

Manchester City Council Report for Resolution

Report to: Children and Young People Scrutiny Committee – 13 January 2021
Executive – 20 January 2021

Subject: Children and Education Services Budget 2021/22

Report of: Strategic Director for Children’s and Education Services

Summary

As reported to the Executive on the 16th October 2020 it is anticipated the implications of COVID-19 will have a significant impact on the Council’s finances. As a result of additional demand for services and impact on the Council’s income (as set out in the November reports to Executive and scrutiny committees) the Council is facing a significant budget gap for 2021/22 onwards. Funding announcements in the government’s spending review on 25 November and provisional local government finance settlement on 17th December suggest the Council will not be facing the worst-case scenario for 21/22, which was a shortfall of around £100m. It is now expected that savings in the region of £50m, as previously identified, will be sufficient. The report of the Deputy Chief Executive and City Treasurer, to Resources and Governance Scrutiny Committee 12 January provides an update on the finance settlement.

This report which for ease of reference is structured as follows;

Section 1	Introduction
Section 2	Background and context
Section 3	Directorate Budget Approach
Section 4	Directorate Revenue Budget 2021/22 and Proposed Savings
Section 5	Changes to the report since November Scrutiny Meeting
Section 6	Impact on Workforce and Residents
Section 7	Summary
Section 8	Next Steps

This report outlines the financial management and leadership of the Directorate’s budget, the financial position which includes demography, growth of demand and a series of savings options proposed by officers aligned to the remit of the Children and Young People Scrutiny Committee to contribute to the Council’s duty to achieve a balanced budget in 2021/22. The report also sets out the impact the options will have on residents and the workforce.

The Council’s budget proposals for 2021/22 and onwards will be subject to further refinement following feedback from public consultation and scrutiny committees. Final budget proposals will be made to Scrutiny and Executive in February 2021.

Recommendations

Scrutiny Committee members are asked to consider the content of this report and comment on the propositions, challenges, priorities and opportunities which are outlined throughout the body of the report.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city
The report 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.

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	Effective Children and Education Services are critical to ensuring our children are afforded opportunities and supported to connect and contribute to the city's sustainability and growth.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Ensuring children and young people are supported and afforded the opportunity to access and achieve in the City; empowered and supported by the delivery of a strong and cohesive system that works for all children.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Improving education and social care services that are connected to the wider partnership build the resilience of children and families needed to achieve their potential and be integrated into their communities
A liveable and low carbon city: a destination of choice to live, visit, work	Improving outcomes for the children and families across the City, helps build and develop whole communities and increases the liability of the City
A connected city: world class infrastructure and connectivity to drive growth	Successful services support successful families who are able to deliver continuing growth in the City

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

- Equal Opportunities
 - Risk Management
 - Legal Considerations
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Financial Consequences for the Capital and Revenue Budgets

The report contains draft savings options, for comment, prior to a draft budget Report being prepared for the Council's Executive due to sit in January 2021. The

draft options for 2021/22 total £12.656m, of which £2,611m are not recurrent. The non-recurrent savings to smooth out transition to reductions in budget. Over 2021/22-2024/25 in total £11.295m of recurrent savings planned to be delivered. Most of these options are deemed to be deliverable and there is a level of confidence that most of the options are “the right thing to do” and have been developed in line with the Directorate budget strategy.

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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.

Children and Education Services Budget 2021/22 – Children and Young People Scrutiny 4th November 2020

Children and Education Services Business Planning: 2019-2020, Executive 13th February 2019

Annual report on Special Educational Needs and Disability (SEND) - Children and Young People Scrutiny Committee - 4 March 2020

Attainment and Progress 2019 - Children and Young People Scrutiny Committee – 24 June 2020

Council Business Plan 2020/21 - Executive - 12 February 2020

1.0 Introduction

- 1.1 Manchester City Council has been at the forefront of the response to the coronavirus pandemic in the City. As a result of additional demand for services and impact on the Council income were set out in the November reports to Executive and scrutiny committees the Council is facing a significant funding gap for 2021/22 onwards. Announcements of one-off funding in the Government's spending review on 25 November 2020 suggest the Council will not be facing the worst-case scenario for 2021/22, which was a shortfall of approximately £100m. The details of the financial settlement for Manchester City Council at the time of writing are not yet known. However, it is now expected that savings in the region of £50m, as previously identified, will be sufficient. The report of the Deputy Chief Executive and City Treasurer, to Resources and Governance Scrutiny Committee 2 January 2021 provides an update on the finance settlement and financial context for 2021/22.
- 1.2 With the likely scale of funding pressures and future resource reductions, it is important that the Council holds a robust position on reserves and maintains the ability to deal with issues that arise during the financial year.
- 1.3 This report has taken into consideration the observations and feedback from Scrutiny Committee Members during the meeting held in November 2020 and provides the draft 2021/22 revenue budget options for the Children and Education Services Directorate. The proposed officer budget options follow a comprehensive review across all service areas in order to ensure that the existing budgets are realistic and sufficient to ensure that the service area can deliver its objectives and contribute to the Corporate Plan priorities during and the pandemic and managing the impact of the longer term consequences once the pandemic is controlled. The budget strategy is intelligence led, reflects the Directorate priorities that aim to work within existing economies of scale to strengthen partnerships and deliver services local, place-based services on a city wide, locality and neighbourhood footprint. This delivery model includes collaborating and working in partnership with Manchester Local Care Organisation (MLCO); is aligned with the Council's Bringing Services Together arrangements and scrutiny from Manchester's Safeguarding Partnership (MSP). The draft budget for 2021/22 also makes proposals for £6.027m of growth demography to ensure there is sufficient resources to meet the care and placement needs of those children who are looked after by the Council.
- 1.4 Set out in this report are a series of proposed savings and relevant information relating to the Children and Education Services Directorate to assist Committee Members in their considerations. **Appendix 1 attached to this report is a summary of the proposed savings schedule.** The proposed savings options outlined in this report have been assessed by officers for their deliverability and impact. In addition, the summary savings schedule is supported with a risk or RAG (Red /Amber /Green) rating.
- 1.5 The proposals have also been considered by Executive Members who are keen that all the identified options are set out so they can be considered and

consulted on. Since November's scrutiny committee the proposals have been subject to further refinement.

