

CHILDREN AND YOUNG PEOPLE'S SCRUTINY PANEL

A meeting of the Children and Young People's Scrutiny Panel was held on Monday 15 January 2024.

PRESENT: Councillors J Walker (Vice-Chair), S Hill, L Hurst, D Jackson, J Kabuye, M Nugent and S Platt

PRESENT BY INVITATION: Councillor P Storey and C Cooke - Elected Mayor

OFFICERS: D Alaszewski, S Lightwing and J Tynan

APOLOGIES FOR ABSENCE: were submitted on behalf of Councillor E Clynch (Chair)

23/25 DECLARATIONS OF INTEREST

There were no Declarations of Interest at this point in the meeting.

23/26 MINUTES - CHILDREN AND YOUNG PEOPLE'S SCRUTINY PANEL - 4 DECEMBER 2023

The minutes of the Children and Young People's Scrutiny Panel meeting held on 4 December 2023 were submitted and approved as a correct record.

23/27 COUNCIL BUDGET 2024/25 AND MTFP REFRESH - CHILDREN'S SERVICES

The Mayor and Deputy Mayor were in attendance at the meeting and gave a presentation which covered the following issues in relation to Children's Services:

- Remaining Budget Gap.
- Post Settlement Update/ Exceptional Financial Support.
- Children's Services – context.
- Questions : Children's Services – Budget savings proposals.
- Next Steps.

The budget gap was £6.3 million, having taken into account all the current savings proposals. The Local Government Finance Settlement announced in December 2023 had provided a small improvement. A report would be submitted to Executive later this week recommending an application to the Government for Exceptional Financial Support (EFS). EFS could provide a temporary funding solution that would enable the Council to achieve financial sustainability and avoid having to issue a Section 114 Notice.

The Mayor provided some context for the current position in Children's Services – Social Care - as follows:

- Lack of availability of in-house placements for children had resulted in high cost spend on external placements. A placement review and efforts to increase the in-house provision were currently underway.
- Children's Social Care had experienced significant recruitment and retention pressures which had impacted on the quality of practice and agency staffing costs.
- Governance was in place to provide increased budgetary controls in relation to the approval of spending within Children's Social Care, including the S17 spend.
- Children's Social Care had seen an increase in demand over recent years. This was impacting on caseload numbers and was contributing to Middlesbrough's recruitment and retention challenges.
- Children's Social Care had been graded as 'Requires Improvement' in March 2023; a monitoring visit was likely to take place in Spring 2024.

Children's Social Care was the largest area of net expenditure for the Council at £54.6m (43%)

of the Council's opening total net revenue budget) for 2023/24.

Middlesbrough had a high young population, with 23% of the population aged between 0 to 17 compared to North-East neighbours of 19.8% and 20.8% for England (as per Office for National Statistics). The number of Children aged 0-15 in absolute low-income families was 31.8%, compared to the England average of 15.3% (as per DWP data). The number of young people, and those living in poverty directly impacts on the number of children requiring support from Children's Services.

There were 140.2 Child Protection plans per 10,000 children in Middlesbrough, whilst the England average was 43.2 in 2022/23.

The direction of travel for Children's Social Care was for improvements to efficiencies of current systems to transform the delivery model through enhancement of early help and prevention, the development of new models of placement provision for looked after children, and development of more in-house fostering capacity. These initiatives would be overseen by the Childrens Improvement Board.

With regard to Education:

- A recent Ofsted and Care Quality Commission (CQC) inspection had resulted in Middlesbrough's special needs service for young people being given the highest possible rating. The inspectors described children and young people with SEND in Middlesbrough as 'valued, visible and included' and typically able to receive the right help at the right time, while good relationships were maintained with schools and the local parent carer forum.
- There were currently 1856 children and young people with an Education, Health and Care Plan in Middlesbrough and 4500 children and young people identified as SEN Support. These figures had risen significantly since COVID which was placing pressure across the wider system, services and resources required to meet needs.
- The Council were currently part of the national Delivering Better Value Project which has been designed to support developments across SEND and reduce the pressures on the High Needs Budget. This included ongoing development of local specialist provision and working with schools and settings to develop their skills and knowledge to support more children and young people with SEND to access local mainstream provision.
- There were a high number of exclusions across the town which added pressure to the High Needs Budget and to the Transport Budget. Many of these children accessed Alternative Provision and were eligible for home to school transport.

The financial context for 2023/2024 was summarised as follows:

- For Period 7 (October 2023), the forecast outturn was £133.792m (before Financial Recovery Plans), an adverse variance of £7.438m (+5.9%) – a decrease of (£1.118m) from the £8.556m reported at Quarter 2.
- Financial Recovery Plans totalling £1.584m had been proposed which, if assured and fully implemented, would reduce the adverse variance to £5.854m.
- Children's Social Care, with a current net budget of £54.650m forecast outturn was £58.097m, as adverse variance of £3.447m, however with financial recovery plans the outturn might reduce by £0.450m to an adverse £2.997m.
- The key driver of the adverse variance was due to an increase in external residential numbers due to market sufficiency. This was partially offset by an underspend from staff vacant posts.
- Education and Partnerships, with a current net budget of £5.387m forecast outturn was £7.330m, an adverse variance of £1.943m, however with financial recovery plans the outturn might reduce by £0.464m to an adverse £1.479m.
- The key driver of the adverse variance was due to Integrated Transport Unit, (Home to School) which had experienced an increase in price, volume and complexity of caseloads.

