

Richmond Constituency Committee

14 January 2019

Budget / MTFS

Gary Fielding

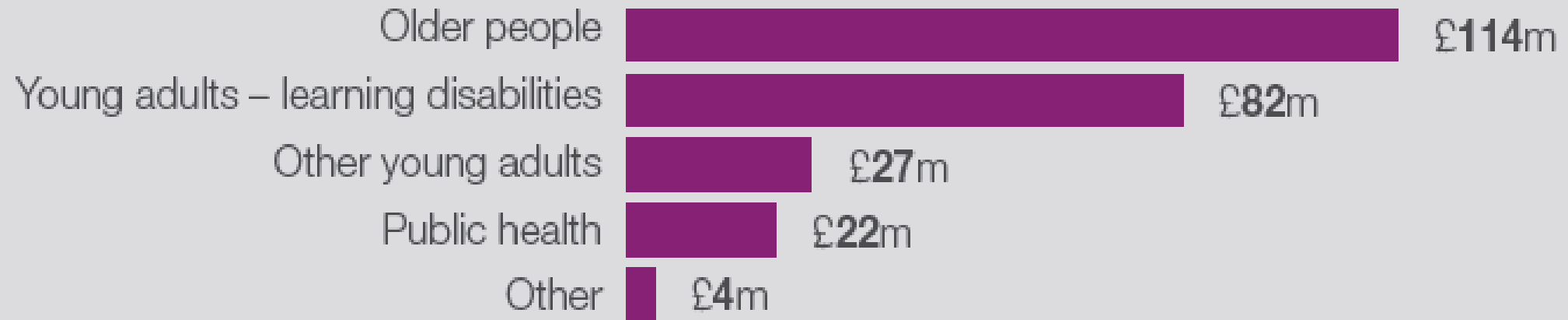
Corporate Director, Strategic Resources

Content

1. Run through our Budget and where money goes
2. Current Financial Challenges in 2018/19
3. Local Government Finance Settlement
4. 2019/20 Draft Budget / MTFS (inc Savings)
5. Richmond Constituency Committee – Service Perspectives?
6. Risks
7. Next Steps

