

## Business Planning Proposals for 2022-27 – Opening update and overview

- To: Children and Young People committee
- Meeting Date: 14 September 2021
- From: Wendi Ogle-Welbourn, Executive Director for People and Communities  
Tom Kelly, Chief Finance Officer
- Electoral division(s): All
- Key decision: No
- Outcome: The Committee is asked to consider:
- The current business and budgetary planning position and estimates for 2022-27
  - The principal risks, contingencies and implications facing the Committee and the Council's resources
  - The process and next steps for the council in agreeing a business plan and budget for future years
- Recommendation: The Committee being asked to:
- a) Note the overview and context provided for the 2022-23 to 26-27 Business Plan.
  - b) Comment on the list of proposals (set out in section 5.3) and endorse their development.

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# 1. Overview

1.1 The Council's Business Plan sets out how we will spend our resources to achieve our vision and priorities for Cambridgeshire, and the key outcomes we want for the county and its people. The business plan contains a five-year financial plan including estimates of investments, pressures and savings over the whole period. The business plan now under development is for 2022-27. It is a statutory requirement for local authorities to set a balanced budget ahead of each new financial year.

1.2 On 9 February 2021, Full Council agreed the Business Plan for 2021-2026. This included a balanced budget for the 2021/22 financial year with the use of some one-off funding but contained significant budget gaps for subsequent years as a result of expenditure exceeding funding estimates. These budget gaps (expressed as negative figures) were:

2021-22	2022-23	2023-24	2024-25	2025-26
balance	-£22.2m	-£14.7m	-£15.1m	-£12.0m

1.3 Since the 2021-26 business plan was produced, the Council has had a change of political leadership. Following Council elections in May 2021, a Joint Administration of the Liberal Democrat, Labour, and Independent groups was formed, with a Joint Agreement explaining the policy ambitions of the new administration. The Joint Agreement prioritises COVID-19 recovery for all of Cambridgeshire and puts healthy living and bringing forward targets to tackle the climate emergency, central to its agenda. It also signals a commitment to form strong and positive partnerships as members of the Combined Authority and the Greater Cambridge Partnership in the areas of public health, support for business, climate change, public transport, and building affordable, sustainable homes. This first business plan will begin to put into effect this new set of policies.

1.4 The impacts of COVID-19 on the Council have been unprecedented and the pandemic remains a key factor and uncertainty in planning our strategy and resource deployment over the coming years. The Council has taken a central role in coordinating the response of public services to try and manage the complex public health situation, impact on vulnerable people, education of our children and young people and economic consequences. Looking ahead we know that challenges remain as the vaccination programme progresses and winter illnesses re-emerge. We are already seeing the impacts of the pandemic on our vulnerable groups as well as those who have become vulnerable as a result of health or economic impact of the pandemic. Longer term there will be significant increases and changes in the pattern of demand for our services alongside the economic aftereffects. The Council is committed to ensuring that communities across Cambridgeshire emerge from the pandemic with resilience and confidence for the opportunities and challenges that face us.

1.5 During 2020-21, the Council received significant additional funding and compensation from government and the NHS in order to effectively respond to the pandemic. Whilst the financial settlement for the response to date has been sufficient, predicting the on-going implications and financial consequences of COVID-19 remains challenging, particularly in terms of the impact on demand for council services. The 2021-26 budget includes estimates for these pressures in 2021/22 and experience of 2021/22 so far suggests these estimates were reasonable as the Council is not forecasting a significant variance against its budget in the current year. These will remain under review as new data is available. Significant pressures are expected in future years beyond 2021/22 and details of how each service's

specific demand pressure estimates for 2022-27 have been made are within section 4. It is especially important this year that we keep these estimates under review as circumstances are so changeable over the course of this year.

- 1.6 All service committees will consider their relevant revenue business planning proposals in December, at which point they will be asked to endorse proposals to January Strategy and Resources Committee as part of the consideration for the overall Business Plan. These proposals are currently being developed and will each have a robust implementation plan in place and allow as much mitigation as possible against the impact of current financial challenges. Where proposals reflect joint initiatives between different directorate areas and joined up thinking these will go before multiple Committees to ensure appropriate oversight from all perspectives.
- 1.7 Within the current context, the scope for traditional efficiencies has diminished, therefore the development of the Business Plan is focused on a range of more fundamental changes to the way we work. Some of the key themes driving the current thinking are;
- Economic recovery – Although we know that the UK economy is now rebounding from the impact of the pandemic, and overall Cambridgeshire is well placed to support growth and economic resilience, we also know that there have been severe financial consequences for some sectors and individuals. There have been impacts on employment and household income levels for many across Cambridgeshire. The stress and anxiety caused by worrying about money, or not having enough money to maintain the right housing or buy basic necessities or afford basic utilities, is an important factor that affects demand for many of our services. Economic recovery is therefore at the heart of improving outcomes for people and managing demand for Council services.
  - Prevention and Early Intervention – We need to support people to remain as healthy and as independent as possible as well as reduce the health inequalities that have been exposed and exacerbated by the pandemic. This is all the more important in anticipation of latent demand generated by or delayed by the impacts of the pandemic. It is about working with people and communities to help them help themselves or the person they care for or their community e.g. access to advice and information about local support, asset building in communities and access to assistive technology. We saw communities rise to the challenges of the pandemic and support networks appearing to gather around those who needed it. We must continue to build on this and look at how we further support these networks and groups to continue, and where public services are needed, it is about ensuring support is made available early so that people's needs do not escalate.
  - Decentralisation – In support of the need to manage demand and enable people to remain living in their own homes in their local communities and delay the need for more specialist services, investment in our Think Communities approach is paramount. Harnessing the capacity within our local district and parish councils, the voluntary, community and faith sectors, volunteers and local place-based health, County Council and blue light services will enable us to build place-based support services wrapped around our vulnerable people and communities; which will reduce or delay the need for more specialist expensive services and build resilient and sustainable communities where people feel proud to live.

