



# **Children and Young People Scrutiny Committee**

Date: Wednesday, 4 December 2024

Time: 10.00 am

Venue: Council Chamber, Level 2, Town Hall Extension

This is a **Supplementary Agenda** containing additional information about the business of the meeting that was not available when the agenda was published

## **Access to the Public Gallery**

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## **Filming and broadcast of the meeting**

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## **Membership of the Children and Young People Scrutiny Committee**

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### **Councillors –**

E Bell (Chair), N Ali, Amin, Collins, Fletcher, Foley, Gartside, Jafri, Lovecy, Mandongwe, McHale, Muse, Nunney, Sadler and Sharif Mahamed

### **Co-opted Members -**

Mr G Cleworth, Ms S Davies, Canon S Mapledoram, Mrs J Miles, Ms L Smith and Mr Y Yonis

## Supplementary Agenda

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- 5b. Children and Education Services Budget Report 2025/26** 3 - 28  
Report of the Strategic Director (Children and Education Services)

This report provides a high-level overview of the latest position and officer developed options to contribute to the balancing of the overall Council budget. Final options will be proposed following the announcement of the provisional Local Government Finance Settlement, expected prior to Christmas. The Children and Young People Scrutiny Committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive. This Committee will have the opportunity to review proposals in the context of the financial settlement again in February and make final recommendations for the Executive to consider on 19th February 2025 when the final budget decisions will be made.

## Further Information

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For help, advice and information about this meeting please contact the Committee Officer:

Rachel McKeon  
Tel: 0161 234 4497  
Email: [rachel.mckeon@manchester.gov.uk](mailto:rachel.mckeon@manchester.gov.uk)

This supplementary agenda was issued on **Thursday, 28 November 2024** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension (Library Walk Elevation), Manchester M60 2LA

## Manchester City Council Report for Information

**Report to:** Children and Young People Scrutiny Committee – 4 December 2024

**Subject:** Children and Education Services Budget 2025/26

**Report of:** Strategic Director (Children and Education Services)

### Summary

The Council is forecasting an estimated budget shortfall of £101m in 2025/26, £126m in 2026/27, and £164m by 2027/28. Mitigations approved in previous budget rounds include approved savings of £32m, the use of c£18m smoothing reserves in each of the three years, and a Council Tax increase of 4.99% (c£11m) a year. After these mitigations the gap reduces to £29m in 2025/26, £41m in 2026/27 and £77m by 2027/28.

This report provides a high-level overview of the latest position and officer developed options to contribute to the balancing of the overall Council budget. Final options will be proposed following the announcement of the provisional Local Government Finance Settlement, expected prior to Christmas. The Children and Young People Scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive. This committee will have the opportunity to review proposals in the context of the financial settlement again in February and make final recommendations for the Executive to consider on 19<sup>th</sup> February 2025 when the final budget decisions will be made.

### Recommendations

The Committee is recommended to consider the content of this report and comment on the proposed budget changes which are relevant to the remit of this scrutiny committee.

### Wards Affected: All

<b>Environmental Impact Assessment</b> -the impact of the issues addressed in this report on achieving the zero-carbon target for the city	The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.
<b>Equality, Diversity and Inclusion</b> - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The effective use of resources underpins the Council’s activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy.
A highly skilled city: world class and home-grown talent sustaining the city’s economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

### Financial Consequences – Revenue

The changes included within this report will, subject to the final Local Government Finance Settlement, Member comments and consultation, be included in the final 2025/26 revenue budget set by Council on 28th February 2025.

### Financial Consequences – Capital

None directly arising from this report.

### Contact Officers:

Name: Sean McKendrick  
 Position: Interim Director Children’s Services  
 Telephone: 0161 234 3952  
 E-Mail: [sean.mckendrick@manchester.gov.uk](mailto:sean.mckendrick@manchester.gov.uk)

Name: Amanda Corcoran  
 Position: Director of Education  
 Telephone: 0161 234 4314

E-mail: [amanda.corcoran@manchester.gov.uk](mailto:amanda.corcoran@manchester.gov.uk)

Name: Julie Heslop

Position: Interim Deputy Director Children's Services

Telephone: 0161 234 3952

E-Mail: [julie.heslop@manchester.gov.uk](mailto:julie.heslop@manchester.gov.uk)

Name: Vandhna Kohli

Position: Assistant Finance Director - Children, Education and Schools

Telephone: 0161 234 4235

E-Mail: [vandhna.kohli@manchester.gov.uk](mailto:vandhna.kohli@manchester.gov.uk)

**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

[Medium Term Financial Strategy and 2023/24 Revenue Budget – Executive 15 February 2023](#)

[\(Public Pack\)Agenda Document for Children and Young People Scrutiny Committee, 08/11/2023 10:00 \(manchester.gov.uk\)](#)

## 1. INTRODUCTION AND PURPOSE

- 1.1 This report sets out an overview of the services within the remit of this scrutiny committee and their key priorities. A draft set of officer proposals to change budget previously agreed last year in the context of the current financial challenges facing the Council is also included. For ease of reference the report is structured as follows.

