

AGENDA MANAGEMENT SHEET

Name of Committee **Children, Young People and Families Overview and Scrutiny Committee**

Date of Committee **16th November 2006**

Report Title **2007/08 to 2009/10 spending proposals of the Children, Young People and Families Directorate**

Summary This report details the 2007/08 to 2009/10 revenue and capital spending proposals of the Children, Young People and Families Directorate and seeks the Committee's views on both the spending proposals and the funding options proposed.

For further information please contact: Brian Smith
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Would the recommended decision be contrary to the Budget and Policy Framework? [please identify relevant plan/budget provision] No

Background papers County Council's Medium-term Financial Strategy – July 2006

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

Other Committees ☐

Local Member(s) ☐ Not applicable

Other Elected Members ☒ Cllr Helen McCarthy
Cllr Richard Grant – “noted for consideration by the Committee”
Cllr Jill Dill-Russell
Cllr John Whitehouse

- | | |
|---------------------------------|--|
| Cabinet Member | <input checked="" type="checkbox"/> For information:
Cllr Izzi Seccombe |
| Other Cabinet Members consulted | <input checked="" type="checkbox"/> For information:
Cllr John Burton
Cllr Alan Cockburn |
| Chief Executive | <input type="checkbox"/> |
| Legal | <input checked="" type="checkbox"/> Victoria Gould |
| Finance | <input checked="" type="checkbox"/> David Clarke, Strategic Director of Resources –
comments included in the report |
| Other Strategic Directors | <input type="checkbox"/> |
| District Councils | <input type="checkbox"/> |
| Health Authority | <input type="checkbox"/> |
| Police | <input type="checkbox"/> |
| Other Bodies/Individuals | <input checked="" type="checkbox"/> Michelle McHugh, Scrutiny Officer |

FINAL DECISION

NO

SUGGESTED NEXT STEPS:

Details to be specified

- | | |
|---|--|
| Further consideration by this Committee | <input type="checkbox"/> |
| To Council | <input checked="" type="checkbox"/> Council will approve the 2007/08 budget at its meeting in February 2007 |
| To Cabinet | <input checked="" type="checkbox"/> The views of this Overview and Scrutiny Committee on the budget proposals will be reported to Cabinet by the Strategic Director of Resources |
| To an O & S Committee | <input type="checkbox"/> |
| To an Area Committee | <input type="checkbox"/> |
| Further Consultation | <input type="checkbox"/> |

Children, Young People and Families Overview and Scrutiny Committee – 16th November 2006

2007/08 to 2009/10 spending proposals of the Children, Young People and Families Directorate

Report of the Strategic Director for Children, Young People and Families

Recommendation:

That the Committee comments on the 2007/08 to 2009/10 spending and consequential funding proposals identified by the Children, Young People and Families Directorate.

1. Introduction

- 1.1 Over recent years the medium-term financial planning and annual budget process has developed to encourage wider consultation on, and consideration of, spending proposals being made by Directorates. Overview and Scrutiny Committees are key players in this consultation and this report provides the Committee with information about the spending proposals for the Children, Young People and Families Directorate.
- 1.2 The Directorate is presenting information on its additional spending proposals for 2007/08 to 2009/10 for scrutiny and validation. Like last year revenue budget proposals and capital programme bids are presented together in one report in order to promote a coordinated, whole-Directorate approach.
- 1.3 However, there is one significant additional aspect to the information before the Committee this year. A new medium-term financial planning strategy was agreed by Council in July 2006. This stated, amongst other things, that the County Council will plan on the basis that:
 - Inflation and the corporate costs of capital (through to the end of the current approved programme) will be funded from government grant and council tax income.
 - Any other unavoidable pressures Members wish to meet will be funded from the balance of council tax income and reducing investment in low priority services.

