

**HAMPSHIRE COUNTY COUNCIL****Decision Report**

<b>Decision Maker:</b>	Executive Lead Member for Children's Services
<b>Date of Decision:</b>	15 January 2010
<b>Decision Title:</b>	Children's Services Department Revenue Budget 2010/11, 2011/12 and 2012/13
<b>Decision Reference:</b>	1135
<b>Report From:</b>	The County Treasurer and the Director of Children's Services

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## **1. Executive Summary**

- 1.1. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2009/10, detailed proposals for the 2010/11 budget and provisional budgets for 2011/12 and 2012/13.
- 1.2. This report has been prepared following consultation with the Executive Member and Schools Forum and will be reviewed by the Children and Young People Select Committee. It will be reported to the Leader and Cabinet on 4 February 2010 to make final recommendations to County Council on 18 February 2010.
- 1.3. The report considers revisions to the 2009/10 budget. In respect of the 2010/11 budget the report includes detailed proposals for growth, redeployment of resources, efficiency improvements, the annual review of income and charges and the workforce implications of the proposed budget. The report outlines the provisional budgets for 2011/12 and 2012/13.
- 1.4. The budget proposals contained in this report are derived from the departmental service plan and the Children and Young People's plan which have been developed to support the priorities of the Corporate Strategy.

## **2. Contextual information**

- 2.1. The Cabinet agreed a three year budget plan for 2009/10 to 2011/12 in February 2009. The key features of the plan are as follows:
  - it makes allowance for increased demand for social care services and for the projected higher costs of the waste management contract, but otherwise contains no provision for growth in service budgets
  - all service budgets are uplifted for inflation based on the assumption that increases in pay would be contained within an average increase of 1.5% per annum for 2009/10 and 2010/11 and 2% for 2011/12 and

increases in other prices would be contained within an average increase of 2.25% for 2009/10 and 2010/11 and 2.5% for 2011/12

- income is to be maximised by reviewing charges in line with the average inflation on the related gross expenditure
- it assumes that efficiency savings will be achieved to finance any proposed service developments, unfunded demand pressures or to cover excess inflation within the context of the Government's target for local government of annual efficiency savings of 3% per annum (4% from 2010/11).

2.2. In order to maintain a three year financial plan, Cabinet agreed an updated medium term financial strategy in October 2009 together with provisional guidelines for 2012/13 based on assumptions similar to 2011/12. In order to reduce the proposed council tax rise to 1.9%, assuming a 2% cash reduction in Government grant, Cabinet set a target for corporate recurring efficiency savings of £15m from 2011/12 and a further £15m recurring savings from 2012/13.

2.3. For this service, the budget guidelines are:

	£m
2010/11 guideline	1,002.393
2011/12 provisional guideline*	1,007.893
2012/13 provisional guideline*	1,012.080

\*2011/12 and 2012/13 excludes Schools Budget growth and inflation

2.4. The medium term financial strategy is closely linked to the Corporate Strategy and the Corporate Improvement Plan to ensure that priorities are affordable and provide value for money and that resources follow priorities.

## Key Issues

### 3. Revised budget

3.1. The cash limit for the revised budget is £974.677m. The calculation is shown in Appendix 1.

3.2. A summary comparing the revised budget with the cash limit is set out in Appendix 2. This shows a nil variance against the Schools Budget and a forecast year end planned overspend of £2.499m against the non-schools budget which will need to be repaid from the 2010/11 available cash limit. A number of management actions are being taken that should reduce this further. These actions will continue into 2010/11 if necessary.

3.3. A number of significant issues contribute to the revised budget position reported for the service and these were outlined within the previous reports presented to the Executive Lead Member for Children's Services in October and December 2009. These reports can be found at <http://www.hants.gov.uk/decisions/decisions-docs/091015-excsed->

[R1008105631.html](http://www.hants.gov.uk/decisions/decisions-docs/091217-excsed-R1210124332.html) and <http://www.hants.gov.uk/decisions/decisions-docs/091217-excsed-R1210124332.html>. The key issues are summarised below:

- an increase in the number of children and young people supported in the activity-led budget areas such as Special Educational Needs (SEN) and Out County Special School Placements, an increase in the number of pupils entitled to receive free Home to School Transport, and a sustained increase in the overall number of children in the care of the County Council since the 2008/09 financial year. The number of children looked after by the County Council as at the end of December 2009 was 1,094, a net increase of 10 since the last report to the Executive Lead Member in December 2009 (October 2009 figures)
  - the low bank base rate, which means that there is an estimated £500,000 shortfall on the budget for Interest on School Balances
  - lower levels of staffing vacancies during 2009/10 than in previous years has placed additional pressure on employee budgets
  - increased costs in relation to some services, especially Home to School Transport, where increasing fuel prices may impact on some contract prices (despite the current economic climate), and Special Educational Needs (SEN) Out County Placements where inflation increases have been agreed regionally at 2.8% for residential schools (0.3% above the inflation allocation of 2.5%).
- 3.4. Management action taken during the year has enabled considerable savings to be achieved across the department, partially offsetting the significant budget pressures across some areas of service provision. This work will continue to ensure that the final budget overspend is further reduced.

#### **4. Base budget 2010/11**

- 4.1. The first stage in the construction of the budget for 2010/11 is the preparation of a base budget. This contains the current financial policies of the Council, to provide a starting point from which decisions can be made. The base budget for this service is £990.981m at outturn prices (£819.681m Schools Budget and £171.3m non-schools). This compares to the provisional budget for 2010/11 estimated last year at £990.053m (£821.663m for Schools (excluding £7.815m growth and redeployment proposals) and £168.390m (excluding £1.260m growth and redeployment proposals) for non-schools).
- 4.2. Appendix 3 shows the make up of the base budget.
- 4.3. Overall, the base budget includes a net increase in expenditure at constant prices of £15.387m. The main variations are:
- allocations made for inflation in 2009/10 including the full year effect of the provision made for outstanding pay awards from 2008/09, and allocations made for non-pay inflation where different from that assumed in the original budget (e.g. Home to School Transport) - £3.357m for Schools and £468,000 for non-schools

- the revenue effect of past capital programmes (subject to its inclusion in the approved capital programme unless there is a specific Cabinet decision to the contrary), - £263,000 (Schools Budget)
- the full year effect of council approved policies included in the 2009/10 original budget, which have been introduced part way through the year
- exclusion of expenditure included within the 2009/10 budget which was financed by the carry forward of planned underspends from 2008/09 – a reduction of £1.3m
- exclusion of one-off funding approved during 2009/10 – a reduction of £500,000 in relation to Building Schools for the Future
- repayment of invest to save agreements - £1.4m in relation to the one-off investment for foster care received in 2008/09
- growth included within the 2009/10 budget guidelines - £7.749m for Schools and £1.2m for non-schools
- changes in income volumes which are not the result of policy decisions
- The following specific items:
  - variations arising directly from changes in the number of pupils in schools, pupils eligible for free meals and numbers of days in the school year – a net reduction of £95,000 across Schools and non-schools
  - increases in Government grants – a net increase of £8.881m across both Schools and non-schools (including Area Based Grant)
  - transfers between services – a net reduction of £3.484m against the Schools Budget and £721,000 against the non-schools budget
  - additional funding to meet the further cost of Pay and Benefits - £147,000 for non-schools.

## **5. Director of Children's Services Comments**

- 5.1. The Children's Services Department was rated as performing well by Ofsted in December 2009 as part of the new inspection framework. This framework included an unannounced inspection of arrangements for contact, referral and assessment in August 2009 and publication of two 'performance profiles' (a quarterly Ofsted summary of local authority performance against key indicators and inspections of provision including childcare, schools and fostering). The unannounced inspection highlighted a number of strengths and confirmed child protection thresholds are well understood and appropriately applied. The areas for development identified by Ofsted are already being addressed through the departmental improvement plan for safeguarding.
- 5.2. The most recent Ofsted performance profile shows that the large majority of the county's schools have been judged as *good* or better in inspection; and that performance against 93% of National Indicators (NIs) is above or in line with similar areas and the national figures.

- 5.3. Analysis of half year data available for 39 Children's Services NIs (53% of all Children's Services NIs) demonstrates a positive trend from the 2008/09 year end, with significant improvement against some key targets.
- 5.4. In total, 64% of the NIs with half year data available are showing an improvement from the 2008/09 year end and 36% are showing a small fall in performance. The latter are being closely monitored. This demonstrates improvement from quarter one, where only 50% of NIs had improved from 2008/09 year end.
- 5.5. Quarter two data is available for 15 Local Area Agreement (LAA) targets, 87% of which have improved from the 2008/09 year end. The number of LAA indicators on track to achieve 2009/10 targets remains the same as at quarter one (11 on track to achieve targets; nine are at risk).
- 5.6. It is creditable that this performance is being achieved and sustained in the face of some of the significant budget pressures outlined in this report, especially for activity led services, which nevertheless continue to be securely managed. It is evident that these pressures are not unique to Hampshire and are being faced by Children's Services departments across the country. Indeed, it appears that the effects of these pressures have been mitigated in this authority by a number of recent initiatives such as the Care Matters strategy, the spend to save initiative in foster care and the progress of our Children's Trust in developing more effective and efficient joint working, especially with schools. Staff, managers and partners deserve praise for these achievements. That said, it is also clear that the combined effects of the broader economic climate, coupled with continued demand for intensive services, mean strong management and collective discipline will be required to sustain both our performance and our financial management standards in the course of the next financial year and beyond.

### **Priorities**

- 5.7. The priorities in the Children and Young People's Plan are the overall priorities for the Children's Partnership, with the Director of Children's Services having overall accountability for the outcomes.
- 5.8. For Children's Services the key priorities for 2010/11 are:
  - Safeguarding
  - Children Looked After
  - 0-19 learning and skills
  - Locality partnerships.

### **Safeguarding**

- 5.9. As part of the 2009/10 budget strategy an additional £1.2m was received by Children's Services towards meeting the cost of reducing risk in the practice of safeguarding through maximising the time available for qualified social workers to work directly with clients and focus on high quality social work practice. This additional resource focuses on increases in service provision to support to front-line social workers and includes:

- recruitment of additional social care support staff and family support workers
  - recruitment of additional Independent Reviewing Officers
  - establishing a new on-site Hantsdirect children's social work team.
- 5.10. Despite this additional investment, there is increasing pressure on social care teams as a result of rising activity levels in Child Protection through to Children Looked After (CLA). This activity is leading to significant and sustained budget pressures. This is detailed later in this report. The Hampshire position sits in the context of similar national and regional challenges.

### **Children Looked After (CLA)**

- 5.11. While Safeguarding overall is good, some of the outcomes for CLA are low against the targets set and aspirations for these children.
- 5.12. Performance against a key social care indicator for placement stability of CLA (NI 62) is showing good in-year improvement. The educational outcomes of CLA are still low, but the provisional data for 2008/09 suggest they are improving and we now need to maintain the momentum of recent initiatives. The numbers of post-16 CLA who are not in education, employment or training (NEET) remain high. These are three key indicators determining the long-term life-chances of this group of children and young people. There is a significant programme of work, overseen by the Care Matters Board, to address these issues but resources remain a challenge, particularly against a background of increasing numbers of children coming into care.

### **0-19 learning and skills**

- 5.13. A key priority is to sustain the steady progress on early years and school improvement and the consequent improvement in attainment of children and young people.
- 5.14. The Apprenticeship, Skills, Learning and Children Act will transfer the responsibilities for commissioning 16-19 learning from the Learning and Skills Council to the County Council from April 2010. While the numbers of staff transferring are relatively small (11), the responsibilities are considerable and establishing relationships with the sector and setting strategy and direction will be a key priority for 2010.
- 5.15. Part of the strategy for 16+ will be to ensure that the sector can provide for all young people. This includes the current proportion of 16-18 year olds who are NEET. The percentage of NEET increased from 5.2% to 6.3% during 2008/09 – an increase closely related to the recession. Despite improvement in early 2009, NEET reached 6.5% in August 2009, but is now showing a reduction with the current level at 5.99%.

### **Locality partnerships**

- 5.16. Work is ongoing across the County to establish local partnerships of schools and other organisations who are collectively responsible for delivering the Children's Trust priorities locally. Each partnership should bring all the key players to the table with a collective aim to improve the life chances of the children and young people in their local area. The partnerships will be given data and information to support their target setting to deliver the expected performance against the Children and Young People's Plan and to identify a small basket of targets specific to the particular challenges in their local area.
- 5.17. It is anticipated that the majority of the partnerships will be functional by April 2010. There are no immediate budget implications but in due course we will wish to negotiate with the high performing partnerships some responsibility for the deployment of selected resources locally.

### **6. Schools Budget growth proposals for 2010/11, 2011/12 and 2012/13**

- 6.1. The current three-year budget (2008/09 to 2010/11) was set for the Schools Budget in line with the Government's three-year spending review period. It had been envisaged that the next spending review (originally anticipated during 2009) would enable the Department for Children, Schools and Families (DCSF) to continue the multi-year budgeting for schools with the next three year period being 2010/11 to 2012/13. However, as the spending review has been deferred until 2010, Schools Forum has not considered in any detail pressures, beyond those continuing from 2010/11.
- 6.2. The budget position in 2008/09 allowed some scope for additional headroom to meet some new pressures in 2009/10 and 2010/11. In 2010/11, the year on year headroom within the already agreed budget strategy is £7.815m, made up as follows:
- Delegated items £6.908m - primarily general deprivation funding of £4.039m and Pay and Benefits of £2.070m. This also includes Extended Early Years Entitlement of £470,000 and New SEN Early Years Resourced Provision of £110,000, both of which were previously reflected as non-delegated expenditure proposals
  - Non-delegated items £907,000 - primarily 14 to 19 provision of £750,000.
- 6.3. The table below shows how the total Schools Budget managed by Children's Services is derived.

