Appendix 2

Summary Report of Draft Business Cases for CYP Committee

Activity Title:	Cambridgeshire Music			
BP Reference No:	A/R.6.251			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 0	
Business lead / sponsor:	Matthew Gunn Fran Cox			
Document prepared by:	Matthew Gunn			
Financial Summary:	Additional income of £25k per year			
Financials signed off by:	Martin Wade			
Date:	05.09.2022	**Version**	1.0	

1. Driver / reason for the activity

Cambridgeshire County Council has a significant gap to close in its budget for 2023-24 requiring support from teams to generate additional income or savings.

2. Proposed activity or intervention(s)

Cambridgeshire Music is tasked to generate a 25k surplus in its budget towards the Council's 2023-24 target to help reduce the gap.

Cambridgeshire Music operates on a full cost recovery basis using a zero-balance budget model, as it is not a commercial trading unit (music education hubs/services are supported by grant funding and earned income on a 50/50 (approximately) basis and therefore exists as a not-for-profit enterprise, with the expectation by investors that significant surpluses are reinvested for growth and development).

As part of prudent budget modelling the service operates a contingency for in-year fluctuations to ensure that year-end targets are met. This is particularly because the academic year nature of chargeable education work can mean that out-turn is difficult to predict accurately until at least October each year. Activities carried out with settings and families can change over the summer depending on socio-economic conditions - e.g., cost of living rises.

In most years Cambridgeshire Music works to achieve a £25k surplus (which is an acceptable level of return within the parameters of grant funding by investors (Dfe/Arts Council of England). The current year 2022-23 is a transition year to new operations and the service may have additional pressures which have currently been budgeted for through the use of remaining set-aside reserve for the new building development.

In order to achieve the additional £25k towards the Council's budget gap, and with more guarantee of achieving it, the service proposes to increase the contingency budget for 2023-24 by an additional £25k. This will make it easier to operate to achieve the annual intended £25k surplus, as well as the additional return for the Council, whilst ensuring that the full cost recovery and zero budget model basis expected by investors is maintained as in previous years.

This is the simplest solution, alternatives that were considered:

- Formalising an annual surplus target.
  This would change the category of trading unit previously approved by committee (through their outcomes focussed review process) from non-commercial to a commercial approach. The non-commercial categorisation is due to the grant funded and reinvestment expectations outlined above. In the future, it may be more appropriate to consider "supported" trading unit categories in order to achieve Council objectives to support children in challenging circumstances.

- Creating a new cost in the service budget associated with premises use.
  It is expected that work with council property in the future will lead to an agreement for a cost and level of building maintenance covered by a central budget. Until this is agreed the service will continue to manage all building costs.

We recommend the increase in contingency and forecasting for the £25k surplus is initially most efficient for the 2023-24 budget while the service develops new opportunities and activities at the Centre. This will allow the service to model the potential mix of surplus and reinvestment to determine if an ongoing level of return will be possible in subsequent years at a similar level. This will be reviewed after the first year of new provision, starting from September 2022.

This proposal also means that no additional service resources and therefore costs will need to be provided and the management of the additional set-aside funds is already part of the advisory support from finance, just at a higher level.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

The positive impacts will be that this contributes to the council's overarching savings targets. The negative impact would be there may be less provision which would affect all users. We will manage this by adjusting programme and budget planning for next year. It may not be possible to mitigate all negative effects. Additional fundraising to support targeted work may be possible, however there will be a lead-in time before it can be applied.

4. Financial Impact for Business Plan 2023-2028

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income			**-25**				
Investment							
Pressure							
Total							

Activity Title:	Cambridgeshire ICT		
BP Reference No:	A/R.6.252		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1
Business lead / sponsor:	John Chapman ICT Service Manager Fran Cox Assistant Director		
Document prepared by:	Richard Brock		
Financial summary:	£100k additional income target		
Financials signed off by:	Martin Wade		
Date:	31/08/22	**Version**	V1.2

1. Driver / reason for the activity

The ICT Service is a charging service within the Education Directorate that provides a range of ICT services (Information and Communication Technologies) to schools in Cambridgeshire and neighbouring counties. The service is self-funding and delivers a budget over-recovery of £200,000 each year.

