

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date of Decision:	18 January 2012
Decision Title:	Revenue budget report for Children's Services for 2012/13
Decision Reference:	3560
Report From:	The County Treasurer and the Director of Children's Services

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1. Executive Summary

- 1.1. The unprecedented reduction in Government funding to local government over the period of the current Comprehensive Spending Review (CSR) has prompted the County Council to take decisive action, by introducing a financial strategy that will deliver the bulk of the four years' savings in two years.
- 1.2. This report proposes a budget for Children's Services for 2012/13 in accordance with the Council's Medium Term Financial Strategy reported to Cabinet in October. The budget includes the second 8% reduction in spending consistent with the Corporate Efficiency Workstreams also reported to Cabinet in October and December. This 8% reduction has already been achieved through the full-year impact of savings started in 2011/12. Therefore, this report does not propose any further savings measures that will impact on services.
- 1.3. The report also provides an update on the financial position for the current year. Overall the Department is expected to underspend by £3.933m (£1.572m on the schools budget and £2.361m on the non-schools budget). On the schools budget this is primarily due to savings in central provisions, which include rates and temporary classroom rentals. On the non-schools budget the underspend is primarily due to one-off savings that will be achieved from the earlier delivery of planned savings targets for 2011/12 and 2012/13. It is also due to continued careful management of the numbers of children in care. Further detail is provided in section three of this report.
- 1.4. For 2011/12 a total of £18.846m savings were approved to meet the first 8% target, which had an additional full year impact of £10.924m, subsequently reduced to £10.215m. The target for 2012/13 is £10.365m and, after adjusting for the updated full year savings, this leaves a balance of £150,000 which must be met by new proposals next year.

- 1.5. The savings proposals for 2012/13 are set out in section five of this report and are analysed by workstreams in Appendix 1. The savings proposals are summarised in the table below :-

	£000
Corporate efficiency workstream savings	150
Departmental savings	0
Total	150

- 1.6. In addition the department has an unbudgeted pressure of £100,000 relating to the need to increase capacity for chairing child protection planning meetings. This recommendation arose from a positive Ofsted inspection.
- 1.7. The detailed individual proposals that make up these savings and pressures, together with the anticipated impact, are shown in Appendix 2.
- 1.8. The report also reviews the level of charges for the provision of services in section six and provides a summary of charges in Appendix 3.
- 1.9. The proposed budget for 2012/13 analysed by service is shown in Appendix 4 and the workforce implications of the budget proposals are set out in Appendix 5.
- 1.10. This report seeks approval for submission to the Leader and Cabinet the revised budget for 2011/12 and detailed proposals for the 2012/13 revenue budget for Children's Services. The report has been prepared in consultation with the Executive Lead Member and will be reviewed by the Children and Young People Select Committee. It will be reported to the Leader and Cabinet on 3 February 2012 to make final recommendations to County Council on 23 February 2012.

2. Context and Priorities

- 2.1. Following the CSR announcement last year local government was anticipating an average 28% reduction in Government funding across the Country. The impact of changes to the distribution methodology meant that the County Council's share of this reduction is relatively much greater, with a 25% reduction in the first two years alone. By the end of the CSR period it is anticipated that over 40% of formula grant will be lost.
- 2.2. The County Council had already been anticipating reductions of this magnitude and had put in place a strategy that sought to deliver the bulk of the four year savings over two years. The Medium Term Financial Strategy approved in July last year and updated in October, consolidated this position, re-iterating the need to meet the two tranches of 8% reductions in Departmental spending followed by a return to an annual efficiency target

of 2% per annum from 2013/14 onwards. Other assumptions included in the strategy that have been built into the 2012/13 budget proposals are:

- changes to Council Tax levels will be zero or low
 - a pay freeze in 2012/13 followed by increases of 1% and 1.5% in 2013/14 and 2014/15 respectively (this will be amended in the next update of the MTFS following the Chancellor's announcement on a pay limit of 1% increase for these two years)
 - general inflationary increases of 2.5% per annum
 - 'passporting' of any further losses of specific grant to the relevant services.
- 2.3. Since July, the County Council has also been developing its 'Open for Business' priorities, underlining the fact that, despite the reductions in funding, the County Council remains a large influential organisation committed to providing high quality services to the residents of Hampshire.
- 2.4. The Children's Services department has been developing its service plan and budget for 2012/13 and future years in keeping with the 'Open for Business' priorities and the key issues, challenges and priorities for the Department are set out below.

