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To: The Chair and Members of the Children's
Scrutiny Committee

County Hall
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Date: 1 November 2024

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CHILDREN'S SCRUTINY COMMITTEE

Monday, 11th November, 2024

A meeting of the Children's Scrutiny Committee is to be held on the above date at 10.30 am at Committee Suite, County Hall, Exeter to consider the following matters.

Donna Manson
Chief Executive

SUPPLEMENT

9 In-year Budget Position (Pages 1 - 8)

Report of the Director of Children & Young People's Futures (CS/24/33).

CS/24/33
Children's Scrutiny Committee
11 November 2024

In-Year Directorate Briefing - Children and Young People's Futures Report of the Director for Children and Young People's Futures

Report of the Director for Children and Young People's Futures

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

1 RECOMMENDATION

1.1 That the Scrutiny Committee members be asked to note the service update specifically:

- a. the improvement and progress made over the past 12 months to deliver services that improve the lives of Devon's children and young people;
- b. recommends to Cabinet that a report is presented to December Cabinet outlining the challenges, steps and progress in producing an agreed joint protocol with health colleagues to ensure that the Integrated Care Board and its partners make proportionate, appropriate and adequate financial contributions to care packages for children and young people supported by the service;
- c. the Inspection of Local Authorities Children Services (ILACS) has not yet fully concluded, and information remains unavailable for sharing.

2 INTRODUCTION

2.1 The report sets out the key budget issues for Children and Young People's Futures (CYPF), identifies risks and actions to mitigate.

3 KEY BUDGET ISSUES 2024/25

3.1 Over the past 12 months, significant progress has been made in creating clear and realistic plans in key areas of financial risk across the service. The two most prevalent risks in childrens social care services are 1) sufficiency and placement costs and 2) agency staff costs. In addressing the former, the service has made progress to stabilise the number of children in care down from 906 a year ago to consistently around 850 and the introduction of the 'Place Called Home Board' in March '24 has brought increased scrutiny and rigour to the understanding of the County's use of placements.

- The service can also evidence that changes in culture and leadership have had a positive impact on staff retention and morale across the service. There is a strong

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leadership team in place and with the support of the wider Council, clear corporate strategies and plans are maturing to address agency staffing and placements.

- Although there is still work to be done to ensure collective ownership of the placement sufficiency pathway, a step change in relationships with key partners is starting to unlock better opportunities for increased provision and improved outcomes. For example, our work with Districts to improve outcomes for 16- and 17-year-olds in supported accommodation. By the end of the calendar year, we will have created 23 additional accommodation places for Care leavers by re-purposing a number of properties and working in partnership. We have accelerated the completion of Childrens Homes to support looked after children, including adding a new facility for complex needs, in addition to 4 beds at existing facilities and have developed an in-house tenancy training session through our Adult Community Learning Service to help promote opportunities for move on accommodation.

3.2 We await detail on the longer-term plans of the new government particularly around Education and Special Educational Needs and Disability (SEND). On 24 October the National Audit Office produced a report detailing the challenges for all Local Authorities nationally in delivering SEND services: <https://www.nao.org.uk/reports/support-for-children-and-young-people-with-special-educational-needs/>. Across England, many Local Authorities continue to report that their financial position is not sustainable, referencing particular pressures relating to SEND. While we have made significant progress to improve the timeliness of Education Health and Care plans as part of the transformation programme this has resulted in an increase in the – already high – numbers of children in Devon with an EHCP. The Safety Valve agreement with the Department for Education provides us with an opportunity to help address the challenges in SEND and we will continue to work with DfE as part of that long-term financial commitment until 2031.

3.3 The CYPF revenue budget for 2024/25 is £228 million. This position excludes the Dedicated Schools Grant funding and the pressures being experienced within the High Needs Block. Education Learning, School Transport & Inclusion Services are projected to be near breakeven.

