Manchester City Council
Report for Resolution

Report to: Children and Young People Scrutiny Committee – 5 February 2019
Executive - 13 February 2019

Subject: Children and Education Services Business Planning: 2019-2020

Report of: The Strategic Director for Children's and Education Services

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Summary

This report sets out in broad terms the directorate's key priorities, key activities and revenue and capital strategy for 2019-20; within the context of the Directorate Business Plan for the period 2017-2020 and proposed savings. In addition, this report sets out both the progress made to date in delivering identified savings and focus for the final year of the three year plan; refreshing the Directorate's Business Plan for 2018-20 in the context of changing resources, challenges and opportunities.

The draft Directorate Business Plan which was considered by the Children and Families Scrutiny Committee in December 2018, has been revised to take account of feedback received and outcome of the local government finance settlement.

In addition, sections on the impact of proposed changes on residents, communities, customers and the workforce have been added alongside a summary of the technological support to deliver change. A full suite of delivery plans can also be found as an appendix including the Finance, Performance, Workforce and Equality Plans and the Risk Register.

Taken together, the Directorate Business Plan comprehensively demonstrates how the directorate will work internally and with external partners to contribute to the delivery of the Corporate Plan and Our Manchester Strategy.

Recommendations

It is recommended that members consider the content of this report and comment on challenges, priorities and opportunities outlined in the Children and Education Services Directorate Business Plan.

Wards Affected: All

Manchester Strategy Outcomes	Summary of the Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	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 livability 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

Financial Consequences for the Capital and Revenue Budgets

The proposals set out in this report forms part of the preparation of the Council's draft revenue and capital budget for 2019/20 to be reported to the Executive for approval in February 2019.

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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's Services Budget and Business Plan 2018-20, Executive 7th February 2018

Update on Revenue Financial Strategy and Business Plan Process 2019/20 and Children and Education Services Business Planning: 2019-2020, Children & Young People Scrutiny Committee, 4 December 2018

1. The Directorate Business Plan

1.1 The Directorate Business Plan is set out from paragraph two below and includes:

- A description of the contribution that the directorate makes to delivery of our Corporate Plan priorities
- The directorate's vision and objectives
- A self-assessment of the directorate's key challenges for 2019/20
- The revenue strategy
- The capital strategy/programme
- Impact on Residents Communities and Customers
- Impact on the Workforce
- Technological Support
- An appendix containing the directorate's delivery plans (Finance Plan, Performance Plan, Workforce Plan, Equality Plan, and the Strategic Risk Assessment and Register)

2. Delivering Our Plan

2.1 The Directorate for Children and Education Services is responsible for the following services:

- Early Help
- Early years
- Education services
- Special Educational and disability (0 - 25 years)
- Youth, Play and Participation services
- Children 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.

2.2 In line with the priorities of the Our Manchester Strategy, and Our Corporate Plan, the Directorate's focus is to work with our partners and stakeholders so that Manchester' **children and young people to be safe, happy and successful; attending a 'good or better' school.**

2.3 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**).

2.4 The priorities, guiding principles and behaviours of Our Manchester, run throughout all our 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, 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.

3. Vision and Objectives

3.1 The 'Our Manchester' Strategy sets out the City's vision for Manchester to be in the top flight of world-class cities by 2025. Critical to the delivery of the vision is supporting the citizens of Manchester, which includes its children, young people and their families to achieve their potential and benefit from its improving economic, cultural, and social capital.

3.2 Manchester's Children and Young People's Plan - Our Manchester, Our Children 2016 - 2020 - translates the Our Manchester priorities and the 64 'we wills' into a vision that is focused on 'building a safe, happy, healthy and successful future for children and young people;' this means:

- All children and young people feel safe, their welfare promoted and safeguarded from harm within their homes, schools and communities.
- All children and young people grow up happy – having fun and opportunity to take part in leisure and culture activities, and having good social, emotional, and mental wellbeing. It also means all children and young people feeling that they have a voice and influence as active Manchester citizens.
- The physical and mental health of all children and young people is maximised, enabling them to lead healthy, active lives, and to have the resilience to overcome emotional and behavioural challenges.
- All children and young people have the opportunity to thrive and achieve individual success in a way that is meaningful to them. This may be in their education, or in their emotional or personal lives.

3.3 The plan also highlights particular the areas that Manchester City Council and its partners are 'passionate' about achieving: ensuring children and young people live in safe, stable and loving homes; safely reducing the number of children and young people in care; ensuring children and young people have the best start in the first years of life; and ensuring children and young people fulfil their potential, attend a good school and take advantage of the opportunities in the city.

3.4 Our Manchester, Our Children' Plan (CYPP) sets out how the city intends to take forward the overall ambition and approach described in the Our Manchester Strategy and Locality Plan in relation to children and young people. This is a plan for children, not children's services. All partners and parts of the city have a role in supporting children and young people, not least families.

3.5 The CYPP Plan sets out priorities both for what is to be achieved and also how they will be achieved. It promotes a different way of working in the City,

one which at its core forges a deeper understanding of children, families and local communities, listening to what they care about and working together to build upon their strengths in order to improve quality of life.

