

**Education and Children’s Services  
Scrutiny Committee  
6 September 2016**

**Covering Report:  
CYP Budget and Cost Savings Impacts**

**Summary and Objectives**

1. The objective of this scrutiny is for the committee to understand, and make any recommendations in relation to, the cost savings and budget for the Children and Young People (CYP) directorate services; a review at this stage could inform pre-budget Scrutiny in November.

**Scrutiny Focus**

2. Key focus areas for this scrutiny include the following:
  - i) A retrospective look at last year's savings in CYP, and a forward look at the CYP budget for next year (including some reference to divestment plans).
  - ii) Particular focus on the impact for Corporate Parenting / Children in Care: underlying pressures, trends, Action Plan, Children's Placement Sufficiency Strategy, Regional / National comparisons, Learning from other LAs, eg. Essex, Unaccompanied Asylum Seeking Children (UASC) especially teenagers - costs and funding, impact of 'managed moves', the Council's risk strategy.

**How this relates to County Council priorities**

3. This scrutiny is linked to the County Council’s corporate priorities as indicated below:

<b>The County Council’s Corporate Priorities</b>	<b>Link to this scrutiny</b>
Raising educational attainment and skill levels	✓
Supporting the LEPs to increase economic growth	
Maintaining roads and developing Suffolk’s infrastructure	
Supporting those most vulnerable in our communities	✓
Empowering local communities	✓

4. Having considered the evidence, the Committee may wish to:
- i) make recommendations to the Cabinet Member for Children's Services, Education and Skills, and/or the Corporate Director for Children and Young People's Services;
  - ii) agree topics which could benefit from more detailed scrutiny at a future meeting, seek to influence partner organisations, or request further information.

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## Background

5. At recent meetings & workshops committee members have indicated the importance of proactive scrutiny of the system-wide impacts, for education & children's services, of budget and cost savings. A review at this stage could inform pre-budget Scrutiny in November. Some of the big reductions have already happened, eg. Making Every Intervention Count (MEIC) and Children's Centres, and have already had some scrutiny by the committee, hence the focus on some of the other significant areas of risk / costs / savings.
6. At an informal workshop on 13 July, members discussed Corporate Parenting, noting that it is 'demand led' (ie. costs increase as demand increases), and that the Council is paid in arrears for Unaccompanied Asylum Seeking Children (UASC). Members wished to have more information about Looked After Children (LAC) & UASC trends; the shape of the curve and the age profile – older children / teenagers. What is driving this, and what is the risk strategy in the Council? Is 'managed moves' a contributing factor? Is the issue a national one? Are we picking up people from other authorities, and does the funding follow them? What is the geographical spread? Is it the same issues in other Local Authorities? Why is the situation not so bad in Essex? Reference was made to a chart showing LAC by gender (as at 31 March 2016), from an Information Bulletin item at Suffolk County Council Scrutiny Committee on 7 June 2106.

LAC by gender  
(as at 31st March)

Age	31/03/14			31/03/15			31/03/16		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
0	31	24	55	15	29	44	21	29	50
1	13	20	33	12	18	30	11	11	22
2	16	11	27	11	11	22	14	5	19
3	14	18	32	12	5	17	8	8	16
4	5	11	16	9	13	22	7	10	17
5	11	8	19	4	9	13	12	15	27
6	10	16	26	7	9	16	8	8	16
7	5	17	22	10	18	28	10	9	19
8	10	23	33	11	22	33	14	18	32
9	11	25	36	14	24	38	15	25	40
10	12	18	30	15	26	41	16	27	43
11	13	37	50	16	22	38	18	28	46
12	7	33	40	16	40	56	17	27	44
13	29	24	53	10	38	48	21	43	64
14	19	38	57	38	34	72	19	40	59
15	21	42	63	22	48	70	47	43	90
16	30	38	68	24	50	74	31	65	96
17	29	35	64	31	43	74	27	63	90
<b>Total</b>	<b>286</b>	<b>438</b>	<b>724</b>	<b>277</b>	<b>459</b>	<b>736</b>	<b>316</b>	<b>474</b>	<b>790</b>
<b>%</b>	<b>40%</b>	<b>60%</b>	<b>100%</b>	<b>38%</b>	<b>62%</b>	<b>100%</b>	<b>40%</b>	<b>60%</b>	<b>100%</b>