	2010/11 £000
Dedicated Schools Grant	720,378
Less Items managed by Policy and Resources	-11,719
Technical adjustments	128
SHIPS +£105,000	
Occupational Health +£50,000	
Eastleigh Family Nursery +£53,000	
Rates Officers -£80,000	
Schools Budget Standards Fund	57,195
School Standards Grant	35,344
Schools Budget SSEYCG	27,185
Milk Grant	194
14-19 Diploma Grant	1,128
<b>Schools Budget Total Managed by Children's Services</b>	<b>829,833</b>

- 6.4. Headroom is arrived at by taking the year on year change in Dedicated Schools Grant (DSG) and reflecting inflation, changes in pupil numbers and capital programme effects. The effects of the capital programme and changes in pupil numbers have been recalculated in the light of autumn 2009 information.
- 6.5. At its meeting on 11 December 2009, Schools Forum received a report that summarised the Schools Budget position for 2009/10, detailed the DSG changes and decisions previously taken on the use of funds carried forward and showed the impact on headroom available in 2010/11 and 2011/12. This report can be found at: <http://www3.hants.gov.uk/education/education-meetings/education-meetings-schoolsforum.htm>
- 6.6. At its meeting in February 2009 Schools Forum agreed the allocation of additional DSG in 2009/10 arising from pupil number changes. £711,000 of this was available as increased headroom and was agreed on a one-off basis in 2009/10 only, made up of:
- Bringing forward of additional deprivation funding - £611,000
  - Adjustment for special school places - £100,000.
- 6.7. Following the 2008/09 year end, a further £2.896m headroom was identified and commitments of £478,000 in 2009/10 and a further £242,000 in 2010/11 were agreed. This means that there is £2.176m available as a one-off addition to headroom in 2010/11, of which £404,000 is ongoing.
- 6.8. A review of anticipated DSG in 2010/11 suggests that there may be an additional £994,000 headroom available, based on current pupil numbers, which gives an increase in headroom of £764,000 after associated delegated budget shares for the pupil numbers and early years.
- 6.9. It had been proposed to remove the anomaly of 'double-funding' those pupils who have dual registration i.e. have been double counted in funding terms as a result of having a subsidiary registration at an education centre (pupil referral unit) in 2010/11. However, it has subsequently been decided that this anomaly will be removed from the 2011/12 DSG and is expected, therefore, to create a pressure in that year (estimated at £1m).

6.10. Approximately £400,000 of excessive School balances (as at 31 March 2009) were clawed back from schools. At its meeting on 20 October 2009, Schools Forum agreed that £10,400 of this clawback should be used to meet the cost of a corporate Education Recording Agency (ERA) Plus licence for all Primary Schools in 2009/10. The remaining balance of these funds (£390,000) will be carried forward to 2010/11. This will be subject to further consideration at the Schools Forum meeting on 22 January 2010.

6.11. Taking account of these changes, this leaves headroom of £4.445m in 2010/11, as follows:

	£000
Additional DSG in 2009/10 (£711,000 and £404,000 ongoing) (paragraphs 6.6 and 6.7)	1,115
Balance of uncommitted 2009/10 carry-forward (one-off) (paragraph 6.7)	2,176
Additional DSG in 2010/11 (ongoing) (paragraph 6.8)	764
Balance of 2009 clawback (one-off) (paragraph 6.10)	390
<b>Total additional headroom available 2010/11</b>	<b><u>4,445</u></b>

6.12. Additionally, approximately £4.1m of DSG will be carried forward in full from 2009/10 to 2010/11 as planned and agreed with Schools Forum. This consists of:

- £1.4m to meet the cost of equal pay claims (of which £500,000 had been carried forward from 2008/09)
- £2.7m underspend on payments for 3 and 4 year olds (Extended Flexible Entitlement), which will be required to implement the new Single Early Years Funding Formula (SEYFF).

6.13. At its meeting on 11 December 2009 Schools Forum agreed proposals to meet ongoing pressures and service developments amounting to £2.095m in 2010/11 as follows:

	£000
Delegated Items:	
School Business Rates	750
Deprivation for Single Early Years Funding Formula (increases by a further £190,000 in 2011/12 and 2012/13)	190
Free School Meals	170
<b>Total Delegated proposals</b>	<b><u>1,110</u></b>
Non-delegated Items (central expenditure):	
Out County Special School Placements	700
Independent Safeguarding Authority (ISA) registration costs - full year impact £34,000)	14
Building Schools for the Future	100
School Balances' Challenge Framework	72

	£000
ERA Licence – Primary Schools (paragraph 6.10)	10
Communication and Language Team	52
Deaf Instructors (full year impact £57,000)	32
Council Tax Adjustment	5
<b>Total Non-delegated proposals</b>	<b>985</b>
<b>Total proposed use of headroom</b>	<b>2,095</b>

6.14. This will result in a further £2.350m of one-off headroom being available during 2010/11 (i.e. £4.445m less £2.095m) and Schools Forum agreed that a significant proportion of this will be carried forward to 2011/12 to meet the ongoing implications of these pressures, with proposals for the use of the clawback of excessive schools' balances to be considered at Schools Forum in January 2010.

6.15. Ongoing pressures in 2011/12 amount to approximately £1.7m per annum as outlined below:

2011/12	£000
<b>Ongoing pressures:</b>	
Delegated items (including additional £190,000 deprivation)	1,300
Non-delegated items (including full year impact of deaf instructors & ISA and ongoing impact of previous Schools Forum agreements of £242,000 (paragraph 6.7))	1,272
Total ongoing pressures	<u>2,572</u>
<b>Ongoing funding:</b>	
Additional DSG in 2009/10 (£711,000 and £404,000)	1,115
Additional DSG 2010/11	764
Less: impact of dual funding withdrawal (paragraph 6.9)	<u>-1,000</u>
Total ongoing funding	<u>879</u>
<b>Net ongoing pressure</b>	<b><u>1,693</u></b>

6.16. Further information on the agreed use of headroom in 2010/11, shown in the table at paragraph 6.13, is given in the following paragraphs.

### **School Business Rates - £750,000**

- 6.17. The next revaluation of schools is due in April 2010. The transitional relief provisions have not yet been finalised but the proposal is that the maximum increase, with transitional relief, for any property in the 2010/11 financial year will be 12.5%. For properties with rateable values of less than £18,000, the maximum increase should be no more than 5%. Although not all rates bills will increase by these figures, as not all rateable values will increase to this extent, this gives a worst case scenario. An overall 10% increase in 2010/11 is estimated.
- 6.18. The total rates paid in 2005/06 (£8.3m), following the review in April 2005, were approximately 18% higher than in 2004/05 (£7.0m). The current budget is approximately £10m and the inflation provision already made in the budget is 2.5%, which means that there is an estimated shortfall of 7.5% or £750,000.

### **Single Early Years Funding Formula - £190,000**

- 6.19. The DCSF has recently put back the proposal to make the implementation of this formula a requirement from April 2011 rather than April 2010. However, the department has expressed an interest in joining the pathfinder programme from April 2010 for the full implementation of a new single funding formula for all early years settings. This follows a period of transition during which the County Council has been a pathfinder for the extended flexible entitlement.
- 6.20. As previously reported, the DCSF has reduced the 2010/11 Standards Fund available to support the introduction of the extended flexible entitlement by £2.5m compared with the amount previously announced. This has restricted the flexibility relating to the base hourly rate plus additional elements (flexibility and quality) that can be paid to providers. A carry forward of £2.6m will be used over five years to smooth in the new formula and to give sustainability. This has previously been reported to the Executive Lead Member for Children's Services.
- 6.21. Schools Forum has agreed that the new formula element for deprivation (£570,000 per annum to be phased in equally over three years) should be met from any headroom within the rest of the Schools Budget.

### **Free School Meals impact - £170,000**

- 6.22. This relates to the expected impact on the Primary and Special Schools catering contracts with Hampshire County Council Catering Services (HC3S) to reflect a higher take-up of free school meals in 2010/11. This will be reviewed on an annual basis. The impact of the Government's announcement of the proposal to extend this entitlement will be assessed when details are known.

### **Out County Special School placements - £700,000**

- 6.23. This is the ongoing pressure from 2009/10 (referred to in paragraph 3.3) arising from a cumulative increase in the number of pupils supported in

purchased school placements over recent years. This is partly as a result of the ongoing financial impact of placements made following tribunal cases.

#### **Independent Safeguarding Authority (ISA) costs - £14,000**

- 6.24. The Safeguarding Vulnerable Groups Act 2006 and the creation of the ISA has brought about new vetting and barring arrangements for those working with children. These arrangements are in addition to the Criminal Records Bureau checks and are split into two areas: 'regulated' activity and 'controlled' activity.
- 6.25. There are statutory timeframes for implementing these changes, with a maximum phase-in period to July 2015. Schools Forum has agreed to implement the changes over a three period – from January 2011 to January 2014.
- 6.26. The cost of ISA vetting for schools is estimated at £538,000 in 2010/11, increasing to £1.026m in 2011/12 and reducing thereafter to £228,000 in 2014/15. Schools Forum has agreed that this can be funded within schools' delegated budgets by using the extra capacity released by reflecting the reduced forecast increase for non-teachers' pay in 2010 i.e. 1.5% rather than the budgeted 2.5%.
- 6.27. This cost pressure of £14,000 relates to the central expenditure areas within the Schools Budget i.e. Portage, Education centres, Behaviour Support, Specialist Teachers Advisory service.

#### **Building Schools for the Future - £100,000**

- 6.28. Schools Forum had previously agreed to contribute to the project management costs borne directly by schools within the first phase of the BSF programme. £100,000 was agreed in 2009/10 on a one-off basis. It is proposed that this funding is maintained during 2010/11.

#### **School Balances' Challenge Framework - £72,000**

- 6.29. This additional funding will meet the costs of supporting the challenge framework on school balances as proposed by the School Balances working group and supported by Schools Forum.

#### **Education Recording Agency (ERA) Licence for Primary Schools - £10,000**

- 6.30. Schools Forum in October agreed to meet these costs from the clawback of school balances for 2009/10 (see paragraph 6.10). An ongoing budget provision is required.

#### **Communications and Language (CAL) team - £52,000**

- 6.31. This additional funding will enable the existing team leader role within the CAL team to be increased from 0.2 full-time equivalent (FTE) to 1.0 FTE. This will enable the team to respond to new government and local initiatives

such as those arising from the Bercow Review, the review of therapy services by Hampshire Primary Care Trust and to take part in the County Council's scrutiny functions. Some of the young people supported might require placement in out county special schools were this support not available.

**Deaf instructors - £32,000 (£57,000 full year)**

- 6.32. Following extensive review of education provision for deaf and hearing impaired (HI) children in Hampshire, and decisions of the Executive Lead Member in 2007 and 2008, all remaining resourced provisions for deaf / HI pupils now offer 'mixed mode' communication i.e. both auditory / oral and signing. A consequence of this change is that the resources used by schools to employ deaf instructors are now spread across a greater number of schools. This additional funding is to employ four additional 0.5 FTE instructors to work in each of the four 'clusters' of linked schools (i.e. Aldworth Science College & Park View Schools; Cove & Manor Schools; Neville Lovett & Wallisdean Schools; Henry Beaufort & Medstead Schools).

**Council Tax Adjustment - £5,000**

- 6.33. This relates to council tax for two schools with boarding houses, following a backdated review. The backdated costs to 2009/10 have been met from within the schools contingency budget.

**Information and Communication Technology (ICT)**

- 6.34. At its meeting on 11 December 2009, Schools Forum received three reports relating to ICT and agreed a revised funding allocation model and a revised model for charging schools for broadband and connectivity charges.
- 6.35. Schools Forum also agreed an approach to deal with the withdrawal of the department's annual subsidy of £750,000 (see paragraph 9.12) and the use of Harnessing Technology (HT) grant, especially in the context of the implementation of HPSN2 (the new contract for Hampshire's Public Service Network) and the likely ending of the HT grant in 2010/11. The approach is to make the full costs of the school network lines more transparent in the future, rather than offsetting subsidy and grant as happens now.
- 6.36. It was agreed that a former Standards Fund grant match funding of £750,000, within the centrally held Schools Budget, be given to schools within their delegated budgets, to replace the loss of the local authority contribution. It was also agreed that the schools' element of the HT grant in 2010/11 (£3.2m) be held centrally to meet any costs associated with the implementation of HPSN2.
- 6.37. Schools Forum was also advised on how HT allocations could be carried forward from 2009/10 to 2010/11 and from 2010/11 to 2011/12 within Individual Schools Budgets in order to help mitigate any net additional costs arising from the impact of these changes.

### Carbon Reduction Targets – Smart Meters

- 6.38. Within the 2009/10 budget £1m was set aside for the installation of ‘smart meters’ in schools to provide the management information to help schools manage energy more efficiently. This had to be treated as a one-off addition to the capital expenditure from the revenue account (CERA), managed by Policy and Resources and, therefore, outside of the Children’s Services cash limit.
- 6.39. In a report to Schools Forum on 11 December 2009 it was explained that utility providers had agreed to install principal site meters at no cost to the Schools Budget. Schools Forum, therefore, agreed that the £1m could be used to undertake the next stage of meter installation earlier than originally planned. In order to support the process and ensure the most appropriate ways of delivering energy management and carbon reduction across the school estate, Schools Forum agreed that some of this funding could be used to appoint two temporary School Support Officers.
- 6.40. Schools Forum agreed that £900,000 could be carried forward to 2010/11, with the breakdown of estimated costs as follows:

	2009/10	2010/11	Total
	£000	£000	£000
Revenue	10	130	140
Capital	90	770	860
<b>Total</b>	<b>100</b>	<b>900</b>	<b>1,000</b>

### 7. Non-schools growth proposals for 2010/11, 2011/12 and 2012/13 – grant funded

- 7.1. There are two main types of grants for Children’s Services: Specific Revenue Grants and the Area Based Grant (ABG).
- 7.2. The ABG was introduced in 2008/09 to replace the Local Area Agreement Grant, amalgamating a number of grants which were previously paid as specific grants. The ABG is not ring-fenced, meaning that local authorities are able to spend the ABG flexibly to deliver local and national priorities.
- 7.3. For 2010/11 the working assumption is that spending on services will continue broadly in line with the ABG allocation for 2008/09, and will, therefore, be available for existing services. However, as in 2009/10, the flexibility afforded by increases in elements of the ABG has been used in part to offset pressures in 2010/11.
- 7.4. Many of the remaining specific grants carry grant conditions that ring-fence them for specific purposes.
- 7.5. Current provisional figures for both the ABG and the non-schools budget related Specific Revenue Grants (which excludes the School Development

and Schools Standards Grants which go direct to schools, ring-fenced Schools Budget elements of Standards Fund and Sure Start, Early Years and Childcare Grant as well as other School Budget related grants) for 2009/10 and 2010/11 are as follows:

	2009/10	2010/11	change
	£000	£000	%
Area Based Grant	23,929	22,763	-4.9
Specific Revenue Grants	3,608	6,526	+80.9
Total	<u>27,537</u>	<u>29,289</u>	<u>+6.4</u>

- 7.6. The reduction in ABG primarily relates to the Extended Schools element of ABG which will reduce by £1.743m in 2010/11. However, Standards Fund specific grant for Extended Schools (not included in the table above) will increase by approximately £3.450m (£1.218m for Extended Schools sustainability and £2.232m in relation to the Extended Schools subsidy grant).
- 7.7. The increase in non-schools specific grants for 2010/11 mainly relates to the additional grant support of £3.109m which will be received during 2009/10 in relation to Aiming High for Disabled Children (a non-schools element of the Sure Start, Early Years and Childcare Grant).
- 7.8. Corporate funding for inflation excludes budgets supported by Government grant. This means that, where grants are not increased, any effect of inflation has to be 'absorbed' by the service.

