

Birmingham City Council

Report to Cabinet (ADDENDUM)

27TH JULY 2021



Subject: ADDENDUM TO FINANCIAL MONITORING REPORT
2021/22 QUARTER 1 (UP TO 30TH JUNE 2021)

Report of: Interim Director of Council Management – Rebecca Hellard

Relevant Cabinet Member: Councillor Tristan Chatfield – Finance & Resources

Relevant O & S Chair(s): Councillor Mohammed Aikhlaq - Resources

Report author: Interim Director of Council Management – Rebecca Hellard

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 009033/2021		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 This addendum report sets out the reasons for seeking Cabinet to agree an amended recommendation in the quarterly finance report concerning the funding of the Special Educational Needs and Disabilities (SEND) service.

2 Recommendation

That the Cabinet:-

- 2.1 Amends recommendation 2.9 to “Approves the use of £5.1m of the Financial Resilience Reserve for SEND and notes the need for additional funding in future years through the Medium-Term Financial Plan as set out in the addendum report.”

3 Key Issues

- 3.1 Between 24 - 27 May 2021, Ofsted and the Care Quality Commission (CQC) carried out a joint local area SEND revisit in Birmingham to decide whether sufficient progress has been made in addressing each of the areas of significant weakness detailed in the written statement of action issued on 3 September 2018. The inspection found that Birmingham has made sufficient progress in addressing one of the 13 significant weaknesses identified at the initial inspection and has not made sufficient progress in addressing the remaining 12 significant weaknesses.

- 3.2 The SENAR service plays a key role in the provision of SEND support in Birmingham, being responsible for the administration of the procedures related to the statutory requirements for assessment, planning and review as outlined in the SEND Code of Practice 2015.

- 3.3 The SEND Inspection Report (September 2018) found that:

“The Special Educational Needs Assessment and Review (SENAR) service lacks the capacity and culture to meet its intended aims. In common with other services, there are individuals who are making a difference to children and young people. However, there is a lack of strategic oversight”.

The need for change within SENAR was recognised within the Written Statement of Action provided in response to the report:

“Undertake a comprehensive review of the SENAR service and make recommendations regarding an improved operational model, within the context of a wider model of care review.”

- 3.4 In response to the written statement of action, a restructure of the SENAR service was planned to be implemented from September 2021. That proposal is now on hold. The Education & Skills service have reconsidered the proposed structure of the SENAR service and developed an immediate solution whilst considering a more long-term redesign. The proposed structure has been informed by a case allocation model which shows that additional staffing capacity is required to move caseloads down from the current average to the average recommended by the DfE. The model also includes provision for a commissioning function and a fully resourced Business Support function. This structure will be more effective in supporting parents and carers.

- 3.5 The SENAR service has become highly dependent on agency staff and a large number of these have contracts which expire at the end of August 2021. The current budget was set based on the assumption that the previously planned restructure would have been completed by then and permanent appointments

made. With the current hold on the restructure, there is an urgent need to retain existing staff and increase its staffing levels.

3.6 There is a link between the SENAR service and the increasing pressure on Home to School (H2S) transport as SENAR provides projections of need to the H2S transport team.

3.7 The table below gives a summary of the estimated £5.100m additional funding required in 2021-22 for the SENAR service and associated Business Support service. The estimate is after mitigation of (£2.000m) through the use of the funding approved in June by Cabinet.

	Available budget	Estimated cost in 2021-22	Pressure	Mitigated by	Funding required
	£m	£m	£m	£m	£m
SENAR	1.300	7.300	6.000	(2.000)	4.000
Business Support	0.500	1.600	1.100	-	1.100
	1.800	8.900	7.100	(2.000)	5.100

The estimated £7.300m costs of the SENAR team in 2020-21 include £4.800m for the use of agency staff. These costs will be expected to reduce in future years through permanent recruitment to vacant posts.

The estimated £1.600m costs of Business Support in 2020-21 are lower than those expected in future years as the number of currently filled posts is lower than that in the proposed structure.

3.8 The table below gives a summary of the estimated £5.850m additional funding which will be required to the base budgets in future years for the SENAR and Business Support services.

	Available budget £m	Estimated annual cost £m	Funding required £m
SENAR	1.300	5.850	4.550
Business Support	0.500	1.800	1.300
	1.800	7.650	5.850

These estimates will be further developed and put forward for inclusion in the October 2021 MTFP refresh.

4 Consultation

- 4.1 The Leader, Cabinet Member for Finance and Resources, and the City Solicitor, have been consulted in the preparation of this report.

5 Risk Management

- 5.1 The monitoring of the Council's budget and the identification of actions to address issues arising, as set out in this report, are part of the Council's arrangements for the management of financial issues.

6 Compliance Issues:

6.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 6.1.1 The budget is integrated with the Council Financial Plan, and resource allocation is directed towards policy priorities.

6.2 Legal Implications

- 6.2.1 Section 151 of the 1972 Local Government Act requires the Chief Finance Officer (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budget control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Management Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on budgetary control for the specified area of the City Council's Directorate activities.

6.3 Financial Implications

- 6.3.1 Contained within this addendum.

6.4 Procurement Implications (if required)

- 6.4.1 N/A

6.5 Human Resources Implications (if required)

6.5.1 N/A

6.6 Public Sector Equality Duty

6.6.1 There are no additional Equality Duty or Equality Analysis.

7 Background Documents

7.1 City Council Financial Plan 2021-2025 approved at Council 23rd February 2021