

Scrutiny Children & Young People Sub-Committee Supplementary Agenda



5. **Budget Scrutiny Challenge** (Pages 3 - 16)

The Sub-Committee have asked to review information on three budget proposals (identified below), to allow Members to reach conclusions on the following areas:

1. Are the savings/growth deliverable, sustainable and not an unacceptable risk.
2. Are the impacts on service users and the wider community understood.
3. Have all reasonable alternative options been explored and do no better options exist.
4. Do these proposals align with the Mayor's Business Plan?

Proposals identified for Scrutiny from the [MTFS](#):

- SEND Transport - 2025-29 SCRER GRO 005
- Children's Social Care demographic growth and market price pressures - 2025-29 GRO CYPE 001
- Strategic delivery partner savings - 2025-29 SAV CYPE 001

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LONDON BOROUGH OF CROYDON

REPORT:	Children & Young People Sub-Committee
DATE	20 January 2025
REPORT TITLE:	Budget Scrutiny Challenge
LEAD OFFICER:	Stuart Collins - Corporate Director, Children, Young People and Education
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Kerry Crichlow - Director Quality, Commissioning & Performance (Deputy DCS) Róisín Madden – Director of Children’s Social Care Shelley Davies – Director of Education
LEAD MEMBER:	Councillor Maria Gatland Cabinet Member for Children and Young People
ORIGIN OF ITEM:	This item was included on the Children & Young People Sub-Committee Scrutiny Sub-Committee Work Programme for 2024/25 as part of Scrutiny’s budget assurance processes.
BRIEF FOR THE COMMITTEE:	The Children & Young People Sub-Committee is asked to review the information provided on the identified budget proposals and reach a conclusion on the following: <ol style="list-style-type: none"> 1. Are the savings deliverable, sustainable and not an unacceptable risk? 2. Is the impact on service users and the wider community understood? 3. Have all reasonable alternative options been explored and do no better options exist? 4. Do these proposals align with the Mayor’s Business Plan?
PUBLIC/EXEMPT:	Public

1 BUDGET SCRUTINY CHALLENGE

- 1.1 The Children & Young People Sub-Committee Scrutiny Sub-Committee has asked to review 2025/26 budget proposals for two high-risk areas that fall under the Children, Young People & Education directorate.

- 1.2 The Sub-Committee has identified the following areas that are covered in the main report:
- SEND Transport - 2025-29 SCRER GRO 005
 - Children's Social Care demographic growth and market price pressures - 2025-29 GRO CYPE 001
 - Strategic delivery partner savings - 2025-29 SAV CYPE 001
- 1.3 The Sub-Committee will look to satisfy the three following questions on the proposals:
- Are the savings deliverable, sustainable and not an unacceptable risk?
 - Is the impact on service users and the wider community understood?
 - Have all reasonable alternative options been explored and do no better options exist?
 - Do these proposals align with the Mayor's Business Plan?
- 1.4 The Sub-Committee are asked to satisfy the questions above using the information provided in Appendix 1 to the report (that will be presented at the Sub-Committee), as well as the information available in the Medium-Term Financial Strategy update presented to [Cabinet in October 2024](#); the [Financial Performance reports](#); and the Capital Programme and Capital Strategy 2023-29 presented to [Cabinet in December 2024](#).

2 APPENDICES

- 2.1 Appendix A: SEND Transport
Appendix B: Children's Social Care demographic growth and market price pressures & Strategic delivery partner savings

3 BACKGROUND DOCUMENTS

- 3.1 16 October 2024 - Cabinet Paper: 2025-29 Medium Term Financial Strategy Update
<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=183&MId=3916&Ver=4>

4 December 2024 – Capital Programme and Capital Strategy 2024-30
<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=183&MId=3929&Ver=4>

Croydon Council - Corporate Performance and Finance Reporting
<https://www.croydon.gov.uk/council-and-elections/council-leadership-committees-and-meetings/committees-boards-and-meetings/corporate-performance-and-finance-reporting>

