCCs, one within each of the 12 neighbourhood areas and each linked to one of the three Early Help Hubs in the City.

The proposed groups of SSCCs would enable, with host schools providing local leadership, the development of a coordinated early intervention workforce. This workforce would comprise in due course, through the LCO, health visitors working under the recommissioned contract and workers currently engaged in early years outreach and early help, as well as school staff where appropriate. The groups would also provide access to a range of commissioned interventions. The setting for most SSCCs, within or immediately adjacent to primary schools, would also provide access to co-ordinated parent and community capacity.

Each group of SSCCs would have shared management and leadership, ensuring that services continue to be delivered across each group area. Each SSCC would deliver the full Sure Start Core Purpose linked to a network of local providers of early learning and primary schools. Each SSCC would also, through links to the Early Help Hubs, provide a setting for work with children aged up to age 11, and their families. Each Early Help Hub would therefore work through the 12 groups of SSCCs.

There are currently 38 designated SSCCs across the City. This option would see this reduced to 30, through the de-designation of 8 centres identified through an analysis of need and geographical proximity. The focussing of resources in the remaining 30 centres would enable each group to extend its reach into areas of need and provide geographical coverage, and would sustain settings for the delivery of early years services across the City. The premises of de-designated centres would be transferred for alternative use for children and young people, including through schools (for provision for very young children) or community use.

The proposed approach would improve the focus and integration of the existing significant investment in outreach workforce and interventions, whilst providing a more tailored and efficient service through focussing the full Sure Start Core Purpose in the 12 groups and reducing premises and setting related costs through transferring 8 existing Sure Start Children's Centres premises to alternative use. The proposed approach would see no reduction in the scale of the outreach workforce, enabling capacity to be focussed in areas of need and, where appropriate, through settings other than designated SSCCs

The initial target implementation date for the first phase of changes would be April 2018, although it is recognised that further developments with regard to the LCO and integration of services for children may require this date to be put back to April 2019.

Statutory consultation is underway across the City regarding the proposal to cease the designation of 8 SSCCs. Although the proposals would not be fully implemented until April 2018 this consultation began on 3rd November 2016 and will finish on 10th January 2017 to enable a decision to be made as part of the Council's 3 year budget strategy.

The 8 SSCCs currently the subject of consultation regarding de-designation are: Cheetham Park SSCC; Broadhurst Park SSCC; St Clement's SSCC; Claremont SSCC; Didsbury Park SSCC; Didsbury West SSCC; Chorlton Nell Lane SSCC; and Brooklands SSCC.

Budget Growth and Pressures

- 7.3. The Executive's budget proposals provide for additional funding related to population growth and other pressures for children and families over the period 2017–20. The Education and Skills budget pressures are summarised in the table below.

	2017/18	2018/19	2019/20
	£'000	£'000	£'000
Free Travel	65	130	195
Home to School SEN Transport	350	700	1,050
Total	415	830	1,245

- (i) Free travel £0.065m per annum 2017-20, reflecting both an increase in pupil numbers and also difficulties in place planning, caused in large part by very high levels of children arriving in year looking for a place, which is triggering increased eligibility for the scheme (demographic pressure approximately 165-180 pupils p.a.); and
- (ii) Home to school SEN transport, £0.350m per annum 2017-20, reflecting the new provision in the children's act 2014 and the known increase in pupil numbers with special educational needs.

7.4. Council spending plans supported by the centrally retained Dedicated Schools Grant total c£9m. The draft budget includes a pressure (held corporately) of £4.0m in 2018/19 relating to DSG reforms in relation to the High Needs Block – this may constrain the City Council's ability to continue with same level of support from 2018/19 onwards. £4m has been set aside as mitigation against the potential loss of flexibility and grant in this area.

8.0. Technological Support to Implement Changes

8.1 The importance of technology, systems and data should not be underestimated if the City Council is to achieve the aspirations of growth, reform and health and social care integration from a Council and GM perspective. How the authority structures, governs and utilises data will be pivotal to the successful delivery of these agendas. Further investment will be required in how technology and the systems of the Council and partner organisations are utilised to deliver further savings and efficiencies. This will require a continuation of the ICT transformation journey.

8.2 ICT will work closely with the Directorate to identify ICT solutions that comply with the Information and ICT design principles and to develop robust business cases to support their development. The Capital Strategy sets out proposals for developing the next stage of investment in ICT.

8.3 Key priorities include:

- Implementation of a new Social Care system, aligned with best practice in Early Help and Children's Social Care. Integration of Social Care and Education System, providing a centralised view of Manchester Children and maintaining the Education (ONE) system upgrade strategy.
- Investment to support collaboration with partners, including Health and Police – including the ability to share intelligence, partners to access the required systems and providing tools, such as Video Conferencing and File Sharing.
- Developing systems and technology to better support Early Help within Manchester, including better demand capture tools and improved workflow.
- Youth Justice, GM Collaboration - including the potential development of a GM Youth Justice System
- Digitisation of Safeguarding Records – these are currently paper-based. Any solution needs to be compliant with statutory requirements

- Devise ICT strategy for Manchester Adult Education Services (MAES), including the implementation of a faster IT network and systems, providing a better learning platform for students

9. Impact on Residents Communities and Customers

- 9.1 Manchester has a diverse and rapidly changing population and it is important that the Council is able to manage its business priorities with due regard for the wide-ranging and complex priorities and needs of the City's residents. The business planning process helps the Council to consider and communicate how it will fulfil the requirements of the Public Sector Equality Duty in the development of its business priorities. The Council will continue to use its Equality Impact Assessment framework as an integral tool to ensure that all relevant services have due regard of the effect that their business proposals will have on protected groups within the City.
- 9.2 The Council is proud of its accreditation as an excellent authority against the Equality Framework for Local Government and is committed to maintaining this standard. Ensuring that Directorates' equality considerations and priorities are clearly articulated through the business planning process is a crucial part of achieving this commitment. The directorate's priorities support the EFLG and its activities will continue to reduce inequalities through effective partnership working in particular those with health, schools, independent providers, other local authorities and the voluntary and community sector.