Departmental Challenges and Priorities

- 2.5. In July 2010, in its response to the sudden and substantial cuts for the service in the government's Emergency Budget, Children's Services set out a set of key principles which continue to guide the resource priorities and financial decision making for the service:
- maintaining a safe social care system that continues to balance risks between the protection of children and providing support to families in need
 - retaining sufficient management capacity to lead and improve the school system across the County
 - tightly targeting the more limited resources according to need – whether that be support to schools or support to vulnerable children and families
 - reducing management posts where possible and acceptance of greater breadth of responsibilities and wider management spans of control
 - minimising reductions to direct service delivery (where these have occurred they have focussed on the few remaining local authority services that were supporting 'universal provision')
 - maintaining the overall structural integrity of the department and its capacity to delivery the essential central support functions.
- 2.6. Children's Services has now made all the changes necessary to achieve both the 2011/12 and 2012/13 8% reductions (the 2012/13 reductions

representing the full year effect of the 2011/12 actions) and the reductions needed to mirror reduced funding through specific grants. The major restructuring programmes for Children's Centres and the Youth Services that formed the main thrusts of the second phase of expenditure reduction are on track but will not be fully implemented until the start of the next financial year and continue to require close risk management.

2.7. The 2011 Ofsted Inspection of Safeguarding and Looked After Children Services confirmed Hampshire as good with outstanding features in its provision and outstanding capacity to improve. The Ofsted November 2011 Annual Assessment of the overall performance of Children's Services confirms that the service has maintained a "performing excellently" rating.

2.8. With the major changes in response to budget reductions achieved, and strong external endorsement through the Ofsted inspection and overall rating, the service is now in an excellent position to provide leadership and build for the future. This may have particular resonance at a time when the government is looking for more sector led improvement. The key focuses will be:

- building on the social care strengths and leading innovative changes in our local responses to key government reform set out in the Munro review of child protection, the Social Work Reform programme, the Family Justice Review, the Green Paper on Special Educational Needs, possible changes to the adoption framework and the transfer in April 2013 of the costs of Youth Custody from the Ministry of Justice to Local Authorities
- leading the development of a new relationship with schools, embracing Academies into the Hampshire family of schools and ensuring that the priorities of educational improvement and inclusion, together with a strong business relationship based on high quality but competitively priced services, are at the heart of this. The James review of school capital, the proposed School Funding reform for 2013/14 and the new Admissions Code of Practice will all impact on the funding and legislative environment within which schools operate, and we will work with them to adapt to those changes
- building on the strong relationships with the children's voluntary sector to commission services to ensure a strong sector which is integral to the delivery of responsive and flexible children's services within local communities
- responding to corporate changes and ensuring a skilled and flexible workforce that is 'Open for Business'.

2.9. Specific challenges that the department faces during 2012/13 and beyond include:

- pressures on primary school places caused primarily by rising birth rates and new housing developments. These will require significant capital investment from a variety of sources including government basic need provision, developer contribution (noting the risks to that

source through other changes) and the County Council capital programme

- outcomes for vulnerable children – significant work is already going into improving the educational outcomes, and therefore the life chances of this group – but there is still much to be done particularly for children in care and those who are not in education, employment or training (NEET). There has been particular success with the 1:1 tuition project
- the Raising of the Participation Age (RPA) means that all young people will continue in education or training to 17 from 2013 and to 18 from 2015. The majority of provision will be commissioned through existing providers. However, substantial work to support or potentially deliver education or training to vulnerable children including NEETs will be required
- disabled children – there is now increasing quantitative evidence that advances in medical science are enabling more children with very complex needs to live longer. This creates an associated and increasing need for us to respond with appropriate provision including speech and language therapy, equipment and adaptations, domiciliary care and possible ‘out of county’ placements for children with very specialist needs. Managing the relationship between respective local authority and health service responsibilities will be critical
- government pressure, and local need, to develop a wider range of family intervention-type projects in order to intervene robustly in troubled families alongside other agencies such as health, the police and housing authorities
- over the next few years we need to re-commission our children’s homes to ensure they are in the most suitable locations and ensure they are properly designed and equipped to meet the needs of those children in care for whom they offer the best option of stability. A review will make recommendations shortly. Alongside that work, a further push is required to build the capacity of our internal foster carers to counter increasing dependency on independent foster care providers for more complex needs
- the continuation of real pressures on social work workloads. There is also the ever-present risk that numbers of children in care (currently stable in Hampshire against a rising trend nationally) could increase. Certainly our correlating child protection activity continues to increase significantly
- early years, where there is a need to prepare for legislative changes for free early education and childcare sufficiency including the provision of free education to disadvantaged two year olds from September 2013, for which additional Early Intervention Grant funding is included in 2011/12 and 2012/13