## **8. Non-schools growth proposals for 2010/11, 2011/12 and 2012/13**

- 8.1. The County Council has agreed to continue its policy of providing additional funding above corporate inflation assumptions for children's social care of £1.260m in 2010/11 and provisionally £750,000 in 2011/12 and £766,000 in 2012/13. In 2010/11 this growth is offset by the requirement to repay the initial foster care investment of £1.4m received in 2008/09.
- 8.2. It has been assumed that any new Government grants will be used to meet the new burdens required by underlying legislative requirements and Government priorities.
- 8.3. As part of the current three-year budget (2009/10 to 2011/12) a number of growth proposals were considered. These proposals have been reviewed by the department in the context of other inescapable pressures subsequently identified and the amended proposals for 2010/11 to 2012/13 are outlined within appendix 4 of the report.
- 8.4. The growth proposals amounting to £6.583m are possible as a result of the additional budget savings of £5.323m that the department has identified, including the flexibility provided by reviewing commitments against the ABG.

This then meets the funding available from the net increase in the budget guideline of £1.260m.

- 8.5. In summary, the growth proposals for 2010/11 amount to £6.583m, as follows:

	£000
Home to School Transport	1,100
Children Looked After - growth	1,000
Children Looked After – Foster Care (Business Case)	550
Other Children’s Social Care	1,050
Interest on School Balances	500
IT operational investment	575
Building Schools for the Future	100
Other operational pressures	308
Invest to save repayment	1,400
<b>Total Growth proposals 2010/11</b>	<b>6,583</b>
Increase allowed in budget guideline	1,260
<b>Shortfall to be met through redeployment proposals</b> <i>(see section 9)</i>	<b>5,323</b>

- 8.6. The following paragraphs provide more details of these proposals.

#### **Home to school transport (HTST) - £1.1m**

- 8.7. This proposal reflects the current pressures expected to continue into 2010/11 (including an increase in the number of school escorts as outlined within section 15), but without any further increase in activity. These pressures have been reported throughout 2009/10 and reflect the increased numbers of contracts, especially for Special Educational Needs and those pupils within the Education Inclusion Service (a 4.9% increase in pupil numbers as at September 2009 compared with the previous September). Spend to save initiatives have helped to contain these pressures over the last five years and have moderated pressure on the budget.
- 8.8. This service is being reviewed as part of the Corporate Efficiency Board work (focused on procurement), from which any linked savings will be re-directed to the corporate efficiencies target. Children’s Services are reviewing policy, entitlement and exceptions activity and the impact of SEN activity. Savings from these will remain within the department’s cash limit.

#### **Children Looked After (CLA) - £1m 2010/11**

- 8.9. The number of children looked after by the County Council rose from 1,023 as at March 2008 to 1,084 in March 2009 (a 6% increase). Since March 2009 this number has remained relatively stable, although a slight increase has been experienced during the last month. As at the end of November 1,094 children were looked after by the County Council. The increase experienced during the last financial year (2008/09) has placed

considerable pressure on the budget during 2009/10 as outlined in previous reports to the Executive Lead Member.

- 8.10. The trends in Hampshire are consistent with the national trends and are also linked to a range of other workload pressures in relation to vulnerable children. The two most prominent factors 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 very 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 cost of placements on top of the simple quantitative pressure.
- 8.11. It is useful to set out the national picture, in so far as the evidence is emerging, and then set out the current position in Hampshire, The ratio of children in care in Hampshire has historically stayed around the figure of 37 per 10,000 children. With the latest rise this figure has increased to 39 per 10,000 (as at 31 March 2009). The table below demonstrates that Hampshire compares favourably to other similar County Councils in this regard.

<b>County Council</b>	<b>Number of CLA per 10,000 children</b>
Lancashire	51
Norfolk	51
Essex	44
Cornwall	44
Northamptonshire	42
Hampshire	39
Gloucestershire	38
Devon	37
Wiltshire	33

*Source: DCSF, October 2009*

- 8.12. The proposal for £1m growth is based on a target to reduce the total number of children to 1,020 by the end of March 2011 (an average of 1,043 during the year), whilst acknowledging some level of continued pressure during 2010/11.
- 8.13. In order to aid more strategic planning, information on the ages of children coming into care and the length of stay within the care system is being monitored and will be evaluated. For example, there has been a noticeable increase in younger children and babies. The longer term impact is being assessed and will be built into future budget management and forecasting.
- 8.14. Various strategies to reduce the number of CLA are already in the process of being implemented, including the further rollout of Intensive Support Services across the North & East and Western areas of the county to provide additional support to children on the edge of care and their families.
- 8.15. The department is cautiously optimistic that, through a combination of alternative approaches to decision making, support arrangements and

placement planning, the number of children in care can be reduced to a level of 1,020 by March 2011 (an average of 1,043 across the year). Achievement of this target will be challenging and, as such, is not without financial risk. However, there are sound practice reasons for trying to achieve this target. The number of children looked after by the County Council has consistently been at around 1,020 both before and during 2005 as well as throughout 2007/08 and this broadly equates to the rate of 37 children per 10,000 in care. Research shows us that children who enter the care system as teenagers often fare least well and indeed a significant proportion of them return home within a year.

- 8.16. A new Intensive Support Service has been developed from within existing resources which will provide more intensive support to families of teenagers on the threshold of care. The aim of this service is to support and enable families to continue to care for their children whilst addressing the emotional and behavioural problems which are leading to family breakdown. Early indications from the pilot scheme for this project in the South East of the County have been encouraging. A reduction in the numbers of looked after children will also enable social workers to have a greater degree of choice in relation to placements for those children we do look after, leading to greater placement stability and better outcomes for these children.
- 8.17. Financial modelling of various possible outcomes has been undertaken for 2010/11. Based on the assumptions made within these models, the financial pressure could range between £1m (based on the target reduction presented in the budget proposals) and £3m (which assumes average activity levels will remain at around 1,083 during 2010/11). A reduction to an average activity level of 1,066 during the year would result in a budget pressure of approximately £2m. The assumptions made within these various models are outlined in the following table:

	<b>Model one</b>	<b>Model two</b>	<b>Model three</b>
2009/10 average total CLA	1,083	1,083	1,083
<b><u>Model assumptions</u></b>			
CLA total April 2010	1,079	1,083	1,091
2010/11 average total CLA	1,043	1,066	1,083
CLA total March 2011	1,020	1,049	1,072
<b><u>Placement assumptions</u></b>			
Average number of CLA in in-house foster care provision	620	620	620
Average number of CLA in purchased foster care provision	134	157	174
Average number of CLA in residential care provision (purchased only)	57	57	59
Average number of CLA in other arrangements (including in-house residential care)	232	232	230
<b>Estimated budget pressure 2010/11</b>	<b>£1.0m</b>	<b>£2.0m</b>	<b>£3.0m</b>

- 8.18. If a higher proportion of more costly placement arrangements is required due to capacity restrictions (for example, leading to a higher use of external foster care or residential placements), this would lead to an increase in costs.
- 8.19. Actual achievement against the target projection of 1,020 will be kept under constant review and appropriate adjustments will be made to forecasts and managed through wider department budget decisions during 2010/11 once the longer-term trend is clearer.
- 8.20. Decision making has been stepped up to more senior managers in order to ensure robust gate-keeping. The decision to bring a child into care is now only authorised by a District Service Manager. The decision to place in an Independent Fostering placement, a non-county residential placement or special school can now only be taken by an Area Director. Such placements are sought for children with highly complex needs including mental health needs, emotional and behavioural needs, physical disability and learning disability and that these needs cannot be met locally.
- 8.21. The department has commenced a pilot scheme in the south west to improve care planning and improve gate-keeping for children coming into care, particularly the older age range. All Independent Fostering placements and non-county placements for older children are now being reviewed in order to assess whether any of their needs could now be met by in-house services.
- 8.22. Increasingly, a reduction in the level of health funding is being seen for what have previously been considered joint-funded placements. For example, children with continuing health care needs who, in the past, would have been funded to a relatively high degree by health are now being funded at a much lower level.
- 8.23. It is, therefore, expected that whilst savings will be achieved, an overall underlying growth pressure of £1m will remain in 2010/11 against the provisionally agreed cash limit.

**Children Looked After - Foster Care - £550,000 2010/11 and £500,000 2011/12**

- 8.24. In addition to the growth in the overall numbers of CLA by the County Council, further investment is required within the in-house foster care service in line with the original invest-to-save business case.
- 8.25. Further capacity built within the in-house service is anticipated to result in reduced use of external Independent Foster Care placements and these budget saving assumptions are reflected within the service redeployment proposals outlined in section 9.

**Other Children's Social Care - £1.050m**

- 8.26. These pressures reflect the ongoing 2009/10 position of other children's social care services including:

- Family Support Services – £300,000. This relates particularly to those children 'on the edge of care', supported through preventative services, Residence Orders, Special Guardianship Orders and Kinship Care.
- Care Leavers – £200,000. There has been a 6.1% increase in activity compared with 2008/09.
- Adoption – £250,000. There has been a 5.8% increase in activity over the last year, including interagency placements through externally arranged placements and an increase in expenditure on adoption allowances.
- Other – £300,000. Much of this relates to social care related transport for children. Actions are being taken to review arrangements for transport to contact time for children who are looked after.

### **Interest on School Balances - £500,000**

- 8.27. The 2009/10 budget strategy included a reduction of £750,000 in the budget for the net interest earned on school balances, on the basis that interest rates would be at about 2.5% on average and that school balances would reduce. However, although school balances did reduce (by some 14% to £40.5m at March 2009), the base rate has remained at 0.5% and, as the rate is set at base less 0.5%, no interest is earned.
- 8.28. Historically, with the changes to school funding and the introduction of the Schools Budget, the DCSF determined that interest accruing centrally on school balances should fall on the LEA budget not the Schools Budget, an unusual outcome but one that has gone some way to giving a schools' contribution to services for pupils including HTST over recent years. However, the budget has clearly been subject to variation in levels of school balances and in interest rates. In the recent past this has played to the service's advantage with increases in both, but recent interest rate cuts show the risk the service bears.

### **IT operational investment - £575,000**

- 8.29. This consists of two cost elements:
- Development - £450,000
  - Supplier maintenance and support - £125,000.
- 8.30. The service continues to manage a complex range of IT developments, in most cases driven by national Government specifications. In 2010/11 there are two key projects: Integrated Children's System (ICS) and Hantsfile.
- 8.31. The rollout of ICS to Children's Services social workers is planned for the second half of 2010. ICS provides a framework for working with children in need and their families. The practice and case record keeping is supported by an IT system, building upon the existing SWIFT database and designed to handle a large amount of information on individual children. The implementation and rollout of ICS is estimated to cost £220,000 in 2010/11.
- 8.32. The rollout of the corporate document management system, Hantsfile, is planned to start in late 2010 for Children's Services. This will promote collaborative working, flexible working and the sharing of documents. It will

also provide Children's Services and other departments with legal security around data protection, freedom of information and record retention. Children's Services has approximately 3,000 Hantsfile users to reach. So the scale of the rollout and training programme is significant. The Electronic Social Care Record (ESCR) which has now been rolled out across the County also uses Hantsfile functionality so it will already be familiar to Children's Services' Social Workers. The rollout of Hantsfile to Children's Services is estimated to cost £180,000 in 2010/11.

### **Building Schools for the Future - £100,000 2010/11**

- 8.33. The County Council's entry to the national programme, for its first priority project in Havant and Horndean, was announced in July 2009. The entry of the remaining nine area projects in Hampshire is dependent upon the availability of funding nationally and progress in bringing these further phases to a state of readiness to enter the programme.
- 8.34. Upfront revenue funding is required for the project team and other resource required to develop the project submissions for BSF phases to Government to secure approval to progress and receive capital funding. For 2010/11 the budget increase proposed is £100,000 taking the Children's Services funding to £500,000. This growth proposal was provisionally agreed as part of the current three-year revenue budget strategy to aid the early implementation stages of the programme.
- 8.35. Capital grant in the region of £80m is expected to be received through Partnership for Schools (PfS) in respect of the first phase of the programme. However, the actual cost of delivering the programme is envisaged to be much higher than this, with a potential shortfall of approximately £29m that will need to be met by the County Council and capital funding has been agreed to support the wider capital funding shortfall. Further information is provided within the separate report on this agenda 'Children's Services Capital Programme 2010/11 to 2012/13'.

### **Other operational pressures - £308,000 2010/11, increasing by £87,000 in 2011/12**

- 8.36. This includes the full-year effect of proposals previously agreed as part of the 2009/10 budget strategy (£48,000) as well as a number of further inescapable pressures identified across the department.
- 8.37. The department will incur additional costs from 2010/11, onwards in relation to the introduction of the Independent Safeguarding Authority registration scheme (estimated at approximately £35,000 in 2010/11 and a further £87,000 in 2011/12).
- 8.38. An increased level of demand for secure remand foster care is expected to continue during 2010/11, resulting in an additional budget pressure estimated at £40,000.
- 8.39. One-off resources available during 2009/10 were used to fund some core areas of service provision. These included an information and tracking system for the education of children in care (£30,000), a contribution toward the running costs of the Integrated Community Equipment Store managed

by Adult Services (£55,000) who also provide services to some children. There was also a proportion of the savings target that needed to still be identified during 2009/10 (£100,000). It is now proposed that these are met on an ongoing basis from the base budget.

**Invest to save repayment - £1.4m 2010/11 (one-off)**

8.40. As outlined in the current three-year budget, the foster care service investment of £1.4m received in 2008/09 will be repaid by the department in 2010/11. This will be a one-off reduction, resulting in this resource becoming available again during 2011/12.

**Services for Young People - £330,000 2011/12**

8.41. A significant proportion of this service is currently funded from the Connexions element of the Area Based Grant. As such no inflation is received against the grant.

8.42. As part of the current provisionally agreed budget for 2010/11 an amount of £351,000 had been proposed in relation to meeting the inflation shortfall, as well as addressing changes required to the original business model. However, as the pay inflation estimated for 2009/10 and 2010/11 is lower than originally budgeted, the growth originally identified for 2010/11 is no longer required.

8.43. It is envisaged that the proposed growth of £330,000 in 2011/12 will still be required to meet the ongoing inflation implications of this service. This will be reviewed next year as part of the 2011/12 to 2013/14 budget strategy.

**9. Cost pressures, redeployment proposals and efficiency improvements – 2010/11 - 2012/13**

9.1. The Cabinet requires all services to consider and report on:

- cost pressures absorbed within the budget guidelines
- the redeployment of any resources required to offset any new spending priorities, or inescapable budget pressures, or legislative requirements which otherwise cannot be met within their budget guidelines
- annual efficiency improvements.