**Main Body of Evidence** (available online from 5 September)

7. The latest financial update for 2016/17 is contained in the **Quarterly Budget Monitoring Report 2016-17** to Cabinet on 13 September 2016, which will be published on Monday 5 September 2016, online at <http://committeeminutes.suffolkcc.gov.uk/meeting.aspx?d=13/Sep/2016&c=The Cabinet>.
8. The latest update on Corporate Parenting will be in the **Corporate Parenting Board Annual Report**, which is due to be reported to Cabinet 13 September 2016, and published on Monday 5 September 2016, online at <http://committeeminutes.suffolkcc.gov.uk/meeting.aspx?d=13/Sep/2016&c=The Cabinet>.
9. The Assistant Director for Children and Young People has provided the following summary of the current position and forward view:

- CYP is forecasting an overspend of £6.2 million in 2016/17. Of this £3.1 million is base budget and £3.1 million is Dedicated Schools Grant (DSG). These figures and the detail behind them will be reported to Cabinet as part of the Q1 finance report.

- Whilst we are on track to deliver savings the overspend on base budget is caused by increasing demand and costs in corporate parenting (purchased care, fostering, and special guardianship orders) and not due to non-achievement of savings.
- The overspend on DSG is linked to increasing number of children with SEN and complex needs. We have had to commission additional capacity in special schools and pupil referral units, and also seen an increase in out of county placements.
- We are continuing to develop savings proposals for future years which will be presented to scrutiny and cabinet on the usual timetable. These will be based on the principles of our “Family 2020” strategy, seeking to reduce demand, provide cost effective interventions, and integrate services.
- Alongside this work we are looking at how we can tackle the overspends and have set up two ‘Financial Oversight Boards’ to ensure that this work is done and is effective. However these are systemic problems that will take time to resolve.
- As part of our plans we expect a modest return from the trading activities of Schools Choice. We will need to understand if divestment can allow this to be increased.

10. During the Education & Children’s Services Scrutiny Committee meeting on 6 September, the Assistant Director will have a discussion with the Committee about the above summary position, with reference as required to some of the detail that will be contained within the Quarterly Budget Monitoring Report 2016-17 to Cabinet, which will have been published and available online to the committee members on Monday 5 September 2016. It is also expected that the Corporate Parenting Board Annual Report will have been published and available online to the committee members on Monday 5 September 2016. Paper copies of these reports will also be made available in the meeting.

## Supporting Information and References (online)

- i. The Quarterly Budget Monitoring Report 2016-17, available online from 5 September 2016 at [http://committeeminutes.suffolkcc.gov.uk/meeting.aspx?d=13/Sep/2016&c=The Cabinet](http://committeeminutes.suffolkcc.gov.uk/meeting.aspx?d=13/Sep/2016&c=TheCabinet). *(This report summarises the Council’s latest Revenue and Capital financial position. It includes forecast spending for each Directorate and an explanation of under and over spendings compared to the budget.)*
- ii. The Corporate Parenting Board Annual Report, report to Cabinet 13 September 2016, available online from 5 September 2016 at [http://committeeminutes.suffolkcc.gov.uk/meeting.aspx?d=13/Sep/2016&c=The Cabinet](http://committeeminutes.suffolkcc.gov.uk/meeting.aspx?d=13/Sep/2016&c=TheCabinet). *(This is the annual report to Cabinet on the work of the Corporate Parenting Board to monitor and challenge the quality of services to children in care and care leavers. It will include the Board’s priorities for 2016/17 mutually-agreed with the Children in Care Council and CYP’s priorities to ensure a sufficiency of placements for children in care.)*
- iii. At Agenda Item 7, Information Bulletin, of the Suffolk County Council Scrutiny Committee of 7 June 2106, there is an information item on “Trends in numbers of Children in Care and unaccompanied child asylum seekers in Suffolk”. The bulletin can be accessed online at the following link (Agenda Item 7): <http://committeeminutes.suffolkcc.gov.uk/meeting.aspx?d=07/Jun/2016&c=Scrutiny%20Committee>