- finally, Adult Learning has successfully transferred back to the department and also securely negotiated some significant changes to the distribution of resources to local providers. A review will be required of that service in the light of continuing national changes and as we evolve the role of the local authority in the direct delivery of apprenticeships.
- 2.10. Increased national funding amounts have recently been announced in the Chancellor's autumn statement for 2012/13 to 2014/15 in respect of early years education for two year olds, which take into account the intention to make provision for 40% of the most disadvantaged children (previously 20%). However, it is as yet unsure how the funding mechanism will work. A Government consultation document 'Supporting Families in the Foundation Years: Proposed Changes to the Entitlement to Free Early Education and Childcare Sufficiency' has recently been published for response by 3 February 2012. It is a possibility that this element of EIG will be separated and possibly ring-fenced within the Dedicated Schools Grant (DSG) from 2013/14. The impact on the rest of Children's Services budgets is difficult to assess until the policy is agreed and the allocation methodology is determined.
- 2.11. At this stage the service is anticipating that it should manage these financial pressures within the revenue cash limit in 2012/13. The actions taken in 2010/11 and 2011/12 give the department a strong basis for this. However, the volatility within some areas, particularly the demand-led services, and the as yet unquantifiable impact of some changes, may undermine this. Of greater concern is the potential longer term impact from 2013/14, in particular the as yet unknown impact of the changes to early years funding and EIG.

3. 2011/12 Budget

- 3.1. The cash limited budget for 2011/12 included savings of £18.846m to be delivered during the year. All departments are monitoring achievement of savings as part of the normal budget monitoring process for the year. At the end of December all of these savings had been delivered.
- 3.2. The budget for the department has been updated throughout the year and the revised budget is shown in Appendix 4. The expected outturn forecast against this revised budget for 2011/12 is an underspend of £3.933m (£1.572m schools budget and £2.361m non-schools).
- 3.3. The schools budget underspend is net of some continuing significant variances from 2010/11 and it is anticipated that the current forecast underspend will increase to around £2m. Section eight provides more detail on the schools budget.
- 3.4. On the non-schools budget the main pressure relates to children's social care services, in particular Children Looked After and Family Support Services (including services for disabled children), which are forecast to overspend by £581,000 and £764,000 respectively. Offsetting these pressures are substantial one-off savings against both Services for Young

Children and the Youth Support Service following earlier achievement of savings proposals than previously expected (approximately £1.1m for each area of service), and Home to School Transport (an underspend of £529,000) mainly due to the impact of ongoing savings achieved against contracts during 2010/11 and a reduction in escort costs.

- 3.5. The new contracts for Children's Centres will be let from 23 April 2012, slightly later than originally planned to ensure smoother transition. The financial consequence is that some costs of change will be deferred to 2012/13 and the estimated savings in 2012/13 will reduce by about £300,000. This is taken account of within these budget proposals.

Budget 2012/13 – Non-schools

4. Revenue Pressures and Initiatives

- 4.1. The Department has an unbudgeted unavoidable pressure arising from the recent Ofsted inspection, which requires an increase in capacity for child protection planning. The proposal is for two new posts to be created in the Independent Reviewing team, at an estimated cost of £100,000.
- 4.2. There are a number of other budget pressures that are expected to continue or emerge next year, in particular in relation to Children and Families services. These are set out in section two above. Government policy changes within the Youth Justice service relating to remand placements may also impact. However, at this stage, the department believes that these pressures can be contained within the cash limit.
- 4.3. Proposals relating to the schools budget are considered in section eight.