In the context of the financial pressures the council is under, the service is seeking to generate an additional £100k over-recovery in 2023/24. This can only be achieved by selling our services to schools and multi-academy trusts (MATs) outside of Cambridgeshire, providing they are scalable and deliverable remotely.

2. Proposed activity or intervention(s)

We have identified two services that could be marketed to schools and multi-academy trusts nationwide and one service that can be marketed to Local Authorities (the promotion of which has already begun). All three services currently exist and are being delivered successfully locally.

We intend to develop targeted marketing campaigns to promote and raise awareness of these services.

The service has limited capacity to grow these services based on current resource. We already operate on a commercial, self-funding basis and our proposal is to win new contracts and fund additional staff resource required to deliver these contracts directly from this income.

The three services we intend to grow are:

1. **School Data Protection Officer (DPO) Service**

This service is currently taken by 212 schools across the East of England and generates revenue of £163,000 per annum. The average revenue per school is £769; Maintained school fee is £850 and MATs benefit from a 40% discount, equivalent to £510 per school.
Equivalent services from other councils are significantly more expensive:

Lincolnshire County Council	£950
Herts4Learning	£1,170
Essex County Council	£1,500
Camden Borough Council	£2,000

DPO Service Growth Opportunity
Current market penetration is approximately 1%
Doubling our penetration to 2% would deliver additional revenue of £163,000 but would require additional staff. Approximate cost of additional staff required would be £75,000.
Incremental over-recovery potential growth of £88,000

2. Management Information System (MIS) Support

All schools are required to use a Management Information System to record attendance and assessment data and for use in the production of mandatory reporting. The supplier ESS (formerly Capita) controversially locked all UK schools into a three-year contract for SIMS (Schools Information Management System) earlier this year, which included support services. This means that there is very little opportunity to grow our SIMS support service until 2025. We plan to heavily promote our SIMS support services to schools and MATS throughout 2024.

We recently gained accreditation to support the Bromcom MIS and are in discussions to become one of a small number of regional support hubs, supporting schools beyond Cambridgeshire. Bromcom have doubled their MIS market share in the last three years and have ambitious growth plans but limited capacity to support their system. The typical revenue is £900 for Primary schools and £2,400 for Secondary schools (assuming they take both MIS and Finance packages).

Bromcom Support Growth Opportunity
100 Schools (80 Primary/20 Secondary) equates to £120,000 additional revenue but would require additional staff. Approximate cost of additional staff £70,000.
Incremental over-recovery potential growth of £50,000

3. Prejudice Reporting for Education (PRfE)

PRfE is an online reporting tool that allows schools within a local authority to log prejudice-related incidents. Local authorities have complete oversight of all incidents recorded across all schools and can analyse the data at local authority, district, and individual school level. Our brochure for PRfE aimed at Local Authorities (LAs) can be seen here https://prfe.education/introduction/

There are 152 Local Authorities in England with responsibility for Education. Peterborough and Cambridgeshire are already using PRfE, leaving a total market opportunity of 150.
The annual subscription fee for LAs is £7,980. The total market opportunity is just under £1.2m.

PRfE Growth Opportunity
10% of the total market opportunity represents 15 Local Authorities and equates to additional revenue of £119,700, but likely to require additional staff at a cost of £37,000.

Incremental over-recovery potential growth of £82,700
In order to realise the potential of PRfE we would need support and guidance as to who we should target within other local authorities, utilising existing networks, contacts and appropriate forums. Promotional activities undertaken so far include developing a strong social media presence on LinkedIn and Facebook, featuring in the Innovation Zone and Exhibition at the LGA Conference in June and we are about to mailshot every LA with a hardcopy brochure. PRfE has also been accepted as a member of the Anti-Bullying Alliance.