**Children and Young People Scrutiny
Committee**

MTFS: SEND Transport overview

20th January 2025

- CFA 2014 EHCP and Transport growth
 - Significant national trends of increase across both areas
 - Statutory requirement on council to provide transport
 - EHCP last 2 years 30% increase, transport 21% increase (2022-24);
 - Continued Increased demand in travel applications
 - Transformation programme
-
- Mayor's Business Plan – Outcome 3, Priority 1
- Enable more pupils with special educational needs and disabilities to attend and thrive in Croydon schools

National SEND Transport Context

Using data from a report issued by the County Council's Network (CCN) - [Councils call for reform of SEND school transport services, as costs double for local authorities in county areas over the last five years - County Councils Network](#)

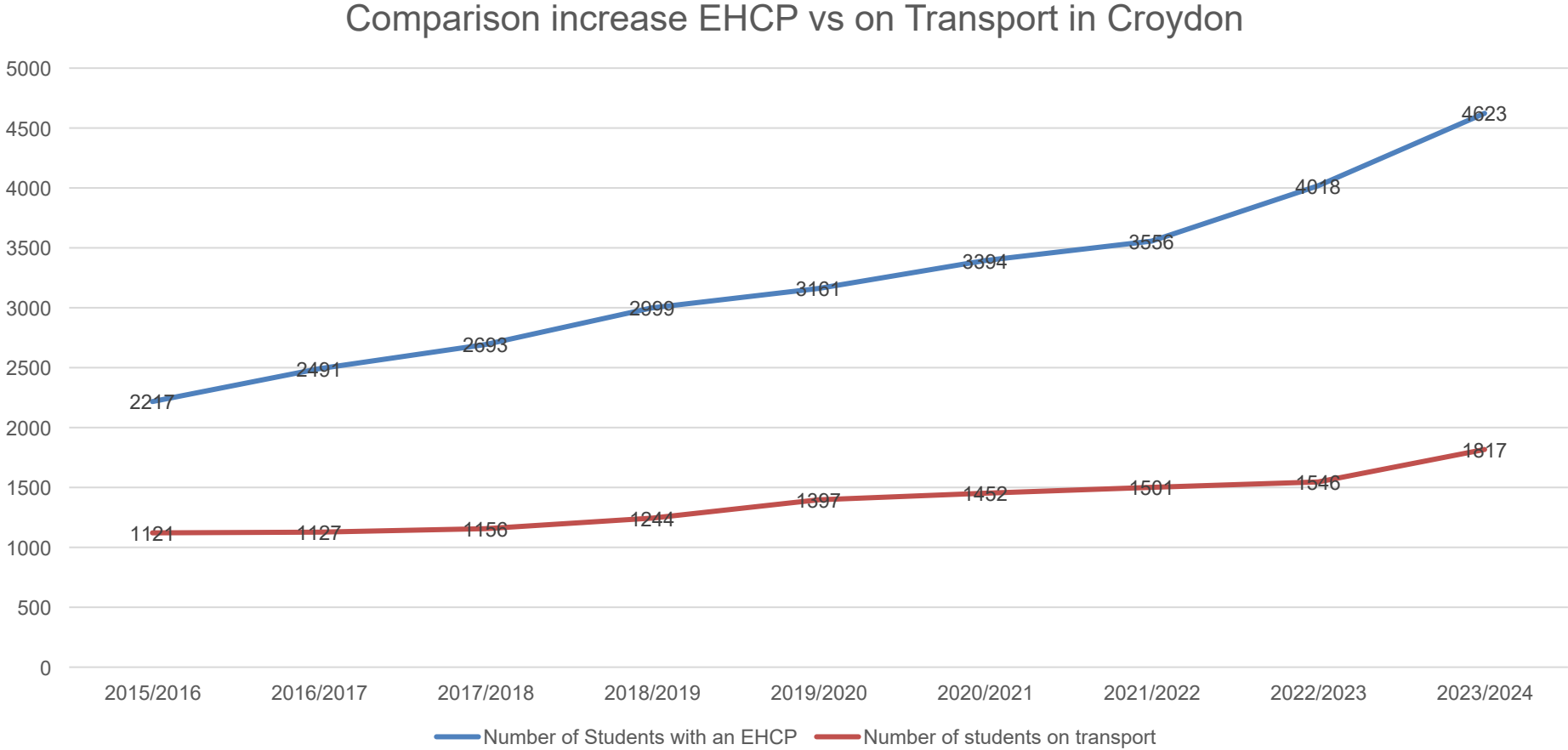
COUNCIL	2023/24 Average spend per SEND Child (CCN)	Croydon 2023/24 figure	London Councils' draft report (June 2024)
County & Rural Unitary	9,750	N/A	N/A
Non-Rural Unitary	6,016	N/A	N/A
Met Borough	7,123	N/A	N/A
London	10,310	8,954	8,882
England	8,299	N/A	N/A

