

HAMPSHIRE COUNTY COUNCIL

Decision report

Decision Maker:	Executive Lead Member for Children's Services
Date of Decision:	18 January 2017
Decision Title:	2017/18 Revenue Budget Report for Children's Services
Decision Reference:	8019
Report From:	Director of Children's Services and Director of Corporate Resources – Corporate Services

Contact name: Erica Meadus, Senior Finance Business Partner

Tel: 01962 846195

Email: erica.meadus@hants.gov.uk

1. Executive Summary

- 1.1. The purpose of this report is to set out proposals for the 2017/18 budget for Children's Services in accordance with the Council's Medium Term Financial Strategy (MTFS) approved by the County Council in July 2016.
- 1.2. The deliberate strategy that the County Council has followed to date for dealing with grant reductions during the prolonged period of austerity, which involves planning ahead of time, making savings in advance of need and using those savings to help fund transformational change to generate the next round of savings, is well documented.
- 1.3. In line with this financial strategy, there were no new savings proposals presented as part of the 2016/17 budget setting process and the budget was balanced through the use of the Grant Equalisation Reserve (GER). Savings targets for 2017/18 were approved as part of the 2015/16 budget setting process and detailed savings proposals were developed through the Transformation to 2017 (Tt2017) Programme and approved by Executive Members, Cabinet and County Council in September and October 2015.
- 1.4. The report also provides an update on the financial position for the current year and overall the Department is expected to achieve a balanced budget by utilising the cost of change reserve.
- 1.5. The proposed budget for 2017/18 analysed by service is shown in Appendix 1 and the workforce implications of the budget proposals are set out in Appendix 2.
- 1.6. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2016/17 and detailed service budgets for 2017/18 for Children's Services Department. The report has been prepared in consultation with the Executive 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 2017 to make final recommendations to County Council on 16 February 2017.

2. Context and Priorities

- 2.1. The current financial strategy that the County Council operates, works on the basis of a two-year cycle of delivering Departmental savings to close the anticipated budget gap. This provides the time and capacity to properly deliver major savings programmes every two years, with deficits in the intervening years being met from the Grant Equalisation Reserve (GER) and early achievement of savings proposals retained by Departments to use for cost of change purposes or to offset service pressures.
- 2.2. The County Council's early action in tackling its forecast budget deficit over the prolonged period of austerity and providing funding in anticipation of the tougher times to come, placed it in a very strong position to produce a 'steady state' budget for 2016/17, giving itself the time and capacity to develop and implement the Transformation to 2017 (Tt2017) Programme to deliver the next phase of £98m of savings by 2017/18.
- 2.3. The budget setting process for 2017/18 will therefore be different in that the majority of the decisions in respect of major changes to the budget were taken early. However other factors will still affect the budget, such as council tax decisions and pressures as outlined later in this report, but these will not be as significant as the savings programme that has already been put in place.
- 2.4. Last year the Final Local Government Finance Settlement was announced on 8 February 2016, and provided definitive figures for 2016/17 and provisional figures for local authorities for the following three financial years to aid financial planning.
- 2.5. The figures for 2017/18, 2018/19 and 2019/20 set out in the settlement resulted in an increase in the County Council's revenue gap to be bridged in each of these years. In 2017/18 the bottom line impact was that a further £15m was required, on top of the £98m of savings to be delivered from Tt2017 Programme to produce a balanced budget.
- 2.6. The July 2016 Medium Term Financial Strategy (MTFS) updated the overall position in respect of the 2017/18 budget gap and the allocation of transitional funding as a result of the final settlement announcement of £9.4m in 2016/17 and £9.3m in 2017/18 enabled the gap in 2017/18 to be closed; managed through the GER.
- 2.7. This position is underpinned by the delivery of Tt2017 savings and regular updates on the Programme have been provided to Cabinet during 2016. Whilst there are acknowledged timing issues, the current assessment remains that the shortfall can be made up from departmental cost of change reserves on a one-off basis as savings come on line throughout 2017/18, leading to full implementation of the programme by 2018/19.
- 2.8. Other assumptions included in the MTFS that have been built into the 2017/18 budget proposals are:
 - A 3.99% council tax increase, 2% for social care costs on top of the referendum limit of 1.99%.

- Total inflation and growth of £24.7m across all departments, which includes the impact of the 2 year pay award for 2016/17 and 2017/18.
- 'Passporting' of any further losses of specific grant to the relevant services.