2.0 Background And Context

- 2.1 A key priority for Manchester City Council is to ensure that Manchester's children are safe, happy, healthy and successful; supported by services that are effective and efficient.
- 2.2 The Directorate also contributes to other corporate priorities, including supporting Manchester's Children and Young People to be healthy, well and safe (Healthy, cared for people), enabling clean, safe and vibrant neighbourhoods through promoting the welfare of young people (Neighbourhoods) and reducing demand through reform and enabling our workforce to be the best they can be (Well-managed Council). It also plays a leading role in ensuring our young people are equipped with the skills they need to benefit from the growth of the city (Growth that benefits everyone) and ensures there are sufficient and high-quality places in local schools and early years settings.
- 2.3 The priorities, guiding principles and behaviours of Our Manchester, run throughout all key strategies and approaches being taken forward in the city from the overarching Children and Young People's Plan (Our Manchester, Our Children) through to Early Help, Our Promise to Looked After Children and Care Leavers, All Age Disability Strategy, Youth Justice Plan, Valuing Young People and Young Carers Strategy; as well as contributing to other strategy/delivery plans to improve the experiences and outcomes for our children and young people.
- 2.4 The Directorate for Children and Education Services is responsible for the delivery of the following services:
 - Early Help
 - Early years
 - Education services
 - Special educational needs and disabilities (SEND) for 0-25 years
 - Children's social care services for children and their families
 - Statutory responsibilities for safeguarding, looked after children and young people, care leavers
 - Youth Justice Services
 - And a broad range of associated functions.
- 2.5 Manchester's population has continued to grow since the 2011 Census figure of 503,000, and our forecasts for population growth are estimating that by the mid-2020s the city of Manchester will have a population of circa 644,000, a 28% increase. This population growth is driven by the continued, and forecasted continuation, of economic growth. The annual school census completed in May 2019 identified 87,874 pupils attending Manchester Schools compared to 89,318 pupils in October 2020 – this snapshot shows growth of 1,444 pupils across the mainstream primary and secondary phases within a year.

- 2.6 Within the Manchester school population, the January 2020 census showed that 18% of pupils have Special Education Needs. This was made up of 14% who have their needs met at SEN Support level and 3.9% of the school population who have an Education, Health and Care plan (EHCP). The census shows that the number of pupils who have their needs met through SEN Support or an EHCP is increasing. The percentages of pupils at SEN Support level and EHCP are higher than the latest national comparison data. Manchester currently maintains 5,285 Education, health and care plans for children and young people up to age 25.
- 2.7 The basic level of unit funding for primary and secondary pupils in the Dedicated Schools Grant (DSG) has risen from £5,088 in 2014/15 to £5,362 in 2020/21, an increase of £274 per pupil in cash terms. However, when compared to the Retail Price Index (RPI) over the same period, it represents an actual real term reduction of around £680 per pupil. Similarly, for those children with SEND/high needs, which has seen funding for 2–18-year-olds increase from £615 to £753; an increase of £138 per child. When the retail price index is applied, this represents an increase in real terms as well, of approximately £4 per pupil over the period.
- 2.8 Following Ofsted’s inspection in 2017 which judged Manchester’s Children’s Services to no longer be inadequate, the service has continued to make progress and improvements in the services provided. This is evidenced through the frequent reporting to Scrutiny Committee(s), alongside regular performance/assurances reporting, independent peer reviews and through Ofsted’s focused visits in 2018 and more recently December 2019.
- 2.9 However, it is evidently clear in order for the service to continue to make improvement and for Manchester’s Children’s Services to be judged as ‘good or better’ by Ofsted, a key success factor is for there to be a stable, talented and confident workforce. Subsequently the Directorate launched in 2020 a five-year workforce strategy to sustain and continually improve Children Social Care Services. The strategy which has been scrutinised by Committee Members offers a range of incentives to specific groupings of roles which have proven difficult to recruit, retain and offer the foundation for the development of the services’ future strategic leaders.

Summary Impact Of Children And Education Services

Children Services

- 2.10 Since 2015/16 there has been significant progress in reducing the number of children placed in residential provision with an increase in those placed within internal foster care placements. In addition, there have been improvements in securing a ‘permanent’ arrangement for children through adoption and the increased number of Special Guardianship Orders (SGOs). There are 593 special guardianship orders at present, a 62% increase in the number of SGO’s since 2015/16.

- 2.11 Implementation of a redesigned 'front door' to respond to requests for a Social Care Service - the Advice and Guidance Service was developed to increase the access to social care expertise and deliver a more locality coordinated and efficient and proportionate Children's Social Care service. This contributed to a wider programme of reforms to enable "Practitioners working together in a locality, having conversations to agree effective, right and timely interventions resulting in positive change for our children to have safe, happy, healthy and successful lives; presented to Scrutiny Committee members in March 2020. The impact of these improvements was evidenced by the number of referrals made into the service reducing from 13,228 in 2017/18 11,174 in 2018/19 whilst at the same time overall reducing the rates of referrals to the service. Quality assurance measures are in place to scrutinise decisions made by staff in the three locality hubs.
- 2.12 In addition we have reduced the number of children and young people subject to child protection plans from 787 at the end of 2018/19 to 731 at the end of 2019/20 and increased the percentage of child protection conferences held within 15 days of the start of the Section 47 enquiry from 78.4% in 2017/18 to 88% in 2019/20.
- 2.13 The Council has been part of a Regional Adoption Agency since 2017 which has maintained good performance and mitigated the removal of the 'inter-agency fee' grant. Adoption timeliness continues to improve with a three-year average of 384 days from entering care to being placed for adoption, compared to 429 days at the end of 2018/19. There is a three-year average of 98 days from Placement Order to an adoption match being agreed, compared to 131 days at the end of 2018/19.

Education Services

- 2.14 Before schools partially closed in the summer term 2020, the overall Ofsted outcomes for Manchester in March 2020 indicated:
- 95% of Early years settings and 89% childminders were judged to be good or better.
 - 89% of schools are good or better which is above national average and indicates a continually improving system.
 - 93.3% of Manchester primary schools and 69% of secondary schools are judged by Ofsted to be good or outstanding.
 - all post 16 provision is judged to be good or better in the City
 - 88% pupils in the City attend a good or better school which is above national average and 5th highest in NW region.
- 2.15 Due to the pandemic full Ofsted inspections of schools and Children's Services will not resume until Spring 2021 although they will carry out assurance and focused visits throughout the Autumn and Spring to look at how the system is responding. There will not be a grade provided for these.
- 2.16 The improvements in both Children and Education Services has in part been associated with continued and strengthening partnerships that support even

greater collaboration and robust leadership; underpinned by an effective performance/assurance framework.

3.0 Directorate Budget Approach

3.1 As previously outlined Manchester's Children and Education Services remain committed to continue a 'journey to excellence'; characterised by effective and efficient services that improve the experiences and outcomes for children and young people. This paper sets out a revised approach towards the reduction of costs by developing and changing services alongside the capacity and culture within the Directorate to ensure its delivery.

3.2 An effective Children and Education Service and delivery of our financial plan cannot be achieved in isolation and requires a continued strong relationship with all our partners both internally within MCC and externally. This is facilitated through effective leadership and management at a locality level and development of programmes of activity with our key partners, adopting a targeted and systematic approach which through the following key strands of activity support the Directorate Budget approach. This is further underpinned by a mission statement to be *safe, effective and efficient* and built around the following 4 themes which are articulated in paragraphs 3.4 to 3.18;

1. Cost avoidance - preventative and edge of care intervention
2. Care planning and practice improvement
3. Commissioning and Partnerships
4. Service improvement/efficiencies

3.3 It is recognised within Children and Education Services the budget is an interconnected set of financial commitments designed to improve the experience and outcomes of Manchester's children and young people. Thus, enabling a managed and complex ecosystem of interventions, services and organisations held together by relationships, partnerships and collaboration; evidenced in successive Peer Reviews, Ofsted monitoring, focused visits and inspections.