3.4 For Children's Social Care and Health & Wellbeing, there are active plans in place to address the immediacy of the placement challenge alongside longer-term plans to build capacity which includes improving our offer to attract more foster carers, create more spaces in Childrens Homes, and to work with providers to develop our relationships so that placements are better supported. This work is overseen by the 'A Place Called Home' programme that brings oversight and rigor to achieving a balance between addressing those who are already in high cost or unregistered placements but that require a setting that better meets their needs' and ensuring that we meet the needs of children that are newly referred into the service. For a significant number of children, their needs are complex, and they may require a specialist arrangement that we may not always be able to meet in Devon. These factors inevitably cause a fluctuation in budget pressures which is closely monitored.

3.5 In terms of costs for agency staffing, in September, the Department for Education issued guidance to come into effect next financial year allowing regional agency staffing cost caps to be agreed locally. As part of a Memorandum of Understanding across the Southwest Regional Improvement and Innovation Alliance, we will work in partnership to

standardise arrangements so that all agency workers are treated equitably across the region. Consideration is being given to how this will impact our future front line social worker recruitment package. The recruitment of Assessed and Supported Year in Employment (ASYE) has been successful and will also support a reduction in Agency staffing over the next 6 to 12 months.

3.6 Family Hubs

3.6.1 In October 2023, Cabinet agreed to create a network of family hubs across Devon that will see improved Early Help services delivered directly into communities. This will mean more families are helped by the right person in the right service at the right time preventing escalation to statutory services. In August 2024 Cabinet resolved that the delivery of Family Hubs be undertaken directly by Devon County Council from the 1st April 2025. This approach will ensure that we reach families who need our help earlier and in a more joined up way. Governance structures are being put in place to bring the multi-agency strands together to drive the delivery of multiple work streams.

3.7 Health Costs as Part of Care Packages

3.7.1 A significant financial gap has been created as a result of when care packages are either agreed but financial contributions from parties outside of social care are not forthcoming at the right time, or more commonly not agreed despite a clear and present need for immediate and ongoing support. More proportionate arrangements need to be in place with the Integrated Care Board, and partners to ensure that costs are appropriately shared and met, and services are funded from the appropriate source. For example, a sample of 53 children with care packages identified that 98% of the funding ratio between social care, health and education was met through social care budgets. Work to create a model that re apportion and redistributes the financial burden fairly is currently underway. A blueprint model is being developed in partnership with Torbay and Plymouth to identify the most vulnerable cohort and to work with multiple partners to deliver better outcomes for those children and young people. The service anticipates bringing a protocol of our shared responsibilities with health to the December Cabinet. Outlining the criteria and framework for increased funding into the Local Authority from the ICB.

3.7.2 In addition, a rebalance is required where young people transition from childrens services into adult social care. Work is nearing completion on a transitions protocol to ensure that planning starts much sooner and a costs matrix to address how care packages for transitions into adulthood are supported by all partners, so that we take a 'One Council' approach internally.

4. SPECIFIC AREAS OF PRESSURE

4.1 Children in Care and Care Experienced Young People

4.1.2 Last year we reported that the number of children in care had risen significantly between September 2022 and September 2023. This has reduced from 906 in September 2023 to 843 in September 2024. Within this number there are 64 Young Asylum Seekers, a drop from 72 in 2023. A specific team has been established within the corporate parenting team to work with our young asylum seekers. Although this cohort of young people have

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funding attached to their status, it should be noted that their placement needs must be met which has an impact on placement availability as well as an impact on services for Care Experienced People's (CEP) services which are not funded in the same way.

4.1.3 The number of Care Experienced Young People has risen, at the end of September 2024 the number was 814 compared with 523 in September 2023. The difference is due to some DfE changes in definition, improved oversight and in the quality of our reporting. This figure now includes eligible care leavers, qualifying care leavers and relevant and former relevant care leavers. The restructure of the Strategic Corporate Parenting Board and its subgroups has strengthened activity with some improvements and impacts starting to be seen. A 'Joint Housing Protocol' has been agreed with District Councils to provide a consistent interpretation of policy, a tenancy training course has been designed and is being delivered free of charge through Learn Devon, helping young people to be prepared for their own tenancies and our panels have been reshaped to improve the line of sight on placing our young people in the most appropriate settings.