Section 1 Introduction (this section)

Section 2 Service overview, priorities and current pressures and risks

Section 3 Service Budget and Proposed Budget Changes

Section 4 Commissioning and Procurement Priorities

Section 5 Workforce Implications

Section 6 Equality and Anti-Poverty Impact

Appendices

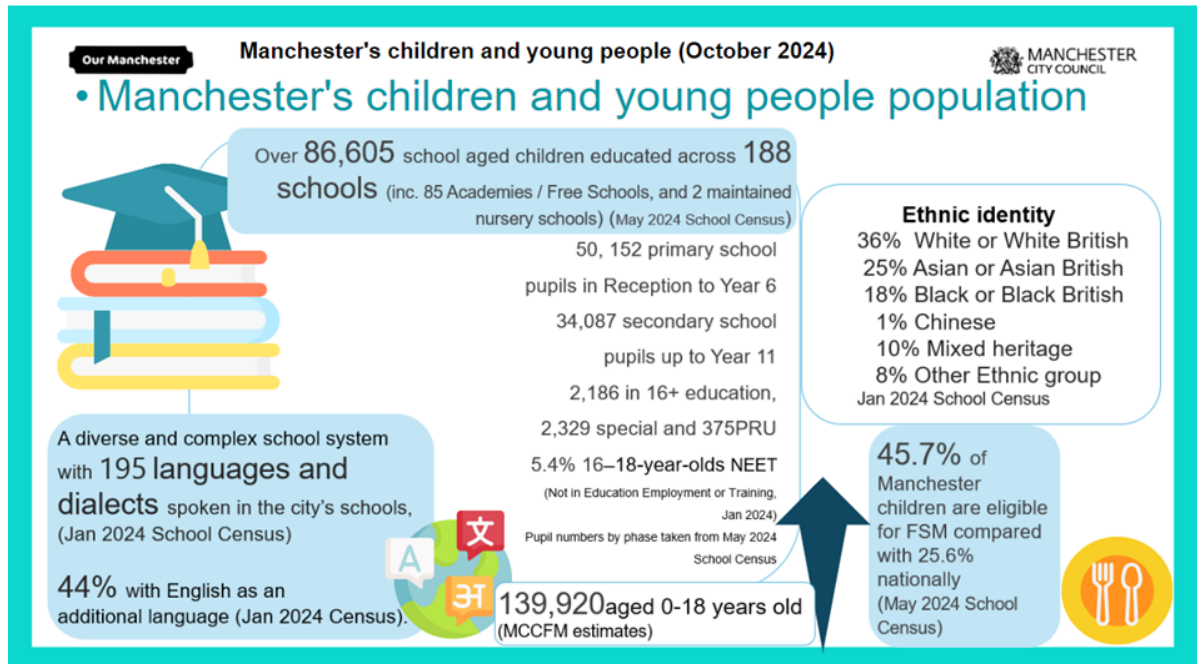
Appendix one Options

Appendix two Pressures and Growth

## 2. SERVICE OVERVIEW AND PRIORITIES

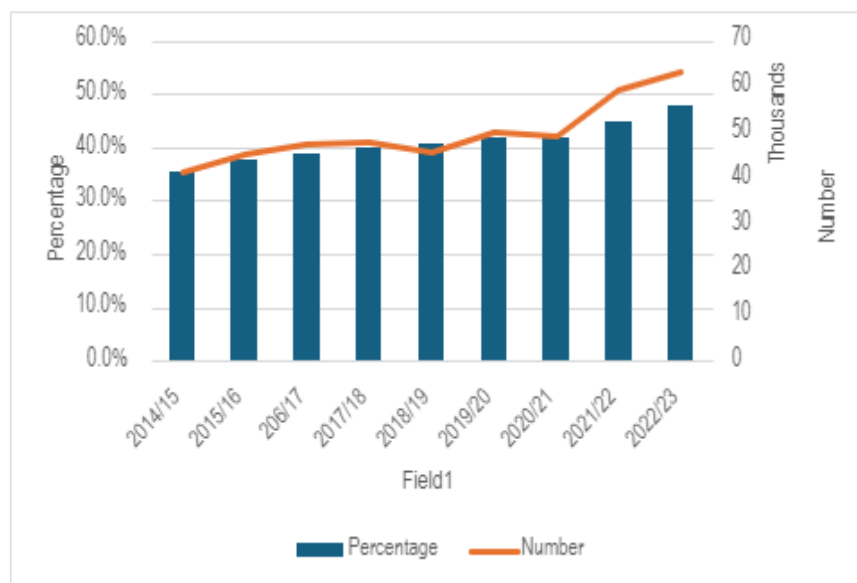
- 2.1 Local authority budgets for children and education services support a variety of essential programs and services aimed at ensuring the well-being and development of children and young people. Children's Social Care services are focussed on supporting and protecting children, many of whom are assessed as in need of support and protection. Education Services, within the Council remit includes school admissions, place planning, educational psychology, home to school transport as well as special education services for children with disabilities.
- 2.2 Manchester's Children's social care and education services have a history of embracing innovation, reform and change which has attracted external investment to support a wide range of programs and initiatives aimed at promoting and meeting the well-being, development, and educational needs of children and young people. Manchester has worked with children's charity, the UK committee for UNICEF (UNICEF UK), to become a Child Friendly City, a City where children and young people have a meaningful say in the local decisions, services and spaces that shape their lives.
- 2.3 Manchester continues to be a diverse, and growing city. The 2021 Census indicated that there are over 136,000 children (0–18-year-olds) resident in the city. Approximately 21.2% of Manchester's population are children. 14 wards (44%) have more than a quarter of their population made up of children, primarily in the North and East wards. Whilst the combination of size, growth and complexity present some unique opportunities for children, young people and their families, there remains significant degrees of inequality and deprivation in the city. The Directorate supports over 18,000 early years placements, 1,351 Looked After Children of which 842 are fostering placements (internal, external and kinship carers) and c.5,400 Children in Need.

