

Updated Budget Presentation

Southampton Children and Learning Service

March 2024



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Children
& Learning
Making a difference



SOUTHAMPTON
CITY COUNCIL

Overview

Three-year budget and existing commitments

Analysis of stat neighbour budgets, spend and pressures

Strategy to meet the gap between projected spend and budget, with risk assessments

Destination 22 and Building for Brilliance / Building for Sustainability

As part of our service improvement journey, we:

- Have reduced agency staff from a high of 91 to 13 as of March 2024. Forecast spend for 2023/24 is £2.9m, a reduction of £3.1m compared with 2022/23 and a reduction of £4.1m compared with 2021/22. We are working to reduce further to an end of year spend of £2.5m. Next year we will target an average 16 agency staff.
- Are forecast to spend approximately £3m less on looked after children than we did in 2021/22.
- Have achieved an Ofsted judgement of 'good' with 'outstanding' leadership, mitigating financial risks associated with 'inadequate' services.
- Have the increasing confidence of staff (95% of whom are permanent), partners, Department for Education.



Three-year budget

| | 23/24 | 24/25 | 25/26 |
|---------------------|-------|-------|-------|
| | £M | £M | £M |
| Children & Learning | 58.44 | 61.83 | 62.58 |

Taken from the latest budget report :

[Annex 1 to MTFS - General Fund Medium Term Financial Forecast 2024-25 to 2027-28.pdf \(southampton.gov.uk\)](#)

Budget accountability statements are being implemented to support a high level of financial control. Further work is now taking place in respect of savings: 1. review of proposals previously RAG rated amber or red 2. exploring new ways of working to ascertain new ones.



Pressures

| Ref | Item | Description | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 |
|--------|---|--|-----------------|-----------------|-----------------|-----------------|
| | <u>Demand and Price Pressures</u> | | | | | |
| 24P24 | Education Services staffing | Unrealised prior year savings | 222 | 222 | 222 | 222 |
| 24P26 | Education Psychologists staffing | Increased demand arising from increased numbers of Education & Health Care Plans (EHCP) | 113 | 113 | 113 | 113 |
| 24P60 | Jigsaw - High Cost Placement SCC (50/50 with Health) | Single high cost placement | 300 | 300 | 300 | 300 |
| 24P255 | Asset Management & Capital Strategy | Unrealised prior year savings | 84 | 84 | 84 | 84 |
| 24P402 | Looked After Children Placement spend pressure | High numbers in residential placements | 4,775 | 4,775 | 4,775 | 4,775 |
| 24P403 | Staffing pressures in Young People Service | High service demand reflecting in more resource required | 280 | 280 | 280 | 280 |
| 24P404 | Agency staff in the Quality Assurance Business Unit | Increased demand in this area | 200 | 200 | 200 | 200 |
| 24P405 | Safeguarding - Agency, Allowances and Overtime | High service demand reflecting in more resource required | 1,690 | 1,690 | 1,690 | 1,690 |
| 24P408 | Special Guardianship Order (SGO) placement spend pressure | Increased placement spend | 395 | 395 | 395 | 395 |
| 24P630 | Residential Units Revenue Pressures | | 730 | 438 | 0 | 0 |
| | <u>Income Pressures</u> | | | | | |
| 24P27 | Education - reduced capacity for traded services | Less capacity due to increased demand on support of children with EHCP's | 75 | 75 | 75 | 75 |
| | <u>Service Improvement</u> | | | | | |
| 24P3b | Care Director business process optimisation - additional posts - Children's * | Pressure relating to further support requirements for Care Director | 198 | 198 | 198 | 198 |
| | <u>Delayed or Unachieved Savings</u> | | | | | |
| 24P108 | Residential unit savings projections deferred (22S1) | Project delayed - one property purchased - awaiting planning permission likely operational 24/25 | 299 | 509 | 509 | 509 |
| 24P109 | Fostering - savings projections deferred (22S5) | Business case in progress to make payments to carers simpler from 24/25 | 534 | 713 | 713 | 713 |
| 24P215 | Merge Youth work Lead and Inclusion & Diversion Officer | | 111 | 111 | 111 | 111 |
| | Total | | 10,006 | 10,103 | 9,665 | 9,665 |



Analysis of stat neighbour children's services budgets, spend and pressures

Spending 23/24 (For those that have included forecasted spends):

