

Open Report on behalf of Debbie Barnes, Executive Director of Children's Services

Report to:	Children and Young People Scrutiny Committee
Date:	15 January 2016
Subject:	Children's Services Budget 2016/17

Summary:

This report invites the Children and Young People Scrutiny Committee to consider a report on Children's Services budgets for 2016/17. The views of the Scrutiny Committee will be reported to the Executive prior to finalisation of the 2016/17 budget proposals for the full Council's consideration in February 2016.

Actions Required:

The Children and Young People Scrutiny Committee is invited

- (1) To consider the contents of the report.
- (2) To agree any comments to be passed to the Executive in relation to this item.

1. Background

The Executive is currently consulting on a one year financial plan for revenue and capital budgets. For the second year running the Council is only able to set a one year budget. This is due to the continued significant reductions in government funding, growing cost pressures from demand led services such as adult and children's social care and the Council's responsibility from 2016/17 to pay staff and contractors the National Living Wage. These pressures mean the Council has been unable, at present, to develop sustainable long term financial plans beyond the next twelve months.

In developing its financial plan the Council has considered all areas of current spending, levels of income and council tax and use of one off funding (including use of reserves and capital receipts) to set a balanced budget. The budget proposals take a mixed approach to meeting the current challenges of reduced levels of local government funding. Savings identified from service and corporate budgets, as set out in the paper below, plus a proposed increase in Council Tax, the use of reserves and the use of capital receipts to fund the cost of transformation will be used to set a balanced budget for 2016/17. During the next

twelve months the Council will need to explore further opportunities to bridge the gap between the funding available and levels of expenditure.

At its meeting on 5 January 2016, the Executive agreed proposals for the Council's revenue and capital budgets, and Council Tax level for 2016/17 to be put forward as a basis for consultation. To assist with that process, this report sets out the position for Children's Services non-schools budgets. To provide the context, the report briefly outlines:

- Children's Services vision, principles, performance and current spending levels;
- Children Services commissioning strategies and activities delivered through these strategies;
- Savings achieved since the 2010 Comprehensive Spending Review;
- The forecast financial position for the current year (2015/16);
- The significant unfunded budget pressures for 2016/17;
- The Financial Challenge (FC) proposals for delivering revenue savings in 2016/17.

2. Children's Services vision, principles, performance and current spending levels

Vision

Our Vision is for:

"Every Child, in every part of the County to achieve their potential"

Principles

Our principles, which underpin how we will commission and deliver services to achieve our vision is:

- **Early Help:** Strong protective universal services accessible to all with a range of early help available so children have the best start in life and families have extra help when they need it;
- **Safeguarding:** A shared responsibility to ensure children are safe at home, school and in their community;
- **Aspiration:** Children are able to thrive and cope with life challenges;
- **Learning and Achievement:** All children being the best they can be with targeted interventions to close the gap so vulnerable children achieve as well as their peers;
- **Best Use of Resources:** Integrated commissioning with a focus on best value, improved outcomes and community engagement.

3. Children Services commissioning strategies and activities delivered through these strategies

The following commissioning strategies are within the Children's Services area:

- Readiness for School;
- Learn & Achieve;
- Readiness for Adult Life;
- Children are Safe & Healthy.

The overall funding for these four commissioning strategies is **£105.257m**, of which **£41.870m (40%)** is determined as a high priority service with the remaining services being a medium priority.

Readiness for School

Budget: £8.369m

The vast majority of our youngest children have access to a wide range of good or outstanding pre-school learning opportunities, which provides high quality early education to help children to develop the skills needed to interact confidently with their peers and adults. Children Centres are an essential element of our early help offer which supports parents in the challenging but rewarding job of bringing up their children. Children Centres provide access to health services as well as parenting advice and guidance and support parents in their own aspirations back into education or employment. All this supports children's readiness for school.

Services include:

- Healthy child programme;
- Children Centre activities covering 21 centres over 48 sites;
- Supports Early education and child care (disadvantaged 2 year olds, universal 3 & 4 year olds accessing 15 hours of education – funded through the Dedicated Schools Grant);
- Therapy Services.