In addition, based on feedback at the LGA Conference, the biggest potential obstacle to LAs adopting the system is the fear that schools will refuse to participate and log their incidents. While a large number of schools in Cambridgeshire and Peterborough have begun using the system, there are still a significant number who have yet to engage. We will be working with Safeguarding /PSHE colleagues to promote engagement – the learnings from which will help address concerns from LAs. Some support around this would be appreciated. Note we already had an initial meeting with safeguarding teams early September.

1. School Data Protection Officer (DPO) Service: Incremental over-recovery potential growth of £88,000

2. Management Information System (MIS) Support: Incremental over-recovery potential growth of £50,000

3. Prejudice Reporting for Education (PRfE)
   Incremental over-recovery potential growth of £82,700

Total *potential* incremental over-recovery: £220,700

RISK
A significant contribution to The ICT Service income is derived from management and delivery of EastNet for schools across Cambridgeshire. EastNet is the full fibre internet connectivity solution for schools which also includes safeguarding and cybersecurity. Prior to 2020, the cost of broadband provision for schools in Cambridgeshire was fully subsidised by centrally retained funding from the DfE (part of the Central Schools

Services Block). In 2020/21 the subsidy reduced to 80% and for the first-time schools were asked to contribute to the full cost for their EastNet connection. Since then, the subsidy has reduced further each year and from April 2023 the subsidy will be removed completely (one year earlier than expected). In real terms this will add a £2,000 cost to primary schools and £3,500 cost to secondary schools when compared with their 2022/23 EastNet fee. The removal of the EastNet subsidy may have a significant detrimental impact on the service's whole business model in the event that a significant number of schools choose to source a cheaper, alternative solution. In addition, approximately 40% of The ICT Service income is derived from reselling ICT equipment to schools, such as laptops, servers and network infrastructure. In the last few months schools have noticeably reduced their expenditure on ICT equipment in light of the adverse financial situation relating to inflation, energy pricing and staff salaries. The success of this proposal is likely to be impacted by this, therefore it is proposed that the increased £100k income is an estimated target for 23/24, where the service is able to test the market with a view to formalise the £100k additional income target from 24/25.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

This proposal is to grow our customer base by providing some of our existing services to a wider market. The proposal will affect the staff within our Helpline and Data Protection teams as they will be fulfilling the new contracts; we will recruit additional staff to support the new contracts and therefore limit any material impact on our existing customer base. Our customers are the schools, rather than the individuals, therefore we do not foresee any impact to the protected characteristics of individuals and any adverse impact on socio-economic inequalities.

4. Financial Impact for Business Plan 2023-2028

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income			**-100**				
Investment							
Pressure							
Total							

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? £200,000 over recovery for 22/23
What financial mitigations have been considered? Following a restructure in 2018, there is no scope to reduce headcount costs without impeding the service's ability to deliver existing contracts
What other funding sources have been explored? We have investigated grant funding for PRfE but no appropriate grants currently exist that are available to Councils
Could you meet the costs from your own budget? We intend to meet the cost of additional staff entirely from incremental income generated from new contracts won from customers outside of Cambridgeshire.

Activity Title:	Realign schools partnership and improvement service		
BP Reference No:	A/R.6.254		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1
Business lead / sponsor:	Jon Lewis Director of Education		
Document prepared by:	Carley Holliman Assistant Director – Schools and Setting Improvement		
Financial Summary:	£85k permanent saving		
Financials signed off by:	Martin Wade		
Date:	21/10/22	**Version**	1.0

1. Driver / reason for the activity

The role of the school improvement team has narrowed due to the enhanced role of the Teaching Hub and government academy agenda. Due to the resignation of some team members this is an opportunity to review the structure and realign the work of the team to our statutory duties.

One key area of focus is the remit of the Early Career Teacher (ECT) authorising body which will be delivered by the Teaching Hub from September 2023. This results in a loss of income and a post which needs to be deleted.

2. Proposed activity or intervention(s)

Review the structure within the team and consider how to utilise expertise more effectively, and not replace vacant posts.