- **Portsmouth** are forecasting a **£2m deficit** (3%, this is following a 33% increase in budget from 22/23 - £44m to £66m). Portsmouth have a budget of £1,603 per child (population).
- **Southampton** **£7.7m deficit** (12.1% of £63.6m). Budget of £1,290 per child (population).
- **Hull** **£2.6m deficit** (3.2% of £81.5m budget) following **£6.9m deficit** in 22/23 due to agency staff, high-cost placements and SEN home/school transport. Budget of £1,316 per child (population).
- **Salford** are expecting a **£6.9m deficit** (7% of £97.6m budget) due to SEND transport and external placements for children in their care. Budget of £1,664 per child (population).
- **Bristol** **£12.1m pressure** (11% of £110.2m budget) in children's & education due to the changing complexity and mix of social care placements. Budget of £1,203 per child (population).
- **Stoke** projecting a **£12.9m deficit** (16.1% of a £80.1m budget) due to inflation/pay award, agency staff (£2.9m), SEND transport (£3.6m). Budget of £1,371 per child (population).
- **Sheffield** **£8.9m deficit** forecast (7.7% of £115.8m budget). £3m on home school transport. £3.9m of savings not achievable, key overspends are residential placements (£4.8m). Budget of £1,031 per child (population).
- Peterborough, Coventry, Derby, Plymouth – no details yet.

Saving / spend reduction commitments

| Ref | Description | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 |
|---------|---|-----------------|-----------------|-----------------|-----------------|
| | <u>Service Redesign</u> | | | | |
| 24S207 | Virtual school, do not recruit to vacant post | (44) | (44) | (44) | (44) |
| 24S214 | Non recruitment of vacant posts within SEND | (89) | (89) | (89) | (89) |
| 24S249 | Early saving from moving to Family Safeguarding Model | (144) | (144) | (144) | (144) |
| 24S288 | Fostering and Adoption Service redesign. | (107) | (107) | (107) | (107) |
| 24S289 | BRS Service redesign. | (200) | (200) | (200) | (200) |
| 24S292 | Language Service redesign. | (19) | (19) | (19) | (19) |
| 24S363 | Bring ADM (Agency Decision Maker) role in house | (7) | (7) | (7) | (7) |
| 24S470a | VR saving excl savings already captured - Childrens and Learning | (349) | (349) | (349) | (349) |
| | <u>Income Efficiency</u> | | | | |
| 24S209 | Virtual School - Utilise additional funding | (15) | (15) | 0 | 0 |
| 24S210 | Music Service income increase. | (15) | (15) | (15) | (15) |
| 24S212 | Maximise impact of Family Hubs grant. | (419) | 0 | 0 | 0 |
| 24S213 | Maximise Supporting Families payment by results claim. | (81) | (81) | (81) | (81) |
| 24S361 | Rigorously monitor claims to Home Office to support increased number of UASC. | (211) | (211) | (211) | (211) |
| 24S390 | Increasing offset with Family Hubs grant | (27) | 0 | 0 | 0 |
| 24S491 | Music Service income increase. | (34) | (34) | (34) | (34) |
| | <u>Efficiencies</u> | | | | |
| 24S355 | Cease outsourced contacts | (47) | (47) | (47) | (47) |
| 24S365 | Children & Learning - average 31 agency staff for the whole of 23/24 | (1,821) | (1,821) | (1,821) | (1,821) |
| 24S378 | Do not appoint to PM in Contact Service | 0 | (53) | (53) | (53) |
| 24S463 | Education Property budget no longer needed re academisation | (120) | (105) | (45) | |
| | <u>Cost control measures</u> | | | | |
| 24S211 | Not use surplus from Holiday Activities Fund. | (7) | 0 | 0 | 0 |
| 24S293 | Reduce music service management costs | (23) | (23) | (23) | (23) |
| 24S294 | Holiday Activities and Food efficiencies | (8) | 0 | 0 | 0 |
| 24S354 | Reduce No Recourse to Public Funds spend | (62) | (62) | (62) | (62) |
| 24S356 | Reduction in translation costs | (96) | (96) | (96) | (96) |
| 24S358 | Reduce Preventative spend back to budget | (225) | (225) | (225) | (225) |
| 24S364 | Reduce accommodation costs for care leavers | (180) | (180) | (180) | (180) |
| 24S366 | Cease Tripod costs (re: overseas recruitment) | (390) | (390) | (390) | (390) |
| 24S367 | Cease Consultancy costs | (176) | (176) | (176) | (176) |
| | Total | (4,916) | (4,493) | (4,418) | (4,373) |

