

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date of Decision:	17 November 2010
Decision Title:	Children's Services Department 2010/11 Revenue Budget Monitoring – Period 6 (end of September 2010)
Decision Reference:	2216
Report From:	County Treasurer and Director of Children's Services

Contact name: Gordon Shinn

Tel: 01962 847545

Email: gordon.shinn@hants.gov.uk

1. Executive Summary

- 1.1. The purpose of this paper is to set out for the Executive Lead Member for Children's Services the current position on the Children's Services revenue budget for 2010/11 as at the end of September (period 6).
- 1.2. The report outlines the key financial pressures faced by the department in 2010/11, relating primarily to activity led areas, resulting in a forecast overspend of approximately £270,000 (£1.7m underspend against the Schools Budget and £2m overspend against the non-schools budget). This position does not include the costs of the staffing reductions in response to the funding cuts. These will be reported in the next quarter.
- 1.3. This net overspend reflects the impact of in-year revenue funding cuts of approximately £6.2m, including £4.857m of Area Based Grant (ABG) cuts, £967,000 LPSA2 reward grant originally anticipated to be received (planned expenditure against this will now not proceed), £161,000 of ContactPoint Grant (all non-schools budget) and £178,000 Local Delivery Support Grant (Schools Budget).
- 1.4. A number of other issues were outlined within the report presented to the Executive Lead Member for Children's Services in July 2010. This report can be found at the following link:
http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingitemssummary.htm?pref=Y&tab=1&item_ID=1781&cancel=n.
 However, key contributing factors continue to include an increase in the number of children and young people supported in the activity led budget areas such as:

- Home to School Transport – an increase of 2.2% in the number of pupils supported by this budget between May 2009 and May 2010 has resulted in an increase in the number of season tickets (3.2%) and contracts (3.6%). Further information is provided at paragraphs 4.20 to 4.23, which indicates that the number of contracts has reduced in the new term, with a subsequent reduction in costs. Further detail will be provided in the next report to the Executive Lead Member.
 - Children Looked After - sustained growth in the number of children in the care of the County Council since March 2008, a net increase of 71 (6.9%), has continued to result in a significant financial pressure against this budget. Further information is provided at paragraphs 4.24 to 4.38.
- 1.5. Planned budget savings for 2010/11 amounting to approximately £7m have been identified as part of the department's budget recovery plan to respond to these underlying pressures. Further information on how these savings have been achieved is provided at paragraph 4.3. The department will continue to review all service budgets and planned expenditure with the aim of identifying further savings to offset the overspend reported.

2. Contextual information

- 2.1. The 2010/11 budget was agreed by the County Council on 18 February 2010.
- 2.2. Appendices are listed at paragraph 9.1.

3. Activity, Performance and Workforce information

- 3.1. Appendix 2 provides details of activity data which is extracted from the key activity led/high risk budgets that are reported to Cabinet. Appendix 2(c) shows the figures for the first three months of the year (April – June 2010) that were reported to Cabinet on 27 September 2010. The trends in activity and spend are explored in more detail in section 4.
- 3.2. The Children's Services department has been judged as performing well in the annual rating from Ofsted, published as part of the Comprehensive Area Assessment (CAA) in 2009. However, areas identified for further improvement in 2010 included narrowing the attainment gap for vulnerable children and continuing to improve outcomes for children in care and care leavers. These are already being addressed through the department's improvement plan.
- 3.3. The pace and nature of post-election change has been significant for Children's Services, although the full implications will not be clear until details of the Comprehensive Spending Review and the Education and Children's Bills, which will be published in the autumn, are known.

- 3.4. The annual review of Hampshire's Children and Young Peoples plan 2009-12 shows significant progress against priorities and hard to move targets (the full review is available at www.hants.gov.uk/childrens-trust). Good progress has been made against targets in the Department Plan with 58.2% of targets on track to be achieved, 30.9% at risk of not being achieved and 10.9% unlikely to be achieved (largely due to the challenging nature of the Local Area Agreement and statutory attainment targets).
- 3.5. Of the 13 Children's Services National Indicators that have monthly monitoring data available, 23% of these are showing an improvement from the end of 2009/10, 23% remain unchanged, and 54% show a small fall in performance and these will continue to be monitored closely. A majority of these indicators are for safeguarding or children in care, and this position reflects the continued high demand for these services.
- 3.6. During the first quarter of the year the number of full-time equivalent employees (FTEs) has reduced since the end of 2009/10 (by 142 FTEs to approximately 2,842). This change is mainly due to the reclassification of some term-time only employees which had previously been reported as being full-time. Recruitment activity has slowed in recent months and this is partly due to closer scrutiny around decisions to recruit to vacant posts, ensuring that these are considered against the wider context of funding cuts and the resulting budget position.
- 3.7. Retention of staff has remained relatively consistent during the first quarter of the year, with 79 external leavers or 2.2% (compared with 82 leavers during quarter 4 of 2009/10).
- 3.8. The overall sickness figures available for the department demonstrate a slight downward trend for the first quarter of the year (1.9 days per FTE compared with 2.3 days as at the end of quarter 4 in 2009/10).
- 3.9. As outlined earlier in the report, work continues to restructure the department's workforce in response to confirmed and anticipated funding cuts. The full budgetary impact of these cuts will be reflected in future reports.

