

## Summary of Budget Pressures

## APPENDIX A

	2021/22	2022/23	2023/24	TOTAL
	£000	£000	£000	£000
<b>Children &amp; Young People</b>				
Non Looked After Children Placements	135	148	148	431
Demographic Pressures - Edn, Health & Care Plans (ICDS)	127	127	127	381
Growth in External Placements for LAC	6,405	6,300	6,300	19,005
Social work assessments of 16/17 year olds presenting as homeless	100	(100)	-	-
Early Help/Family Services	-	1,200	(600)	600
School Improvement Traded Service	390	-	51	441
Education Psychology Service	114	403	323	840
You Know Your Mind	102	-	-	102
Supported accommodation for young people	-	350	-	350
Information and Systems Capacity	125	-	-	125
Personal Care budget pressure	100	-	-	100
Social Work Staffing - Apprenticeships	150	10	10	170
Looked After Children's Services	326	(12)	-	314
<b>Subtotal Children &amp; Young People Pressures</b>	<b>8,074</b>	<b>8,426</b>	<b>6,359</b>	<b>22,859</b>
<b>Adult Social Care &amp; Public Health</b>				
Care Package Demand for Adults Aged 18-64 Years	3,078	1,435	1,346	5,859
Care Package Demand for Adults Aged 65 and Over	1,100	1,110	1,270	3,480
Increased Approved Mental Health Practitioner (AMHP)	272	-	-	272
<b>Subtotal Adult Social Care &amp; Public Health Pressures</b>	<b>4,450</b>	<b>2,545</b>	<b>2,616</b>	<b>9,611</b>
<b>Communities &amp; Place</b>				
SEND Transport Growth	850	950	950	2,750
Waste PFI Contract Growth	500	75	75	650
COVID related SEND Transport costs	100	-	(100)	-
COVID related Hts and Post 16 Transport costs	500	-	(500)	-
Loss of Income within Highways and Transport Division	325	-	(325)	-
<b>Subtotal Communities &amp; Place Pressures</b>	<b>2,275</b>	<b>1,025</b>	<b>100</b>	<b>3,400</b>
<b>Policy</b>				
Vacant and Surplus Property	350	-	-	350
<b>Subtotal Policy Pressures</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>350</b>
<b>Personnel</b>				
CSC - Resourcing of ongoing COVID-19 work	300	-	-	300
<b>Subtotal Personnel Pressures</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>300</b>
<b>Total Pressures</b>	<b>15,449</b>	<b>11,996</b>	<b>9,075</b>	<b>36,520</b>
<b>Children &amp; Young People</b>				
National Living Wage - External	89	100	87	276
Basic Fostering Allowance	65	70	72	207
Contract Cost Inflation	1,206	1,243	1,280	3,729
<b>Subtotal Children &amp; Young People Inflation</b>	<b>1,360</b>	<b>1,413</b>	<b>1,439</b>	<b>4,212</b>
<b>Adult Social Care &amp; Public Health</b>				
Fair Price for Care	625	1,000	1,000	2,625
National Living Wage - External	9,806	11,689	10,971	32,466
<b>Subtotal Adult Social Care &amp; Public Health Inflation</b>	<b>10,431</b>	<b>12,689</b>	<b>11,971</b>	<b>35,091</b>
<b>Policy</b>				
Schools PFI Inflation	115	115	115	345
<b>Subtotal Policy Inflation</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>345</b>
<b>Communities &amp; Place</b>				
Concessionary Travel	-	100	200	300
Local Bus & Home to School Contracts	50	50	50	150
SEND Transport Inflation	100	100	100	300
Highways Energy	-	248	248	496
Waste PFI Contract Inflation	1,330	1,130	1,130	3,590
Contract Cost Inflation	644	648	650	1,942
<b>Subtotal Communities &amp; Place Inflation</b>	<b>2,124</b>	<b>2,276</b>	<b>2,378</b>	<b>6,778</b>
<b>Total Inflation</b>	<b>14,030</b>	<b>16,493</b>	<b>15,903</b>	<b>46,426</b>
<b>Total Pressures &amp; Inflation</b>	<b>29,479</b>	<b>28,489</b>	<b>24,978</b>	<b>82,946</b>

