

Children and Young People Select Committee

Budget Briefing 2024/25

19 January 2024

Stuart Ashley – Director of Children's Services



Hampshire
County Council

Presentation Outline

- Local Government Finance Settlement and Provisional Cash Limits
 - Revenue Budgets by Directorate
 - Key Directorate Challenges and Priorities
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Local Government Finance Settlement

	December Report £m	LGF Settlement £m	Change £m
Increase in Social Care Grant	9.4	10.5	1.1
Increase in MSIF Grant	0.7	2.4	1.7
Increase in Discharges Fund	2.9	2.9	-
Reduction in New Homes Bonus	(1.4)	(0.5)	0.9
Reduction in Services Grant	-	(4.1)	(4.1)
Total	11.6	11.2	(0.4)

- The Settlement has left the Council slightly worse off than previous forecasts
 - The position on business rates grants remains uncertain due to changes in the approach to calculations for 2024/25. The position will be updated when District estimates are available.
 - This still leaves the Council with a predicted gap of at least £86m for 2024/25 that will need to be drawn from the Budget Bridging Reserve
 - A full update on the Finance Settlement and budget position will be provided to Cabinet and Council in February and will be covered in the all Member briefing
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Provisional Cash Limits

	All Directorates		Children's Services Directorate	
	£m	% Change	£m	% Change
2023/24 Non-Schools Cash Limit	1,057		313	
+ Base changes	(1)	0%	(11)	(3%)
+ Inflation	46	4%	11	3%
+ Growth and Pressures	84	8%	43	14%
2024/25 Cash Limit	1,186	12%	356	14%

Core Spending Power (CSP) is the Government's measure of the resources available to Councils to fund service delivery.

Hampshire's CSP will increase by **6.5%** in 2024/25. However, even before pay inflation, the increase in the cost of Directorate services is **12%**.

- **Base changes:** these reflect changes in grant income (increases and decreases) and for Children's Services includes the anticipated ending of Household Support Grant.
- **Inflation, Growth and Pressures:** Includes non-pay inflation, growth and inflation for School Transport (£24.9m), growth in Children Looked After (£13.8m), Special Educational Needs and Educational Psychology (£3.8m)

Provisional Cash Limit assumptions

The Provisional Cash Limit for Children's Services Directorate:

- Assumes all outstanding Tt2021 and SP2023 savings will be achieved in 2023/24
 - Does not include Cost of Change Funding or any specific reserve funding for one-off investments
 - Does not account for the impact of the 2023/24 Local Government Pay Award or potential impact of the 2024/25 Pay Award (both held centrally)
 - Does not include the general inflation underwrite, or inflation on energy budgets, which is held in Corporate Contingencies
 - Assumes that specific grants continue at their 2023/24 levels where allocations for 2024/25 have not been confirmed, except for the Household Support Fund.
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Children's Services Directorate Budget 2024/25

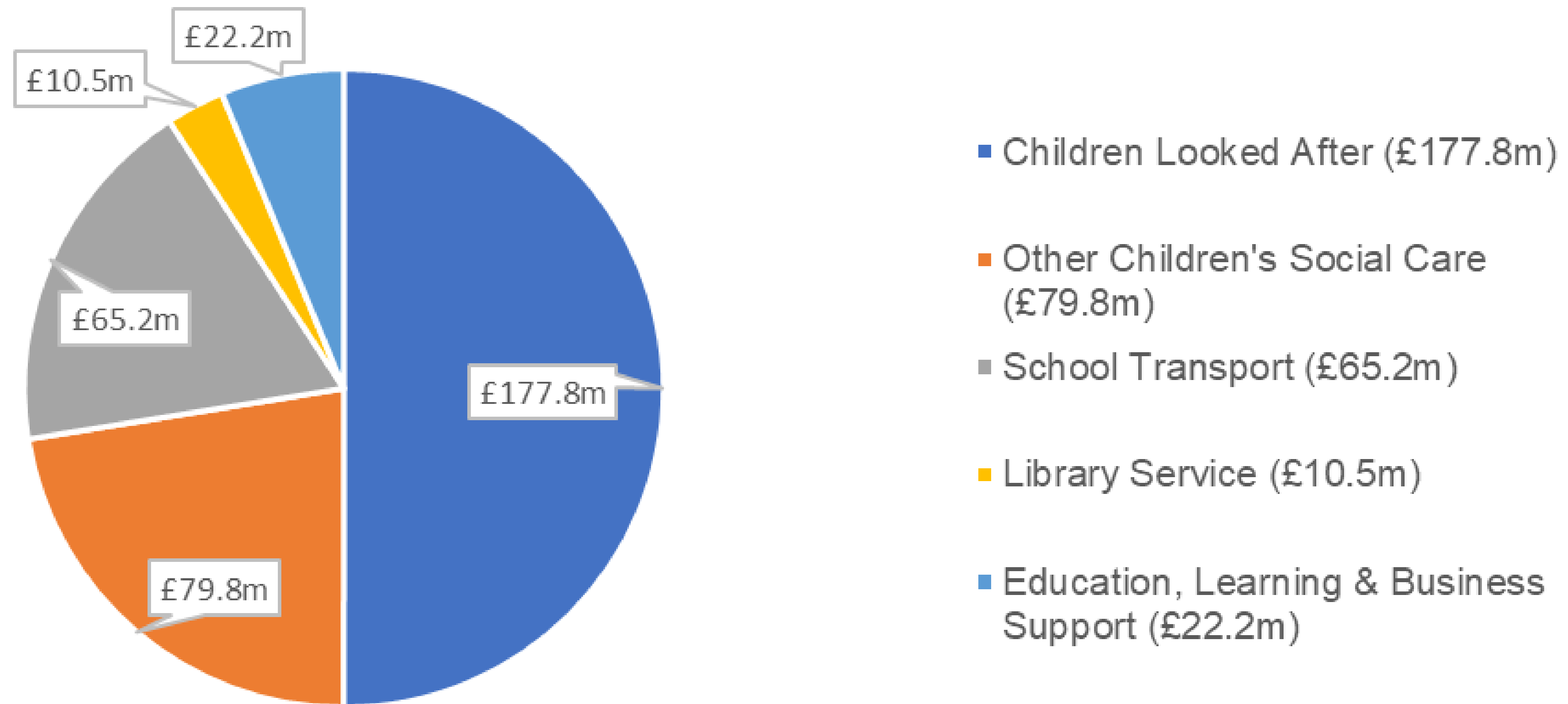
Children's Services Directorate Proposed Budget