Cost reduction proposals in addition to £7M current saving / spend reduction commitments

| Plan | Amount t £M 24 / 25 | Amount £M 25 / 26 | Amount £M 26 / 27 | Investment Needed | Timeframe secured | Confidence Level High is good) | Risk Level (Low is good) | Risk assessment |
|--|---------------------------|-------------------------|-------------------------|---|----------------------|--------------------------------------|-----------------------------------|--|
| Demand reduction – 40 less children starting care each year, 75 less CP starting each year | 1.0 | 5 | 10.9 | FSM – local public health funding, alongside DFE grant award. | Q4 24 / 25 | Medium | High | Principal issue is confidence – demand reductions are not achieved as forecast. £1.3M per year already factored in pre-FSM (4 less CLA per month and a reduction of 6 residential placements over the year) using local forecasts. The figures included here are additional, applying Hertfordshire’s logic. Mitigation: reducing trends evident, implementation of evidence-based approach (Family Safeguarding) should increase confidence, service Ofsted judgement is an enabler for more robust conversations with partners and greater tolerance of high-risk decisions. Service risk level is high due the new rates being lower than SN averages in a city with significant deprivation. Some children may be left at risk of harm. Reputation risk in terms of Ofsted. |
| Additional reduction to – 12 agency staff average over the year | 0.4 | 0.4 | 0.4 | | Q4 24 / 25 | Medium | High | Risk of service requiring more agency staff if recruitment and retention trajectory is destabilised. Mitigation through rapid service redesign and weekly senior leadership oversight of caseloads. |
| Reduce HTST costs – change from plan to save £1.5m in first year | 0.0 | 0.8 | 1.6 | | Q4 24 / 25 | Medium | High | Confidence level reflects finance calculating £800k reduction in the first year. |
| Reduced staffing due to rapid service redesign | 1.2 | 1.6 | 1.6 | Business analysis agreed as part of RSR. | Q1 24 / 25 | Medium | High | Reduction of 44.95 FTE. Part current budgeted staff reduction and part no longer paying for unbudgeted posts. Addition cost reduction linked to Intensive and Complex Assessment Service review. Any further reduction to service would result in additional agency costs (evidence agency trend 2014) and / or increase in high-cost placements (Impower analysis, 2018). |
| Bringing Education Service into Budget | 0.38 | 0.42 | 0.47 | | Q1 24/25 | Medium | Medium | Risk of redundancies impacting on in year data, reduced staff may impact on children at a time when focus needed on exclusions and access to education |
| TOTAL | 3.08 | 8.26 | 13.63 | | | | | |