### **Summary of Budget Pressures**

#### **Children and Young People Department**

##### **Non-Looked After Children Placements**

As more young people have come into care, Nottinghamshire has seen an increase in the number of young people subsequently becoming being cared for by family members through a legal order such as Special Guardianship (SGO) or Child Arrangement Order (CAO). The local authority can provide ongoing financial support to people who take on long-term care of young people in these circumstances if it is a direct alternative to the child remaining Looked After. Special Guardianship finance is means tested and is significantly more cost effective than a young person remaining in care. Without this model, the number of young people in care would be significantly higher, which would increase both residential placement and agency staff costs to meet increased demand. It is also the best outcome for those young people when they cannot return home to live with their parents. As a result, an unprecedented number of young people have safely exited the care system and has presented a budget pressure for the resultant placement costs.

There are a small number of adoption placements which also receive ongoing financial support. These are generally in relation to children who are deemed hard to place and would remain Looked After if this finance was not available.

There are regulations surrounding these placements and its financial support.

- Special Guardianship Regulations 2005
- Children's Act 1989 Sections 8 to 15 and Schedule 1
- Adoption Support Services Regulations 2005

Current case law states that the allowances should be based on Fostering allowances. The authority uses the NCC minimum fostering allowance which is equivalent to the National Minimum Fostering Allowances set by Central Government

The regulations require the authority to support these placements until the young person is 18 years old or leaves full time education and is a long term financial commitment.

The main pressure is in the growth of Special Guardianship Orders and this can be seen from the graph on the analysis provided.

This pressure has been highlighted in previous years and budget pressures included within the MTFS.

The projected budget pressure is less than contained within the MTFS due to the reduction of Adoption Financial Support (AFS) placements decreasing by 16 and Child Arrangement Orders decreasing by 10 between April 2019 and March 2020. The previous assumption was that AFS and CAO would remain constant and the budget would overspend by £313,051 (actual overspend £192,642). Special Guardianship Order placements increased by 37 last financial year and continue to grow at 3 per month.

### Demographic Pressures

This is an activity pressure that relates to the local authority's duty under the Children and Families Act 2014 in respect of children, young people and young adults with special educational needs and/or disabilities.

Specifically, the pressure relates to the trends in the population size (9.8%) who are likely to require an Education, Health and Care assessment and plan every year over the financial period 2021 – 2023.

### Social Work Assessments of 16/17 year olds presenting as homeless

This is an activity pressure brought about by the recognition that we are not fully compliant with the statutory responsibility placed upon us by the April 2018 statutory guidance '*Prevention of homelessness and provision of accommodation for 16 and 17 year old young people who may be homeless and/or require accommodation*'.

In relation to the assessment of 16/17 year olds presenting as homeless, the statutory guidance stipulates:

*S3.2 if there is an imminent threat of homelessness or if the young person is actually homeless, a child in need assessment must be carried out and the child accommodated under section 20 [of the Children Act 1989].*

*3.32 Within one working day of a referral being received, **a local authority social worker** should make a decision about the type of response that is required*

*3.20 At the point when the need for an assessment under the 1989 Act is identified for either a young homeless person, or a young person threatened with homelessness, it will be necessary for **the social worker leading the assessment** to inform the young person and their family of the action to be taken.*

Where a 16/17-year-old presents as homeless in Nottinghamshire, 'child in need' assessments are completed by Youth Justice and Family Service Rapid Assessment Workers, who do not hold a social work qualification. As a result, the local authority would be open to challenge where child in need assessments are done by anyone other than a social worker, in circumstances where the young person is not accommodated; or where the young person is accommodated but not considered a child and need/does not become Looked After.

In order to comply with statutory guidance, it is therefore necessary to ensure there is sufficient social work capacity to complete the child in need assessments of homeless 16/17 year olds, previously undertaken by non-qualified staff. This capacity would need to be developed within the Assessment Service.

