



| Budget Workshops |
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| Subject: Children, Young People and Education Committee |
| Date: 21 st October 2021 |
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| To: P&R Committee |

1. Background

All local authorities are required to set a balanced budget by 10th March each year. The Children, Families and Education Directorate has developed efficiency options for consideration by the Children's, Young People and Education Committee before their recommendations are put forward to the Policy and Resources Committee for review.

Three budget workshops were held on 3 August, 31 August and 19 October.

During the first budget workshop one potential saving was signed off relating to the £1m Residential Accommodation strategy including Willowtree extension and work ongoing around tier 3 NHS funded beds and the four children's homes being created following the loan to Capacity.

In the intervening period the Department had a consultant working with finance and preparing the work and looking at their financial position. The Consultant had been reviewing revenue outturns a clear position has now been signed off. As part of this work the Consultant had benchmarked Wirral to statistical neighbours.

It was reported that Data is now demonstrating that activity within the Department is around the average expected for Wirral's demographic. There is evidence to suggest that this is linked to the work that has been undertaken around prevention to mitigate children coming through to the higher cost/ higher demand services.

During the second budget workshop it was reported that it had been agreed with the Director of Resources that £1.5million would be set aside to deal with any pressures within the area as a result of the impact of the global pandemic

2. Budget savings options

Table 1: Future Year Savings – Children, Young People and Education

| | |
|-----------------------|---|
| Cost Reduction | Residential accommodation strategy |
| | Reduction in support to The Hive |
| | Budget reduction relating to Adoption in Merseyside (AiM) |
| | Youth Offending Service |
| | Teachers Pensions historic enhancements |
| | Impact of historical practice of LAC numbers |
| | 2022/23 Total Savings 1.9m |

Future Year Pressures – Children, Young People and Education Directorate

| | |
|-----------------|--|
| Pressure | Placement and Allowances inflation |
| | SEN transport |
| | PFI inflation |
| | 2022/23 Total Pressures £500, 000 |

Savings rejected or removed by the Committee

All age disability was rejected by the Committee

Troubles families exit strategy was been removed as Government funding is to continue

Demand mitigation in relation to children in care was reconsidered in advance of the last workshop and remodelled and therefore no longer required to be considered as a savings option.

List of Savings and Pressures to be considered further

Savings outlined in the table above will be put forward for consideration this is a considerable reduction on the original figure in the MTFP.

The savings proposals would be developed following input from the Committee

3. Members questions

Q: We are going into a time in the year that can cause more pressures and there are concerns over whether children being provided with meals in school. Are we planning for those events in the future?

Aside £1.5million as fund to meet these challenges that may arise as a result of the impact of the global pandemic. We know that the number of children on free school meals are going up, people are coming off furlough and universal credit is being cut. There are quite a lot of job vacancies and there is a mixed picture on the economy. We are exploring this further.

Q :There are forthcoming changes to CCG's . How detrimental will that be to our budgeting?

A: A lot of children's commissioning doesn't come through that budget, but it may do in the future, therefore it is an unknown

Q We can't realistically guess the pressures. Has the extent of damage to children's mental health been looked at?

A: We will learn more about this as children are back in school. It is inevitable that there will be spikes in children's mental health and SEND, some is related to trauma. It is the children that are not in the system that we won't know about and we are predicting pressures. The £1.5m put aside could cover this as it emerges.

Q Our workforce carries long term vacancies, is this because we carry agency staff?

A: Our statistical neighbours (are not all in the Merseyside area), in Merseyside we pay a more. If we are paying more for our workforce, is it giving us what we want? When I (SW) arrived here there were 120 agency social workers – last time I checked there were 15 demonstrating a big turn round in that respect. Although pressure remains and this number may go up.

Q what are our case load levels and levels of pay?

A: In our local group we sit average against our statistical neighbours. Some areas have staff vacancies and we are doing some remodelling to address this. 26/27 is the highest caseload, but most run much lower we average 15 per Fte currently

Q: In relation to our youth services being commissioned to double the average of the UK, what is it that gives us double the average? What value is it adding? How can we evidence that it is doing the right thing for our children?

A: Over the last 8 – 10 years, most youth services have decreased dramatically. We know that our youth service is bigger. We need to understand impact it has had on anti social behaviour etc and a new KPI set will look at the youth offer and benchmark.

Q It has been identified that Wirral children in care spends longer than the national average? 20% longer?

A: As children come into care, some remain in care and ideally I would want as few children as possible to remain in care and I would want a permanent solution for all of them. Early intervention is key

Q If foster carers need their house extending etc where that budget come from?

A: Capital expenditure. There was a fund put aside in 2016 of around £157,000 – once that is spent there isn't any other money. Are some councils who have decided to spend that money on extending foster carers homes – not something we have done in Wirral

Q: What happens if the £1.5 million funding being put aside doesn't become short term

A: it is a risk, however, if you look at current rate of LAC going up we are still within our statistical neighbour.

Q: (directed to the Director of Resources) In relation to the £1.5 million – could you let us know that you are happy with that?

A: I (SH) have discussed this at length with SW. There are pressures to the department as a result of additional safeguarding costs because of the impact of covid. We have not seen the pressures come in this year and it is taking a longer time for children who have been at home to come to light. There is evidence to support this nationally also that these issues will come about but not for potentially for another 6 – 12 months. Carrying forward to recognise the lag and I am happy to carry it forward.

Q: if it is not spent is there a timescale that it will need to be spent or reallocated?

A: I haven't been given any formal notification of this at this time.

MEMBERS COMMENTS

- We haven't done a lot of work so far on poverty – we do know that free school meals are rising
- “ This is the most confident I have felt in a long time”
- It is very prudent to make the reserve is we can – the volume of people claiming universal credit has gone up three fold and that will impact on families so there will be an impact on increase in demand as a consequence

Following the final workshop Willow Tree costings had been reworked and relies on the department managing vacancies. It was reported that it is predicted that an 80% occupancy throughout the year would be achieved. This would produce a saving of just under £300K (£289, 165 per annum)

This is based on taking in an additional 4 Children as the capacity should be increasing from 9 to 13. Willowtree Shortbreak Residential Unit currently has

provision to accommodate up to 9 children and after the extension it will be able to accommodate up to 13 children.

It is anticipated that these 4 placements will be taken up by children who would otherwise stay in private Residential home.

| | Current | Indicative post Extension | Additional Spaces |
|--|----------------|----------------------------------|--------------------------|
| | £ | £ | £ |
| Annual Budget | 1,718,600 | 2,400,000 | 681,400 |
| Annual cost per place | 190,956 | 184,615 | 170,350 |
| Weekly cost per place | 3,662 | 3,541 | 3,267 |
| Average cost of similar placements | 5,000 | 5,000 | 5,000 |
| Potential cost saving per week | 1,338 | 1,459 | 1,733 |
| Potential annual saving per placement | | 76,099 | 90,364 |
| Potential savings for 4 additional places | | | 361,457 |