- New developments will be funded from efficiency savings (with a minimum of 2.5% savings generated each year) and any further reduced investment in low priority services.
- 1.4 The reality of this, given the forecast level of resources available, is that Directorates have been asked to identify the actions they would need to take to manage any spending pressures (excluding inflation) if they did not receive additional resources. Therefore the Committee is also asked to comment on the funding strategies being proposed by the Directorate to meet its unavoidable pressures.
- 1.5 Having considered the spending proposals and any consequential funding strategies from the Strategic Director, the Overview and Scrutiny Committee may wish to:
- Probe base budgets.
 - Consider the reasonableness and validity of proposals put forward in light of the likely level of resources available, the corporate priorities as outlined in the Corporate Business Plan, and the Vision and Directorate Strategy.
 - Consider the actions being proposed by the Directorate to meet the spending pressures and explore whether all possible ways of funding the pressures have been investigated.
 - Comment on the prioritisation of proposals by Strategic Directors.

2. Directorate vision and delivery strategy

- 2.1 In 2007/08, the Service will continue to deliver on the five outcomes of the Every Child Matters (ECM) agenda. In particular:
- **Be Healthy** – we will monitor the take up and impact of health initiatives, including the health of looked after children. We are continuing our programme of developing extended services in schools and early years provision across Warwickshire. We aim to establish 20 more Children's Centres by 2008.
 - **Stay Safe** – we will focus on the impact of the commissioning strategy for vulnerable children, including the work of the Integrated Disability Service, and action to reduce racial incidents and bullying in schools. We will develop and promote a coherent and consistent framework which will ensure high standards and a safe and sound involvement for all.
 - **Enjoy and Achieve** – we will focus particular improvements on the progress made by pupils in Key Stage 4. We will aim to reduce school exclusions and encourage attendance and reduce truancy. We will work with schools to tackle the roots of poor behaviour and to provide support

to students to avoid exclusion. As part of this, we will monitor, support and challenge schools to achieve higher standards of attainment and achievement.

- **Achieve Economic Well Being** – we will focus on 14-19 provision and progress with pathfinder priorities.
- **Make A Positive Contribution** – we will work on integrating locally-based services that are led and planned by young people as well as supporting childminder provision and developing accommodation options for care leavers.

- 2.2 These outline some of the key services and outcomes where investment is required to maintain and develop our high quality services. In addition, the Directorate has some specific goals to improve ambition, participation and effectiveness. In particular, the Directorate aims to support all children and young people to achieve the very best they can (“ambition”); to ensure that children, young people, families and communities are active participants, influencing service delivery and outcome (“participation”); and to ensure that the Directorate has an empowered, highly performing workforce, which makes best use of its resources (“effectiveness”).
- 2.3 The new Directorate has made considerable strides in delivering this agenda by restructuring to divisions that provide a focus on intervention and prevention. In addition, we are integrating services across the county to improve the future for children, young people and families. Key features of this are the creation of multi-disciplinary teams, co-located and easily accessible to our users.
- 2.4 However, we need to do much more. There are pockets of disadvantage in Warwickshire, as well as low attainment, poor behaviour and unhealthy lifestyle choices. The spending proposals highlighted below also begin to build on service improvements to address these issues.

3. Revenue budget – spending proposals

3.1 2007/08 base budget

A Directorate analysis of the 2007/08 revenue base budget is shown at **Appendix A**. This information is to help Members place the subsequent discussion in context. The base budget for the Directorate is the approved cash allocation in 2006/07, adjusted for any one-off funding. The Appendix is in two parts – the first part identifies the amount of the service spend that is funded by the County Council through its available resources and the second part that which is funded by the Dedicated School Grant (DSG). The DSG funds schools’ delegated budgets (ISB) and some pupil-related services (such as the Admissions Service, Early Years and some Special Needs Support Services).

3.2 2007/08 to 2009/10 spending pressures and funding strategy

3.2.1 In August 2006 the Strategic Director of Resources issued initial guidance on the preparation of the 2007/08 to 2009/10 budget. This required Directorates to analyse their proposals between pressures and those that were investment proposals. Spending pressures, in this instance, are defined as those resulting from factors external to the Directorate that the Directorate cannot meet without a change in policy or a change in the way the service is delivered.

3.2.2 As part of the guidance notes Directorates have also been asked to identify what actions they would need to take to meet all their spending pressures if additional resources were not available. Some of the actions would be within the specific service area, some elsewhere in the Directorate. Tables 1a and 1b below show the Directorate has additional cumulative spending pressures of £9,416,000 for £2007/08, £17,290,000 for 2008/09 and £25,290,000 for 2009/10. Possible actions have been identified to meet all these additional costs, excluding inflation in line with the guidance.