**Illustration one: Manchester’s Children and young people population**



2.4 Since 2010 Manchester’s under 18 population has grown by an additional 26,000 children/young people. Based on official Child Poverty statistics, **47.9%** of children in Manchester were considered as living in poverty in 2022/23, 3rd highest proportion of children living in poverty in the UK and highest rate in Greater Manchester. This was a rise of **3.2%** percentage points when compared with the figures from 2021/22. Since 2014/15, Manchester has seen a rise in the child poverty rate of **12.5%**. This is the **9th** largest rise seen UK Local Authorities. As of October 2024, census free school meal eligibility is **45.7%**

**Illustration two – Children Living in Poverty 2014 – 2023 in Manchester**



- 2.5 Children's and Education Services deliver core business in line with the Council's strategic equality objectives in particular improving Life Chances; where there are specific needs identified these are informed by an individual assessment that gives due regard to their race, faith, religion, belief, sex, sexual orientation and disability.
- 2.6 Manchester's Children and Education Services have several key priorities aimed at ensuring the well-being and development of children and young people in the city. Some of the main priorities are noted below:
- Safety and Welfare: Ensuring all children and young people feel safe and are safeguarded from harm in their homes, schools, and communities.
  - Happiness and Well-being: Promoting good social, emotional, and mental well-being, and providing opportunities for leisure and cultural activities.
  - Health: Maximizing the physical and mental health of children and young people, enabling them to lead healthy, active lives.
  - Education and Achievement: Supporting children and young people to thrive and achieve success in their education and personal lives.
  - Inclusion and Equality: Promoting equality and diversity, with a focus on race, LGBTQ+ issues, and disability (Special Educational Needs and Disability).
  - Early Intervention: Identifying needs early and protecting vulnerable children and young people.
  - Voice and Influence: Increasing the voice and influence of children and young people in decision-making processes.
- 2.7 These priorities are part of a broader strategy to build a safe, happy, healthy, and successful future for Manchester's children and young people.
- Children's Social Care**
- 2.8 The overarching aim for children's services is for children to live a safe, happy, healthy and successful life within their family and community (where this is safe to do so). This is achieved by ensuring there is a range of services and interventions that identify children's needs, are responsive, adaptive, and where services work together they do so in an effective and efficient way.
- 2.9 The Directorate seeks to provide intensive, holistic, joined-up support for families at risk. This is delivered in a pro-active and preventative way, supported by both prevention and early intervention focused on the most vulnerable communities and the most disadvantaged pupils.
- 2.10 Nearly two-thirds of the net budget, 65% of the overall Children's Social Care budget is committed to meeting the costs of safely caring for our Looked after Children and care leavers, this is predominantly linked to the cost of placements and support. The Directorate supports Unaccompanied Asylum Seeking Children, due to shortfall in Home Office grant the Council has had to supplement this funding by £2.5m. The Directorate budget recognises the costs associated with increased numbers of children and young people requiring help,



support and protection and the complexity of their needs. The Directorate's budget approach continues to be built upon four themes:

- **Prevention and demand management** - providing timely and effective interventions that prevent the escalation of children's needs.
- **Care planning** – interventions are purposeful, focused and through working in collaboration make a positive difference
- **Commissioning** - a sufficient range and choice of services to meet the needs of children
- **Service improvement/efficiencies** - a relentless focus on practice improvement and evaluation of impact.

2.11 The Directorate seeks to provide **right intervention at the right time** to prevent the unnecessary escalation of children's needs and for those children who do need to be cared for by the council ensuring there is sufficient range and choice of provision remains a key priority.

2.12 The impact of the approach that has been taken by the Directorate is illustrated by the reduction in overall number of children subject to a Child Protection Plan and children becoming looked after (LAC), which is further exemplified if the number of unaccompanied asylum-seeking children (UASC) are removed from the data. There were 131 Looked After per 10,000 child population in 2010. This has fallen to 102 LAC per 10,000 in June 2024 and if UASC are excluded from the analysis this becomes 90 LAC per 10,000. Nationally there has been a 7% increase in LAC nationally post pandemic, in contrast Manchester change in LAC, not including UASC over the same period was a 4% reduction.

### Current Risks and Pressure

2.13 The Directorate 2024/25 budget is currently forecast to be overspent by £9.1m (6%). Core Cities and Greater Manchester councils are also reporting financial pressures in Children's and Education Services, as illustrated in table one. The Local Government Association research published in November 2023 shows Councils were on course to exceed their £4.7bn care placement budgets by £680m (14%), following a similar overspend last year. The main causes of the pressures are higher looked after children placement spend and an escalation of need for those children who require Home to School Transport services.

**Table one: Core Cities and Greater Manchester Local Authorities Children Services overspend**

GM authority	2024/25 Budget	2024/25 Forecast Outturn	Forecast Variance	% Variance	Core Cities	2024/25 Budget	2024/25 Forecast Outturn	Forecast Variance	% Variance
			(Over)/ Under Spending					(Over)/ Under Spending	
	£0	£0	£0	%		£0	£0	£0	%
Bolton	68,740	81,804	(13,064)	-19%	Liverpool	192,734	211,668	(18,934)	10%
Bury	56,761	58,676	(1,915)	-3%	Birmingham	384,618	389,960	(5,342)	-1%
Manchester	159,787	168,858	(9,071)	-6%	Manchester	159,787	168,858	(9,071)	-6%

Oldham	72,798	85,977	(13,179)	-18%	Nottingham	91,157	94,076	(2,919)	-3%
Rochdale	65,952	69,294	(3,342)	-5%	Newcastle	67,817	71,453	(3,636)	5%
Salford	120,198	122,810	(2,502)	-2%	Leeds	157,421	176,268	(18,847)	-12%
Stockport	62,452	66,631	(8,528)	-14%	Sheffield	134,600	146,400	(11,600)	-9%
Tameside	71,419	72,089	-670	-1%	Bristol	128,551	153,764	(23,754)	-18%
Trafford	55,833	56,238	-372	-3%	<b>Total</b>	<b>1,316,681</b>	<b>1,410,784</b>	<b>(94,103)</b>	<b>-6%</b>
Wigan	93,522	103,522	-10,000	-11%					
<b>Total</b>	<b>827,572</b>	<b>891,419</b>	<b>-63,847</b>	<b>-7%</b>					

2.14 **Looked After Children** - Most Councils are reporting rises in placement costs for children and young people who need residential support for complex needs - particularly those that may have behavioral difficulties, social and emotional mental health needs, or exhibit violent or aggressive behaviors. Based on Department for Education data local authorities spent £2.5bn on residential placements last financial year, £1.1bn more than 2018/19. More than 2/5ths of that increase occurred in the previous year.

