



Medium Term Financial Plan Budget Scrutiny

Education and Children's Services Portfolio

10 January 2022



Agenda

1. Overview of the Portfolio
2. Revenue MTFP proposals
3. Fees and Charges
4. Capital Budget
5. Appendices:
 - Appendix 1 – Value for Money Benchmarking

Overview of the Portfolio

- The work of Education and Children's Services has always been diverse, demand led and challenging. The landscape in which we currently operate has changed beyond what anyone could expect.
- The child population continues to increase as do the number of families facing financial hardship and deprivation. In addition, Covid-19 appears to have had a dramatic impact on some children, young people and their families. As a result, services in the portfolio are experiencing unprecedented changes in demand and complexity of casework. All indicators suggest these changes in demand will not reduce for the foreseeable future.
- In addition to demand pressures, the financial pressures facing Children's Services are well reported nationally. In 2019, the Local Government Association estimated that children's social care was facing a £3.1 billion funding gap by 2024/25 without the increased demand and activity as a result of COVID-19.
- More recently, the Association for Directors of Children's Services has stated that significant investment is required to stabilise, sustain and adapt services to meet the needs of the growing number of children, young people and families who need support and intervention in the wake of the pandemic and anticipated recession.
- Services within the portfolio are on an improvement journey and we continue to strengthen services for children, young people and their families. Whilst there is more to do, we are confident in our understanding and knowledge of what needs to be done.
- Other challenges currently facing the directorate include:
 - recruitment of permanent social workers
 - improvements required in both social work practice and SEND
 - the continued rise in the number of children with an Education, Health and Care Plan
 - improving the educational outcomes for disadvantaged children, especially those in care, those eligible for free school meals, those with special educational needs and those from minority ethnic groups and traveller heritage

Education Overview



125,734 of population under 18 (ONS mid-year estimate 2019)



235 schools: 73 academies, 13 grammars



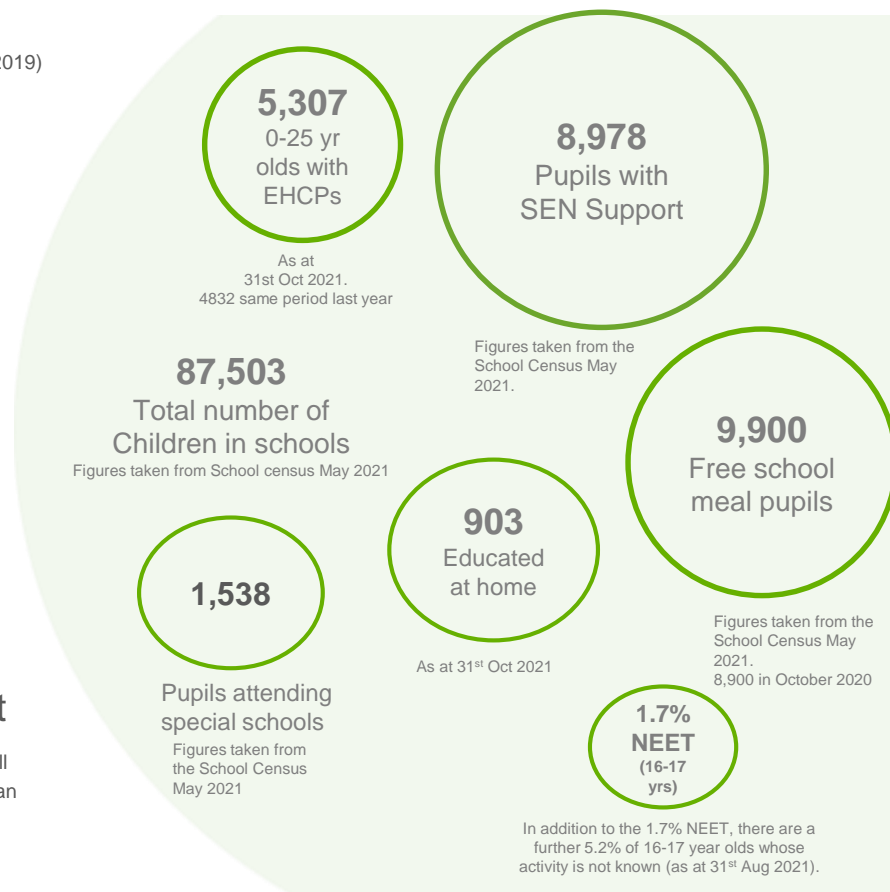
Top 10 in England for KS4 attainment ... with a wide attainment gap in KS2