What the money is spent on

Health and adult services



Children and young people's services



Business and environmental services



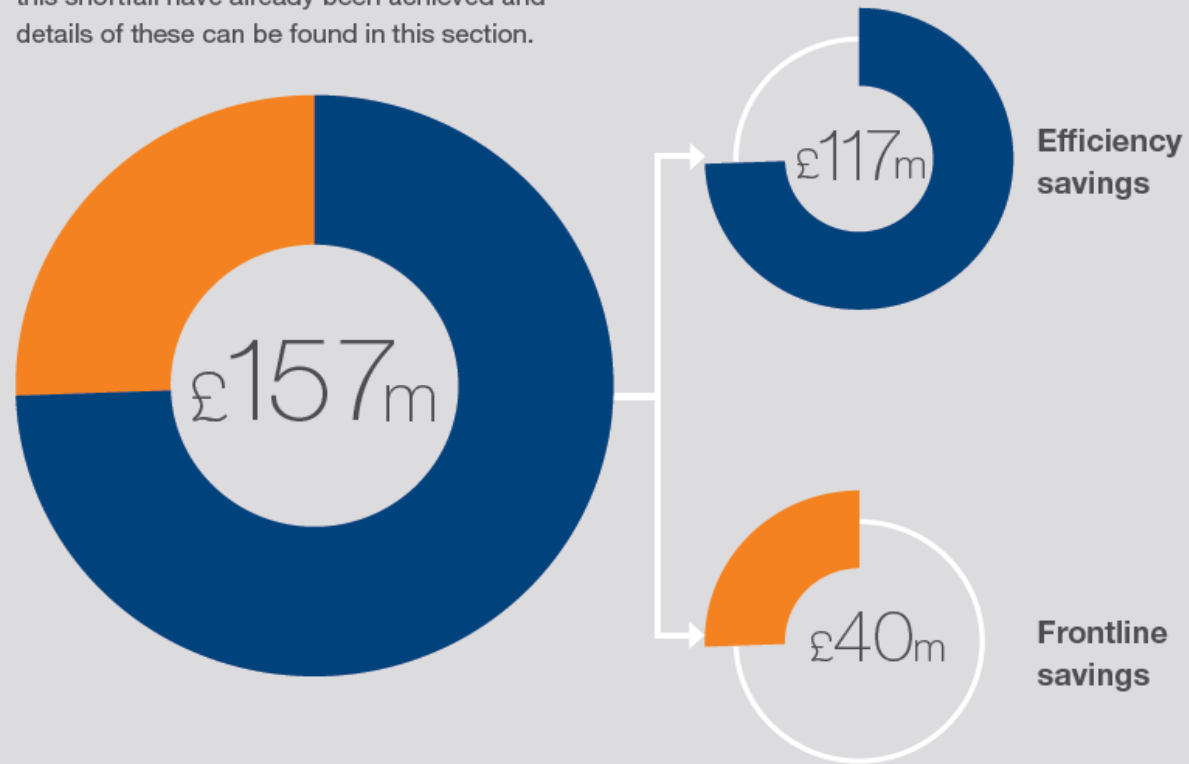
Other

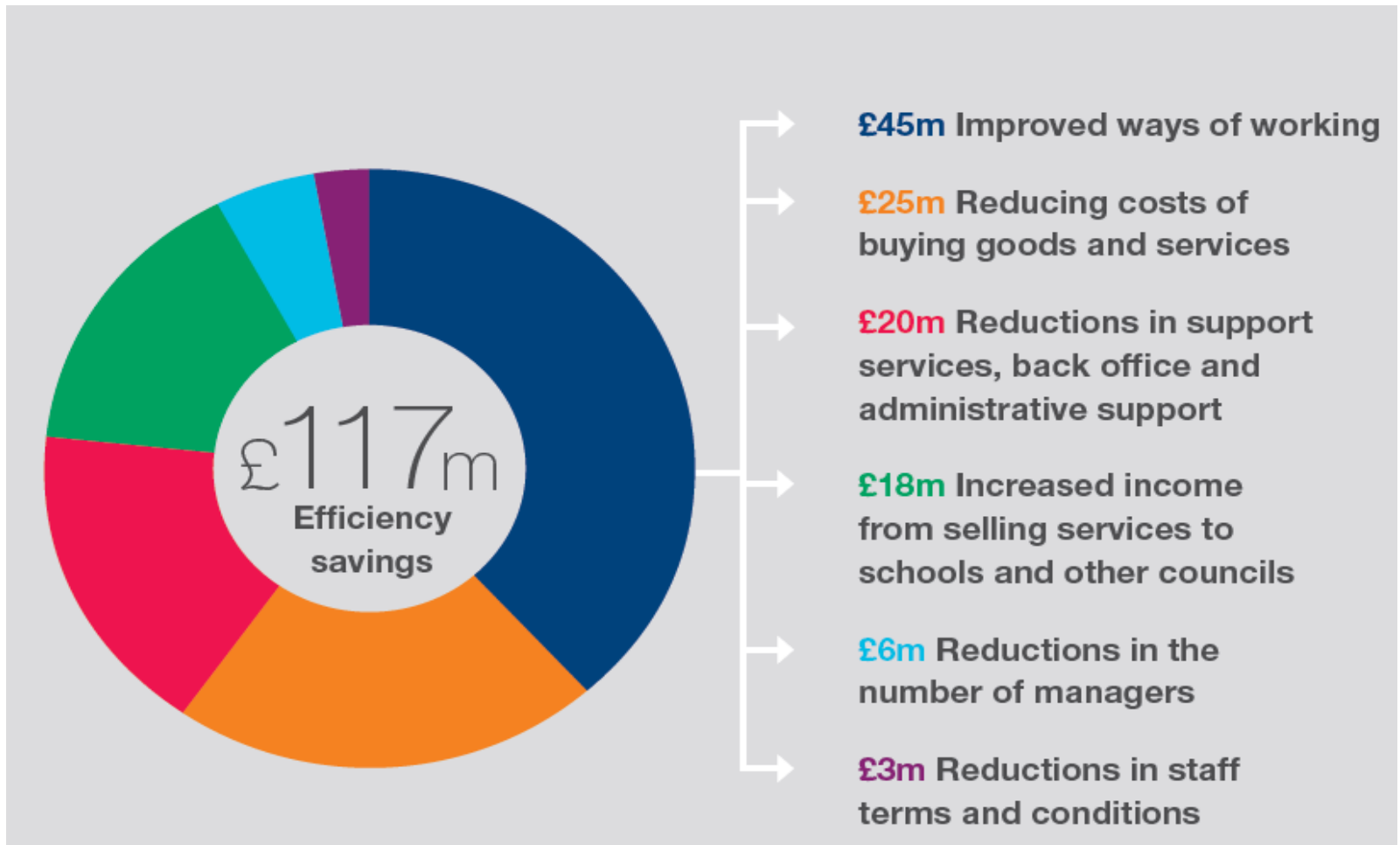
| | |
|-------------------------------------|------|
| Organisational support* | £42m |
| Capital financing | £24m |
| Customer and communities, libraries | £15m |
| Property costs | £13m |
| Other | £10m |

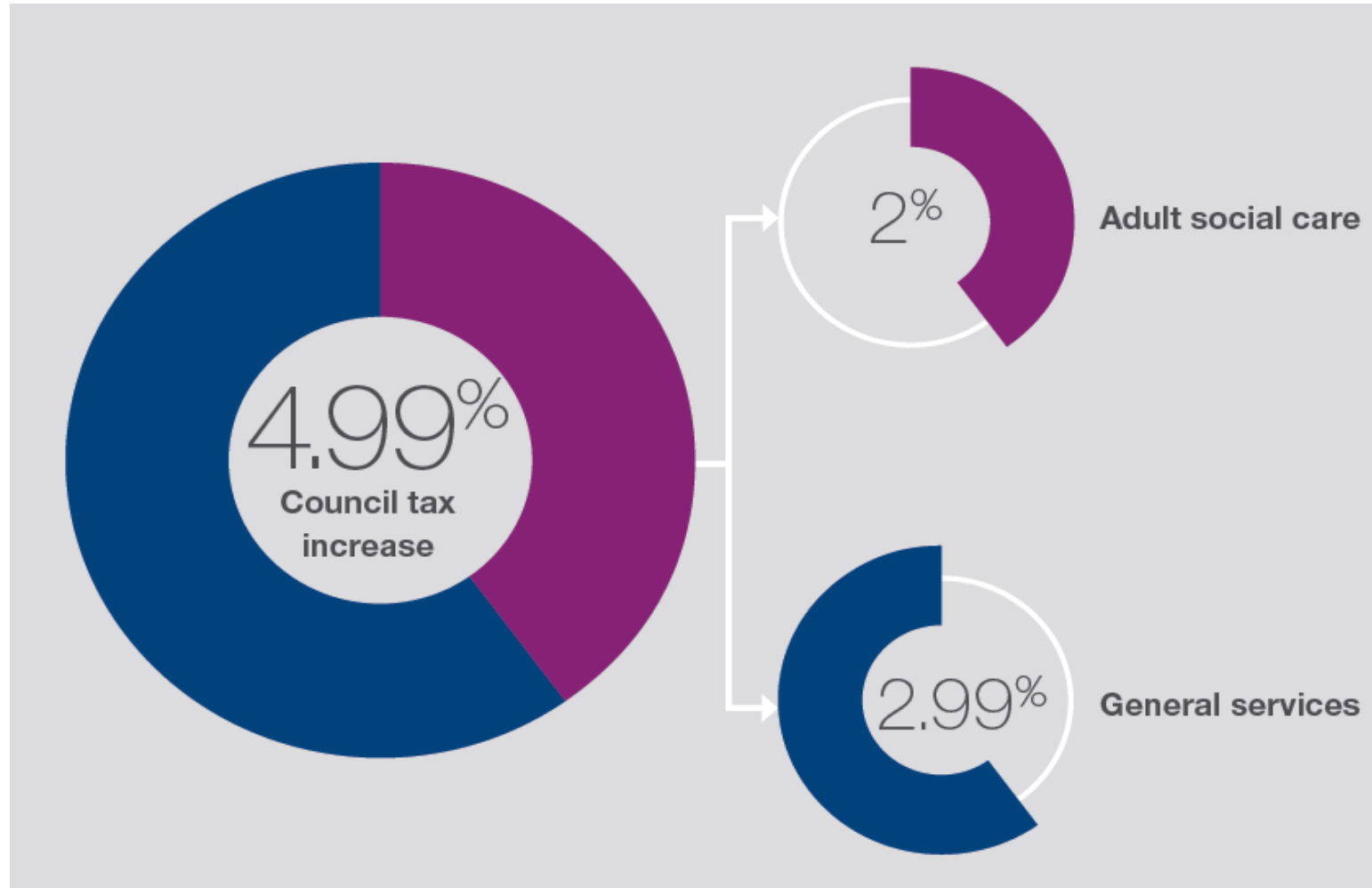
*Includes emergency planning, procurement, finance and back office.