5. Revenue Savings Proposals

- 5.1. Each Department was required to deliver a second year of 8% savings to contribute towards the overall target of £45m in 2012/13. The target for Children's Services was £10.365m.
- 5.2. In order to achieve minimum disruption to service users and staff, the department planned savings in 2011/12 and 2012/13 at the same time. Consequently, the savings for the Department that were approved for 2011/12 initially had an additional full year impact in 2012/13 of £10.924m. This has since been slightly reduced to £10.215m (due to lower estimates on home to school transport, children's centres and youth support services) and will come into effect in 2012/13 to help to meet the second 8% savings required for that year. This leaves a small balance of £150,000 for which new savings proposals are required.
- 5.3. A confidential report on the initial Phase Four Workstream Proposals was presented to Cabinet on 24 October and was updated in December. This highlighted that around £24m of savings had been identified and that there was a broad expectation that the cumulative value of the workstreams will contribute at least 50% of the overall £45m 2012/13 savings requirement.

- 5.4. Appendix 1 details the savings proposals for Children's Services between the Phase Four Workstreams and Departmental savings. It shows that all of the savings for Children's Services are being delivered through the Phase Four Work streams. These are summarised in the table below.

	£000
Full year effect of 2011/12 savings	10,215
New proposals in 2012/13:	
Phase Four corporate efficiency workstream savings	150
Departmental savings	-
Total savings in 2012/13	10,365

- 5.5. A more detailed summary of the savings proposals for 2012/13 is contained in Appendix 2, which shows the estimated impact on workforce levels and the forecast full year impact from 2013/14 onwards. The Appendix also provides information on the type of savings proposals categorised over Efficiencies, Income Generation or Service Reductions. The proposed savings relate to Outdoor Education (restructure £110,000, additional income £40,000) and the table below summarises the split of savings between these categories :

	£000
Efficiencies	110
Income Generation	40
Service Reductions	0
Total	150

- 5.6. These proposals will result in a further workforce reduction of two full-time equivalent (FTE) positions, and this will be achieved through voluntary redundancy and deletion of vacancies. These changes are already underway.
- 5.7. The cost to the department of implementing these further workforce changes will be funded from within the current year's underspend, and this is accounted for within the position currently forecast for the non-schools budget. This includes the cost of further redundancy and pension strain payments (excluding the voluntary enhancement).

6. Review of charges

- 6.1. For Children's Services, the 2012/13 revenue budget includes income of £6.1m from fees and charges. This is an increase of £0.2m (3%) on the adjusted original budget for 2011/12. This includes inflation of around £36,000 in respect of fees and charges.
- 6.2. There are some mandatory and national charges which the County Council is not able to vary. Within Children's Services the only charge that is mandatory relates to penalty notices of truants and excluded pupils.
- 6.3. Discretionary charges are reviewed annually except when they are subject to agreements which cover longer periods when the review takes place at the end of the period of the agreement. The Executive Lead Member for Children's Services also reviews school meal charges and a separate report on this agenda outlines proposals for 2012/13. Other examples of discretionary charges include:
 - secure welfare accommodation provided to other local authorities – the proposed charge has reduced by £210 from £4,620 per week to £4,410 per week to reflect health related expenditure being picked up by the NHS
 - parental contributions for children accommodated in accordance with Schedule 2, Part II, paragraph 22 of the Children Act 1989 – an increase of £1 per week is proposed from £42 to £43.
- 6.4. In a separate report on this agenda the charge for school meals is recommended to stay at £2.00 per meal.
- 6.5. Details of current and proposed fees and charges for 2012/13 are included in Appendix 3. The proposed charges take into account inflation increases (as assumed in the 'Medium Term Financial Strategy' – 2.5% for general increases), as well as previously agreed changes in policy (e.g. Home to School Transport provision) and other changes in funding arrangements.

7. Other expenditure

- 7.1. The budget includes some items which are not counted against the cash limit. This includes budgets for central department support services (except where they have been given to service departments to buy services), and repair and maintenance of buildings. It also includes costs of Member Support within Children's Services and budgets that are rechargeable to Policy and Resources for corporate and democratic core services.

8. Schools Budget

- 8.1. The forecast underspend in 2011/12 of about £1.6m is likely to increase to about £2m and this will be carried forward to 2012/13 and added to one-off headroom available in that year. The net underspend consists of a number of ongoing variances including savings in relation to central provisions (primarily rates and temporary classroom rentals), an overspend on inter-authority recoupment, underspends on out county special schools and

statemented pupils. There are also new pressures on premature retirement costs arising from a school closure and discontinuation of previously grant-funded services, and the impact of the DfE recoupment of Local Authority Central Spend Equivalent Grant (LACSEG) in relation to schools converting to academy status.