Cost Avoidance - Preventative and edges of care Interventions

Early Help

3.4 A recent evaluation of Manchester's early help approach found that a coordinated and targeted offer of support for families can have a significant impact on reducing the need for high cost, statutory children's services by:

a) preventing families coming into contact with high-cost support: since 2015, 4,337 families who had not previously been known to Children's Social care, were identified as needing coordinated support (either through a referral to Early Help or commencing an Early Help Assessment) Of these 97% (4,202) remained having no social care involvement within 12 months of the intervention ending.

b) supporting 'step down' from high-cost support: since 2015, 2,402 families received 'early help' support who had a CIN status before or during an intervention. Of these 83% (2,004) were stepped down and remained so 12 months after the support had ended.

- 3.5 The evidence from the evaluation demonstrates that mainstream investment in early intervention, supplemented by national Troubled Families funding, is preventing families from needing further, high-cost support across a range of measures but particularly children's social care. The family level data is complimented further by a cost benefits analysis, covering the period 2015-2020, which shows a return on investment of £1.90 for every £1 invested.

Edge of Care Intervention

- 3.6 Research tells us children living in stable and loving homes tend to do better than their counterparts. As a result, and alongside other specialist interventions, in 2017 Alonzi House was remodelled to support children on the 'edge of care/becoming looked after' to remain safely within their families and communities. Since this time the children Alonzi House has worked with:
- 85% have remained at home with their families.
 - Increased their attendance at school to 90% or above
 - Reduced school exclusions by 50%
 - Contributed to the risk of exploitation for 71% of young people where this was a presenting issue.
- 3.7 In addition, and more recently, in 2019/20 having adopted and adapted the No Wrong Door model as part of the Greater Manchester innovation programme. The services provided by Alonzi House have been adapted to include our 'looked after' children to promote stability and inclusion in family-based care arrangements. This has resulted in the multidisciplinary team operating out of Alonzi House to provide foster families with a wraparound support which will include an outreach element and both practical and emotional support; securing stability, permanent arrangements for children and significantly reduce 'unplanned' placement endings.
- 3.8 The underpinning financial principle is to prevent unplanned placement moves, which invariably are associated with increasing, expensive costs and poor outcomes for children and young people.

Care Planning and Practice Improvement

- 3.9 Effective leadership of the system is fundamental and underpins strategies to mitigate rising demand and costs. This is reinforced by maintaining a strong grip on decision-making, assessments and resource allocation for individual children and young people.
- 3.10 The successful delivery of the Children's Services Locality Programme during 2019/20 has enabled the redistribution of social worker capacity. The aim of which has been to secure a timely plan of 'permanence' for children who

become looked after and the continued improvement in the overall quality of practice. Over time it may be possible to divert further resources from specialist social work to early help services. This is evidenced by the presentation at today's Scrutiny Committee, recent Looked After Children (LAC) admissions and discharges compared to other Core Cities. Manchester is seeing quite a different trend - with significantly lower admissions and less impact on discharges. In terms of admissions Manchester did have a particularly high rate of growth in the LAC population last year. This points to improved practice and management oversight/grip on planning and decision making for children.

- 3.11 Spend on residential placements for 'Looked After Children' has increased each year since 2015/16, attributed to increasing need, unplanned endings and limitations in the internal and external fostering capacity. A refreshed commissioning approach in 2019/20 that is based on 'relationships' and seeks to embed an outcomes-based commissioning approach and shared understanding of expected outcomes with providers whilst working collaboratively with health partners to identify provision that meets the needs of children with complex health problems and children with Special Education Needs or Disability has seen the use of External Residential placements reduce by 10% since April 2020.
- 3.12 Manchester City Council operates two children's homes through commissioning arrangements with external providers. Informed by research and an analysis of children's needs, this has led to Children's Services and Manchester Health and Care Commission securing capital funding from NHS England which will contribute to costs associated with the remodelling of one of these homes to better respond to the presenting needs of children and young people with learning difficulties and/or autism and their families. The home will provide outreach and a specialist short break provision, which is expected to improve the experiences and outcomes of children. The service is informed by a cost benefit analysis and will deliver significant financial savings in the medium/long term.
- 3.13 Manchester continues to seek to increase the number of internal foster carers for specific groups of children whilst at the same time strengthening its relationship with Independent Foster Care agencies to develop a market of high-support foster placements for children with high/complex needs, including those stepping down from residential placements.
- 3.14 In addition, in responding to the accommodation needs of our care leavers, the Directorate continues to work proactively and positively with the housing providers including the third sector to further develop models and increase the Leaving Care offer. This has led to a reduction in Care Leavers experiencing placement moves and successfully transitioning to independence.

Commissioning and Partnerships

- 3.15 Manchester has established a talented and skilled commissioning team within Children's Services. This capacity provides greater opportunities to negotiate on price, shape the market and develop stronger, enduring relationships with

providers. Furthermore, strong collaboration between the Council and the health service is essential to achieve improved influencing of the market, greater economies of scale and improved outcomes.

3.16 The service has developed the following set of commissioning principles which prospective providers are to consider and underpin the Directorate's approach to commissioning:

- Prioritise ethical providers who are informed by appropriate values and principles and are passionate about Our Children
- Recognise and value the voices of children and young people in the development and monitoring of services.
- Ensure we learn from/utilise experience, use data 'intelligently' and consultation to inform innovative service design.
- Co-produce and develop the provider market with service users and providers.
- Ensure we work collaboratively across the Council to ensure maximisation of existing resources.
- Social value is embedded within all commissioning activity to support our communities and services.

Delivering Services Locally and in Partnership

3.17 The Children's Locality Model Programme delivered during 2019/20 was focused on reforming Children's Services to deliver local, place based services on a 1-3-13 footprint; aligned with Integrated Neighbourhood Teams/ Bringing Services Together; strengthening local partnerships to work together in response to specific complexities of each geographical area across the city. Following the successful implementation of this programme, a review has been undertaken; resulting in an emphasis on strengthening our partnerships and collaborations to jointly commission and deliver services in unison with key partners, as reflected in the following 4 service delivery areas:

1. **Smoke Free Families** (an initiative that involves early years, help and community health services working closely together). Delayed due to the impact of Covid19 but more recently progress has been accelerated in partnership with Manchester Local Care Organisation which will inform future relationships and improve outcomes for children and families. Adopting a thematic approach where partners can work together putting aside service boundaries and focus on the needs of residents and families. The Smoke Free Families is a resulting approach that will involve a whole family approach to adopt a smoke free home environment for babies and young children. The resulting impact and outcome measures are aligned to the Start Well Board priorities and will highlight learning and wider adaptability for our future neighbourhood and locality working.

