



**CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE - 1 SEPTEMBER  
2014**

**SERVICE DEVELOPMENTS AND PLANS TO MEET MTF S SAVINGS**

**REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY SERVICES**

**Purpose of Report**

1. The purpose of this report is to:
  - (a) provide information about the planned programme of departmental savings across Children and Family Services that are required as part of the County Council's agreed Medium Term Financial Savings (MTFS) plan for the financial years 2014/18, and the way in which they will impact service developments;
  - (b) provide information about the County Council's Transformation Programme and the way in which the Children and Family Services MTFS savings fit with that Programme;
  - (c) enable the Committee to consider the implications of the planned programme of departmental savings across Children and Family Services.

**Policy Framework and Previous Decisions**

2. The Children and Families Overview and Scrutiny Committee considered the proposals for departmental MTFS savings at its meeting on 20<sup>th</sup> January 2014.
3. The County Council's budget, including the MTFS, was agreed at the County Council meeting on 19<sup>th</sup> February 2014.

**Background**

4. Taking into account the national funding changes as a result of education reform since 2010, the removal of various national ring fenced grants and other funds, and the local MTFS requirements, the Children and Young People's Service has delivered £30.24m of savings between the financial years 2010/11 and 2013/14. Whilst these savings were formulated to achieve efficiencies and therefore have the minimum impact on children, young people and their families, the savings achieved thus far equates to 49.9% of the 2010/11 opening MTFS position for the department and thereby significantly affects the ability to generate further efficiencies.
5. At its meeting on 20<sup>th</sup> January 2014 the Children and Families Overview and Scrutiny Committee considered the MTFS as it related to the Children and Young People's Service. That report set out the details of the revenue budget, growth, savings, grants (specifically the Dedicated Schools Grant, or DSG), and capital funding. The 2014/18 MTFS savings target for the department was £12.7m and 19 separate areas of savings

were identified. The relevant page of the budget book setting out these areas is attached at Appendix A. The Committee was informed that further details regarding savings would be presented to September meeting. The Committee also asked for further information to be provided about proposed changes to the schools budget and this is provided separately in an information paper.

6. The Youth Offending Service (YOS), the Supporting Leicestershire Families (SLF) programme, and the County Council's Community Safety team were combined with the Children and Young People's Service in January 2014 to create the Children and Family Services department. The 2014/18 MTFs savings target identified for the YOS is £550k bringing the MTFs savings target for the department to £13.24m as set out in Table 1 below. Additionally, from 2016/17 there is an estimated budget shortfall of £2m per year to continue the SLF programme that is currently not factored into the MTFs or any other departmental budget plan. Discussions with partners regarding the future funding of SLF will begin in the autumn.

**Table 1:**

	<b>Children and Young People's Service £000</b>	<b>Youth Offending Service £000</b>	<b>Children and Family Services £000</b>
2014/15	3,400	0	3,400
2015/16	8,290	350	8,640
2015/16	1,000	90	1,090
2017/18	0	110	110
	<b>12,690</b>	<b>550</b>	<b>13,240</b>

7. The 2014/15 savings have already been secured as a result of operational decisions made in the previous financial year. This leaves a remaining £9.84m to be saved between the financial years 2015/18.
8. The department has created a coherent transformation programme for the 19 previously identified savings areas, plus YOS, and has been reporting its progress through the County Council's 'Star Chamber' process, the last meeting of which took place in June 2014.
9. A number of the separate savings areas have been pulled together to create 4 major transformation projects:
- remodelling children's social care;
  - remodelling early help services;
  - remodelling special educational needs and disability services;
  - remodelling education services.
- These 4 major transformation projects are detailed later in this report. They contribute 4 of the County Council's 24 priority MTFs Transformation Projects as set out below in paragraphs 11-13.
10. The department is working hard to ensure that it can focus on innovation in transforming its services, as well as making savings. Examples of this are set out in paragraphs 45-51 below. In July 2014 a request was made by the department to the Star Chamber to re-schedule £1.5m of the planned savings from 2015/16 to 2016/17 in order to do things

well as opposed to quickly and to provide the time required to maximise the opportunities for innovation.