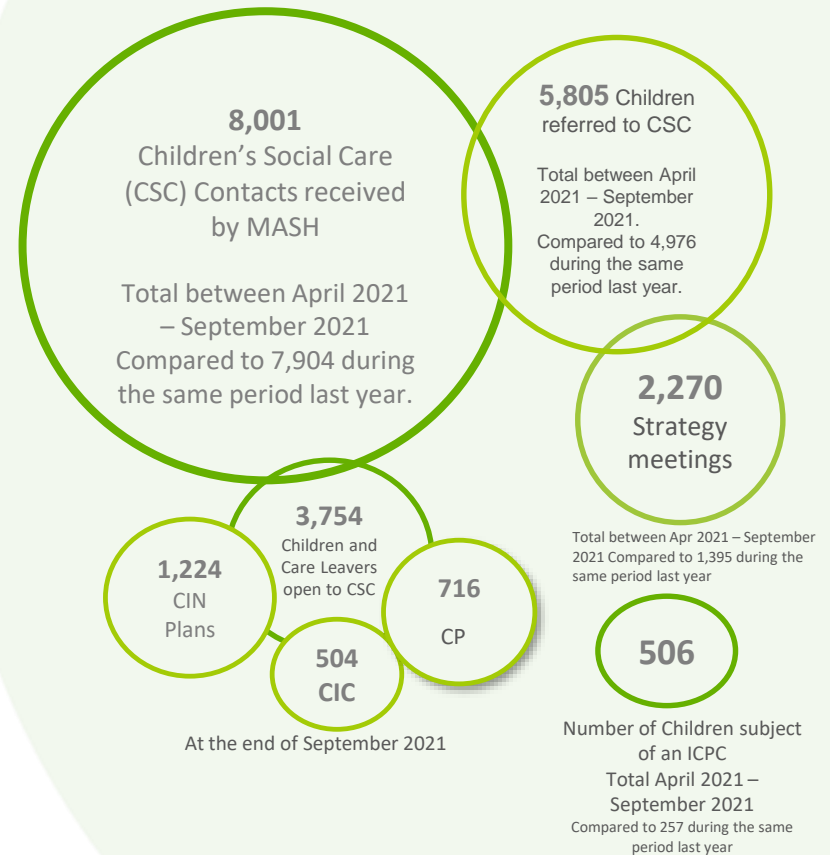
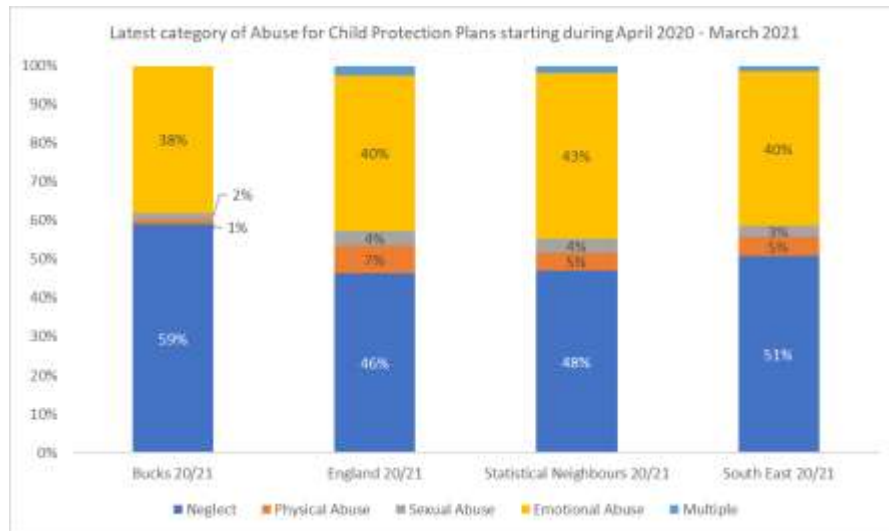
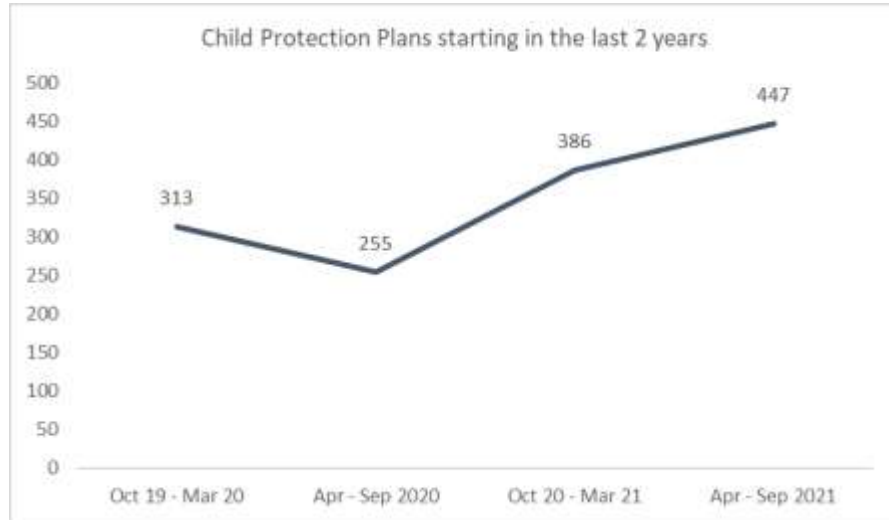
Higher rates of EHCPs but lower levels of SEN support in schools



38% of state-funded school pupils in Buckinghamshire are from minority ethnic backgrounds compared to 29% in the South East and 35% nationally. (DfE published data for January 2021. Those pupils of all school age who have been classified according to their ethnic group and are of any origin other than White British are defined as being of minority ethnic background)



Safeguarding Overview



Portfolio Priorities

Children's Social Care

1. Service Improvement
2. Responding to the growing and unpredictable demand as a result of COVID 19
3. Recruitment and retention of social care workforce
4. Recruitment of in-house foster carers

Education

1. SEND Delivery and Improvements
2. Improving Education Provision and Educational Outcomes
3. Work with schools to ensure that young people have access to good mental health support
4. Early Help

Revenue Budget 2021-22

Children's Social Care Children in Care
 Children with Disabilities
 Quality, Standards & Performance
 Safeguarding
 Social Care central costs

Children's Social Care Total

Education Early Help
 Education & Learning
 Special Educational Needs & Disabilities

Education Total

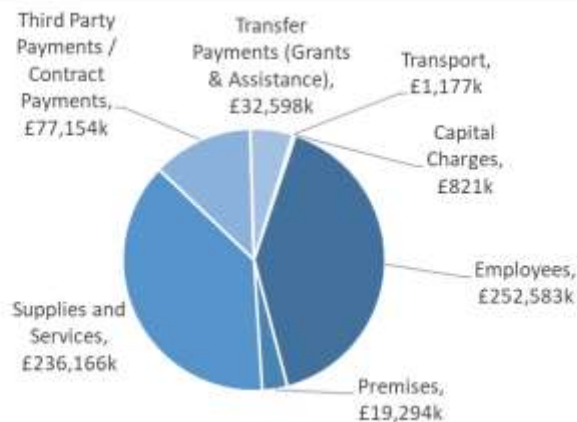
Education - Dedicated Schools GrCentral block
 Funding Block
 High Needs Block
 Schools Block
 Early Years Block

Education - Dedicated Schools Grant Total

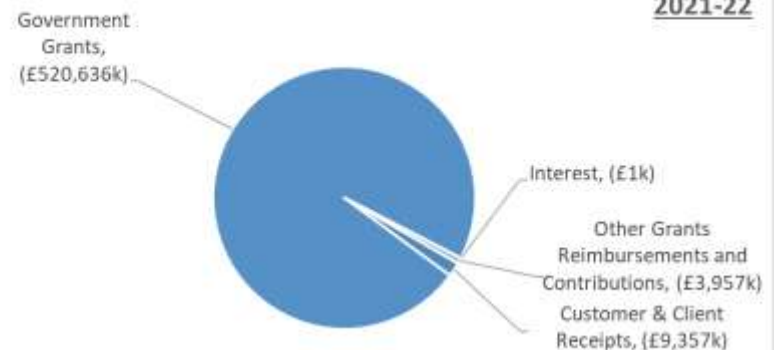
Grand Total

2021-22			Net Budget
Income £000	Expense £000		
(1,375)	47,783		46,407
	6,358		6,358
	3,217		3,217
-	10,717		10,717
(1,220)	6,322		5,102
(2,595)	74,397		71,802
	6,731		6,731
(5,030)	6,662		1,632
(126)	5,804		5,678
(5,155)	19,197		14,042
	6,147		5,908
(513,019)	196,954		(316,065)
(1,153)	92,428		91,275
(11,789)	197,664		185,875
	33,007		33,007
(526,200)	526,200		-
(533,951)	619,795		85,844