Non Schools Revenue Budget:	£'000
Revised Budget for 2023/24	335,428
Proposed Budget for 2024/25	355,570

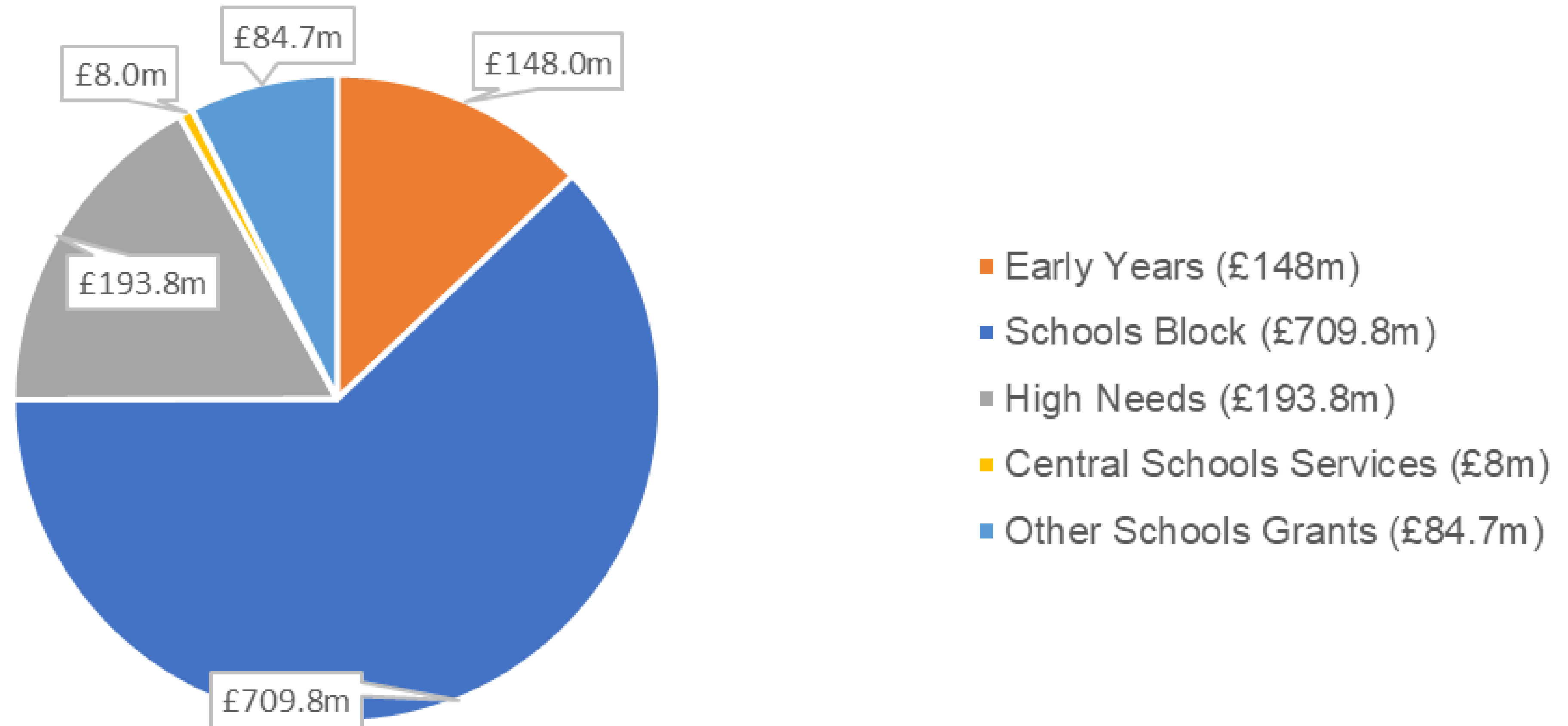
Schools Revenue Budget:	
Revised Budget for 2023/24	1,052,797
Proposed Budget for 2024/25	1,144,322

- Increase in Schools Budget funding of:
- 4.9% for high needs and 2% for schools due to additional government funding and demographic changes.
- 66.7% increase for Early years to reflect funding changes and extension of funded childcare offer to children from 9 months old.

Children's Services Directorate Revenue Budget 2024/25 Non School £355.570m



Children's Services Directorate Revenue Budget 2024/25 Schools £1,144.322m



Key Directorate Challenges and Priorities

Key Directorate Challenges / Priorities

Principles:

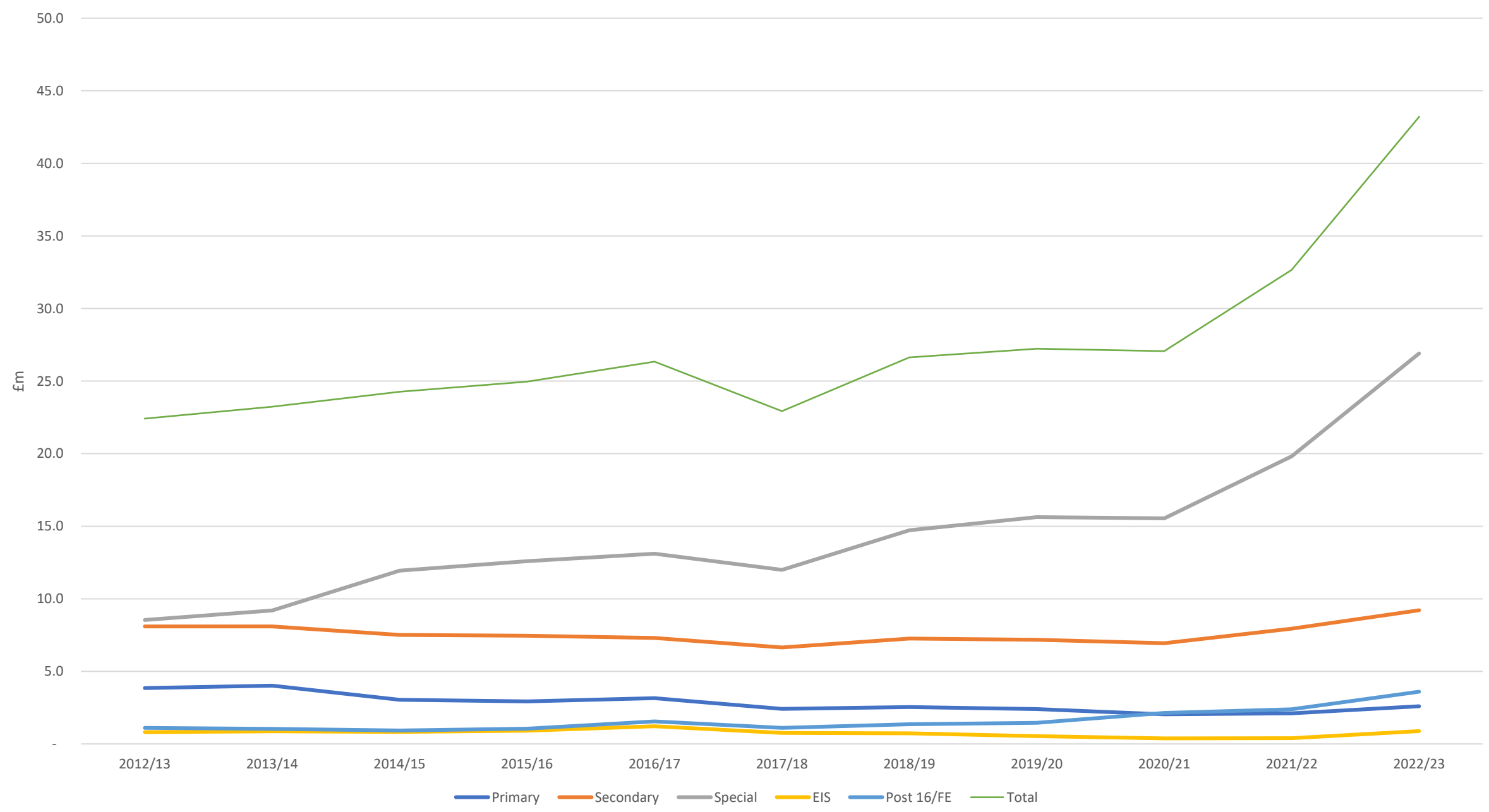
- Ensure a safe and effective social care system for children
 - Ensure sufficient capacity to lead, challenge and improve the education system
 - Continue to recognise that our workforce is our strength
 - Tightly target limited resources
 - Secure and sustain targeted and co-ordinated early help
 - Maximise the opportunities to create efficiencies and maintain and enhance services through partnerships and sold service arrangements.
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Key Children's Services Directorate Challenges and Priorities

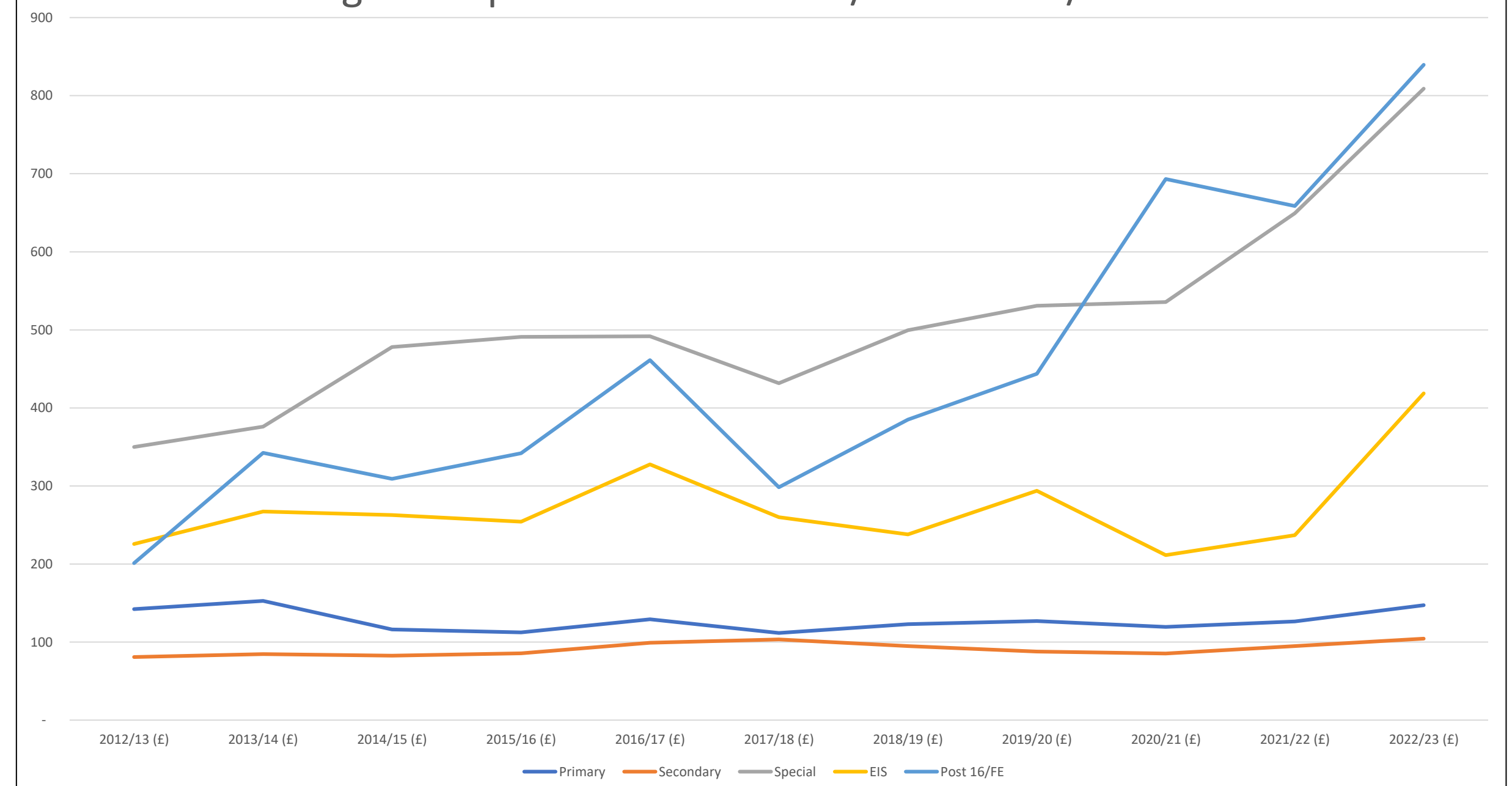
- High quality/low spending over many years now
 - Demand and complexity of services
 - Cost of services e.g. independent sector
 - Financial pressures in schools (esp. High needs)
 - School attendance 'crisis'
 - Growth in numbers of Education Health and Care plans
 - SEN service staff and Educational Psychologist recruitment and retention
 - Parental expectation outweighing professional judgement
 - Social worker recruitment and retention
 - School Transport supply and demand challenges
 - Unaccompanied Asylum Seeking Children
 - Lack of clarity with regards any future Household Support Fund grant, providing essential cost of living support to vulnerable households
 - Family Help and new social care model - not without risk
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School Transport – rising costs