3.6 In order to effectively contribute to the delivery of the priorities set out in the CYPP Plan, during 2018 the Children and Education Services has been transformed into an integrated Directorate. The Children and Education Services Directorate has been 're-shaped and defined' to maximise leadership and management capacity to strengthen practice, partnership working and promote a strengths based approach so that together we reduce unnecessary demand and improve the lives of Manchester's citizens. The Children and Education Services Directorate Plan, "Delivering Excellence, Getting to Good" has been developed and sets out 7 key priorities (see below). These, in turn, will be delivered through service plans and strategies which define and describe how they contribute to Children and Young People's Plan priorities. The following priorities articulate how the Directorate is responding to identified risks, challenges and maximise presenting opportunities:

1. Increase the voice and influence of Manchester's children and young people.
2. Support and develop children's readiness for school and adulthood embedded in an approach to early intervention.
3. Everyone a leader - an empowered, capable and stable workforce; effective in the management of risk, Performance and planning for children.
4. Continually improve outcomes for all children, including looked after children (LAC)/children and young people with special educational needs or disabilities (SEND) and 'reduce the gap' against National.
5. Safely reduce the number of children looked after and/or in need of a statutory service.
6. Sufficient range and choice of high quality early years, school, college, youth play and care provision which provides value for money.
7. Lead the development of future arrangements for safeguarding partnership in response to legislative change.

3.7 The Children and Education Services Directorate remains focussed on delivering excellent services to children and their families through services that are safe, effective and efficient.

3.8 The delivery of the Directorate priorities, Our Manchester and Our Children Plan cannot be achieved in isolation, rather, by a strong partnership (internally within MCC and externally with our key partners) and facilitated through effective leadership and management at a locality level, Further, the development of programmes of activity and working with partner agencies in a targeted and system approach that delivers early prevention to reduce costs, better commissioning to reduce costs, making efficiencies where possible in service delivery.

3.9 The Our Healthier Manchester Locality Plan is moving from a focus on structures to a focus on our outcomes, our people, and our services. The

following principles are in place to inform how this will be achieved across Children and Education Services:

- Focuses on person (child and family) centred outcomes across all sectors
- Improve communication and joint working; removing duplication
- Promote a culture of integration and inclusive approach cross a geographical area to achieve access to services in order for children and their families to receive a timely and 'right' intervention
- Lean pathways and leadership to support practitioners work effectively together

3.10 Manchester's Children's Services in partnership with the other nine Local Authorities were successful in a bid to the DfE Innovation Fund to develop and implement innovative evidence based models that have been successful in other parts of the country across the conurbation. Each of the 10 Greater Manchester Children's Services have been allocated £500k for implementation. Subsequently Children's Services currently engaged in the roll-out of two evidenced based approaches No Wrong Door and Achieving Change Together.

- No Wrong Door is an integrated service for adolescents with complex needs that brings together a team of specialists working together through a shared practice framework. The service works with young people to prevent them coming into care, and to support them to remain and/or move back with their families. In its first year in North Yorkshire children using the service of No Wrong Door spent 55% less time in care than those who weren't referred to No Wrong Door. The intention is to use the principles articulated in this evidenced based model to expand the reach and impact of Alonzi House resulting in further reductions in both expenditure on placements for children.
- Achieving Change Together (ACT) is a model aimed at reducing the impact and use of high cost placements, commonly associated with victims of the sexual exploitation of children. The model has shown some significant early promise in fewer young people being placed in high cost or secure placements, young people have reduced their risk factors and families are engaged and supported. The initial phase of staff training in Manchester is now complete and plans for a full roll out of the approach are well developed.

4 Self-Assessment

4.1 Manchester is a large, diverse and complex local authority region with is a growing child population; increasing by 22.6% between 2008 and 2018 and to projected to increase by a further 17.2% between 2018 and 2028. There are 190 languages spoken within our school age population,

4.2 In addition, there are too high rates of infant mortality, mothers smoking in pregnancy, poor dental health, child obesity, and low rates of immunisation take up compared to national averages.

4.3 Significant progress and success has been achieved since 2014, characterised by the Ofsted judgement in December 2017 that our services to children and young people looked after and those in need of help and protection are no longer inadequate. This progress cannot be understated and key highlights are summarised below:

- Strong and positive relationships with settings and schools in the City
- 95% Early Years settings judged by Ofsted to be good or better - 64% in 2014
- Strong Primary Schools with 91.7% good or better and improving Secondary school system with 61.5% good or better compared to 54.2% October 2017
- 92.7% children offered place at 1st preference primary school and 77% for secondary (highest since 2014)
- School attendance has continued to be better than national at both primary and secondary
- Improved school outcomes for 'our' children - better than nationally at all phases
- Young Manchester Trust established - increased youth and play fund; 58 organisations delivering over 100 projects
- Universal Early Years Offer across Manchester since 2015 - only GM authority and 3% in school readiness levels increase since 2016
- Early help making a difference - 81% of children benefitting with only 9% 'requiring a repeat intervention'
- Youth Justice Service inspected by HMI Probation in December 2018 and whilst judged to Require Improvement to be good - has made significant progress since it was last inspected; with 5 areas judged to be 'good'
- Manageable caseloads for social workers achieved
- Since April Manchester's looked after children population has increased by 0.6% The national trend has increased c3.9% annually
- Increasing number of internal foster carers (51/49%) split between internal and external and low comparative proportion of children in residential settings
- Staff motivated; working hard behind a vision to *build a safe, happy, healthy and successful future for our children and young people.* The 2019 Be Heard survey showed improved scores across the Directorate
- Reliance on agency staff has significantly reduced from 146 in 2016/17 to 41 as at December 2018 (expect most will be replaced by permanent staff as at March 2019.

