



Report to Policy Committee

Author/Lead Officer of Report: Mark Sheikh, Head of Service – Resourcing and Business Planning

Report of: Meredith Dixon-Teasdale
Strategic Director of Children’s Services

Report to: Education, Children and Families Policy Committee

Date of Decision: 19th December 2023

Subject: Education, Children and Families Budget report: Options for 24/25 budget – update on November Position

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 2415				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below: -				
Appendices 1 and 2 are not for publication because they contain exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).				

Purpose of the report:

This report sets out the budget pressures and challenges facing the services which fall under the Education, Children and Families committee area, and provides an update to the budget and resourcing action plan considered by the Committee on 2nd November 2023.

Recommendations:

It is recommended that the Education Children and Families Policy Committee:

1. Notes the financial pressures for 24/25 detailed within this report and the new income available to mitigate them.
2. Notes the measures proposed in the report to mitigate these pressures and that they will be presented to the Strategy and Resources Policy Committee as part of the Council's budget for 24/25.
3. Notes that Officers will work to develop any necessary detailed implementation plans for the proposals in this report so that the proposals, once agreed, can be implemented as planned before or during the 2024/25 financial year.
4. Notes that it this is an update on the position presented to the committee on 2nd November 2023.

Background Papers:

None

Appendices:

1. *Appendix 1: Education, Children & Families Savings Proposals 24/25 (Closed)*
2. *Appendix 2: Presentation on the budget position and savings proposals (Closed)*
3. *Appendix 3: Education, Children and Families Budget report: Options for 24/25 budget (November 2 2023)*

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Kayleigh Inman
		Legal: Sarah Bennett
		Equalities & Consultation: Bashir Khan
		Climate:
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	SLB member who approved submission:	Meredith Dixon-Teasdale
3	Committee Chair consulted:	Cllr Dawn Dale
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name:	Job Title:
	Mark Sheikh	Head of Service – Resourcing and Business Planning
Date: 19/12/2023		

1. Background

- 1.1 This report is a continuation of the report provided on 2nd November 2023 and provides an update as agreed at committee. The November report provided detailed information on our business model and a quick summary is provided here for reference.
- 1.2 The Children and Families Business Model outlines a strategic budget management approach to address challenges. Emphasis is placed on Demand Management through Early Help and Edge of Care services, contributing to lower Children in Care rates. Connected care, focusing on positive relationships.
- 1.3 Sufficiency of Provision remains a concern, with challenges such as a lack of family-based care and rising costs of placements. Private providers' excessive profits pose a challenge, requiring national government policy reform.
- 1.4 Investments for 2023/24 include £36.7m for placements, with a £6m overspend. High-cost placements are under review to improve the budget. Service reviews and zero-based budgets aim for efficiency, reducing agency spend and legal support costs by £6m.
- 1.5 Key Partners' contributions, including Health, Police, Housing, and Adult Social Care, are essential. Analysis to establish partner-supported costs is ongoing. External funding applications target £1m, and we await the outcome of our applications. New Burdens may arise from aligning kinship carers' payments with fostering rates, potentially costing £3.2m.
- 1.6 Sheffield, Home to School Transport is a significant budget pressure due to the growing demand for SEND support and EHCP plans. The 2023/24 budget is set at £14.9m, with an expected spend of £18.5m. An additional £3.2m is needed to cater to the existing cohort's transport needs, with potential upward pressure due to in-year admissions and rising EHCP demand.
- 1.7 In conclusion, the Children and Families Business Model addresses challenges through strategic budget management, emphasizing early intervention, efficiency improvements, and collaboration with key partners. Ongoing reviews and funding applications aim to ensure financial sustainability amid external challenges.

2 Overview of Pressures and Risks for Education, Children and Families Committee

- 2.1 The committee oversees work carried out by three main areas:
- Children and Families (Table B)
 - Education and Skills (Table C)
- 2.2 The tables below give a high-level overview of general fund pressures, and financial risks. They have been updated since November 2nd to show the current position.