2.15 The national trend is showing that 45% of all Looked After Children Placement budgets are now spent on external residential care. The amount councils spent on placements at children's home has risen by 72% in 5 years, (Local Government Chronicle analysis March 2024). This demonstrates that placement sufficiency is a national issue. The increased number of external residential placements is due to a combination of insufficient fostering arrangements and foster carers with the right support and capacity to meet the increase in the number of children with more complex need.

2.16 **Home to School Transport** - Alongside this there has also been an increase in transport to learners with Special Educational Needs both in the number of children requiring transport and the overall cost of provision. This is being driven by a growing number of children and young people with Education, Health and Care Plans (EHCPs). At the end of September 2024 there were 8,647 EHCPs, 2-25 year olds of which c.2,880 (32%) are likely to be eligible to receive SEND transport based on previous years.

### 3. SERVICE BUDGET AND PROPOSED CHANGES

3.1 The Children and Education Services gross annual budget is £619.658m, of which £371.110m relates specifically to the Dedicated School Grant (DSG), with a net annual budget for 2024/25 of £159.844m and has 1,610 full time equivalent staff (fte).

**Table two: Base Budget**

	Gross Budget £000	Net Budget £000	Full time Equivalent staff
Looked After Children Placements	64,978	58,233	62.93

Looked After Placements Services	8,985	8,546	150.60
Permanence and Leaving Care	37,177	20,141	19.60
Children's Safeguarding Areas	55,180	41,264	829.25
Education Services (Includes DSG)	428,610	7,767	271.50
Home to School Transport	17,018	16,651	138.80
Targeted Youth Support Services	859	859	2.00
Children's Business Support and Strategic Management Team	6,851	6,383	135.22
3.2	<b>619,658</b>	<b>159,844</b>	<b>1,609.90</b>

In the 2024/25

budget setting process, savings of £3.394m for 2025/26 were approved, and these are detailed in **Appendix 1**. These budget options were informed by the Directorate Budget approach to deliver safe, effective and efficient services, the progress and impact of the services to date. This approach has been developed by thinking through the way in which the Directorate can meet its statutory duties and make the maximum contribution to the priorities for the city. In some cases, this was delivered by increasing the pace of implementing the already identified reforms and service improvements - as a way of making financial savings by reducing demand for expensive, reactive services. In other cases, this is by choosing options for service reductions which will have the least damaging impact on the achievement of our priorities. The budget approach has been themed into a number of areas outlined in the following sections.

### **Placement Officer Developed Options and Growth requirements**

- 3.3 Looked After Children budget pressures total £6.8m, of which £9.1m is due to the increased costs of External Residential placements, this is offset by Directorate underspends and one-off mitigating action to reduce such pressures by £2.3m.
- 3.4 To bring the budget back into balance this year and going forward the service has:
- a. External Residential Clinics at Locality levels which have helped to provide a more structured approach towards developing best practice and step-down arrangements where appropriate.
  - b. Embedded Multi-Agency assessment, planning and commissioning of placements between health, education and social care with 77 current placements commissioned annually and reviewed holistically.
  - c. Strong negotiations are undertaken by colleagues from Contracts & Commissioning with support from senior managers within Children's Services to ensure value for money and that best price is achieved. This is planned to be through improved utilisation of our local market

including development of block and transitional accommodation models which includes an initial 12-month lead in time.

- d. Increase the Council's internal fostering provision capacity and internal residential estate. Namely, recommissioning of Olanyian (5 places), development Take a Breath (two half yearly solo placements) and opening of Lyndene (shared care/short breaks provision), this provision opened in October 2024. This reduces current reliance on procuring more expensive externally commissioned placements and will help alleviate the disproportionate financial impact of increases in the numbers of external residential placements.
- e. Alongside this Greater Manchester is developing a new Greater Manchester shared children's residential care service, Project Skyline. It will deliver a significant system change and improve the lives of children and young people living in residential care in our region.
  - The first stage of our ambition is to create around 10 new Homes across 3 different service cohorts:
  - **Complex care mental health support homes** – 4 x 2 bed homes with fully integrated mental health service offer
  - **Residential homes supporting younger children with a view to transitioning them back to foster care** – 2 x 3 bed homes
  - **Adolescent residential homes** – 2 x 3 bed homes for adolescents and 2 x 2 bed homes (one supporting children and young people at risk of criminal exploitation and one supporting children and young people at risk of sexual exploitation)
- f. Utilise grants and anticipate grant uplifts where possible.
- g. Evaluate the ongoing three-year Thriving Families programme. Efficiencies to be achieved through partner contributions, possible prevention savings and potential income generation.
- h. Undertaken a deep dive in respect of all high-cost placements with External Residential panel are held on a regular basis. They are chaired by Director for Children Services with the local safeguarding team, Education practitioners and Health Colleagues. The panels foster innovation and have been encouraged to see the connection between decision making with resource allocations on a day to day basis with the wider vision for service innovation.