Savings so far

In our original forecasts we projected a budget shortfall of £186m by the end of 2021/22. However this position has deteriorated by a further £11m, reflecting in particular the significant pressure on the budget for children's and young people's services. Savings of £157m to meet this shortfall have already been achieved and details of these can be found in this section.







How can I have my say?

We want your views on how we plan to manage our budget for 2019/20. Have your say and take part in our budget consultation at www.northyorks.gov.uk/budget

Complete the survey by **Monday 21st January** to make sure your views are considered by the council's executive when they meet on the **29th of January**. Responses received after this date will still be included and shared with full council when it meets on **Wednesday 20th February**.

If you can't access the survey online you can also talk to the council's customer service team on **01609 780780**.



Financial Challenges in 2018/19

Revenue Budget – Q2 Forecast

Initial Assessment of Spending on Operational Budgets:

| Directorate | Budget (£k) | Projected Outturn (£k) | Variance (£k) | Q1 Variance (£k) |
|----------------------------|----------------|------------------------|---------------|------------------|
| HAS Gross | 153,047 | 156,595 | +3,548 | +3,742 |
| iBCF Funding | | (3,548) | (3,548) | (3,742) |
| HAS Net | 153,047 | 153,047 | 0 | 0 |
| | | | | |
| BES | 80,731 | 79,583 | (1,148) | +50 |
| CYPS | 68,823 | 79,170 | +10,347 | +10,848 |
| Central Services | 56,501 | 56,119 | (382) | (7) |
| Corporate Miscellaneous | 8,819 | (78) | (8,897) | (8,585) |
| TOTAL | 367,921 | 367,841 | (80) | +2,306 |

- Financial pressures in HAS and CYPS
- Savings in BES & Corporate Miscellaneous some of which are of a one-off nature

Revenue Budget – Q2 Forecast

| Directorate | Service | Projection at Q2 | Projection at Q1 |
|-------------|------------------------------|------------------|------------------|
| CYPS | SEN Transport | +£2,350k | +£2,292k |
| CYPS | Children and Families | +£60k | +£350k |
| CYPS | Placements | +£170k | +£650k |
| CYPS | Disabled Children's Services | +£890k | +£682k |
| CYPS | Insurances | +£280k | +£280k |
| CYPS | School Improvement | +£32k | +£181k |
| CYPS | CYPS Pooled Budgets | +£750k | +£830k |
| CYPS | Inclusion | +£340k | +£154k |
| CYPS | Safeguarding Unit | +£110k | +£34k |
| DSG | Sponsored Academies | +£520k | +£520k |
| DSG | School Redundancies | +£530k | +£400k |
| DSG | Early Years | +£230k | +£450k |
| DSG | High Needs Commissioning | £4,050k | +£3,905k |

Revenue Budget – Q2 Forecast

Areas of significant variations contd.:

| Directorate | Service | Projection at Q2 | Projection at Q1 |
|-------------|-----------------------|------------------|------------------|
| HAS | Care & Support Budget | £4,300k | +£4,017k |

Savings in Corporate Miscellaneous

- £1m HAS Contingency (17/18 recurring)
- £1m HAS Contingency (18/19 one-off)
- £2.5m Corporate Contingency (recurring)
- £1.4m Inflation adjustment (recurring)
- £0.8m Waste Contingency (one off)
- £1.9m Business Rates and Grant Funding (one off)
- £0.7m Commercial Investments and Dividends on loans (one off)
- Offset by £0.7m anticipated cost on Broadband (one off)

North Yorkshire – Maintained School Revenue Balances

| Financial Year | Primary (incl. Nursery) | Secondary | Special (incl. PRS) | Total |
|----------------|-------------------------|-----------|---------------------|--------|
| | £'000 | £'000 | £'000 | £'000 |
| 2012/13 | 12,880 | 10,798 | 1,117 | 24,795 |
| 2013/14 | 14,945 | 12,258 | 1,755 | 28,958 |
| 2014/15 | 17,224 | 10,668 | 2,831 | 30,723 |
| 2015/16 | 19,099 | 10,346 | 3,905 | 33,350 |
| 2016/17 | 15,639 | 6,487 | 1,657 | 25,203 |
| 2017/18* | 11,620 | 3,589 | 2,701 | 17,910 |
| 2018/19** | 4,707 | -661 | 346 | 3,700 |

*2017/18 estimated revenue balance (subject to final confirmation)

**Reflect 2018/19 forecast in-year position as per 2017/18 Revised Budget submissions from LA maintained schools applied to 2017/18 estimated school revenue balances

Local Government Finance Settlement

Chancellor's Budget & Local Govt Finance Settlement

| | 18/19 £m | 19/20 £m | 20/21 £m | Recurring? £m |
|----------------------|-------------|-------------|-------------|------------------|
| Social Care | - | 4.1 | ? | ? |
| Winter Pressures | 2.4 | 2.4 | ? | ? |
| Negative RSG | - | 3.7 | ? | ? |
| Rural Services Grant | - | 1.6 | ? | ? |
| Highways | 13.6 | - | - | X |
| Business Rates | - | 1.0(E) | - | X |
| SEND | 1.2 | 1.2 | ? | ? |

So very welcome BUT temporary or on-going.....?