Learn & Achieve

Budget: £35.999m

As children progress through their primary years and into secondary, they develop further as independent learners. Through education, they explore their own creativity and express their own ideas and thinking, drawing on their individual talents. Well supported and skilfully challenged students will excel in their chosen subjects and core curriculum. It is important that at every stage of learning and development, parents are provided with meaningful information and guidance to help them support their child's learning, development and achievement of full potential.

However, we know that children who live in poverty, children who are looked after and other vulnerable groups do not do as well in education as their peers and the data indicates that they under perform. As education is an important pathway out of poverty, it is right that we focus our efforts on ensuring all children have access to the same life chances.

Services include:

- School Support Services (e.g. co-ordination of admissions / promoting attendance at school / integration team who support children who are excluded);
- School Improvement;
- Capacity to facilitate the completion of Education, Health and Care Plans / Statementing process plus associated interventions;
- Home to school / college transport;
- Children with a disability service.

There is a need to reflect on current arrangements and consider new ways of achieving these services to meet the changing education landscape. The national direction of travel is for a sector-led approach to improving schools performance

and where this is embedded, performance has improved. Whilst performance is broadly in line with national, progress at national level is accelerating faster than in Lincolnshire, especially at key stage 4.

Readiness for Adult Life

Budget: £6.321m

There is a need for an increasingly stronger link between education providers, local business and industry. Information about the current and anticipated local and regional economies needs to be used to fire young people's imaginations and support them in planning for their futures so they can be prepared and ready for adult life and independence where possible. There is a need to ensure that all young people especially the most vulnerable are supported to make positive and healthy life decisions. However, as funding is reduced, we need to find alternative ways to prepare young people for adulthood and independence.

Services include:

- 14-19 support including career guidance;
- Positive activities for young people;
- Supported accommodation / lodgings;
- Leaving Care.

Children are Safe & Healthy

Budget: £54.568m

All children deserve the chance to grow up in a loving, secure family and our services aim to support parents and carers to improve children's lives. Safeguarding is everyone's business: universal services such as schools, health and childcare providing information and advice, so they enjoy good physical and mental health; live a healthy lifestyle working in partnership with targeted services, and specialist services to support parents, children and young people requiring additional support. Some children will always require extra help because of the disadvantages they face. The key is to ensure children and families receive services at the first onset of problems through strong preventive services.

Services include:

- Child protection (contract, referral and assessment);
- Looked after Children;
- Fostering and adoption;
- Residential homes;
- Child and Adolescent Mental Health Service (through a Section 75);
- School Nursing;
- Targeted support for young people including young parents.

Performance

Children's Services has continued to deliver high quality services whilst achieving the significant savings required of them.

At 31 August 2015, 85% of Lincolnshire schools and academies were graded 'Good or Outstanding' by Ofsted compared with 84% nationally and 80% across the East Midlands. This means that 82% of pupils in Lincolnshire are educated in 'Good or Outstanding' provision compared with 81% nationally and 76% across the East Midlands. Less than 1% of Lincolnshire's schools were graded 'Inadequate' compared with 2% nationally and across the East Midlands.

This strong performance against National is not replicated in the schools published provisional data for 2015, which shows a small overall improvement in primary performance by most measures against a greater improvement of national performance. Secondary performance is stagnant and progress is not as fast as national progress rates.

The number of schools classed as at risk on the school effectiveness register has increased which, combined with the data issue, indicates that the strong performance in Ofsted outcomes will be difficult for schools to maintain. The length of time that some schools remain in the Schools Causing Concern category will continue to be a focus of the service's attention. At times, this can be determined by the Department for Education in terms of how quickly it progresses the transition to sponsored academy status.

This area is currently undergoing a significant transition as we move to a sector-led approach and a radically reduced infrastructure will be required to deliver this new approach. Whilst this will achieve the required significant budget reductions and national evidence indicates that it will drive improvement, it must be recognised that the Local Authority will not have the same level and depth of oversight across all schools.

Front line social care performance exceeds national and statistical neighbours on the majority of indicators, for example timeliness of social care assessments was **91.5%**, compared to a national average of **81.5%**. The numbers of looked after children remain low at 45 per 10,000 compared with the England average of 60 per 10,000. Adoption performance exceeds that of other Local Authorities nationally.

However, reduced funding, changing legislation and demand management place considerable pressure on the service.