- Environment - Putting climate change and biodiversity at the heart of the council's work. As a council, we will aim to move forward the net zero target for Cambridgeshire County Council towards 2030, developing clear actions for delivery of our Climate Change and Environment Strategy and enabling service and investment decisions to be made in this context.
- Social Value - With a strong focus on outcomes and impact for our communities, we will be working with our public, private, voluntary and community partners to achieve our joint ambitions. We will seek to invest using social value criterion and reflect outcomes, including health, living wage and employment, and local, circular economies within our procurement, spending and organisational activities.

1.8 Besides the pandemic, the other major risks and uncertainties in setting budgets for 2022-27 include the potential for national policy changes, such as reform of social care funding, the lack of a multi-year funding settlement from government, the availability and sustainability of supply chains and resources, and changing patterns of demand for our services that has been a longer-term trend. The Council must make its best estimate for the effect of known pressures when setting its budget and retain reserves to mitigate against unquantifiable risks.

1.9 Coinciding with the election of the new administration, during July and August the Council participated in a corporate peer challenge, facilitated by the Local Government Association, whereby experienced officer and member peers from elsewhere in the sector considered the Council's current position in order to recommend improvements. The peer challenge had a focus on the Council's financial planning and resilience and the emerging indications are that the peer challenge will support the planned approach to business planning which includes addressing:

- Devise a strategic approach to business planning for Cambridgeshire as a place
- Ensure budget planning addresses the medium- term budget gap and incorporates contingency planning
- Ensure that budget plans contain a multi-year strategy for Council tax
- Review This Land (property company)
- The capital strategy needs a stronger focus with a more robust prioritisation process for scheme approval, scheme delivery confidence and financing plans
- Develop the plan to address the annual overspend and cumulative deficit within the high needs block of the dedicated schools grant

## 2. Building the Revenue Budget

2.1 As we have a five-year budget, the first four years of the new business plan already have a budget allocation. We revise the estimates for pressures first to confirm the budget needed to deliver the same level of service and add in any new pressures or investment proposals. These budget changes are presented first to service committees, and overall there will be a gap between our budget requirement and the funding available.

2.2 We then work to close the budget gap through savings and efficiency initiatives, identification of additional income and revision of pressure estimates, presenting these further changes to committees later in the year. Ultimately, a balanced budget needs to be set by 1 March 2022.

- 2.3 The Council needs to draw on a range of approaches in order to arrive at a balanced budget, produce an overall sustainable financial strategy and meet the Joint Administration’s policy objectives. This will include considering benchmarking and external information in order to identify opportunities for Cambridgeshire and using a zero-based or outcomes focused outlook where appropriate in order that resources can be aligned to priorities.
- 2.4 The Council remains subject to significant financial constraints and uncertainties heightened by the pressures arising from the pandemic. We cannot rely on an uplift in core funding from government or a continuation of pandemic related support and therefore difficult choices will continue prioritising efficiencies, productivity improvements, investment in prevention and generation of income ahead of reducing service levels or short-term financing solutions.

The following sections detail specific changes to budget estimates made so far.

- 2.5 In June 2021, Strategy & Resources Committee agreed some changes to 2021/22 budgets, including holding £1.7m to offset the budget gap in 2022/23.
- 2.6 Inflation - Inflation can be broadly split into pay, which accounts for inflationary costs applied to employee salary budgets, and non-pay, which covers a range of budgets such as energy, transport, insurance and waste, with regard to relevant national inflation indices. This covers all of the material effects of inflation on Council expenditure.
- 2.7 Total Net inflation, including staffing and non-staffing, are as follows:

<b>Service Block</b>	<b>2022-23 £'000</b>	<b>2023-24 £'000</b>	<b>2024-25 £'000</b>	<b>2025-26 £'000</b>	<b>2026-27 £'000</b>
People & Communities (P&C)	5,011	4,651	5,383	5,439	5,497
Place & Economy (P&E)	1,765	1,818	1,884	1,926	1,994
Corporate & Managed Services	922	725	748	780	822

- 2.8 The inflationary pressures in the above table and all figures set out in the subsequent sections of this report are provided on an incremental basis. Positive figures indicate an increase on the budget required in the previous year or a reduction in income. Negative figures indicate a reduction on the budget required in the previous year or an increase in income. The figures show the impacts of each proposal on the budget gaps for the relevant financial years.
- 2.9 Demand - It is recognised that service costs are driven by the number of service users, levels of need, as well as cost and method of delivery of the support. Where appropriate this will be outlined in greater detail below. This table summarises the demand funding estimates for 2022-27:

Service	2022-23	2023-24	2024-25	2025-26	2026-27
People & Communities (P&C) - Adults	10,109	11,567	11,427	11,137	11,137
P&C – Children’s	3,144	2,781	3,138	3,545	4,005
P&C – Communities	57	61	66	71	76
Place & Economy (P&E) – Waste	266	308	272	245	238

For 2022-23, this is £1.2m more than was in the 2021-26 business plan.