- 8.2. The table below shows how the total schools budget managed by Children's Services is derived:

	2012/13 £000
Dedicated Schools Grant (DSG)	713,600
Less items managed by Policy and Resources	-11,719
Pupil Premium Grant	9,962
Milk Grant	194
Music Grant	1,462
Total schools budget managed by Children's Services	713,499

- 8.3. On 13 December 2011 the Schools Forum considered the draft 2012/13 budget. However, as the funding settlement was not known at the time of this meeting, Schools Forum will consider any further proposals and confirm its 2012/13 budget at its meeting on 24 January 2012. Papers can be viewed at:
<http://www3.hants.gov.uk/education/education-meetings/education-meetings-schoolsforum.htm>
- 8.4. The ministerial statement on the 2012/13 education funding settlement was released later on 13 December, which confirmed the underlying assumptions within the Schools Forum budget paper, including that the settlement is for one year only. The three key features are:
- a 'flat cash' settlement i.e. no inflationary uplift to the amount per pupil, other than the additional pupil premium
 - an increase in the pupil premium for disadvantaged pupils (which increases from £488 to £600 per pupil) and, for children in service families, (which increases from £200 to £250). The Government has also extended its reach to cover any child that has been registered for Free School Meals (FSM) in the past six years
 - the Minimum Funding Guarantee (MFG) remains at -1.5% i.e. no school will get a reduction in per pupil budget share greater than 1.5% (before the application of the pupil premium).
- 8.5. The new School Funding Formula is likely to be in place from 2013/14, with 2012/13 being used as a 'shadow' year for monitoring purposes.

- 8.6. The estimated 'headroom' available in 2012/13 reported to Schools Forum was £2.0m 'one-off' and £2.726m 'ongoing'. Schools Forum agreed some proposals for the use of this headroom and requested further consideration of other proposals, together with any new proposals that school groups may wish to put forward, at Schools Forum on 24 January 2012.
- 8.7. Following analysis of the funding settlement there is a further £1.951m ongoing headroom available, made up of:
- £811,000 in respect of the second year of 14-16 diploma courses which began in 2010. This was expected to be withdrawn as the courses finish in 2012. However, the DfE decided to retain this in order to keep DSG at the 'flat cash' level.
 - £1.140m relating to other adjustments for pupil numbers, primarily the impact of the retention of the provision whereby local authorities are funded on the basis of 90% take-up of early years education by three year olds or their actual take up if that is higher. The 90% is based on a nationally prepared forecast of resident three year olds and that value for Hampshire has been increased.
- 8.8. The following proposals were agreed by Schools Forum on 13 December 2011 (all ongoing unless otherwise stated):
- Funding college places for Electively Home Educated (EHE) pupils - £77,000 (one-off). This relates to a policy change and a change in census treatment in 2012 to bring these pupils into the remit of DSG funding
 - Local Authority Central spend Equivalent Grant (LACSEG) adjustments - £320,000. Where services cannot absorb the budget reduction resulting from schools converting to academy status it has been agreed to maintain budget levels through the use of headroom
 - Premature retirement - £150,000. There is a significant overspend in 2011/12 and it is considered prudent to make extra provision for ongoing commitments in 2012/13 and the potential for additional costs arising from possible school re-organisations
 - Excluded Pupils (Emotionally Vulnerable and Medically Unwell) - £750,000. This is a new statutory requirement to provide full-time education to these pupils unless there are sufficient medical reasons for less provision
 - Special Educational Needs - £350,000. There is an ongoing pressure in particular in relation to inter-authority recoupment where there are increasing numbers of pupils being placed out of the county and fewer pupils from other local authorities being placed within Hampshire
 - School and performance data - £24,000. This is a subscription to the Fischer Family Trust which will be managed centrally rather than through individual school subscription, thus enabling a significant discount.