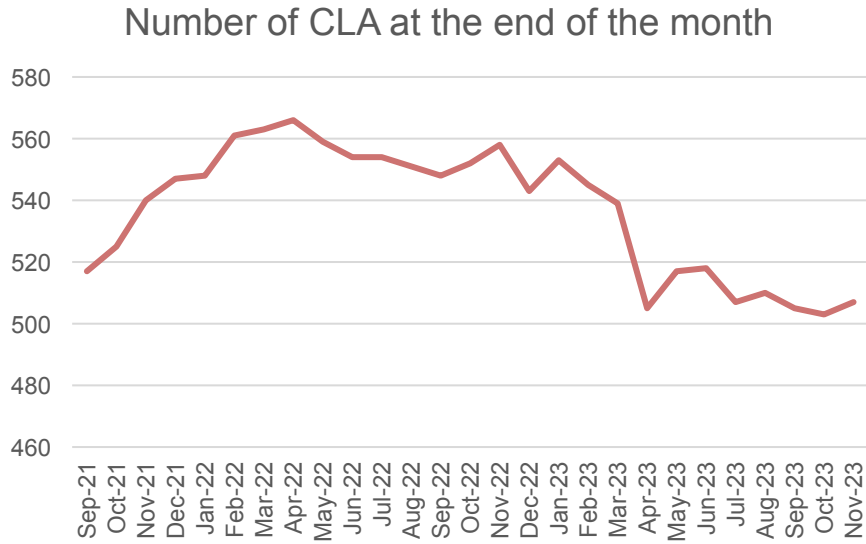
Appendices

1. Achievements
2. Demand analysis

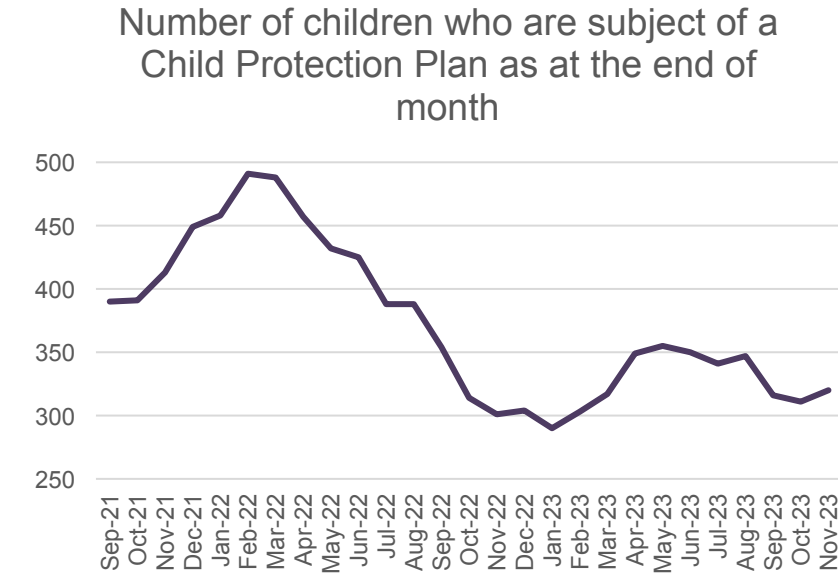


Achievements

Reduction in children in care: NB this has reduced to 484 as of 8 March 2024



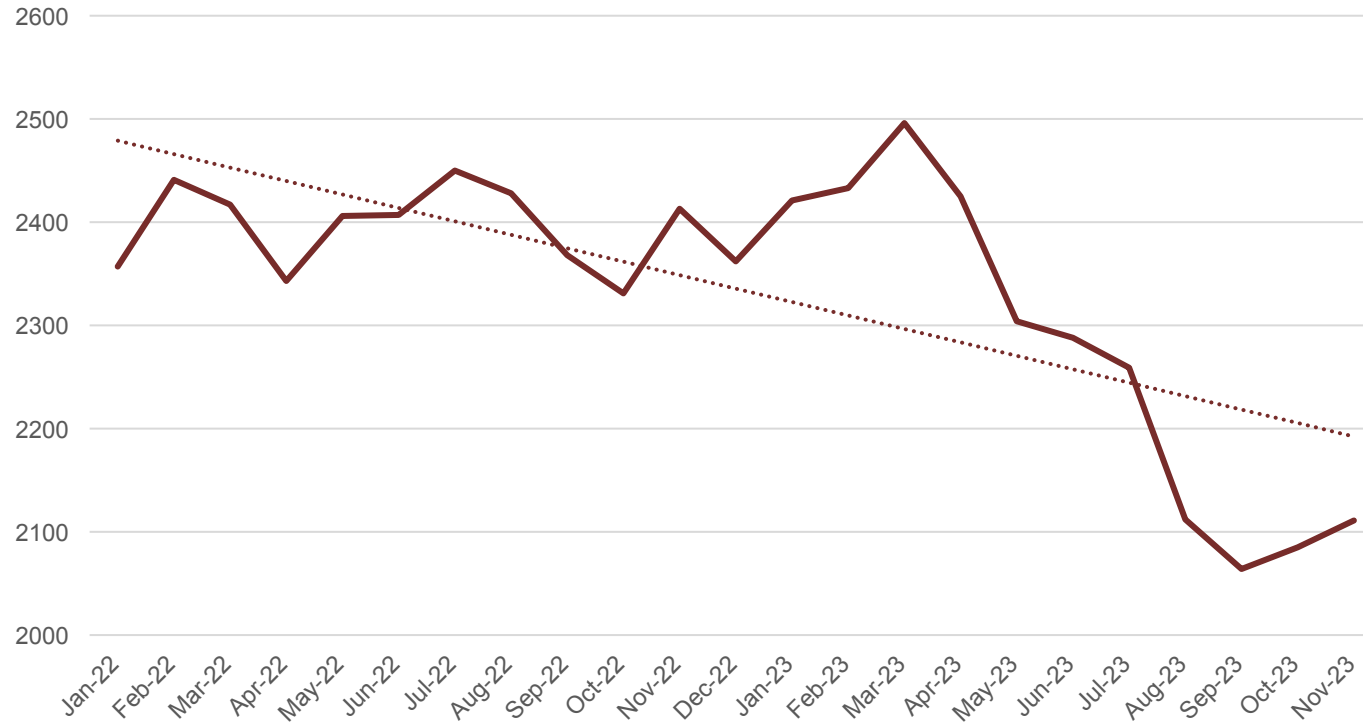
Reduction in children subject to CP plans



