

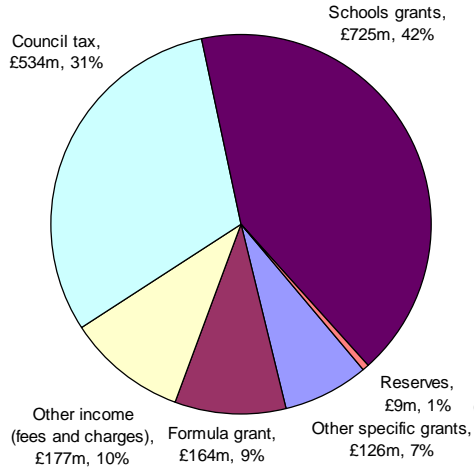


Hampshire
County Council

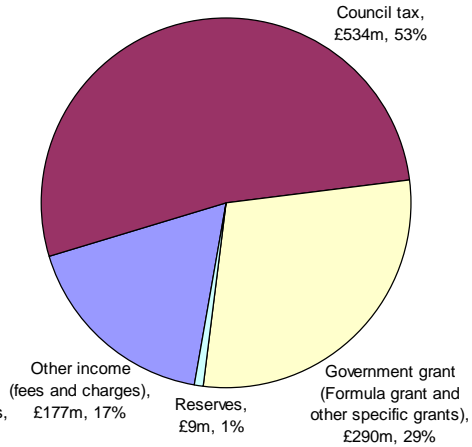
Medium Term Financial Strategy

Where will the money come from in 2012/13?