London Councils – draft report

- London Councils commissioned a study in June 2024; 19/33 Boroughs responded
 - Average overspend per borough on Transport is 9%
 - Some boroughs spending 50% more than budget
 - Average rise in number of children requiring transport >18% over 3 years (Croydon 21%)
 - Average no. students/Borough on transport 926 (Croydon 1839 excluding PTB - below)
 - Average on Personal Travel Budgets 132, (Croydon 186)

23/24 SEND Travel	Average cost/student Croydon	Averages as per London Councils' draft report
Externally Provided Transport	£11,447	£11,114
Internally Provided Transport	£5,546	£5,361
Average PTB/year	£2,372	£3,855

Increases in EHCP and Students on Transport



Page 9

*Transport figure given as July, EHCP figure (generally) given as Jan each year - *Feb 2024*

Future Growth and Forecasting

- Assumptions on growth 24/25, and growth for 25/26 based on historic data of EHCP growth, transport demand increase, and on travel assistance applications.
- (Not all applications are new) increase on applications was over 34%, and year-on-year increase to student numbers was 17.5%, a %increase of students agreed with finance colleagues, using 10% as an assumed growth % figure

Page 10

Year (in which applications were received for forthcoming September)	No. Applications received	No. Refused	Applications granted
22/23	813	130	683
23/24	1044	122	922

Budget and growth calculations

Financial Year	SEND Childrens Travel Budget Predictions	Line Item	Comment
	£18,100,000	24/25 Forecast with no growth anticipated for Autumn/Spring 24/25	
	£13,216,000	Initial Budget 24/25	
	£219,000	Personal Travel Budget (PTB) deficit	
	£46,000	Sutton income	Unachievable income due to contract cancellation during Covid
	£12,951,000	24/25 budget balance (including virements above)	
	£5,149,000	24/25 budget deficit (no student growth)	(Difference between Budget – virements, and forecast)
	£1,206,667	10%	Growth Autumn/Spring 24/25 (2/3 pro-rata'd)
24/25	£19,306,667	£6,090,667	24/25 in-year growth required
		13%	25/26 forecast growth (10% numbers, 3% inflation)
25/26	£21,816,533	£8,600,533	25/26 forecast growth request

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LONDON BOROUGH OF CROYDON

REPORT:	Children & Young People Scrutiny Sub-Committee
DATE OF DECISION	20 January 2025
REPORT TITLE:	Budget Scrutiny Challenge
CORPORATE DIRECTOR	Stuart Collins - Corporate Director, Children, Young People and Education
LEAD OFFICER:	Stuart Collins - Corporate Director, Children, Young People and Education Róisín Madden – Director of Children’s Social Care
LEAD MEMBER:	Maria Gatland, Cabinet Member for Children & Young People
KEY DECISION?	NO
CONTAINS EXEMPT INFORMATION?	NO
WARDS AFFECTED:	All

1. Introduction

- 1.1. The Children & Young People Scrutiny Sub-Committee have asked to be provided information on the following proposals in the MTFS -
- Children’s Social Care Demographic Growth & Market Pressures
 - Strategic Delivery Partner Savings
 - Post-ILACS Budget Impact on EDT
- 1.2. Each area is outlined below with a view supporting the Sub-Committee to better understand each of the areas in relation to sustainability, impact on service users,

where relevant if other options have been explored and how these link to the Mayor's Business Plan.

- 1.3. In addition to this report a presentation has been prepared and submitted to provide the opportunity for scrutiny to discuss developments in the provision of home to school transport.