These demand projections include:

- The number of older people receiving council funded services increasing by 5%
- The average cost of a care package for a person with learning disabilities increasing by 2.5% more than inflation due to rising needs, and that 41 new service-users will receive care as they transition from children’s services
- The number of children requiring council-funded transport to special schools will increase by 7.8% in line with the unprecedented rise in the number of Education Health and Care Plans
- The cost of children in care placements which, although numbers remain reasonably static, continues to increase due to the increased complexity of need and a shortage of available places as care numbers rise nationally
- The county’s rising population will result in a 2% increase in waste sent to landfill

2.10 Other Pressures - The Council is facing several cost pressures that cannot be absorbed within the base funding of services. Some of the pressures relate to costs that are associated with responses to the pandemic, the introduction of new legislation and others as a direct result of changes to contractual commitments. New pressures are set out below, and those relevant to each committee are detailed in section 4 below.

2.11 Some changes to funding estimates have been made where appropriate given the latest information available.

2.12 Overall, these revisions to budget estimates have resulted in a current budget gap for 2022-23 of £23.4m, a £2.9m increase in the gap since the 2021-26 business plan. The changes that have been applied to reach that revised gap are:

£000	2022-23	2023-24
<b>Gap per February 2021 Full Council</b>	<b>22,175</b>	<b>14,700</b>
Pressures funded at Strategy & Resources Committee in July	956	
Downward budget adjustments at S&R in July	-2,651	
<b>Revised gap after S&amp;R rebaselining</b>	<b>20,480</b>	<b>14,700</b>
<b>Demand and Inflation</b>		
Adults demand refresh	1,581	3,108
CYP demand refresh	222	-877
CSMI demand refresh	-3	-3
Waste disposal COVID demand funding not required	-638	
Inflation refresh	-852	
Adults care uplifts strategy refresh	182	1,445

<b>Pressures</b>		
Occupational Therapy – Children's (delivered with NHS partners)	490	
Property Team - Resourcing	209	
Information Management– Children's Social Work Police Requests	54	
Guided Busway defects (pending litigation)	1,300	-650
SEND teams capacity requirement (current demand)	565	
Waste and odour permit conditions	2,684	-1,600
Expansion of Emergency Response Service (Adults)	185	
Additional capacity in Learning Disability Young Adults Team	150	
Children's Disability	400	
<b>Funding</b>		
Capital receipts flexibility to continue until 2024-25	-1,982	
Uplift in Better Care Fund to meet Adults pressures	-750	
P&E Income – faster return to pre-COVID levels	-866	
<b>Revised gap after updates at September Committee</b>	<b>23,411</b>	<b>16,123</b>
<b>Change</b>	<b>2,931</b>	<b>1,423</b>

Scrutiny and review of all of the above items will be repeated prior to submission to the December committee cycle in order to ensure estimates remain current and necessary.

- 2.13 It is important to bear in mind that the 2021-26 business plan included some savings for future years. These are already budgeted in and therefore form part of the budget gap calculation. The feasibility of these savings is being reviewed, and any changes will affect the budget gap. The level of savings already in the business plan are:

Ref.	Saving	2022-23	2023-24	2024-25	2025-26
A/R.6.176	Adults Positive Challenge Programme	-100	-100		
A/R.6.177	Cambridgeshire Lifeline Project	-10	-122	-50	
A/R.6.179	Mental Health Commissioning	-24			
A/R.6.180	Review of commissioning approaches for accommodation based care	-350	-375		
A/R.6.185	Additional block beds - inflation saving	-583	-456	-470	-484
A/R.6.188	Micro-enterprises Support	-133			
A/R.6.189	Learning Disability Partnership Pooled Budget Rebaselining	-2,574			
A/R.6.267	Children's Disability: Reduce overprescribing	-100	-100		

### 3. Budget Setting Considerations

- 3.1 To balance the budget in light of these pressures set out in the previous section and uncertain Government funding, savings, additional income or other sources amounting to **at least** £23.4m are required for 2022-23, and a total of around £75m across the full five years of the Business Plan.

- 3.2 The actions currently being undertaken to close the gap include:

- Reviewing all existing business plan proposals, and in particular pressures and investments to ensure these are accurate, up-to-date and appropriately mitigated.
- Reviewing all income generation opportunities and deployment of grant funding
- Identifying any areas across the organisation we could potentially look to find additional efficiencies or productivity whilst ensuring outcomes are maintained.
- Costing areas which we wish to invest in- for example areas identified as part of the Joint Agreement action plan, prioritising those that will improve outcomes and prevent escalating demands or costs facing Council budgets.

Chairs and Vice-Chairs are leading engagement with Services to identify initiatives to be recognised in the business plan and receiving detailed budget briefing. This will enable identification of areas of the budget subject to the most risk and sensitivity and where there is opportunity for collaboration and new approaches to lead to improved or more cost-effective outcomes.