3.5 Anticipated placement savings and officer developed options are detailed in Appendix 1. In response to the changing needs of children and emerging challenges with care providers, the planned recovery through repurposing and development of residential provision is expected to have a positive impact. However, this work is financially undermined by the spiralling costs of care for looked after children. The cost of care for children in the UK has seen a notable increase since 2020. Overall, local authorities' spending on children's social care increased significantly, with a 20% rise in cash terms since 2020, this could not be pre-empted. This is mostly due to rise in external residential spend pressures. As a result, the Council is expected to exceed the 2025/26 planned care budget by at least £7.4m. A proportion of the Social Care Grant increase that is expected in the finance settlement is aligned to Children's Services, to bridge the gap. A proportion of this growth will be invested, in ensuring the

Directorate can prevent escalation to residential. This is being worked through a further update will be provided in February 2025 scrutiny report.

- 3.6 The Directorate continues to develop service improvements as a way of achieving financial savings and reducing demand for expensive high-cost placements.

### **Home to School Travel (HTST) Officer Developed Options and Growth Requirements**

- 3.7 HTST is a statutory service and provides a range of travel options including transport to eligible with special educational needs children at the start and end of the school day. The net total budget for this service is £12.9m per annum, £13.4m gross.
- 3.8 Since 2013, Manchester has seen a 270% increase in statutory plans (previously statements, now EHCPs). This is greater than the growth seen across the region (170%) and nationally (147%). In terms of school-age pupils in Manchester, the proportion with EHCPs has risen from 2.7% in 2015/16 (below the national and regional average of 2.8%) to 6.1% in 2023/24 (compared to 5.3% regionally, 4.8% nationally). In numerical terms, in 2015/16, there were 2,318 pupils with EHCPs in Manchester schools; in September 2024, there were 8,647. While Manchester has experienced higher than average growth in the pupil population over the period academic year 2015/16 to academic year 2023/24 (16% in Manchester compared with 7% across the North West and 6% in England), this does not account for the growth in pupils with EHCPs, which has been disproportionately greater (164% in Manchester, 102% across the region, 83% nationally). Approximately 1 in 3 children with an EHCP access Home to School Transport.
- 3.9 The Home to School Transport budget is currently forecast to overspend by £2.6m. The cost of providing transport to learners with Special Educational Needs has increased both in the number of children requiring transport and the overall cost of provision. Last year in line with regional trends the number of EHCPs was expected to rise between 7-8.5% over the year, this was equated to an additional 200 children requiring transport. The estimated cost of the demographic changes was estimated to cost **£1.3m p.a.** Due to EHCP growth being greater than regional and national trend the additional demographic growth estimate of **£2.6m** is required going forward. These pressures are an illustration of the impact that pressures in the ringfenced DSG funding stream are now having on the Council's general fund budget, and are placing an additional unfunded burden on Councils across the country.
- 3.10 The service sought to manage the balance of the on-going pressure through fully implementing the new policy for new applicants this academic year which includes a range of other options to transport including independent travel training where appropriate and use of personal travel budgets, implementing the service restructure and the use of new route planning software and implementing the new framework for providers which was recommissioned in

the summer term. Going forward the service is also planning to seek efficiencies, improve practice and minimise additional costs by:

- a. Further developing travel training and independence and in turn reducing reliance on home to school transport.
- b. Utilise route planning software, the service used the software at the start of this academic year. It enables the service to plan the most effective routes between homes and schools to save on fuel, mileage and drivers' hours.
- c. Reduce use of single occupancy vehicles – route planning software enables the service to consider needs of each child, educational provision requirements, vehicle capabilities, provider capacities and driver skillsets. Where appropriate the service will seek to reduce use of single occupancy and utilise multi-occupancy vehicles which are more cost effective.
- d. Pilot wrap-around after and before schools clubs in special schools
- e. Work with Transport for Greater Manchester so that the service can share routes with other councils travelling to the same school.
- f. Undertake a review of personal travel budgets and other travel options.

### **Place Based Neighbourhood Model Proposed Officer Developed Options**

- 3.11 Manchester is recognised as a trailblazer local authority for early years and family hubs and shares our knowledge, skills and experience with other authorities. Building on the Sure Start Centre Core offer provision and promising impact from implementing Family Hubs Manchester aspires to develop and expand family hubs in a targeted fashion across the City moving towards a 0 - 19 (25 SEND) neighbourhood delivery model. This model is at the early stages of discussion and will facilitate seamless whole family working with effective partnership collaboration and reach. By bringing together early years, early help and family hubs alongside partner services, families will get the help they need it, in their own communities. This will ensure that our service delivery can respond appropriately to community need and with equity informing how we maximise our resources in the most efficient manner.
- 3.12 Working with our partners via the Reform Programme Board and by reviewing our current service delivery and estates our aim is to develop our neighbourhood model and bring together our early intervention and prevention reform programmes seeking further alignment with population and public health service colleagues.

### **Grant and Contributions Officer Developed Options**

- 3.13 The service receives c.£452m in grant funding across 38 different grants. The effective management of grants involves ensuring compliance with all requirements, timely reporting and proper allocation of funds to ensure effective spend on all grants. This will maximise the use of available funds.

### **Commissioning Efficiencies Options**

- 3.14 Commissioning officer developed options refers to the cost reductions achieved through the process of commissioning by identifying and rectifying inefficiencies during the commissioning process, the service will avoid future costs.
- 3.15 Approved budget and proposed changes are provided in the budget table below.