2.9. The Children's Services department has been developing its service plans and budgets for 2017/18 and future years in keeping with the 'Shaping Hampshire' priorities and the key issues, challenges and priorities for the Department are set out below.

3. Departmental Challenges and Priorities

3.1. The department's priorities were set out in previous budget review processes and remain as follows:

- Ensure a safe and effective social care system that continues to manage the risks between protecting and caring for the most vulnerable children and providing support to families in need;
- Ensure sufficient capacity to lead, challenge and improve the schools system to help ensure improved outcomes for all but particularly more vulnerable groups;
- Tightly target limited resources according to the needs of children whether that be support to children and families or to schools;
- Secure targeted and co-ordinated early help provision where it demonstrably reduces escalation of need;
- Sustain and develop high quality and financially competitive sold services when doing so contributes to our responsibilities to Hampshire;
- Maximise the opportunities to create efficiencies and maintain and enhance services through partnership arrangements.

3.2. These principles have served the department and the council and partners well in shaping the budget review process to meet the transformation programme requirements. The principles provide focus on the essence of the department's work in terms of its statutory duties to safeguard children and sustaining the role of the local education authority especially with regard to securing the best performance of schools in order that children's optimal outcomes can be achieved. These principles also ensure that a careful strategic approach is taken to future trading opportunities which help maintain capacity and an appropriate contribution to fixed and overheads costs of the Department.

3.3. With regard to the provision of social care services, performance remains one of the strongest nationally although the financial pressures generated by the increases in vulnerable children needing to be 'looked after' continue to dominate our thinking with regard to both service and financial strategies.

3.4. In terms of Hampshire's role as an education authority, the other key pillar of the department's strategic direction, the quality of our planning, support and intervention with schools remains high. These strengths are important for the reputation of the County Council as well as the outcomes for the individual children. They are also achieved through a particularly mature and responsive relationship between the School's Forum and the local authority. This

relationship remains critical as the Department's and the schools' budgets become further restricted.

- 3.5. The Education Service Grant ceases from September 2017 following the announcement made as part of the November 2015 national spending review. The government has provided some transitional funding for the period April 2017 to August 2017, however, this is at a substantially reduced rate from previous years. The government has acknowledged that the level of reduction in the grant far exceeds any minor reduction in the statutory responsibilities of the local authority. Funding for retained statutory services has been transferred into the Dedicated Schools Grant (DSG) and the DfE has allowed local authorities to agree with their Schools Forums a level of top-slice of mainstream school budgets to fund the delivery of general statutory duties. Schools have not been given any additional funding to cover this pressure. The government also announced a new grant 'School Improvement Monitoring and Brokering' to address underperformance and help ensure every child has a good school place.
- 3.6. There are pressures within the schools budget which for 2016/17 will be funded through one-off reserves.
- 3.7. The most significant partnership arrangement, aside from the composite arrangement with the Hampshire family of schools, remains the Council's partnership with the Isle of Wight Council for the delivery of children's services. In addition, Children's Services are supporting Torbay Council.

Children in Care

- 3.8. Both nationally and locally pressures relating to the costs (and numbers) of children looked after continue to grow. A number of high profile child deaths nationally and a mix of other factors such as greater awareness of child sexual exploitation, the growth in unaccompanied asylum seekers and the treatment of children remanded into custody as children in care has led to higher numbers of children in care both nationally and in Hampshire.
- 3.9. The number of children in the care of the local authority is never a static figure. Every week, indeed most days, children are coming into our care but equally as important, children leave our care. Every decision to take a child in to care is carefully considered and there is a 'triple lock' of accountable decision making. Children also leave care most days. Often this is because they have become 18 and are classified as 'care leavers' and will be entitled to ongoing financial and practical support from the local authority. As the number of children in care has grown so have the financial pressures relating to care leavers. Other children are adopted and some, particularly teenagers, return home or go to live with a family member under an arrangement such as a special guardianship order (which still has a cost associated).
- 3.10. Given that the national number of children in care has increased incrementally and significantly over the last nine years, it should not be a surprise that nationally, demand has outstripped supply and that prices in the independent placements sector have risen. Significant effort and intelligence has been

applied to reducing the costs of contracts with the independent sector as part of Tt2017 and further work will follow as part of Tt2019.

