1. This document reviews some of the big numbers and tests the assumptions behind them in the 2020/21 Budget to be voted on in February 2020. See Exec Summary on page 6.

2. Topics: a) ASC (>64), b) ASC (18 – 64), c) Risks and the reserves to cover those risks, d) Children's Care, e) Education (Dedicated Schools Grant incl. High Needs Budget).

3) a) ASC – over 64s about £75m & 2m over budget and savings of £4m still to be made – One way of following the Better Lives BL program is via graphs. A main driver is number and cost of placements in homes. The aim of BL is to enable more people live in a home of their own rather than in residential or nursing. This, we are told, is what people want and can enable better care at less cost.

Fig 1

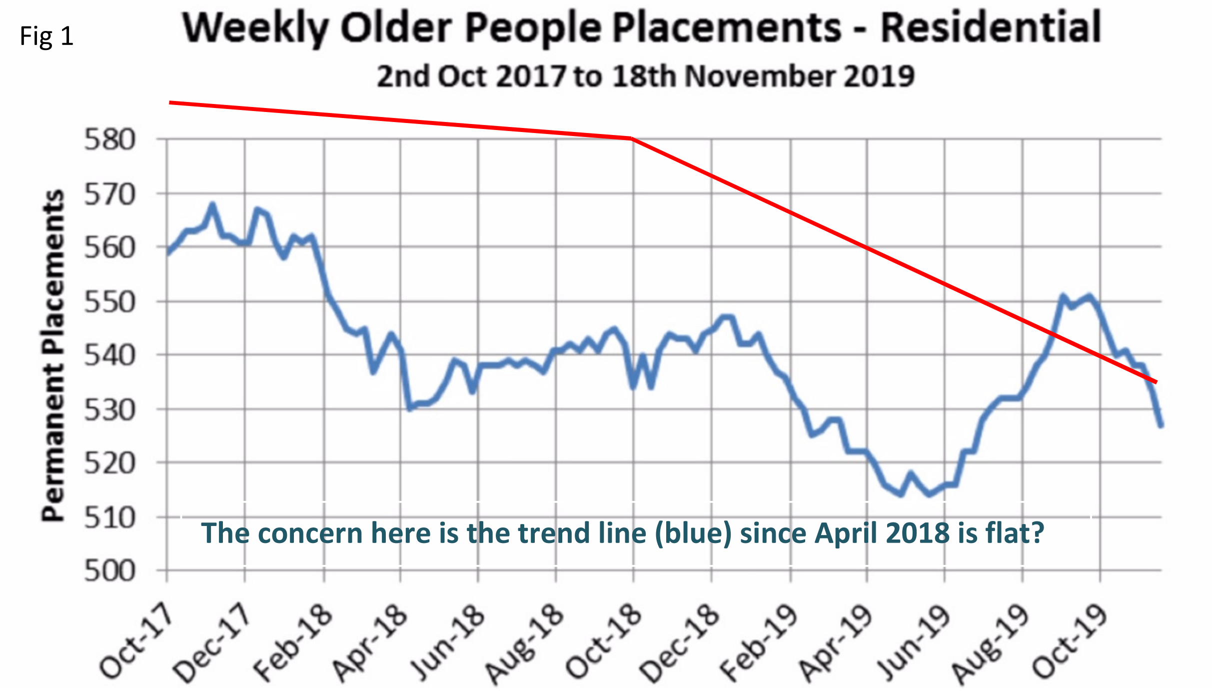
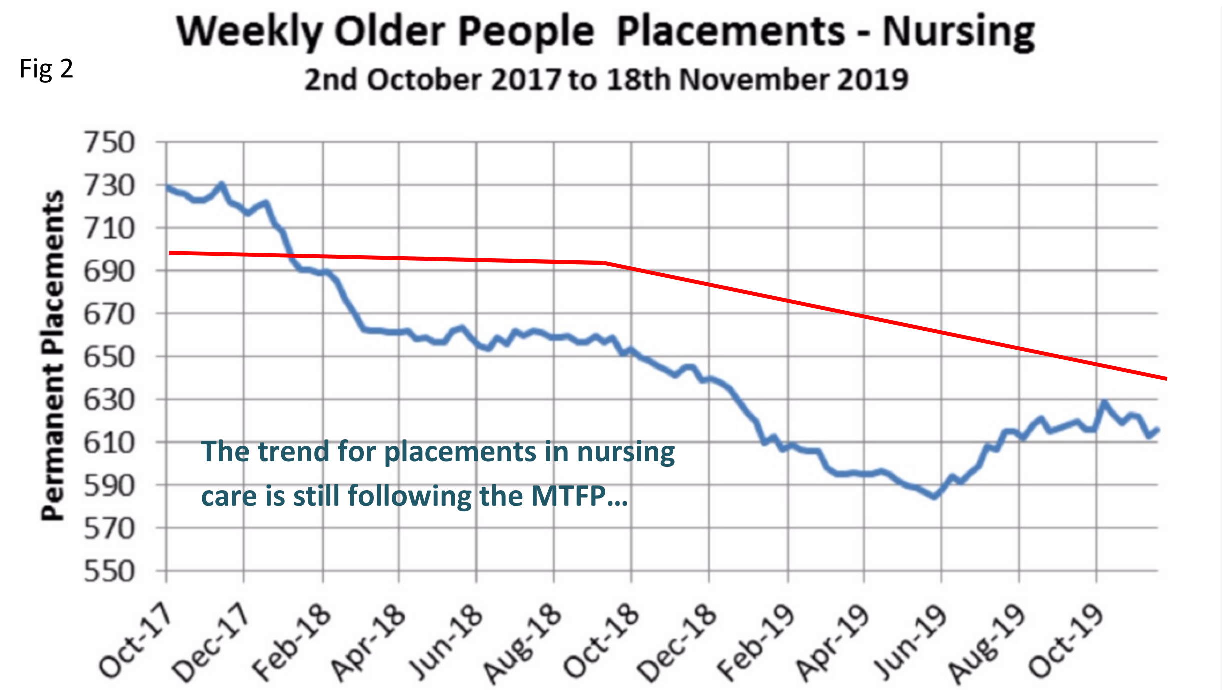