### County Council Transformation Programme

11. Following a robust period of review the County Council has agreed 5 overarching themes and 24 priority transformation projects as set out in Table 2 below.

**Table 2:**

Work the Leicestershire pound	Manage demand through prevention	Integrate with partners	Recognise communities and individuals	Work effectively
1. Review of in-house 'regulated' adult social care services ..... 2. Help to live at home ..... 3. Remodelling children's social care ..... 4. Looking after Leicestershire's highways ..... 5. Streetlighting ..... 6. Incentivising waste reduction and recycling .....	7. Adult social care customer journey simplification ..... 8. Remodelling early help ..... 9. Health improvement ..... 10. Social care and health information and advice ..... 11. Customer-focused approach to highways maintenance .....	12. Unified prevention ..... 13. Integrated support for coroners services ..... 14. Integrated urgent response ..... 15. Hospital discharge and reablement ..... 16. Remodelling special educational needs and disability services ..... 17. Long term conditions .....	18. Market development for public health services ..... 19. Support to voluntary organisations and communities ..... 20. Education programme ..... 21. Community library model .....	22. Adult social care funding reform ..... 23. Redesign business support ..... 24. Process simplification and self-service .....
<b>Savings £10.8m</b>	<b>Savings £6.5m</b>	<b>Savings £15.2m</b>	<b>Savings £3.4m</b>	<b>Savings £4.3m</b>
<b>Total £40.2m</b>				

12. The County Council has also identified 5 'enabling' projects that underpin all of the priority transformation projects, each led by a departmental director:
- Building resources and governance – Brian Roberts, Director of Corporate Resources;
  - Data and Business Intelligence – Phil Crossland, Director of Environment and Transport;
  - Customers and Communities – Mick Connell of Director of Adults and Communities;
  - Effective Commissioning – Mike Sandys, Director of Public Health;
  - People and Organisational Development – Lesley Hagger, Director of Children and Family Services.
13. Corporate resources are being provided to the departments in order to secure additional capacity to support transformation alongside the demands of 'business as usual'.

### **Children and Family Services Transformation Programme - context**

14. The departmental transformation programme is set within the context of a stable vision and mission:
  - (a) **Vision:** Leicestershire is the best place for children, young people and their families.
  - (b) **Mission:** Children and young people are safe and can live in families where they can achieve their potential and have their health, wellbeing and life chances improved within thriving communities.
  
15. The department will continue to meet its statutory obligations (although it is not possible to predict how these may change during the period of the MTFs) to:
  - (a) ensure that children are safeguarded and the appropriate services are made available to protect them;
  - (b) early help is targeted to children and their families to prevent problems from worsening;
  - (c) high quality places are provided by schools and other learning providers, including early years providers, are all providers are supported and challenged to ensure that the attainment gap closes and achievement is raised at all levels;
  - (d) a single point of access ensures a single assessment of needs that can inform service delivery.
  
16. The Department's strategic approach is to:
  - move from control to influence and promote independence (promoting, enabling and influencing more autonomous communities);
  - collaborate through partnerships and integrate locality based services;
  - provide proportionate response and support – the right help at the right time;
  - secure a commissioning approach through effective needs analysis, evidence based service planning, robust performance management and quality assurance, and regular monitoring and review.
  
17. Across the 4 departmental transformation programmes there are a number of shared themes and interdependencies for consideration such as:
  - the voice and views of children, young people and families in the service design and delivery;
  - the role of the private, voluntary and independent sectors and choices between internal and external service provision;
  - the requirements of the Children and Families Act 2014 and the Care Act 2014;

- the requirements of Ofsted and other inspection regimes;
- opportunities to innovate current organisational and partnership arrangements.