3.11. A key measure taken to safely reduce the number of children in care has been through Hampshire's involvement in the DfE's innovation programme. This involved focused interventions for children, especially teenagers, 'on the edge of care' alongside a more family oriented set of interventions focused on parenting deficits and the presence of the 'toxic trio' (domestic abuse, parental substance misuse and parental mental health) whilst increasing capacity through the use of volunteers. Funding for this programme was received in February 2015 and interventions were put in place from April/May 2015. At that stage the number of children in care was 1349. Tracking the number of children in care from this period through to June 2016 shows a decrease of 31 children in care to 1318. This is against a projected increase (6%) from the baseline of 81, giving an expected total of 1430. Thus there were 112 fewer children in care against the expected number giving an estimated saving of £5.5m.

3.12. From July 2016 that positive trajectory broke down. In the period July to September there was a net increase of 67 children in care. In October the net increase was 15 and in November the net increase was 10 giving a total of an additional 92 children over the period July to November 2016. However, there are two main reasons for this – both of which relate to significant national changes in policy or practice. Firstly the government's national redistribution of unaccompanied asylum seeking children from France and Kent, which commenced on 1st July, saw Hampshire accepting 44 additional children from July to November 2016. The government has offered additional funding for these children but data from ADCS ('Safeguarding Pressures Phase 5 – Special Thematic Report on Unaccompanied Asylum Seeking and Refugee Children', November 2016) indicates that this meets only around 50% of the actual costs. The second reason is the increase (driven by changes in case law) in the number of children subject to interim Care Orders but who are placed with parents under the supervision of the courts. There have been 40 such cases since the first of July, the rate prior to that being negligible. In fact the costs for these children are much less than those in other forms of care as there are effectively no placement costs. Therefore these two factors account for 84 of the increase of 92.

3.13. Two obvious conclusions can be drawn from this. Firstly, that we will need to develop a more sophisticated cost prediction model for children in care that takes account of these developing issues. Secondly, that significant resource and capability is applied to reshape the way in which social work with children is carried out to achieve more resilience within families in order that fewer children, especially teenagers who now constitute around 40% of the cohort of children in care, need to enter the care system; and to bear down on the costs of care placements. The first aspect of this change programme – the development of a new social work operating model – is the subject of our further innovation work as part of the government's

Partners in Practice programme, whilst the latter point is the focus of Children's Services Tt2019 programme.

- 3.14. Although the Department is able to demonstrate achievement of its Transformation to 2017 Programme savings for CLA, recent activity is again placing pressure on the budget both in terms of the number of children and the mix of placements. Also, the additional school places that are required to address the growth in the county will have an impact on future activity numbers. Further work is currently being undertaken to model the forecast position at a more granular level.
- 3.15. The Department therefore anticipates that there will be continuing pressures on CLA numbers and unit costs as well as for care leavers for some time. These will continue to be closely monitored going forward.

4. 2016/17 Budget

- 4.1. The cash limited budget for 2016/17 included the early achievement of savings of £6.283m during the year. These and any further savings achieved during the year can be transferred to cost of change reserves and used to fund any future costs of change.
- 4.2. Enhanced financial resilience monitoring, which looks not only at the regular financial reporting carried out in previous years but also at potential pressures in the system and the early achievement of savings being delivered through transformation, has continued through monthly reports to CMT and periodic reports to Cabinet.
- 4.3. The expected outturn forecast for 2016/17 is a balanced budget having utilised cost of change and schools reserves, although there are some pressures noted below.
- 4.4. There has been significant focus on children looked after numbers and costs over the year as set out above. Trends for average costs, numbers and the mix of placement type have been analysed and will continue to be tracked into the new financial year. The agreed increase in Unaccompanied Asylum Seeking Children (UASC) has impacted on numbers in care. Costs relating to UASC placements are reclaimed from the Home Office, although a cap is applied.
- 4.5. Other challenges faced by the Department relate to the short supply of qualified social workers, an increase in the numbers of care leavers and the costs associated with the provision of school transport, mainly relating to those with special education needs.
- 4.6. The budget for the Department has been updated throughout the year and the revised budget is shown in Appendix 1.

5. 2017/18 Revenue Budget Pressures and Initiatives

- 5.1. There are significant areas of pressure within the Children's Services budget.
- 5.2. The most volatile pressure relates to children looked after, both in numbers

and also in type. The department is monitoring this position very carefully and many of the Tt2017 actions, most notably the work to bring down the unit costs of placements, are aimed at reducing the financial risks around the need to make appropriate provision for this vulnerable group of children and young people.