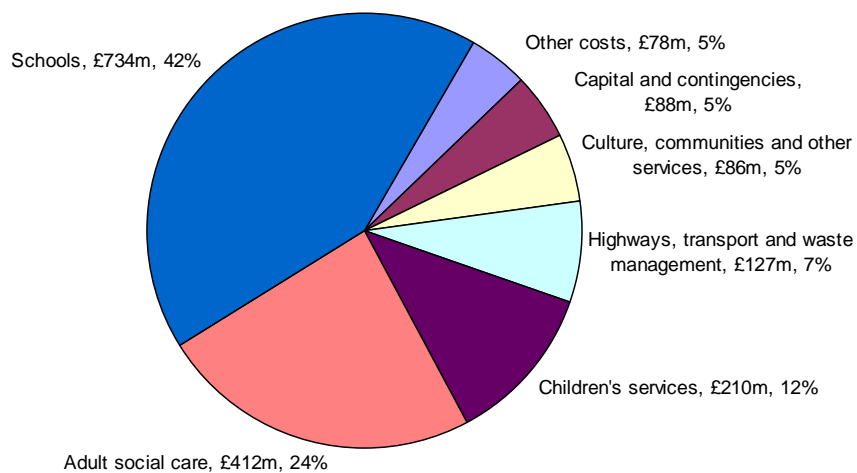
Including schools



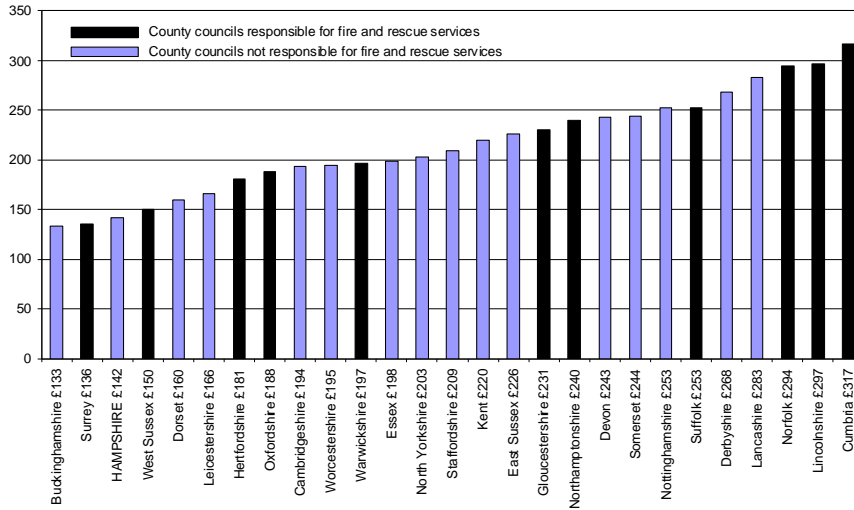
Excluding schools



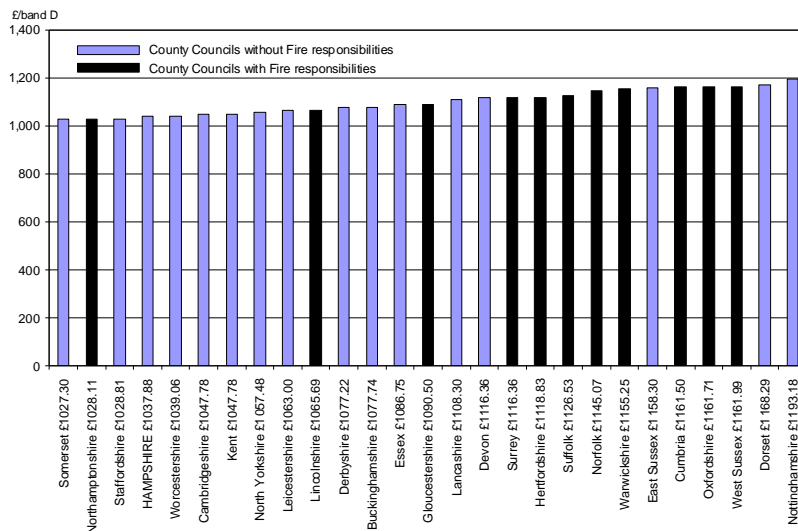
Planned County Council spending on services 2012/13



County Councils' Formula Grant Per Head 2011/12



County Councils' Council Taxes 2011/12



MTFS Key Assumptions

- Council tax level – zero or low

	11/12	12/13	13/14	14/15
Formula Grant Reductions	-14.3%	-10.4%	-9.0%*	-8.0%*
Funding Gap	£55m	£45m	£10m	£10m
Cash Limit Reduction	8%	8%	2%	2%

Council tax freeze

- Initially council tax freeze for 2011/12 only
- grant was 2.5% of the increase in 2010/11 Band D figure multiplied by the latest available tax base figure (2011/12 taxbase confirmed end Jan 2011)
- £13.2 million funding each year until 2014/15 to compensate for income foregone during the 2011/12 freeze
- Further council tax freeze grant for 2012/13 ONLY – no funding in 13/14 onwards therefore one year funding in 2012/13 only

Savings of 8% in 2011/12

	£m
Corporate workstreams	
Senior management restructuring	7.9
Recruitment moratorium and support services restructuring	4.4
Communications	1.0
Democratic infrastructure	0.9
Grants	1.2
Inspection and regulation	0.2
Contract negotiations	9.7
Income and charging	0.6
Support and administration	1.0
Business/shared services	0.4
Learning, training and development	0.6
IT cost reduction	0.9
Total corporate workstream savings	28.8
Departmental savings	24.8
Total savings – including £1.3m procurement savings on waste management contract	53.6

Savings of 8% in 2012/13

- Target £45 million
 - Full Year Impact of 2011/12 savings
 - Continuing Efficiency Workstreams
 - Departmental Efficiencies

8% Savings

	£m
Adult Services	(21.2)
Children's - Schools	0.0
Children's - Non Schools	(10.4)
Environment	(6.1)
CCBS	(4.7)
Treasurers	(0.9)
CX	(1.2)
P&R Other	(0.5)
	<hr/>
	(45.0)

Children's Services 8%

	£000
Full-year effect of 2011/12:	
Services for Young Children (CC & EECU)	5,975
Youth Support Services	2,759
Community Education	738
Health & Well-being	201
Home to School Transport	200
Youth Offending Team	175
Locality Teams	167
Sub-total	<hr/> 10,215
New:	
Outdoor Education	<hr/> 150
Total	<hr/> 10,365

Proposed Capital Programmes (as approved Feb 2011)

	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m
Adult Services	0.845	0.481	0.481	0.481
Children's Services	41.030	60.551	40.270	33.558
CCRA	0.756	0.598	0.448	0.448
Environment	45.146	44.845	44.705	42.383
Policy and Resources	36.348	32.738	32.738	32.738
Total	124.125	139.213	118.642	109.608

Capital – Emerging Key Themes

- Children's Services e.g. School Places
- Social Care Transformation e.g. Extra Care
- Information Technology e.g. Broadband
- Strategic Land Development
- Strategic Transport Infrastructure
- Planned Repairs & Maintenance
- Energy
- Flood & Coast Defence

Children's Services Capital

- £66.5m programme for 2012/13
 - James Review details awaited
 - Assumptions for 2013/14 and 2014/15
- School Places Plan
- Growing school numbers – primary age
- Strategy paper to Exec Lead Member in March 2012

Timetable

January 2012	<ul style="list-style-type: none">• Select Committee and Executive Member consideration of service budget proposals
February 2012	<ul style="list-style-type: none">• Cabinet and County Council approval of 2012/13 budget and council tax

Children's Services Budget 2011/12

	Cash Limit £000	Quarter 2 Variance £000	%
Schools	832,813	-1,572	-0.2
Non-schools	172,272	-2,361	-1.4
Total	1,005,085	-3,933	-0.4