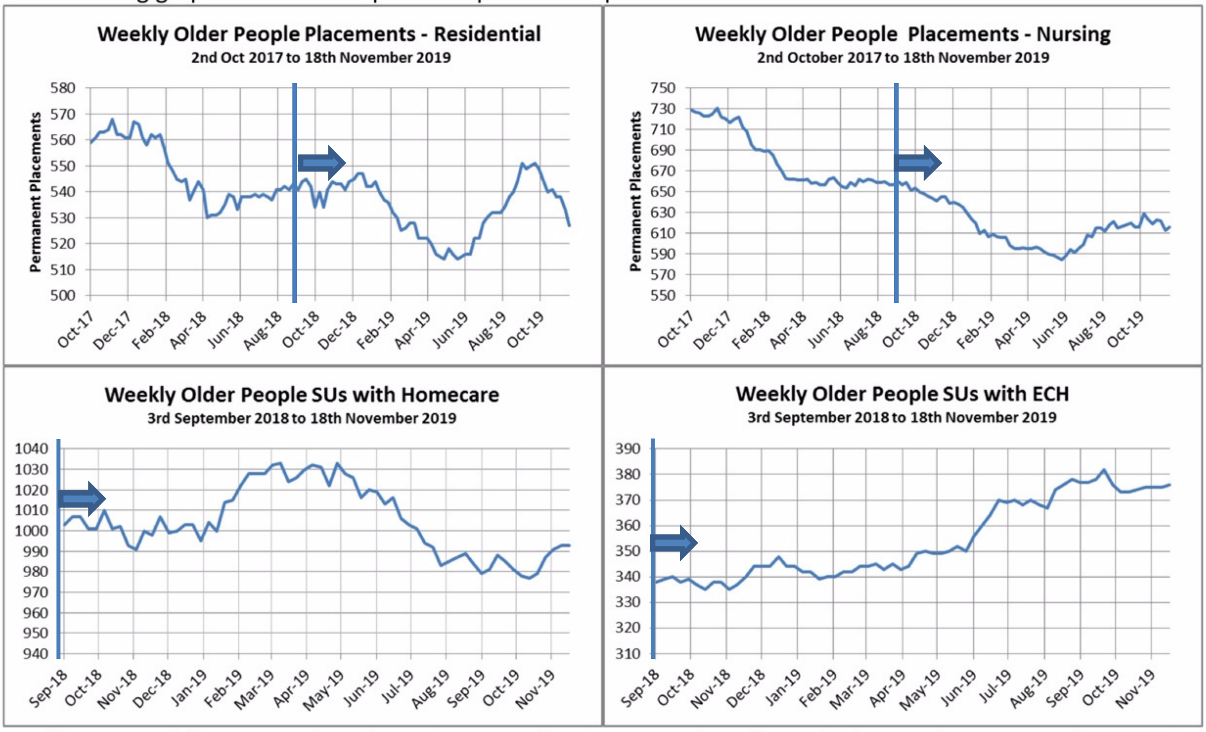
Fig 2



4. Figs 1 & 2 above. The red lines are approximations of the Better Lives targets (built into the MTFP) and the blue graphs are the P7 results so far. As you can see until May/June 2019 they were doing

crackingly but a number of factors including change of discharge system, holidays and other factors temporarily blew it off course. Ii it back on a downward trend? We hope so.

The following graphs set out the up to date position on placements for Older Adults.



5. Fig 3 above. The financial aim of Better Lives is for more demand to be supplied by Homecare and Extra Care Housing ECH services. As you can see from the above graphs (note: the top two are the same as page 1 and start at Oct 2017 the bottom two start Sept 2018) the ECH has risen but Homecare did and now is not rising.

Sept: 2018 Totals = HC 1,000, ECH = 340, Res = 540 & Nurs = 660 Total = 2,540 (R&N = 1,200 = 47.2%)

Nov: 2019 Totals = HC 990, ECH = 375, Res = 525 & Nurs = 610 Total = 2,500 (R&N = 1,135 = 45.4%)

6. Given that 10 people in Residential Care cost £300k/yr (or more) than 10 people in Homecare the ratio is important as a predictor of costs: 45.4% vs 47.2% is an improvement worth £1.5m / year.

7. The concern is the lack of growth in Home Care, it was planned to have capacity of 1,080. Reasons given are as follows: Shortage of Agency Carers (at least 100 more needed), BCC pay less than South Glos and the NHS, BCC looking to give better Ts&Cs including pay for travel time. Perhaps we should start our own company agency? (Agency carer margins can be 39%). This could enable BCC to have better trained staff and retention. Note: The NHS also need carers and they say Brexit is really impacting them now. About 30% of applications came from Spain for example; now none.

8. Shortage of re-ablement resource, this is showing as a £3m saving but of course you need re-ablement to assist people to live in their home. This is not a quick fix.