18. Of the 20 identified savings areas (19 plus YOS) that total £13.24m:

- (a) 9 are either completed or on track for completion (S1, S4, S5, S10, S11, S12, S13, S14, S15) and total £4m;
- (b) 2 are subject to reports to the Cabinet on 19<sup>th</sup> September 2014 and total £1.45m:
- S7 – review and consolidation of voluntary sector support (report to Cabinet to seek approval to consult);
  - S8 - re-focus of careers information, advice and guidance (report to Cabinet to seek approval to enter into a new contractual arrangement).
- (c) 9 have been brought together into major project areas as set out below and total £7.8m.

### **Children and Family Services Transformation Programme – the 4 major projects**

19. The 4 major projects will all transform the way in which current service provision is organised and three of the projects contribute to the MTFs savings target as set out in Table 3 below.

**Table 3:**

<b>Transform' Project code</b>	<b>Transformation Project descriptor</b>	<b>MTFS budget codes</b>	<b>Overall savings requirement</b>
T3	Remodelling children's social care	S2, S6, S9a, S17	£3.2m (from a current budget of £32.3m, 9.9%)
T8	Remodelling early help services (including children's centres, youth service, SLF and YOS)	S3, S9b, S16, S18, S80	£3.59m (from a current budget of £11.6m, 30.9%)
T16	Remodelling special educational needs and disability services	S19	£1m (from a current budget of £5.5m, 18.1%)
T20	Remodelling education services	n/a	n/a

20. An overview of each project is set out below:

### **T3 - Remodelling children's social care**

21. The project started in April 2014 and is planned to complete in 2016. The project is currently in the strategic development stage. The scope of the project covers three service areas:

- (a) locality social care teams;
- (b) provision of placements for children with complex need and behaviours;
- (c) commissioning and use of independent fostering agencies (IFAs);

The project has significant interdependencies with T16 and the redesign of services for disabled children towards a whole-life approach to commissioning support as part of b) above.

22. The service teams in the scope of redesign are:

- First Response;
- Emergency Duty Team;
- Family Safeguarding Service;
- Child Protection Service;
- Fostering Service;
- Adoption Service;
- Placements Team;
- Children in Care Teams including Leaving Care;
- Support after adoption;
- Other aftercare, eg family placement orders, etc.

23. The redesign will also impact on contracted services from IFAs, spot purchase residential providers and other private, voluntary sector and independent providers of services for children in care and disabled children.

24. Whilst making savings of £3.2m the aim of the project is to ensure that children and young people with complex needs requiring specialist intervention and/or safeguarding are provided with the right service, at the right time by the right provider in line with:

- the Permanence Strategy agreed by the Cabinet in December 2013;
- the Department for Education statutory guidance 'Working Together 2013';
- the requirements of the Children and Families Act 2014 regarding adoption reform and the Public Law Offer;
- the requirements of the Ofsted single inspection framework 2013.

25. The project's intentions are to:
- i) integrate adoption, fostering and placement services to streamline decision making and placement provision for children and young people;
  - ii) develop a new model of care shifting children's social work practice (assessment and planning) from a compliance culture to a learning culture;
  - iii) reduce the cost of external foster care placements through efficiencies in procurement and increase in in-house foster carers;
  - iv) design the best match between workforce skills and capacity in the development of the new operating model;
  - v) develop and implement a new approach to screening by the children's duty service, First Response, to improve the efficiency and effectiveness of front line decision making based on identified priority areas and accepted functions of partner agencies).
26. In addition to realising savings of £3.2m the project deliverables are:
- i) a new social care practice model that provides effective and valued help to improve outcomes for children and young people and support them within their families and in their communities;
  - ii) a new operating model and standard operating procedures and business processes for integrated services;
  - iii) a new children's social care organisational structure;
  - iv) a system fit to secure an Ofsted judgement of at least good;
  - v) a commissioning approach to service delivery.
27. The benefits that are expected to accrue from transformation are:
- an increasingly confident and skilled workforce that can build stronger families who are more resilient, less dependent on services and better able to nurture their children so that as adults they are able to contribute to their communities;
  - a social care service that is affordable to the community as a whole;
  - fewer children being in the care of the LA and more cared for within their extended families and communities;
  - high quality performance and management information being used to inform and drive a more commissioning based approach to service provision;
  - the right mix of placements within the county to meet identified needs of children who are or may become children in care as cost effectively as possible and where placements contribute positively to improving outcomes for the children

placed within them;

- a good range of high quality services for children in care;
- better market and supply management;
- effective placement planning so that children have stability and permanence and do not remain in the LAs care for longer than necessary and are able to leave care positively.