Table 1a: Spending pressures and funding strategies for the Children, Young People and Families Directorate – Non Schools Budget			
	2007/08 £	2008/09 £	2009/10 £
Inflation – Non DSG*	2,343,000	4,731,000	7,219,000
Spending pressures – Non DSG	1,211,000	1,407,000	1,466,000
Total additional costs	3,554,000	6,138,000	8,685,000
Funding strategies within the service areas	(29,000)	(30,000)	(31,000)
Directorate-wide funding strategies	(1,182,000)	(1,377,000)	(1,435,000)
Total funding strategies	(1,211,000)	(1,407,000)	(1,466,000)
Net call on corporate resources	2,343,000	4,731,000	7,219,000

Table 1b: Spending pressures and funding strategies for the Children, Young People and Families Directorate – Schools Budget (DSG)			
	2007/08 £	2008/09 £	2009/10 £
Inflation – DSG*	5,272,000	10,609,000	16,059,000
Spending pressures – DSG	590,000	543,000	546,000
Total additional costs	5,862,000	11,152,000	16,605,000
Funding strategies within the service areas	(150,000)	(50,000)	(50,000)
Increase in DSG	(5,712,000)	(11,102,000)	(16,555,000)
Total funding strategies	(5,862,000)	(11,152,000)	(16,605,000)
Net call on corporate resources	0	0	0

* cumulative figures

- 3.2.3 **Appendix B** provides further details regarding the proposals outlined in the above tables – Appendix B1 refers to Non Schools Budget and Appendix B2 to Schools Budget (DSG). Furthermore the Directorate has produced a detailed individual bid for each budget pressure and the actions proposed for managing the cost. These are available on request from Brian Smith (tel. 01926 738424).
- 3.2.4 The spending pressures are largely a planned response to national priorities as well as maintaining statutory services. The service has been subject to an increasing number of pressures arising from Government initiatives (e.g. Primary School Improvement Partners) as well as pupil-related demands, primarily affecting special educational needs services and increased pressures on foster care and looked after children. There are also pressures around the partnership, information and integrated working agenda. With the pressures on existing statutory services, resourcing these pressures will enable the Directorate to better plan alternative provision, which in turn may give opportunities to absorb future increased service demands from efficiencies gained.
- 3.2.5 The Directorate has not identified a specific figure for the additional costs of Single Status in schools. However, any back-dated costs that fall on schools' delegated budgets would have a considerable impact. It is not possible to be more specific at this time, but those schools already facing budget difficulties (particularly those with falling pupil numbers) would be particularly hard hit.
- 3.2.6 The Directorate will fund these spending pressures by reviewing services, but in particular its discretionary services, in order to make service reductions and to redirect resources towards these inescapable pressures. Discretionary services include, for example:
- Aspects of the Youth Service;
 - Home-to-College Transport;
 - The County Music Service
 - The Intercultural Curriculum Support Service
 - The Education of Looked After Children service, which works towards statutory objectives but is not in itself a statutory service
 - REACCH, which is the non-statutory service that promotes better outcomes for black and minority ethnic children.
- 3.2.7 In addition, the Directorate will review its capacity for generating cash-backed efficiency savings through improved commissioning and procurement, changes to charges and fees, e.g. in reviewing whether foster carer allowances could remain tied to National Fostering Network rates, as well as reviewing current levels of support services (across ICT, Human Resources and Finance).
- 3.2.8 The impact of reductions in such funding could be the closure of some youth centres and a reduction in staff working with young people; further significant increased charges for home-to-college transport; increased charges for music tuition and a delay in implementing the "Wider opportunities" programme which aims to give greater access to music; a reduction in support for pupils for whom English is an additional language. In addition, the Directorate would need to temper the ambition of some performance targets.