9. There is good news, prices per week in residential and nursing homes have stabilised in all but the most complex cases, further market shaping required. Staff turnover is less (was 20% now 4%), the job is being made more interesting with local group events like breakfast clubs. People are leaving hospital earlier (good for NHS, costs BCC more). And there is more emphasis on the interim care pathway, so after hospital discharge the person goes into a short term home (say 2 weeks) whilst they are re-enabled and their own home is adapted.

10. ASC >64 Conclusion. It's going to be very tough to maintain the MTFP trajectories (red lines on the graphs p1). Two simple measures of the Better Lives Program could be total >64 yrs in care and the % of them in residential/nursing accommodation.

11. b) ASC (18-64) also about £75m/yr. Last year the T&F group were most concerned about this. As it turns out costs have been contained (so far). Actions occurring as follows: Open book pricing with 50% of the providers is allowing justification and joint understanding. The other 50% don't accept such pricing. People with long term impairments require different approaches than for older people. As BCC doesn't have consultants helping then it is important to have resource to benchmark and learn from other LAs. There is investment in a transitions team to work on ages 14+ (I argued at People Scrutiny that it should be integrated with SEND starting much earlier).

12. Other issues are:

13. The Technology Enabled Care program starts Feb 2020 should help more older and working age stay in their own home.

14. Agile working (AW) ICT project has been delayed, it was suggested this could enable staff to be 5% more efficient but as the bottleneck is currently agency carers how AW impacts on them is key. Will be discussed at Resource Scrutiny on 18/12/19. Perhaps something for People Scrutiny?

15. Ideas for more invest to save projects are necessary (normally capital to reduce revenue costs).

16. Overall: Difficult to assess the risks in this section of the budget. There will be low hanging fruit cost savings/better care like reducing the number of out of area placements but there is less resource devoted to improvements. It was suggested considering a Task and Finish group to give oversight and support to the programme to address pressures and deliver the target MTFP savings .