4. 2010/11 Revenue Budget Summary as at 30 September 2010 (period 6)

- 4.1. The overall 2010/11 cash limited budget for Children's Services has increased since the original budget was set in February 2010 as outlined below:

	Schools £000	Non- Schools £000	Total £000
Original agreed cash limited revenue budget <i>(as per budget book)</i>	829,833	171,746	1,001,579
Approved changes:			
Corporate Contingency for Children Looked After		+1,000	+1,000
LPSA2 reward grant (reduced allocation)		+883	+883
Area Based Grant reduction (24%)		-4,859	-4,859
Other net grant adjustments (ABG & Specific) and minor changes (e.g. Transfers to/from other departments)	+9,040	+1,689	+10,729
Current Cash Limited Budget¹	838,873	170,459	1,009,332

- 4.2. The projected outturn reported for 2010/11 is an overspend of approximately £270,000. The variance reported by each branch and by Schools Budget and non-schools budgets is as follows:

	Period 6 £000
Performance & Resources	-1,727
Education & Inclusion	+1,253
Children & Families	+744
Total	+270
<i>Broken down by:</i>	
Schools Budget	-1,745
Non-schools budget	+2,015
Total	+270

- 4.3. This position incorporates budget savings for 2010/11 of approximately £7m identified as part of the department's budget recovery plan, and the extent of these savings has enabled the department to contain underlying budget pressures and a large proportion of the in-year funding cuts. This achievement has required a significant commitment by the department to reduce expenditure

¹ Excludes assumptions around Schools Budget carry-forward to 2011/12.

across a wide range of services and the level of non-staff spend across the non-demand led services has been extensively scrutinised and reduced. The vacancy management approach, in place since December 2009, has made a significant contribution to the achievement of these savings. It should be noted that once the current and future departmental restructures have been implemented the ability to make further savings from vacancy management against a reduced base staffing budget will be much more limited.

4.4. These savings include:

- one-off savings achieved through a review of planned expenditure funded by unringfenced grant streams such as Area Based Grant (£1.9m), and base budget (£2.5m)
- savings achieved from ceasing planned programmes of work following the removal/reduction of grant funding streams (e.g. ContactPoint (£161,000) and the LPSA2 reward grant (£1.850m))
- savings identified by education business units (£560,000)

4.5. The main variations of the forecast outturn against the cash limit, based on the position as at the end of September (period 6), are outlined in the following table. The adjusted cash limit incorporates the impact of the various service budget reductions to respond to the funding cuts.

	Adjusted Cash Limit £000	Period 6 Variance £000	Period 6 Variance %	Report para
<u>Schools Budget:</u>				
LMS Contingency	6,377	-730	-11.4	4.7
Miscellaneous Other	730	-274	-37.5	
Payments for 3 & 4 year olds	31,583	+651	+2.1	4.9
Statemented Pupils	10,087	-945	-9.4	4.11
Inter Authority Recoupment	630	+226	+35.9	
Out of County Special Schools	9,534	-282	-3.0	4.16
<u>Non-Schools Budget:</u>				
Support Services	5,269	-216	-4.1	
Home to School Transport	27,268	+837	+3.1	4.20
Integrated Youth Service	11,539	-360	-3.1	

	Adjusted Cash Limit £000	Period 6 Variance £000	Period 6 Variance %	Report para
Commissioning and Social Work	18,400	+203	+1.1	
Children Looked After	34,600	+1,959	+5.7	4.24
Family Support Services	10,032	+386	+3.8	4.39

- 4.6. The following paragraphs provide details on the most significant of these variations (as highlighted in bold font).

Schools Budget

Local Management of Schools (LMS) Contingency

-£730,000 (-11.4%)

- 4.7. This budget includes amendments made to schools' budget allocations, as well as Nursery School payments, and money for excluded pupils.
- 4.8. The underspend incorporates a number of assumptions around expenditure being similar to 2009/10. However, it can be difficult to predict commitments against this budget for costs relating to business rates and temporary classroom rentals and it is likely, therefore, that further changes will emerge during the remainder of the financial year.