4.4 Over recent years the Children's and Education Services budget has reduced in line with Council funding reductions with a net budget reduction of c40% since 2010. Following the publication of the Ofsted Inspection report in 2014 additional Council resources were invested into children's services, specifically related to improvements in the Statutory Safeguarding and Looked After Children's Services; and Early Help Services to drive improvements on an 'invest to save' basis. The investment programme has been spread over a number of tranches, based on the broadly aligned principle of investment in services to save on spend and to better respond to the needs of children and complexity of need(s). Each tranche of investment has focussed on specific areas of the service.

4.5 The first tranche of investment in 2015/16 was focussed on service areas out with the statutory social work service to provide effective leadership and management, divert unnecessary demand away children and their families from statutory services and create the capacity to better respond to those children who were in need to being 'looked after' by the council; which had been factors in Ofsted's inspection findings and judgements in 2014. This included investment in:

- Early Help / MASH
- Troubled Families (including Children in Need)
- Troubled Families - Families First
- Evidence based interventions
- Adoption
- Fostering
- Safeguarding management and capacity

4.6 The four key characteristics of the second tranche investment were more directly aligned to the need to build capacity in order to improve the practice within the statutory social work service in order to:

- Reduce and manage demand within the service more effectively
- Implement manageable workloads through increased productivity and extra frontline social work posts
- Implement a comprehensive performance and practice management system
- Achieve and maintain a stable, confident and competent workforce.

4.7 The plan was for the investment into early help and social work to be sustained from 2018/19 by recycling recurrent savings delivered though the reduction in the number of looked after children and a significant reduction in the use of external placements. This would be achieved by an overall reduction in the number of Children Looked After to c1000 by 2020 and meant that as the non-recurrent resources reduced, the placement budgets for 2018/19 and 2019/20 would need to deliver significant savings in order to provide the resource required to continue the spend on social work and early help services.

4.8 Whilst these kinds of improvement require a long term commitment to practice development, there are already a number of measurable impacts that can be attributed to the investment. A common indicator of improving practice is that families are less likely to repeat cycles of intervention through the social care system. When families do enter the system, they are more likely to receive the right help at the right time, and at the right level of intervention. There has been a 75% reduction in referrals to social care resulting in no further social work action compared with 2013/14. Notwithstanding this the number of requests for a social care intervention/referrals remain too high and as a result a programme of transformation has been developed. It is expected this programme will ensure children and their families continue to receive the 'right' service in a more timely way and reduce the unnecessary requests for a statutory social work service; this programme may require investment.

4.9 Where children's needs are more complex and require a statutory social work intervention, performance and assurance information indicates children and families are receiving a more timely service and are increasingly likely to have a better outcome. There are a number of positive improvements in compliance with practice expectations, which are well reflected through independent scrutiny of the service (peer challenge and Ofsted) which reflect the increasingly experienced, knowledgeable and capable workforce and will ultimately realise better outcomes for children and their families and reduce in the longer term overall spend. This remains a difficult challenge in the light of the demographic and complexity issues highlighted throughout the report. Securing a stable workforce with capacity for practitioners and managers to continually develop; of which 34% and 25% respectively are new to their current role and their learning and supported needs should not be underestimated.

4.10 The Directorate savings and transformation programme is ambitious; there are significant challenges which are arguably intrinsically linked to impact of welfare reform, demographics and wider public sector austerity measures. These are summarised below:

- Government funding for Troubled Families programme of £2m in 2018/19 and 2019/20 ceasing in 2020/21
- Impact of school funding reforms compounding a real term reduction in school budgets (national funding formula delayed to post 2021/22)
- Sustained high 'demand' for a statutory social work service
- PVI settings in council buildings withdrawing due to building maintenance costs/reduced funding
- Rising costs in the external care market experienced regionally
- Continuing increase in requests/need for a statutory Social Work Service, looked after children and leaving care placements
- Increase in the complexity of young person's population and numbers needing Education Health and Care Plan
- Continued pressure in schools 'high needs' funding block for children in need of specialist and additional learning needs.

4.11 All of the above must be considered within a national context of increasing need and financial pressures within and for Children's Services. In addition a changing regulatory framework which is aligned to Manchester's ambitions has an increased focus on the quality of social work practice and management oversight and ensuring the education system is inclusive within a 'school family' that is judged by Ofsted to be good or better and meets the needs of all learners. Consequently, it is important that Children and Education Services adapt, anticipate and respond to the challenges with purpose and focus. The recent Ofsted monitoring visit (October 2018) noted that "senior leadership has a good understanding of services strengths and of areas where quality and impact are not yet sufficient", demonstrating the strong basis in place to respond to these challenges.