2. Children's Social Care demographic growth and market price pressures – Growth - £15.138m

- 2.1. Whilst the number of Children looked after (CLA) has remained relatively static through (Number of CLA – 534 April 2023; 539 Nov 2024) CLA effective demand management, the risk profile and level of need has increased. Providers in the market are increasingly risk adverse and this is contributing to increasing unit costs, compounding inflationary pressures.
- 2.2. For example, the average weekly unit cost for semi-independent placements has increased by 78% from August 2022 to August 2024, and residential placements average weekly cost by 38% over the same period. Alongside this the makeup of monthly placement spend has changed significantly in the last 2 years, residential & semi-independent now account for over 60% of monthly spend, compared to 38% previously. This is exacerbated by the inclusion of unregistered provision which is also used within this cohort. Driving down the numbers of children housed in unregistered provision is a key priority for the service.
- 2.3. Growth is needed to ensure we can provide placements that are fit for purpose, safeguarding the future of vulnerable young people. Growth modelling is based on the number of high-cost placements and projecting the financial impact if the trends seen over the last two years continue into the future. The directorate will continue to work with providers to stabilise cost, will build on the Ofsted findings of 'Good' practice to drive down demand and ensure that children receive the right service at the right time, and develop sufficiency to create new opportunities for internal provision.
- 2.4. National media reporting has rightly identified the challenge faced by all Local Authorities in challenging the inflated cost of residential care provided by the private sector, to better support our understanding a local benchmarking exercise has been

carried out to compare Croydon to our statistical neighbours. This benchmarking exercise concluded that the challenges faced in Croydon are not unique to us and other authorities are facing similar financial pressures. The impact of this review is ongoing to identify whether there are areas we can improve our financial position.

- 2.5.** All placement pressures are being reviewed, to ensure all mitigating actions are considered to manage the in-year position and longer-term trajectory of spend. The CYPE Strategic Delivery Partner, Impower, has undertaken an in-depth analysis of CYPE expenditure, and findings from this work are being used to develop a robust programme of transformation.

3. CYPE Transformation - Strategic Delivery Partner – IMPOWER Consulting – Saving - £3m

- 3.1.** The savings identified to be delivered through the collaboration with Impower, as our strategic delivery partner, are based on the Impower knowledge and previous experience, the findings of the amplified analysis which they undertook between June – Oct 2024, and the collaboration with the service. The amplified analysis identified opportunities for improving the outcomes for children and young, whilst also improving our cost effectiveness. These opportunities broadly fit into four key areas –

- Early Intervention & Prevention
- Sufficiency – Short & Long Term
- Whole System Impact & Effectiveness
- Driving Wider Opportunities

- 3.2.** Methodology for achieving savings and impact in each of these areas will vary according to the work being undertaken and the collaboration. However, both through the competitive process to engage Impower, and as part of our work with them since, we have tested, interrogated and challenged both their proposals and previous experience and have reassured ourselves that these are realistic and robust opportunities.

- 3.3.** Impower will be working with Croydon until March 2027 with a focus on achieving long term sustainable change, as well as realising impact quickly where possible. It is

expected that this work will continue to deliver financial into FY2027/28 and beyond. To ensure that this is effectively delivered part of Impower's fee is dependent on the delivery of the agreed savings. Metrics for this will be agreed and formally signed off by the CYPE Transformation & Improvement Oversight Group in February 2025 to ensure robust monitoring. This will include considering the impact of children, young people and families, and where relevant and appropriate children, young people, parents and carers views will be sought, they will be invited to co-create.

4. Emergency Duty Team, (EDT)

- 4.1.** The Ofsted Inspection identified that the pace of improvement in the Emergency Duty Team needed to increase. To address the issues identified increased management oversight has been provided, and specific practice improvement action has been provided by the designated roles within the Quality Assurance Division. These actions are starting to have an impact, and a robust improvement plan is in place. There has been no increase in spend by Children's Service to affect these improvements and no increase is anticipated, the changes to practice needed will be delivered through improved relational response to children and families needing help in urgent circumstances outside the usual working hours of the department.

- 4.2.** Resources have been increased within the CCTV room response answering initial calls within the budgetary responsibility of SCRER. Additional staff have been recruited to answer calls, the EDT Team Manager is part of the recruitment panel for these roles to ensure staff with the necessary interpersonal skills are recruited. Training will be provided to these new staff in CCTV by the EDT Service Manager to enhance the quality of response to callers. A senior officer is currently reviewing the impact of the totality of these changes, to consider the wider council improvement.