Current spending levels

The DfE's s.251 benchmarking information for 2015/16 highlights the fact that Lincolnshire's overall spending on Children's Services is comparatively low, with a significantly greater amount of available funding being spent on home to school and college transport. The key statistics show that of the 150 local authorities, the county has the:

- 14th lowest level of funding from Dedicated Schools Grant. This finances schools' delegated budgets and some central local authority services. Lincolnshire's funding of £4,567 per pupil compares to the England mean of £5,025.
- 4th lowest planned spending on Looked After Children. This includes Fostering, Adoption, Residential care, and Leaving Care support, etc. Lincolnshire's planned spending of £164 per pupil compares to the England mean of £281 per pupil.
- 56th lowest planned spending on Safeguarding children. This includes social work. Lincolnshire's planned spending of £156 per pupil compares to the England mean of £163 per pupil.
- 9th highest planned spending on home to school and college transport. Lincolnshire's planned spending of £179 per pupil compares to the England mean of £56 per pupil.

Value for Money data

The 2015/16 CIPFA Looked After Children benchmarking exercise (using 2015/16 estimates) highlights Lincolnshire's low cost of children in residential and foster care amongst 57 other local authorities. Lincolnshire's low cost of Looked After Children (2nd lowest) has been as a result of the Local Authority's foster carers and the high composition of individuals placed within it – 73% placed in internal foster carers compared to 50% average of all benchmarked Local Authorities.

Lincolnshire also has a comparatively low percentage of children placed in independent sector residential and foster care placements (which are notably more expensive) – 7.7% compared to a group average of 31.5%.

The information also identified Lincolnshire's approach to spending more on preventive services and the adoption of the early help approach to support and safeguard children as soon as problems emerge.

4. Savings achieved since 2010 Comprehensive Spending Review

Children's Services has successfully delivered in full, and on time, the savings from 2011/12 to 2014/15, which totalled £30.367m. Services are working towards achieving the 2015/16 savings target of £4.258m. This is at a time of delivering consistently high standards of service delivery.

5. Forecast financial position for 2015/16

The recent budget monitoring exercise has indicated that Children's Services is projecting to underspend by c.£0.7m as at 31 March 2016. The main underspends relate to one-off funding or one-off savings, such as the monies distributed from the Legal Shared Service (£0.4m).

Although it portrays a strong financial position, there continues to be a growing pressure on children's social care costs, due to an increase in Children in Need and Looked After Children. This is a national trend of increasing numbers, and the £1.515m permanent funding provided in 2015/16 has been fully spent and more, and such a trend is set to continue in 2016/17 creating a future budget pressure, even allowing for all the intervention and early help services that are being provided.

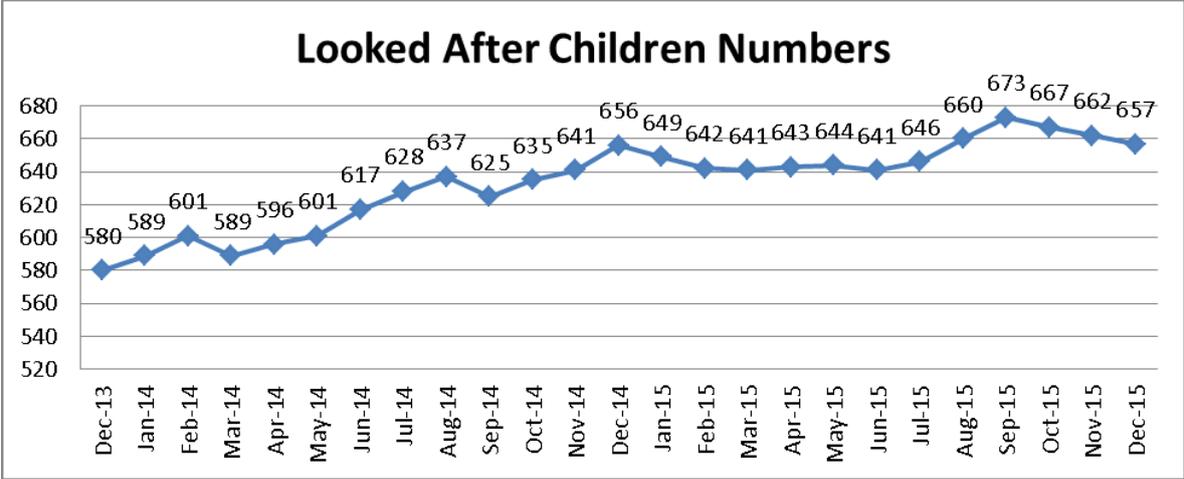
In addition, a number of unpredictable factors can influence expenditure on school transport and this volatile budget is being closely managed.