Achievements

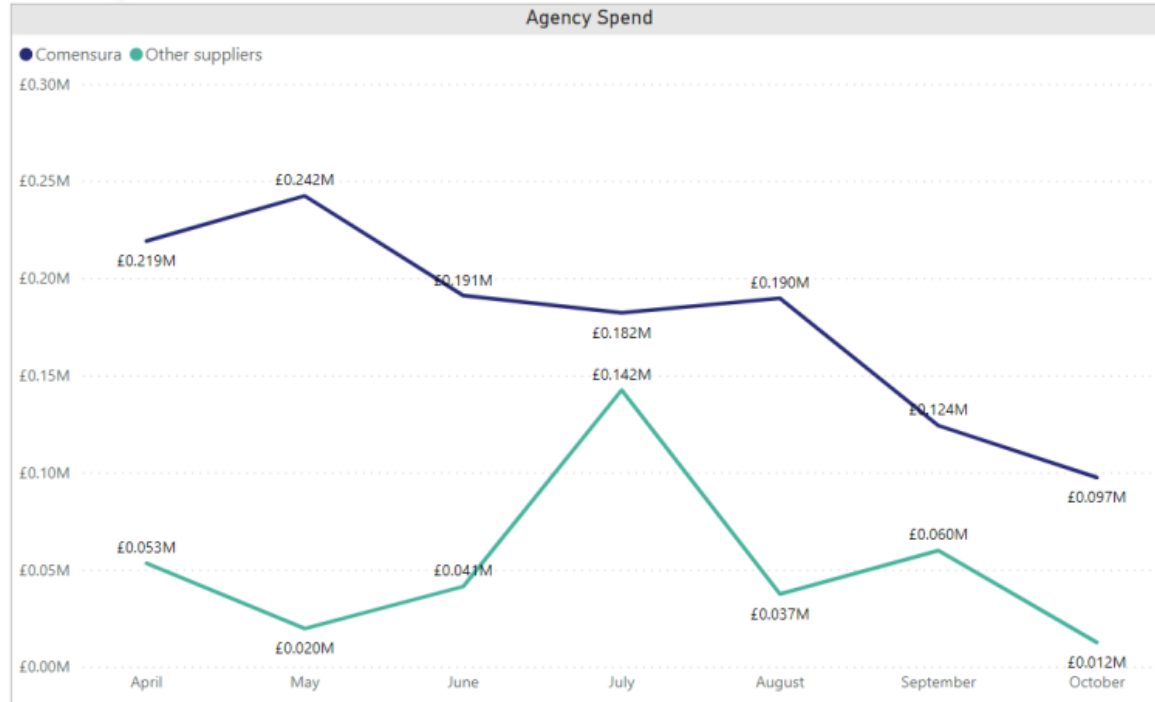
Reduction in children open to children services:

Number of all Children in Need (CiN) (including Child Protection (CP) / Children Looked After (CLA) / And open assesment) at end of period