Total School Transport cost from 2012/13 to 2022/23



Average Cost per child from 2012/13 to 2022/23



High Needs pressures - overview

- £86.1m Deficit for Hampshire Dedicated Schools Grant (DSG) at year end 2022/23.
 - Represents 7% of total DSG income for 2022/23 and 49% of the High Needs Block allocation.
 - The forecast cumulative DSG deficit at the end of 2023/24 has increased to £129.7m, 11% of total DSG funding for 2023/24 and 66% of the High Needs Block allocation.
 - Hampshire remains one of the lower funded local authorities through the High Needs National Funding Formula.
 - Between the reforms taking effect in 2015 and 2023 there has been a 192% increase in the number of EHC Plans being maintained (as at January 2023).
 - In the 2022/23 academic year the service received over 3,500 requests for EHC needs assessments, an 18% increase on the previous academic year.
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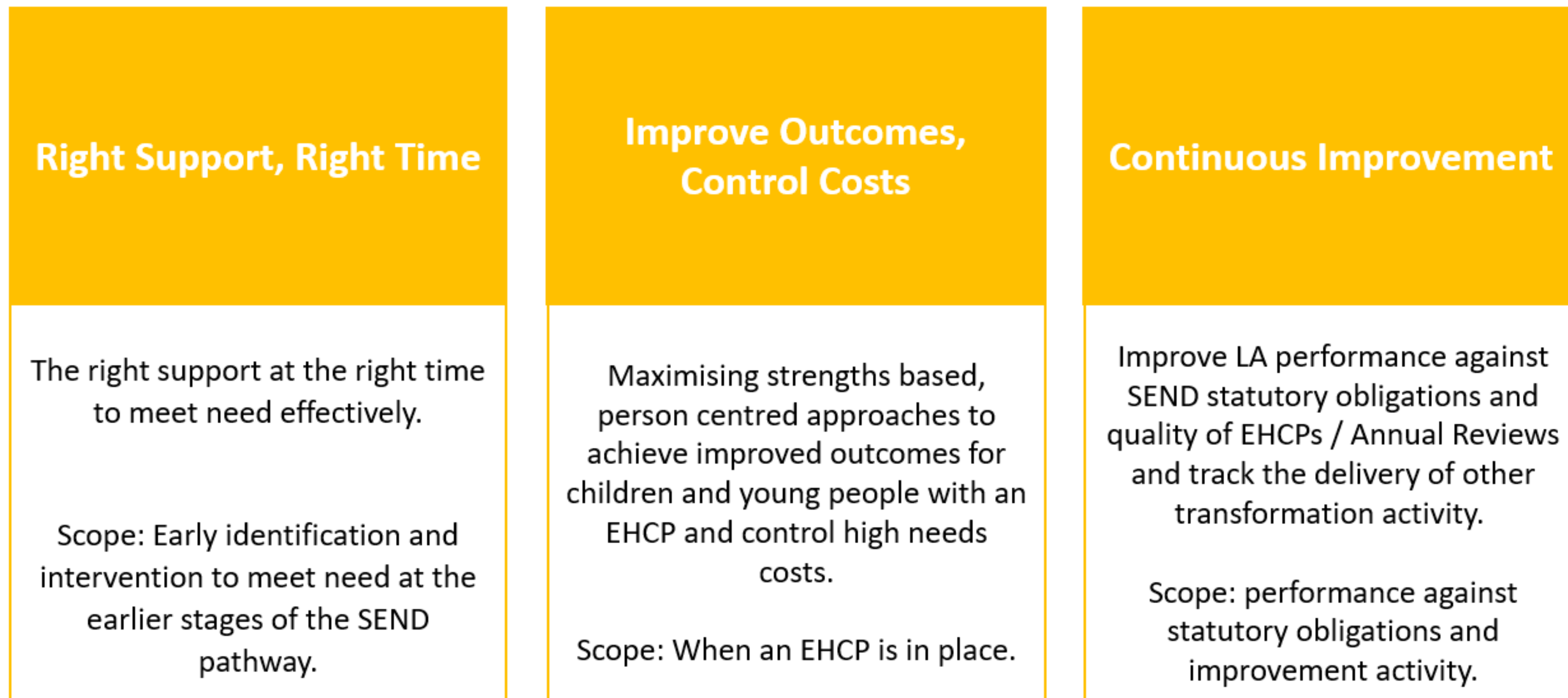
High Needs pressures - overview