- 5.3. The home to school transport pressure is almost entirely due to increased costs around the transport of children with special educational needs. Many of these are taxi journeys and have been subject to some inflationary pressure. However other contributing factors include the increasing numbers of pupils with SEN including the impact of Education Health Care Plans (EHCP) continuing until the age of 25, the pressures on SEN school places which can lead to the nearest provision being full, and the historical tendency for much higher levels of discretionary exceptions to transport policy relating to pupils with SEN. Tt2019 work will include much more rigorous consideration of entitlement in line with policy.
- 5.4. The costs of agency social workers to cover for the short supply of qualified social workers are creating significant pressures. Agency recruitment is subject to approval at senior level and action is being taken to ensure that the use of agency staff is kept to an absolute minimum. Various recruitment and alternative pathways to social work careers are being promoted and will form an ongoing workstream into Tt2019.
- 5.5. The final main area of pressure relates to increasing numbers of care leavers including asylum seeking children. Alternative ways of making appropriate provision are being explored.
- 5.6. As the department moves into the planning cycle for Tt2019 it will baseline the budgets that are showing historical pressure so that there can be clarity around work to contain the pressures and work to reduce the effective spend against the budget baseline.

6. 2017/18 Revenue Savings Proposals

- 6.1. The Department was given a savings target for 2017/18 of £20.5m which was approved as part of the 2015/16 budget setting process and detailed savings proposals were developed through the Tt2017 Programme and approved by Executive Members, Cabinet and County Council in September and October 2015.
- 6.2. During the last year, the Department has been progressing the implementation of these savings, which have been subject to regular reporting to Cabinet and CMT. The department has faced a number of challenges around full delivery of some elements of the original planned savings but has managed to find alternative reductions in spending. The department has a robust programme management and review process in place, overseen by the departmental management team and this will be continued into the Tt2019 programme.
- 6.3. It is now anticipated that full year savings of £20.5m will be achieved in 2017/18 with the balance being made up from the cost of change reserve in order to allow sufficient time for delivery of the final two elements of the programme.

- 6.4. The main reason for the delayed achievement relates to:
- Delivery of a digital solution in order to achieve savings relating to special education needs administration.
 - An agreed and purposeful delay in the roll out of new models of overnight respite care in order to test and try out these models and collate parental feedback.
- 6.5. Rigorous monitoring of the delivery of the programme will continue during 2017/18, to ensure that the Department is able to stay within its cash limited budget as set out in this report.
- 6.6. This early action in developing and implementing the savings programme for 2017/18 means that the County Council is in a strong position for setting a balanced budget in 2017/18 and that no new savings proposals will be considered as part of the budget setting process for 2017/18.

7. Schools Budget

- 7.1. A forecast overspend of £4m in 2016/17 was reported to Schools Forum in October and December 2016. The main reasons for this are in relation to high needs top up funding. The main variances include pressures in the high needs block: namely top-up funding for mainstream schools, special schools and early years providers, independent non-maintained special schools (INMSS), post 16 providers, education centres and SEN discretionary payments.
- 7.2. The pressures on the High Needs budgets provide significant cause for concern for the current year's budget and future budget planning. This is a very similar picture to many other Local Authorities. A number of actions are being taken to try and reduce these pressures with papers being discussed at previous Schools Forums.
- 7.3. Any year end overspend will be met from the Dedicated Schools Grant (DSG) reserve.
- 7.4. High needs pressures as identified above are continuing along with other pressure relating to business rates revaluations. There is also a need to establish ongoing funding for a number of services supported from reserves including funding for growing schools.
- 7.5. Due to the forecast medium term financial pressures and a range of other changes to the school budget anticipated to take effect in 2017/18, a consultation was undertaken with responses welcomed from all stakeholders. The main areas consulted on were:
- Transition to the national funding formula
 - Changes to data sets used in the schools funding formula
 - Treatment of new pressure resulting from business rates revaluation
 - Budgets currently funded by reserves
 - Education Services Grant (ESG)
 - Options for budget reductions to fund pressures.