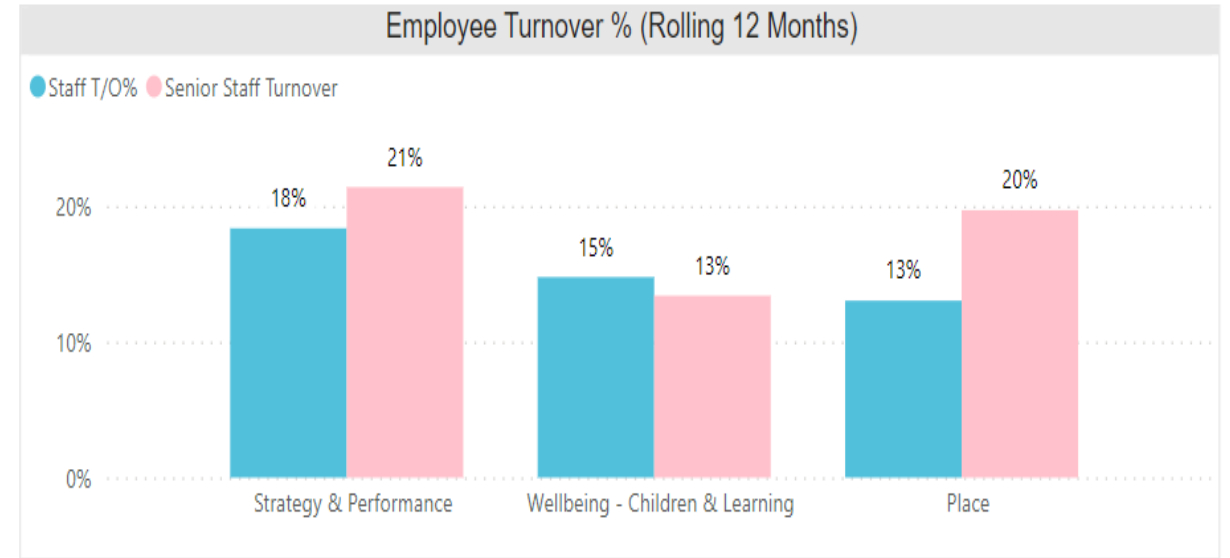


Achievements

Reduction in agency spend:



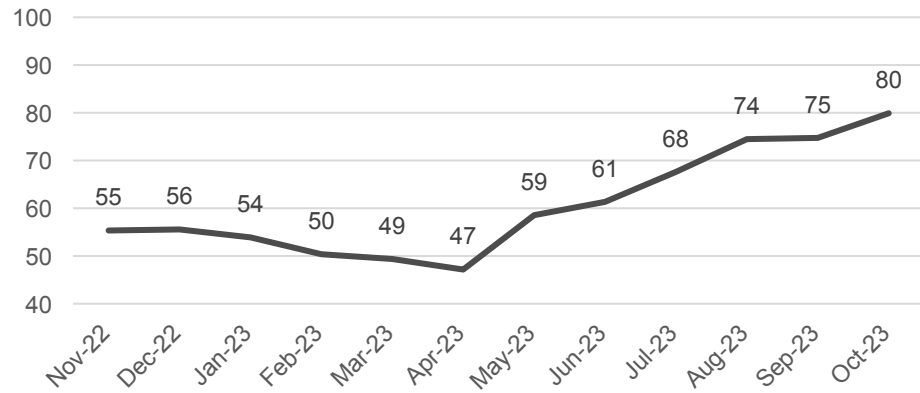
Reduction in staff turnover:



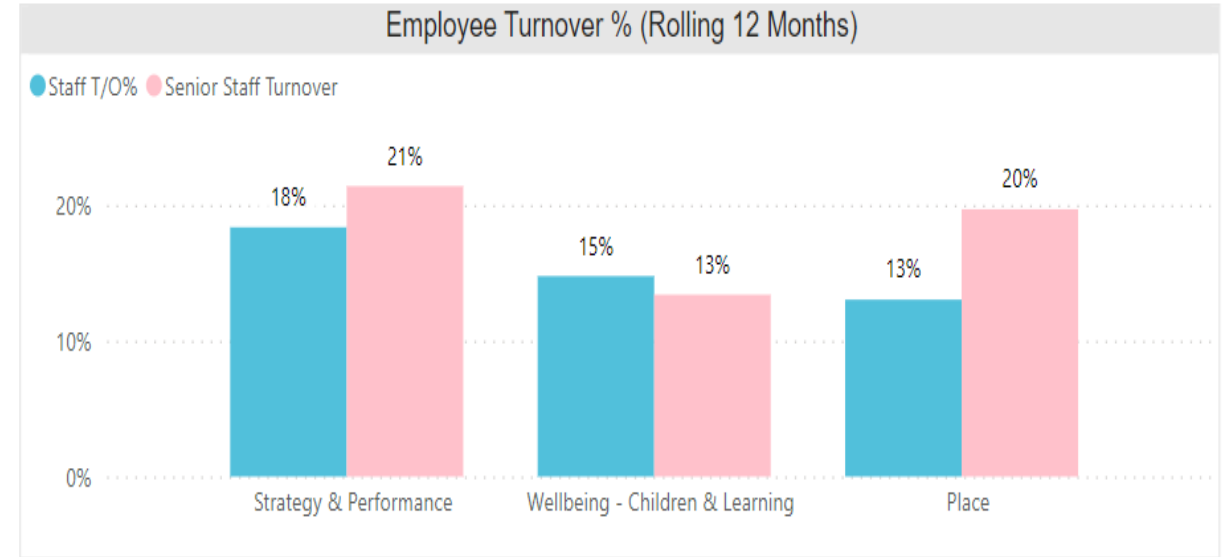
Achievements

Increased stability in Pathways Through Care:

Percentage of CLA that have been in care for 12+ months, that have had same social worker for last 6 months



Reduction in staff turnover:



Demand Reduction Analysis

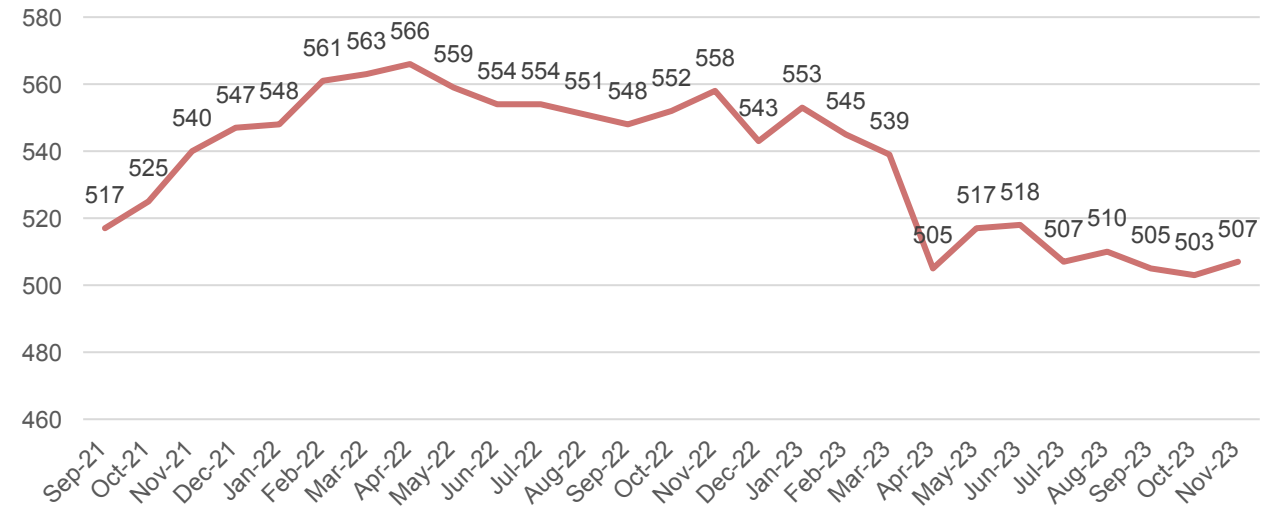
Initially, Children Services put forward £7m savings. This included a reduction in demand of 4 net children (non-residential) per month, estimated to save £664k in a year. We are proposing that we can save an additional £1m in 24/25 as a result of Family Safeguarding that will contribute to a net reduction of 6 children per month, increasing the expected savings by £516k to and there will be a one-off legal cost avoidance in 24/25 of £500k due to less children going through legal proceedings. This increases the expected savings to £1.66m.

We have forecast the following combined savings for this demand reduction (all in addition to previous savings put forward):

- 24/25 - £1m
- 25/26 – £4.2m
- 26/27 - £6m



Number of CLA at the end of the month



Since March 2022, there has been a steady and consistent reduction in the number of children in care from 566 to around 500. The average of the last 8 months (since impact of focus on returning children home keeping children at home) has been 510. NB the snapshot for 8 March 2024 is 484.

This reduction has seen a decrease in weekly spend on looked after children from £502,810 in May 2022 to a weekly spend of £442,157 Dec 2022 and £413,388 on 8 March 2024. The cost reduction has not matched the reduction in numbers due to the increasing costs of crisis and residential placements, and the complex needs of adolescents requiring care.

Demand Reduction Analysis

There are two Family Safeguarding forecasts:

The first is based on 40 less children entering care in 2024/25 only.

Taking into account average time spent in care, they forecast that our cost avoidance will be:

2024/25 £1m

25/26 £2.75m

26/27 £1.9m

The second is based on recurring avoidance of care entrants of 40 a year

2024/25 £1m

25/26 £4.2m

26/27 £6m

The Family Safeguarding figures do not represent a net reduction, exits are not included. The natural exits of children alongside the predicted reduction in children entering care will result in an overall decrease in children being in our care each year:

| Year | Number of children entering care | Number of children exiting care | Net difference | Total number of children in care | Rate |
|------------------------|----------------------------------|---------------------------------|----------------|----------------------------------|------|
| 22/23 | 198 | 219 | -21 | 539 | 108 |
| 23/24 (est. to Apr 24) | 180 | 232 | -52 | 487 | 98 |
| 24/25 | 140 | 215 | -75 | 412 | 85 |
| 25/26 | 102 | 175 | -73 | 339 | 72 |
| 26/27 | 70 | 125 | -55 | 284 | 61 |

Our target of 140 entering care in 24/25 us a rate of 28 per 10,000 children, bringing us closer to the statistical neighbour average. In 25/26. reducing this further to 102 children will bring us to a rate of 20.5. which will be below average but performing in the top



Demand Reduction Analysis

Evidence of children exiting:

SGO/residence order

28 children left care so far this year through SGO or CAO. Continuing the same trajectory this would be 40 by end of March 2024.