- 3.3 Additionally, the Council has worked closely with local MPs in campaigning for a fairer funding deal for Cambridgeshire and this will be renewed following a motion passed at the July meeting of Full Council. We argued that given how much the Cambridgeshire economy was supporting the Treasury that a new approach to business rates that enabled councils to retain a greater element of the local tax take would help to underwrite the costs of supporting that growth. The implementation of both the multi-year CSR and the localization of business rates have been deferred on several occasions. With the pandemic and the uncertainty over the national position we cannot expect this position to change in the short term. However, it is important to recognise that the Government have used one off interventions of additional finance in Adult Social Care and Highways to negate some of the growing pressure on Councils.
- 3.4 There are also a small number of financing options that may be available to the Council to contribute towards closing the gap for 2022-2023:
- Additional central Government funding *may* be forthcoming in response to the pandemic and previously announced funding (such as Roads Fund and support for Social Care) rolled forwards. The peer challenge has rightly cautioned the Council about assuming any such funding will be realised.
  - Funds could be re-allocated on a one-off basis from reserves. Whilst this would contribute to reducing the pressure for the 2022-2023 financial year, the pressure would be delayed until the next financial year as the option to use this funding could not be used again. The Chief Finance Officer's professional view is that the General Fund balance should not be reduced from its current level in view of the risks the Council is currently facing. Members are also reminded that the Council is currently carrying a deficit of £26m in the high needs block of DSG, as it stands the ringfence for this item will lapse in 2023, meaning that the Council may need to fund this locally from its own reserve. This primarily leaves the amounts currently earmarked as:
    - Transformation Fund (currently £24m unallocated)
    - Pandemic-related carry forward (currently £21m)



- Additionally, there are smaller service specific levels of reserve held in Public Health and Adult Social Care.

Any use of the reserves listed above is only a temporary solution which would reduce the Council's ability to respond to any future national or local challenges and compound the savings ask in future years. We know that there will be long-range impacts of the pandemic where deployment of grant funds received to date could be carefully planned. The Joint Administration will want to consider its approach to reserves as part of a refreshed budget strategy.

- There is an option to increase the planned levels of council tax (see paragraph 3.6)

3.5 There are a number of additional risks and assumptions with potential impacts on the numbers above. These will be monitored closely and updated as the Business Plan is developed to ensure that any financial impacts are accurately reflected in Council budgets:

- The National Joint Council pay scales have not been confirmed for 2022-23 onwards and it is possible that the agreed uplifts will be greater than those modelled.
- Movement in future year pressures. We are putting monitoring measures in place so we can put in place mitigations before trigger points are met. This is particularly relevant to demand led budgets such as children in care or adult social care provision.
- IT pressures – work is underway to quantify a potential impact on the IT & Digital Service, predominantly related to hardware and software costs and the costs of data facilitating remote working.

3.6 The level of savings required is based on a 2% increase in the Adult Social Care precept and a 0% increase in Council Tax. This potential to increase ASC precept has been carried forward from 2021-22. It is likely, therefore, that the Council will be presented with the option to increase general Council Tax by not less than a *further* 1.99% in 2022-23, on top of the 2% ASC precept carried forward. The value of a 1.99% increase in the Council Tax equates to additional revenue of £6.1m. With general inflation higher than in recent years, it is possible that the government may permit a higher general council tax increase, or announce an Adult Social Care precept potential for a further year. In those scenarios the Council tax potential would increase further.

## 4. Business Planning context for Children and Young People committee

### 4.1 Children's Services & Education

4.1.1 High levels of demand across the system are continuing due to the ongoing impact of the COVID-19 pandemic. While there has not been a particular impact on overall numbers open to children's social care services, the complexity of children and young people's needs has increased, for example, numbers of children subject to a child protection plan. These are the children and young people who are at greatest risk within the community and while our Family Safeguarding teams are working constructively and positively with all children and young people open to our services, we may begin to see an increase in the number of

children in care following on from this increase in numbers of children subject to child protection plans.

Numbers of children in care have continued to reduce, albeit at a slower rate, and are now in line with the average of our statistical neighbours. What we are seeing, however, is an increase in the relatively small numbers of young people with the most complex needs among that child in care population, and a consequent increase in the unit costs of providing care.

Children and young people with disabilities and their families have been particularly hard hit by the pandemic, with many sources of informal and formal support being much less available. While this position is changing as restrictions have been lifted, many families are tired and have less resilience as a result of the impact over this period.

Demand for our early help services remains high; again, families have been cut off from informal support from extended family and friendship networks; children and young people have faced increased isolation, and mental health issues for parents and children and young people have been a particular concern. We do not expect these issues to be resolved quickly, and so expect the need for support services across the system to remain high for the foreseeable future.

4.1.2 COVID-19 has meant the work of the Education Directorate has expanded significantly to provide advice and guidance to all schools and early years settings, whilst many of our statutory functions continue. It has been a hugely challenging time where teams across the Council have stood up to this challenge and worked beyond expectations to ensure our children, staff and communities are protected. This challenge continues into the autumn, but we are starting to move towards the recovery phase and the focus on closing gaps that have occurred during the disruption of the last 18 months.