- 8.9. Other proposals that were put forward and subject to further consideration by Schools Forum in January were:
- Early Years - £1.550m. The service received £1m one-off funding in 2011/12 which was used primarily to increase the base rate to providers (by 3p to £3.78p per hour per pupil) and to increase the element for 'quality' within the Single Early Years Funding Formula (SEYFF). The proposals included maintaining the base rate at £3.78p (£300,000), funding to support increased take-up (£600,000) and funding to retain the quality element at the existing level (£650,000 – one-off)
 - Growing schools, in particular in relation to increasing primary school pupil numbers. A separate report will be considered alongside the School Places Plan at the January meeting.
- 8.10. The proposals put forward, including Early Years, resulted in unallocated headroom at that time of approximately £1.3m one-off and £200,000 ongoing. Final determination of the budget, following detailed consideration of the funding settlement outlined in paragraph 8.7, updated pupil number forecasts, updated budget figures and any further proposals will be made by Schools Forum on 24 January.

9. Budget summary 2012/13

- 9.1. The budget update report presented to Cabinet in December included provisional cash limit guidelines for each department. The cash limit for Children's Services in that report was £882.9m (£718.6m schools budget and £164.3m non-schools budget) which has now been adjusted to allow for :-
- original budget adjustments (a reduction of £198,000)
 - transfers between departments (a reduction of £16,000)
 - net changes in grant allocations (an increase of £1.1m)
 - adjustments to Schools budget assumptions (e.g. changes in headroom and pupil premium funding – a net decrease of £5m).
- 9.2. The amended cash limit position for this Department for 2012/13 is therefore £878.7m (£713.5m Schools budget and £165.2m non-schools budget). Appendix 4 sets out a summary of the proposed budgets for the service activities provided by the Department for 2012/13 and shows that these are within the amended cash limit set out above.
- 9.3. The net expenditure budget for the department is £109.807m . This is calculated by taking off income from total expenditure, as shown in the table below :-

	2012/13
	£000
Total expenditure	911,506
Income other than Government Grants	32,785
Cash Limit	878,721
Government Grants:	
- Dedicated Schools Grant	713,600
- Pupil Premium Grant	9,962
- Early Intervention Grant	41,973
- Music Grant	1,462
- Extended Rights for Free Travel	1,023
- Unaccompanied Asylum Seeking Children	700
- Other	194
Total Government Grants	768,914
Total net expenditure	109,807

- 9.4. This net position excludes central items such as repairs and maintenance, support service charges and capital charges which will be added as part of the overall budget reported to Cabinet and County Council in February.

10. Workforce implications

- 10.1. The workforce implications of the proposed budget for 2012/13 are set out in Appendix 5. At the end of 2012/13 the planned workforce for Children's Services is 2,533 full time equivalent (FTE) staff (excluding schools staff). This compares with the estimate at the end of 2011/12 of 2,739 FTEs which is a net reduction of 206 FTEs as shown below:

	FTEs
FTE staff as at 31 March 2012 ¹	2,739
Changes relating to new pressure (Appendix 2)	2
Changes relating to Services for Young Children ²	(208)
FTE staff as at 31 March 2013	2,533

¹ Excludes School staff. This also includes the 2FTE reduction relating to the 2012/13 proposed savings targets as these positions are already vacant.

² The anticipated full-year effect reduction in FTEs relating to Services for Young Children was included in the 2011/12 savings proposals. However, as most of this staff reduction/transfer will now not occur until after 1 April 2012, this is shown as a movement during 2012/13.

11. Conclusion

- 11.1. This report outlines the key issues and proposals for the Children's Services Department budget for 2012/13, including savings proposals to meet the second 8% savings target within the non-schools budget.
- 11.2. Whilst the risks associated with achieving these proposals are considered to be minimal, the Department Management Team will monitor progress against all savings proposals (both full-year effect of 2011/12 proposals and new proposals) on a regular basis, and highlight issues with the Executive Lead Member where appropriate.
- 11.3. The school funding settlement in 2012/13 is 'flat cash', other than the increase in the pupil premium, which means that any inflationary pressures have to be managed within budget. However, with the forecast underspend on the schools budget in 2011/12, and some limited flexibility in ongoing funding, there is some headroom to make limited provision for both existing and new pressures.

12. Recommendations

To approve for submission to the Leader and Cabinet:

- 12.1. The proposals for savings against the non-schools budget totalling £150,000, which together with the full year impact of 2011/12 savings of £10.215m meet the 8% target of £10.365m set for Children's Services in 2012/13 (as set out in Appendix 1 and 2).
- 12.2. The request for an additional £100,000 per annum from 2012/13 to meet the pressure identified in Appendix 1.
- 12.3. The annual review of income and charges (as set out in Appendix 3).
- 12.4. The revised schools and non-schools budget for 2011/12 (as set out in Appendix 4).
- 12.5. The summary of the schools and non-schools budget for 2012/13 (as set out in Appendix 4).
- 12.6. The workforce implications of the proposed budget for 2012/13 (as set out in Appendix 5).