17. c) Risks and Reserves CIPFA (Chartered Institute of Public Finance & Accountancy) recommends that for all the key risks that thought be given to provisions or reserves in case the risk materialises. This has been done in an "informal way" up to now. Indeed Clive challenged Denise to do this a couple of years ago but austerity meant there wasn't enough money to do it. The idea was presented to the T&F Group in November 2019 but no numbers were available. This is likely to be contentious as it will soak up a substantial part of the one-off funding.

18. d) Children in Care: About £60m, on budget and £4.5m of net savings in next three years (£2.2m in 20/21). The main achievement (cost wise) is the reduction of numbers going into care. This is against the national trend and growth in numbers of children in Bristol. Quite an achievement, the program that has so far delivered is called "edge of care". This is expected to continue reducing numbers by another 30 or 40 over the next three years so costs fall another £1.2m (out of the £4.5m). Very impressive if pulled off.

19. Other savings programs are to reconfigure children's homes; to have more of them but smaller which also enables more children to be cared for in Bristol (saving £400k), have more in house foster care vs agency care (saves £700k) and reduce the reliance on special guardianship (saves £900k). These four initiatives are 75% of the savings program, they are already delivering but can they continue over the next three years? Investments include agile working (shared with ASC) which is delayed, more infrastructure: £4m capital in 3 years and others. It seems a well thought through plan but of course there are pressures building up.

20. Some impressive graphs below (but see Fig 6, need in house foster carer numbers to increase)

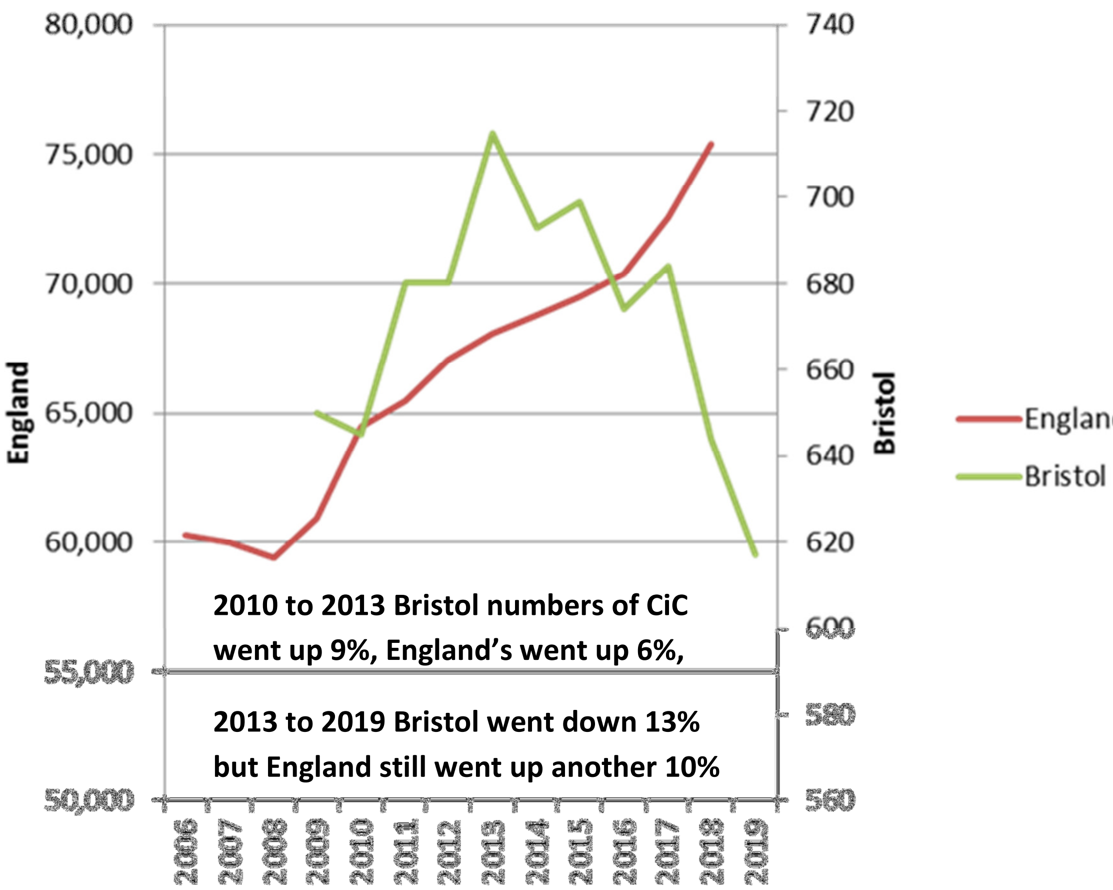
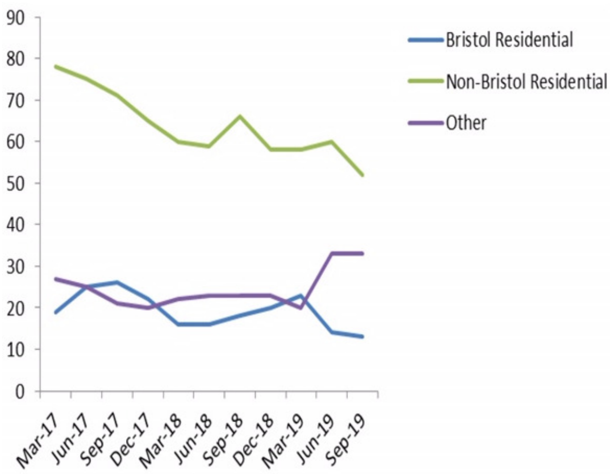