Schools Budget 2011/12

	Cash Limit £000	Quarter 2 Variance £000	%
Central provisions	30,370	-2,206	-7
Supply cover (not sickness)	727	-215	-30
Premature retirement	400	+580	+145
Statemented Pupils	10,123	-858	-9
Inter Authority Recoupment	630	+1,333	+212
Out of County Special Schools	9,434	-460	-5
Other (primarily directly allocated to Schools)	781,129	-254	-0
Total	832,813	-1,572	-0.2

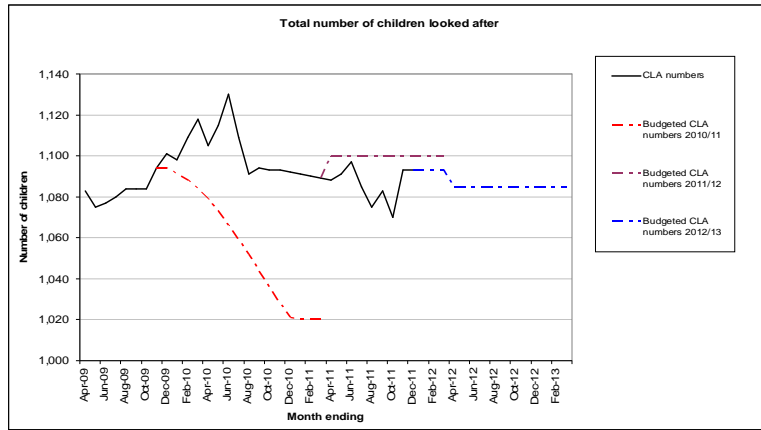
Non- schools Budget 2011/12

	Cash Limit £000	Quarter 2 Variance £000	%
Home to School Transport	27,518	-529	-1.9
Children Looked After	36,274	+581	+1.6
Services for Young Children	25,156	-1,116	-4.4
Youth Support Services	8,854	-1,070	-12.1
Family Support Services	10,427	+764	+7.3
Other	64,043	-991	-1.6
Total	172,272	-2,361	-0.4

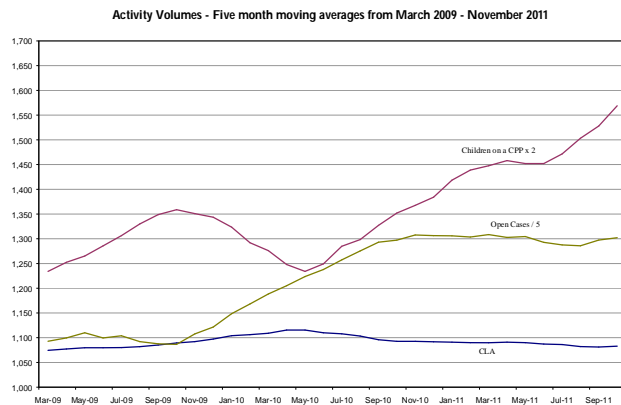
2012/13 Non-schools Budget – Underlying assumptions & key areas to watch

- National changes e.g. Munro review, Family Justice, SEN, Adoption, Youth Custody
- Improving outcomes for vulnerable children and families
- Increasing complex needs of disabled children
- Social workload pressures – risk of rising numbers of children in care & child protection
N.B. £1m corporate contingency

Children Looked After numbers



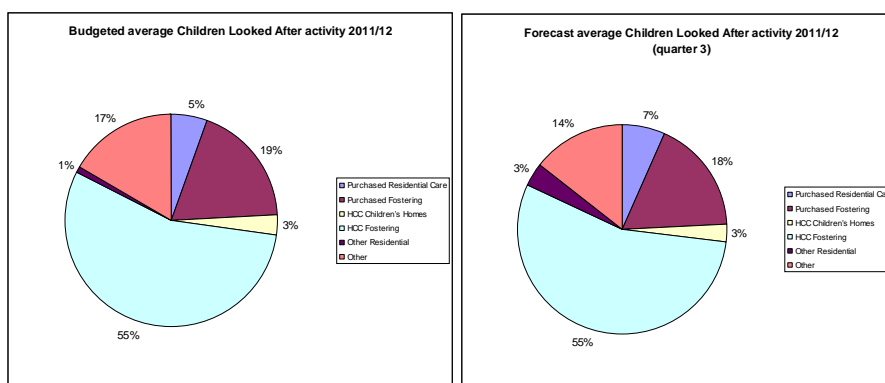
Activity trends – Child protection, open caseload and Children Looked After