2. **Think Family** - Many children who 'become looked after' have experienced domestic abuse parental mental health and substance misuse problems. Subsequently Manchester's Children's Services and its partners are developing plans to implement the Strengthening Families programme which is a multi-

agency approach which uses motivational interviewing and takes a 'think family' approach which is facilitated by the co-location and joint working between Adult, Mental Health, Domestic Abuse and Children's Services. Developed in Hertfordshire, the research evidence demonstrates a reduction in both admissions and length of time children spent in local authority care can be achieved.

3. Targeted offer for children with SEND - The repurposing of Lyndene Children's Home will see the development of an integrated service offer for children with SEND and their families with robust commissioning governance. The service is developing a dedicated short breaks and outreach service for children with disabilities (including autism) and building on existing pilot short breaks projects which support the transition to universal services. Assessments will be integrated within existing planning routes for specialist services.

4. Care Leaver Accommodation Offer - The aim of the Care Leaver Accommodation Project is to work in partnership with Health, Housing, education and both children and adult social care to:

- Improve stability / Homes for Life for Manchester's Care Leavers
- Deliver accessible Integrated Support services delivered at the right time
- Improve choice in where and who to live with
- Deliver Innovative and individual models of living including intergenerational living where appropriate.
- To share learning with the Greater Manchester Commissioning leads and develop regional approaches to delivering accommodation and support.

Service improvement/efficiencies

3.18 Service improvements and efficiencies run across all the budget approaches outlined above, as demonstrated by the review of Families First and commissioning and partnership involved in the repurposing of Lyndene's Children's Home.

4.0 Children And Education Services Directorate Revenue Budget 2021/22

4.1 During 2019/20 an external benchmarking exercise was undertaken to consider the costs, profile of children and the range and choice of placements for our looked after children set against similar local authorities. The findings from this exercise indicated the correlation between need and the 'trilogy of risk' (domestic violence, substance misuse and mental health) and social determinants. This exercise indicated a requirement for a more prudent forecast for financial modelling should be used. The report predicted a 3% increase per annum in admissions to care was judged as a realistic projection for Manchester.

4.2 The following section outlines the revenue budget for the Council's Children and Education Services, emerging areas of pressure and financial savings proposals which are organised to reflect the Directorate's budgetary approach as set out in paragraph 3.2.

Education and Schools

- 4.3 In July 2020 the Department for Education announced the provisional school funding settlement for 2021/22. Beyond 2021/22 the government will, later this calendar year, put forward its proposals to move to a 'hard' National Funding Formula 2022/23 onwards. It is estimated that Manchester receives £20m above the national funding formula values which equates to roughly £300 per pupil in the city. It is expected that once the national funding formula is introduced transitional protection will be applied and the £300 per pupil loss may be protected over a number of years.
- 4.4 For 2021/22 the City's Primary and Secondary schools should expect to see a 2% increase in pupil related funding, this is estimated to equate to **£28m** for Manchester's primary and secondary schools. This is before increases in pupil number and changes to pupil characteristics are taken account of.
- 4.5 Manchester's provisional grant allocation for support to children with special educational needs has increased by 10.32%, and it is estimated that the additional allocation will be c. **£10m**, included within the additional allocation is an uplift for Teacher pay and pension grant of £1.5m. This part of the Dedicated Schools Grant is currently overspent consequently the estimated £10m increase will mostly be allocated to meet the existing and new pressures on the budget. There will be a significant carry forward deficit from 2020/21 projected to be £1.4m.
- 4.6 Funding for early years in schools and private, independent and voluntary settings was published in December 2020 and has increased by £0.524m for increase hourly rates. The part of the grant supporting the Local Authority, the central schools block shows a reduction of £51k, the Local Authority is working through implications of this change.
- 4.7 The Children and Education Services net annual budget for 2020/21 is £132.198m with 1,316 full time equivalent staff summarised in the table below:

Table one: 2020/21 Base budget

Service Area	2020/21 Gross Budget £'000	2020/21 Net Budget £'000	2020/21 Budgeted Posts (FTE)
Children's Safeguarding	128,118	110,083	885
Education*	339,707	17,436	314
Directorate Core and Back Office	4,707	4,679	117
Total	472,532	132,198	1,316

- 4.8 In 2020/21 the continued investment of £10.674m was applied to ensure the Directorate is able to meet levels of need of children in 2020/21; supported by the application of a £6m social care grant to reflect existing and future potential pressures from predicted increasing need.

Demography and Growth

- 4.9 It is proposed that the Children and Education Services cash limit budget will increase by £6.027m in 2021/22 for demography and growth in demand as a result of the pandemic. Table two below summarises these changes.
- 4.10 Demography - Table two (below) shows the budget identified for demographic growth in Children's and Education Services. The demand has been determined based on the demographic numbers on which the 2020/21 budget was set compared to the current position and potential increase in demand informed by 3% population growth predictions.
- 4.11 Benchmarking of Manchester against other Greater Manchester local authorities, as well as 10 local authorities with the similar levels of deprivation indicates that LAC demand is likely to exceed population growth. Using a range of analysis, including correlation between Looked After Children demand and the 'trilogy of risk' (domestic violence, substance misuse and mental health) a more prudent forecast was based on a 3% increase in admissions each year, which equates to £1.953m in 2021/22, before taking account of the impact of Covid-19, during which time we have seen an increase in requests for help and support as well as incidents of domestic abuse/violence. Home to School Transport has also been quantified at a 3% increase.
- 4.12 **Growth** - In the short term it is expected that budget pressures for Children's Services will only increase. The Family Courts are still fully recovering from the impact of the national "lockdown" that continues to delay proceedings to deal with discharge from care. Over the Covid period, referrals to our services fell by 18% across the North West. However, more recently (November data) we are seeing an increase in requests for early help and social work intervention. As a result, and as predicted this repressed need and impact from Covid is beginning to flow through the system, particularly as we have now significantly increased the number of children attending school.
- 4.13 In the medium term the repercussions of the pandemic is that there will be an increase in children's needs due to the increased vulnerability of families in the community associated with the increase in family poverty, family 'stressors' leading to domestic abuse/violence and parental mental health. There are some indications coming through from Core Cities that they are starting to see an upturn in Looked After Children placement numbers. As previously predicted the Manchester has experienced an increase in referrals this month.
- 4.14 The annual increase in Looked After Children in the City was 9.2% last year. Assuming placements increase at a similar rate 2021/22 creates a further budget requirement of £3.8m 2021/22 onwards.
- 4.15 The Directorate has indicated in paragraphs 4.58 what step it can take to safely 'manage down' the additional demand Covid-19 may create.