Work with the Teaching Hub to TUPE over the ECT adviser position for September 2023.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

Services will not cease to be offered to early careers teachers, but they will be offered differently via the Teaching Hub. Services will continue to be monitored following the change, monitoring equality considerations throughout.

There are no known negative or positive impact to any protected characteristics.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			**-85**				
Income							
Investment							
Pressure							
Total			**-85**				

Activity Title:	Review of non-statutory services (Cambridgeshire)			
BP Reference No:	A/R.6.255			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 1		Financial Score 1
Business lead / sponsor:	Toni Bailey Assistant Director – SEND and Inclusion			
Document prepared by:	Toni Bailey			
Financial Summary:	£75k permanent saving			
Financials signed off by:	Martin Wade			
Date:	20/10/2022		**Version**	1.0

1. Driver / reason for the activity

The Special Educational Needs and Disability (SEND) service has to find efficiency savings and will undertake a review of non-statutory functions, particularly where these functions can be delivered through other services/options, whilst continuing to ensure we follow guidance from the Department for Education (DfE) to limit any potential impact.

An initial estimated saving relating to non-statutory functions is £75,475K, depending on a full review and consultation with staff.

2. Proposed activity or intervention(s)

To review the non-statutory service, fully consulting with all staff.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

A full consultation process, including equality considerations will take place if the business case is approved.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			-75				
Income							
Investment							
Pressure							
Total			**-**75				

Activity Title:	Family Safeguarding Team restructure		
BP Reference No:	A/R.6.256		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1
Business lead / sponsor:	Nicola Curley		
Document prepared by:	Samantha Howlett		
Financial Summary:	£352k Permanent saving		
Financials signed off by:	Martin Wade		
Date:	20/10/2022	**Version**	1.0

1. Driver / reason for the activity

Cambridgeshire Children's Social Care were awarded Trailblazer Status from the Department for Education (DfE) to launch 'Family Safeguarding' as the model of intervention to support children and families. The model went live in February 2020 shortly before the onset of the pandemic and lockdown.

Prior to the launch, the teams were structured to meet the demand of need within Cambridgeshire.

Since implementation of the model, we have sustained a number of Social Work vacancies. We have not been able to recruit to these posts due to the market climate being complicated by the pandemic. A focus visit from Ofsted in March 2022 highlighted high caseloads and limited numbers of staff in some areas to respond to the needs of the families, but this was not connected to the number of available posts.

We have worked hard to embed the model in Cambridgeshire. This has resulted in a reduction of the number of children subject to Child Protection planning in Cambridgeshire and a reduction in the number of children being placed into the care of the Local Authority. There is scrutiny around decision-making to ensure the right children are receiving the right service at the right time.

Therefore, these existing vacancies are no longer required.

2. Proposed activity or intervention(s)

A review of the existing Social Work vacancies concludes that the Family Safeguarding model can reduce the current team structure by eight Social Workers (these are current vacancies) equating to a saving of £352k.

The review considered the current average case load per worker as well as scrutiny of threshold from the Assessment Service to ensure the right children receive the right service at the right time. Referrals from the Assessment Service to Family Safeguarding have remained consistent.

Predicated on consistent demand at this point in the system, the Family Safeguarding team is confident we can operate a service to meet the needs of children and families.

The team structure will remain the same; 1 x Team Manager, 1 x Senior Practitioner, Social Workers and Child Practitioners (alternatively qualified workers) with the saving coming from existing vacancies across Cambridgeshire.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

There is no change in impact. The saving comes from vacant posts, and we are fully delivering the service without these in place.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			-352				
Income							
Investment							
Pressure							
Total			**-352**				

Activity Title:	Special Guardianship Orders				
BP Reference No:	A/R.6.257				
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0		Environment Score 0		Financial Score 1
Business lead / sponsor:	Nicola Curley				
Document prepared by:	Fiona Van den Hout				
Financial Summary:	£150k permanent saving				
Financials signed off by:	Jenny Dowling				
Date:	25/10/2022		**Version**		1.0