## **T8 – Remodelling early help services**

28. The project started in April 2014 and is planned to complete in 2016. The project is currently in the strategic development stage. The scope of the project covers a broad range of service areas for children, young people and families and has significant interdependencies with the County Council's Community Strategy. The project development is closely aligned to the other 3 transformation projects.
29. The service teams in scope of redesign are:
- children's centre teams;
  - family steps;
  - youth inclusion and support;
  - youth service;
  - youth offending service;
  - young carers;
  - strengthening families team;
  - Supporting Leicestershire Families teams;
  - community safety team.

The redesign will also impact current contracted services from voluntary sector providers and current inter-agency arrangements for shared staff and other resources and assets that support the provision of early help to children, young people and their families.

30. Whilst making savings of £3.6m the aim of the project is to ensure that children, young people and families in need of early help are provided with the right service, at the right time by the right provider in line with:
- the statutory requirement for the County Council to provide a SureStart offer that also meets the requirements of the Ofsted framework for inspection;
  - the requirement of the Children and Families Act regarding young carers and parent carers;
  - the requirements of the Ofsted single inspection framework 2013 to evidence improved outcomes through the provision of early help.



31. The project's intentions are to:
- i) develop a model that supports vulnerable families to support their children in achieving positive outcomes;
  - ii) reduce the number of children requiring intervention from statutory services;
  - iii) identify the communities that could play a role in supporting and providing early help related services to build social capital and inform the LA approach to community development;
  - iv) build an integrated service with partner agencies that eliminates duplication and ensures a seamless and effective experience for users;
  - v) create a flexible workforce that has a sufficient breadth and depth of knowledge, skills and experience (multi-skilled) to deliver agile and responsive services (see paragraphs);
  - vi) improve the effectiveness of commissioning decisions and the allocation of resources to ensure that they are outcome based and always evidenced.
32. In addition to realising savings of £3.6m the project deliverables are:
- i) a new children's centre delivery model;
  - ii) a new organisational structure;
  - iii) standard operating procedures and business processes for integrated services;
  - iv) a system fit to secure Ofsted judgements of at least good;
  - v) a commissioning approach to service delivery including the sustainability of an early help programme that incorporates the current Supporting Leicestershire Families programme.
33. The benefits that are expected to accrue from transformation are:
- reduced duplication and simplified systems and processes so that families and professionals know how to get the support they need and tell their story only once;
  - early identification of emerging need resulting in the right support being commissioned at the right time from the right provider, and preventing high cost, high needs along the continuum;
  - reduced demand on 'acute' services and fewer children reaching the point where they need statutory intervention;
  - a strong 'whole family' approach ensuring the needs of the whole family are addressed whilst retaining the focus on the child so that they can live safely and can flourish within their own families;

- the right structures and support mechanisms in place to ensure that family difficulties do not escalate but prompt access to more specialist support is facilitated where necessary;
- the provision of high quality and effective interventions to positively change the lives of children, young people and their families;
- a community based approach with greater focus on extended family and friends to form part of the support network.

## **T16 – Remodelling Special Educational Needs and Disability Services**

34. The project started in April 2014 and is planned to complete in 2016. The project aim is to improve the education, health and wellbeing outcomes for children and young people with special educational needs and disabilities, and provide appropriate integrated care by adopting a whole life approach to planning support. Services will be coordinated, aligned and integrated to make better use of collective resources ensuring that demand can be better managed and independence can be enhanced.
35. The service teams in scope of redesign are:
- Special Educational Needs Assessment (SENA) service;
  - Disabled children's service;
  - Specialist teaching services;
  - Educational psychology service;
  - Transitions team (adults and communities);
  - All other disability related services across the LA.

The redesign will also impact current contracted services from voluntary sector providers and current inter-agency arrangements with health, schools and other providers.