The Assessment Service has seen a significant increase in caseloads in recent months; in January-February 2020 (prior to national lockdown measures), the Assessment Service were reaching a critical point with average caseloads around 26 – 32 – the local aim for the Assessment Service is caseloads of no more than 15

Placing additional assessment duties on an already-pressured service would therefore not be sustainable without securing additional social work capacity.

In addition, there has been a continued increase in the complexity and volume of cases received into the MASH, which are then progressed to the Assessment Service. The MASH have seen an increase in establishment in Social Workers/Team Managers to address this demand, which is not reflected in the Assessment Service, which is directly receiving this work. The Assessment Service also have a higher proportion of ASYE's each year in comparison to other service areas - which accounts for over 50% of the total workforce across North and South. This obviously impacts on the level of experience within the service.

### **Early Help / Family Services**

This budget pressure is brought about by the uncertainty surrounding the Troubled Families programme which, through a combination of grant funding and Payment by Results (PBR) claims, historically contributes £2.2 million of the £5.9 million Family Service budget. It is assumed that grant funding for this work ceases at the end 2020/21.

### **School Improvement Traded Services**

The traded service of the School Improvement Service has not been able to achieve ambitious income targets due to the change in the education landscape which has created an underlying structural deficit further exacerbated by the impact of the current pandemic.

### **Education Psychology Service**

The Education Psychology budget funds 20.3 fte posts and continued funding for this service will require careful consideration. Already £225k of the Service's costs have been allocated to the High Needs Budget. However, this service provides assessments in relation to assessments for EHC plans and a reduction in the current service would inevitably negatively impact on the timelines and ability of the LA to complete its statutory duties in required timescales. A worst case scenario would be that the Council would become dependent on agency Ed Psychs with a current daily rate of £700. The additional cost risks to the Council are considerable.

### **You Know Your Mind**

This pressure has been calculated following the termination of funding from NHS England and local health partners from 31 July 2020, to deliver personal health budgets for children looked after (CLA) and care leavers with unmet mental health needs.

Known locally as 'You Know Your Mind' (YKYM), the project utilises a strengths-based practice approach to support vulnerable young people who are experiencing poor or deteriorating mental health.

### **Supported Accommodation for Young People**

This is both a cost pressure and activity pressure brought about by an increase in the number of requests for more costly high needs DPS placements and the existing main supported accommodation provision coming to an end in July 2022. It is recognised that the existing contracts offer incredibly good value for money, and it will not be possible to replace these contracts without additional investment.

### **Information and Systems Capacity**

The Information and Systems Service was established in April 2015 following a restructure and budget reduction. Since the establishment of the team there have been further budget reductions but an increase in demand for the services the team offers. The Service is an integral part of the department, maintaining, supporting and developing all departmental systems, including Mosaic and Capita One, required for front line practitioners to undertake their role effectively.

Temporary grant funding and project funding have allowed the team to fulfil its remit over recent years, but permanent funding is requested to ensure the continuation of a service with increasing demand.

### **Personal Care Budget Pressure**

This is an activity pressure based on the increased volume of personal care packages for children and young people with the most complex health and personal care needs that cannot be met by the in-house service and thus are required to be commissioned via external providers and Direct Payments. A number of these packages are health-led by nursing colleagues from the Nottingham and Nottinghamshire, Bassetlaw and Doncaster CCG's where the County Council have limited control over the provision identified.

### **Social Work Staffing – Apprenticeships**

The budget pressure is for funding to introduce a Social Work Apprenticeship programme within Children's social work services so that there is sufficient workforce capacity to meet the increased demands, ensure manageable caseloads, and to address challenges around recruitment and succession planning. These posts will provide career progression opportunities for non-Social Work qualified staff and add additional non-Social Work qualified worker capacity to support children and families. The social work apprenticeship will last for 3 years and is expected to be a rolling programme once established. Training costs for the apprenticeships will be met through the apprenticeship levy.