Payments for 3 and 4 year olds

+£651,000 (+2.1%)

- 4.9. The number of 3 and 4 year olds, and hours of service provision, has increased since the budget was prepared, resulting in both an increase in Dedicated Schools Grant (DSG) (£690,000) and an increase in the Standards Fund for the Extended Flexible Entitlement (£2.9m).
- 4.10. The estimated underspend on the Standards Fund grant eligible expenditure is £887,000, which can be carried forward to 2011/12. However, the increase in overall hours includes increases in expenditure that is not eligible against the Standards Fund, thus leading to an estimated overspend of £651,000 on the main Schools Block funding. Although additional DSG has been given to cover this increase, Schools Forum has already agreed to carry this forward to 2011/12. This additional cost is contained within the overall underspend in the Schools Budget.

Statemented Pupils

-£945,000 (-9.4%)

- 4.11. This budget mainly funds the additional support written into statutory statements of pupils with Special Educational Needs (SEN) who have low incidence needs. While most of the budget is allocated to schools to provide this support, there is also substantial central expenditure on therapies and other external provision, some of which arises from high cost special packages aimed at avoiding the need for more expensive placements in fee paying non-maintained and independent special schools.
- 4.12. This budget also includes the recoupment of payments and receipts arising from support provided to Hampshire pupils placed in other local authority schools and vice versa, as well as projects to provide specific support to groups of pupils with SEN.
- 4.13. The reasons for the underspend include:
- higher recoupment receipts from other Local Authorities than budgeted (£340,000)
 - savings arising from unavoidable delays in implementing new resourced provision for early years (£106,000)
 - lower levels of expenditure on demand led activity than budgeted. A proportion of this has been due to successful management action taken to achieve efficiency savings against special packages of support (£494,000).
- 4.14. Other minor variations account for the remaining underspend (£5,000).
- 4.15. Due to the activity led nature of this budget there is potential for this position to change significantly in the coming months.

Out County Special Schools

-£282,000 (-3.0%)

- 4.16. This position reflects the position for the 2010/11 academic year based on September starters. In addition, an assumption has been incorporated into the forecast regarding the outcomes of current tribunal appeals.
- 4.17. Activity information available demonstrates that there has been a slight reduction in demand for Out County Placements over the past academic year.

Number of pupils					
	2007	2008	2009	2010	Movement 2009 to 2010 %
January	214	221	234	229	-2.1
April	227	238	245	244	-0.4
September	211	222	227	228	+0.4

4.18. In addition to lower activity levels, placement costs have also been slightly offset by some savings achieved through the successful re-negotiation of fees with providers.

4.19. Whilst the forecast includes an assumption around further future placements being made, due to the uncertainty around the outcome of tribunal appeals and further requests being made for new placements, it should be noted that this variance is subject to change.

Non-Schools Budget

Home to School Transport +£837,000 (+3.1%)

4.20. This is an activity led budget, which despite having had much additional resource added over the years including £1.1m growth in 2010/11, has been under constant pressure for several years. As well as transport inflation being high, there has been an increase in contract numbers (the main cost driver).

4.21. The following table shows that as of May 2010 there had been an increase in the level of activity against this budget over the past financial year.

		Number as at May 2009	Number as at May 2010	Increase %
Pupils transported	Mainstream & FE	12,158	12,429	+2.2
	Special / EIS*	2,540	2,598	+2.2
	Total	14,698	15,027	+2.2
<i>Analysed by:</i>				
Season Tickets		2,382	2,458	+3.2
Pupils transported by contract		12,316	12,569	+2.1
		14,698	15,027	+2.2
Number of Contracts	Mainstream & FE	689	690	+0.1
	Special / EIS*	797	850	+6.6
	Total	1,486	1,540	+3.6

4.22. In view of the underlying budget pressures experienced by this service, Home to School Transport is a key focus within the Corporate Procurement Efficiencies programme. An extensive programme of work to retender the taxi contracts is underway with the aim of reducing the unit costs. Where appropriate, safe routes to school are being reviewed to establish whether new walking routes could reduce the need for specific transport in some school catchments. A review of the home to school transport policy and entitlements will soon report with options.

4.23. Separate to this particular programme of work, initial information available for the end of October's budget monitoring reporting suggests that a significant reduction in forecast may be achieved as a result of a reduced number of contracts and associated costs for the 2010/11 academic year. A further update will be provided in the next report.