Other LG Settlement News

- North & West Yorkshire Business Rates Pilot (NYCC + all 7 DCs included)
- Fairer Funding Consultation
 - New approach (BUT weightings?)
 - Area cost adjustment (Rurality)
 - Only MHCLG (so not schools; SEND; Public Health etc.)
- Simplified Business Rates Consultation
- Provisional LG Finance Settlement – Technical Consultation

2019/20 Draft Budget & MTFS

Latest MTFS Summary Position 2019/20 – 2021/22

| 11/12 - 18/19 £ m | 19/20 £ m | 20/21 £ m | 21/22 £ m | Ongoing £ m |
|-------------------------|--------------|--------------|--------------|----------------|
|-------------------------|--------------|--------------|--------------|----------------|

| | | | | | |
|-------------------------------|--------------|-------------|------------|------------|--------------|
| Savings as at Feb 2018 | 157.4 | 20.7 | 0.4 | 7.6 | 186.0 |
| Demand Led Pressures | | 9.0 | 5.6 | 3.7 | 19.3 |
| Other Net Changes | | 1.4 | -2.0 | -1.6 | -2.2 |
| Funding Adjustments | | -11.1 | 5.5 | 0.0 | -5.6 |
| New Investments | | 1.0 | 0.0 | -1.0 | 0.0 |
| Savings as at Feb 2019 | 157.4 | 21.0 | 9.5 | 8.7 | 196.6 |

| | | | | | |
|---------------------|--|-------------|------------|------------|-------------|
| Directorate Savings | | 15.5 | 6.1 | 4.7 | 26.3 |
| Shortfall | | 5.5 | 3.4 | 4.0 | 12.9 |
| Total | | 21.0 | 9.5 | 8.7 | 39.2 |

| Budget Shortfall Funded by Reserves | | | | | |
|--|--|------------|------------|------------|-------------|
| <i>Investments (one-off)</i> | | 3.5 | -2.5 | -1.0 | 0.0 |
| <i>Underlying</i> | | 2.0 | 5.9 | 5.0 | 12.9 |
| Total | | 5.5 | 3.4 | 4.0 | 12.9 |

Additional Demand Pressures

CYPS

- SEN Transport £2.3m in 2019/20 and beyond
- High Needs £6m in 2019/20; further £3.6m in 20/21; further £2m in 21/22
- Schools in Financial Difficulty £1m in 2019/20 and beyond
- Social Worker case ratio £390k

HAS

- Demand of £3m in 19/20; further £2m in 20/21; further £2m in 21/22

Other

- Brexit provision of £3m in 2019/20; £1.5m in 2020/21; nil in 2021/22

Savings Proposals Summary over MTFS

| | 19/20 £ m | 20/21 £ m | 21/22 £ m | Ongoing £ m |
|--|--------------|--------------|--------------|----------------|
|--|--------------|--------------|--------------|----------------|

| Directorate Savings | | | | |
|----------------------------|-------------|------------|------------|-------------|
| CYPS | 2.9 | 1.1 | 1.2 | 5.2 |
| BES | 3.3 | 0.8 | 0.0 | 4.1 |
| CS | 4.9 | 2.0 | 2.5 | 9.4 |
| HAS | 4.4 | 2.2 | 1.0 | 7.6 |
| Shortfall | 5.5 | 3.4 | 4.0 | 12.9 |
| Total | 21.0 | 9.5 | 8.7 | 39.2 |

Cumulative use of Reserves to fill shortfall

| | 19/20 £k | 20/21 £k | 21/22 £k | Total £k |
|---|-------------|-------------|-------------|---------------------|
| Net Revenue Budget | 380,858 | 389,928 | 399,410 | |
| Budget Shortfall (Savings Requirement) | 5,496 | 3,412 | 4,002 | 12,910 |
| Cumulative Use of reserves for Budget Shortfall | 5,496 | 8,908 | 12,910 | 27,314 |

Available “Free” Reserves as at 31 March 2019 (Est) = £42.5m (as per Q2)
£42.5m is equivalent to 7 weeks of running Council if no funding.

BES Draft Savings

Business & Environmental Services

Appendix F

| Project No. | Savings Area | Description | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Total £000 |
|--|--------------------------------|---|-----------------|-----------------|-----------------|---------------|
| Highways & Transportation | | | | | | |
| BES 1 | Highways | Various Highways & Transportation initiatives including streetworks coring and other efficiency gains. | 640 | 128 | 0 | 768 |
| BES 2 | Highways | A range of initiatives to help improve the efficiency of the winter service. | 150 | 150 | 30 | 330 |
| BES 3 | Highways | Accelerated LED street lighting project (phase 2 savings profiled across 2019/20 and 2020/21). | 500 | 500 | 0 | 1,000 |
| Transport, Waste & Countryside Services | | | | | | |
| BES 4 | Waste Services | Various Transport, Waste & Countryside Services initiatives including reviewing disposal of hazardous household waste and reviewing the assumptions in the previous MTFS for 'Teckal' income. | 500 | 0 | 0 | 500 |
| BES 5 | Waste Services | Reduction recycling credits paid for collection of green waste by District and Borough Councils | 890 | 0 | 0 | 890 |
| BES 6 | Integrated Passenger Transport | Various initiatives including the refresh of the budget assumptions in the MTFS in respect of reduced demand for concessionary fares. | 590 | 0 | 0 | 590 |
| Growth, Planning & Trading Standards | | | | | | |
| BES 7 | Planning Services | Develop further commercial opportunities to generate income to offset service reduction. | 10 | 0 | 0 | 10 |
| | | | 3,280 | 778 | 30 | 4,088 |