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	Yes
Corporate Business plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	Yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Children's Services Department Revenue Budget 2011/12	2503	28 January 2011
Budget Monitoring - 2011/12 Quarter 2	3464	7 December 2011
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. Equalities impact assessments have been carried out for the 2012/13 savings arising from the 2011/12 budget strategy at the time of their approval. There are no equality and diversity objectives that are considered to be adversely affected by any proposals in this report.

2. Impact on Crime and Disorder:

2.1. The County Council has a legal obligation under Section 17 of the Crime and disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime.

2.2. The proposals in this report are not considered to be adversely affect the prevention of crime.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

- No impact

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

- No impact

Children's Services

Summary of phase 4 corporate efficiency workstreams

Corp. Workstream Ref.	Description	Savings £000
C2.2	Further Reviews of Workforce levels	110
C1	Customer Charging	<u>40</u>
	Total Phase 4 Workstreams	150
D	Departmental savings	<u>-</u>
	Total savings	<u>150</u>

Summary of revenue budget pressures

Description	Pressure £000
Independent Reviewing Officers	<u>100</u>
Total pressures	<u>100</u>

Children's Services

Expenditure Reduction Options – New Savings Proposals to Meet 8 % Target

Ref.	Savings Type	Corp. Prog. Ref	Service Activity	Description	Risk alert	Impact / Issues	2012/13		Full Year	
							£000	FTE	£000	FTE
CS1	E	C2.2	Outdoor Education	Restructure of team	G	Increased efficiencies	(110)	(2.0)	(110)	(2.0)
				Further Review of Workforce Levels			(110)	(2.0)	(110)	(2.0)
CS2	I	C11	Outdoor Education	Review of charging policy	G	Increased earnings	(40)	0.0	(40)	0.0
				Customer Charging			(40)	0.0	(40)	0.0
				Total Phase 4 Work streams			(150)	(2.0)	(150)	(2.0)
	D			Departmental Savings			0	0.0	0	0.0
				Grand Total			(150)	(2.0)	(150)	(2.0)

Summary of revenue budget pressures

Service Activity	Description	Risk alert	Issues	2012/13		Full Year	
				£000	FTE	£000	FTE
Child protection	Independent reviewing officers	G	Increased capacity for child protection planning	100	2.0	100	2.0
Grand Total				100	2.0	100	2.0

**Children's Services
Review of income 2012/13**

	Current charge £	Total income 2011/12 £	Date of last review	Planned date for next review	Proposed charge (if proposed now) £	Is charge subject to an assessment scale determined locally? Yes/No	Additional income from increased or new charge
Inter-authority recoupment	Based on cost of placement	2,281,500	April 2011	April 2012	N/A	Annually calculated to national guidelines	Varies in year
Penalty notices for parents of truants and excluded pupils	£50 if paid within 28 days / £100 if paid after 28 days	1,200	February 2004	Not Known	N/A	Charges are set nationally	N/A
Rents for staff accommodation	Varies	63,500	April 2011	April 2012	N/A	Yes, annual rent review by CCBS	N/A
Education Psychology Service	Varies	51,800	April 2011	April 2012	N/A	Contracts reviewed annually	1,300
Specialist Teacher Advisory Service	Varies	6,500	April 2011	April 2012	N/A	Charges to Post 16 sector, reviewed annually	200
Outdoor Education (Recharge to OLAs and FE Colleges)	Varies	60,000	April 2011	April 2012	N/A	Yes	N/A