Spend 2021-22



Income 2021-22



Revenue Budget monitoring Quarter 2

	Budget	Y/E Outturn	Variance	Change in Variance
	£000	£000	£000	£000
Expenditure	619,700	609,900	(9,800)	1,700
Income	(533,900)	(522,000)	11,900	400
Education & Childrens Services	85,800	87,900	2,100	2,100

Education & Children's Services Revenue: Budget £85.8m, Forecast £87.9m, Var **+£2.1m**

- Revenue budgets are projected to overspend by £2.1m. At Q1 a breakeven position was reported however risks of up to £2.3m were identified in the Q1 report across agency staffing costs, accommodation costs for young people leaving care and costs of support for children with disabilities. These risks have now crystalised and increased, and at Q2 the portfolio is projected to overspend by £2.1 m after mitigating actions.
- Placement budgets for children in care are not fully committed. Numbers and costs of external residential placements are being closely monitored and managed, and the impact of that activity has been to reduce the overall weekly cost of placements each month. The forecast position for Children's Services includes the projection that a number of the pressures identified across the service can be mitigated through savings within the placement budgets.
- Education budgets are projected to underspend by £0.5m following mitigating actions taken to offset the wider Children's Services position.

[Note] the net 2021/22 Revenue budget reported in Qtr 2 monitoring is different to the MTFP base budget because of the inclusion of one-off temporary budget adjustments.

Revenue MTFP – The Story So Far

Placement Budgets

- Initial MTFP assumptions included significant savings from placement sufficiency work
- Over the past 3 financial years the proportion of in house placements has increased from 34% of total placements to 40% of total placements. Placements with in house foster carers and connected carers have increased from 155 at 31 March 2019 to 182 at 31 March 2021 in line with the placement sufficiency strategy.
- Expenditure on external residential placements reduced over the period to 31 March 2020 but increased in 2020/21 due to the impact of Covid-19
- Impact of Covid-19 has been to increase complexity of demand and unit costs of placements (see slide 10)

Staffing

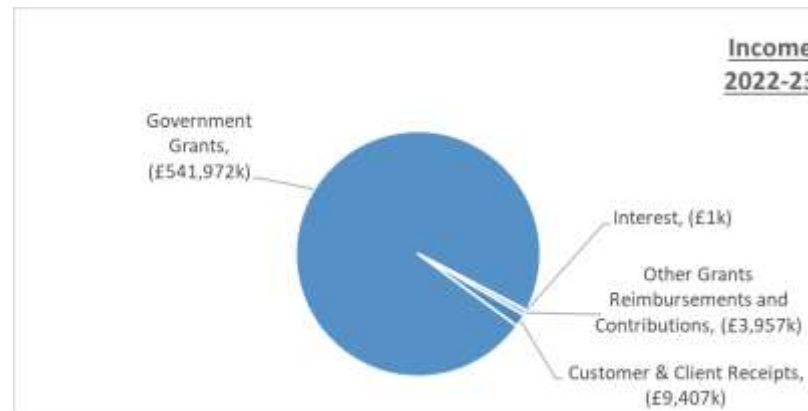
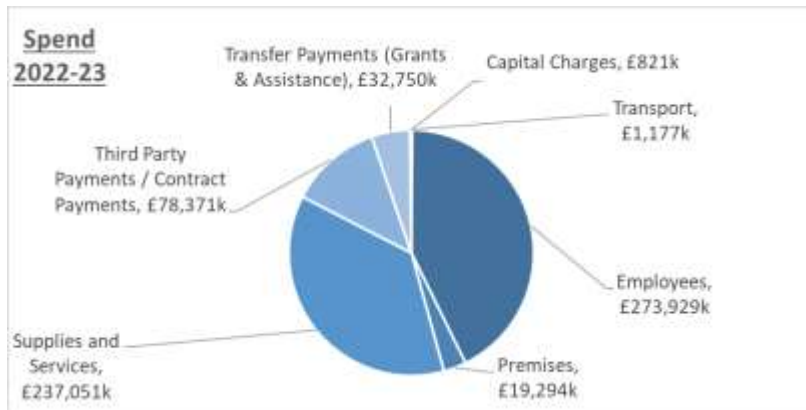
- Previous MTFP investment in Agency staff with budget reducing over time
- One off investment in Social Work Academy in 2020-21 has resulted in increased numbers of permanent social workers in teams, with over 90% success rate in workers moving into permanent roles.
- Restructure of non-statutory teams in Social Care has yielded ongoing savings of £750k.

MTFP Proposed Changes 2022-2025

Education & Children's Services		Change 2022-23 £000's	Change 2023-24 £000's	Change 2024-25 £000's
Children's Social Care				
Growth	Expansion of the Social Work Academy to support recruitment and retention of permanent staff	1,335	1,276	307
	Increased demand in statutory social care services due to demography and complexity	1,792	3,114	4,436
Savings	Placement sufficiency strategy	(493)	(943)	(1,043)
	Reduction in agency staff	-	(577)	(577)
Special Items	Staffing efficiencies across non-statutory services	(170)	-	-
	Expansion of the Social Work Academy to support recruitment and retention of permanent staff	(200)	-	-
	Impact of demand and complexity on case loads within Social Work teams	1,413	-	-
	One-off reserve funding for additional social workers	(1,413)	-	-
Education				
Change in Income	Increased trading with schools	(50)	(100)	(100)
Growth	Pressures on Education central services	-	383	1,060
Savings	Review of Education central services	-	(383)	(847)
Education - Dedicated Schools Grant				
Change in Grant funded expenditure	Change in DSG grant allocation	19,923	19,923	19,923
Change in Grant Income	Change in DSG grant allocation	(19,923)	(19,923)	(19,923)