There are emerging pressures in Education in the support for vulnerable pupils. We have seen significant increases in requests for statutory assessment for Special Educational Needs and Disabilities (SEND) and pressure on inclusion and behavioural support services as children have returned to schools.

Many parents, particularly those with children with SEND remain anxious about the return to school. This has led to an increased number of requests for Personal Transport Budgets to be provided to enable those parents to arrange their own transport to and from school in preference to their children travelling in a shared transport arrangement. Such requests are considered on a case-by-case basis.

Monitoring of attendance will continue to be a priority, in particular supporting schools who experience high levels of persistent absence.

Planning for the longer term is challenging at the current time, however, the following key focus areas have been identified for the Directorate:

- Commission eight new schools to meet our growth requirements over the next five years. This will be undertaken through the Council's free school presumption processes and by providing support, where appropriate, to Multi-academy Trusts with free school bids submitted direct to the Department for Education (DfE).

- Develop and implement a school improvement strategy to ensure that we exceed the national average in all outcomes and top our statistical neighbours list. Focus areas:
  - Improving Key Stage 2 outcomes. All other areas have seen significant improvements and more schools becoming good and outstanding.
  - Challenge and support to Academy Trusts over their performance.
  - Continuing to 'close the gap' for our pupil premium children. Whilst we are already doing this at a faster pace than other Local Authorities, the gap remains one of the largest in the country. With more children becoming eligible for pupil premium, we need to continue to develop and refine our approach further.
- Ensure there is a sustainable approach to operating our smallest schools. This may involve consideration of different models for delivery, and we are working with the Church of England Diocese of East Anglia (in recognition of the fact that the majority of our smallest schools are church schools), to ensure we can continue to support these schools in their communities. Cambridgeshire schools are funded 145<sup>th</sup> out of 151 Local Authorities and this is affecting all children. We are hoping that changes to the national funding formula and the inclusion of a revised sparsity factor (rurality) will help our schools with their current budgetary challenges.
- Develop an action plan for improving prevention and early intervention for children with SEND and reduce the need for statutory processes. This will include developing more locally based, school-based provision as part of the continuum of support for children with additional needs and increasing the skills and abilities within mainstream schools to support more children utilising a trauma-informed approach.
- Ensure we effectively respond to the Ofsted Inspection of SEND services expected to take place in 2022. The last inspection took place in 2017.
- Sustain the improvements achieved to date in Fenland through the Opportunity Area to ensure academic performance continues to improve.
- Build a strong Local Authority-led family of maintained schools to deliver and sustain outstanding school improvement and a culture of self-improvement.

4.1.3 COVID-19 continues to put significant pressure on service delivery. These pressures continue to be regularly monitored, understood, and mitigated as appropriate. We are seeing varying patterns of impact on service provision, which are hard to extrapolate into a longer-term trend. This makes long term planning very uncertain at the moment, making it very difficult to accurately forecast demand. Current data across Children's services highlights the following key areas:

- Increasing demand for early help services.
- Increase in child protection plans by 37%, as latent demand starts to become visible. In turn, there is a risk that we will see an increase in the numbers in care as a result of this.
- Increase in young people in care with more complex needs, which can cost up to c. £250k per annum for one child.
- A national increase in care costs as demand for placements continues to outstrip supply.
- Increasing numbers of children and young people in Tier 4 inpatient provision liable for section 117 (Mental Health Act) after care support on discharge requiring complex levels of support from children's and health services.
- Increased demand for specialist provision for Social Emotional Mental Health (SEMH) and Autistic spectrum conditions (ASC) has put pressures on specialist

school provision and we are beginning to see a greater number of children being referred for external special school placements.

- EHCPs (Education Health and Care Plans) continue to increase, and we could see a 47% increase in the number of EHCPs by 2031 based on current trends.
- An increase of 7.7% in the number of children with SEND for whom the Council is providing home to school transport, which in turn, has led to increased transport costs of 6.23% in excess of inflation.

4.1.4 Much of the impact of COVID-19 for vulnerable families, children and young people was not immediate and continues to surface. Harm will continue to emerge over time as a result of children not being educated in school during periods of lockdown, together with limited opportunities for play and social development. Impact will be greatest for:

- Families with fewer means, lower job security or less secure housing.
- Families struggling with routines, possibly compounded by increased financial stress.
- Children and young people from black and minority ethnic groups\* where the impact of COVID-19 has been more severe.
- Young people of secondary age already disaffected at school.
- Children and young people with SEND.
- Those children at acute need of safeguarding, who have been less visible to schools, early years, and health services during the pandemic.
- LGBTQ+ families and young people. LGBTQ+ people are at higher risk of mental ill health due to discrimination experienced. This is further impacted for young people by COVID-19 and non-acceptance or violence within the home and loss of support networks. LGBTQ+ young people from Black and Minority Ethnic backgrounds experienced higher rates of homelessness. LGBTQ+ families had more adverse impacts financially with parents/carers being more likely to work in a job sector impacted by COVID-19 resulting in furlough, job losses and increased poverty.
- Refugee and Migrant Children: Children in families with No Recourse to Public Funds (NRPF), Children in families of EEA nationals, children in asylum seeking families etc.