36. Whilst the deliverables are primarily focused on the requirements of the Children and Families Act 2014, there is also an expectation that, combined with the placements work stream in T3 - remodelling social care, savings of £1m are realised. The other deliverables are:
- i) standard operating procedures and business processes for integrated services;
  - ii) service redesign;
  - iii) a new organisational structure;
  - iv) a joint SEN and Disability Strategy clearly setting out a single commissioning approach across education, health and social care.
37. The benefits expected to accrue are:
- children and young people are safe, healthy and can achieve their potential;
  - young people are prepared for independence;

- young people have a positive transition into adulthood and can live in communities;
- families are empowered to make decisions;
- families can take control of their own support packages which can lead to more creative, flexible and cost effective solutions;
- a whole life approach to planning the support required for children and young people into adulthood.

## **T20 - Education Programme**

38. The project starts in September 2014 and is planned to complete in July 2015. Considerable change has taken place since 2010/11 with regard to LA education services resulting in the removal of many LA functions and the passporting of resource to schools. Nevertheless there remains a strong statutory role for the LA:
- a) to ensure that there are sufficient high quality learning places available from providers of early years education and care through to post-16 provision;
  - b) that the quality of provision is good and that the achievement gap is narrowed and children make good progress;
  - c) that vulnerable children are championed and supported in their learning.
39. There are well-defined and robust systems in place within the department to meet the sufficiency duty (a). The arrangements currently in place to support and challenge school performance are working well (b) and at the end of the academic year 2013/14 83% of Leicestershire's schools received good or better Ofsted judgments. The area of support to vulnerable children and young people (c) is in need of review and the scope is set out in paragraph 39 below. This is even more significant as a result of:
- the high profile changes required for children and young people with special educational needs and disabilities and for young carers as a result of the Children and Families Act 2014;
  - the new statutory duty for LAs to employ a Virtual Head and deliver virtual school support to improve educational outcomes for children in care;
  - the new statutory duty for LAs to ensure that action is taken to support Pupils Missing out on Education (PME);
  - the requirements of the Ofsted single inspection framework 2013 to evidence appropriate support to vulnerable children and children in care.
40. The service teams in scope of redesign are:
- Pupil Services team;
  - Education of Children in Care team;
  - Oakfield School (Pupil Referral Unit – primary phase);
  - Special Educational Needs Assessment (SENA) service;

- Disabled children's service;
- Specialist teaching services;
- Educational psychology service.

The redesign will also impact services from a range of external providers and has interdependencies with current arrangements with schools for behaviour support. The project is closely aligned with all 3 other transformation projects.

41. The deliverables and benefits are currently being defined. Key to the success of this area of work is the LAs ongoing relationship with all Leicestershire schools. In July 2014 the DfE published an independent report that it commissioned from the Isos Partnership which identifies good practice in Leicestershire and its approach to working in partnership with schools. The report can be found at:

[www.gov.uk/government/publications/the-evolving-education-system-in-england](http://www.gov.uk/government/publications/the-evolving-education-system-in-england)

There are a number of new opportunities emerging regarding the way in which the LA, Leicestershire Educational Excellence Partnership (LEEP) and other schools partnerships could work together in the future and these will be explored as part of the transformation project.

### **Engagement and Consultation**

42. All four projects have mapped their interdependencies with other LCC departments to ensure that there is joint working on all aspects of change and there is representation of project change boards where necessary. The strategic leads for Children and Family Services transformation projects, and the relevant Assistant Directors, also ensure that there is good communication about project developments by ensuring that they attend other organisational change boards and look for opportunities to join up.
43. All 4 projects have engagement strategies in place to ensure that the complex multi-agency partnership arrangements that support work with children, young people and families are appropriately involved. These partners include:
- Health;
  - Police;
  - District councils;
  - Schools and other learning providers.

Where appropriate, partner agencies are represented on change boards. In some cases, specific partnership groups have been brought together for engagement (eg for S8 – remodelling early help). Discussions with partners regarding the future funding of SLF will begin in the autumn.