- The number of EHCPs maintained by the local authority continues to grow. At the end of October 2023 Hampshire maintains 15,886 EHCPs, an increase of 10% on the same period last year.
 - The largest growth is in the Aged 11-15 group which has increased by almost 900 EHCPs, while the Under 5s group has experienced the largest percentage increase.
 - Forecasting models indicate that there could be 19,728 EHCPs maintained by Hampshire by 2025/26. This is a 55% growth from 2022.
 - The Transforming SEND Hampshire programme launched internally in January 2022, and was formally launched with schools in November. It is currently forecast to make circa £26.1m savings / cost avoidance in 2023/4.
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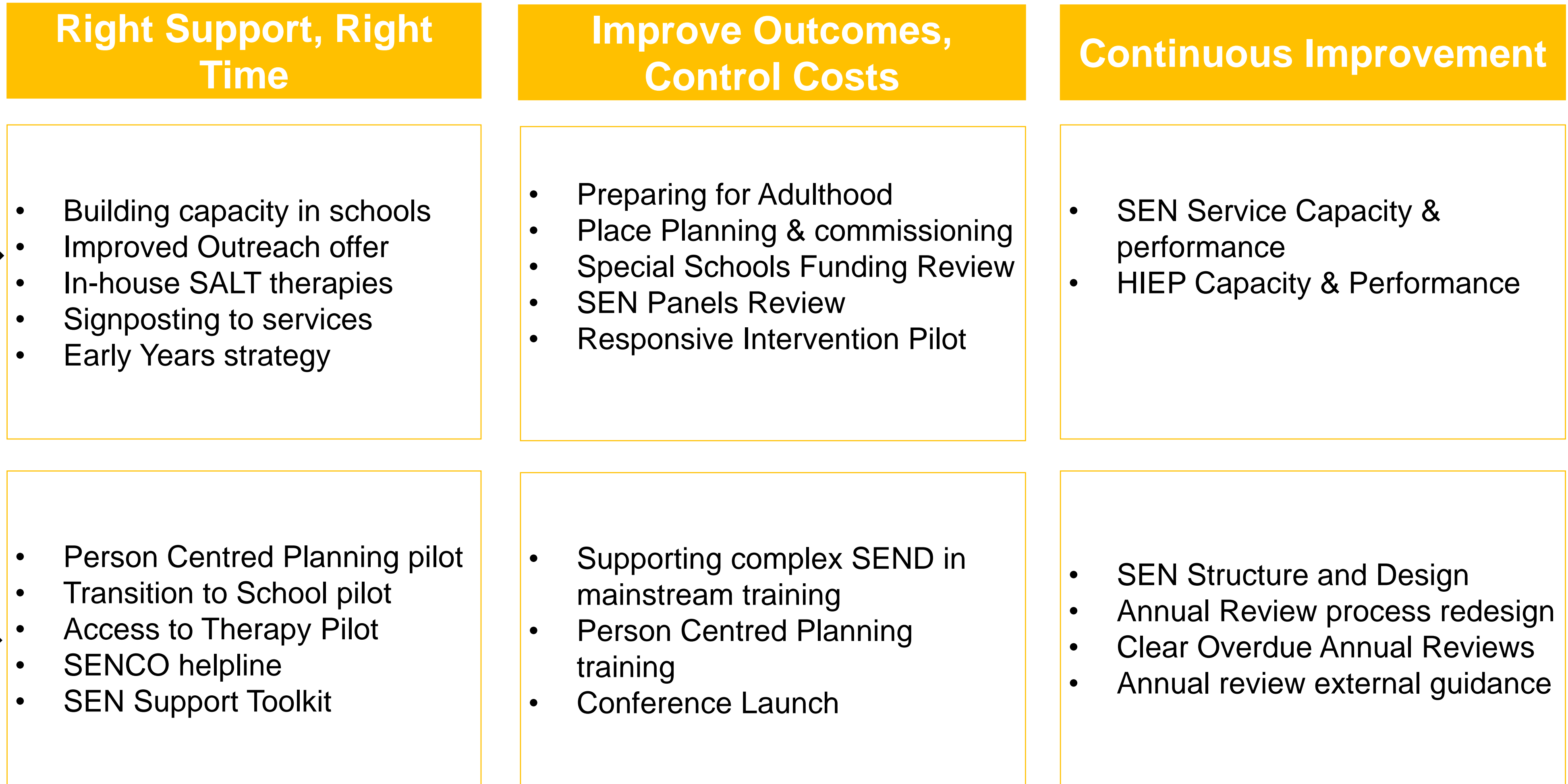
Transforming SEND Hampshire update

Transforming SEND Hampshire was launched internally in January 2022, and has been formally launched with schools in November 2023. Three programmes of work reporting into the Programme Board.

The Local Area Partnership Board is the programme reference group.