1. Driver / reason for the activity

The Local Authority has continued to see a reduction in care proceedings following the 2019 restructure and implementation of the Family Safeguarding model. Whilst this reduction is primarily responsible for the continued underspend in the budget related to the payment of allowances, the Local Authority has also introduced a Special Guardianship Allowance Policy which applies clear parameters regarding the length of, as well as the amount of, post order financial contributions the Council will pay to Special Guardians in line with the Special Guardianship Regulations. As part of implementing its policy, the Council also adopted the Department for Education (DfE) financial means test tool in April 2022, which is used to calculate annually reviewed allowances, which has also resulted in a reduction of expenditure.

The service is set to deliver the savings required for 2022 – 23 (250k) and proposes that a further saving of £150k for 2023-24 is achievable with minimal risk to the budget and no risk to users of the service.

2. Proposed activity or intervention(s)

This is a demand-led budget; underspends have arisen because we have been successful in reducing the number of children coming into care following the extensive restructure of the service in 2018/19. This reduction has continued through the use of our Family Safeguarding model (launched in March 2020), which enables more children to safely remain in the care of their birth parents.

The reduction in the numbers of children subject to care proceedings is expected to be permanent. Should this not be the case, the number of Special Guardianship Order arrangements would be likely to increase, placing pressure on the associated allowance budgets. In addition, the current Independent Review of Children's Services (https://childrenssocialcare.blog.gov.uk/category/independent-review-of-childrens-social-care) and the Kinship Care Bill currently in its second reading in the House of Commons, has raised the profile of Kinship Care (which includes Special Guardianship carers) and recognises such arrangements as good outcomes for children. Both recommend that these arrangements require a greater level of support, including financial, which may place pressure on allowances budgets in the future.

The Family Safeguarding approach involves the secondment of adult-facing practitioners into the children's social work teams who work with children in need and children in need of protection. These adult-facing practitioners work with the parents to enable them to address the issues that they are facing, and which are impacting on their ability to provide safe, stable, and loving homes.

Our statutory duties include providing services and support to families to reduce the likelihood of children needing to come into care. The evidence base for the effectiveness of the Family Safeguarding model has grown since it was initially developed in Hertfordshire in 2016/17, and then piloted in four other local authorities including Peterborough.

Special Guardianship Order arrangements where carers are entitled to a financial allowance almost always arise as a result of care proceedings; the reduction in care proceedings is the primary reason for the reduced demand on the Special Guardianship Order allowance budget.

Similar reductions have been seen across many of our statistical local authority neighbours.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

Special Guardianship Order allowance budgets are demand-led, and payments of allowances are dictated by statutory guidance. There is no discretion in relation to who does or does not qualify for a Special Guardianship Order allowance.

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			**-150**				
Income							
Investment							
Pressure							
Total			**-150**				

Activity Title:	Children in Care Placements		
BP Reference No:	A/R.6.255		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 4
Business lead / sponsor:	Nicola Curley		
Document prepared by:	Helene Carr – Head of Service Children's Commissioning		
Financial Summary:	£1,000k permanent saving		
Financials signed off by:	Martin Wade		
Date:	24/10/2022	**Version**	1.0

1. Driver / reason for the activity

Placement budgets for meeting the cost of externally provided placements for children and young people in care are adjusted annually to allow for both demand growth and the impact of inflation. These changes are built into the budget. After taking these changes into account, it is possible to deliver a saving of £1m.

2. Proposed activity or intervention(s)

Children and young people in care access a variety of different types of care placements according to their assessed needs and their age. These placements include:

- In-house foster care;
- Kinship care, where children in care are placed with relatives or others who know the child well, who are approved as foster carers for the specific child or children only;
- Foster care provided by an Independent Fostering Agency;
- Residential care;
- Supported accommodation, which is available for young people aged 16 and 17.

In line with current trends, we have re-baselined the budgets associated with all placements for children and young people in care, while modelling the likely demand for placements over the next financial year. Allowing for some headroom for continued increases in unit placement costs in 2023/4, this work indicates the continued slow reduction in overall numbers and the impact of greater placement stability over the current financial year.