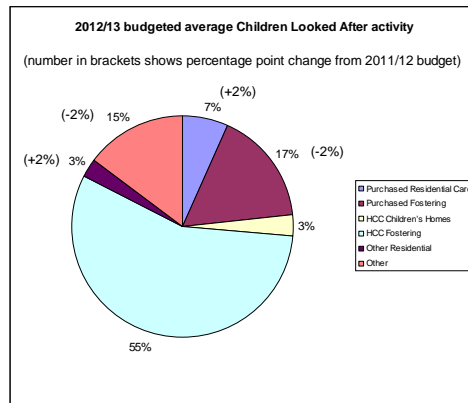
Number of Children Looked After by age band

Age Group	Number of CLA					Change Mar 2009 to Dec 2011	
	Mar-09	Mar-10	Mar-11	Sep-11	Dec-11	Number	%
0 to 4	227	234	235	221	233	6	2.6
5 to 10	231	195	226	238	239	8	3.5
11 to 15	423	481	408	376	375	(48)	(11.3)
16+	203	208	220	248	246	43	21.2
Total	1,084	1,118	1,089	1,083	1,093	9	0.8

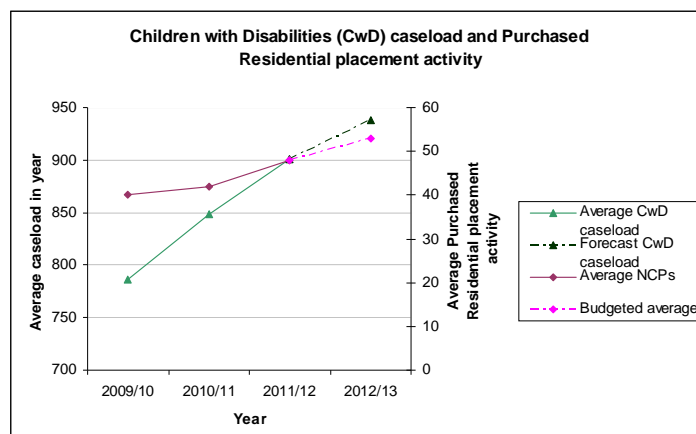
Distribution of placements for Children looked After 2011/12



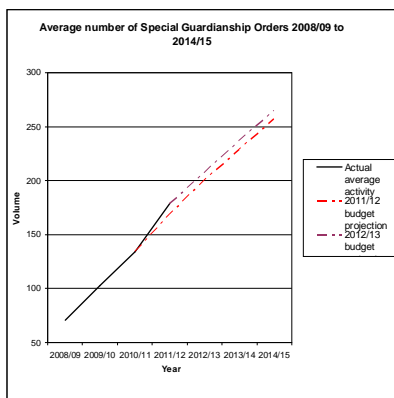
Budgeted distribution of placements for Children Looked After 2012/13



Children with disabilities



Children on the edge of care



	Actual average activity			Budget
	2009/10	2010/11	2011/12	2012/13
Special Guardianship Orders	103	134	179	207
Residence Orders	128	128	122	122
Informal Family and Friends (former Kinship Care)	61	62	64	64

2012/13 Non-schools Budget – Other key areas to watch

- Early Years – preparation for free provision to two year olds from 2013 N.B. increase in EIG
- Building relationships with voluntary sector
- School conversions to academies
 - maintaining business relationships
 - LACSEG review (top-slice met centrally in 2011/12 and 2012/13)
- School Places

2012/13 Schools Budget – Context and assumptions

- Flat cash – no increase in per pupil share, no inflation
- Minimum Funding Guarantee (MFG) - minus 1.5%
- Pupil Premium – additional
- Pupil numbers
 - Primary +1%, Secondary -1.1%
 - Net impact – additional £304k headroom
- Additional delegation £2.2m (0.3%) in 2011/12 made permanent

Headroom

- **SF Dec 2011 - £4.726m**
 - **One-off £2.0m** from 2011/12 underspend only
 - **Ongoing £2.726m**
- Funding settlement and further data analysis shows an extra £1.5m additional ongoing headroom available

One-off headroom proposals

	£000
College places for Electively Home Educated (EHE) children	77
Early Years (SEYFF) – Quality element*	650
Total proposals	727
Headroom available	2,000
Balance unallocated	1,273

Ongoing headroom proposals

	£000
LACSEG	320
Premature Retirement	150
Excluded Pupils (EV & MU)	750
SEN	350
Early Years – 3 & 4 year olds*	900
School & Performance data (FFT)	24
Total proposals	2,494
Headroom available	2,726
Balance unallocated	232

2012/13 headroom – further proposals

- Early Years - make £650k permanent
- Growing schools - £700k (Primary)
- One-off £1.9m – allocate on a per pupil basis
- Ongoing £300k – tracking NEETs

Summary

- 2011/12 budget underspends provide some flexibility
- 2012/13 Non-schools Budget
 - 8% savings achievable
 - ongoing and new pressures
 - Should be contained within budget but £1m corporate contingency for children looked after
- 2012/13 Schools Budget
 - 'flat cash' but with scope to meet pressures