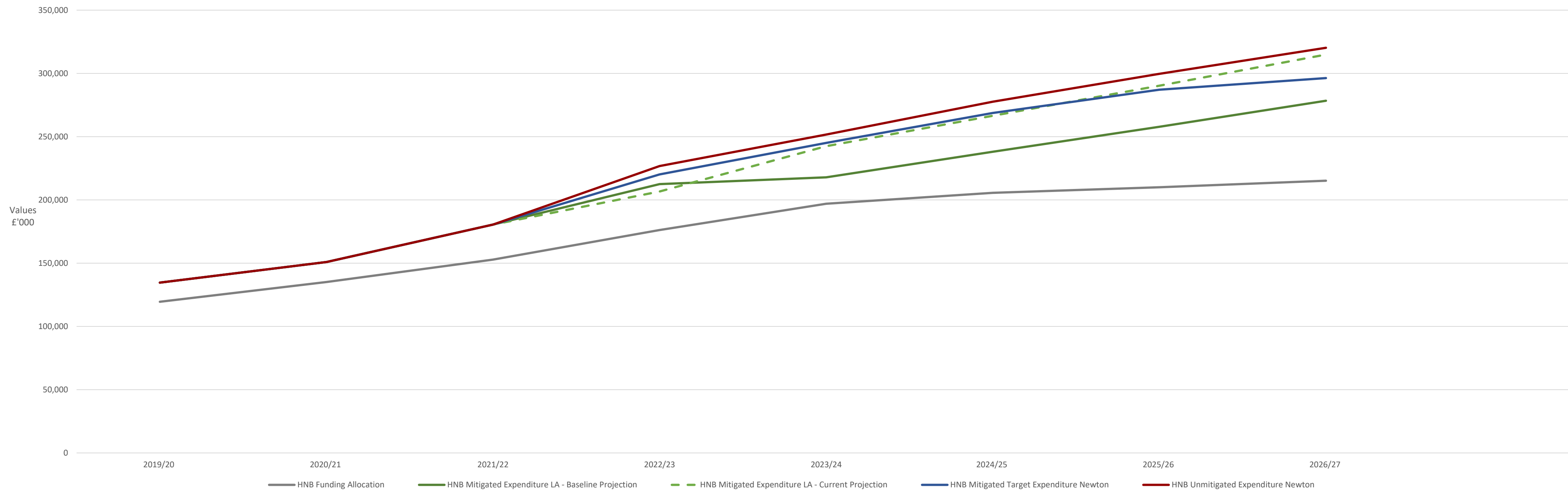
Delivering Better Value



Existing programme →

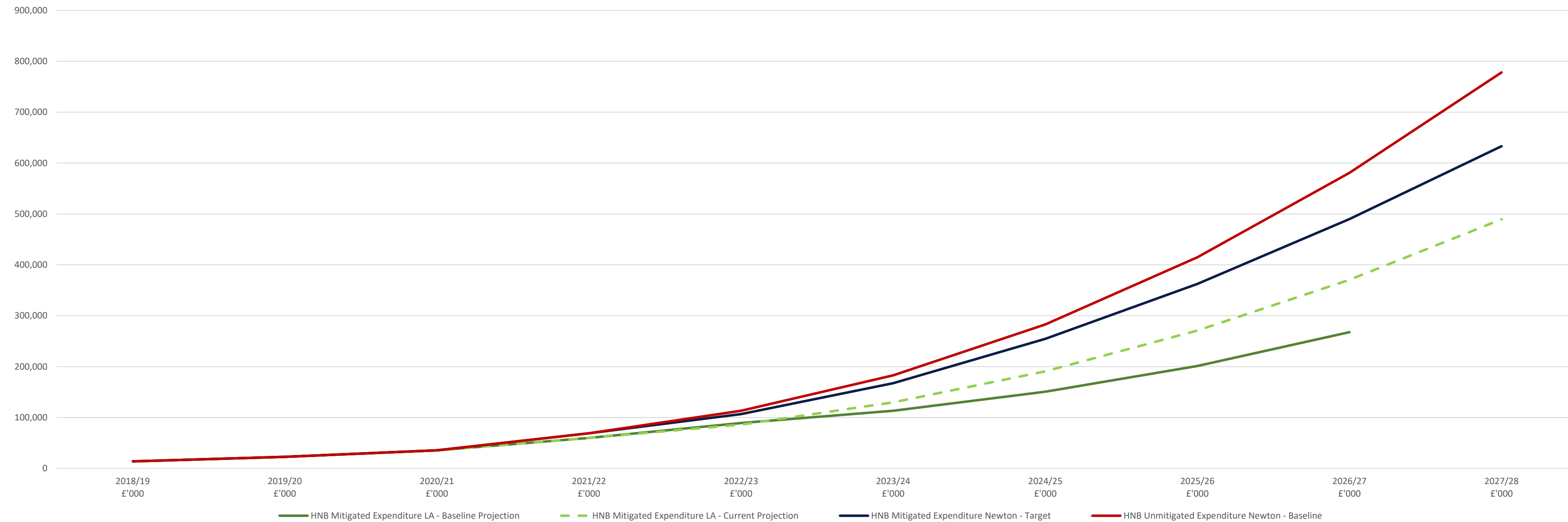
DBV funded →

DSG Medium Term Forecast – In Year



	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
HNB Funding Allocation	115,264	119,452	135,053	152,818	176,224	196,940	205,553	210,000	215,218
HNB Mitigated Expenditure LA - Baseline Projection	125,767	134,614	150,876	180,539	212,534	217,880	238,071	257,781	278,412
HNB Mitigated Expenditure LA - Current Projection	125,767	134,614	150,876	180,539	206,642	242,459	266,554	290,309	314,875
HNB Mitigated Target Expenditure Newton	125,767	134,614	150,876	180,539	220,149	245,021	268,689	287,063	296,286
HNB Unmitigated Expenditure Newton	125,767	134,614	150,876	180,539	226,749	251,621	277,589	299,663	320,286
In Year Deficit - LA Current Projection	10,503	15,162	15,823	27,721	30,418	45,519	61,002	80,309	99,657