\*CCC understands the term 'black and minority ethnic groups' has limitations - we have used it here as a commonly used term to ensure consistency with other public bodies

4.1.5 It is likely that additional early help, social care and placement funding will be needed across the 2021/22 and 22/23 financial years since the lockdown and closure of schools has extended beyond the timeframe envisaged at the time they were developed. The assumption is that these costs will be met from MCHLG funds; if this is not the case, they will become pressures.

## 5. Overview of Children and Young People Committee's draft revenue programme

### 5. Children's Services

5.1.1 The following Budget Pressures for 2022-23 have currently been identified:

	2022-23	2023-24
<b>Pressures</b>		
Occupational Therapy – Children's (SEND provision primarily)	490	
Children's Disability	400	

5.1.2 Despite a relatively stable position in the number of Children in Care (CiC), we are seeing increasing cost pressures due to changes in complexity of need, and continuing cost inflation within the sector resulting in an in-year forecast pressure of £1.25m. Since April we have seen a rise of 7 young people in residential homes, representing a 20% increase in numbers, and a 33% increase in overall financial commitment. Weekly cost for this type of provision is significantly higher than foster care, so any shift towards residential will have significant impact on the budgetary position. Higher cost placements are reviewed regularly to ensure they are the correct level and step downs can be initiated appropriately; however, we are continuing to see an increase in demand for this placement type. We are also seeing the impact of Tier 4 step-downs which can lead to high placement costs, and demand for this placement type is also expected to rise. We therefore anticipate that this will present an additional pressure in the region of c. £2.2m for 2022-23 budgets.

### 5.1.3 Current Priorities

Children's services' continued focus on prevention and early intervention is key to managing demand and delivering cost avoidance opportunities as we move forward. Some of the key areas of focus to support this, include:

- **Early Help:** focused support – virtual and face-to-face, tailored to local communities to:
  - Support parenting after disruption to family life as a result of the pandemic and a lack of informal and formal support for families including new parents.
  - Provide mental and emotional help for young people.
  - Integrated approach to support vulnerable young people at risk of the poorest outcomes, including criminal and sexual exploitation, offending and experiencing barriers into employment, training and education.

Effective delivery in this area will depend on establishing the Children and Maternity Collaborative, detailed below.

- **Family Safeguarding:** provides support to parents who have mental and emotional health issues, misuse drugs or alcohol and/or are in domestically abusive relationships to make lasting change and provide safe homes for their children. This integrated multi-disciplinary approach continues to prove effective in safeguarding children at greatest risk, and reducing the numbers coming into care. Cambridgeshire was awarded £4.1m funding from the DfE to develop this approach over a two-year period. The funding meets the cost of the additional adult practitioners seconded into Children's safeguarding teams, along with training, development, and systems costs. Current forecasts are that the grant will meet the costs of the adult practitioners until the end of the 2022/3 financial year. Reduced numbers of children in care, and hence lower placement costs, have in other Authorities more than met the additional cost of the model once established.

- **SEND Commissioning:** Our Joint SEND Strategy with Peterborough City Council incorporates three key themes, as outlined in the diagram in section 5.2.1:
  - SEND is everyone's business
  - Identify and respond to needs early
  - Deliver in the right place at the right time

In support of this, we are recommissioning our model for SEND provision following a review of overnight and residential short breaks provision. The outcomes of this will:

- Ensure greater choice and control to families
- Ensure resilience and stability with Council budgets
- Offer best value for money and best use of resources across education, health and social care
- Explore whether commissioning arrangements in place currently provide young people with the best possible outcomes

Phase one, which has seen the insourcing of three existing Council homes, is complete. The focus is now on phase two, which will address the reform of the service to meet future demands.

- **Establishing a Children and Maternity Collaborative:**

The Council has retained a relatively well-resourced early help offer; we need to ensure it is deployed to maximum effect, targeted at those most in need, while supporting key partners to identify emerging issues early, and prevent a situation worsening. This outcome is particularly important, given the expected continuing increase in demand for support services as children, young people and their families due to the long-term impact of the disruption brought by the COVID-19 pandemic.

Our approaches to early help, as set out in the Best Start in Life and subsequently, the Strong Families, Strong Communities strategy for early help services are both fundamental building blocks in the programme to establish the Children and Maternity Collaborative, with a footprint across the greater Cambridgeshire area. This footprint is in line with the broader Integrated Care System, of which the Children and Maternity Collaborative is a part.

Integrated Care Systems are in place to support the development of closer coordination and collaboration between health, local authority and other partner agency services in both adults and children's services and are part of the broader health system re-shaping of the role of Clinical Commissioning Groups.

The Cambridgeshire Integrated Care System has two place-based Integrated Care Partnerships, which are based on the footprints of the acute hospitals as opposed to local authority boundaries. Maintaining the benefits of coterminosity will mean that the way in which community-based early help services are delivered will need to take the Integrated Care System and Partnership footprints into account.

Successful development of the Integrated Care System will improve outcomes for

children, young people, and their families by helping to ensure that agencies working in this area are better able to coordinate the support and interventions they provide through the continuing development of joint planning of support services.

## 5.2 Education

### 5.2.1 Current Priorities – Investments and Pressures

COVID-19 is very much still part of our daily work. However, we have begun to focus on wider areas which will contribute to our work and objectives moving forward, financial investment to support our priorities is paramount.