Despite the current uncertainty, Children's Services nevertheless remains confident that an underspending will arise at the end of this financial year.

6. Significant budget pressures for 2016/17

Children's Services continues to face financial challenges within the Safe & Healthy commissioning strategy due to the continued rise in Children in Need and Looked After Children, which the Local Authority has a statutory obligation in safeguarding young individuals. This is a national trend that Local Authorities are facing. Such external demands of its services cannot always be controlled,

although the early help and preventive strategy is proving to be effective with Lincolnshire’s Children Looked After per 10,000 of 45 being below its statistical neighbours (53) and nationally (60). The Local Authority has statutory duties to safeguard children and these services are subject to significant regulation and inspection.



From December 2013 to December 2015 numbers have risen from 580 Looked After Children to 657 in Lincolnshire with the average Looked After Children numbers in 2015 being 652 (2014 comparison 618). This has therefore had an implication operationally and financially on those regulated services. With those present demands from Looked After Children numbers and the projected growth levels, the budget pressure for 2016/17 is £1.028m.

Special Guardianship Orders have seen a significant increase to date (as detailed in the table below) with 59 pending; therefore to accommodate current demands and future projected growth, the budget pressure for 2016/17 is £0.516m.

Children's Services is therefore requesting a budget pressure for children's social care of £1.544m is supported for 2016/17.

	2011/12	2012/13	2013/14	2014/15	2015/16
Out of County Residential Placements	12	12	13	20	20
Out of County Fostering Placements	4	12	18	28	28
Foster Placements	360	387	376	380	381
Regulation 24 Placements	38	28	71	93	95
Special Guardianship Order Placements	62	92	139	175	257

Children’s Services will always strive to achieve best value whilst ensuring the individual’s needs are met, but with in-house capacity full and having to manage complex children, it leads to making placements out of county. Children’s Services management team continue to consider / develop options of how even greater value for money can be achieved e.g. managing more complex young people within Lincolnshire’s internal foster placements. Despite a slight increase in out of county placements, Lincolnshire's rate of out of county placements is small compared to other Local Authorities.

7. The Financial Challenge proposals for delivering revenue savings in 2016/17

A financial challenge process has been underway throughout 2015 to develop proposals for dealing with the budget reductions, and Children's Services is required to contribute to those reductions.

Through the financial challenge process, Children's Services has identified possible savings to be delivered in 2016/17, which are summarised below. Children's Services will need to undertake an impact assessment on these proposals to identify the full implications to service users, however known risks will be highlighted in this report. Some proposals will require formal statutory consultation.

It must be highlighted that not all of these proposals are recommended by Officers since it will likely reduce performance levels in service areas and possibly hinder Children's Services key strategy of early help. With the challenging financial position of the Council, Children's Services recognises it will be required to reduce its budgets even further to contribute towards meeting the Council's budget shortfall, therefore the Council will need to consider its service priorities going forward. Where there is a risk of legal challenge, these are highlighted.

In developing the saving / budget deduction proposals for Members, Officers have considered the known risks and implications to children and young people, and how they can be controlled or mitigated, if such proposals were implemented. With the budget constraints on the Council and undeniably on Children's Services also, protecting those preventive and specialist services that support those vulnerable young people will be key.

Readiness for School

The Readiness for School strategy is proposing to make savings / budget reductions of £0.896m in 2016/17 representing 10.71% of the 2015/16 budget (£8.369m).

Saving Proposed
<u>2016/17 Planned Reductions</u>
The planned reductions for 2016/17 are being delivered following a review of its service delivery model and commissioning intentions. £0.662m of the 2016/17 savings relate to legacy 2015/16 decisions through a reduction in commissioning activities being delivered (namely, counselling support, debt advice, speech & language therapists, Homestart). The remainder of the planned reductions (£0.234m) have been achieved following the outcome of the early help offer review and Birth to Five service delivery model. The new delivery model provides for even greater joined up working arrangements across early help teams.
<u>Future Savings Options</u>

To deliver any further savings targets in this commissioning strategy, a fundamental review of children centres will be required.