5. Revenue Strategy

Introduction

5.1 This section of the Business Plan sets out the updated revenue budget plans for Children's Services for 2019/20. This is based on the draft Budget Proposals approved by January Executive and has been updated to take into account a recent independent external benchmarking review and proposed use of additional one-off funding made that is now available to the Council; including the recently announced one off Social Care grant. The strategy is to put the budget onto a realistic footing for 2019/20 given the local and national pressures being faced on Children's Social Care but also to progress the planning and associated activity to ensure adequate and effective investment into early help and interventions that deliver longer term achieve better outcomes and financial sustainability.

5.2 Over the next three months a plan will be developed that articulates the delivery of children's services locality delivery model, reduction of unnecessary demand and supports the progression of children's services to secure a 'good' inspection outcome from the future Ofsted Inspection of Children's Services. This plan will give due regard to the recent external benchmarking review, include details of how capacity can be released to enable the reserve to invest more in early help and prevention and to address the issues, needs and contributing factors which drive the persistently high referrals and re-referrals.

5.3 Additional one-off resources have been identified to go into a 'Social Care' reserve. The resources are summarised in the table below and will provide support to address the pressures across all budgets for social care as well as providing the capacity to take a longer term approach by investing in early help and prevention as outlined above. Clearly this is not a sustainable way of funding social care and a national solution needs to be found as part of the Spending Review process.

Table 1: Proposed Funding 2019/20 – 2021/22

Children's Social Care Proposed Funding	**2019/20** **£'000**	**2020/21** **£'000**	**2021/22** **£'000**	**Total over 3 years** **£'000**
Sleep-In Allowance (one-off)*	700	700	700	**2,100**
GMCA rebate (one-off)*	2,300	2,300	2,300	**6,900**
MHCC/CCG additional contributions (tbc)	1,200	1,200	1,200	**3,600**
Social Care Support Grant 50%	2,277	0	0	**2,277**
Other Council Resources (through smoothing)	5,397	7,674	7,674	**20,745**
Total	**11,874**	**11,874**	**11,874**	**35,622**

1. Funding for years 2 and 3 to be held in a Social care Investment Reserve.
2. Proposed funding marked with * was the assumption behind the figures in the December committee reports.

Children's and Education Budget 2018/19

5.4 The Children and Education Services net annual budget for 2018/19 is £109.898m with 1,301 full time equivalent staff summarised in table 2 below:

Table 2: 2018/19 Base budget

Service Area	2018/19 Gross Budget £'000	2018/19 Net Budget £'000	2018/19 Budgeted Posts (FTE)
Children's Safeguarding	96,636	83,011	761
Education*	348,224	22,440	411
Directorate Core and Back Office	4,763	4,447	129
Total	**449,623**	**109,898**	**1,301**

*Education gross budget includes the Dedicated Schools Grant (excluding Academy Schools)

5.5 In March 2018 the 2018-20 budget recognised that tangible progress has been made regarding the quality and effectiveness of services being delivered to children and young people and requirement for a shift in resources from high cost reactive spend to investment which provides a safe and loving home (permanence) and early intervention and prevention. However the service is facing a number of financial challenges in responding to children in need of care and support. In addition, the national position has seen an increase in the number of children being looked after by local authorities and the numbers of children with increasing complexity of need. This creates an additional pressure in identifying and securing suitable care arrangements whilst at the same time delivering the savings in placement costs/budgets and within the required pace. Added to this, over the last three years the average cost of external residential has increased by over 60%. An allocation for inflation of £1m in 2018/19 has been agreed which will support the budget position on a recurrent basis.

5.6 The 2018-20 budget reported to Executive in February 2018 projected the level of need for children and young people would cost an additional of £19.6m over the period 2018-20. This was based on an estimate of care costs and further developments as a continuation of the existing strategy. Revised targets were set to safely reduce the number of children and young people requiring high cost placements during 2018/19 and 2019/20 which if successful would reduce costs by £12.6m over the period 2018-20. This left a remaining funding requirement of £7m which was provided for in the approved 2018-20 budget.

5.7 The position reported to Scrutiny in December 2018 was that whilst there has been significant progress in achieving the strategy, external residential numbers have not reduced in line with the plan and external foster care has remained at a similar level. Increased need is largely being met through the internal and external foster care service. There have been improvements in

securing a 'permanent' arrangement for children through adoption and the increased number of Special Guardianship Orders (SGOs) meaning that for children where there is not plan to return to their birth parents, they are being provided with stable, safe and loving homes whilst new demand is being met more effectively and efficiently.

5.8 The national and regional context has continued to identify a growing pressure within Children's Services with the number and complexity in the needs of Looked After Children increasing. According to regional and national data supplied by local authorities to the Government in each of the past three years the sector has recorded overspends on children's social care services significantly increasing year on year. The Local Government Association response to a report on child poverty by the Joseph Rowntree Foundation identified significant pressures and challenges faced by many of the families and children to whom councils provide services. This included wider factors impacting on low income families compounded by the significant rise in the numbers of families with children in temporary accommodation, the growth of in-work poverty, lack of affordable homes and impact of welfare reforms.