MTFP Summary 2022-2025

		2021-22			2022-23			2023-24	2024-25
		Income £000	Expense £000	Net Budget	Income £000	Expense £000	Net Budget	Net Budget	Net Budget
Children's Social Care	Children in Care	(1,375)	47,783	46,407	(1,375)	49,081	47,706	48,578	49,800
	Children with Disabilities		6,358	6,358		6,358	6,358	6,358	6,358
	Quality, Standards & Performance		3,217	3,217		4,352	4,352	3,916	2,947
	Safeguarding	-	10,717	10,717	(1,413)	11,960	10,547	10,717	10,717
	Social Care central costs	(1,220)	6,322	5,102	(1,220)	6,322	5,102	5,102	5,102
Children's Social Care Total		(2,595)	74,397	71,802	(4,008)	78,074	74,066	74,672	74,925
Education	Early Help		6,731	6,731		6,731	6,731	6,731	6,731
	Education & Learning	(5,030)	6,662	1,632	(5,080)	6,662	1,582	1,532	1,746
	Special Educational Needs & Disabilities	(126)	5,804	5,678	(126)	5,804	5,678	5,678	5,678
Education Total		(5,155)	19,197	14,042	(5,205)	19,197	13,992	13,942	14,155
Education - Dedicated Schools Gr	Central block	(239)	6,147	5,908	(239)	5,534	5,295	5,295	5,295
	Funding Block	(513,019)	196,954	(316,065)	(532,942)	196,954	(335,988)	(335,988)	(335,988)
	High Needs Block	(1,153)	92,428	91,275	(1,153)	101,028	99,875	99,875	99,875
	Schools Block	(11,789)	197,664	185,875	(11,789)	210,092	198,303	198,303	198,303
	Early Years Block		33,007	33,007		32,515	32,515	32,515	32,515
Education - Dedicated Schools Grant Total		(526,200)	526,200	-	(546,123)	546,123	-	-	-
Grand Total		(533,951)	619,795	85,844	(555,337)	643,394	88,057	88,613	89,080



Risks /Opportunities/Constraints

Risks – Children’s Social Care

The main financial risks are:

1. Significant challenge in recruiting high quality, experienced social workers and managers. Having a permanent **workforce** and reducing reliance on agency staff leads to better service outcomes and lower expenditure. There is a national shortage of social workers. On average the cost of an agency social worker exceeds the available budget for a social worker post by 48% and creates serious budget pressures. Agency spend in 2021-22 is projected to be lower than in the previous year (excluding the additional capacity outlined below) however the flexibility within the budget to manage this cost is reduced in the current year.
2. **Impact of demand and complexity** on case loads and staffing requirements across Social Care - currently an additional 21 social workers and 5 Assistant Team Managers are employed with funding from the Containing Outbreak Management Fund (COMF) grant for one year. It is not anticipated that demand levels will reduce after this financial year.
3. **Placement costs for children in care** – the impact the covid-19 pandemic has been to trigger a higher number of children and adults into emotional instability, this has resulted in a higher number of high cost external placements. Demand will be monitored through this financial year to assess the impact on current and future costs.
4. **Costs of accommodation for young people leaving care**, including unaccompanied asylum seeking children (UASC) – government grant for UASCs over the age of 18 is insufficient to cover the cost of current care packages. For young people aged over 18 expenditure is projected to exceed grant income by £448k. Significant delays, particularly since covid-19, in claims being processed by the Home Office are increasing costs to the council as packages are being extended.

Opportunities – Children’s Social Care

1. Building on joint work with Housing Services to improve access for care leavers to their own tenancies.
2. Development of the Social Work Academy to increase the permanent workforce and reduce agency costs across social work teams

Risks /Opportunities/Constraints

Risks – Placement Unit Costs

- Placements for children in care are made across a number of different types of settings. The unit cost varies significantly across different types of placement and therefore the mix of placements will impact on overall costs, as well as the total number of placements.
- The current range of weekly unit costs, and average for each placement type are summarised below. The table shows current average weekly costs and weekly costs as at March 2020 prior to the impact of the Covid-19 pandemic.

Placement Type	Minimum Unit Cost	Maximum Unit Costs	Current Average Weekly Costs (August 2021)	Number of open placements at 31/8/21	Average Weekly Costs March 2020	Number of open placements at 31/3/20
	£	£	£		£	
In House Foster Care			382	169	332	166
External Foster Care	800	1,960	972	192	935	159
External Residential Care	4,275	10,500	4,364	61	3,977	67
Semi-Independent Living Accommodation	800	3,400	1,076	22	1,546	38
Secure Accommodation	4,275	10,500	5,551	6	5,629	3
Parent and Child	1,600	4,200	2,965	3	2,209	8

- Monitoring of placement costs requires understanding of the financial impact of all placement activity, including children coming in to care, children leaving care and placement moves. The impact of activity to enable young people to step down from high cost residential placements, including to in house residential provision, has had a positive impact on weekly costs throughout this year. This is monitored on a monthly basis.
- Unit costs for in house residential provision vary according to the level of occupancy. At an occupancy level of 70% the unit costs would be approximately £3,860. Occupancy levels are dependent on the ability to match children within the provision.

Existing Risks /Opportunities/Constraints

Risks – Education Services

The main financial risks across Education Services are:

1. **Costs of supporting pupils with SEND in schools and specialist provision** – demand for Education Health and Care Plans (EHCPs) is increasing and this increases the pressure on the high needs budget within the Dedicated Schools Grant (DSG). The council currently has a deficit of £1.795m against the DSG and a management plan must be agreed with the Department for Education (DfE)
2. **Reduction in DSG funding for central services** – The DfE has confirmed the intention to reduce funding for specific elements of Central DSG over the period of the MTFP by 20% per annum. This element of the DSG funds services that were previously able to fund from DSG but which no longer meet the terms of grant.

Opportunities

1. Further development of traded services with schools
2. Increase in funding allocated through the DSG high needs block to support increases in demand

Contracts

- Much of the spend with third party providers is spent on “spot” contracts where individual placements or packages of care are commissioned from the market place based on the child’s needs. There are in addition some block contracts in place covering services such as Child and Adolescent Mental Health Services, Integrated Therapies, Post-16 education as well as children’s placements.
- The largest providers across all contracts are:
 - Oxford Health Foundation NHS Trust
 - Action for Children
 - Buckinghamshire Healthcare Trust
 - Buckinghamshire College Group
 - Keys PCE Ltd

Fees and Charges

Each year, as part of the MTFP, we review the schedule of Fees and Charges

The majority of Fees & Charges are amended by an inflation increase.