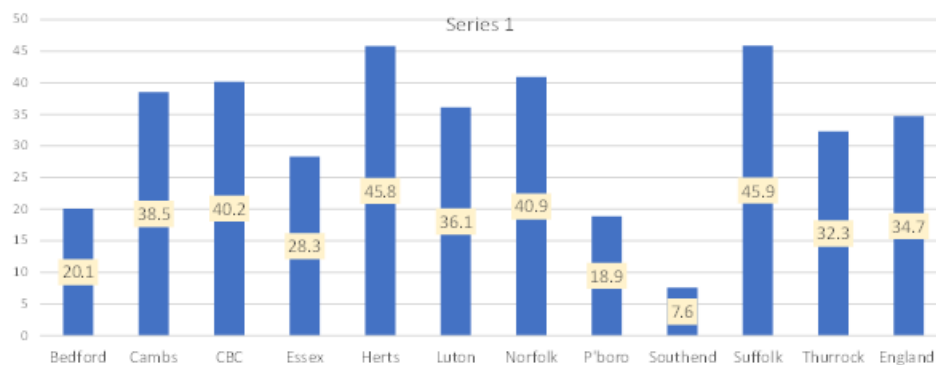
- The Council receives funding to support the costs of SEND via the high needs block of the Dedicated Schools Grant (DSG). The challenge of the high needs block can be seen in the table below. Despite a huge amount of work in 2020/21, the savings strategies which have been implemented have only served to stop the overspend continuing to increase; the significant overspend of around £27m still remains. We have lobbied Government for additional funding, but nothing has been forthcoming to date. We are finalising a recovery plan and have worked closely with the DfE over the challenges we face. Our aim is to bring our spend in line with the annual budget in the next three years. We will continue pushing our case for DfE ‘safety valve’ funding to write off our deficit. Other authorities have received this funding.

	High Needs Block Income Received £000	High Needs Budgeted Expenditure* £000	High Needs Actual Expenditure £000	In-Year High Needs Overspend £000
2017/18	64,339	65,006	69,632	4,626
2018/19	67,160	68,360	77,196	8,836
2019/20	68,843	71,041	82,619	11,578
2020/21	75,410	76,627	89,163	12,536
2021/22 Forecast	83,419	85,138	96,382	11,244

We have had the provisional budget for 2022/23 and Cambridgeshire will get an increase of around £8.2m to support the increased demand in the high needs block. This will still mean there may be as much as an £8m deficit to fund, especially as we are seeing an increase in demand for services and support following return to school. A Plan B has been developed which seeks to improve prevention and early intervention for children with SEND. A number of workstreams have been developed to seek to further reduce spend and improve service quality. We are currently working closely with Impower and Business Intelligence Directorate to cost the programme but there is a need for additional support and backfill for staff to deliver this effectively. It may be possible to fund some of these costs against the DSG but there will be some general fund requirements. A further paper will be brought to Joint Management Team on these costs when available.

- Addressing the lack of capacity within SEND services to support the volume of requests for EHCPs. We have seen a 38.5% increase in numbers of children in three years and despite investment in the team, we cannot keep pace with the volume of

work. The statutory assessment process takes capacity from across the service. We also need further capacity to transform service areas to provide better outcomes and reduce spend. Our growth in SEND numbers has been exceptional since the reforms in SEND in 2014, but our overall rate of growth in recent years has been similar to other shire counties, showing the challenges we face nationally. A permanent increase in the base budget for the service of £565k per annum is needed so we can keep pace with our statutory responsibility. A huge amount of work is currently underway to look at savings / transformation in SEND. However, any efficiency saving is likely to be offset as primary-age children reach secondary school age as numbers are currently lower in secondary than primary. We are also expecting an Ofsted inspection of our SEND services in 2022. This will focus on these areas.



- Supporting schools with the continued challenge of COVID-19. This is likely to remain until Spring 2022 due to vaccination roll out with children and the impact of the Delta variant in school-age children.
- We have not yet seen the full impact of COVID-19 on families and vulnerable children and young people – inclusion, behaviour, complex SEND needs and mental health challenges are emerging. We will need to respond to this and broker additional services to support children. We do not currently have any additional funding for this.
- Understanding the impact of COVID-19 on pupils' learning. This will not be established nationally until next year with the first set of published performance data. We will be collecting information from schools this term to inform our understanding of where children are against national expectations and to help schools to plan their response.
- Procure a provider and deliver a voucher scheme for all eligible children from vulnerable families for the 2021 Summer holidays.
- Recruit to vacancies across the service - we have been unable to recruit to several key roles within the team including the Assistant Director for School and Setting Improvement. To deliver current and future priorities, we need further capacity.
- We have recently undertaken a revisit of our survey of schools after three years. This has shown significant improvement in the creditability of the Authority but also highlighted a number of areas for further development. This will form part of our action plan moving forward.
- Deliver the education elements of the joint administration agreement. This includes ensuring sufficiency of breakfast club provision, supporting schools to remain maintained by the Local Authority and looking at sustainability funding for Nursery schools. Fully costed action plans will be written for all of these areas.