10. Workforce Impact

- 10.1 The Our Manchester approach is grounded in strengths based working, building effective relationships and innovation. Within a children's services context the move over recent years to a more asset based approach to assessment which starts from the point of "what matters to you" instead of "what is the matter with you" is a key aspect of Our Manchester. The testing of strengths based conversation training, the development of new Early Help assessments and the introduction of the Signs of Safety model of social work are all important building blocks in changing how the service works. Over and above this, the children's leadership development programme is complementary to the Our Manchester principles and behaviours. Leaders and managers are supported to develop their own skills and behaviours while at the same time learning tools and techniques to support them to develop their staff teams. Partnership working with Leeds Council is enabling the sharing of learning around restorative leadership techniques. Children's Services will continue to be an active champion of cultural and behavioural change to embed Our Manchester as an approach.
- 10.2 The workforce implications for the children's social care represent a continuation of existing developments as expressed in the workforce strategy; a sufficient, stable, skilled and confident workforce; a culture of success; a strengths-based approach; strong and effective leadership; clarity of expectation (ask) and support and development (offer); manageable caseloads that support evidence-based practice and decision making and

effective relationships; dynamic recruitment and retention strategies; continued professional development, and, the right conditions of change or enablers.

- 10.3 Delivery of the proposals will require leaders and managers to continue to drive the new culture of collaboration, high support and challenge to drive up the quality of practice. This leadership style will be particularly important when responding to national policy which does not align with the challenges of children's needs, service demand and provision, e.g. UASC transfer scheme.
- 10.4. The investment in 2016/17 to create new additional social work and social work management posts mean that caseloads should be averaging 18 by the financial year 2017/18. This, together with the attention to creating the right conditions for change, will enable social workers to practice more effectively, which will result in more timely outcomes for children and a resulting reduction in cost. The focus on early help and the effectiveness of arrangements at the front door, as well as permanence will reduce demand on the system.
- 10.5. The proposals on the wider role of schools will require staff to continue to maintain and develop effective relationships with schools so that they are able to influence schools to develop their roles at platforms of integrated neighbourhood services.
- 10.6. The anticipated fte impact of the proposals is minimal and likely to be in the region of 19fte.

Appendix 1: Summary Budget Position

Service Area	2016/17			2017/ 18			2018/ 19			2019/ 20		
	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)
	£,000	£,000		£,000	£,000		£,000	£,000		£,000	£,000	
Children's Services	77,332	67,861	780	77,009	67,538	780	77,009	67,538	780	77,009	67,538	780
Education and Skills	513,774	30,768	569	527,859	29,014	569	527,859	28,794	556	527,859	28,614	550
Directorate Core and Back Office Services	3,573	3,581	92	3,573	3,581	92	3,573	3,581	92	3,573	3,581	92
Total	594,679	102,210	1,441	608,441	100,133	1,441	608,441	99,913	1,428	608,441	99,733	1,422

Appendix 1: Summary Budget Position

Service Area	2016 / 17	2017 / 18			2018 / 19			2019 / 20		
	Net Budget 2016/17	Growth and other Budget Changes	Savings	Net Budget 2017/18	Growth and other Budget Changes	Savings	Net Budget 2018/19	Growth and other Budget Changes	Savings	Net Budget 2019/20
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Children's Safeguarding										
LAC Placements total	30,475			30,475			30,475			30,475
Permanence & Leaving Care total	12,550			12,550			12,550			12,550
Children's Safeguarding Other	24,836		(323)	24,513			24,513			24,513
Education & Skills										
Education Service	4,221	(383)	(721)	3,117			3,117			3,117
School Organisation and Planning	993			993			993			993
Transport Services	6,016			6,016		(220)	5,796			5,796
Quality Assurance and QA Early Years	16,414		(250)	16,164			16,164		(180)	15,984
Early Help and Youth Strategy	3,125			3,125			3,125			3,125
Manchester Adult Education Service	0			0			0			0
Children's Core and Back Office Services	3,581		(400)	3,181			3,181			3,181
Total	102,210	(383)	(1,694)	100,133	0	(220)	99,913	0	(180)	99,733

Appendix 2: Savings Proposals 2017-20

Children's - 2017/18 - 2019/20 savings proposals								
Service Area	Description of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
				2017/18	2018/19	2019/20	Total	
				£,000	£,000	£,000	£,000	
Efficiency and Improvements								
Children Services	LAC Model incl Commissioning Reviews	Amber	Amber	886	993	1,019	2,898	
Education	Dedicated Schools Grant - recharge for statutory duties replacing Education Services Grant	Amber	Amber	600			600	
	Dedicated Schools Grant - redirect IT system costs and overheads replacing Education Services Grant	Amber	Amber	400			400	
	Closed School Budget - reduced requirement due to re-use of school sites	Green	Green	221			221	
	Impact of School Crossing Patrols Investment	Green	Red	0	220		220	13
Total Efficiency and Improvements				2,107	1,213	1,019	4,339	13
Service Improvement								
	Reconfiguring the Early Years Delivery Model including Sure Start Children's Centres	Red	Red			180	180	6
Total Service Improvement				0	0	180	180	6
Children Services	Virement to meet agreed pressures	Amber	Amber	-886	-993	-1,019	-2,898	
Total Childrens				1,221	220	180	1,621	19