The Fees and Charges schedule for Education and Children's Services is being reviewed in detail as part of the MTFP process. The main areas where fees and charges are applied are:

1. Adult Learning – community courses
2. Traded services with schools, including
 - a. Admissions appeals
 - b. Educational visits
 - c. Free School Meal eligibility checking
3. Training courses for schools and early years providers
4. Penalty notices for unauthorised absence from school (statutory charge)

Note that it is not proposed to increase charges to early years settings in 2022-23 because of the challenges in the sector following the covid-19 pandemic

Capital Programme

Capital Budget monitoring Quarter 2

Cabinet Portfolio	Actuals to Date £000	Total Budget £000's	Forecast Outturn £000's	Forecast Variance £000's	% Slippage	RAG Rating
Children's Services	28,351	58,886	57,783	-1,103	1.9%	Green

Education & Children's Services Capital: Budget £58.9m, Forecast £57.8m, Variance - £1.1m

Children's Homes slippage/underspend -£0.5m

- a) Secondary School Places accelerated spend/overspend +£1.4m
- b) Primary School underspend/slippage of -£1.4m Kingsbrook School now open with underspend/slippage of £1.4m.
- c) Provision for Special Educational Need underspend/slippage of -£0.5m
- d) Early Years projects slippage of -£0.1m
- e) Schools Property Maintenance Projects all on target.

[1] Note: any unspent capital project budgets in 21/22 ('slippage') will be reprofiled into future years as part of the annual year end process, and approved via the Corporate Capital Investment Board.

Development of the Capital Programme

Buckinghamshire Council (BC) has a statutory duty under Section 14 of Education Act 1996 to ensure that there are sufficient early years and school places in its area to ensure that schools in its area are sufficient in number, character and equipment to provide education suitable for the different ages (including pupils who are over compulsory school age but under the age of 19), abilities and aptitudes and special educational needs of pupils of school age.

The council also has duties under the Education Act 1996 and the SEN Code of Practice 2014 to identify, assess and make provision for children with SEN where necessary.

The proposed capital programme enables the LA to provide additional school places to meet its statutory duty and provides a rolling programme of maintenance and improvement to ensure school premises continue to be a safe and suitable environment for our young people.

Proposed Capital Budget 2022- 26

The table below sets out the **proposed 4 year Capital Programme** for this Portfolio from April 2022

Expenditure

Service Area	Project Group / Project	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	MTFP Total £000's
Education	Schools					
	Primary School Places	4,526	11,201	21,000	14,825	51,552
	Provision for Special Educational Need	3,099	8,000	5,500	0	16,599
	School Access Adaptations	200	200	200	200	800
	School Property Maintenance	5,582	4,500	4,500	4,500	19,082
	School Toilets	250	250	250	250	1,000
	Secondary School Places	31,463	8,157	3,500	4,200	47,320
	Schools Total	45,120	32,309	34,950	23,975	136,353
Education Total		45,120	32,309	34,950	23,975	136,353
Total Expenditure		45,120	32,309	34,950	23,975	136,353

- The proposals take into account projected pupil numbers across the county based on expected birth rates, housing development and migration. Projections are monitored and reviewed continually and the programme reprofiled to align with housing development etc
- Priorities for the delivery of additional places for pupils with SEND are driven by the SEND Sufficiency Strategy which has recently been consulted on, and includes projected numbers of pupils with Education Health and Care Plans. The proposals included in the programme for SEND will enable completion of phase 1 of the sufficiency strategy and funding is expected to be available from increased government grant for SEND places announced by the Chancellor in the autumn budget.
- Proposals for the next phases of the sufficiency strategy are still subject to funding and are not included in the proposed 4 year programme. Proposals will include additional specialist places within the county and funding options may include application to the next DfE Free School bidding round.
- Extension/maintenance works will improve the school estate and ensure that schools are able to function and remain open as safe environments for young people.

BUCKINGHAMSHIRE COUNCIL



Questions





Appendix 1

Breakdown of Revenue budget



Breakdown of Revenue Budget

The table below sets out the breakdown of the 2021-22 baseline revenue budget into types of expenditure and income

	Expenditure							Income					Income Total	Net Total
	Capital Charges	Employee s	Premises	Supplies and Services	Third Party Payments / Contract Payments	Transfer Payments (Grants & Assistance)	Transport	Expense Total	Customer & Client Receipts	Government Grants	Interest	Other Grants Reimbursements and Contributions		
Business Management		350		(1,136)			1	(786)						(786)
Children's Social Care		27,663	1,723	3,658	36,636	5,082	421	75,183	(450)	(497)		(1,648)	(2,595)	72,588
Education		21,102	706	(3,673)	35	744	284	19,197	(1,487)	(3,669)			(5,155)	14,042
Education - DSG	821	203,468	16,865	237,317	40,484	26,773	472	526,200	(7,421)	(516,470)	(1)	(2,309)	(526,200)	-
Grand Total	821	252,583	19,294	236,166	77,154	32,598	1,177	619,795	(9,357)	(520,636)	(1)	(3,957)	(533,951)	85,844