Children Looked After

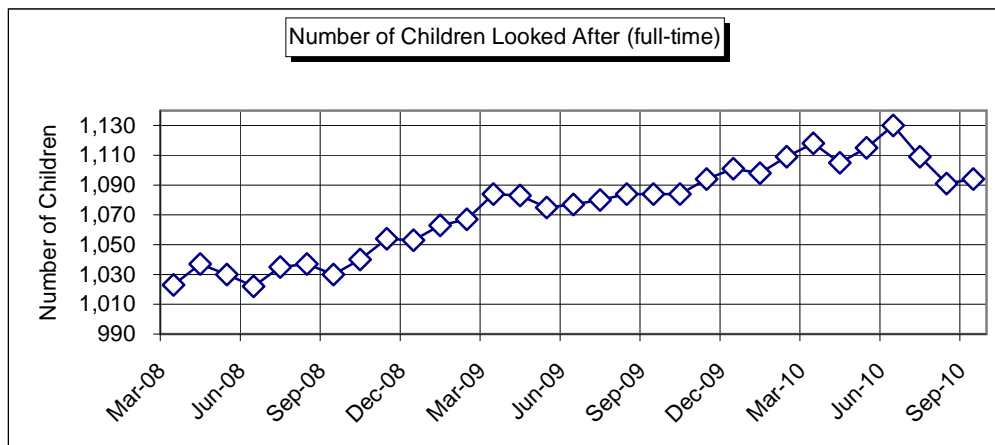
+£1,959,000 (+5.7%)

4.24. The overspend consists of:

	September 2010 variance	
	£000	%
Purchased Residential Care (Non-County Placements (NCPs) and Secure Welfare ²)	+370	+4.1
Purchased Fostering (IFPs)	+2,025	+29.7
HCC Fostering	-516	-4.4
HCC Children's Homes	+271	+4.3
Other Residential	-191	-34.7
Total	+1,959	+5.7

4.25. The forecast variance reflects expectations around placements which will end, as well as assumptions around further new placements that will be made during the remainder of the financial year. The variance also reflects the inclusion of £1m of corporate contingency set aside for Children Looked After budget pressures during the current financial year (i.e. there is an underlying budget pressure of £3m).

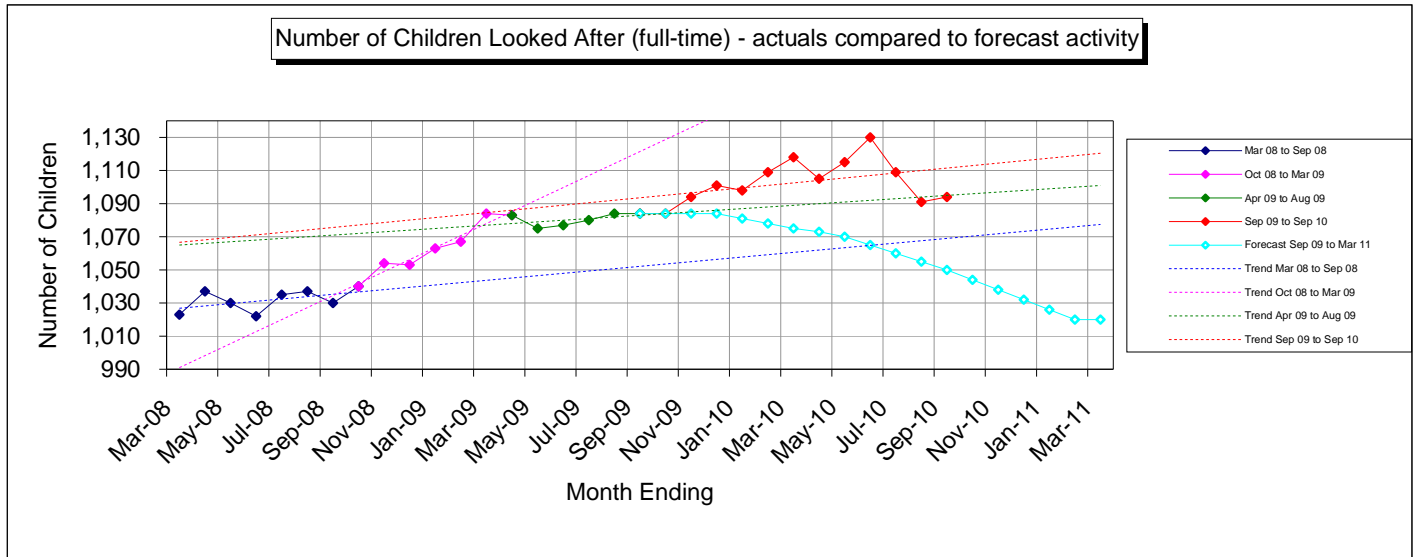
4.26. Activity levels for Children Looked After (CLA) steadily increased over the latter part of 2008/09, from 1,023 as at 31 March 2008 to 1,084 at 31 March 2009 (an increase of 6.0%) and 1,118 at 31 March 2010 (a further 3.1% rise). Activity levels have been unstable during the first six months of the year as demonstrated in the graph below. As at the end of September 2010 1,094 children were looked after by the County Council (a net reduction of 24 since the end of March 2010).