In addition to this, a proposal is to undertake a consultation of the closure of phase 3 children centres that serve the least deprived areas of Lincolnshire.

The phase 3 children centres running costs and associated staffing typically cost c.£0.030m per centre (15 sites).

The review will seek to retain children centres serving the most deprived communities and to continue to deliver services in alternative venues in areas of need but where a centre is no longer available.

There are risks to the Council of closing children centres if a consultation is supported, and these include:

- Sufficiency of children centres is a statutory requirement, therefore there is a risk of legal challenge to closure – this however could be mitigated through an alternative operating model which would explore delivering services from alternative venues;
- There is a statutory duty to provide early help. By having a lack of preventive services, it could risk legal challenge and a poor Ofsted rating in some areas. This could be mitigated through an alternative operating model which would explore delivering services from alternative venues;
- Public dissatisfaction is a risk and this could be mitigated through the provision of services in alternative venues;

Payback of the DfE capital grant used to build the children centres is a risk for the Council but this could be mitigated through providing evidence to the DfE that sufficiency and early help is still being achieved through alternative arrangements, and offering schools and partners the opportunity to take on the buildings where it is deemed appropriate. Potential payback of capital grant used to build phase 3 centres is c.£3.7m.

Learn and Achieve

The Learn and Achieve strategy is proposing to make savings / budget reductions of £3.550m in 2016/17 representing 9.86% of the 2015/16 budget (£35.999m).

Saving Proposed
School Support Services (includes the Music Service budget of £0.863m)
<ul style="list-style-type: none">• No proposals have been identified since services provide basic level of statutory provision only.
Music Service
<ul style="list-style-type: none">• The Council has some residual funding (£0.204m) to support the music service.

The Council's funding complements the grant which is paid direct from the Government. The proposal is for the Council to remove its residual funding and for the service to be a self-sustaining trading model.

Music Service Risks

- The music service is exploring alternative delivery mechanisms and changing its commercial offering to enable it to be a self-sustaining business model.

School Improvement

- The Council has agreed to implement a sector-led approach to school improvement and this will enable funding to be released (£1.5m or 64% of the budget (£2.331m) over two years (2016/17: £1.083m and 2017/18: £0.417m)), and the remaining funding available will support the infrastructure of a school improvement strategy which builds on the sector-led approach. This reduction coincides with the Government's planned reduction of Local Authorities Education Support Grant (£600m nationally), which the school improvement service is supported from.

School Improvement Risks

- There is a risk that there is a lack of capacity within the sector to implement a sector-led approach. This will however be mitigated through school to school collaborations, and growth of teaching schools and national leaders of education in the sector.
- There is a risk that the Council will have a lack of oversight of its schools. This will be partially mitigated through the retention of some Education Advisors and the appointment of a Head of Service for school standards.

Education, Health and Care Plan (EHCP) / Statementing process plus associated interventions

- This area of work is subject to radical reform, therefore there are no planned reductions for this area presently (budget £3.026m). The Local Authority is required to transition over 3,000 statements to the new EHCP process, in addition to sustaining the existing service, and assessing and managing the process for new cases. Requests from schools have doubled in the first year since the new system has been introduced (200-400). The reform grants that are supporting this transition are crucial to the successful transition of the service, and the service requests that those grants are passported to the service. No savings are proposed in light of the transitional requirements to the new legislative framework.

Home to school / college transport

- The budget continues to face cost challenges from market factors affecting

transport delivery and procurement; therefore this risk needs to be noted.

- The savings target is £1.631m for 2016/17, which represents 6.5% of the 2015/16 budget of £25.167m.

Efficiency savings through procurement of home to school transport for special schools and a proposed post-16 transport ticket price increase.