9.2. Details of cost pressures absorbed and redeployment proposals of £5.323m are included in Appendix 4 and summarised below:

	£000
Purchased foster care placements	600
Additional income	370
Family Group Conferences	375
Reduced Inflation on foster care allowances	284
Community Learning	150
Subsidy to School network lines	750
Extended Schools	818

£000

Support Services / Business Units	1,012
Department efficiency targets	472
Use of grant flexibility	492
<b>Total Redeployment Proposals</b>	<b>5,323</b>

9.3. The following paragraphs provide more details of these proposals.

**Purchased Foster Care placements - £600,000 2010/11 and £800,000 2011/12**

9.4. This relates to the planned savings within the existing budget strategy as part of the original investment in the in-house foster care service. The impact of growth in the number of CLA is considered in section 8 (paragraph 8.9).

**Additional income - £370,000 2010/11**

9.5. This relates to increasing usage of 'chargeable beds' at Swanwick Lodge Secure Unit by reducing the numbers of County Council welfare placements (and finding more appropriate provision at the same time) and taking up additional beds through the Youth Justice Board contract and from Other Local Authorities.

**Family Group Conferences - £375,000 2010/11**

9.6. Integrating this service into new team structures is expected to improve the effectiveness of this service and yield efficiencies. This approach includes the development of other intensive support services working with children on the edge of care and their families. The proposal is based on the current budget of £375,000 and also means that the previously planned growth of £50,000 included within the 2010/11 provisional budget is not required. This includes an assumption that any costs of pay protection would be absorbed within the service. Existing staff will be re-allocated into support worker vacancies and their skill set will be used to build the activity within locality teams.

**Reduced inflation on foster care allowances etc - £284,000 2010/11**

9.7. The Fostering Network recommended minimum foster care rates for April 2010 have now been confirmed as remaining in line with rates for 2009/10. This is due to the actual cost of living during 2009/10 being lower than that forecast when the current rates were set.

9.8. For 2010/11 it is proposed, therefore, that the County Council will continue to pay its foster carers in line with the recommended minimum weekly allowance (i.e. the same weekly rates paid during 2009/10). However, as price increases have been budgeted at 2.25% this will enable savings generated to be used to meet growth priorities as set out in section 8.

- 9.9. This also includes savings achieved in relation to skills fees and other allowances payments such as Special Guardianship, Residence Order and Kinship care payments, which, are also proposed to be held in line with 2009/10 rates.
- 9.10. Increases in weekly rates charged by Independent Fostering Providers will be limited to the annual uplift outlined within contractual agreements (limited to the rate of RPI for the preceding November unless, in exceptional circumstances, a larger increase is agreed). The RPI for November 2009 was 0.3% (percentage change over 12 months). As price increases were budgeted for at 2.25% this is expected to result in further budget savings being achieved.

**Community Learning - £150,000 2010/11**

- 9.11. A review of the discretionary budget criteria and allocation process and current commitments will enable these savings.

**Subsidy to School network lines - £750,000 2010/11**

- 9.12. A commitment was made a number of years ago to support schools in enabling access to essential corporate systems e.g. SAP, recognising the mutual benefit of maintaining corporate systems across all schools and the impact on joint economies of scale. However, given the investment already made and to be made in the new corporate HPSN2 contract that will bring significant benefits to schools, it is felt that this contribution is no longer required. This will be replaced by Schools Budget provision of the same amount (see paragraph 6.36).

**Extended Schools - £818,000 2010/11**

- 9.13. These savings will be effected by removing the remaining balance of grant funding (ABG) from schools one year earlier than its anticipated end date of 31 March 2011. The total value of this element of the grant is £1.218m in 2010/11. However, as agreed in the current three-year budget (2009/10 to 2011/12), £400,000 of this funding stream was utilised by the department to offset other service priorities during 2009/10 in line with the flexibilities afforded by the ABG.
- 9.14. This will be used to meet other service priorities for 2010/11 and will be considered in the context of the increase in the specific grant for Extended Schools (Sustainability and Subsidy). It will have a one year effect for the service's budget if the anticipated ending of the grant stream goes ahead. A service charging policy will also be developed.

**Support Services/Business Units - £1,012,000 2010/11**

- 9.15. Efficiency reviews of a number of services (Performance & Planning, Workforce Development, Early Education and Childcare Unit, Governor services) will enable these savings.

- 9.16. This proposal also maximising expenditure that can be legitimately charged against grant funding.

**Department efficiency targets - £472,000 2010/11**

- 9.17. The service has identified a number of areas where efficiencies can be achieved. These include various departmental recharges (e.g. longstanding inter-departmental arrangements), car allowances (mileage rather than rates), and attendance at conferences.

**Use of Grant Flexibility - £492,000 2010/11**

- 9.18. As outlined previously, the flexibility afforded by the ABG has been used in part to offset pressures identified in 2010/11. These include proposals amounting to £305,000 provisionally agreed as part of the current three-year budget as well as a further £187,000 subsequently identified for 2010/11.
- 9.19. As with Extended Schools, these savings are only expected to have a one year effect for the service's budget if the anticipated ending of the grant stream goes ahead.

**Other Efficiencies**

- 9.20. The Government has set an annual efficiency target for local government overall of 3% increasing to 4% from 2010/11, all of which has to be cashable. Performance against this target is now published twice yearly as part of the national indicator set. The Efficiency Panel will agree and bring forward proposals to achieve recurring corporate efficiency savings of £15m from 2011/12 (c.2%). In addition to these, Appendix 5 identifies efficiency improvements totalling £3.753m (2.2% of non-schools base budget as outlined in Appendix 3). Of these, £2.5m (67.6%) represent usable budget savings which are incorporated in the redeployment proposals in Appendix 4.
- 9.21. The Children's Services department has a strong track record of efficiency savings and the redeployment of resources to meet new pressures. It delivered well under the previous Gershon efficiency rules.
- 9.22. Ongoing efficiency projects include:
- the rollout of Intensive Support Services across the county following the successful pilot in the South East
  - the Foster Care spend to save strategy which is currently delivering cost avoidance in the light of the increase in numbers of CLA, rather than the direct savings that had been anticipated had CLA numbers remained stable
  - Children's Services involvement in the Workstyles programme to deliver a steady rationalisation of office bases and increasing use of flexible working to align with the overall corporate accommodation strategy.

- 9.23. The department is committed to the corporate programme to drive out efficiencies across the full range of service areas and is playing an active part in the work and programme of the Corporate Efficiency Board. A key area of focus in this work is Home to School Transport where there is a target to deliver £1.3m of efficiencies to the corporate programme and a further £800,000 to the department over the next three years. The review will include consideration of the resourcing implications of different policy options as well as a focus on reducing activity and unit cost of journeys for both mainstream and SEN settings.
- 9.24. Efficiencies will be needed across the department to meet the challenges of the next three years. Reductions in mileage and conference costs are measures already implemented for 2009/10. As in the rest of the County Council, the department is heading into an increasingly difficult financial climate and managers will need to enhance their skills in finding alternative delivery options and managing within ever tightening budgets.

## **10. Review of charges**

- 10.1. The service's 2010/11 revenue budget includes income of £7.1m from fees and charges.
- 10.2. 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 to parents of truants and excluded pupils.
- 10.3. 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 reviews school meal charges and a separate report on the agenda deals with proposals for 2010/11. Other examples of discretionary charges include:
- sale of milk for infant age pupils
  - secure unit accommodation provided to other local authorities (Swanwick Lodge)
  - parental contributions for children accommodated in accordance with Schedule 2, Part II, paragraph 22 of the Children Act 1989
  - foster care placement management charge fees, where children from other local authorities are placed with Hampshire foster carers.
- 10.4. To ensure that income is maximised for the department as part of this annual review, consideration has been given to the current economic climate e.g. forecast Retail Price Index (RPI) for 2010, Proposals also reflect changes to ensure that full costs are recovered e.g. to reflect the additional cost impact of pay and benefits and other contractual changes within children's residential homes. As a result of these reviews a number of revised proposals are outlined within Appendix 6. Further reviews will be carried out in 2010/11 as part of the general approach to achieve further efficiencies.

10.5. The most significant changes in the charges proposed are outlined below. However, it should be noted that minimal income is raised by the department in relation to these areas of service.

- increased salary costs following the implementation of Pay and Benefits, together with a review of the method for recharging management and support costs to residential children's homes and respite units for children with disabilities has identified a need to increase charges for these services to ensure that they more accurately reflect the full cost of providing this service. These charges are proposed to rise from £2,152 per week to £2,793 for children's homes and from £2,530 to £2,878 for respite units
- foster care assessments provided on behalf of Other Local Authorities were previously charged at a fixed rate per assessment of £2,253. This has been reviewed in light of the variable nature of work required for each assessment and is now proposed to be set at £47 per hour of social work time.

10.6. In summary, the overall budget impact of the proposed revised charges is minimal – estimated at £16,500. This is partly because many charges are notional full cost figures that reflect potential charges to other local authorities for which there is no income budget. The most significant income budget is for Swanwick Lodge Secure Unit where, in addition to the proposed inflationary increase, additional income of £370,000 is estimated through increased sales of 'chargeable beds' (see paragraph 9.5).

## **11. Other Expenditure**

11.1. The budget includes some items which are not counted against the cash limit. This includes budgets for central departments' support services, except where they have been given to departments to buy services and repair and maintenance of buildings. It also includes member support within the Children's Services budget, which is rechargeable to the Policy and Resources budget for corporate and democratic services. These have been excluded at this stage as the budgets are subject to Policy and Resources Executive Member control and they have not yet been agreed. In the 2009/10 original budget they totalled £14.109m.

## **12. Partnerships**

12.1. 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**

12.2. The Wessex Youth Offending Team (YOT) is a multi-disciplinary partnership working within both Children's Services and the Criminal Justice System. The YOT has one overriding aim which is to prevent offending behaviour by children and young people (10 to 17 years of age).

12.3. Wessex YOT is funded primarily by the Youth Justice Board (YJB) and partner organisations (whose contributions may be in cash and/or in kind).

Hampshire County is the lead partner. Other partners are Portsmouth City Council, Southampton City Council, Isle of Wight Council, Hampshire Probation, Hampshire Police Authority, Hampshire Primary Care Trust (PCT), Portsmouth PCT, Southampton PCT and the Isle of Wight PCT.

- 12.4. The Wessex YOT budget for 2009/10 is £10.4m, with the majority of funding coming from partner contributions (£5.8m, of which Hampshire County Council's contribution is £3m) and Youth Justice Board (YJB) grant (£2.7m).
- 12.5. Partners agreed a three-year strategy covering 2008/09 to 2010/11, including contribution levels. For some partners this included additional growth (including Hampshire County Council providing a further £25,000 in 2010/11, which remains in the current growth proposals). However, some partners have not been able to confirm their contributions in 2010/11 and the Management Board has, therefore, not been able to finalise the 2010/11 budget.
- 12.6. The next Management Board is in March 2010. However, it has been agreed that partners will endeavour to resolve the funding situation in advance of that meeting. The outcome will be reported to the Executive Lead Member for Children's Services as soon as possible.

#### **Hampshire CAMHS Commissioning Partnership**

- 12.7. The Hampshire 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.
- 12.8. There is a forecast underspend in 2009/10 of £357,000. The Board has agreed the majority of this will be returned to partners. However, £51,000 will be carried forward to 2010/11 to meet the costs of the procurement exercise relating to re-tendering of services.
- 12.9. The Board has agreed to finalise the 2010/11 budget proposals at its meeting on 8 February 2010. However, partners have agreed to increase their base contributions by 1%. For Hampshire County Council this means an increase from £1.814m to £1.832m.

#### **Hampshire Safeguarding Children Board**

- 12.10. 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.
- 12.11. Total partner contributions in 2009/10 amount to £245,000, which includes Hampshire County Council's contribution of £148,800. 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.

12.12. A partnership funding agreement has been drafted and partner contributions and a budget plan for 2010/11 are being prepared. This should be finalised in January/February 2010.

### **13. Business units**

13.1. The trading accounts of the business units are summarised in Appendix 7.

13.2. The business units consist of three groups of services:

- Stubbington and Minstead Study Centres residential and day field study experiences for schools and other groups
- Children's Centres which are run and managed by Hampshire County Council, providing a range of services, information, advice and support to, as well as, integrated childcare and early learning, health services, family support, parental outreach and employment advice
- The other business units provide service to schools and to the Children's Services department on a charge basis. Broadly 80% of the income is secured through annual subscriptions from schools. The remainder is for services core-funded from the Children's Services non-schools budget.

#### **Study Centres**

13.3. Both the Field Study Centres have seen bookings reduce during 2009/10, probably as a direct result of the recession and the ability of parents to afford a place for their child on a residential week. These centres can accrue balances to invest in their capital projects.

13.4. Minstead Study Centre is showing a deficit of £64,000 and will set a budget for 2010/11 that will aim for an in-year break even position, carrying forward the deficit. The deficit is a direct result of lower levels of bookings than expected. Minstead are now reviewing their charging policy, their bookings policy, their approach to day visits and their cost base in order to ensure the break even position for 2010/11 is achieved.

13.5. Stubbington Study Centre is projecting a surplus reserve balance at 31 March 2010 of approximately £393,000. This has been built up over a number of years and in 2009/10 a small amount has been used to off set a potential deficit position. The business unit is in the process of developing its 2010/11 business plan and will be drawing up a five year development plan which will provide a template within which the reserves will be spent on replacement/enhancement capital projects.

#### **Children's Centres**

13.6. The Children's Centres programme has been implemented by the DCSF in three phases. In Phase I, from 2004/05 to 2005/06, Hampshire started with seven Children's Centres. Phase II from 2006/07 to 2007/08 saw a further 53 centres delivered. For Phase III, Hampshire County Council has been set a target of developing an additional 25 Children's Centres to serve those areas not yet being served by phase I or II. 19 of the 25 new centres went out for tender and the contracts have been awarded to Action for Children,

The Children's Society, Spurgeons and Sunhill Junior School. As a result, all of the county's under fives will be served by a Children's Centre by 31 March 2010.