HAS Draft Savings

Health & Adult Services

| Project No. | Savings Area | Description | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Total £000 |
|-------------|------------------------------|---|-----------------|-----------------|-----------------|---------------|
| HAS1 | Care and Support Restructure | Funding allocated by government to support Adult Social Care pressures will be used to ensure that a robust staffing structure is in place to support the principles of the new operating model for care and support. This will ensure that the Directorate is able to work to ease financial pressures on the NHS as well as provide capacity to manage demand efficiently and reduce overspends within the service. | 990 | 0 | 0 | 990 |
| HAS2 | Strength Based Assessments | We will have a greater focus on meeting people's support and recovery by using their strengths as well as community based assets, such as services run by community groups or voluntary sector partners, to meet their needs. We will also work with Health partners to deliver improvements in service delivery through integrated multi-disciplinary working. This project will have delivered £4m savings by 2019-20 | 311 | 0 | 0 | 311 |
| HAS3 | Extra care housing and EPHs | This project continues the Directorate's current work on its Extra Care Housing programme of ensuring that people can continue to live in their own homes within their localities whilst replacing its Elderly Person's Home (EPH) estate with Extra Care Housing to improve accommodation choices for people who need support including those with complex needs. | 145 | 425 | 575 | 1,145 |
| HAS4 | Supporting People | This project aims to maximise existing work with partners and other agencies to minimise duplication through service redesign to review and reduce spend on identified non-statutory services. Domestic abuse and mental health services will be prioritised for protection. | 742 | 250 | 0 | 992 |
| HAS5 | HAS Contracts Review | This piece of work reviews existing contracts aimed at delivering the Council's overall social care and public health offer on a value for money basis, and seeks small efficiencies in the various contracts providing non statutory support. | 25 | 0 | 0 | 25 |
| HAS6 | Charging in Extra Care | This project initially looked at introducing a banded charging system for providers in Extra Care Housing schemes, but following an appraisal on how this might be implemented, the focus moved towards ensuring consistency in charges made to external providers residents to cover support costs. Agreement has been reached with providers and this means that the savings target will be achieved through this approach. | 125 | 0 | 0 | 125 |
| HAS7 | Public Health | Cash-limiting Public Health Grant reductions | 600 | 0 | 0 | 600 |
| HAS8 | Transport | Development of a strategy for transport provision for people accessing adult social care including implementation of system to 'track and bill' for journeys undertaken to ensure accurate charging and collection and to reassess the proportion of transport costs paid by the Council and by individuals. A public consultation is taking place on this aspect between October 2018 and January 2019. | 250 | 0 | 0 | 250 |
| HAS9 | Short Breaks | NYCC have a mixed approach to offering short breaks – this can be through a day service placement or residential respite placement or a direct payment. Provision is both in house and within the independent sector. There is evidence that the allocation of respite is not allocated based on assessed need but weighted in favour of certain client groups. There is some under utilisation of inhouse provider services. | 300 | 0 | 0 | 300 |
| HAS10 | Supported Employment | The Directorate has a single Supported Employment service offering support to people predominantly with a Learning Disability, Mental Health Issue or Physical Disability. This project will look at embedding the service within the prevention offer, with a full review of service delivery. | 100 | 0 | 0 | 100 |
| HAS11 | Client Contributions | The purpose of this project is to review charging policy to align it with strength-based approaches and ensure that appropriate client contributions are made towards the total cost of care and support. | 100 | 0 | 0 | 100 |

HAS Draft Savings cont'd

Health & Adult Services

| Project No. | Savings Area | Description | 2019/20 | 2020/21 | 2021/22 | Total |
|-------------|-----------------------------|---|--------------|--------------|------------|--------------|
| | | | £000 | £000 | £000 | £000 |
| | Additional Projects | | | | | |
| HAS2 | Strength Based Assessments | Complete Strength-Based Assessment Phase 2 (supported living) | 400 | 200 | 0 | 600 |
| HAS2 | Strength Based Assessments | Review SBA approach in supporting Mental Health (purchasing and residential placements) | 0 | 110 | 120 | 230 |
| HAS3 | Extra care housing and EPHs | Improve management of sickness in Extra Care | 0 | 50 | 0 | 50 |
| HAS3 | Extra care housing and EPHs | Investigate potential for new programmes in addition to original scope | 40 | 60 | 60 | 160 |
| HAS3 | Extra care housing and EPHs | Look at the possibilities for new In-house provision as the main provider in extra care sites | 0 | 500 | 0 | 500 |
| HAS3 | Extra care housing and EPHs | Review of existing residential in-house provision with potential to bring forward closures where financial business case can be identified prior to replacement with the extra care programme | 0 | 0 | 200 | 200 |
| HAS12 | Reablement | Service review of Reablement to determine optimum capacity and service offer to support independence | 0 | 250 | 0 | 250 |
| HAS13 | Equipment | Equipment Contract Management - review of current contract and managing partnership arrangements with NHS | 302 | 0 | 0 | 302 |
| HAS14 | Working Practices | Complete streamlining working practices innovation pilot in Ryedale and demonstrate improved efficiency of C&S operational practice. Investigate potential for countywide roll-out | 0 | 100 | 0 | 100 |
| HAS15 | Provider Services | Scope and deliver e-rostering solution for provider services | 0 | 150 | 0 | 150 |
| HAS16 | Brokerage | Look at potential for provision of brokerage services to partners | 0 | 50 | 0 | 50 |
| HAS17 | Welfare Benefits | We will look at ensuring we have the most efficient support in place to enable us to maximise the income due to residents of North Yorkshire | 0 | 50 | 0 | 50 |
| | TOTAL | | 4,430 | 2,195 | 955 | 7,580 |

Central Services Draft Savings

| Project No. | Savings Area | Description | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Total £000 |
|-------------|-------------------------------|--|-----------------|-----------------|-----------------|---------------|
| CS1 | Corporate Property | Rationalisation of property across Council as part of 2020 North Yorkshire Programme should reduce property related costs including repairs & maintenance. | | | 856 | 856 |
| CS2 | HR Services | Further HR restructuring and staff savings | 112 | | | 112 |
| CS3 | Technology & Change Services | Combination of contractual savings and restructuring of elements of service in light of anticipated reductions in number of separate systems and internal customers. | 390 | 284 | | 674 |
| CS4 | Finance | Reductions and review of service on risk assessed basis and reflecting anticipated reduction in budget over longer term. Updating of systems and ways of working implemented to help with capacity. | 77 | 102 | 102 | 281 |
| CS5 | Business Support | Reductions in levels of service on risk assessed basis and reflecting anticipated reduction in staffing levels over longer term. Updating of systems and ways of working also implemented to help with capacity. | 161 | 100 | 50 | 311 |
| CS6 | Chief Executive's Unit (LCCS) | Saving from merger of LCCS function into existing structure following retirement of a Senior Manager | 71 | | | 71 |
| CS7 | Strategic Support - BEST | Strategic Support phase 2 – further consolidation of functions. | | 50 | 50 | 100 |
| CS8 | Legal & Democratic | A range of measures including reviewing the number and reviewing spend areas | 30 | | | 30 |
| CS9 | Resilience & Emergencies | A range of measures and efficiencies within the team helping deliver a saving | 30 | | | 30 |
| CS10 | Commercial Challenge (NYES) | Opportunities are to be sought to increase net income contributions into the Council. These can then be used to offset savings requirements, thereby protecting frontline services. | 1,000 | | | 1,000 |
| CS11 | Inflation Challenge | Budget Managers are to be challenged to identify efficiencies to mitigate against price increases. | 300 | | | 300 |
| CS12 | Procurement & Contracts | A year-on-year target has been given to reduce the price of goods and services bought in across the Council by using category management and improved contract management. | 350 | | | 350 |
| CS13 | Treasury Management | A combination of increased forecasts for interest rates and pursuing alternative investments should yield an increase in investment income. | 1,356 | 1,433 | 1,450 | 4,239 |
| CS14 | Corporate Contingencies | Re-assessment of required corporate contingencies including release of prior year's Adult Social Care Contingency. | 1,000 | | | 1,000 |
| | | | 4,877 | 1,969 | 2,508 | 9,354 |