### **Looked After Children Services**

This is an activity pressure. The budget pressure has been caused by upward pressure on social work services in Children's Social Care due to the increase in the number of children in care receiving statutory social work support from the looked after service, the increase in the number of children with complex needs requiring more intensive support and the number of children placed out of area and the associated travel implications. Some aspects of improvement work within the looked after service

are also becoming more difficult to do in a timely way due to capacity, such as life story work, which Ofsted identified as an area which could be improved.

### **Adult Social Care and Public Health**

#### **Care Package Demand for Adults Aged 18-64 Years**

Cost pressures are due to new people entering the system with significant needs due to:

- Increased focus on reducing hospital admissions and long stay for people with mental health conditions (particularly for those who also have learning disabilities or autism) meaning increased support for more complex people in the community.
- People living longer – this is true of the general population but particularly so for people with learning disabilities as the life expectancy gap between those with learning disabilities and the general population is narrowing. People with learning disabilities are still 2.5 times more likely to develop health related issues so care and support needs are more likely to increase over time. This gives rise to our predicted needs list as we identify people whose needs are likely to increase.
- Better healthcare in childhood means people with complex physical and learning disabilities are more likely to live into adulthood and while increased numbers of people with profound disabilities are small, the individual costs can be very high. This impacts on those coming from children's services into adults (transitions)
- Changes in the national funding transfer arrangements and pressures on local Transforming Care Partnerships around funding for prevention services and alternatives to hospital have resulted in an increased pressure slipping into future years.

#### **Care Package Demand for Adults Aged 65 and Over**

The budget pressure is due to increasing population numbers of Ageing Well adults being eligible for social care services, as well as the average size of the care packages required increasing. This is because more people are living longer with increasingly complex needs.

The national success story of improved technology and health interventions leading to people living longer resulting in an increasingly ageing population has been well documented. Our population is growing and more of us are living longer. This also means that patterns of needs are changing, and more people are living with needs that can be complex and expensive to meet. Deaths from cancer and heart disease are falling, but more people are experiencing chronic illness with 70% of the NHS budget being spent on long-term health conditions. Older people aged 75 years and over will have at least two such conditions ('co-morbidity'). The incidence of dementia and frailty in later life is rising. Increasingly, many more people will live for longer with a mixture of needs to do with physical health, mental health, and perhaps, difficulty in making decisions for ourselves. Across the country, Clinical Commissioning Groups are developing and implementing plans to support national objectives of speedier discharge from hospital and to support more people with complex needs for longer in their own homes, rather than in acute or institutional health services. This equates to potential increased demand for either short or longer term social care, which is not

being recognised and addressed in sustainable national funding settlements to social care.

### **Increased Approved Mental Health Practitioner**

The Council has a statutory duty to carry out assessments under the Mental Health Act 1983 (revised 2007).

Current service provision is comprised of the Approved Mental Health Act Practitioner (AMHP) Team providing a service during office hours and the Emergency Duty Team (EDT) covering all other periods outside of office hours, including weekends and bank holidays.

This system, whilst designed to cover a 24/7 period, is not providing a consistent Approved Mental Health Act Practitioner (AMHP) service out of hours. The current arrangement facilitates assessments in emergencies only, placing significant pressure on the wider health and social care system, including partner agencies such as police and ambulance services.

More importantly, the current arrangement is unable to consistently provide a timely response to vulnerable and unwell individuals in difficult and risky situations and this disjoint between the two areas of AMHP provision has been highlighted regularly by partner agencies.

The fragmented nature of the current AMHP response creates a difficult citizen journey which could be mitigated through the development of 24-hour provision in a single service. At present, work is transferred between different workers and teams, a situation that is compounded by waits for beds, conveyance, or police attendance which leads to work spanning multiple days. Similar delays in coordinating resources, or in the case of EDT, the natural need to prioritise other work, can lead to long delays until assessments can take place. This conflicts with commitment 9 of the Council's plan relating to people receiving support at the right time.

