

Summary of Cash Limited Budgets

	Housing £'000	Culture & Enterprise £'000	CYPT £'000	Environment £'000	Finance & Resources £'000	Strategy & Governance £'000	Adult Social Care, LD & S75 £'000	General Fund Total £'000
2010/11 adjusted base budget	4,547	11,214	47,482	37,029	18,777	11,869	71,631	202,549
Inflation	25	119	727	452	183	124	1,143	2,773
Service Pressures	337	376	3,466	1,762	920	630	2,265	9,756
VFM programme savings			-2,019	-225	-1,107		-1,551	-4,902
Commissioning changes savings			-1,631					-1,631
Efficiency savings and additional income	-365	-111	-486	-2,065	-775	-582	-1,402	-5,786
2011/12 Budget Strategy	4,544	11,598	47,539	36,953	17,998	12,041	72,086	202,759
2011/12 Cash Limit	4,544	11,333	48,798	36,980	18,531	11,751	72,086	204,023
Surplus/ (-Shortfall)	0	-265	1,259	27	533	-290	0	1,264

CYPT DIRECTORATE 2011/12 BUDGET PROPOSALS

Strategic Context and Direction of Travel

Significant progress has been made in terms of reducing the overspend in Children's Services in 2010/11 including successfully meeting VFM savings targets. We have continually made savings in Dedicated Schools Grant (DSG) enabling us to invest in new service areas and fund new pressures. We have had particular success with reducing our SEN out of city placements achieving significant savings. There does, however, continue to be substantial pressures across Children's Social Care:

- Independent Foster Agency (IFAs)
- Legal Fees
- Agency Placements
- Area Social Work Services

The VFM programme has already produced substantial savings in the area of children's social care. The pressures shown above reflect the national experience of a sustained increase in social care activity and especially child protection. We are now preparing to implement changes that will come from new government education legislation and guidance, the Health White Paper, the Munro Review of social care and implementation of the Social Work Reform Board Changes, as well as the expected impact of the Comprehensive Spending review especially reduction in grant funding. In addition the Southwark Judgement is a High Court judgement which places a new duty on local authorities to accommodate under Section 20, young people who are homeless and vulnerable, which may impact on financial modelling.

From a total gross budget of £242.2m, the CYPT is reliant on grants from central government of around £46.22m (excluding DSG).

Strategic Response to this Context is:

The overall cash limit increase for the directorate in 2011/12 is £1,316,000, £589,000 above the inflation allowance. Service pressures have been identified of £3,466,000 excluding grant reductions. Savings of £4,136,000 have been identified. The main elements to the budget strategy include:

- Continuing to secure efficiency savings across all services
- Achieving our VFM targets including new rigorous scrutiny of approval of social care placements.
- Recommissioning services to deliver our statutory responsibilities whilst making necessary savings.
- Rigorous scrutiny and approach to recruitment and use of agency staff.
- Reviewing use of accommodation to achieve significant savings through lease and sale of property.
- In general ceasing activity funded by grants no longer provided unless it is a statutory service.

Financial and Service Pressures

The main financial pressures on the Directorate's services are shown in table 1 below:

Table 1 – unavoidable service pressures which are dealt with as part of this budget strategy	2011/12 £'000
Corporate Critical	
Disability Agency Placements	414
Independent Foster Agency (IFA) placements	1,631
Residential Agency Placements	493
Corporate Critical Total	2,538
Departmental Critical	
Area Social Work Teams	474
Legal Costs	340
Departmental Critical Total	814
Other Budgets	
Independent Reviewing Officers	114
Other Budgets Total	114
BHCC CYP T Sub Total	3,466
Community Health Budgets	0
Brighton & Hove Teaching PCT	0
CYP T Total Budget Pressures	3,466

The scale of specific grant funding for CYP T and the uncertainty about how it will operate in future mean that calculating anticipated reductions is highly speculative. A great deal of specific grant funding was always due to end at the end of 2010/11 and this has been planned for with careful exit strategies. Some grant funding will transfer to the new DSG and it will be up to schools to prioritise how it is spent. This means that the Council may need to make considerable changes to the central services offered to schools and there will need to be some detailed negotiation about the nature of services that schools are prepared to buy back from the Council. A review of where specific grants are funding core or statutory services is being undertaken to ensure that alternative appropriate replacements for these are made if reduced.

Proposals for Main Service Areas

Area Integrated Working

Education Welfare Service – it is proposed to reduce the service by 50% (£170,000) of the present budget. The service will be realigned to focus more on prevention and early intervention with families having difficulty around attendance

Item 50 Appendix 2

and school issues. It will also be more aligned with the social work service and, bring synergies to interventions by doing this.

Educational Psychology (EP) –it is proposed to reduce the service by 20% (£200,000) in the area EP budget (£989,000) – this will be achieved by restructuring of the service and the reduction of EP posts to bring it more in line with the national benchmarking of the number of EPs within BHCC.