Table two: Demography and Anticipated Growth

Service Area	2021/22
Children's Safeguarding Placements	1,953
Education Home to School Transport	274
Impact of Covid-19	3,800
Total	6,027

Emerging Financial Pressures/risks

- 4.16 Paragraph below set out the emerging financial pressures/risks for 2021/22. Additional funding has not been allocated for this, but the risks need to be considered as part of the budget planning for next year.
- 4.17 **Early Years** - In 2012, the Council took the decision to withdraw from the direct provision of day-care services in order to move to a new model, with the Council acting as commissioner of day-care services. The condition of the Manchester City Council estate for tendered day care is in a poor state, which is having an impact on the environment Manchester children are experiencing. The cost of maintaining the buildings is prohibitive with providers requesting that the Council takes responsibility for repair and maintenance of the property whereupon they would be willing to pay a higher market rent. Over the last 3 years the existing arrangement with providers has led to 15 settings withdrawing from the market. With lease income being lower than expected and running costs of maintained tendered day care sites being higher than budgeted for there is a recurring pressure on the budget; with a risk this may increase should 'provider income' reduce further. A review of the current arrangements with tendered day-care is well underway and will conclude by the end of 2020.
- 4.18 **Youth Justice Services Accommodation** - It is critical that the service ensures that accommodation for the service is safe for children and staff. This will continue to impact on service delivery with the lack of readily available and suitable premises. This has delayed the implementation of some planned changes. Corporate Property colleagues are working to identify appropriate office space. Once suitable premises are identified there is a risk that this will add an additional financial pressure on Children's Services.
- 4.19 **Additional Demand Due to Impact of Covid-19** - As stated earlier in the report it is likely that the Directorate will see additional costs pressures due to the impact of Covid-19, this is outlined paragraph 4.12 of the report.

Overview Of Options For Savings In The Children's And Education Services Directorate

- 4.20 The draft options for savings have been 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, as set out in the earlier parts of this report. In some cases, this is by increasing the pace of

implementing the already identified reforms and services 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.

4.21 £12.656m of the 2021/22 officers' options are deemed to be deliverable and there is a level of confidence that most of the options are "the right thing to do" and have been developed in line with the budget strategy. Options developed by officers reflect the Directorate's budgetary approach – safe, effective and efficient and can be categorised into:

- Options for cost avoidance and those associated with the delivery of services to children with high/complex needs through transforming services and increasing the range and choice of placements (sufficiency). Most of these options are underpinned by commissioning activity.
- Options to accelerate the pace and ambition of collaboration with partners.
- Options which aim to remove duplication and develop a shared understanding of how services could deliver tasks effectively and efficiently. These include options for service reductions which will enable the Directorate to deliver a balanced budget whilst enabling the Council to meet its statutory duties.
- Options for income generation

Cost Avoidance - Preventative and Edge of Care Services

4.22 There have been fluctuating trends over the last decade in terms of the number of Looked After Children in Manchester **decreased** between 2010 to 2017. However comparable to a national trend, numbers of Looked After Children began to **increase**. The average annual increase over the last three years has been 6.8%. Population increase has had some part to play in recent LAC growth but an increase in rate from 97 per 10,000 children 2017 to 116 in 2020 demonstrates that there are other factors at play than simply the increase in population. The Directorate has reported recently that it has not always been able to discharge children from care, because of the restricted Family Court sittings. There has also been an inability to move children from existing placements has meant that they have had to keep some children in high-cost placements, particularly in residential care, when in the normal course of events they would have been moved into Foster Care, adoption or out of care altogether.

4.23 The primary aims of the placement options outlined in paragraph belows are to improve outcomes for children and young people by reducing escalation and need for external residential placements by preventing placement breakdowns and expanding the availability of more local good quality foster placements and support. These options have the additional benefit of helping the Council to reduce costs in this area. A number of the options are underpinned by the development of commissioning approach outlined in paragraph 3.15 - 3.16 of this report.

Placement Stability Offer

4.24 The Placement Stability offer will form part of the current service provided by Alonzi House under the umbrella of the Alonzi Hub (formerly known as No Wrong Door) and will come under the existing management structure. The hub will include the redeployment of CAMHS workers and work directly with foster families with a wrap-around support which will include a specialist outreach element and both practice and emotional support to families at risk of 'breakdown'. This will aim to help build up confidence and relationships; allowing both the child and the adults to have an allocated worker and access to appropriate professional interventions to help with the child's care plan. It is expected that the offer will enable step down and avoidance of two residential placements per quarter starting from July 2021, this equates to part year saving of **£0.616m** in 2021/22 and rises by another **£415k** in 2022/23.

Effective Commissioning

Lyndene Children's Home

4.25 The Council's Executive recently approved the repurposing of Lyndene Children's Home. Lyndene Children's Home is to provide children and young people and their families' good quality edge of care services, helping young people remain living within their family and community where it is safe and possible to do so. The re-purposed facility is projected to lead to avoidance of four residential placements per annum, net of additional cost running this totals **£462k** reduction in costs per annum 2021/22 onwards.

Multi-Agency Joint Commissioning Arrangements for Children with High and Complex Needs

4.26 Despite much improved planning and joint commissioning arrangements between children's social care, education and MHCC, since 2015/16 the average cost of residential care has increased by £1,500 (60%) per week. This presents one of the most significant financial challenges for the directorate's budget. It is anticipated that through further development of multi-agency arrangements **£1m** of reduced residential costs are planned delivered by improving the quality of partnership working and improved strategic partnership commissioning. Joint commissioning approach and arrangements are a priority to be delivered next year.

Care Leavers - Transition to Independence

4.27 The key outcome of the Care Leavers covenant outlined in section 3 is to ensure that a quality and innovative offer of support and accommodation is accessible to care leavers as standard. It is expected that as a result of recent discussions with GM Housing Providers that over 100 placements will be made available to care leavers. Further work will be completed which will oversee the support hours to ensure that all young people aged 17 ½ will have step down support hours as standard within their placement agreement. This

transformation has already commenced and is expected to release savings of **£1.030m** 2021/22 onwards.

4.28 Recently legislative changes place a duty on local authorities to provide Care Leaver support up to the age of 25. However, young people leaving care are able to access housing support after their 18 birthdays. Planning for transition to independence pre 18 years is met by the social worker and pathway planning. On-going support after the age of 18 years shifts to personal assistant. Additionally, the Homelessness Directorate have identified £130k which is to be used to commission steppingstone care leavers accommodation with Manchester Housing Providers. Through earlier and better pathway planning it is expected that the average number of over 18 Supported Accommodation placements changes from 30 to 15 over the financial year, this should lead to a saving of **£0.737m** 2021/22, like the previous option this service transformation has commenced and is part of the current projected outturn position of the Directorate.

Market Sufficiency - Looked After Children Placements

4.29 This strategy aims to demonstrate a detailed understanding of the children's placement market, examining supply whilst identifying gaps in provision. The strategy will offer realistic, cost effective and outstanding solutions to ensure sufficiency for looked after children. The keys aims of the strategy will be:

- Grow internal fostering refocus the External Foster Care market
- Reform processes to manage complexity
- Commission for outcomes
- Reduce avoidable residential care unit costs

4.30 Informed by our own analysis and that of the external provider a detailed action plan for the sufficiency strategy is being produced by the service. Progress against the plan will be overseen by the Strategic Director of Children's Services and Education reported quarterly to Strategic Management Team and Executive Members. It is planned that this strategy could aim to save **£400k** in 2021/22 and a further **£376k** 2022/23 onwards.