- 7.6. A total of 65 responses were received across all phases and schools types. These responses were used to inform the debate at Schools Forum leading to a number of decisions intended to shape the work to finalise the budget following the allocation in late December in time for Schools Forum on 17 January 2017.
- 7.7. On 15 December 2016 Schools Forum gave initial consideration to the 2017/18 budget and agreed principles and policies to be applied in determining budget allocations. Schools Forum agreed an approach to reduce budgets, including reductions to individual schools budgets in order to address a range of pressures in the region of £12m and provide a permanent funding source for these key services.
- 7.8. Schools Forum also agreed in principle to the retention of the ESG retained funding and a top-slice of maintained schools budgets to fund statutory services which the DfE have now included within scope of the schools budget.

Dedicated Schools Grant (DSG) 2017/18

- 7.9. The DSG is allocated in three notional blocks - Schools Block, Early Years Block and High Needs Block. The school funding formula approach is that local authorities set the policies and allocations that are then applied to academies. Initial total notional allocations for 2017/18 have been received, as follows:

Block	Amount £'000
Schools	720,155
Early Years	72,999
High Needs	102,648
Total	895,802

- 7.10. Included within the schools block is an allocation of £2.76m for retained Education Services Grant statutory responsibilities.

- 7.11. The early years block includes several new streams :

- £10.65m for all eligible working parents of 3&4 year olds (30 hours)
- £270,000 disability access fund
- £1.68m supplementary funding for maintained nursery schools

- 7.12. The high needs block also includes additional funding to recognise current population and estimated high needs growth. The DfE announced an increase to local authorities high needs block by a national total of £130m, of this, Hampshire has been allocated £2.7m, which was the sixth highest allocation nationally.
- 7.13. Also included within the high needs block allocation is £3.528m for the post-16 further education (FE) colleges and charitable and commercial providers (CCP). This is new into DSG for 2017/18 and does not affect the bottom line cash limit as the full amount will be recouped by the Education Funding Agency (EFA).
- 7.14. The Pupil Premium level of funding for 2017/18 is the following and has remained unchanged from 2015/16 :

Premium	Basis	2017/18 (per annum)
Ever 6 FSM- Primary Schools	Pupils in Year R – 11 eligible for FSM according to the January census, or known to be eligible in any of the previous 6 years census.	£1,320
Ever 6 FSM - Secondary Schools		£935
Looked After (LAC) / Post-LAC	Looked after for 1 day or more, or adopted from care, or has left care under a special guardianship order, a residence order or a child arrangement order.	£1,900
Service Family (Ever 6)	One parent serving/previously served in Armed Forces; one parent died in service and pupil receives relevant pension.	£300
Literacy and numeracy 'catch up'	Year 7 pupils who have failed to reach level 4 in reading and/or maths.	£500
Early Years (3 and 4 year olds)	Looked after for 1 day or more Adopted from care Has left care under a special guardianship order, a residence order or a child arrangement order.	£300

*FSM = Free School Meals

7.15. The DfE have confirmed the grant for universal infant free school meals (UIFSM) continues at a meal rate of £2.30 for the 2017 to 2018 academic year. It has also been confirmed the primary PE and sport premium will also continue. Further details on these will be available shortly.

7.16. The Music Grant for 2017/18 has yet to be announced. Therefore, the 2016/17 figure of £1.709m has been used.

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

	2017/18 £'000
Dedicated Schools Grant (DSG) (incl. in year adjustments and one off reserves)	897,721
Less recoupment (incl. academies & FE colleges)	(165,619)
Sub-total	732,102
Pupil Premium and other schools grant	53,081
Music Grant	1,709
Total schools budget managed by Children's Services	786,892

7.18. The following adjustments have been made to the DSG allocation as set out in section 8.3 :

- Recoupment for academies and post 16 education providers (£165.619m).
- For early years, figures are based on schools and early years census data from January 2016 and will be updated based on January 2017 and January 2018 census data, which is estimated to be a reduction of £867,000.
- An additional £40,000 is anticipated within the high needs to take into account changes in place numbers for high needs establishments.
- Previously agreed services to be funded from reserves £2.746m (Early Years £1.2m + High needs £1.5m)

7.19. The proposed budgets to be retained by the local authority are summarised below.

Block	Budget
	£'000
Schools	559,423
Early	73,378
High	99,301
Total	<u>732,102</u>

7.20. On 15 December 2016 Schools Forum gave initial consideration to the 2017/18 budget and agreed principles and policies to be applied in determining budget allocations. On 17 January 2017 Schools Forum will consider and agree 2017/18 budget proposals based on current information. Confirmation of DSG figures to be paid to local authorities net of recoupment for existing academies will be made in March 2017.