	Current charge £	Total income 2011/12 £	Date of last review	Planned date for next review	Proposed charge (if proposed now) £	Is charge subject to an assessment scale determined locally? Yes/No	Additional income from increased or new charge
Privileged Transport	£45 per month	69,700	September 2011	September 2012	N/A	Yes	(3,200) Reduction due to policy changes
Denominational Transport	£1 per day	127,700	September 2007		N/A	Yes	(7,900) Reduction due to policy changes
Transport recharge to other local authorities	Varies – depends on cost	84,000	Ongoing	Ongoing	N/A	Yes, within national guidelines	(4,800) Reduction due to policy changes
Post 16 SEN Transport	N/A	0	N/A		£495 annually from Sep 2012	Yes	66,000 New charge to reflect policy changes
Community Homes	2,863	0	April 2011	April 2012	2,965	No	N/A
Secure Unit (Swanwick Lodge) - applies to OLA spot purchase. YJB rates agreed according to contract.	4,620	3,288,600	April 2011	April 2012	4,410	No	(148,500) Reduction in income as NHS is picking up all health costs with effect 1 April 2012
Homes for Children with Disabilities	2,950	0	April 2011	April 2012	3,024	No	N/A
<i>Other Charges:</i>							
Parental Contribution (weekly)	42	30,300	April 2011	April 2012	43	Yes	700

	Current charge £	Total income 2011/12 £	Date of last review	Planned date for next review	Proposed charge (if proposed now) £	Is charge subject to an assessment scale determined locally? Yes/No	Additional income from increased or new charge
Hire of Rooms (per hour)	28	0	April 2011	April 2012	28	No	N/A
Hampshire Foster Care Placement Management Charge (per week)	261	0	April 2011	April 2012	268	No	N/A
Foster Care Assessments	48 per hour	Varies in year	April 2011	April 2012	49 per hr	No	Varies in year
Services provided free where charges could be made		Nil					

**Children's Services
Budget summary 2012/13**

Service Activity	Original Budget 2011/12 £000	Revised Budget 2011/12 £000	Proposed Budget 2012/13 £000
Schools budget			
Nursery Schools	1,723	1,068	1,791
Primary Schools	353,459	351,085	353,697
Secondary Schools	315,668	244,483	213,619
Special Schools	36,257	34,893	34,167
Central Provision	16,572	41,832	19,532
Education Inclusion Service	9,792	9,812	10,761
Special Educational Needs	24,196	24,275	24,701
Early Years	43,118	44,709	44,164
Other	7,950	6,322	7,614
Unallocated	3,900	89	3,453
Total Schools Budget	812,635	758,568	713,499
Non-schools budget			
Other Education & Community – Special Education	5,543	5,571	5,280
Other Education & Community – Learner Support	34,923	34,692	34,966
Other Education & Community – Access	1,101	1,184	1,130
Young People's Learning Development	1,290	1,298	1,288
Adult Learning and Community	1,673	2,312	1,345
Services for Young Children	25,310	25,188	23,447
Youth Support Services	11,310	10,933	7,115
Strategic Management	6,215	6,496	6,048
Assessment and Care Management	19,774	20,063	19,363
Children Looked After	39,397	39,125	40,030
Family Support Services	12,672	12,565	14,257
Youth Justice	1,789	1,866	1,727
Other Children's and Families Services	8,519	8,290	8,118
Asylum Seekers	911	700	700
Unallocated Budget	1,011	1,651	408
Total Non-schools budget	171,438	171,934	165,222
Total Children's Services budget	984,073	930,502	878,721

Children's Services Workforce implications

Service Activity	Estimated Staff Numbers (full-time equivalent) 31.3.2012	Transfers & Other Changes	Impact of Savings Proposals	Estimated Staff Numbers (full-time equivalent) 31.3.2013
Schools Budget (excludes School Staff)				
Education Inclusion Service	230			230
Special Educational Needs	82			82
Early Years	60			60
Other	61			61
Total Schools Budget	433	0	0	433
Non-schools Budget				
Other Education & Community - Special Education	117			117
Other Education & Community - Learner Support	317			317
Other Education & Community - Access	18			18
Young People's Learning Development	6			6
Adult Learning and Community	23			23
Services for Young Children	99			99
Youth Support Services	151			151
Strategic Management	59			59
Assessment and Care Management	447	2		449
Children Looked After	218			218
Family Support Services	71			71
Youth Justice	64			64
Other Children and Families Services	51			51
Management and Support	69			69
Wessex Youth Offending Team	82			82
Total Non-schools Budget	1,792	2	0	1,794
Total Children's Services budget	2,225	2	0	2,227
School Trading Services Business Units	306			306
Children's Centres Business Unit	208		(208)	0
Total Business Units	514	0	(208)	306
Total including Business Units	2,739	2	(208)	2,533