Unaccompanied Asylum Seeking Children (UASC)

4.31 A specialist team has recently been established to respond to UASC and offer bespoke and targeted intervention alongside providing consultation and wider support across the services in the city, sharing knowledge and expertise to overcome barriers for children and families. The increased demand and level of complexity within this population has informed the development of this targeted service and partnership approach.

4.32 In responding to the accommodation needs of our care leavers work is being progressed to access and commission high quality accommodation more efficiently. It is expected this work will reduce the risk of spend on Unaccompanied Asylum Seeking Children (UASC) and Care Leaver placements exceeding the Home Office UASC grant by **£297k**. In addition to

reducing spend on UASC, whilst the outcome on the National Transfer Scheme consultation is outstanding the grant received from the Home Office was increased on 8th June 2020. The effect of the change in grant rates, based on the current numbers of 221 UASC and unaccompanied minors that have turned 18, is estimated to be **£0.515m**. Both of these savings have been achieved in 2020/21 and are included in the projected outturn position for this year.

PACE

- 4.33 Police and Criminal Evidence Act sets out that children should not be kept in the police station overnight after they have been charged with a criminal offence. Children refused bail should be transferred from the police station to local authority accommodation under the requirements of the Section 21(2)(b) Children Act 1989. Jointly commissioning provision at Greater Manchester level would release a commissioning saving of **£28k** 2021/22 onwards.

Care Planning and Practice Improvement

Securing Timely Plans of Permanence

- 4.34 Permanence is the term used to describe the long-term plan for a child's upbringing and provides an underpinning framework for all social work with children and their families from family support to remain within their family through to adoption. By working on the basis that all children should live within their family and community and for those who become 'looked after' by the Council should have a timely and permanent loving and stable family as soon as possible. Increased focus on permanence through improved performance structures, management oversight/grip and tracking systems for individual children to ensure more timely and better outcomes for children. It is estimated that from April 2021 onwards a 5% reduction can be applied to the number of days in care for all new entrants to care. This saving total **£160k** in 2021/22 and increases by another **£159k** 2022/23 onwards.

External Residential Care

- 4.35 The implementation of a workstream considering both under 13's and over 13's year old children in residential care has provided insights that indicate for some an unplanned ending of their fostering arrangement led to their placement in a residential setting. Currently there is a £200k budget to prevent unplanned ending of a fostering arrangement. Whilst this has helped some children the impact has been insufficient. Consequently, it is proposed this budget is reduced by £100k in 2021/22 and the £200k budget to set up the Stability Team is no longer required. Rather, we will establish the Stability Team by remodelling existing staffing allocations; this will release a saving of **£300k** in 2021/22 onwards.

Efficiencies and Income Generation

Agile Working

4.36 Agile working is being undertaken across the Directorate. However, it is evident some Education staff will be able to work in a more agile way operating between home and the office. This will lead to a diminishing need for office space and as a result release rental costs for one of the sites currently in use. Surrender of the lease this year generates a **£129k** saving 2021/22 onwards.

School Attendance

4.37 Work related to prosecutions for non-attendance at school is currently commissioned outside the Council. In September 2020 this work was brought back in-house. A savings has been realised as a result of this coming back to the Council, the full year impact of this is **£70k** 2021/22 onwards.

Business Support

4.38 Business Supports staffing budgets have been reviewed looking at spend in previous years. Currently staffing budgets are set using the top of each grade for all posts, and a percentage allowance reduction is made to reflect the anticipated turnover in staffing throughout the year. Based on the historic turnover in this area it is proposed to introduce a higher turnover allowance for the service, it is anticipated that a **£130k** saving 2021/22 can be achieved through this approach.

Regional Adoption Agency

4.39 From July 2017, adoption services in Stockport, Manchester, Trafford, Salford and Cheshire East local authorities have been delivered through an integrated service called Adoption Counts. This is a Regional Adoption Agency (RAA) as set out in the Education and Adoption Act 2016 and was the second regional adoption agency to become operational nationally. By 2020, the government expects all adoption services to be delivered via regional adoption agencies. Adoption Counts is responsible for recruiting adopters, family finding for children and providing support to adoptive families. In 2019/20 MCC invested £200k into the RAA to reflect the national challenge with identifying prospective adopters and the need for greater capacity to increase the number of adoptions opportunities for Manchester children. Re-negotiation and rebasing of Regional Adoption Agency recharge, has already realised saving of **£357k** in 2021/22 onwards.

Service Level Agreements with Schools

4.40 Education Services have reviewed their Service Level Agreements with schools. It is proposed that:

- The Newly Qualified Teacher offer current charge has been benchmarked against other providers and it is believed that the charge can be increased without reducing take-up.
- Key Stage Two writing moderation is currently free to all our schools. It is proposed primary academies are charged £200 for MCC to be the moderation provider.

- Quality Assurance, the Council currently pay for every school to have a Quality Assurance Professional visit. This is a key aspect of the Council's assurance of our school system. It is proposed academies are charged 50% of the £475 cost per visit.

It is anticipated the activity above would generate **£30k** 2021/22 onwards.

Service Reductions

Families First

- 4.41 A review of the Family First Service in 2019/20 concluded that whilst there were benefits the resource should be better aligned to the developing locality delivery model and support earlier intervention via the Early Help Hubs which is one of our wider Directorate priorities. These changes were reflected in the report 'A five year workforce strategy to sustain and continually improve Children Social Care Services' that has previously been presented to Scrutiny Committee Members. Alternative opportunities have been created and accepted by staff and as a result a saving of **£445k** has been released this year and forms part for other 2021/22 options.

Section 17- Financial Assistance

- 4.42 Section 17 of the Children Act 1989 places a duty on local authorities to safeguard and promote the welfare of children within their area who are in need; and so far as it is consistent with that duty, to promote the upbringing of such children by their families. This support can include a wide range of services but usually includes accommodation and/or essential living expenses; often associated with families at risk of homelessness, including those with refugee status, limited leave to remain or discretionary leave; all of whom are eligible for an assessment and/or support. Guidance is to be provided to staff about when these payments can be made should lead to a modest efficiency of **£50k** 2021/22 onwards.

No Recourse to Public Funds (NRPF)

- 4.43 "No recourse to public funds" condition is imposed on almost all migrants granted limited 'leave to remain'. The Council supports NRPF families in this position through the NRPF team which supports people with their application to the Home Office and has a separate budget. Care Leavers subject to No Recourse to Public Funds are primarily supported through the Leaving Care budget. NRPF families also access support through the voluntary organisations, or Children's S17 budget.
- 4.44 In the last few years, and which has helped to increase efficiencies resulting in a current budget underspend, is that the length of time taken to resolve immigration issues has shortened. Work is on-going to forecast the additional spend as a result of Brexit. However, financial forecasting predictions indicate it is still expected that the spend will be £0.6m lower than the budget available 2021/22 onwards.

Workforce Development

- 4.45 Part of the aforementioned workforce strategy outlined in paragraph 2.9 a budget was earmarked for masters for social workers totalling £140k, as part of the efficiencies options it is proposed this budget is released 2021/22 onwards.