5.9 Further work and an independent financial/benchmarking review has been undertaken to review the children's budget, its sustainability and the ambitious targets included in the 2018-20 budget for further reductions in external residential and foster care placements.

5.10 The review confirmed what was known which is Manchester has a large child and young family population and the socio-economic characteristics are amongst the most challenging in England. Notwithstanding investment since 2014/15, the level of expenditure on Children's Services in 2017/18 (25%) is average compared to metropolitan neighbour groups. In addition, the Children's Services budget overspend for Manchester in 2017/18 which was 12.5% was comparatively average to low when compared to the near neighbour groups. The analysis further identified that the Council has a low proportion of children in residential settings and a high proportion in foster and other community settings, although the number of children placed for adoption is below average. The high numbers of foster placements is reflective of the investment and drive to expand this service which has seen an increase of 50% since 2015/16.

5.11 The review reiterated Manchester has a very high rate of referrals and assessments and a higher than average rate of re-referrals. Safely reducing unnecessary referrals and assessments will be critical to re-directing scarce staff resources in the future and the fragile nature of Manchester's progression from 'Inadequate' to 'Good' will require a sustained funding commitment.

5.12 The review evidence suggests the increase in spend by the Council since 2014 is not exceptional, especially given the pressure of an 'Inadequate' rating in 2014. It was also recognised research evidence indicates following a negative Ofsted inspection, Councils tend to significantly increase spend, with

budget stability and a de-escalation of funding commitment only achieved following a sustained, multi-year period as a consistently 'Good' service.

5.13 The benchmarking review concluded that whilst spending on LAC is relatively high, given the volatility of demand for Children's Services that the Council should set a sustainable budget which focuses on the improvement trajectory as the top priority. Further savings should be long term and based on realistic forecasts of future demand and activity. The recommended priority areas for funding were:

- Safely reducing referrals and assessments supported by a recommendation to invest further into family support, early help and prevention, where spend is low compared to 'near neighbour' comparative authorities. There is also the impact on the existing service from a reduction or ending of the Troubled Families funding from 2020/21 to plan for
- Managing demand risk for children looked after
- Commissioning and market shaping

5.14 Based current spend and commitments against the planned budget for 2019/20 that was approved by the Executive in February 2018 there is a potential budget shortfall of £13.25m. This is largely related to the challenge of realising the planned savings from placements as well as some new pressures. Whilst there is a need to put in place a realistic budget for 2019/20, the priority for the longer term is to release resources for prevention and early intervention. The following proposals are made for additional funding in 2019/20

<u>External Residential</u>

5.15 Following a significant reduction in external residential placements from 108 in 2011/12 to 78 in 2014/15, the placement numbers have stabilised over the last few years and are currently 81; which is proportionately 'low' when compared with comparator authorities. As referred to above, since 2015/16 the average cost of care has increased by over 60%. This is due to a combination of increased complexity in children's needs, the rising cost of the external market, which is being experienced across the region and country and cost of living price rises over the period. In addition, during the same period there has also been a significant reduction in internal residential placements from 88 in 2011/12 to 13 in 2018/19.

5.16 The 2018-20 budget included savings totalling £3.027m in 2018-20 from a reduction in residential placements to 50 by March 2019. As already indicated, the benchmarking review and analysis highlighted Manchester has a relatively low proportion of residential placements. This target is therefore not realistic. Subsequently the proposal is to remove savings targets relating to reductions in placement numbers and to provide sufficient funding in the budget for 80 placements.

5.17 The 2018-20 budget savings also included £1m commissioning savings in 2018/19 to be delivered through a framework contractual agreement in place that achieves a reduction in unit prices across a number of providers. In the current market savings of this scale are difficult to achieve and a new target of £400k for 2019/20 is proposed to be achieved through a focus on more effective market shaping management as per the recommendations from the review.

Foster care and Special Guardianship Orders

5.18 The independent review of the Children's Services budget plan identified the fostering service as a potential area for investment and further exploration. There has been a significant reduction in actual placements and spend on external foster care from an average of 646 in 2014/15 to 461 in 2018/19. The 2018-20 budget included savings totalling £5.628m from a reduction in placements. The review concluded that to base the budget on further reductions in external foster care placement would be high risk, but to continue to focus resource on growing the internal foster care capacity was the right strategy.

5.19 There has been an increase in internal foster care placements by over 50% following investment in 2015/16. The 2018-20 budget provided funding of £2.569m for an increase in the number of internal foster care placements The revised budget includes additional funding of £1.562m for increase in foster care which has already reflected in the budget for 2018/19, but will leave some capacity for further growth of c40 children in internal foster care capacity in 2019/20.

5.20 Over the period 2011-18 there has been a significant increase in the numbers of children made subject to a Special Guardianship Order (SGO), rising from 109 to 457. The current position is that the 2018-20 budget target for SGOs has been exceeded by 30. Whilst this is positive and indicative of the service's improvement, it has increased the pressure in the SGO budget by £121k in 2018/19 and an estimated £285k in 2019/20. It is proposed that £121k of the funding for internal foster care is allocated to the SGO budget in 2018/19 and £285k is allocated to meet estimated additional costs in 2019/20.