Fig 4. Above. Children in Care overall numbers….



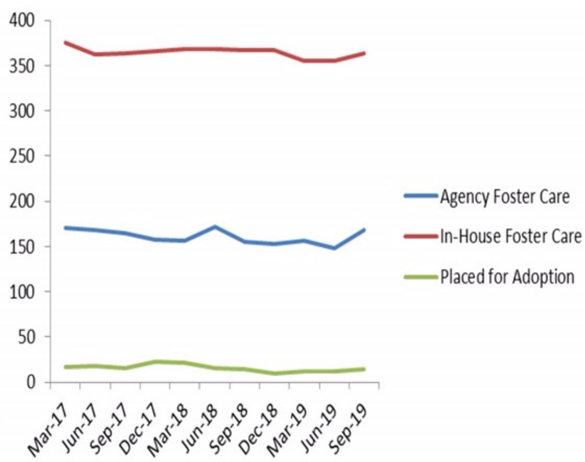


Fig 5. Out of Bristol care reducing (green)

Fig 6. How to increase in house foster care (red)?

21. Bristol has a very low spend on children in care compared with the national average and has delivered a balanced budget in the last two years. Will the cost drivers continue to reduce? Or will the pressures become too much?

22. CiC Pressures:

- Number of children, growing child population, increasing child poverty, asylum seekers,
- Cost of children, complex risks, court decisions can make very expensive one off placements, often out of Bristol.
- Nature of out of town is increasingly supplied by "profit maximising" companies.
- Foster carer population not increasing despite much activity.

23. Key programs are Agile Working, cost control and smaller Children's Homes

24. Overall CiC – it seems very challenging and there will come a stage when the pressures overwhelm the budget? Investing in Edge of Care is absolutely critical.

25. e) Education: A ring fenced grant from Government of about £355m in 19/20, called Dedicated Schools Grant, it is allocated into 4 blocks of funding: schools block, central services, early years and high needs block.

26. Education has had a three year settlement with an indicative funding increase of 3% for the schools block and 12% for the high needs block. High Needs Block funding from Government was so out of step with requirements in 2019/20 that even 12% more only brings it to an anticipated £60.5m in 20/21 still less than the actual need for 2019/20

	P7 - 19/20 Forecast spend (1)	2020/21 Funding (2)	Calculated Allowed increase (3)	Max. Allowed transfers (4) across blocks	2020/21 Scenario of funding (5)	2020/21 Scenario Increase (6)
Schools	£259.4m	£269.7m	4.0%	£(1.3)m	£268.4m	3.5%
Central	£ 2.3m	£ 2.7m	Na	£(0.3)m	£ 2.4m	4.3%
Early Yrs	£ 35.8m	£ 36.9m	3.1%	Not approved	£ 36.9m	3.1%
High Needs	£ 60.6m	£ 60.5m	-0.1%	£ 1.6m	£ 61.3m	1.2%
Total	£358.1m	£369.8m	3.3%		£369.0m	

(1) This is straight off the P7 Budget outturn presented at Cabinet recently

(2) This is indicative funding as of 29/11/19, all blocks depend on pupil numbers not known until late in the day. It shows the £60.5m for High Needs which is actually 12% more funding than last year but possibly still not enough. The schools block also includes guarantees that no primary school will get less than £3,750/pupil and no secondary less than £5,000/pupil.

