

Meeting Title	Children and Young People's Scrutiny Committee
Report Title	Children's Integrated Services: Implementation of agreed Budget Savings
Meeting Date	26 th January 2023

Corporate Director(s)/Director(s):	Catherine Underwood, Corporate Director for People Ailsa Barr, Director for Children's Integrated Services
Portfolio Holder(s):	Councillor Cheryl Barnard
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Summary of issues:

Providing services for Children and Families is a key statutory responsibility for the local authority and a priority for Nottingham City Council.

The Council has set its medium-term financial plan and this was signed off at Full Council on 7th March 2022. Included within this are savings commitments within Children's Services. Appendix A sets out the final savings committed.

Consultation is currently in train to inform the Council's budget for 2023/24 and medium-term financial plan. This report notes the proposals relating to Children's Services.

A major programme of transformation in Children's Services was agreed at Executive Board on 22 February 2022 (attached as Appendix B). The funding for this programme forms part of the Medium-Term Financial Plan (MTFP) allocating up to £2.4m for specialist resourcing and £6.5m funding for delivery partner support. This report provides an update on developments to date.

This report provides information on the implementation of the agreed budget savings and summary of progress on each budget savings heading.

Recommendation(s):

1. Children and Young People Scrutiny Committee notes the summary of progress on the budget savings relating to Children's Integrated Services.
2. Children and Young People Scrutiny Committee notes the 2023/24 budget proposals

Providing services for Children and Families is a key statutory responsibility for the local authority. The Strategic Council Plan sets this out as a priority reflected in outcome 5: Child Friendly City. The plan sets out the vision that:

“Every child in Nottingham will get the best start in life, regardless of their circumstances. We will support local children to thrive academically, emotionally and physically, ensuring equality of opportunity for all.”

The plan notes that the Council will “continue to provide the vital statutory services that support and protect vulnerable children, including safeguarding, children in care, those with Special Educational Needs and Disabilities (SEND) and other vulnerable groups” and that the Council will “Work hard to improve our children’s services, to ensure we provide the quality of service local children and families deserve.”

On 25th November 2021 a paper was presented to Children’s and Young People’s Scrutiny Committee which set out Children’s Integrated Services current financial position and budget savings proposals which at the time were part of a public consultation (attached as Appendix C).

On 31st March 2022 a paper was presented to Children and Young People’s Scrutiny Committee (attached as Appendix D) providing an introduction to the Children’s Transformation programme.

On 9th June 2022 a paper was presented to Children and Young People’s Scrutiny Committee providing an update against the budget saving proposals (attached as appendix E). This report provides a further progress update.

On 1st December 2022 a paper was presented to Children and Young People’s Scrutiny Committee (attached as appendix F) providing a detailed update as to the progress of the transformation programme.

This report provides the committee with an update on progress of the savings made to date and some commentary on the anticipated delivery by the end of the 2022/23 financial year.

2. Current savings commitments relating to Children’s Integrated Services)

The Council has set its MTFP and this was signed off at Full Council on 7th March 2022. Included within this are savings commitments within Children’s Services. Appendix A sets out the final savings committed.

Consultation on these proposals ran from 16th November 2021 to 10th January 2022.

3. Current position of Children’s Integrated Services Budget Savings

- **NGY Grant Funding**

NGY Services	Ending the grant funding of the youth services and NGY base provided by Base 51	(0.200)	(0.180)	(0.180)	(0.180)
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The grant funding of the youth services and NGY base was ended. As a result, the budget saving is on track to deliver.

The impact of this saving proposal is that Base 51 will need to explore other avenues of funding to support their work.

- **Play and Youth**

Play & Youth Services - Excluding buildings	Reduction of the service to provide targeted youth provision only. All play services would cease and there will be a reduction in staffing.	(0.537)	(0.733)	(0.733)	(0.733)
Play & Youth Services - Buildings only	Reduction of the Play and Youth buildings in line with a reduced service as above	0.000	(0.165)	(0.165)	(0.165)

A public consultation closed on 10 January 2022. The events were well attended by children, young people and their families. Following feedback from the initial consultation additional funding was agreed for 3 workers.