4.2 Market Sufficiency

4.2.1 We have established a Place Called Home Board to monitor and improve our placements across several work streams. The programme also monitors the placements budget and associated saving plans. Market sufficiency is a cross-cutting theme that supports the workstreams within the programme.

4.2.2 We continue to see high numbers of children requiring specialist support and care packages often with multiple support workers due to the complexity of need. We are addressing market sufficiency through a range of priorities set out in our sufficiency strategy and are improving our relationship with providers. However, it remains a challenge to secure placements for our most complex children with very specific needs. We have prioritised those children placed out of county as well as managing those children that are new entries into the service. Wherever possible we will look to place children and young people within a family environment, although, we recognise that for some children a residential placement remains the best option. The market remains challenging but support from district partners and a comprehensive plan led by Chief Executives across Devon is unlocking opportunities for us to increase our provision over time.

4.2.3 Within the Place called Home programme there is a specific workstream within 'to create more fostering placements for children and young people. Our long-term plan is to increase the numbers of children placed within family settings both with our in-house foster carers, and to also continue to make use of Independent Foster arrangements.

4.2.4 During 2024 we have taken forward the Staying Close project and the award of £1.14m of funding from the Department for Education. We have identified a number of properties across the county, re-purposing a number of Council buildings and are building towards our target of 24 planned places. To date we have opened provision in Exmouth, and shortly will have a leased property in Exeter operational. In early 2025 a further re-purposed building will open in Honiton.

4.3 Recruitment and retention (Social Care)

4.3.1 In September 2023 DCC children's services were operating with 51% front line agency social workers; this number has reduced to 48% at the end of September 2024 but we have an ambition to reduce this further to 40% by the end of March 2025 and 35% by end of March 2026.

4.3.2 Last year we touched on the strengthening of the management team in Social Care at Head of Service level and above. The management structure has remained stable and has been instrumental in improving morale and a shift in culture. The pace of change has improved over the year.

4.3.3 The service has anticipated an expectation to release interim managers as part of planned savings within the current financial year. Longer term plans are also being considered to align social care delivery to the education reshape proposal and family hub delivery model. Succession planning is in place to ensure that key business areas are not left vulnerable as we continue our improvement journey where there are interims currently in post.

4.3.4 In addition, an agreed over recruitment of Assessed and Supported Year of Employment (AYSE) social workers will enable us to 'grow our own' reducing the reliance on agency staff.

4.3.5 It is imperative for our continued improvement to establish a stable, permanent workforce and to reduce dependency on agency staff. While there remains much to do, at Head of Service and Service Manager level nearly all roles have now been permanently recruited to. In addition, we are actively recruiting to key front-line roles and have had some success in attracting agency workers into permanent roles.

4.4 **SEND, Dedicated Schools Grant & Safety Valve**

4.4.1 Additional corporate support has been brought in to support the SEND Improvement Director working to a clear transformation plan driven by the multi-partnership Transformation Board with an independent chair. The plan has seven dedicated workstreams with a senior responsible officer lead for each to drive progress. The revised SEND strategy has now been published, and as previously mentioned the timeliness and quality of EHCPs is continually improving. A multi-disciplinary Education support and Inclusion has been launched in North Devon as a pilot for the new Early Help (Education) offer. The capital funding bid to provide additional further education placements was also successful. A detailed [update](#) was provided in September to this committee update was provided in September to this committee

It is anticipated that at month 6 pressures will continue to be felt within the Dedicated Schools Grant (DSG) around demand for High Needs services. The finalisation of the Safety Valve Agreement with the Department for Education (DfE) in 2023/24 means that the authority now has a target each year associated with the maximum level of accumulated deficit after any planned local contributions.