- 13.7. Of the 60 centres successfully implemented to date, 28 centres are known as full core offer, serving the top 35% 'most deprived' areas according to the Index of Multiple Deprivation (IMD) 2004. These provide the full range of Children's Centres services and are open for a minimum of five days per week, 10 hours a day, 48 weeks a year. The remaining 32 centres provide a graduated offer to the remaining 65% 'most advantaged' areas, according to the IMD 2004. These centres do not offer a full range of services and their opening hours are based around the needs of the local community.
- 13.8. Basic and full designation are two key milestones set by the DCSF. The achievement of designation is validated by Together for Children (TfC) to confirm that the services being delivered by each Children's Centre is to the expected level by the given deadlines. Five of the phase III centres have now received their basic designation and have two years to achieve full designation when the centre is expected to be offering the full range of services for its type. The rest of the phase III centres will achieve basic designation between January and March 2010. All Phase I centres have achieved full designation. At the time of writing, of the Phase II centres, 18 centres have achieved full designation status with a further seven due for full designation in December. The remaining 35 will be assessed for full designation between January and March 2010.
- 13.9. The funding for the Children's Centres has primarily been from the Sure Start and Early Years Childcare Grant (SSEYCG). 48 centres are run and managed by Hampshire County Council and are, therefore, part of the business unit. The split between Business Unit and non Business Unit is shown below:

	2009/10 £000	2010/11 £000
Business Unit	6,948	7,762
Non Business Unit	7,226	9,140
<b>Total</b>	<b>14,174</b>	<b>16,902</b>

- 13.10. The Business Unit projections for 2009/10 to 2012/13 are outlined in Appendix 7.
- 13.11. Whilst it is fairly straightforward to estimate a reasonable amount from the grant for income from the allocation formula, other income generation is going to be much more variable over the next few years, given that the service is still developing. The assumption made is that the service will at least achieve a similar level of income (inflated) in future years as in 2009/10. Changes to the reserve account are based on planned and anticipated spend in order to maintain a minimum working balance for the service and deliver necessary revenue repairs and maintenance to the buildings.

## **Other Business Units**

- 13.12. For the remaining business units, an in-year deficit of £1.303m is projected for 2009/10 and a further deficit of £1.129m is forecast for 2010/11. This would result in cumulative reserves for these units reducing from £4.276m as at 31 March 2009 to £1.844m as at 31 March 2011. Smaller in year deficits, of approximately £400,000, are projected for each of the following two financial years giving estimated reserves at 31 March 2013 of £1.070m.
- 13.13. The majority of the forecast deficit for 2009/10 and 2010/11 relates to the HIAS business unit, the deficit figures for these years being £948,000 and £1.037m respectively. Currently HIAS has reserves of £2.974m and a business plan has been developed which is expected to reduce these balances to £495,000 by 31 March 2013.
- 13.14. For the other Services to Schools business units, finances for the next three-years are looking reasonably steady, with most projecting an in-year break even position or small deficit.
- 13.15. As part of the Children's Services efficiencies a review of the core contribution to the business units has been undertaken. As a result it is proposed that core contributions will reduce for EdICT (£150,000), Governor Services (£70,000) and the Music Service (£50,000) and these changes have been reflected within the redeployment proposals outlined in section 9 of the report.

## **14. Learning and Skills Council**

- 14.1. The Learning and Skills Council (LSC) is currently responsible for securing education and training provision for 16 to 19 year olds within Hampshire. With effect from April 2010 funding will transfer to the County Council (with responsibility for commissioning starting in September 2010 for the 2011/12 academic year), resulting in the creation of a number of new roles (16 FTEs) to deliver these functions. In many cases existing LSC staff will transfer in to these roles (currently 11 staff proposed), bringing with them essential skills and experience in this area. The transfer of funding of around £170m for 16-18 participation in colleges and other providers will flow through the County Council directly to providers, as per the national funding formula. The transferring responsibilities and staffing are recognised as a new burden and it is expected that funding will shortly be announced through the Area Based Grant (ABG) to meet that burden. Some further funding streams previously administered by the LSC have already or will shortly transfer to the County Council. This includes funding for Education Business Partnerships, Young Apprenticeships and Key Stage 4 engagement programmes.
- 14.2. Work continues by the department toward implementing this change. However, a number of final details around the transfer are currently unknown and consequently the budget proposals contained within this report do not reflect the impact of this transfer.

## **15. Workforce implications**

- 15.1. The workforce implications of the proposed budget for 2010/11 are set out in Appendix 10. The 2010/11 base budget supports a planned workforce of

2,148 full time equivalent (FTE) staff (excluding School staffing and Business Units). This compares with the original estimate for 2009/10 of 2,104, an increase of 44. This change primarily relates to a number of new posts being agreed following receipt of the additional £1.2m by the department towards meeting the cost of reducing risk in the practice of safeguarding (paragraph 5.9).

- 15.2. The net effect of proposals for growth, savings and redeployment of resources (Appendix 4) on staffing levels, excluding the Schools Budget, are as follows:

2010/11 +8.0 FTEs

2011/12 +1.0 FTEs

2012/13 0.0 FTEs

- 15.3. The increase for 2010/11 primarily relates to an additional provision of 18 FTE School Escorts to support vulnerable children. Excluding this increase, the department is proposing a net reduction of 10 FTEs to support the budget strategy.

- 15.4. In addition increased grant funding in respect of Children's Centres may result in further increased workforce levels. In many cases the details of these workforce changes have not yet been finalised and are not, therefore, captured within the growth or redeployment proposals outlined in Appendix 4.

- 15.5. Similarly the additional workforce implications of the transfer of functions in relation to 16-19 learners from the Learning and Skills Council (approximately 16 FTEs) have also not yet been included and will be grant funded.

- 15.6. Additional workforce changes may also emerge throughout 2010/11 to reflect further changes in grant funding and to respond to operational pressures as well as any outcomes arising from the Corporate Efficiencies Board review as outlined earlier in the report (paragraph 9.23). Any recommendations for material changes will be captured within future reports to the Executive Lead Member.

- 15.7. In addition the current vacancy management process in place to scrutinise decisions to recruit to vacancies (in view of the 2009/10 budget pressure as outlined in the report to the Executive Lead Member in December 2009) will continue to operate into 2010/11 to offset any year end overspend the department has to carry forward. The management team will thereafter continue to actively manage recruitment activity alongside other efficiency measures.

## **16. Provisional budget for 2011/12 and 2012/13**

- 16.1. The provisional budget at outturn prices for 2011/12 and 2012/13 for this service is set out in Appendix 11 and summarised below. This excludes any assumption regarding Schools Budget growth or inflation.

2011/12 £1,007.893m

2012/13 £1,012.080m

- 16.2. The main variations from the 2010/11 budget are picked up in detail within the earlier paragraphs of this report.
- 16.3. The forward years' budget assumes that efficiencies will be achieved to manage future pressures. This is essential to ensure that there is sufficient funding to enable the repayment of the £1.4m invest to save one off investment received in 2008/09 for in-house foster care.
- 16.4. In 2011/12 and 2012/13 a further £2.120m and £766,000 respectively will be available to meet future priorities. However, with uncertainties around grant funding levels beyond 2010/11 it is possible that this 'unallocated' funding will be required to partly offset any future budget pressures which may emerge following notification of future grant settlements.

## **17. Conclusions**

- 17.1. The non-schools budget is anticipated to overspend during 2009/10 (£2.5m), and this will need to be met from the 2010/11 available cash limit through further targeted management actions including:
  - extension of budget saving measures introduced during 2009/10 in to 2010/11
  - further detailed scrutiny of all service budgets to ensure that these are achieving value for money and meeting priorities as set out in the Children and Young People Plan.
- 17.2. The budget proposals for 2010/11 to 2012/13 been achieved within the County Council guidelines. However, significant areas of risk exist around some activity led areas of service such as Children Looked After.
- 17.3. For 2011/12 and 2012/13 'unallocated growth' of £2.1m and £766,000 respectively will be available to the department to meet emerging service pressures. However, these will need to be considered in the context of any future grant or other funding changes.

## **18. Recommendations**

To approve for submission to the Leader and Cabinet:

- 18.1. The revised budget for 2009/10 totalling £974.677m (as set out in appendices 1 and 2).
- 18.2. The base budget for 2010/11 totalling £990.981m (as set out in Appendix 3).
- 18.3. The proposals for growth totalling £16.735m (as set out in Appendix 4).
- 18.4. The proposals for redeployment of resources totalling £5.323m in 2010/11 (as set out in Appendix 4).
- 18.5. The proposals for efficiency improvements totalling £3.753m (2.2% of the base budget) in 2010/11 (as set out in Appendix 5).
- 18.6. The annual review of income and charges (as set out in Appendix 6)

- 18.7. The summarised trading accounts of business units (as set out in Appendix 7).
- 18.8. The detailed budget for 2010/11 (as set out in Appendices 8 and 9).
- 18.9. The workforce implications of the proposed budget for 2010/11 (as set out in Appendix 10).
- 18.10. The provisional budget for 2011/12 of £1,007.893m and for 2012/13 of £1,012.080m (as set out in Appendix 11). This excludes any assumption for Schools Budget growth or inflation.

CORPORATE OR LEGAL INFORMATION:

**Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	Yes
Corporate Business plan link number (if appropriate):	
<b>Maximising well-being:</b>	Yes
Corporate Business plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	No
Corporate Business plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Children's Services Revenue Budget 2009/10, 2010/11 and 2011/12	504	21 January 2009
Children's Services Department 2009/10 Revenue Budget Monitoring period 7 (end of October)	1082	17 December 2009
<b>Direct links to specific legislation or Government Directives</b>		
<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. 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

## Appendices

Appendix		Colour
1	Revised budget 2009/10 – calculation of the cash limit	yellow
2	Revised budget 2009/10 – comparison with cash limit	yellow
3	Base budget 2010/11 – summary of cash limit	pink
4	Proposals for growth and redeployment 2010/11, 2011/12 and 2012/13	yellow
5	Efficiency statement	yellow
6	Review of income 2010/11	yellow
7	Business units – summarised trading accounts	white
8	Revenue budget 2010/11 – analysis of variations by division of service	blue
9	Revenue Budget 2010/11 – budget book detail	green
10	Workforce levels and costs 2009/10 revised and 2010/11 original	blue
11	Provisional budget 2011/12 and 2012/13	pink
11 – Annex 1	Provisional budget 2011/12 and 2012/13 – analysis of variations by division of service	blue



**Appendix 1****Children's Services****Revised budget 2009/10****1. Calculation of the cash limit for the revised budget 2009/10 - Schools**

The following table shows the progression from the original budget for 2009/10 to the cash limit for the revised budget 2009/10. Both are at estimated outturn prices 2009/10.

	£000	£000
Original budget 2009/10 at outturn prices		803,587
Transfers to/from other services and contingency allocations:		
- reclassification of Extended Schools Standards Fund grant (to non-schools)		-3,484
= Adjusted original budget		<hr/> 800,103
Other variations:		
- teachers' sickness and maternity cover – 2008/09 underspend brought forward		505
- variation in expenditure financed by government grants:		
o Dedicated Schools Grant	-1,034	
o Standards Fund	4,667	
o Schools Standards Grant	-96	
o General Sure Start Grant	441	
o Milk Grant	23	
o 14-19 Diploma	617	
		<hr/> 4,618
= Cash limit for the revised budget 2009/10		<hr/> <hr/> 805,226

## 2. Calculation of the cash limit for the revised budget 2009/10 – Non-schools

The following table shows the progression from the original budget for 2009/10 to the cash limit for the revised budget 2009/10. Both are at estimated outturn prices 2009/10.

	£000	£000
Original budget 2009/10 at outturn prices		166,654
Transfers to/from other services and contingency allocations:		
- Children's Services Occupational Therapy services from Adult Services	149	
- SWIFT Service Level Agreement from Adult Services	88	
- Office Accommodation to Property Business and Regulatory	-105	
- Central expenditure charge for HIAS business unit (now above the line)	17	
- IT transfer	-4,339	
- County Treasurer overhead re-basing	7	
- Transfer to HR Service Centre	-21	
- County Treasurer Facilities Management adjustment	-1	
- Reclassification of Extended Schools Standards Fund grant (from Schools)	3,484	
	<hr/>	-721
= Adjusted original budget		<hr/> 165,933
Other variations:		
- carry-forward of 2008/09 underspend		1
- Business rates adjustments		-22
- Children's Trust earmarked reserve brought forward		262
- Elizabeth II Court (East) earmarked reserves		80
- Transfers (to)/from other departments		-95
- Variation in Area Based Grant		292
- Variation in expenditure financed by government grants:		
o Standards Fund	1,166	
o Youth Opportunities Fund	16	
o Aiming High for Disabled Children	25	
o Contact Point	18	
o Family Intervention	294	
o Asylum Seekers	165	
o Connexions	1,025	
o Targeted Mental Health in Schools (TaMHS)	220	
o Integrated Children's System (ICS)	71	
	<hr/>	3,000
= Cash limit for the revised budget 2009/10		<hr/> 169,451 <hr/>

**3. Total cash limit for Children's Services**

	£000
Schools	805,226
Non Schools	169,451
<b>Total Children's Services</b>	<b>974,677</b>



## Appendix 2

## Children's Services

## Revised budget 2009/10

## Summary comparing the revised budget with the cash limit

	Cash Limit	Revised Budget	Variation	
	£000	£000	£000	%
Nursery Individual Schools Budget	1,019	1,019	-	-
Primary Individual Schools Budget	310,075	310,075	-	-
Secondary Individual Schools Budget	287,302	287,302	-	-
Special Individual Schools Budget	30,055	30,055	-	-
14 to 19	3,197	3,197	-	-
Insurance	39	39	-	-
Licences / subscriptions	310	350	40	12.9
School Specific Contingencies	6,929	6,424	-505	-7.0
Supply cover (not sickness)	859	807	-52	-6.1
Supply cover (sickness and maternity)	505	505	-	-
Schools – support services recharge	4,213	4,213	-	-
Education Inclusion Service	8,608	9,049	441	5.1
Provisions for pupils with statements	9,176	8,908	-268	-2.9
Independent and voluntary special schools	8,764	9,444	680	7.8
Inter-authority recoupment	756	821	65	8.6
Behaviour support implementation	104	99	-5	-4.8
Special education – support services recharge	3,338	3,338	-	-
Payments for 3 and 4 year-olds	34,670	34,670	-	-
Early Years and Childcare Unit	22,872	22,872	-	-
Assistance to voluntary and private providers	2,295	2,099	-196	-8.5
Early Years – support services recharge	1,002	1,002	-	-
School catering	200	200	-	-
Standards Fund (schools non-devolved)	11,577	11,577	-	-
Ethnic Minority Achievement Service	1,164	1,154	-10	-0.9
Direct grants to schools	34,656	34,656	-	-
Teachers pay reform payments	19,804	19,614	-190	-1.0
Schools Meals grant	1,737	1,737	-	-
<b>Schools Budget</b>	<b>805,226</b>	<b>805,226</b>	-	-
SEN audit and moderation	56	20	-36	-64.3
Premature retirement compensation	2,892	2,879	-13	-0.4
Insurance	192	192	-	-
LEA Initiatives	497	497	-	-
Non-delegated schools – interest, other misc.	-330	207	537	-162.7
Strategic management – support services recharge	8,865	8,118	-747	-8.4
Schools home to school transport	23,121	24,299	1,178	5.1
Pupil support	317	335	18	5.7

	Cash Limit	Revised Budget	Variation	
	£000	£000	£000	%
Field, outdoor centres, INTECH and grants	135	167	32	23.7
Other non-delegated School Budget headings	204	245	41	20.1
Access – support services recharge	7,319	7,116	-203	-2.8
Special Education	8,923	8,675	-248	-2.8
School Improvement – support services recharge	6,187	6,016	-171	-2.8
Standards Fund (non-schools)	5,453	5,213	-240	-4.4
Teachers pay reform payments	432	452	20	4.6
Community Learning	8,383	8,277	-106	-1.3
Continuing education – home to college transport	1,243	1,243	-	-
Continuing education – other	569	567	-2	-0.4
Services for Young People	15,751	15,581	-170	-1.1
Unallocated budget	738	25	-713	-96.6
Service Strategy and Regulation	97	97	-	-
Commissioning and Social Work	20,471	20,020	-451	-2.2
Children Looked After	35,171	38,032	2,861	8.1
Family Support Services	9,524	9,722	198	2.1
Youth Justice	2,564	2,388	-176	-6.9
Other Children and Families	8,148	9,203	1,055	12.9
Asylum seekers	500	500	-	-
Children's Fund	1,902	1,737	-165	-8.7
Wessex Youth Offending Team	-	-	-	-
Non-distributed costs	127	127	-	-
<b>Non Schools Budget</b>	<b>169,451</b>	<b>171,950</b>	<b>2,499</b>	<b>2.0</b>
<b>Total Children's Services</b>	<b>974,677</b>	<b>977,176</b>	<b>2,499</b>	<b>0.3</b>

## Appendix 3

**Children's Services****Revenue budget 2010/11****1. Calculation of the base budget 2010/11 – summary of cash limited expenditure - Schools**

The following table shows the progression from the original budget for 2009/10 which was prepared at outturn prices 2009/10 to the base budget 2010/11 at outturn prices 2010/11.