- A school-based approach to the procurement of home to school transport for special schools is intended to make cost savings. There is an inherent risk since the level of savings and timing are still to be confirmed.
- The proposal is to increase the charge to £500 for September 2016 and then to £570 for September 2017 for post-16 transport to colleges, facilitating this in payments of 7 instalments. The latter figure will amount to a cost to the student/parent of £3 a day return for travel of any distance required to the designated or nearest school sixth form or college; irrespective of the cost to the council (i.e. a flat rate will apply). The justification for this increase, which still leaves the cost over 50% subsidised on average, is to ensure the medium-term sustainability of the policy, which ensures that all Lincolnshire post-16 learners, can access a school, college or setting at a cost that is affordable. The alternative is that the policy becomes increasingly unsustainable in a financial climate of reduced income.

Future Savings Options

- To deliver future savings targets in this commissioning strategy, transport policy changes are likely to be required. Such policy changes would be subject to consultation. The Committee is currently scrutinising the home to grammar school admission policy and any recommendations in relation to this policy may also need to be considered and the financial impact analysed.

Children with a Disability Service

- This budget (£3.732m) funds the assessment and interventions for children in need (with a disability), which is governed under section 17 of the children act - statutory provision.
- There are two areas of non-statutory provision funded through this budget: The first is the non-assessed **short breaks service**. It was agreed under last year's financial proposals to remove this provision, and full year savings would be realised in 2016/17 of £0.428m. Following a consultation process and equality impact assessment, it was considered that this reduction would result in a legal challenge if it was delivered in full, and the Local Authority would be unlikely to win due to a statutory duty to provide sufficiency of short breaks. Therefore, a £0.240m shortfall in savings is to be delivered in 2016/17. Across the two financial years starting 2015/16, £0.330m of savings will be achieved.
- The second non-statutory element relating to the **supported employment team**. This team provides support to young people with learning disability to support transition from education into alternative pathways into adulthood. The proposal would be to decommission this provision saving the following: (2015/16: £0.204m and 2016/17: £0.146m).

Supported Employment Team Risks

- The risk would be that young people with a learning disability would not transition into alternative pathways as they enter adulthood, which could potentially increase pressure on adult social care. The risk can however be mitigated through contractually requiring the providers to support transition of young people. It is the role of the provider / college to undertake this function.

Readiness for Adult Life

The Readiness for Adult Life strategy is proposing to make savings / budget reductions of £1.464m in 2016/17 representing 23.16% of the 2015/16 budget (£6.321m).

Saving Proposed

14-19 Education and Careers guidance

- The Local Authority is responsible for tracking the whereabouts of all 16-19 year olds and to support those not participating back into education, employment and training. The Local Authority is responsible for providing career guidance to all those young people who are at risk of not being engaged in education, employment or training.
- The proposal is to decommission this service (£1.452m) but retain some capacity for tracking young people (part year savings in 2016/17 of £0.847m). We would also retain capacity to support a website, which would provide guidance on how to engage with education, employment / training for young people. This would remove the commercial offer available to schools for careers guidance as this is not self-sustaining. The Local Authority will also review other school trading activities to fully assess their cost and operational effectiveness to ensure all non-statutory school services are self-sustaining.

14-19 Education and Careers guidance Risks

- Although this option is lawful and statutory duties would be delivered, it is expected that youth unemployment rates could increase. There is also a risk that young people would choose inappropriate post 16 options leading to increased dropout rates. This could be compounded by a lack of a commercial offering to schools as the Council currently trades an independent careers service to school. Mitigation of this risk would be through school-led services and the website support.

Activities for young people

- This budgets (£1.815m) funds "Positive Futures" (a sports based programme

for young people in areas of most need); Duke of Edinburgh scheme and some residual costs to support the delivery of services through Youth Centres and development of positive activities.

- It is proposed to decommission the Council's support for the **Duke of Edinburgh scheme** (£0.110m).

Duke Of Edinburgh Scheme Risks

- There is a risk that the Duke of Edinburgh scheme would not be available in Lincolnshire for young people to access, however the national scheme offers a services directly to individual schools. This will mitigate the risk since schools will be able to purchase the licence to run the Duke of Edinburgh scheme.
- The budget also funds a dedicated programme for Looked After Children and this would also be removed. However working with schools and the National Citizenship Service, the Council would continue to support its Looked After Children to access schemes to help develop their social development.