- Increasing the take up for free school meal entitlement especially for families who now meet the low-income criteria as a result of COVID-19. We also want to increase the take up of 2-year-old funded places and the early years pupil premium (3- and 4-year-olds) as we know settings are losing out on financial support which is vital to support catch up in these establishments.
- Ensure attendance continues to be high across all groups including a focus on vulnerable groups. We will also offer advice to parents who are considering elective home educating their children in line with the new requirement brought in during COVID-19.
- Implementation of our Invest to Save Independent Travel Training project which is aimed at providing young people with additional needs with the skills and confidence to become more independent and support them with the transition to adulthood.

### **5.3. Savings Opportunities – Children’s and Education**

#### **5.3.1 Savings Opportunities**

The service has currently identified a potential c. £250k saving in relation to Special Guardianship Orders for 2022-23 and is continuing to review further opportunities for savings and cost avoidance, with a view that these will be presented at December committee.

Despite pressures there are a number of additional proposals currently being considered. These include significant focus on a range of cost avoidance strategies through our SEND transformation programme that will focus on increasing resilience across the whole system as well as maintaining the quality of delivery and ensuring positive outcomes for children and young people, further fostering opportunities, home to school transport and maximisation of government funding.

Work will continue and those considered appropriate for implementation will be worked into Business Cases and Equality Impact Assessments (EqlAs) accordingly. These will be reviewed during the December Committee.

### **5.4 Capital Programme**

The P&C capital plan is a ten-year rolling capital programme. The very nature of capital planning necessitates alteration and refinement to proposals and funding during the planning period. Work is currently being undertaken to review projects included within the plan to ensure that the early years of the Business Plan provide robust, detailed estimates of schemes. The review will also ensure that the Council’s Climate Change and Environment Strategy 2020–2025 is being met. The outcomes of the review will be brought to members later in the planning process.

## 6. Next Steps

6.1 The high-level timeline for business planning is shown in the table below.

November / December	Business cases go to committees for consideration
January	Strategy and Resources Committee will review the whole draft Business Plan for recommendation to Full Council
February	Full Council will consider the draft Business Plan

## 7. Alignment with corporate priorities

The purpose of the Business Plan is to consider and deliver the Council's vision and priorities and section 1 of this paper sets out how we aim to provide good public services and achieve better outcomes for communities, whilst also responding to the changing challenges of the pandemic. As proposals are developed, they will consider the corporate priorities:

- 7.1 Communities at the heart of everything we do
- 7.2 A good quality of life for everyone
- 7.3 Helping our children learn, develop and live life to the full
- 7.4 Cambridgeshire: a well-connected, safe, clean, green environment
- 7.5 Protecting and caring for those who need us

## 8. Significant Implications

### 8.1 Resource Implications

The proposals set out the response to the financial context described in section 4 and the need to change our service offer and model to maintain a sustainable budget. The full detail of the financial proposals and impact on budget will be described in the financial tables of the business plan. The proposals will seek to ensure that we make the most effective use of available resources and are delivering the best possible services given the reduced funding.

### 8.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for the proposals set out in this report.

### 8.3 Statutory, Legal and Risk Implications

The proposals set out in this report respond to the statutory duty on the Local Authority to deliver a balanced budget. Cambridgeshire County Council will continue to meet the range of statutory duties for supporting our citizens.

### 8.4 Equality and Diversity Implications

As the proposals are developed ready for December service committees, they will include, where required, Equality Impact Assessments that will describe the impact of each proposal, in particular any disproportionate impact on vulnerable, minority and protected groups.

8.5 Engagement and Communications Implications

Our Business Planning proposals are informed by the CCC public consultation and will be discussed with a wide range of partners throughout the process. The feedback from consultation will continue to inform the refinement of proposals. Where this leads to significant amendments to the recommendations a report would be provided to Strategy and Resources Committee.

8.6 Localism and Local Member Involvement

As the proposals develop, we will have detailed conversations with Members about the impact of the proposals on their localities. We are working with members on materials which will help them have conversations with Parish Councils, local residents, the voluntary sector and other groups about where they can make an impact and support us to mitigate the impact of budget reductions.

8.7 Public Health Implications

We are working closely with Public Health colleagues as part of the operating model to ensure our emerging Business Planning proposals are aligned. Public Health colleagues are key partners in the Children and Maternity collaborative of the ICS, Best Start in Life and Strong Families, Strong Communities strategies.

8.8 Environment and Climate Change Implications on Priority Areas

The climate and environment implications will vary depending on the detail of each of the proposals which will be coming to committee later for individual approvals (currently scheduled for November / December committees). The implications will be completed accordingly at that stage.

Have the resource implications been cleared by Finance?

Yes

Name of Financial Officer: Martin Wade

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the CCC Head of Procurement?

Yes

Name of Officer: Henry Swan

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?

Yes

Name of Legal Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your Service Contact?

Yes

Name of Officer: Beatrice Brown

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: Matthew Hall

Have any localism and Local Member involvement issues been cleared by your Service Contact?

Yes

Name of Officer: Julia Turner

Have any Public Health implications been cleared by Public Health?

Yes

Name of Officer: Raj Lakshman

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: Emily Bolton

## 9. Accessibility

- 9.1 An accessible version of this report is available on request from [Tessa.Adams@cambridgeshire.gov.uk](mailto:Tessa.Adams@cambridgeshire.gov.uk)