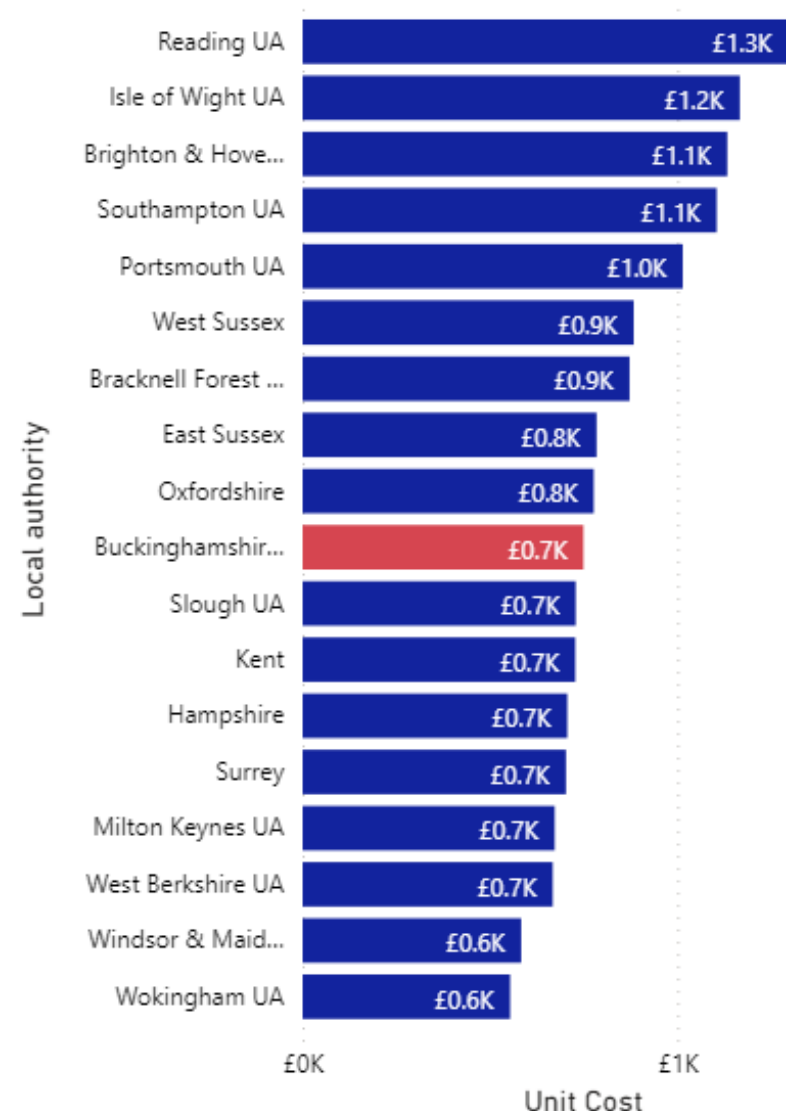
Appendix 2

Value for Money



Childrens Social Care – Total budget per child or young person aged 0 to 17

Budget per 0-17 year old by South East Local Authority



This indicator includes costs related to looked after children, safeguarding children, family support services as well as youth justice and wider preventative services.

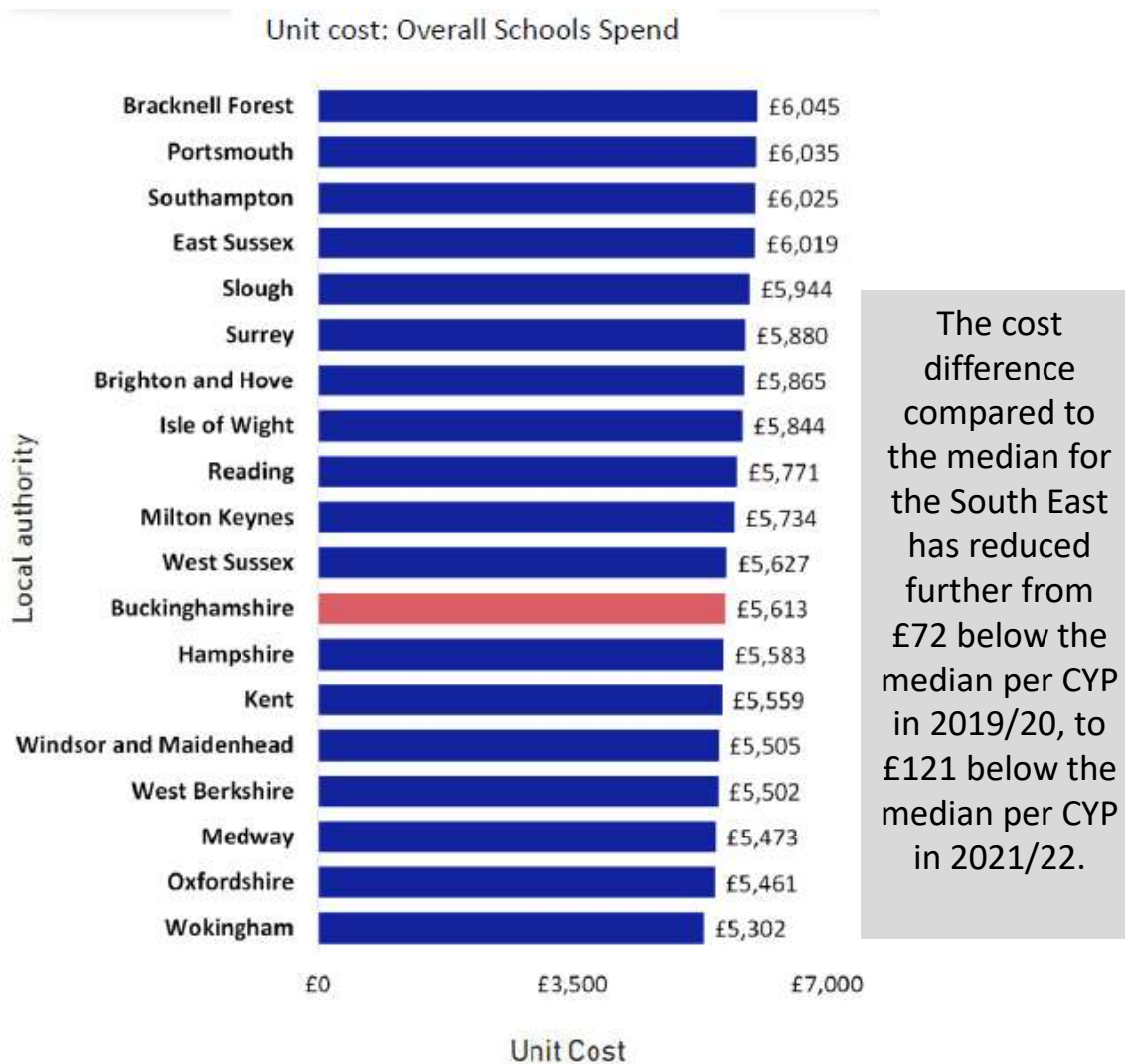
In 2021/22, the Councils budget is **£94.7 million** for these services (including corporate overheads). When compared to the number of children and young people aged 0-17, the average cost of **£749** in Buckinghamshire is **below the median** cost for South East Local Authorities of **£763**.

The graph on the left shows how Buckinghamshire's average cost compares to each of the South East Local Authorities.

The median cost was £23 higher per CYP in the South East than Buckinghamshire last year, which compares to £14 higher this year (2021/22).