**Table three: Approved and Proposed Budget Changes 2025/26 – 2027/28**

	2025/26	2026/27	2027/28	Total
<b>Approved Budget Movements Agreed at previous year's budget setting</b>	159,844	168,208	168,919	
<b>Additional Demographics Funding</b>				
Looked After Children placements	2,479	2,479	2,700	7,658
Home to School Transport	1,300	1,300	1,300	3,900
<b>Sub-Total</b>	<b>3,779</b>	<b>3,779</b>	<b>4,000</b>	
<b>Pre-approved Savings</b>				
Managing Demand	-2,000			-2,000
Mockingbird	-257			-257
Thriving Families	-500			-500
Shared Care	-351			-351
School Crossing Patrols	-286			-286
<b>Sub-Total</b>	<b>-3,394</b>	<b>0</b>	<b>0</b>	<b>3,394</b>
<b>Proposed Budget Movements</b>				
<b>Proposed Growth</b>				
Looked After Children Placements	7,400		4,000	7,400
Home to School Transport (tbc)	2,600			2,600
<b>Sub-Total</b>	<b>10,000</b>	<b>0</b>	<b>4,000</b>	<b>10,000</b>
<b>Proposed Officer Developed Options</b>				
Placements: Thriving Families	-325	-285		-610
Placements: Sufficiency Action Plan		-250	-250	-500
Placement: Unaccompanied Asylum Seeking Grant	-219	-300		-519
Placements: Leaving Care	-450	-450	-600	-1,500
Home to School Transport	-740	-757	-354	-1,851
Place Based Neighborhood Model		-400	-1,700	-2,100
Grants and Contributions: Early Years Quality Assurance		-500		-500
Grants and Contributions: Attendance	-120			-120
Commissioning Review	-167	-126		-293
<b>Sub-Total</b>	<b>-2,021</b>	<b>-3,068</b>	<b>-2,904</b>	<b>-7,993</b>
<b>Total</b>	<b>168,208</b>	<b>168,919</b>	<b>174,015</b>	

- 3.16 Evidence continues to show there has been significant cost avoidance through the actions taken to support children and young people effectively at an earlier stage and avoid Looked after children status. However, these cost avoidance financial benefits have been outstripped by the rising costs of placements and increased demand for home to school transfer referenced earlier in the report. Additional funding is included in these budget proposals to cover home to school transport however the focus will remain on continuing to manage the acuity of demand effectively and intervening early to avoid escalation of need. Additionally, the budget has provision for inflationary price increases and potential pay awards. This is held corporately and will be allocated to service budgets when the details are available and considered together with the funding settlement.

### **Use of Reserves**

- 3.17 Reserves are a corporate resource and planned use of the resource needs to be cross referenced to the Reserves Strategy as part of the medium-term financial plan, in line with the reserves policy. The Directorate has invested this money in service development to support service reform and improve outcomes for children, young people and their families. Due to recent planned expenditure and ongoing commitments, the reserves for children's services have been significantly depleted and as of now, there is not much left in these reserves. This situation necessitates careful financial planning and prioritisation of essential services to ensure continued support for the children and families who rely on our programs.
- 3.18 **Kickstart Programme** - This programme targets children in Early years and Key stage 1 and their families particularly those most impacted by the pandemic, cost-of-living crisis and those from communities that experience racial inequality. Scrutiny committee received a presentation on this on the 9<sup>th</sup> of October 2024. In 2023/24 the model comprised 10 schools in the City accessing intensive support programmes focusing on language and communication and social emotional development and 48 schools clustered into 5 groups which received a targeted offer. The Kickstart task force included professionals from multi-agency/voluntary community services who provided interventions to accelerate progress of children by working with the school to address some of the developmental gaps and to provide different holistic family support. The membership of the task force varied depending on the school, community and identifying needs but built on the existing Early Years integrated delivery model and successful outreach service. In addition to this, the 10 intensive support schools' accessed delegated funding and an allocation of specialist support from a SaLT and an Educational psychologist to provide direct support for children in school. The 5 clusters of targeted schools received an allocation of specialist support from a SaLT, an outreach worker and an Educational psychologist to use across the schools. Phase 2 of this approach, which is now called Flying Start, will build on the learning and success of the Kickstarter approach. The phase 2 model has been expanded to include Early years settings in targeted neighbourhoods as well as local primary schools and will be in place from Autumn term 2024 until end of the academic year.



- 3.19 The reserve requirements span two financial years as the scheme is over the school year, £400k reserve requirement covers the period April 2025 - August 2025.
- 3.20 **Thriving Families** – is a whole family, strengths-based approach to child protection. Work is undertaken by children’s social workers, adult mental health practitioners, substance misuse and probation officers, working together as one team. Joint knowledge and expertise are used to assess the needs of the whole family, supplying services to meet those needs and supporting parents to achieve sustained change for themselves and their children.
- 3.21 As reported to the Scrutiny committee in September 2024 it is proposed to further embed this approach, the service is looking to fund the service from the Supporting Families reserve next year. If successful to sustain the service after this use of reserves 22 care placements per annum could potentially be avoided because of this intervention. As savings accumulate, they would both cover the cost of the service and provide a saving. Based on current progress established it is proposed that Thriving Families is supported by the Supporting Families reserve £1m in 2025/26. Beyond this period reserves support would reduce in 2026/27 as efficiencies could be generated from the work being undertaken.
- 3.22 **Social Work Apprenticeships – Manchester** has shown an ongoing financial commitment to the recruitment and retention of social workers. Whilst this is an ongoing challenge nationally, the support and approach taken to date has led to an increasingly stable and confident workforce. A Social Work Apprenticeship Scheme has been delivered by the Greater Manchester Social Work Academy. The Social Work Apprenticeship Scheme is a three-year program, whereby students attend University one day a week, in recognition that it will take a period of time to scale up the plans. Drawn down on investment will be phased over next year, £0.5m of the support will come from a Children’s reserve.