Pressures for Children's Services (Table A)	General Fund 24/25 £'000	New Income 24/25 £'000	Net Pressure 24/25 £'000
Children and Families (Table B)	10,721	(7,300)	3,421
Education and Skills (Table C)	3,472	(992)	2,480
Total	14,193	(8,292)	5,901

Children and Families – (Table B)	24/25 £000
Pay Award	2,303
Placement Growth/inflation	6,888
Insurance Premium Non-Schools	219
Fostering /SGO Maintenance Allowance	280
Shortbreaks (expansion and transition)	250
Regulating Semi-Independent 16+ accommodation	411
Teaching Partnership Funding	120
Direct Payments (inflationary Pressure)	250
TOTAL Pressures	10,721

Education and Skills – General Fund (Table C)	General Fund 24/25 £000
Pay Award	226
Home to School Transport **	3,246
Total Pressures 24/25	3,472

* This will need to be revised based on current academic year numbers

3 SAVINGS PROPOSALS

3.1 Detail of savings proposals is in **Appendix 1**.

Pressures and Mitigations to date for Children’s Services	Pressures Total 24/25 £000	New Income 24/25 £’000	Mitigations Total 24/25 £000	GAP
Children and Families	10,721	(7,300)	(3,421)	0
Education and Skills	3,472	(992)	(2,480)	0
Total	14,193	(8,292)	(5,901)	0

4. HOW DOES THIS DECISION CONTRIBUTE?

4.1 The purpose of this report is to set out proposals that will allow the Council to deliver its Children Services within available resources in 2024/25 whilst making improvements to the way services are delivered. At this stage we are sharing our overall pressures and initial mitigations with the committee as well as an expected increase in income levels.

4.2 The recommendation in this report is to agree to progress further work to develop fully costed savings proposals and plans.

5. HAS THERE BEEN ANY CONSULTATION?

5.1 While none of the elements within this report require statutory consultation, at this stage, they are being proposed following consultation with senior management teams, and elected members for the Committees consideration.

6. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

6.1 Equality Implications

6.1.1 Decisions need to consider the requirements of the Public Sector Equality Duty contained in Section 149 of the Equality Act 2010.

6.1.2 This is the duty to have due regard to the need to:

- Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

6.1.3 The Equality Act 2010 identifies the following groups as a protected characteristic: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

6.1.4 An initial Equality Impact Assessment (EIA) has been carried out. It highlights that individual EIAs and a cumulative EIA are being prepared in relation to the measures proposed to mitigate these pressures and for the development of any necessary detailed implementation plans for the proposals. These will assess the impact across different groups and mitigate as necessary.

6.2 Financial and Commercial Implications

6.2.1 Each Committee is required to deliver a balanced budget for 2024/25, which requires them to find mitigations for any Service pressures over above the targets set out in the MTFAs, outlined in paragraph 1.1 above.

6.2.2 The pressures, and savings proposals to address this are set out in this paper. Further work will be required to address the budget gap shown within this paper and to ensure delivery plans are in place. All Committees savings proposals will be considered by the Strategy & Resources Committee before final sign off to ensure a balance 2024/25 budget for the Council as a whole.

6.3 Legal Implications

6.3.1 By law, the Council must set and deliver a balanced budget, which is a financial plan based on sound assumptions. This can consider cost savings and/or local income growth strategies, as well as use of reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves. The

recommendations in this Report contribute to the process of setting a budget but do not otherwise have any immediate legal implications.

6.3.2 Implementation of the specific proposals outlined in this report may require further decisions in due course, which will need to be made in accordance with the council Constitution. It is important to note that in making these decisions, full consideration of the Council's legal duties and contractual obligations will be needed. This will include satisfying itself that it can continue to meet its statutory duties. However, the proposals in this report have been drawn up on the basis that they will enable the Council to continue to meet its statutory duties.

6.4 Climate Implications

6.4.1 No climate implications arise from the committee decisions arising from this report.

6.5 Other Implications

6.5.1 None at this stage

7. **ALTERNATIVE OPTIONS CONSIDERED**

7.1 **Do nothing.**

By undertaking none of the proposed actions, we would be unable to contribute to delivering a balanced budget.

8. **REASONS FOR RECOMMENDATIONS**

8.1 The recommendations put forward in this paper and appendix 1 are recommended for approval on the basis that they:

- Are consistent with our agreed approach to demand management, sufficiency, and meeting our obligations to provide quality statutory services which meet the needs of the child or young person.
- Are consistent with our vision/strategy to provide services and opportunities which support each child and young person within Sheffield to meet their potential.
- Support the ongoing improvement of Education, Children and Family services in Sheffield.
- Are guided by an evidence base, benchmarking and/ or trend data which identifies areas of spend where disinvestment, subject to individual review, can most likely be made without detriment.
- Enable the Council to continue to meet its legal duties.