Legal Fees

- 4.46 The cost of legal support for Children's Services has increased in the last few years. The Strategic Director of Children's Services and the City Solicitor have considered the cost drivers and have worked together to manage need, reduce the use of experts, streamline decision making/legal advice processes to create solicitor capacity. Whilst the impact of this work is yet to be realised through continued focus on practice, work with the Family Courts (which has recently published its priorities to respond to Covid) and Legal Services it is anticipated that spend on legal fees can be reduced by **£260k** 2021/22 onwards.

Schools Quality Assurance

- 4.47 The School Improvement grant is currently £420k per annum; this is allocated based on the number of the maintained schools in the city. Part of the grant could be used to fund School Quality Assurance officers in order to release capacity in the council budget. All schools in the City are allocated a School Quality Assurance officer who is their single point of contact for the Council and who maintain an overview of the performance of the school. If we were to do this it would potentially save £300k in 2021/22. This would reduce to £150k 2022/23 onwards in order for the Directorate Education Service to be able to retain oversight of the quality of learning and leadership as well as broker some interventions where there are identified areas for improvement. This quality assurance model has proven to be highly successful and effective in supporting improvements in the school system as evidenced by the number of schools judged good or better in Manchester. It is worth noting, without this delivery model, Manchester's ability to respond to the challenges presented by the current pandemic across the entire education system may not have been as positive as they have been.

This reduced funding available within the school improvement grant will result in fewer interventions being available to support our maintained schools in response to identified or thematic issues and a far more targeted approach would be required. Maintained schools will also be required to fully fund any brokered school to school support which may be required. In recent years for example, this has included additional leadership support brokered from local National Leaders of Education.

- 4.48 As the impact of Covid and the 'local lockdowns' become increasingly clear and Ofsted resume its assurance visits in 2021 it will be important that the Local Authority is able to respond to identified issues in schools and gaps in learning. A reduction in the school Improvement Grant will reduce Manchester City

Council's ability to respond to this effectively. Consequently, there is a potential that the quality of education and learning in Manchester will be compromised.

Free Travel

- 4.49 In respect of the providing Free Travel, it should be noted a local authority is only under a statutory duty to provide transport assistance if the nearest qualifying school is not within statutory walking distance of the child's home. This is set out in the Education Act 1996 (as amended) or to certain children whose families are on a low income (Schedule 35B to the 1996 Education Act). Otherwise the provision of transport is at the local authority's discretion. This does not apply to children with Education Health Care Plans.
- 4.50 Manchester City Council's Free travel policy changed a number of years ago, as a result only where children meet the new criteria in this policy will they be entitled to transport assistance between their home and school. Transition to the new policy included honouring passes issued under the old policy until the child until they left the school. As the new policy has been in place for a number of years the number passes being honoured has reduced. In addition, the creation of more secondary school places across the City, subsequent reduction in number of passes issued and reduction in number of passes honoured against the old policy will realise a **£400k** saving against the Free Travel budget in 2021/22.

Strategic Business Support

- 4.51 This part of the service supports the service's social care system training offer to the workforce and information governance. The service is reviewing their approach to systems training and considering the unpredictability in demand for subject access requests, at this stage it is proposed this review would generate a saving of **£80k** 2021/22 onwards.

Child and Adolescent Mental Health Services (CAMHS)

- 4.52 In line with previous budget savings plans for the council and after working closely with colleagues in MHCC (Manchester Health and Care Commission) and providers to support a review of CAMHS. The aim of this work was to ensure CAMHS were aligned with the Future in Mind report and NHS Long Term Plan published in 2018.
The ambition of which is to maximise the investment of 10.4m to enhance and integrate a system wide mental health and wellbeing offer for all children in Manchester as set out in Manchester CAMHS Transformation Plan:
<https://www.mhcc.nhs.uk/publications/category/local-transformation-plan-children-and-young-peoples-mental-health-and-wellbeing>
- 4.53 The Transformation Plan promotes preventative approaches for all children and young people and their families who experience Mental Health problems or who may be vulnerable and at greater risk of developing Mental Health problems through a range of community, specialist CAMHS services and Voluntary sector organisations to deliver a range of universal, targeted and specialist services

such as the following and as shared with Committee members in previous sessions:

- Core CAMHS
- Kooth
- IThrive
- Mental Health in Schools Service
- No Wrong Door – Alonzi House Hub Mental Health Support
- CAMHS Looked After Children (LAC)
- CAMHS Learning Disability
- Specialist care – ADHD
- Specialist Care – Autism
- Integrated Community Response Service

4.54 The proposal is to redeploy 3.5fte posts currently delivering a specialist CAMHS to work exclusively with looked children who are at risk of placement breakdown as part of the No Wrong Door/Alonzi House Service. These staff will work with children and their carers in respect of attachment, life-work, relationships and liaise with specialist core CAMHS. This in turn links to the approach set out in paragraph 4.25 and will release **£148k** from current vacancies/uncommitted resources.

Early Years

4.55 The three proposals are an integral element of the Early Years Delivery Model (EYDM) and contribute to the first 1000 days/ Start Well Strategy. The proposals relate to the following interventions/service:

- Children and Parent Service (CAPs)
- Commissioned Speech and Language Offer
- Sure Start Children's Centre Core Purpose

4.56 The parenting commission has an annual budget of £1.5m and provides evidenced based interventions to a targeted cohort of families; meaning those at risk of harm and neglect and/or having clinical problems such as developmental delay, attachment disorders, conduct disorders, anxiety and depression. The current commission provides intervention and targeted support to approximately 1,000 families per year, at an average cost of £1,500 per family. A revised parenting commission will be developed with partners; it was initially proposed that the scale of the programme reduces to 800 families, this could generate a saving of **£300k** 2021/22 onwards. However, it is increasingly becoming evident the need for parenting is increasing rather than reducing alongside referrals to Children's Services due to domestic abuse/neglect. A reduction in this service presents a potential risk a family's needs become increasingly more complex and subsequently a more expensive and specialist intervention.

4.57 The original scale of investment in Early Years **speech and language**, £436k is not required in the medium term as a key aspect of this commission involves

training of the Early Years' and health workforce, which has already been delivered at scale. A revised speech and language therapy pathway that maintains a commitment to early intervention and prevention and Wellcomm screening will be redesigned with our partners. This will allow us time to respond to the disproportionate impact arising from Covid - 19. It is proposed there would be a phasing to the reductions incrementally over the next three years, the phasing would be over a three year period, starting in 2022/23 at a rate of **£100k** per annum.

4.58 The **Sure Start Core offer** is central to the integrated arrangements that underpin the delivery of the early years service. In 2019/20 the Early Years Service redesigned delivery arrangements in line with the Children's Locality Programme, Bringing Services Together and strengthened partnership with the Manchester Local Care Organisation requirements. As a result there is the opportunity to rationalise the number roles. However, the implementation of this redesign has been delayed due to the current pandemic situation. The implementation of the redesigned neighbourhood model has recommenced and is planned to be implemented in April 2021. This will deliver efficiency of **£200k** 2021/22 onwards.