CYPS Draft Savings

| Project No. | Savings Area | Description | 2019/20 | 2020/21 | 2021/22 | Total |
|-------------|--|---|--------------|--------------|--------------|--------------|
| | | | £000 | £000 | £000 | £000 |
| CYPS 1 | Assessments and Supporting Families | Post-implementation review of the effectiveness of a new model of delivery for Youth Justice. Review of the Safeguarding Unit. | 106 | 60 | 0 | 166 |
| CYPS 2 | Support for school improvement and early years | Review of the School Improvement Service to define and deliver a core offer for North Yorkshire schools to meet statutory obligations and ambitions for support and monitoring of schools to ensure high quality educational provision for all children . | 500 | 210 | 0 | 710 |
| CYPS 3 | Other school and LA support services | Review of a range of strategic LA functions including school place planning, pension provision, and a contribution for overheads | 81 | 66 | 141 | 288 |
| CYPS 4 | Early Years & 0-19 Health | A full review of all 0-19 Health-related services coupled with a system-wide review of all services impacting on 0-5 age ranges. | -15 | 0 | 0 | -15 |
| CYPS 5 | SEND & Mainstream Transport | Implementation of proposals to introduce greater opportunities for families to receive personal transport allowances, to change post-19 transport arrangement for young people with special educational needs and disabilities, and introduction of 16-19 charging to bring charging structures in line with mainstream transport provision. Further review of policy to identify efficiencies. | 610 | 390 | 290 | 1,290 |
| CYPS 6 | Children and Families | Implementation of the Children and Families restructure aiming to achieve integrated working, efficiencies, streamlining the number of roles, and strengthening and streamlining management arrangements. Review of Virtual School and accommodation pathways. | 600 | 150 | 500 | 1,250 |
| | Additional Projects | | | | | |
| CYPS 7 | High Needs and SEN | Review and implementation of changes to the number of education-funded guided learning hours for post 16 and post 19 provision. Implementation of funding changes to PRS and Alternative Provision. Development of proposals to restructure the Inclusion service and review of specialist equipment funding arrangements. | 1,009 | 241 | 305 | 1,555 |
| | TOTAL | | 2,891 | 1,117 | 1,236 | 5,244 |

PRS – Draft Funding Reductions

| 50% reduction in discretionary until Sept 2020 | | | | | | | | |
|--|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| | Scarb | Harrogate | H/R | Craven | Selby | Ryedale | Whitby | Totals |
| Budget 18/19 (as at Q3 prediction) | £905,786 | £1,223,594 | £902,980 | £497,851 | £709,427 | £294,855 | £183,738 | £4,718,231 |
| Places 19/20 | 24 0 Medical | 28 + 8 Medical | 28 + 5 Medical | 13 + 3 Medical | 18 + 4 Medical | 13 + 2 Medical | 6 + 2 Medical | 130 + 28 Medical |
| Budget 19/20 | £708,852 | £932,672 | £769,115 | £406,884 | £558,338 | £283,719 | £162,577 | £3,822,157 |
| Budget reduction 19/20 | £196,934 | £290,922 | £133,865 | £90,967 | £151,089 | £11,136 | £21,161 | -£896,074 |