## Grants

- 3.23 The Directorate’s largest grant, the Dedicated Schools Grant update was presented to Scrutiny in November, and is regularly report to Schools’ Forum. On top of the Dedicated Schools Grant the Directorate receives £83.071m in grants, of which £42.890m are passported to schools, £27.516m are for children’s social care and £12.665m in relation to Education services. There are several grants that haven’t been confirmed for continuation yet. There is an expectation that there will be an update to these as part of the finance settlement.

## 4. Commissioning and procurement priorities

- 4.1 Commissioning is informed by understanding needs and developing the right services which can effectively support Manchester's children and young people by working in partnership with service users, the community, partner agencies and providers.

- 4.2 This year Children's Services commissioning expenditure accounts for £54.6m reflecting the broad range of services and resources which contribute to and meet the needs of our children and young people. This work is underpinned by our Commissioning Behaviours and Principles.
- 4.3 At last year's budget setting it was agreed that c.£300k would be invested in growth and investment funding into Placement finding and Commissioning Team, which equates to 8 full time equivalent posts. This investment contributes to the Directorate finding the right type of placement at the right time and enables the service to drive down costs with external providers.
- 4.4 As a result of the introduction of Atamis the contract management system, we have developed a 2-year procurement timeline to ensure that we understand our future financial commitments, risks and opportunities. Ensuring that commissioned services will be fit for purpose and have the flexibility to meet future demand, developing a clear coordinated offer for Manchester children with the willingness to think outside the existing organisation structures.
- 4.5 Children's Joint Commissioning will further improve the outcomes of the children and families in Manchester through collaborative commissioning activity working across the Council, Health, partner agencies and communities to ensure maximisation of existing resources.

## **5. Workforce Implications**

- 5.1 The Children and Education Directorate currently has a gross budgeted workforce of 1,610 fte of which 1,318 fte are funded by Council budget, and the remainder through grants and external income. There is no projected workforce impact of activity to deliver the savings.
- 5.2 The workforce implications for children's and education services represent a continuation and improvement of existing priorities as expressed in the workforce strategy; which is to achieve a stable, confident and talented workforce through a culture of success, strengths-based approach and strong and effective leadership and management which will be achieved through:
- a. The continuing development and implementation of the Children's improvement plan
  - b. Developing strong and effective leaders and managers; enabling them to create high performing and motivated team
  - c. Effective recruitment and retention; to ensure the Directorate has the skills to meet current and future needs.
  - d. Managing and improving the health and wellbeing of the workforce; with a specific focus on reducing absence and improving attendance.
  - e. Building a high impact learning culture which ensures staff feel empowered and equipped to practice to high standards.
  - f. Ensuring professionals that work with children and young people have manageable workloads
  - g. Continue to reduce the reliance on interim and agency workers

- 5.3 The Council's establishment is fully budgeted for at the top of the grade. However, there are to be expected vacancies caused by staff turnover. The average staff turnover in the Directorate is 10.3%.

## **6. Equality and Anti-Poverty Impact**

- 6.1 Children's and Education Services deliver core business in line with the Council's strategic equality objectives in particular improving Life Chances; where there are specific needs identified these are informed by an individual assessment that gives due regard to their race, faith, religion, belief, sex, sexual orientation and disability.
- 6.2 The Directorate is committed to understanding and addressing the effects and impacts of its activities for the diverse range of people using the service. To achieve this, we are committed to undertaking where required and monitor equality analysis of our new or altered functions, to ensure they are accessible and inclusive and do not cause adverse equality impacts. The service will use the Council's Equality Impact Assessment framework to do this. We will strengthen and utilise our growing evidence bases at both Corporate and Directorate levels to identify the differential experiences of individual identity groups in Manchester accessing Council services, remove barriers and proactively respond to make these as fair and equitable as possible.

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### Appendix 1 - Savings and Officer Developed Options Schedule

Agreed previously				2025/26	2026/27	2027/28	Total
				£'000	£'000	£'000	£'000
Managing Demand	Saving assumes that growth of placement numbers will be at a rate of 78 per annum across Looked After Children and Permanence placements, whereby average cost of placement is £25k p.a.	Efficiency	<b>Potential to Improve Outcomes through prevention and more appropriate placements</b>	2,000	0	0	<b>2,000</b>
Mocking Bird	Programme nurtures the relationships between children, young people and foster families supporting them to build a resilient and caring community of six to ten satellite families called a constellation. The Mockingbird constellation builds links with other families and individuals important to the children's care plans and to resources in the wider community which can provide them with enhanced opportunities to learn, develop and succeed. This model has been applied elsewhere and has led to greater placement stability and carer retention. It is expected that over a three-year period 2 external residential placements and 4 external fostering placements can be avoided	Efficiency		257	0	0	<b>257</b>
Thriving Families	Is a whole family, strengths-based approach to child protection. Work is undertaken by children's social workers, adult mental health practitioners, substance misuse and probation officers, working together as one team. Joint knowledge and expertise are used to assess the needs of the	Efficiency		500	0	0	<b>500</b>

	whole family, supplying services to meet those needs, and supporting parents to achieve sustained change for themselves and their children. There is empirical evidence that risks to children can reduce, reducing the need for children to come into care and requiring child protection planning. The cost benefit analysis shows that 22 placements can be avoided per year between 2024/25 to 2025/26.						
Shared Care – Development of a Good Week	Development of a Good Week – formerly known as Shared Cared. It was found that an edge of care service supporting children who have a learning disability and/or autism is needed. The plan is to support six children, splitting the week between the children to ensure there is only three children at home at any one time. Where needed the service will offer outreach support to children’s families. It will promote education, health, and activities. Clothing will be provided by the family, foster carer/guardian etc. Children will be collected and dropped off, as well as transported to education on the days children are at the home. The plan is to develop and test this in in 2023/24. The proposal assumes cost avoidance of 4.5 external residential placements and a further 1.5 placement external fostering placements.	Efficiency	<b>Improving outcomes through more optimal approach to supporting children with disability</b>	351	0	0	<b>351</b>
School Crossing Patrols	There are 90 school crossing patrols. The patrols are rated red, amber or green in terms of road safety. 21 are rated as red, 36 rated as amber and 33 rated as green. The Council undertook significant capital investment from 2018 to 2022 in	Efficiency	<b>These savings have been identified as deliverable without impacting</b>	286	0	286	<b>286</b>