3.3 Revenue investment proposals

3.3.1 In addition to the spending pressures outlined above the Directorate is proposing revenue investment proposals of the following:

Table 2: 2007/08 to 2009/10 revenue investment proposals for the Children, Young People and Families Directorate			
	2007/08 £	2008/09 £	2009/10 £
Non Schools Budget	2,263,000	2,177,000	2,229,000
Schools Budget (DSG)	182,000	268,000	344,000
Total revenue proposals	2,445,000	2,445,000	2,573,000

3.3.2 Included in these proposals there is a revenue impact of the Directorate's proposed capital investments of £26,000 in 2007/08 rising to £49,000 by 2008/09. This is included in the Schools Budget proposals.

3.3.3 **Appendices C1 and C2** provide further details regarding the proposals outlined in the above figures. Furthermore the Directorate has produced a detailed individual bid for each investment proposal. These are available on request from Brian Smith (tel. 01926 738424).

3.3.4 The Directorate has been economical in its registering of revenue investment proposals. They range from the need for increased investment to continue existing valued but non-statutory services (e.g. Post-16 Transport) to key priorities within the community and extended learning area (Corporate Parenting, Integrated Disability Service) as well as our continued response to the Ofsted inspection report on the Youth Service. The investment proposals also include invest-to-save strategies such as the roll out of the Enhanced Professional Support Services. This will aid early intervention to prevent failure, moving work of the Directorate from crisis intervention to prevention.

4. Capital programme – investment proposals

4.1 Paragraph 3.3 above shows that the single capital investment proposal of the Directorate would, by 2008/09, result in a £49,000 impact on the schools revenue budget if approved. This section provides more detail on this capital investment proposal.

4.2 In August 2006 the Strategic Director of Resources issued guidance on the preparation of capital investment bids for 2007/08 to 2009/10. This required Directorates to complete a detailed investment bid form and to place the proposals in priority order.

4.3 **Appendix D** provides further details regarding the proposals outlined in paragraph 3.3. Furthermore the Directorate has produced a detailed individual bid for this investment proposal. This is available on request from Brian Smith (tel. 01926 73.8424).

- 4.4 Only one scheme is proposed at this time. This scheme would enable the newly formed Integrated Disabilities Service to be operationally “joined up” and enable more effective operation of the service, as well as providing the physical space for an improved multi-agency approach.

MARION DAVIS
Strategic Director for Children,
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Warwick

1st November 2006

Children, Young People and Families - Non Schools Budget

2007/08 Revenue Estimates - Service Analysis

	Direct Costs A £000	Management and Support Costs B £000	Total Costs A+B=C £000	External Income D £000	Internal Income E £000	Total Income D+E=F £000	2007/2008 Base Budget C+F=G £000
Children In Need	27,920	1,082	29,002	(1,453)	0	(1,453)	27,549
Commissioning, Partnership & Planning	8,202	319	8,521	(992)	0	(992)	7,529
Education Partnership & School Development	16,245	630	16,875	(4,197)	0	(4,197)	12,678
Services to Young People	8,607	334	8,941	(2,499)	0	(2,499)	6,442
Family & Community	2,952	112	3,064	(6)	0	(6)	3,058
Resources	6,631	266	6,897	(761)	0	(761)	6,136
2007/08 Base Budget	70,557	2,743	73,300	(9,908)	0	(9,908)	63,392

Children, Young People and Families - Schools Budget

2007/08 Revenue Estimates - Service Analysis

	Direct Costs A £000	Management and Support Costs B £000	Total Costs A+B=C £000	External Income D £000	Internal Income E £000	Total Income D+E=F £000	2007/2008 Base Budget C+F=G £000
School Delegated & Devolved Funding							
Schools Delegated Budgets	255,298	0	255,298	0	0	0	255,298
Devolved Standards Fund	26,018	0	26,018	(24,840)	0	(24,840)	1,178
School Standards Grant	0	0	0	(10,540)	0	(10,540)	(10,540)
LSC Post 16 Funding Grant	0	0	0	(19,463)	0	(19,463)	(19,463)
Non Devolved Schools Budget							
Children In Need	428	0	428	(225)	0	(225)	203
Commissioning, Partnership & Planning	8,414	0	8,414	(1,320)	0	(1,320)	7,094
Education Partnership & School Development	6,284	90	6,374	(1,339)	0	(1,339)	5,035
Services to Young People	0	0	0	0	0	0	0
Family & Community	22,360	78	22,438	(9,368)	0	(9,368)	13,070
Resources	1,902	0	1,902	0	0	0	1,902
Technical Adjustment for Central Charges Covered by DSG	1,409	0	1,409	0	0	0	1,409
Dedicated School Grant	0	0	0	(255,186)	0	(255,186)	(255,186)
2007/08 Base Budget	322,113	168	322,281	(322,281)	0	(322,281)	0