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4.4.2 The latest DfE Safety Valve update sets out a number of areas where progress is being made which will improve the overall financial position. These include:

a) Post 18 Supervision and next steps: Over 70 young people have moved on from an Education Health & Care Plan (EHCP) through joint working with the young person and their family alongside Education, Health and Social Care professionals.

b) New specialist resource provision secured: 58 new resource base places secured from September 2024.

c) Ordinarily Available Inclusive Provision (OAIP) and early support initiatives being improved.

d) Independent Education provision commissioning and procurement strategy agreed by Cabinet on 14 August 2024.

4.4.3 Additional officer resource from across the authority is being mobilised to increase capacity which can continue to deliver to improve outcomes for children and young people as well as deliver financial savings.

4.4.4 The additional support to the SEND teams will help deliver improvements at a faster pace. This will further improve management of independent placements and the governance around spend and contract management. Introducing these additional measures will help ensure the projected overspend is brought into balance.

4.5 School transport

4.5.1 The School Transport budget sits within CYPF with operational delivery sitting with Climate Change, Environment & Transport (CCET). School transport is currently showing to be stable for this financial year.

4.5.2 However, the outturn position is subject to several areas of potential impact -

- a. Progress is being made on the backlog of EHCPs but this also carries a risk of inflating future travel costs
- b. The level of exclusions and use of Alternative Provision (AP) Other placements requiring transport remains high.
- c. Safety Valve targets stabilising demand on the personalised transport budget and planned route review savings,
- d. Independent travel training continues to mitigate against some of the costs

4.6 Education - Core Services

4.6.1 Education Learning, School Transport and Inclusion Services is near balanced for this financial year. The need to engage Educational Psychologist associates within the

SEND services support team and reductions in the number of schools trading with the service are creating pressures. This has been offset by reviews within School Transport.

4.6.2 Plans are in place for the Education re-design. A previous tactical decision around the deployment of Educational Psychologists to address the back log of EHCP's which has impacted on trading levels. There continues to be a dependence on Agency staff – however, progress is being made to reduce the backlog and to recruit permanent staff, the redesign will address the structure to increase productivity within the service.

5) Options / Alternatives

5.1 Not applicable for this report.

6) Consultations / Representations / Technical Data

6.1 Not applicable for this report.

7) Strategic Plan

7.1 This report aligns with the vision and priorities in the Council's Strategic Plan 2021 – 2025 - <https://www.devon.gov.uk/strategic-plan> . This includes:

- Be ambitious for children and young people and contribute to the aim of being a child friendly Devon. Specific elements of the report set out our commitment as corporate parents to care experienced young people, including care leavers. For example the Staying Close Programme specifically details creating housing opportunities for Care Leavers who have a protected characteristic in Devon.
- Delivering savings contribute towards supporting a sustainable economic recovery.
- Tackle poverty and inequality (address poverty, health and other inequalities) as we're delivering on our statutory duty to help some of the most vulnerable children and families in society.
- Improve health and wellbeing, including any public health impacts
- Help communities be safe, connected and resilient

8) Financial Considerations

8.1 Financial considerations are referenced throughout the body of this report.

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9) Legal Considerations

9.1 There are no specific legal requirements.

10) Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)

10.1 Not applicable for this report.

11) Equality Considerations

11.1 Devon's care leavers now are considered to have a Protected Characteristic, and this report reflects the support offered to them.

12) Risk Management Considerations

12.1 There continue to be significant risk to delivery against savings plans. Further pressures on spending may create a risk for service delivery on the improvement plans arising from the required spending reductions that are anticipated following the publication of month 6 financial figures.

13) Summary / Conclusions / Reasons for Recommendations

13.1 The timing of Scrutiny in relation to Cabinet restricts the financial information that can be shared. Insufficient time has passed to enable any information relating to the Inspecting Local Authorities Children Services (ILACS) Inspection that concluded on 11 October 2024. Improvements in delivery have been recognised by the Improvement Board and by the Sector led Improvement Partnership. Key areas of risks to delivery against savings plans have been articulated within this report.

Stuart Collins

Director of Children and Young People's Futures

Electoral Divisions: All

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