Under the current system the EDT and daytime AMHP's are line managed by Children's and Adults services respectively. However, AMHP's in both teams are responsible for the same task and have the same system for both training and re-approval. Apart from professional supervision, Adults services have little oversight of the work of the EDT AMHP's. For instance, there is a deficit in the ability to observe practice as part of the re-approval process, the EDT AMHP's rely on non-AMHP management which can lead to unlawful decision making in relation to the Mental Health Act and escalation processes not being known or followed.

The provision of a single 24-hour service would continue the process of health and safety that is much more robust within the current AMHP team, particularly in the field of lone working. With an identified experienced AMHP triage manager on each shift there would be an ability to directly signpost work when appropriate. In addition to this, they would be able to monitor and support the progress of the practising lone-working AMHP, which is not as robust in an EDT setting out of hours.

## **Communities and Place**

### **SEND Transport Growth**

This cost pressure deals with the growth in the number of students being transported from home to school until the academic year in which they reach 25 years old.

### **Waste PFI Contract Growth and inflation**

The budget pressures for both inflation and growth have increased due to Covid-19. Waste growth in the first quarter of 2020/21 is currently between 5-10% increase due to lockdown, furlough, suspension of WCA collection services e.g. green waste and bulky waste collections, which meant that some cheaper treatment waste streams were diverted by residents into more expensive residual treatments.

Therefore, it is expected that there will be significant growth in 20/21 which may continue due to more homebased working creating more waste in Households rather than businesses, consequently the PFI affordability model has been updated to allow for waste growth increases at a higher rate until 22/23 when tonnages will hopefully stabilise and the usual modelled growth increases will return.

### **COVID 19 related SEND costs**

There are likely to be short-term (2-years) additional costs relating to SEND transport which will be incurred post COVID 19 and an additional budget pressure for the financial years 2021/22 and 2022/23 will be required. This will be for additional vehicles which are required to ensure that pupils from different schools are not travelling on the same vehicle, i.e. primary and secondary school pupils – which will allow social distancing.

It is widely expected that the volume of pupils requiring SEND transport will increase during the 5-year period from 18/19 to 22/23. Adjustments have been made to the MTFS to accommodate these additional requirements for inflationary and growth pressures.

### **COVID 19 Related Home to School and Post 16 Transport Costs**

There are likely to be short-term (2-years) additional costs relating to mainstream Home to School and Post-16 transport which will be incurred post COVID 19 and an additional budget pressure for the financial years 2021/22 and 2022/23 will be required. This will be for around 18 additional vehicles which are required to ensure that pupils from different schools are not on the same vehicle, i.e. primary and secondary school pupils – which will allow travelling in social distanced “in-year bubbles”.

### **Loss of Income from within Highways and Transport Division**

This is a new budget pressure, reflecting the short-term loss of income that will be borne by the Highways and Transport division due to effects of the COVID 19 pandemic as a result of a downturn in S39 / S278 income, reduced Rights of Way search income and reduced bus station departure charges.



### **Policy Committee**

#### **Vacant and Surplus Property**

The Council has a large property ownership including significant tracts of land and numerous buildings which are vacant and require stewardship. In the case of the buildings, due to past fires, the standard of security is at a high level to meet insurance, health and safety and political requirements - which is a budget burden. These properties also incur empty rates or council tax charges and the closure of care homes over the past 18 months has added to this burden. In the past when a property is vacated by an NCC Service the budgets associated with running costs have been realised as a saving, without adequate transfer to Property to fund ongoing financial commitments to the Authority, albeit pending disposal in some cases.

### **Personnel Committee**

#### **Customer Service Centre- Resourcing of COVID19 Work**

The CSC budget has been overspent for the past 3 years. This is not through poor budget management but relates to increase in call volumes by 120% and reduction in overall budget by 50%. The number of call duration and the new services the CSC have been asked to support without any additional funding have also increased.

#### **Inflationary Pressures**

#### **Children and Young Peoples Committee**

#### **National Living Wage – External**

This is a cost pressure driven by the year-on-year increases in the National Living Wage (and National Minimum Wage) that is borne by a range of external providers and contract types. Whilst the rates have included slightly from those in the original pressure the amount required has reduced. External placements and supported accommodation service areas have now been excluded from the calculation as any cost increases are effectively covered by the separate contract cost inflation pressure.