Children, Young People and Families - Non Schools Budget

2007/08 Revenue Spending Pressures and Funding Strategy

Bid Ref. (A)	Bid Title (B)	2007/08			2008/09			2009/10		
		Cost (Ci) £000	Within Service Funding (Cii) £000	Directorate Level Funding (Ciii) £000	Cost (Di) £000	Within Service Funding (Dii) £000	Directorate Level Funding (Diii) £000	Cost (Ei) £000	Within Service Funding (Eii) £000	Directorate Level Funding (Eiii) £000
R-SF-CYPFNS-01	Inflation	2,343	0	0	4,731	0	0	7,219	0	0
R-SF-CYPFNS-02	Family Support Workers and Parenting Post	0	0	0	122	0	0	125	0	0
R-SF-CYPFNS-03	Increased Demand for Statutory Services	415	0	0	425	0	0	437	0	0
R-SF-CYPFNS-04	Education Social Work Service - "Missing Children"	96	0	0	98	0	0	101	0	0
R-SF-CYPFNS-05	Children's Information Service	185	0	0	214	0	0	243	0	0
R-SF-CYPFNS-06	YOT requirement to set base budget to sustain current statutory service	76	0	0	101	0	0	104	0	0
R-SF-CYPFNS-07	Primary School Improvement Partners	133	0	0	136	0	0	140	0	0
R-SF-CYPFNS-08	Mainstream - Home to School Transport	60	0	0	61	0	0	63	0	0
R-SF-CYPFNS-09	Integrated Working	146	(29)	0	150	(30)	0	153	(31)	0
R-SF-CYPFNS-10	Assessment, Stateminting & Review Service	100	0	0	100	0	0	100	0	0
R-SF-CYPFNS-11	Directorate Funding Strategy	0	0	(1,182)	0	0	(1,377)	0	0	(1,435)
Total		3,554	(29)	(1,182)	6,138	(30)	(1,377)	8,685	(31)	(1,435)

Children, Young People and Families - Schools Budget

2007/08 Revenue Spending Pressures and Funding Strategy

Bid Ref. (A)	Bid Title (B)	2007/08			2008/09			2009/10		
		Cost (Ci) £000	Within Service Funding (Cii) £000	Directorate Level Funding (Ciii) £000	Cost (Di) £000	Within Service Funding (Dii) £000	Directorate Level Funding (Diii) £000	Cost (Ei) £000	Within Service Funding (Eii) £000	Directorate Level Funding (Eiii) £000
R-SF-CYPFS-01	Inflation	5,272	0	0	10,609	0	0	16,059	0	0
R-SF-CYPFS-02	Flexible payments to Early Years' settings for children with complex needs and disabilities	32	0	0	33	0	0	34	0	0
R-SF-CYPFS-03	Corporate Parenting - The Education of Looked After Children	93	0	0	95	0	0	97	0	0
R-SF-CYPFS-04	The management of the tree stock on Warwickshire's school sites	100	(50)	0	100	(50)	0	100	(50)	0
R-SF-CYPFS-05	Out-of-county School Placements Assessment Stateminting and Review Service	315	(100)	0	315	0	0	315	0	0
R-SF-CYPFS-06	Workforce collection	50	0	0	0	0	0	0	0	0
Total		5,862	(150)	0	11,152	(50)	0	16,605	(50)	0