5.21 As part of the 2018-20 budget, following a review of the in-house fostering service, a £300k saving in 2018/19 was identified following benchmarking with other Councils. It was considered that social workers could reasonably manage with caseloads of 20 internal carers enabling posts in the service to be held vacant. However, it was recognised that if the planned increase in in-house foster carers was achieved rate there would need to be future growth of additional social workers to ensure the 'offer' is sustained and placement breakdowns are avoided. During 2018/19 it has been identified that funding of £285k in 2018/19 and £311k is required to adequately resource the service and this funding has been identified in the budget from the planned budget growth for in-house foster care.

5.22 Strategic commissioning continue to meet with key external fostering providers in order to ensure that discounts are given for long term placements and volume. Notwithstanding this, it is considered that planned savings for 2018/19 of £0.650m are high risk and should be removed from the 2019/20 financial plan whilst further work is considered on the approach to influence the market.

Early Help

5.23 The Early Help service has a gross annual budget of £8.7m which is supported by £2m of Troubled Families investment from GM through the Reform Investment Fund (RIF). This is a priority area for investment. As part of the 2018-20 budget it was planned to deliver £1m of savings in 2019/20 through the delivery of the Locality Model and deployment of resources from the MASH into locality teams to reduce the volume of referrals and achieve savings in both the capacity required and through reducing demand. This will complement the work on the integration of early help and early years and to develop the role of schools as leaders of the Universal Early Years offer in a locality.

5.24 There is a need to ensure there are sufficient and high quality early intervention and early help services in place. There is also the risk that there is no confirmation of funding for the Troubled Families programme beyond 2019/20. It is proposed to reduce the savings target from £1m to £500k in 2019/20 and to retain the saving for reinvestment within this area in line with the Children's Plan as set out in the introduction to the Resources Section of the Business Plan.

Legal Costs

5.25 The Legal Services recharge is projected to be £435k over the budget available in 2018/19 due the costs of legal capacity and court proceedings. The existing legal budget is from 2014/2015 based on case load average for care proceeding were at 145 - 150, the current caseload is averaging c200 cases. The budget proposals include additional funding to meet current costs for legal services.

Regional Adoption Agency

5.26 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 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.

5.27 MCC staff transferred from the four Councils to Stockport and adoption services are delivered from three locations – Salford Civic Centre, Wythenshawe Etrop Court and Middlewich. The RAA cost to MCC in 2018/19

is £1.9m which is greater than the available budget by £200k. Identifying prospective adopters is a challenge nationally and to increase the number of adoptions opportunities for Manchester children it is necessary to invest in the RAA as the model for Manchester.

Child and Adolescent Mental Health Services

5.28 Child and Adolescent Mental Health Services (CAMHS) are commissioned by MHCC from Manchester Foundation Trust. The Council currently deploy three social workers to the MFT CAMHS service to support access for children looked after and have historically provided c£500k of funding to support the service, originally funded from the Early Intervention Grant which ceased in 2011. The contribution from the Council for CAMHS has continued to be funded at financial risk to the Council over the last few years. In preparation to reduce the contribution an equality impact assessment carried out in 2016 which concluded that if this funding were to cease there would be a reduction in service, with social workers not having access to CAMHS directly.

5.29 As part of the NHS transformation/Ithrive programme MHCC is developing a new specification with MFT for CAMHS, using the Ithrive model to focus on determining positive outcomes for all Manchester children. To maximise the impact there will be involvement from Children's social care to ensure the commission reflects best practice and statutory requirements under the Children's and Families Act. The new commission should extend the the current offer to children looked after, children and young people aged up to 25 and those placed outside of Manchester and care leavers. Any financial contribution required from MCC to the new CAMHS specification will be determined as part of the design, recognising the MHCC priorities for investment for the additional funding from NHS England for mental health services.

5.30 The specification is expected to be developed over the next few months and the new contract in place by September 2019. Funding of £500k is requested for 2019/20 to continue to contribute towards CAMHS and transition to the new contract, part of which will determine any long term financial contribution required from MCC from 2020/21.

Summary

5.31 Children's and Education Services current spend and commitments compared to the approved Medium Term Financial Plan (MTFP) for 2019/20 approved by the Executive in February 2018 would leave a potential budget shortfall of £13.251m. This is largely related to the challenge of realising the planned savings from placements. The proposals to reduce this pressure are:

- Planned savings for 2019-20 approved by Executive in February 2018 were £2.269m, the proposals in this report reduce these savings to **£0.690m** to be achieved in 2019/20.
- There are existing budget pressures totalling **£1.187m** relating to Special Educational Needs and Disability (SEND) home to school transport,

leaving care accommodation and adoption allowances. Service leads for these areas are developing recovery plans to manage within budget in in 2019/20 with progress tracked as part of the overall savings programme.

- It is anticipated based on the likely volume and cost of placements that MHCC could contribute a further **£1.2m** to the placement pressures based on the agreed three way funding split. This is above the £2.2m already committed by MHCC for existing placements and is based an estimate of what MHCC could contribute towards new placements from joint arrangements which started in November 2018. This contribution is an estimate of which to date c£500k has been agreed for a joint funding of specific placements over and above the £2.2m.