Supported Accommodation

- Under the Southwark judgement, the Council is required to provide accommodation to homeless 16 and 17 year olds and for care leavers until they are 21 (24 with a disability) – this budget funds statutory provision.
- The contract for housing 16 and 17 year olds plus care leavers has just been re-commissioned and runs for a 3 year period. The re-commissioning exercise will release savings of the following: 2015/16: £0.530m and 2016/17: £0.316m leaving a £1.020m base budget.
- There are no recommendations for reducing this budget further beyond the agreed savings, since the contract only commissions statutory housing options for those meeting the criteria.

Teenage Pregnancy Service

- The Council had traditionally funded some capacity (£0.191m) to deliver the strategy of reducing teenage parents and providing support to young parents. A decision was previously made on decommissioning this service, which will realise the full savings in 2016/17.

Leaving care

- The Local Authority has a duty to prepare young people that have been looked after through after-care advice and assistance. Support for participation in education / employment and training, and housing are examples of after care assistance. These duties are highly prescriptive and are subject to Ofsted inspection and legal challenge should statutory provisions not be delivered.
- There are no recommendations for reducing the budget from £1.880m.

Safe and Healthy

The Safe and Healthy strategy is proposing to make savings / budget reductions of £0.589m in 2016/17 representing 1.08% of the 2015/16 budget (£54.568m).

Saving Proposed
Safeguarding services (contact / referral / assessment & interventions)
<ul style="list-style-type: none">• Under the Children Act 2004, the Local Authority is the lead agency with statutory duties to safeguard children. These arrangements are highly regulated and monitored, and are essential to the identification and management of children at risk of harm.• There are no proposals to reduce the statutory provisions within this budget (£24.016m). Managing the growing demand remains a big challenge due to an increase in Children in Need and Looked After Children, which places a considerable cost pressure on Children's Services.• Children's Services is always striving for efficiencies, and it has integrated family support capacity that will realise permanent savings as follows: 2016/17: £0.218m and 2017/18: £0.218m.
Fostering and Adoption including Residential Homes
<ul style="list-style-type: none">• Under the Children Act 2004, the Local Authority is the lead agency with statutory duties to accommodate children where they are at risk of suffering significant harm. These arrangements are highly regulated and monitored, and are essential in providing a safe home for a child to reside.• There are no proposals to reduce this budget (£17.854m). Managing the growing demand and cost pressures remains a big challenge due to growth in Children Looked After numbers. This is a national challenge Local Authorities are facing.
Child and Adolescent Mental Health Services (CAMHS)
<ul style="list-style-type: none">• The Local Authority in partnership with the Clinical Commissioning Group (CCG's) commission a range of services to meet the emotional and mental health of children. The majority of LCC funding contributes to an online counselling services and Primary Mental Health Workers who work with children and young people in a preventative way to reduce the need for Tier 3 CAMHS.• This funding (£0.835m) enables children and young people to have access to responsive help to prevent mental ill health developing – it is highly effective and it is not proposed to make any budget reductions in this area.• The strategy also funds counselling for grief and loss (£0.050m). This is a valued service but it is not a statutory service. It is therefore recommended that this service is decommissioned.

Grief and Loss Risks

- The risk of this would leave reduced county-wide support for children and young people suffering bereavement, therefore the Council would need to discuss with the provider the impact and ways to mitigate this, as these are presently unknown.

School Nursing & Health Visiting

- The Health and Social Care Act 2012 outlines the statutory duty of the Local Authority to commission school nursing services to improve the health and well being of school aged children.
- The service is exploring options for transforming services alongside a review of Health Visiting, however until this review is complete, there are no proposals to make reductions to this service area. The budget is £6.974m.

Support for Young People including young parents

- The service is a key part of Lincolnshire's intervention strategy for young people aimed at preventing engagement in risk-taking behaviour including child sexual exploitation, as well as support for young parents through the Family Nurse Partnership.
- The proposal is to reduce the budget of £1.722m by 26% or £0.448m over 2016/17 and 2017/18, of which £0.186m is proposed for 2016/17.
- The need to make savings in this strategy is likely to result in a reduction of capacity of support services possibly removing the budgets aimed at improving health outcomes (obesity management projects / Family Nurse Partnership). It must be noted that a review of School Nursing and Health Visiting would seek to deliver targeted support for young parents so the principles of the Family Nurse Partnership model would be an integral part of the new service.