Reunifications

42 children left care due to reunification. With same trajectory full year will be 63.

Reunifications for 24/25 remains a focus with care planning for 10 children in residential to step across into foster placements and children in foster placements to return to living with a family member.

Children turning 18

In the year 24/25, 75 children will reach 18. There will also be approximately 5, 17-year-olds accommodated during the year that will also turn 18. The majority of these young people will be entitled to care leaving support, and any reduction in resources in the Pathways Through Care service from the reduced number of children would be required to move across to Care Leaving services, so there would not be a staffing saving in this area.

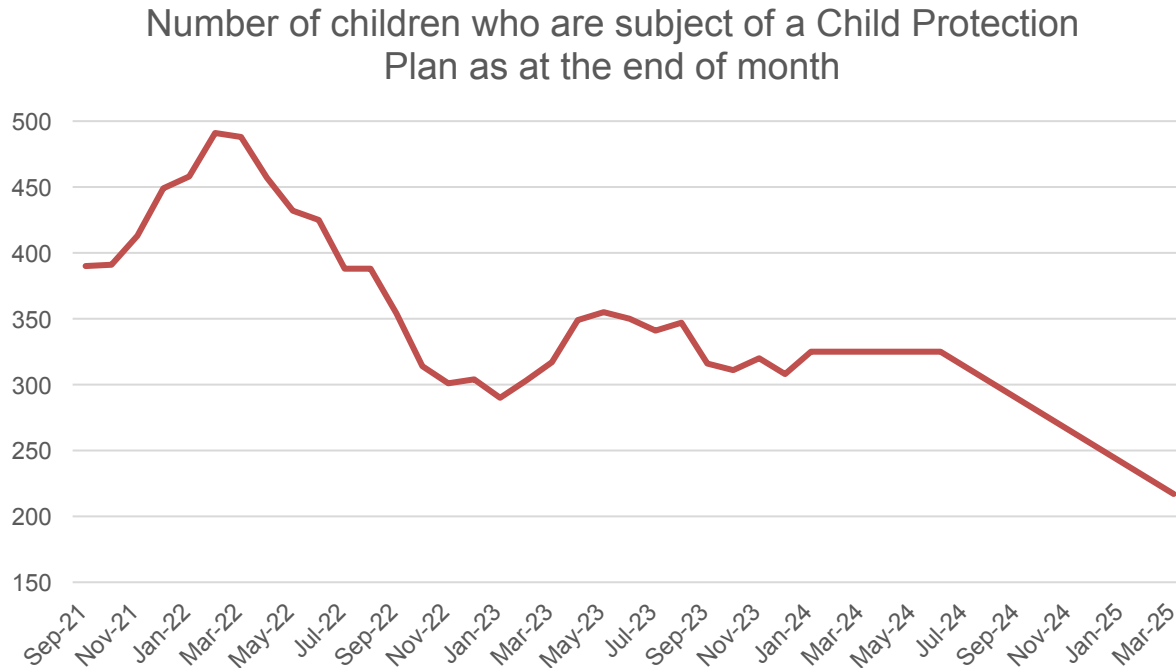
Adoption

We currently have 14 children placed for adoption with no adoption order, so still in care. Additionally, there are 16 with a placement order but not matched, and therefore in foster care. It is likely that the number of children requiring adoption will be sustained until Family Safeguarding is embedded.



Demand Reduction Analysis

Children subject to child protection planning



Over the last 2 years, our number of children on CP planning have reduced from a high of 491 in February 2022. They have been consistently below 355 since September 2022, over 15 months of stability in these rates.

The average of the last year is 325, which provides the basis for the planned reductions in 24/25 based on the cost/benefit analysis provided by Hertfordshire.

Hertfordshire predict that the number of children on CP planning will reduce by 149 by the end of the first year (June 2025). This will result in the number of children on CP planning reaching 176 and maintaining between 150 and 200 within monthly variations.