Service Issues in Richmond Constituency

OFSTED Judgements in NY

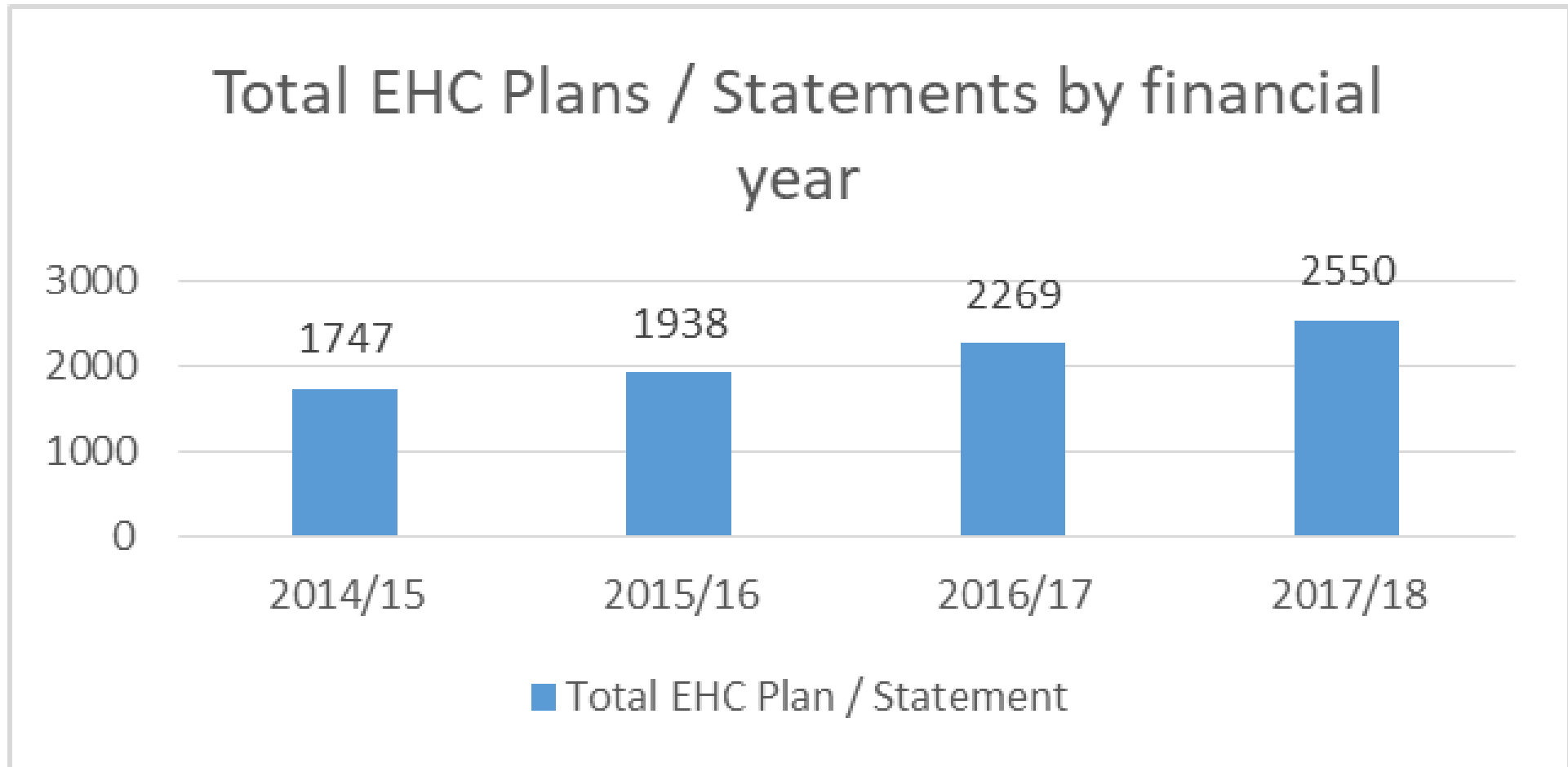
| OFSTED | All | | Primary | | Secondary | |
|-----------------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
| | Number of schools | % Good or Outstanding | Number of schools | % Good or Outstanding | Number of schools | % Good or Outstanding |
| Harrogate and Knaresborough | 40 | 92.5 | 30 | 90.0 | 7 | 100.0 |
| Richmond | 72 | 83.3 | 62 | 83.9 | 7 | 71.4 |
| Scarborough and Whitby | 50 | 82.0 | 40 | 82.5 | 6 | 66.7 |
| Selby and Ainsty | 57 | 93.0 | 50 | 94.0 | 6 | 83.3 |
| Skipton and Ripon | 81 | 84.0 | 67 | 83.6 | 9 | 88.9 |
| Thirsk and Malton | 64 | 85.9 | 56 | 87.5 | 7 | 71.4 |
| North Yorkshire | | 86.9 | | 86.2 | | 86.3 |
| National | | 87.9 | | 88.9 | | 83.0 |

Schools in Financial Difficulty – Richmond constituency

| 2018/19 | 2020/21 |
|---|--|
| <p>17 schools projecting to be in deficit by March 2019; 33% schools in Richmond constituency</p> | <p>36 schools projecting to be in deficit by March 2021; 69% schools in Richmond constituency</p> |
| <p>11 primaries; 5 secondary; 1 special</p> | <p>30 primaries; 4 secondary; 2 special</p> |
| <p>Total projected value of deficits = £2.5M</p> | <p>Total projected value of deficits = £6.7M</p> |
| <p>Projected average primary deficit = £34k Projected average secondary deficit = £373k Projected average special deficit = £243k</p> | <p>Projected average primary deficit = £64k; Projected average secondary deficit = £983k Projected average special deficit = £434k</p> |

45 primary schools, 5 secondary schools, 2 special schools

Increase in EHCPs



Current position = 2,780 EHCPs(68 out of

EHCPs in Richmond Constituency

Number of Children with an Education, Health & Care Plan (EHCP) - Jan 17 & Jan 18

More complex needs, statutory process, legally binding assessment outcome

- **442** children at the end of January 18, up by **17.2%** compared to January 2017 (65 more children)
- In January 18 there were **217 children per 10,000 population** with an EHCP
- Data for first six months of 2018 shows a further increase in the number of children with an EHCP in the constituency of **4.8%**.
- Growth is being fuelled by increasing numbers of children for whom statutory assessment is being requested. Within the constituency there has been a **10.7%** increase in requests for assessment.
- The most common primary need of children with an EHCP in the constituency is Autism, accounting for **30%** of EHCP
- The number of children with a primary need of Autism is also increasing, and has risen by **32.4%** between January 17 and January 18

Increase in SEN Demand in Richmond Constit

SEN Support – increase between January 2017 and January 2018

Less complex needs, no statutory framework, school-led

- **1,641** children at the end of January 18, equivalent to almost 1 in every 8 school aged children in the constituency
- **1,206** children per 10,000 population, significantly higher than the County-wide rate (1046 per 10,000) population
- The number of children accessing SEN Support attending schools in the constituency rose by **14%** between January 2017 and January 2018.
- **24%** of children accessing SEN Support attending schools in the constituency have a primary need of Moderate Learning Difficulty (MLD) – this is significantly higher than the proportion across the wider County (20.2%)

Other Related Issues in Richmond Constit

Permanent Exclusions

- **22** exclusions in the academic year 2017/18, up by **69%** on the previous year (9 additional exclusions)
- Across the County, the number of permanent exclusions rose by 28% - the Richmondshire constituency saw the 2nd largest percentage increase of any North Yorkshire constituency

Fixed Term Exclusions

- **994** fixed term exclusions in the academic year 2017/18, up by **8%** on the previous year (76 additional exclusions)
- The rate of fixed term exclusion in the constituency in the 2017/18 academic year was **730 per 10,000** population

- Areas of Richmondshire tend to see higher levels of demand than other areas of the County, such as the Garrison, in part due to the 'transient' population. Similar, we do see some of the more deprived areas of Richmondshire having high levels of demand for children's services than less deprived areas.
- Colburn has the 10th highest rate of involvement of any ward in the county, Melsonby had the 9th highest rate of involvement.
- At the end of 2017/18, Richmond West had the 5th highest rate (per 10k) for open involvements of any ward in the county.
- Richmond Constit. = 2nd highest on perm exclusions; 3rd highest temp exclusions

Adult Social Care – Richmond Perspective

- Key ASC workers in NY spend 45 minutes on average as “downtime” per rural visit. This compares with 20 minutes in urban areas.
- This “rural premium” costs us over £2.5m per annum for domiciliary costs and a similar amount for residential services.
- We also pay £2.8m in transporting users to day centres. Transport is not part of the means-tested assessment and users currently contribute a small amount to this – approx. £100k.
- In Richmondshire and Hambleton the average hourly rate we pay providers for domiciliary care is 17% higher in super rural areas compared with the rate in urban areas.
- 19% of care home placements for older people in Richmondshire are made in excess of affordable budget levels, which is significantly lower than in other constituencies - for example, 70% of placements in Harrogate and Knaresborough cost us more than our agreed rates with providers.
- Council investing £9m countywide in extra care schemes - a new scheme in Leyburn (Kirkwood Hall) in the last 18 months. The constituency has 6 of the County’s current 22 extra care schemes, with planning underway for new developments in Bedale and Great Ayton.