Graph 1 – total number of children looked after (full-time)

² Expenditure on Secure Welfare amounts to approximately £244,000 of the forecast outturn reported against purchased residential placements.

4.27. The following graph (graph 2) shows this information compared to the activity assumptions used to inform the 2010/11 budget strategy. This demonstrates that the actual number of children as at the end of September was 44 higher than had been assumed for this same point in time for the purpose of setting this year's budget.



Graph 2- number of children looked after (full-time) compared to budget activity levels for 2010/11

4.28. The trends in Hampshire continue to be consistent with national trends and are also linked to a range of other workload pressures in relation to vulnerable children.

4.29. As reported previously, there have been a number of drivers for these increased activity levels, the most prominent factors of which have been the public and professional reaction to the Baby P tragedy in Haringey and the impact of the recession. Further possible factors include changes in the legal process (the 'public law outline'), the improved early identification of risk and need in relation to children, and the fact that these are national issues meaning that, on occasions, demand for placements far outstrips supply. This latter point adds an inflationary factor to the costs of placements on top of the simple quantitative pressure.

4.30. Children Looked After can be placed in a variety of arrangements, the most common of which are Foster Care and Residential placements (children's homes and in some cases school placements). Other arrangements can include supported lodgings, secure welfare accommodation (secure remand accommodation arrangements are not reflected within Children Looked After activity or expenditure), children who are placed for adoption (subject to final approval), as well as in some circumstances children living at home with their parent(s) on care order.

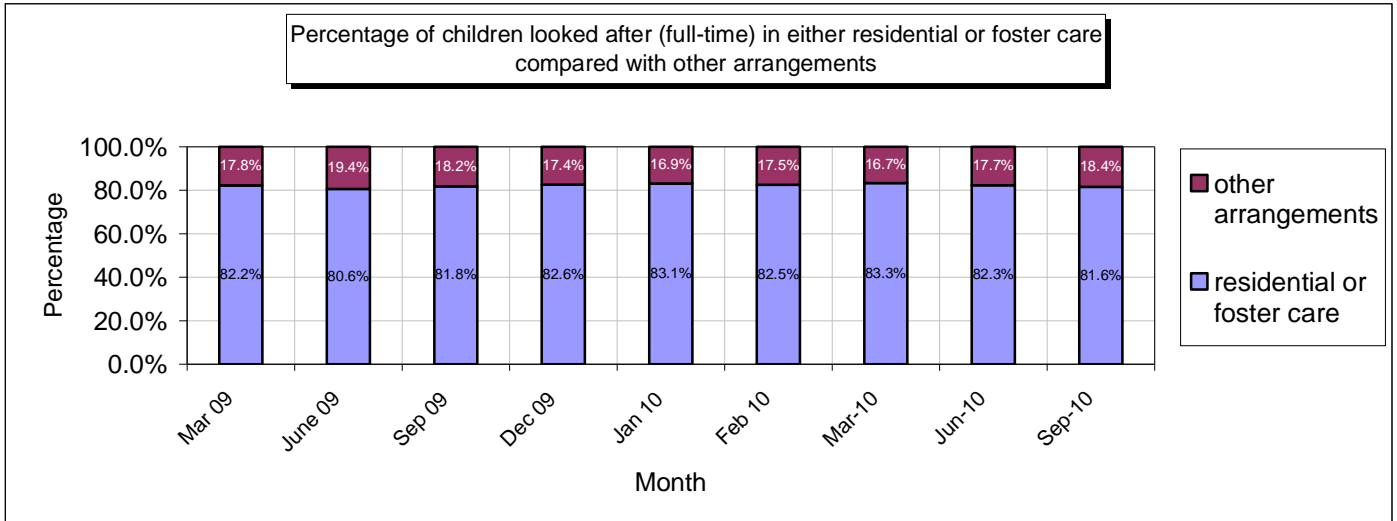
4.31. The proportion of children placed within these different types of arrangements will impact on the financial cost to the department. The overall activity levels (excluding children in short programmed breaks, e.g. CWD respite provision) throughout the year is broken down further in the following table:

Number of children in full-time care by children with a disability (CwD) and non-disabled children)		March 2009	%	March 2010	%	September 2010	%
Non-county placements	Non-disabled	14	1.3	16	1.4	20	1.8
	CWD	37	3.4	40	3.6	43	4.0
	Total	51	4.7	56	5.0	63	5.8
HCC residential children's homes	Non-disabled	35	3.2	40	3.6	33	3.0
Independent Fostering Providers (IFP)	Non-disabled	163	15.0	180	16.1	194	17.7
	CWD	12	1.1	11	1.0	13	1.2
	Total	175	16.1	191	17.1	207	18.9
HCC Fostering ³	Non-disabled and CwD	630	58.1	644	57.6	590	53.9
Other	Non-disabled and CwD	193	17.8	187	16.7	201	18.4
		1,084		1,118		1,094	

4.32. This table confirms that whilst the overall number of children looked after by the County Council has reduced since March, the proportion of children supported in more costly arrangements such as residential and foster care has remained roughly in line. Graph 3 (below),

³ The number of children placed in in-house foster care provision as at the 30 September 2010 was 590 (as reported in SWIFT). This is the figure reflected above. However, the average number of children supported during this period (based on SAP payroll records) can vary slightly. For September 2010, the average number of children placed with foster carers, based on these records, equated to 589.

demonstrates the change in the overall proportion of children looked after supported in either residential or foster care compared with other 'less costly' arrangements throughout the current financial year.



Graph 3 – Percentage of children looked after (full-time) in either residential or foster care compared with other arrangements

4.33. An analysis has also been completed of the age profile of the Children Looked After population to determine whether there has been any significant change since March 2008 and September 2010. This shows that a significant proportion of the overall increase since the end of March 2008 relates to children who are either aged between 0 to 4, 11 to 15 or 16+ years old. However, since March 2010 there has been an increase in the number of 5 to 10 year olds, whilst the number of 11 to 15 year olds has reduced.

Age Group	Number of CLA as at:				
	31 March 2008	31 March 2010	30 Sep 2010	Change Mar 2008 to Sep 2010	
				Number	%
0 to 4	194	234	225	+31	+16.0
5 to 10	240	195	230	-10	-4.2
11 to 15	413	481	431	+18	+4.4
16+	176	208	208	+32	+18.2
Total	1,023	1,118	1,094	+71	+6.9

- 4.34. Additional financial investment received by the department in 2008 led to increased recruitment of new foster carers (96 overall during 2008/09 and 2009/10, of which 17 have come from IFPs). However, since March 2010, the total number of registered foster carers has reduced from 581 to 550 (appendix 2(b)). This reduction is primarily due to the fact that a large number of foster carers who were no longer in a position to take on any placements have now been removed from the register, thus ensuring that we now have a more reliable number in terms of the actual number of foster carers available. However, the number of children placed with Hampshire foster carers has also reduced since March 2010, whilst the number placed with IFPs has risen, indicating that available in-house capacity has reduced. Hampshire's foster carer population is mainly within the older age range and a number of carers have either naturally come to the end of their fostering career, are close to retirement or have changes in their family circumstances which limit their ability to continue to foster, such as caring for ageing parents. For those County Carers who left the service during 2009/10, 31% cited family circumstances (including separation or divorce) as the reason for leaving, and 10% left through either retirement or as a result of ill health.
- 4.35. Despite the successful recruitment of additional carers during 2008/09 and 2009/10, the service is increasingly operating within an extremely competitive market. Marketing and advertising methods need to be more innovative, targeted and consistent, and continued investment is necessary to enable the department to continue to compete with other organisations and to attract the right carers to replenish and grow Hampshire's foster carer population. To this end, new methods of marketing are being utilised in an attempt to attract younger foster carers (e.g. internet based advertisements such as Facebook and Google).
- 4.36. The number of children in Hampshire County Council foster care has reduced for a number of complex reasons, which are mainly due to the complexity and urgency of many placement decisions as well as the need to ensure the highest quality of care. It is essential that placement numbers, and matching carers with children and young people, meet regulations and safety requirements. Therefore, a more robust approach has been taken to ensure that no more than four children are placed in one household, and that all children have appropriate sleeping accommodation.
- 4.37. There is also robust matching between existing children and new placements to support the continued stability of these placements. Carers are taking on more challenging children, which consequently makes it difficult to make additional placements alongside the initial child placed. Some carers who have had long-term sibling placements are reluctant to take on further placements when individual children leave, as they plan to retire when the last child moves on. Long-term placements may also become supported

lodgings or adult placements which then blocks the bed for any further fostering, and other existing placements have become Special Guardianship Order (SGO) placements (see paragraph 4.40), resulting in the child no longer being looked after by the County Council. Often in these situations the carers no longer foster other children. There are also pressures on the bedroom space as it is not always possible to place two unrelated children in the same bedroom. A number of other similar issues also impact upon placement availability.

4.38. Whilst a reduction has been observed in the overall number of children looked, after this budget will continue to be monitored closely over the coming months. Consideration will also be given to the estimated continuing budget pressure in 2011/12.