	total £6.18m. This work has led to eight crossing changing their rating to green. Council policy is that it funds staffing for red and amber locations. If a crossing location is green, or is regarded as green, the school is given the choice to fund the patrols costing £6k per year. Whilst SCP (School Crossing Patrols) are not a statutory service they are key road safety measure. It is proposed that SCP are financed by the Road Parking and Bus Lane Penalties Reserve instead of Council budget an on-going basis. In accordance with the reserve's conditions road safety measures can be charged to the reserve. Further capital support will be provided to support the investment in school crossing patrols to reduce the call on future reserves		<b>service delivery</b>				
<b>Sub-total</b>				3,394	0	0	<b>3,394</b>
<b>OFFICER DEVELOPED OPTIONS</b>							
Thriving Families	Placements - Thriving Families, Evaluation of the ongoing three-year programme. Officer developed option to be achieved through partner contributions, possible prevention savings and potential income	Income generation and efficiency		325	285		<b>610</b>
Sufficiency Action Plan	Placements - Sufficiency Action Plan, through improved utilisation of our local market including development of block and transitional accommodation models which includes an initial 12 month lead in time	Efficiency			250	250	<b>500</b>

Unaccompanied Asylum Seeking Grant	Placements - Grant supporting Unaccompanied Asylum Seeking Children has not been uplifted for some time, it is hoped this will be reviewed.	Grant		219	300		<b>519</b>
Leaving Care – Maximising Sufficiency	Sustaining and expanding our support lodging accommodation whilst ensuring the right young people receive this service, strengthen through the Post 16 hub supporting care leavers.	Efficiency		200	200	300	<b>700</b>
Leaving Care – right placement at right time	Placements - Providing the right placements and the right time reducing high-cost emergency placements. In alignment with reviewing Post 18 pricing structures.	Efficiency		100	100	100	<b>300</b>
Taster Tenancies	Placements - leaving care: Post 18 moving to their own tenancy. Following Taster Tenancy pilot develop clear pathway to support our Care leavers moving towards independence whilst managing expected growth in the cohort over the coming years.	Efficiency		150	150	200	<b>500</b>
Place Based Model	Place Based Model: Synergies in Early Help, Early Years in order to expand Family Hubs model. Place Based Neighbourhood 0-19 (25 SEND) Delivery Model. The service seeks to undertake a review and define the future scoping of the early years, early help estate. The goal is to increase economic efficiency of space and achieve budget savings. This involves the development and extension of community assets, integrated partnership working, and increased, flexible daycare provision. There is potential for increased Family Hub provision through the scale-up of the	Efficiency			400	1,700	<b>2,100</b>



	hub and spoke model.						
EYQA	Grant and Income: Early Years Quality Assurance review and charge to grant where appropriate.	Grant and Efficiency			500		<b>500</b>
Attendance	Grant and Income: Attendance penalties increased from £60 per parent to £120 in August 2024. Based on current trends it is estimated the £120k of penalties income can be set against the cost of running the Attendance Management service	Grant and Efficiency		120			<b>120</b>
Home to School Transport	Provides vital skills and confidence to travel safely between home and school, as well as in the wider community. It is proposed that independent travel training is scaled up.			150	227	54	<b>431</b>
HTST - Route Optimisation	Home to School Transport - route planning. Software considers the individual needs of each child, special school requirements, vehicle capabilities, provider capacities and driver skillsets to help achieve lower costs and carbon emissions.			540	180		<b>720</b>
HTST - Wrap Around expansion	Home to School Transport - Pilot wrap around childcare expansion, before and after school club. For some children by having childcare available on school premises or nearby can save need for additional HTST, in some scenarios it can reduce the need for additional travel to separate childcare facilities, making daily routines more efficient and cost-effective.			50			<b>50</b>
HTST –	Home to School Transport – Recruitment and				100		<b>100</b>

Recruitment	Retention of Passenger Assistants						
Home to School Transport - Work with TFGM to share routes with other LAs travelling to the same schools	Sharing transport with other Greater Manchester local authorities.				100		<b>100</b>
HTST – Personal Travel Budgets	Home to School Transport - Review personal travel budget for learners				150	300	<b>450</b>
Commissioning Efficiencies CSC	Commissioning: £30k Adoption Support Pilot 25/26, £107k International Recruitment 25/26, £126k International Recruitment 26/27			137	126		<b>263</b>
Commissioning Efficiencies	Commissioning: Education Contract Efficiency			30			<b>30</b>
<b>Sub-total</b>				2,021	3,068	2,904	<b>7,993</b>

## Appendix 2 – Growth and Pressures Schedule

Service	Description of Pressure	2025/26	2026/27	2027/28	Total
		£'000	£'000	£'000	£'000
Home to School Transport	Home to School Transport Demography	1,300	1,300	1,300	3,900
Looked After Placements	Children's Demography	2,479	2,479	2,700	7,658
Looked After Placements	Residential Pressures	7,400		4,000	11,400
Home to School Transport	Home to School Transport Demography	2,600			2,600
<b>Total Investment</b>		<b>13,779</b>	<b>3,779</b>	<b>4,000</b>	<b>25,558</b>

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