8. Budget Summary 2017/18

- 8.1. 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 £912.591m (£760.665m schools and £151.926m non-schools). This has been increased by £24.368m to reflect:
- Updated grant announcements in relation to the Schools Improvement monitoring and Brokering (£505,000) and SEND Implementation Grant (£89,000).
 - The changes and cuts to the Education Service Grants (ESG) as described in section 3.5 has also been reflect in the departments cash limits. Whilst the final detail is still being agreed with Schools Forum at the meeting on the 17 January the reductions assume alternative sources of funding have been established including the use of one-off transitional funding available, retained funding now included in DSG and an estimated top slice from maintained schools.
 - Updated Dedicated Schools grant announcement on 20 December as detailed in section 7.9
- 8.2. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by the Department for 2017/18 and shows that these are within the cash limit set out above.

8.3. In addition to these cash limited items there are further budgets which fall under the responsibility of this department, which are shown in the table below:

	2017/18 £'000	2017/18 £'000
Cash Limited Expenditure	1,014,605	
Less Income (Other than Government Grants)	(77,646)	
Net Cash Limited Expenditure		936,959
Trading Units Net (Surplus) / Deficit		749
Less Government Grants:		
• Dedicated Schools Grant	(732,102)	
• Pupil Premium & Other Schools Grants	(53,081)	
• Music Grant	(1,709)	
• Phonics Grant	(41)	
• Extended Rights to Free Travel Grant	(402)	
• SEN Implementation Grant	(898)	
• Step up to Social Worker Grant	(276)	
• Staying Put Grant	(411)	
• New Remand Framework Funding	(97)	
• Supporting Troubled Families Programme	(2,004)	
• Local Welfare Assistance Grant	(227)	
• Unaccompanied Asylum Seeking Children Grant	(2,000)	
• Partners in Practice Project Grant	(2,106)	
• School Improvement Monitoring & Brokering	(505)	
Total Government Grants		(795,859)
Total Net Expenditure		141,849

8.4. The historic children's centres reserve has been transferred into the overall children's services reserve to contribute towards the redundancy and premises costs in relation to the implementation of the new Family Support Service (FSS) model.

9. Workforce implications

- 9.1. The workforce implications of the proposed budget for 2017/18 are set out in Appendix 2. At the end of 2017/18 the planned workforce for Children's Services is 2,397 full time equivalent (FTE) staff. This compares with the estimate at the end of 2016/17 of 2,354 FTEs which is an increase of 43 FTEs as summarised below:

	FTEs
Estimate as at 31 March 2017	2,354
Changes relating to savings targets	0
Transfers and other changes	43
Estimate as at 31 March 2018	2,397

- 9.2. The main reason(s) for this increase are as follows:

- Early Help and Children's Centres re-organisation created the Family Support Service. Employees TUPE from our Children's Centres third party providers.

10. Recommendations

To approve for submission to the Leader and Cabinet:

- 10.1. The revised budget for 2016/17 as set out in Appendix 1.
- 10.2. The summary budget for 2017/18 as set out in Appendix 1.
- 10.3. The workforce implications of the proposed budget for 2017/18 as set out in Appendix 2.

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
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	
None		

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>
Medium Term Financial Strategy Update and Tt2017 Savings Proposals	Cabinet – 5 October 2015
Medium Term Financial Strategy to 2020	
Budget setting and provisional cash limits 2017/18	Cabinet – 20 June 2016 Cabinet – 12 December 2016

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

The budget setting process for 2017/19 does not contain any new proposals for major service changes which may have an equalities impact. Proposals for budget and service changes which are part of the Tt2017 Programme were considered in detail as part of the approval process carried out in September and October 2015 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 3 to 6 in the October Cabinet report linked below:

http://www.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item_ID=6920&tab=2&co=&confidential

Equalities Impact Assessments are an ongoing part of the implementation of the Tt2017 Programme.