	<b>2010/11 Base Budget</b>	
	As estimated last year	<b>Now proposed</b>
	£000	<b>£000</b>
Original budget 2009/10 at outturn prices	803,587	<b>803,587</b>
Transfers to/from other services	-	-
Re-classification of Extended Schools Standards Fund Grant (to non-schools)		<b>-3,484</b>
= Adjusted original budget	803,587	<b>800,103</b>
Increases for inflation to reflect November 2009 prices:		
- Inflation allocated during 2009/10 from the central inflation contingency (e.g. <i>business rates, waste contract</i> )		<b>3,798</b>
- Excess cost of inflation adjustments		<b>-441</b>
Original budget at November 2009 prices	803,587	<b>803,460</b>
Other variations:		
- Excess cost of inflation adjustments		<b>441</b>
- Allowable base budget growth:		
o Variations in pupil numbers	295	<b>34</b>
o Revenue effects of the capital programme	287	<b>263</b>
o Variations in expenditure funded by Government grants	2,707	<b>2,953</b>

**2010/11 Base Budget**

	As estimated last year	<b>Now proposed</b>
	£000	<b>£000</b>
Allocation for future inflation	14,787	<b>12,530</b>
<b>= Base budget 2010/11 at outturn prices</b>	821,663	<b>819,681</b>

## 2. Calculation of the base budget 2010/11 – summary of cash limited expenditure – Non-schools

The following table shows the progression from the original budget for 2009/10 which was prepared at outturn prices 2009/10 to the base budget 2010/11 at outturn prices 2010/11.

	<b>2010/11 Base Budget</b>	
	As estimated last year	<b>Now proposed</b>
	£000	<b>£000</b>
Original budget 2009/10 at outturn prices	165,730	<b>166,654</b>
Transfers to/from other services and contingency allocations:		
o Children's Services Occupational Therapy Services from Adult Services		<b>149</b>
o SWIFT SLA from Adult Services		<b>88</b>
o Office accommodation to Property, Business and Regulatory Services		<b>-105</b>
o Capital Expenditure Charge for HIAS		<b>17</b>
o IT Transfer		<b>-4,339</b>
o County Treasurer overhead re-basing		<b>7</b>
o Transfer to HR Service Centre		<b>-21</b>
o County Treasurer's Facilities Management adjustment		<b>-1</b>
o Reclassification of Extended Schools Standards Fund grant (from Schools)		<b>3,484</b>
= Adjusted original budget	165,730	<b>165,933</b>
Increases for inflation to reflect November 2009 prices:		
- Inflation allocated during 2009/10 from the central inflation contingency ( <i>e.g. business rates, waste contract</i> )		
- Excess cost of inflation over the inflation allowance		<b>468</b>
Original budget at November 2009 prices	165,730	<b>166,401</b>
Other variations		
- Reductions to offset excess inflation		<b>-490</b>

**2010/11 Base Budget**

	As estimated last year	<b>Now proposed</b>
	£000	<b>£000</b>
- Exclusion of non-recurring 2009/10 expenditure:		
o <i>2008/09 planned underspend</i>	-1,300	<b>-1,300</b>
- Transfers between revenue and capital		-
- Allowable base budget adjustments:		
o Grants assimilated into area based grant		<b>-1,026</b>
o Pay and Benefits allocation	147	<b>147</b>
o Variation in the number of school days		<b>-129</b>
o Removal of one-off increase for 2009/10		<b>-500</b>
o Invest to save repayment	-1,400	<b>-1,400</b>
o Removal of change for children funding	-	<b>-54</b>
o Variations in expenditure funded by government grants	1,694	<b>6,954</b>
o Other	14	<b>1</b>
Allocation for future inflation:		
- Provision for all pay awards of 1.5% in 2010/11	1,230	<b>947</b>
- Increase in local government employers' pension contributions	288	<b>221</b>
- Provision for non-pay inflation at 2.25%	2,404	<b>1,849</b>
- Reduction for increased income	-417	<b>-321</b>
<b>= Base budget 2010/11 at outturn prices</b>	168,390	<b>171,300</b>

**3. Base budget 2010/11 – Total Schools and non-schools**

Schools	<b>819,681</b>
Non-Schools	<b>171,300</b>
Total	<b>990,981</b>

## Appendix 4

## Children's Services

## 1. Proposals for growth and redeployment 2009/10 to 2011/12 - Schools

Proposals are shown at outturn prices for the relevant year.

Agreed proposals will be incorporated into future years' base budgets and so ongoing costs are shown in the first year only. One-off costs are shown in the first year and subtracted from the following year.

	Staffing (FTEs)					
	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13
	£000	£000	£000			
<b>Growth proposals:</b>						
<b>Growth in Delegated Funding</b>						
General Deprivation Funding	4,039			112.0		
Children Looked After	-100					
English as additional Language/Ethnic Minority	248			8.0		
Pay and Benefits in delegated budgets	2,070					
ICT for Schools						
Outreach work for Special	111			3.0		
Mainstreaming Autistic Provision	110			2.0		
Independent Safeguarding	-150					
Extended Early Years Entitlement	470					
New SEN Early Years Resourced Provision	110					
School Business Rates	750					
Deprivation for Single Early Years Formula	190	190	190			
Free School Meals	170					
<b>Sub-total Delegated Growth Proposals</b>	<b>8,018</b>	<b>190</b>	<b>190</b>	<b>125.0</b>	<b>-</b>	<b>-</b>
<b>Growth Non Delegated Funding</b>						
14 to19 Provision	750					
Early Years SEN	55					
SEN Preventative Services	59					
Pay and Benefits – Central Spending	159					
Prudential Borrowing – Autistic Provision	165					

## Staffing (FTEs)

	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13
	£000	£000	£000			
Admissions	75					
Minibus Driver Training	40					
Equal Pay Fund	-396					
Portage	100					
Trade Union Duties	112					
Education Recording Agency (Primary schools)	10					
Out County Special Schools	700					
Independent Safeguarding Authority (central expenditure)	14	20				
Building Schools for the Future	100					
School Balances' Challenge Framework	72					
2012 Olympics Legacy co- ordinator	30			1.0		
Communication and Language Team	52			0.8		
Deaf Instructors	32	25		2.0		
<b>Sub-total Non Delegated Growth Proposals</b>	<b>2,134</b>	<b>45</b>	-	<b>3.8</b>	-	-
<b>Total increase allowed in the budget guidelines</b>	<b>10,152</b>	<b>235</b>	<b>190</b>	<b>128.8</b>	-	-

## 2. Proposals for growth and redeployment 2009/10 to 2011/12 – Non Schools

Proposals are shown at outturn prices for the relevant year.

Agreed proposals will be incorporated into future year's base budgets and so ongoing costs are shown in the first year only. One-off costs are shown in the first year and subtracted from the following year.

	Staffing (FTEs)					
	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13
	£000	£000	£000			
<b>Growth proposals:</b>						
Home to School Transport	1,100			18.0		
Children Looked After	1,000					
Children Looked After - Foster Care	550	500		1.0	1.5	
Other Children's Social Care	1,050					
Interest on School Balances	500					
IT Operational Investment	575					
Building Schools for the Future	100			2.0		
Other Operational Pressures	308			1.0		
Invest to Save Repayment	1,400	-1,400				
Services for Young People		330				
Resources to be Allocated		2,120	766			
<b>Total Growth Proposals</b>	<b>6,583</b>	<b>1,550</b>	<b>766</b>	<b>22.0</b>	<b>1.5</b>	<b>-</b>
<b>Redeployment proposals:</b>						
Purchased Foster Care Placements	-600	-800				
Additional Income	-370					
Family Group Conferences	-375			-7.7		
Reduced inflation on foster care allowances	-284					
Community Learning	-150					
Non-Schools budget subsidy to school network lines	-750					
Extended Schools	-818					
Support Services and Business Unit efficiencies	-1,012			-6.3	-0.5	
Department efficiencies	-472					
Use of Grant Flexibility	-492					
<b>Total Redeployment Proposals</b>	<b>-5,323</b>	<b>-800</b>	<b>-</b>	<b>-14.0</b>	<b>-0.5</b>	<b>-</b>

Staffing (FTEs)

	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13
<b>Total increase allowed in the budget guidelines</b>	<b>1,260</b>	<b>750</b>	<b>766</b>	<b>8.0</b>	<b>1.0</b>	<b>-</b>
<b>Total Schools and Non Schools:</b>						
Growth Proposals	16,735	1,785	956	150.8	1.5	-
Redeployment Proposals	-5,323	-800	-	-14.0	-0.5	-
<b>Net Growth and Redeployment Proposals</b>	<b>11,412</b>	<b>985</b>	<b>956</b>	<b>136.8</b>	<b>1.0</b>	<b>-</b>

## Appendix 5

## Children's Services

## Cashable efficiency improvements 2009/10 to 2012/13

	2009/10	2010/11	2011/12	2012/13
	£m	£m	£m	£m
<b>a) Cashable efficiency improvements producing a budget saving and meeting the Government's definition of efficiency:</b>				
2 % targeted efficiency savings against specific services (excludes grant funded budgets) 2009/10 only	1.562			
Intensive Support Service	0.450			
Hampshire Inspection and Advisory Service	0.315			
Children's Services IT efficiencies	0.044			
Additional Income collection (Swanwick Lodge Secure Unit)		0.370		
Delivery model for Family Group Conferences		0.375		
Withstanding the impact of inflation (foster care and other allowances)		0.284		
Review of support service structures and business units		1.012		
Department efficiency targets (e.g. mileage, conference expenditure, printing and stationery)		0.472		
<b>Sub-total</b>	<b>2.371</b>	<b>2.513</b>		
<b>b) Cashable improvements producing budget savings but <u>not</u> meeting the Government's definition of efficiency</b>				
<b>c) Cashable efficiency improvements <u>not</u> producing a budget saving:</b>				

	2009/10	2010/11	2011/12	2012/13
	£m	£m	£m	£m
Independent Fostering Providers	0.300	0.600	0.800	
Increments and re-gradings	0.328	0.623	0.632	0.642
Supporting extra three year olds	0.017	0.017		
<b>Sub-total</b>	<b>0.645</b>	<b>1.240</b>	<b>1.432</b>	<b>0.642</b>
<b>Total cashable efficiency improvements</b>	<b>3.016</b>	<b>3.753</b>	<b>1.432</b>	<b>0.642</b>
% of base budget	1.6	2.2	0.8	0.4

### Notes

Cashable efficiency improvements occur when:

- inputs (money, people, assets etc) are reduced but outputs remain unchanged
- the price of inputs (procurement, labour costs etc) are reduced but outputs remain unchanged.

a) Cashable efficiency improvements producing budget savings and meeting the Government's definition of efficiency include general procurement savings against the budget provision of a 2.25% (2.5% for 2011/12 and 2012/13) increase in prices.

b) Cashable efficiency improvements producing budget savings but not meeting the Government's definition of efficiency include introducing new charges for services and fortuitous savings.

c) Cashable efficiency improvements not producing budget savings arise because the efficiency is avoiding unbudgeted cost e.g. staff reductions made to absorb increments, procurement efficiencies where costs are still exceeding 2.5%, capital receipts or developer contributions applied to avoid unplanned additional borrowing.