DSG Medium Term Forecast – Cumulative



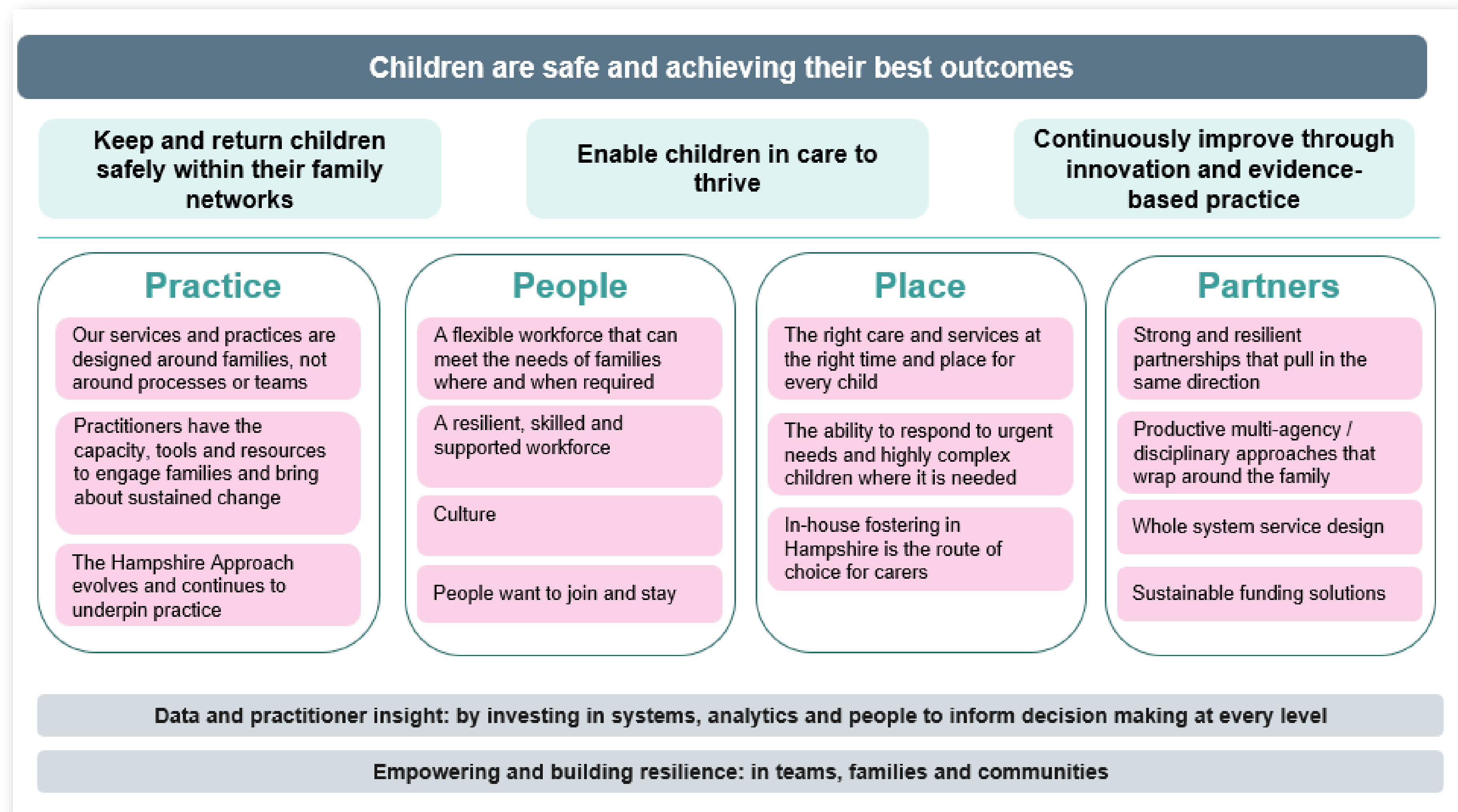
	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
HNB Mitigated Expenditure LA - Baseline Projection	13,746	22,754	35,445	60,022	89,200	113,300	150,700	201,300	267,900	n/a
HNB Mitigated Expenditure LA - Current Projection	13,746	22,754	35,445	60,022	86,149	129,721	190,723	271,032	370,689	489,536
HNB Mitigated Expenditure Newton - Target	13,746	22,754	35,445	69,209	106,834	167,450	254,716	362,614	489,916	633,179
HNB Unmitigated Expenditure Newton - Baseline	13,746	22,754	35,445	69,209	113,433	183,010	282,904	414,898	580,937	778,334

Transforming Social Care

Our transformation journey continues...

HCC remains a transformational Local Authority with an Outstanding Children's Services Department. Over the past 8 years we have made a significant difference to the social care landscape in the county and the sector more widely.

The Transforming Social Care programme has recently concluded its third phase. As we start 2024 we are working on Phase 4 of the programme and setting out our ambitions for future, aligned to the vision of TSC.



What TSC delivered in Phase 3 (2022-2023)



Family Connections Service - Implemented the 'Family Connections Service' as a central team to carry out the assessment of connected carers and Special Guardianship Orders. Implemented a support package for Special Guardians.



Personal Education Plans (PEPs) - Improved the PEP processes, forms and systems to ensure the end-to-end process is efficient and effective, meets the statutory requirements and ultimately supports our children and young people to attain highly.



Virtual School and College - Ensured the Virtual School and College are delivered as per our statutory duty and are effective, timely and efficient.



Family Practitioners – Created 40 new differently qualified worker roles working within the Children's Assessment and Safeguarding Teams, which became operational in January 2023 and will become a key element of the new Family Help model when implemented in early 2024.



