



**Meeting: Overview and Scrutiny Board**

**Date: 27 January 2016**

**Wards Affected: All**

**Report Title: Children's Services – Children's Financial Plan – Progress report**

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## **1. Introduction and Background**

- 1.1 This report focuses on the changes to the budget for 2016/17 and how it will be managed to ensure that the service delivery costs remain within the proposed financial envelope which for the 2016/17 budget due to be £29.0m.
- 1.2 Children's Services is currently forecast to spend approximately £31.5m by the end of March 2016. This will result in an overspend of £2.8m against the approved budget of £28.7m
- 1.3 This report is to provide Members with an update on progress made and provide assurance of the commitment of Children's Services to deliver services within the proposed budget for 2016/2017.

## **2. Recommendation(s) / Proposed Decision**

- 2.1 That Members note:
  - a) That Children's Services are committed to deliver services within the proposed 2016/2017 budget.
  - b) That the 2016/17 proposed budget of £29.0m is sufficient to cover service delivery
  - c) The risks as outlined
  - d) The Governance measures to provide support and challenge.

## **3. Achieving the Budget**

- 3.1 Spend on agency social workers in 2015/16 is projected to be £3.1m. The number of agency social workers (ASWs) employed within Children's Services in July 2015 was 38. Following the Workforce Strategy – Reducing Reliance on agency staffing we have achieved a reduction of 11 ASWs to 27 whole time equivalent ASWs.
- 3.2 Children's Services will continue to reduce agency social workers further by the end of March 2016, ensuring that the ASW spend for 2016/17 is reduced by £1.5m in the new financial year, maintaining a maximum spend on ASW of £1.6m in 2016/17. Reducing looked after children costs and placements. Based upon the current age/type placement profile there is likely to be a considerable pressure on the proposed £11.5m placement budget in 2016/17 but this will be mitigated by changes to service delivery resulting in spend remaining within budget in 2016/17. A reduction of 6 placements will deliver a reduction in costs of £520k.

- 3.3 Children's Services have drafted an Invest to Save report which will enable the service to achieve sustainable improvement. This will be delivered within the existing financial commitment for Children's Services, reconfiguring the service to maintain both service improvement and meet the challenge of reducing budgets.
- 3.4 To fund a strengthening of management and review capacity, as per para 3.3 above, to ensure challenge and oversight in response to Ofsted's recommendation, 5 social work posts will be removed from the establishment at 31 March 2016.
- 3.5 To support a safe reduction in the numbers of children looked after; we will develop a clinical model of 'Edge of Care' and in addition, a reunification team. This will enable at least the reduction in costs and numbers outlined in 3.2.
- 3.6 To increase the amount of time a social worker spends working with families and young people, a business support offer is being rolled out providing dedicated support to social workers on a ratio of 1 business support officer to 3 social workers. This offer coupled with mobile technology will have the effect of increasing our frontline resource by 30%.
- 3.7 Children's Services in partnership with the Audit Committee have reviewed previous assumptions in the Five Year Plan and have renewed their strong motivation to achieve a financially sustainable service alongside the improvements which are required to improve outcomes for children. This commitment is evidenced by the success to date in reducing agency social workers and the downward trend in looked after children's numbers.
- 3.8 A further report is now in preparation to provide assurance and direction on the longer term financial plan for Children's Services. This will be developed in partnership with the ICO as a central part of the 'integration' process and will be finalised before the end of this financial year.

#### **4. Risk and challenge**

- 4.1 There are risks to the service in delivering the expectations at the pace required, at a point when improvement in outcomes are required. Recruitment to permanent social workers, management and review posts if unsuccessful, will present challenge to improvement, whilst assisting budget reductions.
- 4.2 There are co-dependencies: successful recruitment will assist with reunification and preventing children entering care. This will reduce caseloads and enable reductions in the social work establishment. However, higher caseloads caused by reduction in social work posts may place risks for retention of permanent social workers.
- 4.3 The risks and challenges will be mitigated by the robust improvement plan and by focusing recruitment on specialist and career grade posts, and creating specialist teams to focus on children looked after. There are also risks and challenges that form the basis of the day to day management task for children's services senior managers.

#### **5. Governance**

- 5.1 Internal challenge and budget monitoring processes ensures that high risk budget areas are regularly monitored by the Assistant Director – Safeguarding supported by budget accountability by Heads of Service. This is accompanied by a changing culture of service expectation and accountability with high support and high challenge.
- 5.2 Corporate challenge: a task and finish group focusing on the use of agency staffing within Children's Service which reports to the Council Transformation Team. In addition to this a broader overview of the Children's Services budget will form a work stream for challenge within the corporate centre.

- 5.3 Members challenge: consideration will be given to how best Members will engage and how the audit committee working group will continue fulfil its scrutiny role.

### **Background Documents**

#### **30<sup>th</sup> October 2014 – Children’s Services 5 year cost reduction plan**

<http://www.torbay.gov.uk/DemocraticServices/ieListDocuments.aspx?CId=163&MId=5586&Ver=4>