Total Schools Budget – spend per pupil aged 3 to 19

Budget per pupil aged 3-19 by South East Local Authority



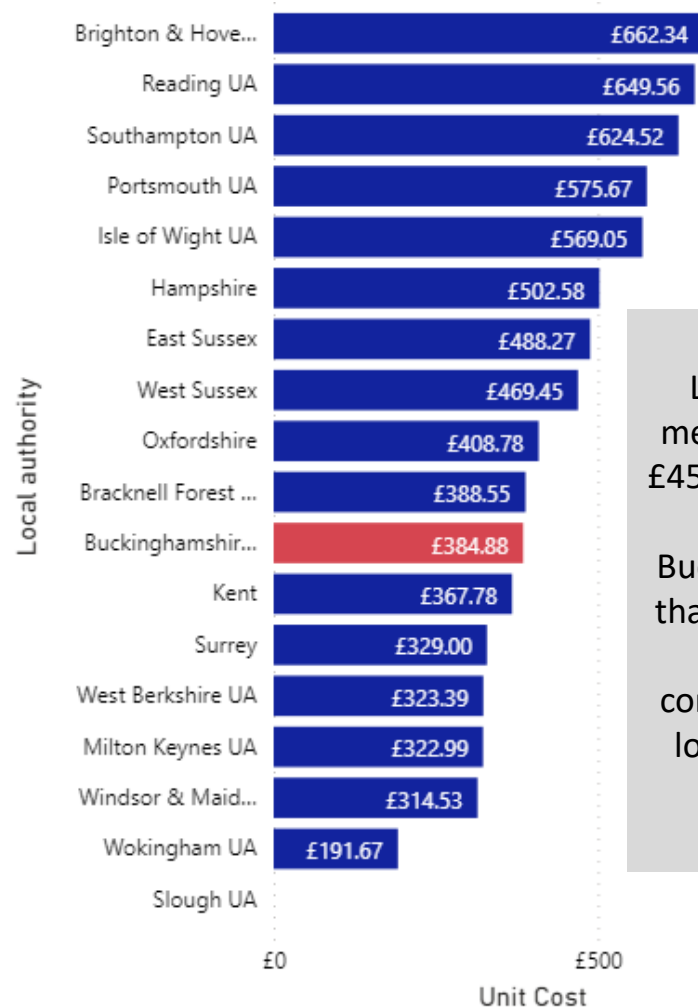
This indicator shows the total Dedicated Schools Grant (DSG) budget for 2021/22, including academies, and is shown as pounds per pupil aged 3-19 (from maintained schools and all academies), as reported in the governments statutory Section 251 return.

In 2021/22, the Councils budget is **£517.0 million** for these services (including corporate overheads). When the overall Schools Budget is compared to the number of pupils attending schools in Buckinghamshire aged 3-19, the average amount budgeted per pupil is **£5,613**, which is **below the median** amount budgeted for each pupil in South East Local Authorities of **£5,734**.

There are 87,503 pupils attending schools in Buckinghamshire (May 2021). According to the Office for National Statistics, the number of children and young people aged 0-19 in the county is also expected to grow by approximately 1,900 (1%) over the next 4 years (between 2021 and 2025).

Placement Costs relating to Looked After Children (CLA) and Care Leavers: Benchmarking budgets per child or young person aged 0 to 17

Budget per 0-17 year old by South East Local Authority



Last year the median cost was £45 per CYP lower in Buckinghamshire than in the South East, which compares to £15 lower this year (2021/22).

This indicator includes the cost of looking after children that are placed in residential care, fostering services, adoption services, special guardianship support, short breaks (respite) for disabled children looked after, or when placed with family and friends. It includes any specifically commissioned education (outside of delated schools funding), leaving care costs and costs relating to asylum-seeking children.

In 2021/22, the Councils budget for these services is **£48.7 million** (including corporate overheads). When the budget for Children Looked After is compared to the number of children and young people aged 0-17, the average cost in Buckinghamshire is **£384**, which is **below the median** cost for South East Local Authorities of **£399**.

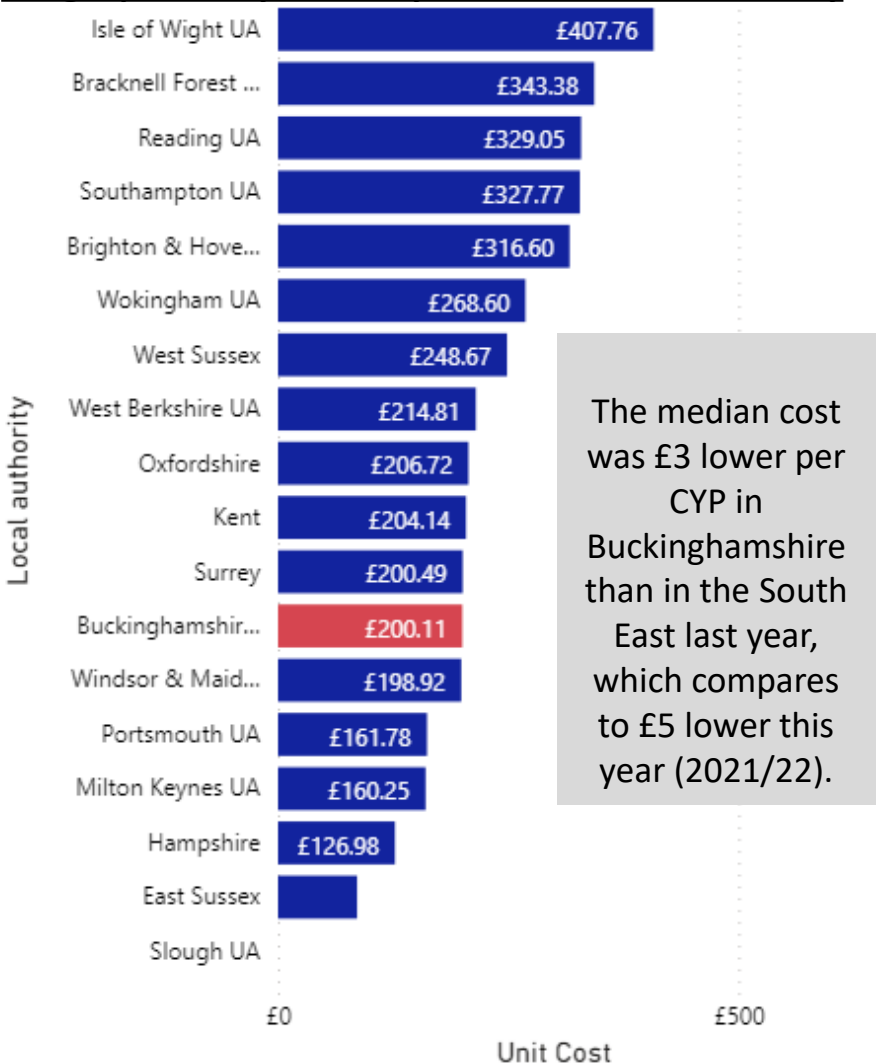
On the 1 November 2021, there were 503 Children Looked After in Buckinghamshire, which is 40 per 10,000 children and young people, compared to 53 in the South East (March 2021). However, the covid-19 pandemic and demographic increases in the population have resulted in growing and unpredictable demand, where there has been increases in the number of children open to the social care service.