All 42.5 FTE Play and Youth worker posts were deleted, and 16 FTE Youth Worker Posts established. All but 5 of the workers took redundancy. The remaining 5 were recruited to the new posts - One operational manager, 1 specialist and three detached workers – one of whom has since left. Recruitment has been ongoing to recruit to the remaining Youth Worker posts in conjunction with partner organisations to support with the shaping of the future. Recruitment remains ongoing due to a difficulty in recruiting to qualified youth worker posts, *which is a national pressure. The service has been working with a recruitment agency (Indeed) to fill the posts. The service has been out to recruitment three times. Eight posts remain to be filled. The operational manager, 2 practice supervisors, 3 of the 4 youth development workers and 2 of the 9 youth detached worker posts have been filled. The service will be undertaking a further round of recruitment and will be working with consultants at Indeed to widen the advertising of the roles. Shortlisting is in progress for the remaining youth development post and a fourth round of recruitment underway for the youth detached worker posts. Interviews are anticipated to take place in early February.*

The service is continuing with a reduced citywide service from Bulwell Riverside. We are prioritising work in partnership to deliver a range of services such as Pythian, Mental Health Support Teams (MHST), Helping Kids Achieve (HKA), Support through Sport and other partners as planned. The new design focusses on delivery of direct targeted work, linking this to the future development of Family Hubs (i.e sexual health sessions & mental health support), re-instating & supporting partnership delivery to ensure Children and Young people access safe quality sessions and they are able to have a voice.

The five Play and Youth Centres proposed for closure have been offered to lease to voluntary organisations via a robust Expression of Interest process. In seeking sustainable arrangements, it has been a priority to ensure that organisations are financially sustainable. We are currently working on lease agreements for two of the Play and Youth Centres and are still seeking partners to take on the remaining 3 buildings.

The savings from the reduction in staffing Youth Services will mean that the savings are on track to deliver. Further staffing underspend is anticipated due to the difficulty recruiting to qualified youth worker posts.

The savings for the buildings are on track to be met for the next financial year.

The impact of the savings proposals has been a reduction in the centres and play and youth services for children and young people. Given the difficulty recruiting staff, which as noted above is a regional and national issue, it has not been possible to launch a full targeted youth provision. Although limited in staffing, the service has continued to hold sessions at Bulwell Riverside in conjunction with partners. The service has maintained some youth detached work provision.

Future development will focus upon the Youth Service actively working with partners to look at how to continue to deliver a citywide service. A bid has been submitted to the Youth Investment Fund to renovate some of the youth buildings (Meadows, Phoenix and Oliver Hinds). The Youth Service is working with a consultant to develop the bid submission.

- **Children’s Centres**

Children’s Centres - Excluding buildings	The Early Help service will operate from only three Children’s Centres across the City, with a reduction in staffing and early help offer to families	(0.282)	(0.376)	(0.376)	(0.376)
Children’s Centres - Building Only	Children’s Centres operate from three centres. 6 Centres would close	0.000	(0.259)	(0.259)	(0.259)

A public consultation closed in November 2021. Further to that consultation, the Council undertook a further consultation process to determine which Children’s Centres would remain open and which would close.

Following feedback from the initial consultation, additional funding was agreed to increase the number of Children’s Centres retained (4 Children’s Centres to be retained) and increase the Early Help Business Support retained to ensure reception cover at the additional centre.

Phase 2 of the Children’s Centre consultation took place between 24 February 2022 and 22 April 2022. This included:

- Public consultation, via face-face consultation events and the online consultation.
- Colleague consultation, including Voluntary Redundancy applications
- Partner consultation regarding future use of Children’s Centre buildings proposed for closure.

There were no further alternative viable proposals submitted to change the original proposal.

15 Children Centre staff were accepted for Voluntary Redundancy and have now left the Council. The savings from the reduction in Early Help staffing will mean that the savings are on track to deliver.

The five Children’s Centres proposed for closure were offered to lease to organisations via a robust Expression of Interest. In seeking sustainable arrangements, it has been a priority to ensure that organisations are financially sustainable and able to meet the requirements of being responsible for the building. Property and Legal Services are currently working on agreements for the interested parties for four of the five centres. There has been a delay in

the process for the fifth centre due to the organisation who had expressed an interest advising they need to meet with their auditors and accountants prior to agreeing to take on a lease.

The savings from the reduction in the Children’s Centres is on track to deliver. However we have been advised that there is a risk in the capacity of corporate support services to finalise the lease agreements by the end of the financial year and we will be working closely with them to understand whether there are any additional holding costs associated with this given those taking on the buildings are currently operating from the centres.