Mitigation of Anticipated Covid-19 impact and pressures

4.59 As anticipated in December 2020 contacts and referrals for a Children's Social Care service have increased; attributed to increased vulnerabilities in the community such as family poverty, domestic violence and detrimental impact on mental health and associated with the impact of Covid19. In order to manage the increased need of children and their families for services it is intended continued investment in targeted, 'front door', edge of care services and approach to permanency as outlined previously and are all expected to have a positive impact on managing this increased pressures. This coupled with an ongoing high performing Early Help service would indicate that the service is potentially resilient to meet the highly likely increase in need as a result of Covid-19 it is proposed that **£1m** of additional costs can be avoided 2021/22 onwards.

Use of Reserves

4.60 Section 4 the report sets out the options which are recommended to take forward. Not all the options can be fully realised in 2021/22. It is proposed that the following reserves are used to smooth out transition to reductions in budget.

- Dedicated Schools Grant (£1m) - Increase in contribution to support to multi-agency placements, 2021/22.
- Children's Services Reserve (£311k) - reduction in current year reserve drawdown 2021/22.
- Children's Services Reserves (£1.409m) - reduction in 2022/23
- Troubled Families Reserve (£1.150m) - this reserve was planned to be used to manage shortfalls in Troubled Families grant. The Trouble Families grant is continuing 2021/22, this reserve will not be needed to off-set grant reduction in 2021/22.

5.0 Key To The Report Since November Scrutiny

- 5.1 Following the 25th November 2020 Spending Review announcements and feedback from the committee a number of changes have been made to the proposals. Key changes to this report since the January scrutiny paper are outlined below.
- 5.2 The November 2020 Scrutiny report included further savings options of £7.529m and whilst were deliverable there was also a risk that they will negatively impact on the deliverability of the Directorate's transformation plans and ability to be safe, effective and efficient. The need for further savings options have been reviewed following the 25th November 2020 settlement announcement have been removed from the officer proposals.
- 5.3 Following feedback at the November committee this report seeks to further clarify the Free Travel, paragraph 4.50 and No Recourse to Public Funds proposals, paragraphs 4.44 and 4.45 .
- 5.4 Child and Adolescent Mental Health Services (CAMHS) – confirmation that the saving is being realised through redesign of the service rather than a reduction in support, paragraphs 4.52 and 4.53.
- 5.5 Due to the significant impact of the pandemic on schools the Schools Quality Assurance is at significant risk of not being achieved as there is a need to retain this support, paragraphs 4.47 and 4.48.
- 5.6 Children and Parents Service budget proposal is also at risk of not being deliverable and retain the commission due to impact of the pandemic. It is increasingly becoming evident the need for parenting is increasing rather than reducing alongside referrals to Children's Services due to domestic abuse/neglect. The cohort supported by CAPs are Manchester's most vulnerable pre-school children and their families, interventions are delivered to targeted families with clinically significant problems, if these problems are left untreated then there is a risk of harm and neglect, paragraph, 4.55.

6.0 Impact On Workforce

- 6.1 The Children and Educations Directorate currently has a budgeted workforce of 1,316 fte. The projected workforce impact of activity to deliver the savings options a reduction of 14 fte. This is not a significant change and it can be managed through the Council's mpeople principles, which focuses on supporting staff to move across the Council to meet its current and future need. The detailed impact on specific roles will continue to be identified as options are developed over the coming weeks and months. This process will be supported by continuous engagement with the workforce and Trades Unions.
- 6.2 Effective and robust workforce planning arrangements are in place to ensure that, as functions and roles change, the skills and focus of the workforce are

effectively developed to ensure the Directorate is able to meet its strategic priorities.

6.3 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:

- The continuing development and implementation of the Children's improvement plan
- Implementation of the Children's Locality Model programme
- Developing strong and effective leaders and managers; enabling them to create high performing and motivated team
- Effective recruitment and retention; to ensure the Directorate has the skills to meet current and future needs.
- Managing and improving the health and wellbeing of the workforce; with a specific focus on reducing absence and improving attendance.
- Building a high impact learning culture which ensures staff feel empowered and equipped to practice to high standards.
- Ensuring professionals that work with children and young people have manageable workloads
- Continue to reduce the reliance on interim and agency workers

6.4 **Impact on Residents, Communities and Customers**

6.5 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, culture, gender, sexual orientation and disability.

6.6 We will continue to ensure that the Council meets its obligations under the Public Sector Equality Duty, building on our successes at fostering good relations between Manchester's communities of identity and maintaining fair and equal access to Council functions. Through ongoing customer monitoring, satisfaction and engagement approaches, 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, and proactively respond to make these as fair and equitable as possible.

7.0 **Summary**

7.1 In summary the council is facing a significant budget deficit and uncertainty in respect of demand for services during and post Covid. It is therefore imperative contingency planning and financial savings are considered whilst balancing the challenges associated with securing an immediate financial reduction that leads to a negative impact in the medium/longer term; as so can often occur in Children's Services. The proposed revenue budget for 2021/22

sets out the budget proposals as part of the preparation of the Council's budget. It is a one year budget which recognises that the Children and Education budget is under significant pressure due to increased complexity and need.

- 7.2 Since 2016 significant progress has been made in the quality and subsequent impact of Children and Education Services on the lives and outcomes of Manchester's children; whilst acknowledging there is more to do to realise our ambitions for their welfare and future. However, whilst there are risks (as indicated in paragraph 6.4) the benefits of this progress and an effective commissioning arrangement has informed the proposals as outlined in section 4 along with the planned demography and anticipated pressure arising from Covid-19.
- 7.3 Should the proposed savings options be agreed and applied this would lead to a reduced budget of £11.295m.
- 7.4 Table three below summarises the projected budget for 2021/22, which is reflective of demographic and proposed growth; as well as the all officer options set out in the report.

Table three: Budget Summary 2020/21 - 2021/22

Net Budget £000's Service Area	2020/21	2021/22
Children's Safeguarding	110,083	105,319
Education	17,436	15,781
Directorate Core and Back Office	4,679	4,469
Total	132,198	125,569

- 7.5 Finally it will be important to consider the interdependence and impact of proposals to be considered by other scrutiny committees in due course such as Facilities Management, Public Health and Manchester Fayre.

8.0 Next Steps

- 8.1 The savings options set out in this report are being considered as part of the production of a draft budget in early February 2021. Members are asked to comment on the options and identify areas where they would like further information to be considered as part of the scrutiny committee cycle.
- 8.2 Members of the public who wish to comment on these options will be able to do so.
- 8.3 Following consideration of the reports by the Executive on 11th November an eight-week formal public consultation was launched on specific identified options and the general consultation on all of the Council's budget options will

also be launched. The general consultation will run through to the Executive in early 2021. The Council's budget proposals for 2020/21 will be subject to further refinement following feedback from public consultation and scrutiny committees. Final budget proposals will be made to Scrutiny and Executive in February 2020.