5.32 The remaining budget requirement would be £10.174m for Children's Safeguarding, proposed investment of £150k to improve Youth Services and re-investment of Early Help savings of £500k, a total of **£10.824m** for 2019/20. Of this £6.039m was included in December Scrutiny proposals and approved by Executive in January and £4.285m is a new proposal further to outcome of the review of budget set out above. To put in place a realistic budget for Children's and Education Services for 2019/20 the following proposals are made:

- Budget requirement for Children's of **£6.039m** as per the updated 2019/20 financial strategy proposed to Scrutiny in December 2018 and approved by Executive in January 2019:

  - Additional funding built into the LAC Investment Fund to further support the position over the next three to five years by **£3m** per annum (proposed to be funded for three years from GMCA rebate of c£7m and the release of the Sleep in provision of £2.1m).
  - Additional 2019/20 budget for Children's Services of **£2.263m**
  - The Directorate has identified further savings of **£776k** as recovery proposals.

- **Further proposed budget of £4.785m** to be met from:

  - **£4.135m** from 50% of the new Social Care grant (£2.278m) and £1.858m made available in 2019/20 from Council resources.
  - Investment of **£500k** to enable the Early Help savings to be retained for reinvestment as set out in paragraph 5.21
  - Proposed investment to improve youth services of **£150k**

5.33 Together with the £2.757m previously agreed investment for the Children's and Education Services 2019/20 in February 2018, this is total new investment **of £13.581m**.

5.34 Table 3 below shows the proposed 2019/20 budget of **£120.434m** as a result of the proposals in this report.

Table 3: 2019/20 proposed changes and revised budget

	Approved MTFP						
Service Area	**2018/19 Net Budget £'000**	**Approved savings £'000**	**Investment and other changes £'000**	**2019/20 Net Budget £'000**	**2019/20 Identified pressures £'000**	**2019/20 Recovery proposals £'000**	**Proposed 2019/20 Net Budget £'000**
Children's Safeguarding	83,011	-2,039	2,342	**83,614**	10,674	-686	**93,302**
Education	22,440	-230	415	**22,625**	150	0	**22,775**
Directorate Core and Back Office	4,447	0	0	**4,447**	0	-90	**4,357**
Total	**109,898**	**-2,269**	**2,757**	**110,386**	**10,824**	**-776**	**120,434**

5.35 The savings schedule in Appendix 2 provides the approved MTFP savings for 2018-20 and the revised savings as a result of the proposals in this report and summarised in Table 4 below:

Table 4: 2019/20 proposed savings

Children's and Education Savings	**Proposed 2019/20 Savings £,000**
Original 2018-20 savings	
Travel Co-ordination	-90
Review of Commissions	-100
Demand and Practice Efficiencies	-500
Approved 2018-20 savings	**-690**
New savings proposals	
Reduction in Use of Agency	-186
Legal Compensation budget underspend	-50
Information and governance existing underspend	-40
Review of further commissions	-100
Revised strategic commissioning savings	-400
New savings proposals	**-776**
Savings to manage existing pressures	
Supported Accommodation - Leaving Care	-309
Adoption Allowances	-145
Home to School Transport	-733
Total savings to manage pressures	**-1,187**
Total	**-2,653**

6 Capital Strategy / Programme

6.1 The capital programme for Children's and Education is predominantly focused on the creation of school places and the maintenance of the Council's school estate. A summary of the current capital budget is shown in table 5 below, and details of the individual projects can be found in the Capital Strategy and Budget report for Executive in February:

Table 5 – Children's and Education capital budget 2018-2022

£'m	2018/19	2019/20	2020/21	2021/22	**Total**
Basic Need	28.5	29.6	59.2	1.1	**118.4**
School Maintenance	2.3	5.3	3.0	3.0	**13.6**
Other	1.1	4.1	0.1		**5.3**
Total	**31.9**	**39.0**	**62.3**	**4.1**	**137.3**

6.2 Work has progressed in 2018/19 on the expansions of several primary schools, to increase the number of permanent school places at those sites. Funding has also continued to be provided to two secondary academies to complete expansions to accommodate permanent places.

6.3 Executive have approved in principle an initial sum of c.£20m to increase the number of places across the SEND and Alternative Provision estate, with future planning continuing to be based on the aspiration for integration of children and young people into mainstream provision. Work is underway to identify schemes and create a programme of works. This will reduce the unallocated Basic Need available. The remaining unallocated Basic Need funding will be used to fund new places as required across the next few years, dependent on school population forecasts, especially given that the Council has not been allocated Basic Need funding for at least the next two years.

6.4 School Maintenance funding is provided by Government, and is used to undertake significant maintenance projects such as re-roofing, re-wiring and heating works. A programme of works for 2018/19 was identified and has been undertaken, with some funding held to manage issues that may arise during the winter when maintenance issues tend to emerge. Future grant awards are indicative, and are subject to change.

6.5 Work is being undertaken to develop the place planning strategy for 2020 onwards, which will include the impact of future residential development, the Government's free school programme, potential sites for school development or expansion, and population projections.