44. Extensive work has taken place to engage parents in T16 – remodelling special educational needs and disability services. Our parent representative on the project board has written a blog about her involvement in which she states that: “here in Leicestershire, we are hugely lucky to have a very close relationship with the County Council”. Further engagement activity will take place with children, young people and families throughout the progress of transformation programme.

45. The County Council met with voluntary sector providers towards the end of 2013 and a specific workshop took place to discuss children's services. Further discussions have continued with the voluntary sector through Voluntary Action Leicester (VAL). The voluntary sector organisations currently in receipt of funding from Children and Family Services have been invited to an engagement meeting at County Hall on 2<sup>nd</sup> September. Full consultation with the voluntary sector is planned to take place during the autumn pending agreement by the Cabinet at its meeting on 19<sup>th</sup> September 2014. A copy of the Cabinet paper will be provided separately to the Children and Families Overview and Scrutiny Committee.

### **Service Innovation**

46. The department is working hard to ensure that it can focus on innovation in transforming its services, as well as making savings. Some examples of this are set out below.

### **DfE Innovation Fund**

47. The department has been approached by Professor Eileen Munro to work with her and two associates, and 8 other LAs, to make a significant bid to the DfE Innovation Fund to transform children's social work practice. This supports our intention as set out in paragraphs 24. ii) to develop a new model of care shifting children's social work practice (assessment and planning) from a compliance culture to a learning culture.

### **DCLG Transformation Challenge Award**

48. The department, with partners in health and district councils, has submitted a bid that will support our intention as set out in paragraph 30. iii) to identify the communities that could play a role in supporting and providing early help related services to build social capital and inform the LA approach to community development. The bid has three strands: to work with communities to capacity build approaches to family support; developing the workforce to be able to work differently; and building financial sustainability by working with local business to harness their social and corporate responsibility.

### **Regional Collaboration**

49. The department is working closely with other LAs in the region to develop a regional commissioning framework that could reduce placements costs. This supports our intention set out in paragraph 25 iii) to reduce the cost of external foster care placements through efficiencies in procurement.
50. The department is the lead LA for a regional bid that has been made to the DfE to develop workforce change in children's services, enabling more multi-skilled professionals to broaden and deepen the support that they are able to provide for children, young people and families. This supports our intention set out in paragraph 30. v) to create a flexible workforce that has a sufficient breadth and depth of knowledge, skills and experience (multi-skilled) to deliver agile and responsive services.

## **Transfer of NHS 0-5s commissioning into the LA**

51. From October 2014 the commissioning of health visiting services and the family nurse partnership service will transfer from the NHS into LAs. National and regional discussions are currently in train to finalise the details of the transfer and in Leicestershire we have already established a transfer group, chaired by Public Health. This provides an opportunity to consider the relationship between current children's centre services provided by LA teams and the opportunity for service redesign.

## **Trading**

52. There is interest from a number of service areas within the department to trade their services, particularly in the area of training provision for school based staff where there is a limited supply of other high quality providers. This is currently being explored but must be able to be a fully cost-recoverable option and cannot be established as an alternative form of funding for services that must be provided as a statutory responsibility of the local authority.

## **Background Papers**

Cabinet – 15<sup>th</sup> January 2014 - Medium Term Financial Strategy 2014/15-2017/18

Children and Families Overview and Scrutiny Committee – 20<sup>th</sup> January 2014 – Medium Term Financial Strategy 2014/15-2017/18

## **Circulation under local issues alert procedure**

53. None.

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## **Appendices**

Appendix A - 19 February County Council Meeting

## **Equality and Human Rights Implications**

54. The majority of the work of Children and Family Services is targeted towards vulnerable and disadvantaged children, young people and families. Where proposed savings are likely to have an adverse impact on service users protected under equalities legislation, an Equality and Human Rights Impact Assessment (EHRIA) is carried out prior to any final decisions being made. At this stage in the transformation programme there are no specifically identified adverse implications, and the opportunities to innovate are providing mitigation. However, the EHRIAs are re-visited at various stages in the project plans and so any adverse implications that may arise can be identified and taken into account.