**Appendix 6**

**Children's Services  
Review of income 2010/11**

		<b>Current charge</b>	<b>Total income (2010/11 Budget)</b>	<b>Date of last review</b>	<b>Planned date for next review</b>	<b>Proposed charge</b>	<b>Is charge set to recover full cost? Yes/No</b>	<b>Is charge subject to an assessment scale determined locally? Yes/No</b>	<b>Additional income from increased or new charge</b>
		£	£			£			£
<b>1</b>	<b>Mandatory/National charges</b>								
	Inter-authority recoupment	Based on cost of placement	2,837,000	April 2009	April 2010	N/A	Yes	Annually calculated to national guidelines	N/A
	Penalty notices for parents of truants and excluded pupils	50 / 100	2,000	February 2004	Not Known	N/A	No	Charges are set nationally	N/A

	<b>Current charge</b>	<b>Total income (2010/11 Budget)</b>	<b>Date of last review</b>	<b>Planned date for next review</b>	<b>Proposed charge</b>	<b>Is charge set to recover full cost? Yes/No</b>	<b>Is charge subject to an assessment scale determined locally? Yes/No</b>	<b>Additional income from increased or new charge</b>
	<b>£</b>	<b>£</b>			<b>£</b>			<b>£</b>
<b>2</b>	<b>Discretionary charges</b>							
	0.16	82,800	January 2010	April and September 2010 (termly)	N/A	No	Yes, reviewed termly within constraints of EU milk scheme	N/A
	Varies	129,100	April 2009	April 2010	N/A	Yes	Yes, annual rent review by PBRS	N/A
	Varies	57,900	April 2009	April 2010	N/A	Yes	External income, contracts reviewed annually	N/A

	<b>Current charge</b>	<b>Total income (2010/11 Budget)</b>	<b>Date of last review</b>	<b>Planned date for next review</b>	<b>Proposed charge</b>	<b>Is charge set to recover full cost? Yes/No</b>	<b>Is charge subject to an assessment scale determined locally? Yes/No</b>	<b>Additional income from increased or new charge</b>
	<b>£</b>	<b>£</b>			<b>£</b>			<b>£</b>
Specialist Teacher Advisory Service	Varies	6,300	April 2009	April 2010	N/A	Yes	Charges to Post 16 sector, reviewed annually	N/A
Outdoor Education (Recharge to OLAs and FE Colleges)	Varies	60,900	April 2009	April 2010	N/A	Yes	Yes	N/A
Privileged Transport - school pupils and continuing education (per month)	41	418,300	September 2009	September 2010	N/A	Yes	Yes	N/A
Residential Accommodation for Children (Weekly):								
Community Homes	2,152	0	April 2009	April 2010	2,793	Yes	No	N/A

	<b>Current charge</b>	<b>Total income (2010/11 Budget)</b>	<b>Date of last review</b>	<b>Planned date for next review</b>	<b>Proposed charge</b>	<b>Is charge set to recover full cost? Yes/No</b>	<b>Is charge subject to an assessment scale determined locally? Yes/No</b>	<b>Additional income from increased or new charge</b>
	<b>£</b>	<b>£</b>			<b>£</b>			<b>£</b>
Secure Unit (Swanwick Lodge)	4,410	3,375,000	July 2009	July 2012	4,508	Yes	No	14,200
Homes for Children with Disabilities	2,530	0	April 2009	April 2010	2,878	Yes	No	N/A
Other Charges:								
Parental Contribution (weekly)	40	28,900	April 2009	April 2010	41	No	Yes	600
Hire of Rooms (per hour)	26	0	April 2009	April 2010	27	Yes	No	N/A
Hire of accommodation – Children’s Centres	Varies	78,000	April 2009	April 2010	Varies but increase by 2.25%	No	Yes	1,700

	<b>Current charge</b>	<b>Total income (2010/11 Budget)</b>	<b>Date of last review</b>	<b>Planned date for next review</b>	<b>Proposed charge</b>	<b>Is charge set to recover full cost? Yes/No</b>	<b>Is charge subject to an assessment scale determined locally? Yes/No</b>	<b>Additional income from increased or new charge</b>
	<b>£</b>	<b>£</b>			<b>£</b>			<b>£</b>
Hampshire Foster Care Placement Management Charge (per week)	251	0	April 2009	April 2010	255	Yes	No	N/A
Foster Care Assessments	2,253 per assessment	0	April 2009	April 2010	47 per hr	Yes	No	N/A
<b>3 Services provided free where charges could be made</b>		Nil						
<b>Total</b>		<b>7,076,200</b>						<b>16,500</b>



## Appendix 7

## Children's Services

## Business units – summarised trading accounts 2009/10 to 2012/13

	Education Financial Services (EFS) £000	ICT Support & Development (ICT) £000	Education Personnel Services (EPS) £000	Hampshire Governor Services (GS) £000	Hampshire Inspection & Advisory (HIAS) £000	Hampshire Music Service (HMS) £000	<b>Services to Schools BUs £000</b>	Stubbington Study Centre (SSC) £000	Minstead Study Centre (MSC) £000	<b>Children's Centres £000</b>
<b>2009/10 Revised Budget</b>										
Income	1,095	4,686	1,694	1,563	12,950	6,992	<b>28,980</b>	574	195	<b>8,423</b>
Expenditure	1,155	5,044	1,698	1,529	13,898	6,959	<b>30,283</b>	619	259	<b>9,235</b>
Net Operating Surplus/(Deficit) 2009/10	(60)	(358)	(4)	34	(948)	33	<b>(1,303)</b>	(45)	(64)	<b>(812)</b>
Reserves b/fwd 1/04/2009	143	549	252	285	2,974	73	<b>4,276</b>	438	(9)	<b>1,381</b>
<b>Estimated reserves c/fwd 31/03/2010</b>	<b>83</b>	<b>191</b>	<b>248</b>	<b>319</b>	<b>2,026</b>	<b>106</b>	<b>2,973</b>	<b>393</b>	<b>(73)</b>	<b>569</b>
<b>2010/11 Budget</b>										
Income	1,226	4,890	1,622	1,514	14,535	6,863	<b>30,650</b>	637	257	<b>9,270</b>
Expenditure	1,266	4,842	1,694	1,542	15,572	6,863	<b>31,779</b>	637	257	<b>9,320</b>
Net Operating Surplus/(Deficit) 2010/11	(40)	48	(72)	(28)	(1,037)	0	<b>(1,129)</b>	0	0	<b>(50)</b>
Estimated reserves b/fwd 1/04/2010	83	191	248	319	2,026	106	<b>2,973</b>	393	(73)	<b>569</b>
<b>Estimated reserves c/fwd 31/03/2011</b>	<b>43</b>	<b>239</b>	<b>176</b>	<b>291</b>	<b>989</b>	<b>106</b>	<b>1,844</b>	<b>393</b>	<b>(73)</b>	<b>519</b>

	Education Financial Services (EFS) £000	ICT Support & Development (ICT) £000	Education Personnel Services (EPS) £000	Hampshire Governor Services (GS) £000	Hampshire Inspection & Advisory (HIAS) £000	Hampshire Music Service (HMS) £000	<b>Services to Schools BUs £000</b>	Stubbington Study Centre (SSC) £000	Minstead Study Centre (MSC) £000	<b>Children's Centres £000</b>
<b>2011/12 Budget</b>										
Income	1,226	5,434	1,622	1,514	11,819	6,734	<b>28,349</b>	637	257	<b>9,479</b>
Expenditure	1,266	5,434	1,694	1,542	12,066	6,734	<b>28,736</b>	637	257	<b>9,439</b>
Net Operating Surplus/(Deficit) 2011/12	(40)	0	(72)	(28)	(247)	0	<b>(387)</b>	0	0	<b>40</b>
Estimated reserves b/fwd 1/04/2011	43	239	176	291	989	106	<b>1,844</b>	393	(73)	<b>519</b>
<b>Estimated reserves c/fwd 31/03/2012</b>	<b>3</b>	<b>239</b>	<b>104</b>	<b>263</b>	<b>742</b>	<b>106</b>	<b>1,457</b>	<b>393</b>	<b>(73)</b>	<b>559</b>
<b>2012/13 Budget</b>										
Income	1,226	5,524	1,622	1,514	11,819	6,766	<b>28,471</b>	637	257	<b>9692</b>
Expenditure	1,266	5,524	1,694	1,542	12,066	6,766	<b>28,858</b>	637	257	<b>9559</b>
Net Operating Surplus/(Deficit) 2012/13	(40)	0	(72)	(28)	(247)	0	<b>(387)</b>	0	0	<b>133</b>
Estimated reserves b/fwd 1/04/2012	3	239	104	263	742	106	<b>1,457</b>	393	(73)	<b>559</b>
<b>Estimated reserves c/fwd 31/03/2013</b>	<b>(37)</b>	<b>239</b>	<b>32</b>	<b>235</b>	<b>495</b>	<b>106</b>	<b>1,070</b>	<b>393</b>	<b>(73)</b>	<b>692</b>

## Appendix 8

## Children's Services

## Revenue budget 2010/11

## Analysis of variations by division of service

	Adjusted original budget 2009/10	Variation in inflation to November 2009 prices		Other base budget variations	Inflation allocation to 2010/11 outturn		Growth and redeployment proposals	Revenue Budget 2010/11
	£000	£000	%	£000	£000	%	£000	£000
<b>Cash limited expenditure</b>								
Nursery Individual Schools Budget	1,320	7	0.5	118	28	1.9	121	1,594
Primary Individual Schools Budget	312,786	1,700	0.5	-917	5,382	1.7	4,396	323,347
Secondary Individual Schools Budget	288,604	1,564	0.5	-878	4,521	1.6	2,354	296,165
Special Individual Schools Budget	30,595	92	0.3	324	618	2.0	1,150	32,779
14 to 19	1,556	-	-	-223	5	0.4	750	2,088
Insurance	39	-	-	-	1	2.6	-	40
Licences / subscriptions	310	-	-	-	8	2.6	10	328
School-specific contingencies	1,676	-	-	-	45	2.7	-474	1,247
Supply cover (not sickness)	802	-1	-0.1	1	13	1.6	112	927
Schools – support services recharge	3,268	-	-	675	67	1.7	269	4,279
Education Inclusion Service	8,533	-17	-0.2	45	164	1.9	4	8,729
Provision for pupils with statements	9,250	-	-	54	221	2.4	127	9,652
Independent and voluntary special schools	8,764	14	0.2	-214	259	2.8	891	9,669
Inter-authority recoupment	756	-	-	-	19	2.5	-	775

	Adjusted original budget 2009/10	Variation in inflation to November 2009 prices		Other base budget variations	Inflation allocation to 2010/11 outturn		Growth and redeployment proposals	Revenue Budget 2010/11
	£000	£000	%	£000	£000	%	£000	£000
Behaviour support implementation	104	-	-	-	3	2.9	-	107
Special education – support services recharge	3,338	-	-	-	71	2.1	143	3,552
Payments for 3 and 4 year olds	29,492	-	-	5,457	753	2.2	190	35,892
Early Years and Childcare Unit	22,431	1	-	4,752	8	-	8	27,200
Assistance to voluntary and private providers	2,171	-1	-	-8	61	2.8	101	2,324
Early Years – support services recharge	1,002	-	-	-	19	1.9	-	1,021
School catering	177	-	-	19	-	-	-	196
Standards Fund (schools non-devolved)	17,660	-2	-	-7,800	-	-	-	9,858
Ethnic Minority Achievement Service	1,163	-	-	-12	16	1.4	-	1,167
Direct grants to schools	34,752	-	-	592	-	-	-	35,344
Teachers Pay Reform payments	19,554	-	-	-	255	1.3	-	19,809
School Meals Grant	-	-	-	1,706	-	-	-	1,706
<b>Schools Budget</b>	<b>800,103</b>	<b>3,357</b>	<b>0.4</b>	<b>3,691</b>	<b>12,530</b>	<b>1.6</b>	<b>10,152</b>	<b>829,833</b>
SEN audit and moderation	56	-	-	-	1	1.8	-	57
Premature retirement compensation	2,892	80	2.8	-80	63	2.2	-	2,955
Insurance	192	-	-	-	4	2.1	-	196
LEA Initiatives	1,330	-	-	-83	27	2.2	-750	524
Non-delegated schools – interest, other misc.	-299	-12	4.0	-19	-7	2.1	499	162
Strategic management – support services recharge	7,400	8	0.1	635	140	1.7	-464	7,719
Schools home to school transport	22,821	375	1.6	-161	466	2.0	1,100	24,601
Pupil support	317	-	-	-	6	1.9	-	323
Field, outdoor centres, INTECH and grants	90	-	-	45	3	2.2	-	138
Other non-delegated school budget headings	220	-	-	-	6	2.7	-	226
Access – Support services recharge	5,587	-	-	987	106	1.6	-56	6,624

	Adjusted original budget 2009/10	Variation in inflation to November 2009 prices		Other base budget variations	Inflation allocation to 2010/11 outturn		Growth and redeployment proposals	Revenue Budget 2010/11
	£000	£000	%	£000	£000	%	£000	£000
Special education	6,811	-	-	1,203	129	1.6	-69	8,074
School Improvement – support services recharge	4,728	-	-	835	90	1.6	-48	5,600
Standards Fund – non-devolved	9,257	-	-	-4,871	-	-	-112	4,274
Teachers Pay Reform payments	432	-	-	-	10	2.3	-	442
Community Learning	5,731	-	-	4,350	56	0.6	-1,010	9,127
Home to college transport	1,277	50	3.9	44	30	2.2	-	1,401
Continuing education – other	599	18	3.0	-54	12	2.1	-	575
Services for Young People	15,733	-16	-0.1	151	243	1.5	-106	16,005
Unallocated budget	1,329	-	-	-2,038	-44	-	1,294	541
Service strategy and support	97	-	-	-	-	2.1	-	97
Commissioning and Social Work	22,868	-12	-0.1	1,796	317	1.3	-63	24,906
Children Looked After	35,749	-7	-	-768	695	2.0	660	36,329
Family Support Services	8,644	-7	-0.1	961	178	1.9	48	9,824
Youth Justice	2,666	-8	-0.3	176	47	1.7	-338	2,543
Other Children and Families	6,882	-1	-	996	115	1.5	675	8,667
Asylum Seekers	500	-	-	-	-	-	-	500
Children's Fund	1,902	-	-	-1,902	-	-	-	-
Wessex Youth Offending Team	-	-4	-	4	-	-	-	-
Unapportionable overheads	127	4	3.1	-4	3	2.4	-	130
<b>Non Schools Budget</b>	<b>165,933</b>	<b>468</b>	<b>0.3</b>	<b>2,203</b>	<b>2,696</b>	<b>1.6</b>	<b>1,260</b>	<b>172,560</b>
<b>Total Base Budget</b>	<b>966,036</b>	<b>3,825</b>	<b>0.4</b>	<b>5,894</b>	<b>15,226</b>	<b>1.6</b>	<b>11,412</b>	<b>1,002,393</b>

	Adjusted original budget 2009/10	Variation in inflation to November 2009 prices		Other base budget variations	Inflation allocation to 2010/11 outturn		Growth and redeployment proposals	Revenue Budget 2010/11
	£000	£000	%	£000	£000	%	£000	£000
Expenditure outside cash limit:								
Capital charges	51,873	-	-	1,496	-	-	-	53,369
Adjustment for Pension costs (FRS 17)	-96	-	-	-	-	-	-	-96
Income/expenditure transferred (to)/from reserves	781	-	-	-	-	-	-	781
<b>Total Net Expenditure before grant</b>	<b>1,018,594</b>	<b>3,825</b>	<b>0.4</b>	<b>7,390</b>	<b>15,226</b>	<b>1.5</b>	<b>11,412</b>	<b>1,056,447</b>
<b>Specific Government Grants:</b>								
Dedicated Schools Grant	694,343	-	-	26,064	-	-	-	720,407
Standards Fund – Schools Budget	59,384	-	-	-2,189	-	-	-	57,195
Standards Fund – Non Schools Budget	4,569	-	-	3,450	-	-	-	8,019
Sure Start, Early Years & Childcare Grant - Schools	22,431	-	-	4,754	-	-	-	27,185
School Standards Grant	34,752	-	-	592	-	-	-	35,344
14 – 19 Diploma Grant	1,351	-	-	-223	-	-	-	1,128
European Social Fund	175	-	-	19	-	-	-	194
Transport Co-ordinator	50	-	-	-50	-	-	-	-
Family Intervention	125	-	-	294	-	-	-	419
Youth Opportunities Fund	594	-	-	-	-	-	-	594
Contact Point	357	-	-	-	-	-	-	357
Aiming High for Disabled Children	1,397	-	-	3,110	-	-	-	4,507
Unaccompanied Asylum Seeking Children	500	-	-	-	-	-	-	500
TAMHS	-	-	-	150	-	-	-	150
<b>Total Specific Government Grants</b>	<b>820,028</b>	-	-	<b>35,971</b>	-	-	-	<b>855,999</b>
<b>Total Net Expenditure</b>	<b>198,566</b>	<b>3,825</b>	<b>1.9</b>	<b>-28,581</b>	<b>15,226</b>	<b>8.8</b>	<b>11,412</b>	<b>220,448</b>

**Appendix 9**

*The full appendix 9 will follow separately*

**Children's Services****Revenue Budget 2010/11**

Reconciliation of the original 2009/10 budget on the following pages with the 2009/10 budget in the published budget book.