7 Impact on Residents, Communities and Customers

7.1 Manchester has a diverse and rapidly changing population and it is important that the Council is able to manage its business priorities with due regard for the wide-ranging and complex priorities and needs of the City's residents. The business planning process helps the Council to consider and communicate how it will fulfil the requirements of the Public Sector Equality Duty in the development of its business priorities. The Council will continue to use its

Equality Impact Assessment framework as an integral tool to ensure that all relevant services have due regard of the effect that their business proposals will have on protected groups within the City.

7.2 The Council is proud of its accreditation as an excellent authority against the Equality Framework for Local Government (EFLG) and an integral part to retaining this status is its continuing commitment to maintaining this standard. Ensuring that Directorates' equality considerations and priorities are clearly articulated through the business planning process is a crucial part of achieving this commitment. The directorate's priorities support the EFLG and its activities will continue to reduce inequalities through effective partnership working in particular those with health, schools, independent providers, other local authorities and the voluntary and community sector.

7.3 Children's and Education Services deliver their 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 a individual assessment that gives due regard to their race, culture, gender, sexual orientation and disability.

8 Impact on the Workforce

8.1 The Our Manchester strategy and approach is underpinned by strengths based working, building trusting relationship and innovative working; which is embedded across Children's and Education Services through an asset based approach to engaging with children and families; the approach starts from the point of "what matters to you" instead of "what is the matter with you" which truly embraces the Our Manchester way of working. This way of working has been embedded into early help assessments, education health and care plans and is a key part of the sign of safety social work model used across locality social work.

8.2 Overall, 'B Heard' results within Children's & Education Services has improved in comparison with last year; with the service being accredited as a One To Watch (OTW). Staff are feeling more engaged and feel more positively about their manager and the organisation. The 'B Heard' results have identified areas for focus for 2019/20 which are; the way team managers feel overall, staff wellbeing, how Locality Social Work teams and the Schools Quality Assurance and SEND teams feel overall. The service will develop a 'b heard' action plan aimed at addressing the key themes and areas for improvement over the next 12 months.

8.3 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, skilled and confident workforce through a culture of success, strengths-based approach and strong and effective leadership 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 teams
- Ensuring professionals that work with children and young people have manageable workloads
- Continue to reduce the reliance on interim and agency workers

8.4 Key Workforce Reviews in 2019/20:

1. Children's Locality Model programme; moving from a focus on structures to a focus on our outcomes, our people and our services with partners;
2. Integration of Early Help and Early Years; delivering a local, flexible and easy to access service for children and families
3. Review of Access and Sufficiency; developing an effective and efficient service to support children with SEND;
4. Review of Youth Justice; increase in demand and change in policy, procedural and inspection landscape requires the service to be reviewed in the context of delivering a safe, effective and efficient
5. Front Door Reform: deliver a more effective and efficient 'front door' system

9 Technological Support

9.1 The importance of technology, systems and data should not be underestimated if the City Council is to achieve the aspirations of growth, reform and health and social care integration from both a Council and GM perspective. Additional ICT investment has been agreed as part of the three year budget strategy and a five year capital plan with 2019/20 being the third year of this investment programme.

9.2 During 2018/19 ICT investment has been made in the areas listed below. The initiatives are a mixture of systems to underpin departmental transformational agendas, the implementation of fit for purpose systems or to establish compliance in line with the ICT strategy:

- Liquidlogic implementation - new social care system, better aligning to best practice in Children and Adults social care, supporting Manchester's integration strategy (e.g. system integrated with Health systems). System scheduled to be live in May 2019.
- Education system Re-tender - mandatory activity in line with OJEU procurement rules. This has presented an opportunity to reduce costs and improve functionality, with a focus on integration and data sharing with other systems, such as social care and health. Contract to be awarded to successful vendor in January/February 2019.
- Education system upgrades - regular updates to the Education system, ensuring that MCC remains up to date with new functionality, including those relating to statutory responsibilities.
- Leaving Care - ICT successfully delivered the migration of the Leaving Care service onto MCC systems and infrastructure (one outstanding

requirement to migrate data from Barnardo's to an MCC system which will be complete Feb-April 2019)

9.3 From a technology and systems perspective, the focus for Children's and Education Services in 2019/20 is as follows:

- Implementation of Liquidlogic.
- Integration between social care and education systems (procurement outcome will influence the scale of system integration).
- Adapt MCC systems to align with Children's services new operating model, including Complex Safeguarding and the MASH redesign.
- Support further developments in relation to Manchester's Leaving Care Service.
- Explore partner collaboration opportunities through use of digital and technology solutions (e.g. information sharing, referrals, flexible workspaces and connectivity).
- Develop Early Years digital solutions, reducing manual processes and streamlining processes.
- Work with schools (and their technology suppliers) to consider how they use technology to better integrate with partner services.
- Further develop Youth Justice ICT systems and supporting technologies, to align with new ways of working (e.g. Google Jamboard has led to new ways of working within the service).
- Utilise technological collaboration solutions, such as video conferencing, to work in smart and efficient way as part of the cost avoidance strategy.

9.4 Any initiatives requiring ICT support will need to be considered against the broader ICT portfolio, recognising the finite funding and resources available. The ICT Strategic Business Partner will support and advise the service in this regard.

9.5 ICT will work the team in order to identify solutions that comply with the information and ICT design principles and to develop robust business cases to support their development.