(3) This is the % increase allowable by block on the 19/20 forecast spend if the funding comes in as expected. But High Needs "borrowed" £2.4m in 19/20 from future funding to be able to fund 19/20. That £2.4 should be paid back over one or more years.

(4) Transfers from blocks require approval by the Schools Forum and are being limited in 2020/21, in the past there have always been transfers from the Schools and Central Services Blocks to the High Needs. Currently the Schools Forum are not approving any transfer from the Early Needs Block to the High Needs Block, anyway a 3.1% increase doesn't leave much room even if they did approve it.

(5) This column is a scenario created by Clive Group based on taking the maximum allowable transfers and for the High Needs block paying back the £2.4m over a three year period (i.e. transfer £1.6m from other blocks less £0.8m which is a third of the £2.4m). We were presented with a slide showing the £2.4m being paid back in one year. That was not approved of by the T&F Group.

(6) This is the % increase over 19/20 forecast spend of the scenario funding. High Needs funding looking pressed.

27. Observation from the Chair: Unlike the other services studied it is noticeable that Education don't seem to have any invest/spend to save programs running. Or if they do, they didn't tell us about them.

28. Next steps: Once this report is approved it will go to Cabinet Away Day on 16th December then Resource Scrutiny on 18th as well as OSMB that same day. The Task and Finish Group will meet again

on January 24th (11am) to understand the budget as approved by Cabinet in our Stage 3 role of explaining the budget to Full Council. This will be reviewed at Resources Scrutiny on 6th Feb. We would also like to review HRA but it seems the optimum timing will need to be in the spring.

29. Update: Comments during Cabinet Meeting of 3rd Dec 2019

- staffing and retention problems exist across many parts of the Council. Mike Jackson has initiated a study into this but it won't be ready for the budget in February.

- invest to save suggestion regarding SEND specialist provision at schools where vacancies are showing up. We would welcome hearing more about invest to save ideas in education.

30. Executive Summary (Key issues pulled out, numbers in brackets are paragraph references).

ASC >64: has the Better Lives program (4) recovered from the problems starting in May 2019? It is clear there is a capacity problem in Home care (5 & 7), we are told its due to agency carer recruitment. If not solved, this could have a large impact on ASC costs (6). Perhaps set up our own company (7)?

Also we recommend two simple metrics (10): Total no. of adults >64 in care and % of them in residential/nursing accommodation. It's good that prices of care have stabilised (9), more work to do in market shaping.

ASC 18-64: continued investment needed in transitions team (11) and ideally even younger into SEND diagnosis with appropriate interventions towards a higher quality of life through to adulthood. Need to hear of other invest to save projects (15), perhaps more benchmarking with other LAs (11). We are worried about risk of cost overruns in this budget line.

Both: The Agile working program (14) needs to be re-assessed to ensure cashable savings (applies to CiC too). Staff (including agency) recruitment and retention is concerning. Consider our own business (7) and consider a T&F group to look at ASC savings delivery (16).

Risks & Reserves (17): CIPFA require us to identify risks to the budget and set aside appropriate reserves. Process needs to be open and transparent.

Children in Care: Doing well (18 & 21), key metric is number of children in care as this is the primary cost driver (20). Investment in edge of care is key to maintaining progress (18 & 24) there are some good invest to save projects (19 & 23), but plenty of pressures building too (22).

Education: They need to tell us about their invest to save programs (27), 20/21 scenario of funding still shows pressures on High Needs Block even with double digit funding increase and they can't pay back the £2.4m borrowed from 20/21 in just one year (26 parts 3,5 &6), recommend three years.

31. Thanks: A big thanks to officers, those attending these two phase 2 sessions were Mike Pilcher, Denise Murray, Tian Ze Hao, Daniel Doherty, Terry Dafter & Graham Booth,

And Councillors who have stoically put up with my Chairing thank you too: Cllrs Steve Smith, Don Alexander, Marg Hickman, Tim Kent, Lesley Alexander.

And to Johanna Holmes keeping us all democratic during these times of stress. So to you all a big thank you..