Plans for 2023/4 include:

- the launch of the Residential Services Strategy aimed at increasing in area provision and opportunities for local authority owned provision;
- the full implementation of the Gateway to Fostering pilot aimed at securing move on foster placements for children and young people identified through the care planning process as being ready to move on from residential provision; and
- the High Acuity pilot, supported through the Dynamic Purchasing System, where foster care providers will bid to offer high needs foster placements supported by local authority resources [e.g., the Clinical Offer, support via the Intensive Therapeutic Short Break offer etc], when the local authority has no readily available options locally or nationally and supports avoiding spot purchasing bespoke high-cost unregistered placements.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

There is no change to service delivery and children and young people in care will continue to be placed in placements that are in line with their age and assessed needs.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			**-1,000**				
Income							
Investment							
Pressure							
Total			**-1,000**				

Activity Title:	Teachers Pensions		
BP Reference No:	A/R.6.253		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1
Business lead / sponsor:	Jonathan Lewis Service Director – Education		
Document prepared by:	Kerry Newson		
Financial Summary:	£150k permanent saving		
Financials signed off by:	Martin Wade		
Date:	01/11/2022	**Version**	1

1. Driver / reason for the activity

CCC (Cambridgeshire County Council) has been responsible for historical pension costs for teachers that were employed by CCC and retired pre-1998.

Over the years the number of individuals, or their widow in receipt of pension payments, has reduced resulting in a £150,000 saving.

Teachers' pensions are however increased in line with CPI inflation every April, based on the CPI rate for the previous September. The savings found will partly offset the expected CPI inflation requirement of 10.1% for 2023/24.

2. Proposed activity or intervention(s)

There are no interventions that can be undertaken by CCC to impact on the drivers in section 1.

4. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? N/A

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

An EqIA is not required for this business case as there are no changes taking place. Confirmation of statutory responsibilities to pay teacher pension costs.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			-150				
Income							
Investment							
Pressure							
Total			-150				

Activity Title:	Children's Residential short breaks - Harmonisation of terms and conditions and in-year pressures		
BP Reference no:	A/R.4.024		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social score 0	Environment score 0	Financial score -2
Business lead / sponsor:	Sasha Long, Head of Service, and Tracy Gurney, Assistant Director.		
Document prepared by:	Sasha Long; Head of Service.		
Financial summary:	£311k of permanent investment		
Financial signed off by:	Martin Wade		
Date:	28/06/22	Version	1

1. Driver / reason for the activity

Cambridgeshire County Council (CCC) offers a range of short breaks services for disabled children and young people with complex needs, which includes the delivery of residential overnight short breaks through three Ofsted registered children's homes across Cambridgeshire: Haviland Way (delivering shared care and short breaks), Woodland Lodge (delivering full time care, shared care and short breaks), and London Road (delivering full time care and shared care). These services provide essential short breaks to parent carers of disabled children and young people aged 8-18 years who would otherwise be at significant risk of family breakdown or placement in an out-of-county residential setting. These essential short breaks enable the parent carers to retain their resilience, alleviate their exhaustion and to be supported to keep the children and young people living at home as long as possible. In addition to this, the short breaks provide the children and young people with the opportunity to develop their independence, promote and support their physical and emotional health, build relationships and enjoy new experiences.

The three residential children's homes were previously commissioned via a block contract with an external provider. However, there were a range of issues in relation to this arrangement, including the lack of choice for families and the need for the council to have more flexibility with the budget moving forwards to enable dynamic service delivery changes. Following extensive public consultation, the decision was made to bring these services in-house in September 2020. This proposal was heard at the Children and Young People Committee (Jan 2020 and July 2020) who approved the plan, followed by the Commercial and Investments Committee (September 2020).