Family Support Services **+£386,000 (+3.8%)**

4.39. The overspend consists of:

	September 2010 variance	
	£000	%
Direct Payments	+116	+16.5
Day Care	-9	-1.8
Home Care	-141	-18.0
Equipment and Adaptations	0	0.0
Other Family Support ⁴	+420	+5.3
Total	+386	+3.8

4.40. A significant proportion of the variance against 'Other Family Support' relates to the increase in Residence Orders, Special Guardianship Orders and Kinship Care placements, as outlined in the following table:

	Client numbers at March 2009	Client numbers at July 2009	Client numbers at March 2010	Client numbers at Sep 2010	Increase/decrease since March 2010	
					Number	%
Provision						
Kinship Care	50	59	64	58	-6	-9.4
Residence Order	132	130	127	131	+4	+3.1
Special Guardianship Order	86	96	119	134	+15	+2.6
Total number of children	268	285	310	323	+13	4.2

⁴ Other Family Support includes expenditure on unqualified support workers, preventative expenditure and other non-CLA placement solutions (Residence Orders, Special Guardianship Orders and Kinship Care).

- 4.41. The department had anticipated some growth in the number of children supported via these types of arrangements within the 2010/11 budget strategy. However, the actual growth in numbers has exceeded this, resulting in a forecast overspend.
- 4.42. Other budget pressures include direct payments, which have also experienced a further increase in activity (from 183 as at the end of March 2009 to 204 at the end of September 2010).

5. Business Units

- 5.1. Appendix 3 shows the business units' anticipated financial position for 2010/11 as at 30 September 2010 compared with their original budget. This appendix also outlines the core contributions made by the department to each of the business units and their current estimated reserves as at 31 March 2011.

Business Units providing services to Schools

- 5.2. Based on their draft business plans for 2010/11, the education business units were projecting an in-year deficit of £1.176m. This excludes the £47,000 projected surplus for the Education, Information and Communication Technology (EdICT) business unit, which transferred to Property, Business and Regulatory Services (PBRs) with effect from 1 April 2010 and is, therefore, no longer included in the Children's Services reporting framework.
- 5.3. At the end of September, the overall position has improved by £301,000 with a deficit for the year of £875,000 projected. Education business unit reserves are now forecast to stand at £3.3m at 31 March 2011.
- 5.4. The Hampshire Inspection and Advisory Service (HIAS) is projecting a deficit of £758,000, which is £279,000 lower than the £1.037m deficit originally forecast for 2010/11. This deficit is part of a planned strategy to utilise HIAS' accumulated surplus over the next three years. The impact of this year's trading is expected to result in a reduction in HIAS reserves to £2,053,000 by 31 March 2011. Savings have been achieved through the holding of vacant posts pending restructuring and from measures taken by the service to reduce IT and travel costs. Income is predicted to be similar to the levels generated in the previous two years of the current three year SLA period. HIAS has also reduced the level of core funding it requires by maximising the use of available standards fund grant. This has resulted in a saving of £312,000 for the Children's Services Department budget in 2010/11.
- 5.5. For the Hampshire Teaching and Leadership College (HTLC), which is incorporated within the HIAS business unit, a surplus of £248,000 is forecast, which is £37,000 higher than predicted in the business

plan. Despite a significant reduction in income from the Teacher Development Agency (TDA), demand for courses and room hire has been greater than anticipated.

- 5.6. Education Financial Services and Education Personnel Services are continuing to project smaller in-year deficits. These now total £130,000, which is £18,000 higher than forecast in their draft business plans.
- 5.7. Governor Services trading position has improved by £68,000 with a £40,000 surplus now projected, compared with a £28,000 deficit previously forecast. Expenditure is predicted to be marginally lower with savings in the establishment staff budget being partly offset by an increase in the cost of casual staff, training and staff travel. However, additional income is expected to be generated from an increase in demand for training and for the local authority clerking service.
- 5.8. The Music Service is continuing to project a balanced budget for 2010/11 but has had to reduce staffing costs and the purchase of equipment to meet an anticipated decrease in income of £277,000, resulting primarily from a £200,000 reduction in the Service's core funding but also from a fall in Service Level Agreement income from September 2010.
- 5.9. Both Minstead and Stubbington Study Centres are continuing to review their costs and reduce expenditure wherever possible and are planning to further improve on this position. Minstead is now projecting a surplus for the year of £7,000 compared with the balanced budget which was previously reported. Stubbington is, however, forecasting a deficit for the year of £34,000. Despite finding cost savings totalling £15,000, income estimates have reduced by £49,000 due to a lower number of bookings than anticipated.