To be funded by the increase in the Dedicated School Grant

Children, Young People and Families - Non Schools Budget

2007/08 to 2009/10 Investment Proposals

Bid Ref. (A)	Bid Title (B)	Net Additional Revenue Investment			Bid Justification (see Justification Form D for each item for further details) (D)
		2007/08 (Ci) £000	2008/09 (Cii) £000	2009/10 (Ciii) £000	
R-IP-CYPFNS-01	Family Group Conferencing (FGC) - Reducing Exclusions	40	45	50	The process facilitates families coming together to plan and support a child or young person. This bid will extend access to this service to children at risk of exclusion from school.
R-IP-CYPFNS-02	Roll out of Enhanced Professional Support Services across County	736	736	755	Early intervention to prevent failure, moving from crisis intervention to prevention.
R-IP-CYPFNS-03	Residential Family Assessment Centre	375	0	0	In partnership with the Mayday Trust to develop and operate a 9- bed parent and child residential assessment centre.
R-IP-CYPFNS-04	Corporate Parenting	220	225	231	To offer better support to looked after children at key transition periods and to compensate these young people for the lack of parental support when facing key challenges.
R-IP-CYPFNS-05	Post 16 Transport	250	200	200	To cover ongoing increase in transport costs.
R-IP-CYPFNS-06	Modernising the Youth Service	117	118	122	To enable the County Council to meet many of the medium-term corporate priorities and ensure good quality information is available for the forthcoming Joint Area Review (inspection).
R-IP-CYPFNS-07	Creation of two part-time sessional workers	15	16	16	To assist with the implementation of the Teenage Pregnancy Strategy by working with young men offering one-to-one support, group sessions and developing work countywide.
R-IP-CYPFNS-08	The Warwickshire Children's University and the University of the First Age	100	100	100	To embed Warwickshire University of the First Age across the county and to sustain and further develop Warwickshire Children's University in line with the Every Child Matters Agenda.
R-IP-CYPFNS-09	Developments in the Integrated Disability Service - Extension of Keyworking and Direct Payments	200	205	210	To mainstream and extend the Keyworking service for disabled children with complex needs and to extend the use of direct payments.
R-IP-CYPFNS-10	Youth Inclusion Support Panel/CHARM	100	422	435	The Youth Inclusion Support Panel (YISP) is a Government Sponsored Programme designed to divert young people from Crime and Anti-Social Behaviour.
R-IP-CYPFNS-11	Sporting Excellence - Bursaries	10	10	10	To support highly talented young athletes in Warwickshire.
R-IP-CYPFNS-12	Educational Psychology Service	100	100	100	Supporting County Strategy for the Inclusion of Pupils with Emotional, Behavioural and Social Difficulties.
Total		2,263	2,177	2,229	

Children, Young People and Families - Schools Budget

2007/08 to 2009/10 Investment Proposals

Bid Ref. (A)	Bid Title (B)	Net Additional Revenue Investment			Bid Justification (see Justification Form D for each item for further details) (D)
		2007/08 (Ci) £000	2008/09 (Cii) £000	2009/10 (Ciii) £000	
R-IP-CYPFS-01	Admissions ongoing rental of IT System	19	21	23	To allow ongoing rental and develop further electronic application for places at reception, 7+ and 11+.
R-IP-CYPFS-02	Nurture Groups	87	148	222	A nurture group is a small, supportive class of 10-12 children, usually in a mainstream primary school, providing a secure, predictable environment where the varying developmental needs of the pupils are catered for. Focus is on emotional and social development as well as academic progress. Generally, children who lack age-appropriate social and emotional behavioural skills attend a group for a time-limited period whilst maintaining contact with their full-time class.
R-IP-CYPFS-03	IDS accomodation requirements	26	49	49	Capital financing costs relating to capital works at Exhall Grange School.
R-IP-CYPFS-04	Educational Psychology Service	50	50	50	Supporting Early Years settings.
Total		182	268	344	

To be funded by the increase in the Dedicated School Grant

Children, Young People and Families - Schools Budget

2007/08 to 2009/10 Investment Proposals - Capital Spending

Bid Ref. (A)	Bid Title (B)	Additional Capital Investment				
		2007/08 (Ci) £000	2008/09 (Cii) £000	2009/10 (Ciii) £000	Future Years (Civ) £000	Total Cost (Cv) £000
C-IP-CYPFS-01	Integrated Disability Service accomodation requirements	75	675	0	0	750
	Total	75	675	0	0	750

Appendix D

Nature of Capital Investment (see Justification Form D for each item for further details)	
(D)	
Exhall Grange capital works up front fit out costs.	