Placement costs for children in care also impact on average costs, where the covid-19 pandemic has triggered a higher number of children into emotional instability this has resulted in a higher number of high cost external placements.

Demand, Complexity and Workforce:

Benchmarking current spend on Social Work and supporting activity

Budget per 0-17 year old by South East Local Authority



This indicator includes all direct costs in relation to child protection, including social workers and assessing needs to understand the services that need to be provided. In addition, budget related to Commissioning Children’s and Young Peoples services and the Local Safeguarding Childrens Board are included.

In 2021/22, the Councils budget is **£25.3 million** for these services (including corporate overheads). When the budget for Safeguarding Children and Young People is compared to the number of children and young people in Buckinghamshire aged 0-17, the average cost is **£200**, which is **below the median** cost for South East Local Authorities of **£205**.

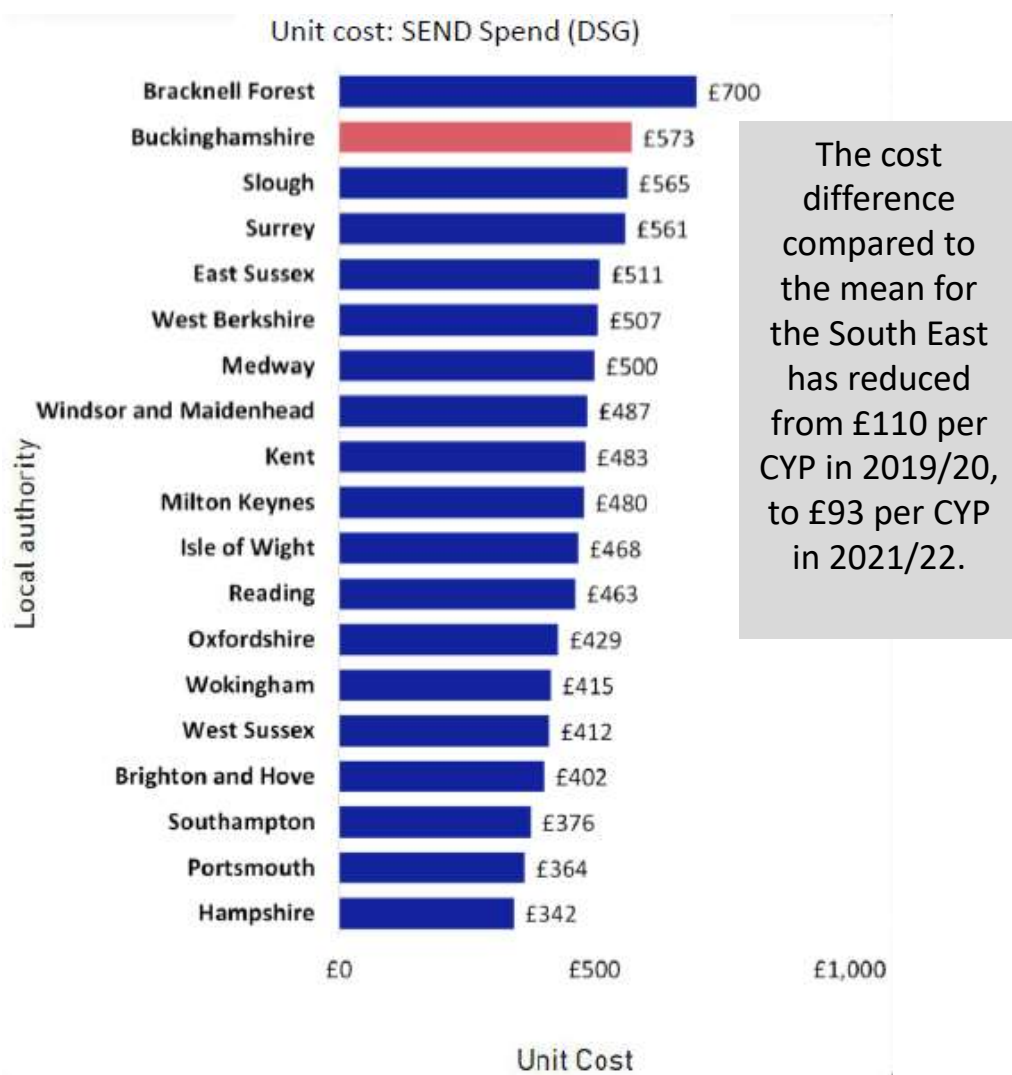
Although budget costs are below the mean for South East local authorities, the impact of demand and complexity on caseloads within social worker teams as a result of the Covid-19 pandemic is a pressure in this area.

The Councils Medium Term Financial Plan includes proposals to continue to resource the additional social work staff and assistant team managers through one off reserve funding.

Costs of supporting pupils with SEND in schools and specialist provision

Benchmarking High Needs Funding

Budget per person aged 0-19 by South East Local Authority



This indicator shows the total DSG spend on pupils with SEND and in alternative provision, and is shown as pounds per person aged 0-19 in Buckinghamshire, as reported in the government's statutory Section 251 return.

This spend covers top-ups in special schools and ARPs, post-16 spend in schools and colleges for students with EHCPs, top-ups for pupils in mainstream schools with EHCPs or on SEN Support, Alternative Provision or with Specialist Teachers. Note that this means that high needs place funding is excluded.

In 2021/22, the Council's budget is **£78.5m** for these services (including corporate overheads). When the overall Schools Budget is compared to the number of people in Buckinghamshire aged 0-19, the average amount budgeted per person is **£573**, which is **above the median** amount budgeted for each pupil in South East Local Authorities of **£480**.

Buckinghamshire has a similar proportion of pupils with Education, Health and Care plans as other Local Authorities at 3.8%, compared to 3.9% in the South East (on 1 January 2021), and there were 5,307 children and young people with Education Health and Care Plans in the county (October 2021).

In addition, there were 8,978 children receiving special educational needs (SEN) support in mainstream schools (May 2021), where the proportion of pupils receiving SEN support (10.1%) is lower than the South East (12.2%).