	Original Budget 2009/10 £000	Budget 2010/11 £000
Budget Limit:		
Net expenditure on page B25 of the published budget book	970,241	
Transfers (to) / from other departments	-4,205	
Total net expenditure for 2009/10 original budget shown overleaf	<b>966,036</b>	<b>1,002,393</b>
Capital Charges	51,873	53,369
Adjustment for Pension costs	-11,397	-12,732
Income / expenditure transferred (to) / from reserves	781	1,179
Total budget controlled by Children's Services	<b>1,007,293</b>	<b>1,044,209</b>
Budgets Controlled by Policy and Resources	14,109	
Total net expenditure	<b>1,021,402</b>	



**Appendix 10****Children's Services****Workforce levels and costs****(Excluding School staffing and Business Units)**

	2009/10 Revised £000	2010/11 Original £000
Analysis of workforce costs in base budget:		
Salaries of permanent staff (including employer's national insurance and pension contributions)	72,651	76,884
Temporary/fixed term/casual staff	598	455
Agency staff	48	51
Additional hours	-	-
Total workforce costs	<hr/> 73,297	<hr/> 77,390
Average FTE staff actually in post	2,148	2,148
Staffing changes in growth, savings and redeployment proposals:		
Variation in staff (FTEs)		8
Variation in budget (£'000)		-85
Workforce implications of budget proposals:		
FTE posts available		2,156
Workforce budget available (£'000)		77,305



## Children's Services

### 1. Provisional budget 2011/12 and 2012/13 - Schools

The following table shows the progression from the 2010/11 proposed budget at outturn prices to the provisional budget for 2011/12 and 2012/13 at outturn prices.

	As estimated last year	<b>Now proposed</b>
	£000	£000
<b>Proposed budget 2010/11 at outturn prices</b>	<b>829,478</b>	<b>829,833</b>
- Base budget variations:	-	-
- Exclusion of non-recurring 2010/11 expenditure	-	-
- Full year effect of 2010/11 growth proposals	-	-
Growth and redeployment proposals	-	-
Allocation for future inflation	-	-
<b>Provisional budget 2011/12 at outturn prices</b>	<b>829,478</b>	<b>829,833</b>
- Base budget variations	-	-
- Exclusion of non-recurring 2011/12 expenditure	-	-
- Full year effect of 2011/12 growth proposals	-	-
Growth and redeployment proposals	-	-
Allocation for future inflation	-	-
<b>Provisional budget 2012/13 at outturn prices</b>	<b>829,478</b>	<b>829,833</b>

## 2. Provisional budget 2011/12 and 2012/13 – Non-schools

The following table shows the progression from the 2010/11 proposed budget at outturn prices to the provisional budget for 2011/12 and 2012/13 at outturn prices.

	As estimated last year	<b>Now proposed</b>
	£000	<b>£000</b>
<b>Proposed budget 2010/11 at outturn prices</b>	<b>169,650</b>	<b>172,560</b>
- Base budget variations:	1,400	1,647
- Exclusion of non-recurring 2010/11 expenditure	-	-
Growth and redeployment proposals	750	750
Allocation for future inflation	3,201	3,103
<b>Provisional budget 2011/12 at outturn prices</b>	<b>175,001</b>	<b>178,060</b>
- Base budget variations:	-	248
- Exclusion of non-recurring 2011/12 expenditure	-	-
- Full year effect of 2011/12 growth proposals	-	-
Growth and redeployment proposals	-	766
Allocation for future inflation	-	3,173
<b>Provisional budget 2012/13 at outturn prices</b>	<b>175,001</b>	<b>182,247</b>

## 3. Total of Schools and Non-Schools

2010/11	1,002,393
2011/12	1,007,893
2012/13	1,012,080

## Annex 1 to Appendix 11

## Children's Services

## Provisional budget 2011/12 and 2012/13

## Analysis of variations by division of service

	<b>Proposed Budget 2010/11</b>	Base budget variations	Growth and redeploy ment	Inflation allocation to 2011/12 outturn		<b>Provisional Budget 2011/12</b>	Base budget variations	Growth and redeploy ment	Inflation allocation to 2012/13 outturn		<b>Provisional Budget 2012/13</b>
	<b>£000</b>	£000	£000	£000	%	<b>£000</b>	£000	£000	£000	%	<b>£000</b>
<b>Cash limited expenditure</b>											
Nursery Individual Schools Budget	1,594			-	-	1,594			-	-	1,594
Primary Individual Schools Budget	323,347			-	-	323,347			-	-	323,347
Secondary Individual Schools Budget	296,165			-	-	296,165			-	-	296,165
Special Individual Schools Budget	32,779			-	-	32,779			-	-	32,779
14 to 19 Insurance	2,088 40			-	-	2,088 40			-	-	2,088 40
Licences / subscriptions	328			-	-	328			-	-	328
School-specific contingencies	1,247			-	-	1,247			-	-	1,247
Supply cover (not sickness)	927			-	-	927			-	-	927
Schools – support services recharge	4,279			-	-	4,279			-	-	4,279
Education Inclusion Service	8,729			-	-	8,729			-	-	8,729

	<b>Proposed Budget 2010/11</b>	Base budget variations	Growth and redeployment	Inflation allocation to 2011/12 outturn		<b>Provisional Budget 2011/12</b>	Base budget variations	Growth and redeployment	Inflation allocation to 2012/13 outturn		<b>Provisional Budget 2012/13</b>
	<b>£000</b>	£000	£000	£000	%	<b>£000</b>	£000	£000	£000	%	<b>£000</b>
Provision for pupils with statements	9,690			-	-	9,690			-	-	9,690
Independent and voluntary special schools	9,669			-	-	9,669			-	-	9,669
Inter-authority recoupment	775			-	-	775			-	-	775
Behaviour support implementation	107			-	-	107			-	-	107
Special education – support services recharge	3,552			-	-	3,552			-	-	3,552
Payments for 3 and 4 year olds	35,892			-	-	35,892			-	-	35,892
Early Years and Childcare Unit	27,200			-	-	27,200			-	-	27,200
Assistance to voluntary and private providers	2,324			-	-	2,324			-	-	2,324
Early Years – support services recharge	1,021			-	-	1,021			-	-	1,021
School catering	196			-	-	196			-	-	196
Standards Fund (schools non-devolved)	9,858			-	-	9,858			-	-	9,858
Ethnic Minority Achievement Service	1,167			-	-	1,167			-	-	1,167
Direct grants to schools	35,344			-	-	35,344			-	-	35,344
Teachers Pay Reform payments	19,809			-	-	19,809			-	-	19,809
School Meals Grant	1,706			-	-	1,706			-	-	1,706
<b>Schools Budget</b>	<b>829,833</b>	-	-	-	-	<b>829,833</b>	-	-	-	-	<b>829,833</b>
SEN audit and moderation	57			1	1.8	58			1	1.7	59

	<b>Proposed Budget 2010/11</b>	Base budget variations	Growth and redeploy ment	Inflation allocation to 2011/12 outturn		<b>Provisional Budget 2011/12</b>	Base budget variations	Growth and redeploy ment	Inflation allocation to 2012/13 outturn		<b>Provisional Budget 2012/13</b>
	<b>£000</b>	£000	£000	£000	%	<b>£000</b>	£000	£000	£000	%	<b>£000</b>
Premature retirement compensation	<b>2,955</b>			55	1.9	<b>3,010</b>			56	1.9	<b>3,066</b>
Insurance	<b>196</b>			4	2.0	<b>200</b>			4	2.0	<b>204</b>
LEA Initiatives	<b>524</b>			10	1.9	<b>534</b>			10	1.9	<b>544</b>
Non-delegated schools – interest, other misc.	<b>162</b>			3	1.9	<b>165</b>			3	1.8	<b>168</b>
Strategic management – support services recharge	<b>7,719</b>			143	1.9	<b>7,862</b>			146	1.9	<b>8,008</b>
Schools home to school transport	<b>24,601</b>			454	1.8	<b>25,055</b>			465	1.9	<b>25,520</b>
Pupil support	<b>323</b>			6	1.9	<b>329</b>			6	1.8	<b>335</b>
Field, outdoor centres, INTECH and grants	<b>138</b>			3	2.2	<b>141</b>			3	2.1	<b>144</b>
Other non-delegated school budget headings	<b>226</b>			4	1.8	<b>230</b>			4	1.7	<b>234</b>
Access – Support services recharge	<b>6,624</b>			123	1.9	<b>6,747</b>			125	1.9	<b>6,872</b>
Special education	<b>8,074</b>			150	1.9	<b>8,224</b>			153	1.9	<b>8,377</b>
School Improvement – support services recharge	<b>5,600</b>			104	1.9	<b>5,704</b>			106	1.9	<b>5,810</b>
Standards Fund – non-devolved	<b>4,274</b>	88		-	-	<b>4,362</b>	90		-	-	<b>4,452</b>
Teachers Pay Reform payments	<b>442</b>			<b>8</b>	<b>1.8</b>	<b>450</b>			<b>8</b>	<b>1.8</b>	<b>458</b>
Community Learning	<b>9,127</b>			169	1.9	<b>9,296</b>			173	1.9	<b>9,469</b>
Home to college transport	<b>1,401</b>			26	1.9	<b>1,427</b>			27	1.9	<b>1,454</b>
Continuing education – other	<b>575</b>			11	1.9	<b>586</b>			11	1.9	<b>597</b>
Services for Young People	<b>16,005</b>	8	330	297	1.9	<b>16,640</b>	8		303	1.8	<b>16,951</b>

	<b>Proposed Budget 2010/11</b>	Base budget variations	Growth and redeploy ment	Inflation allocation to 2011/12 outturn		<b>Provisional Budget 2011/12</b>	Base budget variations	Growth and redeploy ment	Inflation allocation to 2012/13 outturn		<b>Provisional Budget 2012/13</b>
	<b>£000</b>	£000	£000	£000	%	<b>£000</b>	£000	£000	£000	%	<b>£000</b>
Unallocated budget	541	1,401	-1,400	-	-	542	-1	-	-	-	541
Service strategy and support	97			2	2.1	99		2	2.0		101
Commissioning and Social Work	24,906	71		463	1.9	25,440	72	475	1.9		25,987
Children Looked After	36,329	7	-300	674	1.9	36,710	7	688	1.9		37,405
Family Support Services	9,824	27		183	1.9	10,034	27	187	1.9		10,248
Youth Justice	2,543	7		47	1.8	2,597	7	49	1.9		2,653
Other Children and Families	8,667	32		161	1.9	8,860	32	166	1.9		9,058
Asylum Seekers	500	6		-	-	506	6	-	-		512
Unapportionable overheads	130			2	1.5	132		2	1.5		134
Unallocated outturn inflation/growth	-		2,120			2,120		766			2,886
<b>Non Schools Budget</b>	<b>172,560</b>	<b>1,647</b>	<b>750</b>	<b>3,103</b>	<b>1.8</b>	<b>178,060</b>	<b>248</b>	<b>766</b>	<b>3,173</b>	<b>1.8</b>	<b>182,247</b>
<b>Total Base Budget</b>	<b>1,002,393</b>	<b>1,647</b>	<b>750</b>	<b>3,103</b>	<b>0.3</b>	<b>1,007,893</b>	<b>248</b>	<b>766</b>	<b>3,173</b>	<b>0.3</b>	<b>1,012,080</b>
Expenditure outside cash limit:											
Capital charges	53,369					53,369					53,369
Charges to Corporate and Democratic Core (FRS 17)	-96					-96					-96
Income/expenditure transferred (to)/from reserves	781					781					781
<b>Total Net Expenditure before grant</b>	<b>1,056,447</b>	<b>1,647</b>	<b>750</b>	<b>3,103</b>	<b>0.3</b>	<b>1,061,947</b>	<b>248</b>	<b>766</b>	<b>3,173</b>	<b>0.3</b>	<b>1,066,134</b>
<b>Specific Government Grants:</b>											
Dedicated Schools Grant	720,407					720,407					720,407
Standards Fund – Schools Budget	57,195					57,195					57,195

	<b>Proposed Budget 2010/11</b>	Base budget variations	Growth and redeployment	Inflation allocation to 2011/12 outturn		<b>Provisional Budget 2011/12</b>	Base budget variations	Growth and redeployment	Inflation allocation to 2012/13 outturn		<b>Provisional Budget 2012/13</b>
	<b>£000</b>	£000	£000	£000	%	<b>£000</b>	£000	£000	£000	%	<b>£000</b>
Standards Fund – Non Schools Budget	<b>8,019</b>	13				<b>8,032</b>	14				<b>8,046</b>
Sure Start, Early Years & Childcare Grant - Schools	<b>27,185</b>					<b>27,185</b>					<b>27,185</b>
Sure Start, Early Years & Childcare Grant – Aiming High for Disabled Children	<b>4,507</b>	56				<b>4,563</b>	57				<b>4,620</b>
School Standards Grant	<b>35,344</b>					<b>35,344</b>					<b>35,344</b>
14 – 19 Diploma Grant	<b>1,128</b>					<b>1,128</b>					<b>1,128</b>
European Social Fund	<b>194</b>					<b>194</b>					<b>194</b>
Family Intervention	<b>419</b>					<b>419</b>					<b>419</b>
Youth Opportunities Fund	<b>594</b>	8				<b>602</b>	8				<b>602</b>
Contact Point	<b>357</b>					<b>357</b>					<b>357</b>
Unaccompanied Asylum Seeking Children	<b>500</b>	6				<b>506</b>	6				<b>512</b>
<b>Total Specific Government Grants</b>	<b>855,849</b>	83				<b>855,932</b>	85				<b>856,017</b>
<b>Total Net Expenditure</b>	<b>200,627</b>	1,564	750	3,103	-	<b>206,044</b>	163	766	3,173	-	<b>210,146</b>