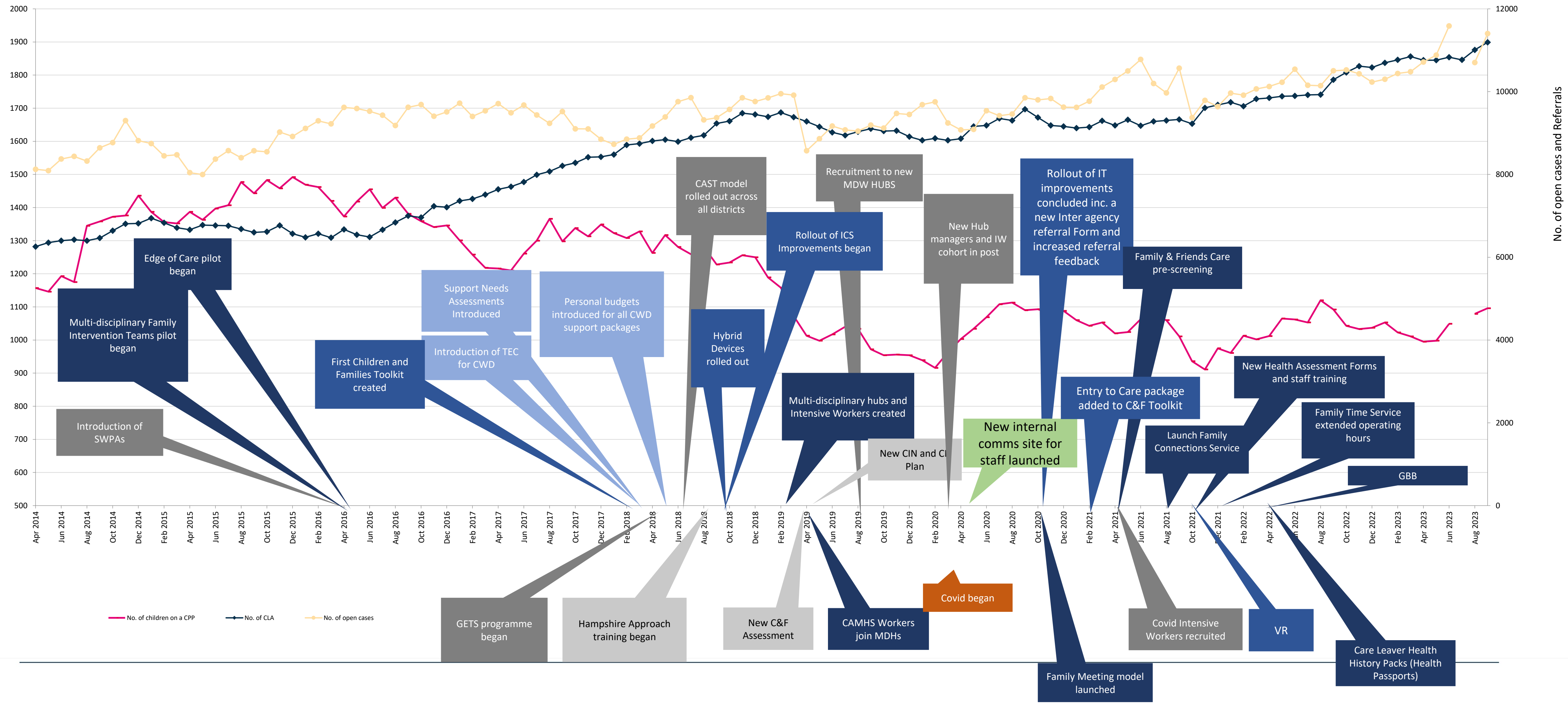
Volunteer Service Review – Revisited the service with a focus on optimising and enhancing the volunteer service to support the vision of keeping more children safely at home. During 2022 there was a 133% increase in referrals across all volunteer strands, with the biggest uplift in the permanent exclusion strand (+183%). Developed service wide recommendations for improvements that will enable the optimisation of volunteer utilisation.



Family Help – In recognition of the knowledge, skills and experience that *differently qualified* practitioners can bring to supporting families to create positive change, Hampshire has created and embedded a new role to support the development and implementation of our new Family Help model - that of the **Family Practitioner**. The development of the Family Help Model will be a key project within TSC during Phase 4.

Transforming Social Care: Impact

Activity Volumes - Actuals From April 2017 to September 2023



Modernising Placements Programme

Modernising Placements Programme

MPP was a transformational programme within Children's Services, which launched in October 2019. It built on the foundations achieved by the TSC programme. The aim of MPP was to develop a continuum of care which could provide the right accommodation and support at the right time for our children in care in Hampshire.

Completed Projects

Foster Carer Vacancy Management App

FRAT increased and enhanced recruitment

Hampshire Hives

Interim Skills Fee Model

Foster Carer Retention Plan

Out of Hours Support

Standard Operating Procedures

Training and Development

Specialist Intensive Worker Hubs

Residential staff induction

MPP Summary:

- MPP has achieved a significant amount and delivered a number of key initiatives throughout the life of the programme. However, the external environment is challenging with recruitment and retention of foster carers and residential staff being a challenge faced nationally along with the economic impact of the cost of living.
- Despite those challenges, the activity and additional investment has seen us buck the national trend, and we have continued to recruit more foster carers and deliver more cost-effective placements for children.
- Following a review of our latest financial position, the budgets in scope of the programme are not forecasting a pressure and we can therefore conclude that the required £3.8m SP23 savings for the programme have been met.
- Therefore, as SP23 concludes and our focus as an organisation moves to SP25, it has been agreed that **the Modernising Placements Programme will close** with some programme activity moving under TSC governance to ensure we continue to maintain our advantage and financial position.

Transforming Social Care in 2024

During 2024 TSC will continue to support the Children and Families branch along its ongoing transformational journey



In addition to continuing to focus on the key driver of keeping more children safely at home, TSC will also be assisting with unlocking and delivering the SP25 saving commitments

TSC will be working across multiple services over the course of this year, focus areas include:

- Fostering Operations
- Family Connections
- A review of admin functions
- Specialist & Intensive Worker Hubs
- Reunification
- Children with Disabilities
- Section 17
- Volunteers Service

Work on the development and expansion of Family Help continues at pace.

Family Help locality teams will be formally rolled out in April 2024, and planning and prioritisation activity is underway for further services to be integrated into this model throughout 2024 – 25.

Conclusion

- The Directorate continues to perform strongly.
 - The Principles we have developed to support our service prioritisation have and continue to serve us well.
 - We have a strong track record in delivering our savings programmes and will do so again for SP25.
 - We will continue to transform and innovate to ensure our services are as effective and efficient as they can be.
 - We need increased government funding, nationally children's services are the greatest financial pressure on council budgets now.
 - We still need legislative change, particularly in regard to SEN /school transport. 1946 legislation is not fit for purpose given the funding situation.
 - We need greater flexibilities in what and how we deliver social care services
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