#### **Basic Fostering Allowance**

This is an inflationary pressure relating to the annual inflationary increase applied to the basic fostering allowance. The local authority sets its basic fostering allowances in line with the recommended national fostering allowances which tend to be increased each year.

#### **Contract Cost Inflation**

This is a cost pressure due to the effects of inflation attaching to contracts with external providers for residential placements for Looked After Children (LAC), e.g. independent foster agencies and externally managed residential care homes, together with the complimentary contracts through which the Council commissions semi-independent / supported accommodation for older LAC and care leavers, homeless 16/17 year olds, and vulnerable 18-21 year olds for whom the Council is responsible.

**Adult Social Care and Public Health Committee****Fair Price for Care**

After a long period of no inflationary increases, the Council had to pay a large backdated increase to Older Adults Care homes when the new contract was let. As a result, the Council agreed to the request from the NCA executive that an inflation formula which takes in to account key elements of their costs, be agreed and included in their contracts from 2013. This resulted in the agreement to follow the Fair Price for Care inflation calculation.

**National Living Wage – External**

The National Living wage is increased each year, the current rate is £8.72. The office of budget responsibility (March 2020) have advised the following NLW rates:- April 2021 £9.20 (+5.5%), 2022 £9.77(+6.2%), 2023 £10.30 (+5.42%)

The increase in the NLW has only been applied to the employees' costs and the profit element, and has not included an increase for inflation on other overheads. This means that the % applied is diluted. The pressure below assumes that all employees are over 25 or paid at the over 25 rate.

The budget pressure takes into account the updated service user costing report (SUCR) and reflects the current volumes.

**Policy Committee****Schools PFI Inflation**

The contracts for Bassetlaw and East Leake PFI Schools are subject to a contractual term RPIX increase. The average OBR forecast of 3% was reduced to 2.5% based on lower inflation and the pressure above reflects this change.

**Communities and Place Committee****Concessionary Travel**

The pressure figures were reviewed and reduced in August 2020. The pressures were affected as a result of updated passenger numbers travelling on both tram and buses during the 2019/20 financial year and strong negotiation of arrangements for reimbursement in 2020/21 which has been used as the basis for Covid-19 reimbursement levels. The demographic changes in terms of number of pass holders, increase in life expectancy and fare increases as the industry recovers from Covid-19 are likely to increase costs during the above period, but it is anticipated that this projected increase can be contained within existing budgets.

**Local Bus and Home to School Contracts**

Over the last 5 years price increases on LBS have been marginal, meaning that budgets have remained stable and managed. However, there has been a substantial increase in Home to School pupil numbers along with pupils who have been excluded from their designated school and found an alternative educational establishment place. This has negated the need for a number of taxi contracts being procured where pupils cannot access services already being provided. There has also been increasing

numbers of pupils who have been transported to alternative schools as there was no places available at their catchment school – particularly in Rushcliffe.

### **SEND Transport Inflation**

This cost pressure deals with the annual inflation from retendering of services for SEND (Special Educational Needs & Disabilities); along with a growth pressure bid due to the increasing number of students being transported from home to school, until the academic year they reach 25 years old.

### **Highways Energy**

The budget pressure from 2022/23 relates to the inflation projections from EDF for the supply of Street Lighting and Traffic Signal energy consumption. The existing budget pressures are currently deemed sufficient for 20/21 and 21/22 based on the number of Kilowatt Hours from the half hour meters which represents 90% of the usage with the balance coming from non-half hour meters.

### **Contract Cost Inflation**

This cost pressure is the effect of material and staffing inflationary increases for the Alternative Service Delivery Models (ASDM) formed in 2016 and for country parks. The inflationary increase allows for annual increments to ensure service delivery of these three important areas in the medium term.

These ASDM's are under pressure to continue to deliver the required level of service and frequency, whilst controlling costs and producing service efficiencies.