Children's Centres Business Unit

- 5.10. The Children's Centres business unit is planning to utilise £445,000 from balances in 2010/11, reducing cumulative reserves from £1,276,000 to £831,000 by 31 March 2011. This represents an in-year variation of £315,000 compared with the deficit of £760,000 which was anticipated at the beginning of the year.
- 5.11. Projected expenditure has reduced by £70,000, mainly as a result of a number of posts being held vacant, and projected income has increased by £245,000. A number of the centres are assuming that vacancies will be appointed to later in the year and the underspend may increase further if these posts continue to be held vacant.

6. Partnerships

- 6.1. Within Children's Services there are three significant partnerships – Wessex Youth Offending Team (YOT), the Hampshire CAMHS

Commissioning Partnership and the Hampshire Safeguarding Children Board.

Wessex YOT

- 6.2. The Wessex YOT budget for 2010/11 is £10.7m, with the majority of funding coming from partner contributions (£5.7m, of which Hampshire County Council's contribution is £2.4m) and Youth Justice Board (YJB) grant (£2.7m).
- 6.3. At its meeting on 28 September 2010 the Management Board received an update on the financial position for 2010/11 which outlined an expectation that a balanced budget would be achieved.

CAMHS Commissioning Partnership

- 6.4. The CAMHS Commissioning Partnership provides services focused on promoting and restoring the emotional well-being of children and young people. The partnership is between Hampshire County Council and the Hampshire Primary Care Trust. Most services are commissioned through contract arrangements. These include NHS providers and other organisations who provide support for children and young people with emotional, social, and mental health needs. The majority of these services have been tendered under a single contract from April 2011. The results of this exercise will be reported to the Executive Lead Member in January 2011.
- 6.5. At its meeting on 5 October the CAMHS Commissioning Partnership Management Board received an update on the financial position for 2010/11, outlining a forecast underspend for the year of £80,000. The Board agreed to receive an updated forecast in December, at which time they would make a firm decision regarding the use of any underspend.

Hampshire Safeguarding Children Board

- 6.6. The Board has been established as a requirement of the Children Act 2004, which also sets out the partners that should be included. The Board is responsible for co-ordinating and ensuring the effectiveness of local work to safeguard and promote the welfare of children.
- 6.7. The partnership fund for 2010/11 amounts to £380,000, which includes Hampshire County Council's contribution of £151,800 and Hampshire County Council grant income of £116,000. Other contributing partners are Hampshire PCT, Hampshire Police, Probation, Children and Family Court Advisory and Support Service (CAFCASS) and the 11 local District/Borough/City Councils.
- 6.8. At its meeting on the 13 September 2010 the Board noted that a balanced budget is forecast for 2010/11.

7. Efficiencies and Savings Targets

- 7.1. An update of the current achievement against the department's savings targets for 2010/11 of £11.3m is shown in Appendix 4. This overall target includes the in-year impact of the non-schools revenue budget funding cuts.
- 7.2. The appendix identifies that approximately £8.9m of the overall target is currently expected to be achieved. The main area where the target is not currently reported as being achieved relates to the department's ability to respond to the full impact of the funding cuts.
- 7.3. In addition to the targets outlined in appendix 4, Children's Services is engaging fully with the County Council efficiency programme and will be making contributions to the corporate targets in procurement workstyle, Home to School Transport and other contracting work.

8. Future direction

- 8.1. The department will continue to monitor its forecast outturn against the available cash limit throughout 2010/11 using a risk based approach to reporting variances. A regular update report will be presented to the Executive Lead Member for Children's Services outlining any key or high risk issues.

9. Appendices

- 9.1. The following appendices are attached:

Appendix

- | | |
|----------|--|
| 1 | Budget Monitoring Summary |
| 2 | Activity Data (a) termly
(b) monthly
(c) Information reported to Cabinet |
| 3 | Forecast Business Unit balances |
| 4 | Savings Targets |

10. Recommendations

- 10.1. Note the current financial issues that are being addressed within the 2010/11 budget and the management action being taken to respond to the underlying budget pressures and in-year funding cuts.
- 10.2. Agree the issues and latest financial position of the Wessex Youth Offending Team the Hampshire CAMHS Commissioning Partnership and the Hampshire Safeguarding Children Board.

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:	No
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Children's Services Revenue Budget 2010/11 – 2012/13	Item 1	15 January 2010
Children's Services Department 2009/10 Revenue Budget Final Position, and 2010/11 Budget Monitoring – Period 2 (End of May 2010)	Item 1	22 July 2010
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.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. Equality and diversity objectives are not considered to be adversely affected by the proposals of this report.

2. Impact on Crime and Disorder:

- 2.1. Crime and disorder objectives are not considered to be adversely affected by the proposals of this report.

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