The Children’s Centres are focussed upon targeted delivery and will deliver their work through group work sessions operating out of 4 centres.

Future development will focus upon working with partners to move to family hubs. These should come online in the next 3 months. Alongside this development work, there is currently a review of the Early Help services by our practice improvement partner, Essex County Council. This will will inform the development of an early help strategy, pulling together the early help service offer into one coherent strategy.

- **Child and Adolescent Mental Health Services**

CAMHS City Wide Service	Working with the Clinical Commissioning Group and Public Health to transform Child and Adolescent Mental Health Services (CAMHS)	(0.215)	(0.215)	(0.215)	(0.215)
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The budget savings are on track to be achieved.

NCC has worked with the Integrated Care Board and Public Health to transform Child and Adolescent Mental Health Services and additional funding for Child and Adolescent Mental Health Services to mitigate the removal of NCC funding has been agreed with Public Health in line with the Section 75 agreement. As a result of alternative funding being identified there has been no impact on service delivery.

There is currently ongoing work with Child and Adolescent Mental Health Services and the Integrated Commissioning Board commissioning managers to develop a service delivery plan for Child and Adolescent Mental Health Services and also ensure future contract work covers Child and Adolescent Mental Health Services and Mental Health Support Teams.

- **Business Support**

Business Support	Savings linked to reductions in Play & Youth and Children’s Centre provision	(0.200)	(0.200)	(0.200)	(0.200)
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Staffing reductions of 8.6 business support posts were achieved through removing vacancies and voluntary redundancy applications. A revised Business Support structure has been agreed across Early Help and Youth Services.

As a result of staffing reductions, the Early Help Business Support budget reductions are on track to be achieved.

There has been no impact as a result of this saving because this was linked to the reduction in the number of play and youth workers and centres that Business Support serviced.

- **Targeted Support to Children and Families**

Targeted support to children and families	Review and reconfiguration of Targeted Family Support and Edge of Care Services to consolidate and target the offer.	(0.309)	(0.309)	(0.309)	(0.309)
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This saving scope now forms part of the Childrens Transformation programme and was removed as a separate budget item to avoid any budgetary double counts and prevent the destabilisation of the MTFP.

- **Strategy and Improvement**

Management reductions in Strategy and Improvement	Reduction in management capacity within Strategy and Improvement section	(0.028)	(0.028)	(0.028)	(0.028)
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The restructure of the service has been completed. A management post was deleted following a staff member leaving the Authority.

As a result, the budget saving of is on track to be delivered.

The deleted post sat within the Integrated Workforce Development Team. This has resulted in two staff members having their posts regraded to a higher grade to cover some of the management duties, which has led to a slight reduction in the capacity of the team. However, the team continues to provide learning and development opportunities to the workforce.

- **Agency Decision Maker (ADM) for Adoption and Fostering**

Agency Decision Maker (ADM) for Adoption and Fostering	Currently delivered by an external consultant this would be delivered in house within the senior management team	(0.019)	(0.019)	(0.019)	(0.019)
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The Agency Decision Making work has been brought back into the service as opposed to paying for the work to be completed by an external person. The adoption Agency Decision Maker is now the Director of Children’s Integrated Services and the fostering Agency Decision Maker is the Head of Service for Children in Care.

The new arrangements commenced on 1st April 2022 meaning that the saving is on track to deliver.

As well as the saving being achieved the impact of the change is positive as it means that the opportunity to influence and review practice in the service sits within the senior leadership service. Learning opportunities for managers and workers have been developed including the adoption Agency Decision Maker leading some workshop learning with managers in the service with a focus on improving quality of adoption reports.

4. Children’s Transformation Programme

A diagnostic assessment of the Children’s Social Care service was conducted from October to November 2021. This process was informed by detailed workshops with practitioners where the journeys of individual children were anonymised and reviewed to consider where the opportunities lay for improving outcomes. Alongside that, there was significant analysis of activity data and benchmarking with appropriate comparator authorities. Key headlines for identifying improvement opportunity were:

- a number Children in Need (CIN) and Child Protection (CP) plans could have been prevented through an earlier intervention
- a number of CIN and CP plans ran on for longer than necessary

- a revised focus on early intervention would avoid children being taken into care
- there is scope to increase the number of children in foster care with a corresponding reduction in residential care
- there is potential to enable more children in care to leave care earlier than is currently enabled.