The Mayor outlined the budget savings proposals that were considered to have minimal, or no effect on front line service delivery levels which included:

- Review of all Services across Children's Care.
- Review of Placements (including processes and procedures).
- Improvement of Internal Residential capacity through the purchase of suitable properties and refurbishment of existing MBC properties into Residential homes.
- Workforce Development - Review of recruitment and retention and marketing of job roles, in particular Social Worker related posts.
- Other savings - Maximising grants
- SHIFT Project, a multidisciplinary approach in prevention.

Budget savings proposals considered to potentially affect front line service delivery levels included:

- Special Guardianship Order Payment review.
- Review of Integrated Transport Unit arrangements.

In relation to internal residential capacity, a Member highlighted that children's homes had previously been closed due to high costs and difficulty in staffing them. £2 million had been allocated from the Towns Fund and it was important to strike a balance between renovating existing properties and building new ones, as well as ensuring they were in the right place for the children and local residents. Recent inspections of Middlesbrough Council's residential homes had received good feedback and there was a focus on support staff to continue their own development, stepping into manager roles and obtaining their registration.

It was also highlighted that the introduction of the SHiFT programme, alongside the robust placement review, would achieve better outcomes for young people who were involved in criminal activity, reduce the number of children entering care and mitigate the need for some high-cost placements.

The Council's reliance on agency staff was costing over £5 million and the Council was focussing on employing permanent staff. Agency staff had been brought in to address a previous inadequate judgement from OFSTED. An inspection in March last year showed that the Authority was moving in the right direction but there was still more to do. The cost of living crisis had also drawn people into agency work. The Senior Management Team was also now made up of permanent rather than interim postholders.

A Member asked whether the Service could set a target date to cease employing agency staff. The Executive Director explained that each Social Worker had approximately 25 children allocated to them. If that Social Worker left the Council's employment, that left 25 children without support and that level of risk was unmanageable. It would take time to shift from the current position to more permanency.

As an outcome from the SEND inspection the Department for Education (DFE) wanted Middlesbrough Council to be the sector led improvement in the north east and this could generate a significant amount of money. It would also raise the Council's reputation which would in turn help with staff recruitment and engagement.

With regard to increasing the number of in-house foster carers, it was confirmed that there had been 10 new recruits over the past 12 months. Middlesbrough now had 70 in-house foster carers and a further 8 to approve. Again, the focus was on what the Council could offer foster carers. External foster carers were often out of area and did not receive the same level of training and support. The Council wanted to attract local people who would buy into Middlesbrough's offer and stay with the Authority.

A Member asked about Foster North East. Foster North East was a consortium of 13 Local Authorities that existed to recruit more foster carers and also offer support to those carers and children. The service offered was currently being evaluated to ensure it was provided value for money in terms of the numbers of new foster carers being recruited to Middlesbrough or whether a more local, Tees Valley arrangement might be more beneficial.

In financial terms, the target for savings was approximately £6 million over the next 2 years.

The Executive Director was confident of a saving of £4.5 million next year but it would need a push on every single front to achieve this. There could be some further opportunities from service reviews.

Concern was raised in relation to children and young people with SEND being placed in mainstream schools, whether they would receive sufficient support and how this might impact them. The Mayor confirmed that there would not be any direct cuts on any SEND services and the emphasis was on inclusion. An example was given of schools working with children and their parents, looking at issues such as sleeping habits and nutrition as well as learning. The Deputy Mayor commented that it was also a Government directive to have more inclusive schools.

Responding to a question regarding the £2 million allocated from the Towns Fund for improving in house residential capacity, the Mayor confirmed that a report would be presented to the Executive in February 2024 outlining the planned spend which would potentially be a mixture of refurbishment and new build.

In relation to the cost of Home to School transport the Mayor commented that the highest cost options were not necessarily the most effective. The Council would explore the potential of sharing transport services with neighbouring authorities.

A Member suggested that it would be useful for the Scrutiny Panel to receive progress updates on the proposed savings targets and whether they were being achieved.

Finally, the Vice Chair, on behalf of the Panel, passed on congratulations to all those involved in the recent SEND inspection.

AGREED as follows that the:

1. Information provided was received and noted.
2. Panel's comments on the Council Budget 2024/25 and MTFP Refresh - Children's Services would be forwarded to the Overview and Scrutiny Board.

23/28 **OVERVIEW AND SCRUTINY BOARD UPDATE**

The Chair provided a verbal update on the matters that were considered at the Overview and Scrutiny Board meeting held on 20 December 2023.

23/29 **DATE OF NEXT MEETING - 12 FEBRUARY 2024**

The next meeting of the Children and Young People's Scrutiny Panel was scheduled for 4.30 pm on Monday 12 February 2024.

23/30 **ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.**

None.