Adult Social Care – Richmond Perspective (cont'd)

- Innovative partnership with the NHS for step-up, step-down beds in extra care and a care home as an alternative to hospital admission in Bainbridge, Bedale, Brompton, Northallerton and Stokesley.
- Council works with 46 residential and nursing homes and 24 home care providers in the constituency.
- Fee rates for home care providers vary between £17.54 and £20.06, which is above the national benchmark.
- Sourcing care packages at home is a significant challenge – currently 10 of the 21 unsourced care packages in the County are in this constituency. 23 of the local care providers do not accept County Council fee rates.
- Over the past year, social care Delayed Transfers of Care (people ready for discharge from hospital) have halved countywide. This constituency has amongst the lowest delays in the County – approximately 10% of delayed bed days, as a result of innovative working between the County Council and the NH, such as the step up step down beds mentioned above within Extra Care and the implementation of a joint discharge to assess pathway.

Risks

- Spending Review desperately awaited
- Inflation / Currency / Supply Chain
- Savings Programme Delivery
- Savings Gap = getting harder to generate savings ideas
- Recurring or One-Off levels (almost £40m!)

| Issues in Northamptonshire | Apply to NYCC? | Comments / Actions |
|---|----------------|--|
| Savings Plans | | |
| Use of Capital / one off monies in order to plug a recurring Revenue Budget shortfall | X | Some areas which are cash flowed but are monitored |
| Lacked organisation and standardisation to appropriately ensure Value for Money | X | Programme based approach brings standardisation – any gaps relating to VfM consideration? |
| Financial Management | | |
| Lack of evidence of robust recovery / savings plans where over spendings arising | X | Overspendings occur but are noted and explained. Recovery plans are built in and are “deep dived” and where there is a lack of robustness then no saving is taken. |
| Inadequate scrutiny of budgets | ? | On balance not felt to be an issue but is this systematic (best related work should cover this off)? Deep dive areas definitely get scrutiny so feels positive overall |
| Savings that were failed to be delivered as simply added back into the MTFP without any clear explanation as to how they will be delivered. | X | See comments above |
| Weak budgetary control with services managing their bottom line budgets themselves (silo focus) | X | Whilst there is no silo approach, there remains the risk of overspendings and a need for grip as discussed above. |
| No financial staff reporting in directly to the Section 151 Officer given Local Government Shared Services | X | |
| Overspendings not reported to Cabinet | X | We tell it how it is |
| Optimism bias present with repeated understatement of pressures | ? | On the whole this does not feel the case but issues such as SEN Transport and High Needs are now featuring as large pressures and have crept upon us rather than us being aware and ahead of the curve to some extent. |
| Too many issues regarded as “unavoidable pressures” and simply built into the budget without challenge | X | Very little growth has been granted over the last 5 years plus (predominately Adult Social Care). |
| Data to support financial position was stopped | X | Improved Q report helps alongside financial reporting although this could always be improved. |
| External Auditors issue adverse Value for Money opinion | X | |

| | | |
|---|---|--|
| Leadership and Culture | | |
| Didn't have the right culture to make robust decision on resource allocation | X | Ongoing need to ensure there are no "sacred cows" and Member policy decision challenged where possible VfM. |
| Management and Leadership distracted by design issues | X | Much more practical approach in place. Ever present risk of capacity to expand (e.g. Commercial) and also maintain good performance of existing services. |
| Overly concerned with being the lowest funded ("victim" culture) | X | Advocacy work being carried out around Fair Funding but this is not a substitute for delivering savings plans. |
| Pressing for Unitarisation as a potential solution to Council woes rather than focussing on what can be delivered internally | X | |
| Organisational design plans do not cross reference to the MTFP and lack realism | X | The nearest example to this would be the commercial savings target of £1.6m which is relatively modest and will only be increased if and when delivered – this feels absolutely proportionate |
| Complexity of design led to a lack of clarity across the organisation | X | Again, the nearest area we potentially have to this is the different levels of understanding around the commercial agenda but this is marginal |
| Little corporate sense of leadership and lack of management team working together in a close an functional manner. | X | Comments? |
| A culture of overspending being acceptable and no sanctions being made for failure | ? | Whilst there is no culture of overspending, there are increasing pressures which are likely to result in greater occurrence of overspendings. There is a need to ensure ongoing financial grip and accountability / responsibility by budget managers across the organisation. |
| Failure to act to a draft Section 114 Notice | X | |
| Members often refused access to information and scrutiny levels low. | ? | Members never refused access to information but scrutiny of savings plans etc. by Members could be improved? |

| | | |
|--|---|--|
| Financial Standards | | |
| Section 114 Notice issued as not able to balance budget in year | X | |
| Advisory Notice issued by External Auditor | X | |

External Auditor issued Advisory Notice with 4 elements

| Issues in Northamptonshire | Apply to NYCC? | Comments / Actions |
|--|-----------------------|--|
| Flexible use of Capital Receipts | X | |
| Reliance on one off Reserves | X | Reserves used for cash flowing not a substitute for savings. |
| Failure to deliver savings plans | ? | This has not been a major issue but is now becoming harder. A recurring savings contingency is in place to mitigate. |
| Ensuring sustainable financial decisions are taken. | X | |

Next Steps

Next Steps

9 January 2019

Members' Seminar – Directorate Sessions

January 2019

Constituency Committee Budget Sessions?

29 January 2019

Executive considers Budget / MTFS

6 February 2019

Members' Seminar – Budget / MTFS Summary

20 February 2019

County Council Budget / MTFS

April – November 2019?

Spending Review?

April 2020?

Implementation of Fairer Funding / BRR?

Group Meetings = now onwards on request

Final Questions?