Moreover, this assessment demonstrated that the implementation of a service redesign programme, centred on improving outcomes for children supported by NCC, would also result in a significant reduction in forecasted expenditure growth currently assumed within the MTFP.

The diagnostic workshops reviewed cases to establish if the right outcomes were achieved and if not what were the barriers. This output formulated the proposals contained within the outline business case (OBC) and that through improved children's outcomes recurrent annualised gross financial benefits of £11.2m - £16.1m from the target and stretch programme respectively, can be achieved after an 8 year period when all work streams are at maximum delivery benefit.

Due to the size, scale and pace of the transformation programme needed, NCC identified it would need to procure an external delivery partner to provide the experience, expertise, and capacity to deliver on the values set out in this document. A competitive tender process took place between March-April 2022, which resulted in the Newton Europe being appointed as Transformation Delivery Partner.

The objectives of the transformation programme business case are summarised in the table below and are based on full financial benefit by year 8 of the programme after 12-18 months of implementation. For each objective there is a target operational volume with associated financial opportunities in brackets). These are net of the resources identified in October/November 2021 and the project is expected to deliver within the range.

Description	Target (Financial Equivalent)
Avoidance of children coming into the care of Nottingham through better use of targeted, timely and effective interventions and familial placements as appropriate.	35 additional children supported per year (£4.770m)
Safely support the children in friends and family placements to transition to SGO.	20 additional children supported per year (£0.580m)
Successfully support more children per year to safely reunify.	4 more children reunifying per year (£0.540m)
Reducing the delays experienced by children leaving care to reunification, adoption or SGO	5-week reduction in average duration (£0.730m)
Effectively close plans first time to avoid future plans. Bringing repeat CIN / CP plans down with targeted, effective and understandable interventions	141 fewer (CIN) 89 fewer (CP) ...children needing our support each year (£0.900m)
Increasing the visibility and control that we have around our plans, reducing durations to those of the most effective teams.	6-week reduction (CiN) 2-week reduction (CP) ...on the length of time children have to spend on a plan (£0.940m)

Increasing the net number of foster carers (leavers and joiners)	11 additional foster carers per year (£1.800m)
Increasing our block residential provision	10 additional block beds (£0.350m)
NET BENEFIT BY YEAR 8	10.610
Add back Implementation costs	0.631
GROSS BENEFIT BY YEAR 8	11.241

It was initially anticipated that the Transformation Delivery Partner would start delivery onsite in May 2022. However, contracting delays and the full Ofsted Inspection of Local Authority Children’s Services in July led to delay. Work began during August 2022 and a re-profiled programme of delivery has been agreed.

The children’s transformation programme will comprise of two phases; the ‘Design, Prototype, and Trial’ phase, and the ‘Implementation and Sustain’ phase. The design, prototype and trial phase began in November 2022 and will run through to Spring 2023 at which point the second phase of implementation will commence.

The delay to the start of the programme delivery from May 2022 to November 2022 has resulted in the overall benefits timeline being delayed by the same period. Therefore, the cumulative benefit delivered over the MTFP will be £10.61m however this is being finalised as part of Phase 1 of the programme.

5. 2023/24 Budget Saving Proposals

The savings detailed above will continue to deliver savings as part of the medium-term financial plan signed off at full council on 7th March 2022.

Executive Board received the details of new proposals for the Council’s MTFP in December 2022.

The report and appendix detailing these proposals is at:

https://committee.nottinghamcity.gov.uk/documents/s141273/MTFP_report.pdf

https://committee.nottinghamcity.gov.uk/documents/s141274/MTFP_appendix.pdf

Further proposals for 2023/24 are included in the [current budget consultation](#).

- **Investment into internal fostering development**

Investment into foster carer support service to prevent foster carer breakdown of £323,931 and investment into foster carer allowances, skills payments and complex care to retain and expand the internal fostering provision of £578,042 – total investment of £901,973. This investment into the service would be as part of an invest to save model to reduce costs and levels of use of residential provision by £901,973 giving a net nil position in 2023/24 and a

further saving £1,142,846 in 2024/25, giving total cumulative savings of £2,044,819. This would complement the existing transformation savings programme detailed above.

- **Supporting families grant to be used to fund Early Help offer to drive improved payment by results income**

This will involve the redesign of Nottingham's early help offer to support children and families more effectively, working alongside partners. This is anticipated to bring a saving of £500,000 during 2023/24.