Support for Young People and Young Parents Risks

- Reduced capacity to support young people and young parents could potentially lead to more young people requiring statutory intervention due to a lack of early help. This however would be mitigated through the review of School Nursing and Health Visiting, which would seek to deliver a targeted support approach for young parents so the principles of the Family Nurse Partnership model would be an integral part of the new service.

Commissioning Support

- A saving in the level of commissioning support relates to a legacy decision on Commissioning and Performance Management staffing that will realise savings of £0.135m in 2016/17.

8. Capital

Schools

Children's Services manage and maintain a comprehensive annual capital programme of individual projects which is overseen by the Children's Services Capital Programme Board. All projects that comprise the programme are separated into related and prioritised work streams and are managed to the standards laid down by the LCC Programme Centre:

- Projects to meet Statutory Provision of School Places (Basic Need);
- School Condition Repair & Maintenance (including essential health & safety requirements);
- School Suitability and Modernisation (including SEN);
- Early Education;
- Other children's services capital.

Pressure on school places is a challenge being faced by Local Authorities across the country. Medium and long-term forward planning to ensure sufficient school places are provided in sustainable school buildings is vital to meet the Local Authorities statutory duty for school place planning.

The service has requested that all capital funding made available by the DfE for schools is passed on to Children's Services to enable it to manage this critical issue.

Non-schools

Capital has previously been used to provide extensions to the properties of foster carers and adoptive parents in specific circumstances. Priority has been given to ensuring the suitability of accommodation for children with disabilities and to enable properties to be developed to provide increased living space for siblings to be placed together for permanence or adoption. Grants have also been used to provide suitable transport to enable siblings and groups of children to be safely transported. The capital budget has ensured that a number of foster care solutions have been provided within Lincolnshire's internal foster care provision for sibling groups and complex children who might otherwise have been placed in more expensive external provision. All grants are subject to a legal agreement.

Considering the growing demands on internal foster care provision resulting from the increase in Looked After Children numbers, **a request of £0.5m for 2016/17 is being made for capital funding** to ensure the cost per child is maintained at acceptable levels.

9. Conclusion

With the challenging financial position of the Council, Children's Services recognises it will be required to reduce its budgets in 2016/17 to contribute towards meeting the Council's budget shortfall.

Through the financial challenge process, Children's Services has identified possible savings (in addition to those 2015/16 legacy decisions realising full year

savings in 2016/17) to be delivered in 2016/17 and beyond for Members to comment on, and to support a consultation and for an equality and impact assessments to take place:

- To support a review of children centres which will seek to retain centres serving the most deprived communities, and to undertake a consultation of the closure of phase 3 children centres that serve the least deprived areas of Lincolnshire.
- To support the removal of the residual funding (£0.204m) that is provided to the music service.
- To support the implementation of the sector-led approach to school improvement that will enable funding to be released of £1.5m over two years.
- To seek to achieve savings through a procurement exercise of home to school transport for special schools, and a proposed post-16 transport ticket price increase from September 2016.
- To note the potential policy implications of the scrutiny review into home to grammar school transport.
- To support the decommissioning of the supported employment team, a non-statutory service.
- To support the proposal to decommission the careers guidance service, but retain some capacity for tracking young people.
- To support the proposal to decommission non-statutory school support, which are not self-sustaining.
- To support the proposal to decommission the Council's support for the Duke of Edinburgh scheme.
- To support the proposal to decommission the counselling for grief and loss.
- To support the reduction in support of young people including young parents.

A request however has been made for the Council to fund the cost pressure in 2016/17 resulting from the increase in Looked After Children and Children in Need (£1.544m). Children's Services will always strive to achieve best value whilst ensuring the individual's needs are met.

With regard to capital funding, there continues to be significant pressure to provide the required statutory provision for basic need. Children's Services has asked that the Council pass through the DfE grants that are expected to be made available, and fund separately £0.5m in relation to foster carers and adoptive parents.

10. Consultation

a) Policy Proofing Actions Required

Not applicable

11. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Mark Popplewell, Head of Finance, Children's Services who can be contacted on 01522 553326 or mark.popplewell@lincolnshire.gov.uk

This page is intentionally left blank