2. Impact on Crime and Disorder:

2.1.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Budget Summary 2017/18 – Children's Services Department

Service Activity	Original Budget 2016/17 £'000	Revised Budget 2016/17 £'000	Proposed Budget 2017/18 £'000
Early Years	61,672	59,815	73,378
Individual Schools Budgets	538,070	537,904	543,050
Schools De-delegated Items	4,124	4,124	2,114
Schools Central Provisions	10,594	10,594	10,181
Schools Block	552,788	552,622	555,345
High Needs Block ISB	33,179	33,415	31,667
High Needs Top-Up Funding	51,007	50,646	57,718
SEN Support Services	4,500	4,524	5,937
High Needs Support for Inclusion	1,808	1,708	3,361
Hospital Education Service	289	289	589
High Needs	90,783	90,582	99,272
Central Block	-	-	4,107
Other Schools Grants	54,214	54,896	54,790
Schools Budget	759,457	757,915	786,892
Young Peoples Learning & Development	716	589	578
Adult & Community Learning	374	584	532
Asset Management	689	568	557
Central Support Services	-15	44	52
Education Welfare Service	1,490	1,009	0
Educational Psychology Service	2,364	1,956	1,388
Home to School Transport	27,963	27,799	28,186
Insurance	43	38	38
Monitoring of National Curriculum Assessment	161	142	142
Parent Partnership, Guidance and Information	195	218	199
Pension Costs (includes existing provisions)	3,258	3,258	3,204
School Improvement	2,366	2,322	2,718
SEN Administration, Assessment, Co-ordination & Monitoring	2,848	3,328	2,337
Service Strategy & Other Education			
Statutory/Regulatory Duties	1,203	1,369	1,328
Service Strategy & Other Ed Functions	42,565	42,051	40,149
Management & Support Services	7,142	9,129	457
Other Education & Community	50,797	52,353	41,716

Service Activity	Original Budget 2016/17 £'000	Revised Budget 2016/17 £'000	Proposed Budget 2017/18 £'000
Services for Young Children	8,205	6,394	1,721
Adoption Services	3,577	3,460	3,475
Asylum Seekers	500	1,500	2,000
Children Placed with Family & Friends	836	836	853
Education of Children Looked After	302	305	311
Fostering Services	28,960	29,869	27,554
Leaving Care Support Services	2,954	3,083	3,135
Other Children Looked After Services	1,159	1,158	1,177
Residential Care	22,529	22,881	20,827
Special Guardianship Support	1,948	1,948	1,987
Children Looked After	62,765	65,040	61,319
Other Children & Families Services	2,574	2,574	2,029
Direct Payments	1,038	1,038	1,059
Other Support for Disabled Children	211	211	216
Short Breaks (Respite) for Disabled Children	5,066	5,024	4,935
Targeted Family Support	6,010	6,304	5,568
Universal Family Support	151	108	109
Family Support Services	12,476	12,685	11,887
Youth Justice	1,312	1,621	1,300
Safeguarding & Young Peoples Services	19,936	20,318	19,443
Services for Young People	1,020	1,091	1,090
Management & Support Services	7,897	9,614	9,440
Non-Distributed Costs	134	134	122
Children's Social Care	116,319	119,471	108,351
Non-Schools Budget	167,116	171,824	150,067
Total Children's Services	926,573	929,739	936,959

**Workforce Implications Full Time Equivalent (FTE) – Children's Services
Department**

Service Activity	Estimate 31/03/2017	Impact of Savings Proposals	Transfers & Other Changes	Estimate 31/03/2018
	FTE	FTE	FTE	FTE
Schools Budget				
Early Years Block	81	0	0	81
Schools Block	160	0	(1)	159
High Needs Block	71	0	0	71
Total Schools Budget	312	0	(1)	311
Non-schools Budget				
Young People's Learning Development	19	0	(1)	18
Adult & Community Learning	17	0	4	21
Service Strategy & Other Ed Functions	385	0	(31)	354
Management & Support Services	55	0	25	80
Services for Young Children	55	0	(8)	47
Children Looked After	249	0	11	260
Family Support Services	69	0	85	154
Youth Justice	151	0	(12)	139
Safeguarding & Young Peoples Services	493	0	(27)	466
Services for Young People	41	0	(12)	29
Management & Support Services	190	0	7	197
Total Non-schools Budget	1,724	0	41	1,765
Subtotal Cash Limited Services	2,036	0	40	2,076
School Trading Services Units	285	0	4	289
Nursery Trading Units	33	0	(1)	32
Subtotal Trading Units	318	0	3	321
Total	2,354	0	43	2,397