Despite the many benefits of this move, it was acknowledged from the offset that the in-sourcing would present significant financial challenges, as acknowledged within the committee business case. The contract, with a value of £2,473,525, had been awarded in October 2015 for four years and it was acknowledged the service would cost the same, if not more, to provide in-house. Through the in-sourcing process, additional cost pressures were identified in relation to the significant cost to the service from LGPS pension contributions once staff transferred (TUPEd) over to CCC, and property costs required in order to bring the buildings up to standard. A cost pressure was therefore acknowledged in advance of the decision to bring these services in-house, with the business case to the committees consistently forecasting an anticipated £300,000 business pressure.

The service was originally directed not to harmonise the staff pay (and on-costs) as this would not be cost effective, so the original budget was based on maintaining all staff wages at their previous pay scales / TUPE costs. However, following the TUPE of staff to CCC, some staff immediately opted to resign from their posts and to re-apply for vacant posts as these posts offered better rates of pay and terms and conditions. This created an increased staffing cost in the initial year of service delivery, and also entitled these staff to pay enhancements that were not relevant when the staff were employed by the external provider. This resulted in the total cost pressure of £400,000 for the financial year 2021/22 (which included the originally forecasted £300K business pressure). This was covered in the 2021 business planning (BP Reference: A/R.4.039.)

Since then, more staff have opted to resign / re-apply to vacant posts, creating an ongoing in-year budget pressure. We have also recently received updated HR advice and significant challenge from the Union, both of whom are recommending full harmonisation of all staff.

2. Proposed activity or intervention(s)

To harmonise all of the remaining children's home staff onto CCC's terms and conditions, and pay enhancements (e.g., additional pay for night shifts, bank holidays etc.) This will result in a £253,993 in-year pressure (covering the cost to harmonise all remaining staff over to CCC pay / enhancements, plus the cost of budgeting for all existing vacancies to be covered by CCC costs), followed by a permanent investment of £311,280 per year, to enable all staff to remain on CCC terms, conditions and enhancements.

2.1. Why

The residential short breaks children's homes provide essential services to some of the most vulnerable disabled children and young people across Cambridgeshire. The homes provide a combination of short breaks, shared care and full-time care to children and young people aged 8-18 years, who would otherwise be at significant risk of family breakdown and potentially requiring placements in out-of-county provisions. The homes are open 365 days per year and are regulated by Ofsted. Maintaining a stable, skilled and experienced staffing team is essential to the ongoing running of the service and a mandatory part of the statutory regulations. Without this we would be unable to deliver care or to meet the needs of this vulnerable cohort of children, young people and families.

The issue of harmonisation has been raised via the Union and is supported by our Human Resources service. The vast majority of the staff are in support of being assimilated over to CCC terms and conditions as these are more favourable.

2.2. Impact of not doing

Business continuity / service delivery may be impacted: We need to establish a stable, skilled and experienced staffing team in order to be able to consistently deliver a high-quality service to the vulnerable disabled children and young people accessing short breaks, shared care and full-time care through these provisions. Without these children's homes being operational and consistently available, there is a considerable risk of an increased number of children and young people becoming Children in Care, and potentially needing externally commissioned out-of-county residential placements. Given the position of the local market currently and the increased competition amongst providers to recruit staff, there is a risk that if harmonisation is not offered, the staff could leave in favour of posts offering higher pay / enhancements.

Impact to children and young people's quality of life: We want to support these children and young people to thrive in their local communities, by enabling them to continue attending their local schools alongside their friends, maintaining strong family relationships and accessing their local health services. We strongly believe that disabled children and young people have a right to be accepted as an integral aspect of any local community, enhancing the community's inclusive sense of identity, providing a valuable contribution to community enterprises, and eventually joining the workforce.

Safeguarding impact: The three children's homes require a highly skilled staffing team who are experienced in safely managing challenging behaviour and can therefore protect the children, and those residents / staff around them, from injury. The service has seen a significant increase in the complexity of children and young people being referred to the provisions, and the majority of them require a 2:1 staffing ratio in order to keep everyone safe due to their extensive challenging behaviours. It is therefore essential that we have adequate staffing numbers to meet these needs, as well as the ability to retain experienced / skilled staff within the service.

