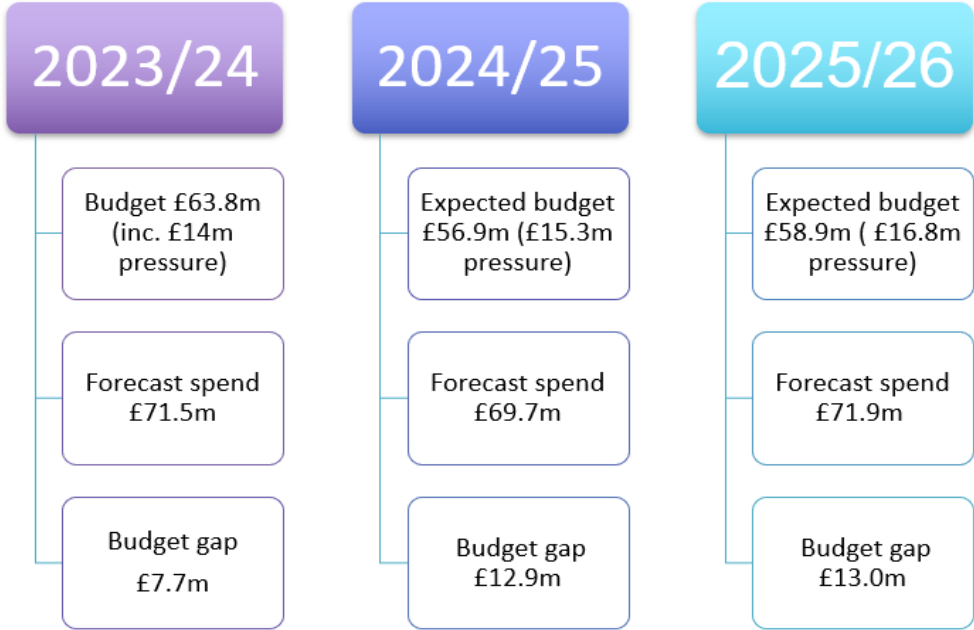



<b>DECISION-MAKER:</b>	CHILDREN AND FAMILIES SCRUTINY PANEL
<b>SUBJECT:</b>	CHILDREN AND LEARNING – DRAFT BUDGET PROPOSALS
<b>DATE OF DECISION:</b>	25 JANUARY 2024
<b>REPORT OF:</b>	EXECUTIVE DIRECTOR, CHILDREN AND LEARNING

<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>	
Appendix 1 to this report is confidential based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It contains information relating to the financial or business affairs of any particular person (including the Authority holding that information).	
<b>BRIEF SUMMARY</b>	
This item will outline the service's budget position and the developing proposals to decrease pressures over the next three years, from 2024/25.	
<b>RECOMMENDATIONS:</b>	
(i)	That the Panel note and challenge the detail in the presentation, attached as Appendix 1.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	The Children and Families Scrutiny Panel provides support and challenge in relation to the service's improvement journey and financial stability.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2.	Not applicable.
<b>DETAIL (Including consultation carried out)</b>	
3.	<p>Since the implementation of the Destination 22 programme, Southampton's Children and Learning Service can evidence the following key successes:</p> <ul style="list-style-type: none"> <li>Reducing agency staff from 91 (2022/23) to 20. Forecast spend is £2.9m, a reduction from £5m last year and from £7 million in 2021/22. We are working to reduce this further to an end of year spend of £2.5m. Next year we are targeting an average of 12 agency staff.</li> <li>Forecasting to spend approximately £3m less on looked after children than we did in 2021/22.</li> </ul>

	<ul style="list-style-type: none"> <li>Achieving an Ofsted judgement of ‘good’ with ‘outstanding’ leadership, mitigating financial risks associated with ‘inadequate’ services.</li> <li>Increasing confidence of staff (97% of whom are permanent) and partners, including the Department for Education.</li> </ul>																
4.	<p>However, pressures on the service budgets are notable, as shown below:</p>  <table border="1" data-bbox="384 456 1362 1084"> <thead> <tr> <th>Year</th> <th>Budget (inc. pressure)</th> <th>Forecast spend</th> <th>Budget gap</th> </tr> </thead> <tbody> <tr> <td>2023/24</td> <td>£63.8m (inc. £14m pressure)</td> <td>£71.5m</td> <td>£7.7m</td> </tr> <tr> <td>2024/25</td> <td>Expected budget £56.9m (£15.3m pressure)</td> <td>£69.7m</td> <td>£12.9m</td> </tr> <tr> <td>2025/26</td> <td>Expected budget £58.9m (£16.8m pressure)</td> <td>£71.9m</td> <td>£13.0m</td> </tr> </tbody> </table>	Year	Budget (inc. pressure)	Forecast spend	Budget gap	2023/24	£63.8m (inc. £14m pressure)	£71.5m	£7.7m	2024/25	Expected budget £56.9m (£15.3m pressure)	£69.7m	£12.9m	2025/26	Expected budget £58.9m (£16.8m pressure)	£71.9m	£13.0m
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5.	<p>In addition, there are further spending commitments that the service needs to take into account. These include:</p> <ul style="list-style-type: none"> <li>Residential project - £98,000 in 2023/24; £730,000 in 2024/25; £438,000 in 2025/26</li> <li>Foster carer allowances – finance are still costing this element</li> <li>UASC costs, post 18 – forecast pressure of £612,539 for 2023/24</li> <li>Pay award 3% (additional 1% to current budget) - £333,200 each year</li> <li>Looked after children bank accounts / savings - £40,000 in 2023/24; £72,000 in 2024/25; £72,000 in 2025/26.</li> </ul>																
6.	<p>The service’s Building for Brilliance programme has six core priorities, designed to continue to improve outcomes for children and to build a sustainable service:</p>																

	
7.	The service has identified significant cost reductions for 2024/25. The draft proposals are attached in Appendix 1. A full equality and safety impact assessment will be completed as part of the service redesign. Demand analysis which has informed the proposals is also included within Appendix 1.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
8.	The financial implications of the budget proposals are identified in Appendix 1.
<b><u>Property/Other</u></b>	
9.	Not as a result of this report.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
10.	Children Act 1989 and 2004
<b><u>Other Legal Implications:</u></b>	
11.	N/A
<b>RISK MANAGEMENT IMPLICATIONS</b>	
12.	The projects and change team support the oversight and risk analysis of the Building for Brilliance project workstreams and the Building for Brilliance governance board.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
13.	The 2022-2030 Corporate Plan includes, as one of its four goals, strong foundations for life where people can access and maximise opportunities to

	truly thrive, Southampton will focus on ensuring residents of all ages and backgrounds have strong foundations for life.
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<b>KEY DECISION?</b>	<b>No</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	All
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
1.	Confidential - Draft budget presentation

**Documents In Members' Rooms**

1.	None
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**Equality Impact Assessment**

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out?	Yes
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**Data Protection Impact Assessment**

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?	No
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**Other Background Documents**

**Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	N/A