Cost effective impact: The average placement cost for a single disabled child or young person with complex needs placed out-of-county is around £250,000 per year. We currently support 14 children at Haviland Way, two full-time / permanent children at London Road, and 21 children at Woodland Lodge.

Recruitment / Retention / Staff wellbeing impact: For staff to feel valued and that their hard work is recognised, we need to be able to offer a fair, commensurate pay scale. At present, new starters (automatically placed on CCC contracts) are paid at a higher level than the TUPE staff, with additional benefits such as the enhancements making their terms and conditions considerably more attractive. This does not support staff retention and does not encourage staff to invest in their roles / the delivery of the service.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

By agreeing this proposal, the council will be supporting essential services for children and young people with disabilities (and their families) and enabling them to access their community / maintain their right to family life by supporting them to remain residing in their local areas.

Not to carry out / allow other specified kinds of discrimination against these groups, including discrimination by association and failing to make reasonable adjustments for disabled people - Without agreeing this proposal, there is a considerable risk to the council's ability to continue delivering these essential services, as our staffing levels may reduce to such an extent that it is no longer safe or feasible for the service to remain open. This would negatively impact against the children, young people and families who rely on this essential support.

Advance equality of opportunity between people who share a protected characteristic and those who do not - This proposal will allow equality of pay to staff working within the care sector.

Foster good relations between people who share a protected characteristic and those who do not - This proposal will allow staff to feel as though their hard work is recognised and they are receiving the same pay and benefits as new members of staff who are automatically inducted on CCC terms and conditions.

Positive impact from being able to continue delivering an essential respite service to disabled children, young people and their families. Offering all staff members the opportunity to be harmonised to CCC terms and conditions, resulting in pay equality, access to enhancements, and recognition of their skills / experience.

The only negative impact related to this proposal is the cost to the council to harmonise all staff. However, by enabling these essential services to remain fully staffed and operational, the council will support the prevention of family breakdown and avoid the costs associated with children and young people being placed out of county. This is an investment in an essential service which will support staff recruitment and retention. By enabling these services to continue functioning, the

council will support children and young people to continue residing within their local areas / with their families and avoid the need for more costly out-of-county placements.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment	Permanent		311				
Pressure	One off	254					
Total		254	311				

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? Without this pressure funding, there will be a £253,993 pressure at the end of the current financial year.
What financial mitigations have been considered? We have: • Reviewed the staffing structure across the children's homes, making efficiencies where possible, and restructured the business support model. This has achieved savings of £84,698 which have been taken into account when calculating the remaining pressure, above. • Considered reducing the number of available beds in each of the children's homes, therefore reducing the number of staff required. However, this would have a significant impact upon families, would risk family breakdown / children having to move to out-of-county placements and would be in breach of their human rights to family life. • Considered moving to an alternative service delivery model, where we replace the residential overnight short breaks with alternative overnight options (such as Direct Payments where a PA supports the child within their own home.) However, the unprecedented impact of the COVID-19 pandemic and Brexit have significantly depleted the PA workforce and whilst this is a model that we hope to be able to move towards in the future, this is not a realistic option at the current time.

• Considered not harmonising all staff and to keep them on their existing terms and conditions. However, in addition to the impact upon staff retention and recruitment (as outlined above), the staff have demonstrated that they are willing to resign from their existing roles and to re-apply for resultant vacancies offering the more attractive CCC terms and conditions. In not harmonising all staff, we are creating additional work for the council through greater recruitment activity and in any case are not achieving any savings in the longer term (as staff will move over regardless and the financial impact of this would still need to be met).
What other funding sources have been explored? We explored the option of using vacancy savings from across Children’s Services as a potential alternative funding source. However, once the recruitment of social workers improves, this will not be a stable source of funding going forward.
Could you meet the costs from your own budget? No. The original budget was built on the understanding that we would not be harmonising all staff over to CCC terms, conditions and enhancements. This new direction has caused additional pressures which cannot be met within the existing budget.