Fostering and Adoption Service –Brighton & Hove’s spend on this service is both higher than the national benchmark and significantly higher than that of our statistical neighbours. It is proposed, to redesign this service with a view to reducing its costs by £362,000 of the total resource presently committed to it. It is a substantial budget area and these savings are a result of more effective and efficient use of present resources. Further, we will be looking to improve further the understanding of thresholds across the City so that fewer referrals come through that require a formal assessment

The abolishment of the Youth Justice Board (YJB) and other national changes and revised accountabilities in this area mean that we can reduce expenditure on Youth Offending Services by £91,000. We will look to securing better joint working across the council as part of the move to intelligent commissioning and also improve links with external bodies promoting employment for young people.

Youth Service – Youth provision across the City is extensive with a significant element of community provision. We are undertaking a youth service review to ensure there is coverage across the City both geographically but also across the age range. At present, the budget for the elements of the youth service provided through the CYPT consists of significant amounts of grant funding, and roughly equal amounts of core funding (£956,000) from the Council. We would propose that through service redesign and intelligent commissioning we can reduce the core commitment to this area by £130,000 whilst developing community provision. This would be achieved through reducing the number of Council run centres and having a strong focus on securing effective neighbourhood provision through a range of high quality providers.

Nursery Provision – a review of subsidies to nursery provision across the City is expected to save £87,000.

Learning, Schools and Skills

Schools Forum and DSG

We anticipate Brighton and Hove schools will receive additional funding from the pupil premium. Once we are clear what functions are affected by these transfers, we will look to agree targets for winning back money through the services we offer to schools.

Home to School Transport

A 7% saving on the home to school transport budget is being proposed which is equivalent to £200,000 on a net budget of £3,055,000. The service has worked hard to achieve substantial (10%) savings in 2010/11. The additional 7% saving will be achieved by continuing to strictly apply criteria for allocation of school

transport for children and young people with SEN as well as ensuring children in special school where possible attend their most local special school. We will continue to develop approaches to independent travel with young people and schools. Work will continue to review contract terms on re-tendering home to school transport contracts and looking at appropriate use of in house vehicles and cost effective routes.

Learning Development Centre

The LDC has an excellent reputation and is a high quality training venue available to the City which we would like to sustain and continue to promote. Over the last two years work has been taking place to make the venue even more efficient and reduce any additional costs or subsidy required. We propose that in 2011/12 we will remove the remaining budget contribution of £64,000. This will mean that the LDC has to generate 100% of its income as a venue to provide training for the City and by accommodating council staff on site. The expectation will be that the council use this venue as one of its preferred providers and we move more council staff into the building increasing the amount of office space used, over time driving down the costs to other services of renting this space.

Music Service

The service is funded from central government grants, fees and charges from parents and a council contribution of £271,000. We are unusual in that the Council subsidises what is already a significant level of grant from central government. We are proposing that we reduce the council subsidy to this service by 30% which amounts to £82,000. We have an outstanding music service in the City which we would like to continue to provide for all our children and young people. This will require the service to review the way in which it provides its services, work more efficiently, and increase its income generation through a review of its fees and charges. We can be clearer about the precise nature of our proposals when the revised grant regime is announced. Cost reductions have been discussed with the head of service and are achievable.

Disability Service

The integrated disability service is currently going through a process of re-commissioning. It is proposed that this exercise will look to achieve a 9% saving over 2 years. This equates to £126,000 in 2011/12. This will involve reviewing management and back office arrangements, reviewing contracts and looking differently at the way in which services are delivered in order to ensure we meet our statutory requirements and continue to deliver quality services to our disabled children.

School Improvement Services

The service has been successful in driving forward education standards across the City with a strong partnership between the LA team and the schools. To build on this success we are in the process of reviewing the way the LA delivers, provides and commissions school improvement services. Part of this process involves identifying our current needs across the city and working with schools to agree priorities and targets for improvement. We are also awaiting government guidance regarding the LAs future role and the priorities regarding this important

Item 50 Appendix 2

area of work. We are, however, expecting to need to make a 25% (£70,000) saving in the staffing budget (£270,000) of this service. This is in addition to the ABG savings already made which will achieve a saving of £374,000 in 2011/12. In order to achieve this we are working closely with our schools to look at effective ways of schools supporting schools and increasing their role in delivery of school improvement, with the LA providing support and challenge and leading the commissioning of services as required. This work will also require looking at services we deliver to schools and reviewing charges where appropriate. It would be our intention to work with headteachers and governors to further redesign this service so that it is fit for the future grant regime.

Ethnic Minority Achievement Service (EMAS)

This is a service that provides additional support for children who have English as an additional language (EAL) to help them access the curriculum and raise achievement. The service is funded via a grant (Ethnic Minority Achievement Grant - EMAG) which goes directly to schools from central government. In Brighton and Hove this funding is returned to the LA to fund EMAS as part of an SLA. In addition to the grant the council has historically provided an additional budget of £165,000 to this service. We are proposing that in 2011/12 we will reduce the additional funding provided in its entirety. This will be achieved by completing a review of the service. This review will look at new models of service delivery and involving schools in agreeing a more effective way of them owning, managing and delivering this service without such extensive input and management by the LA, whilst ensuring we continue to meet the needs of our children who have EAL across the City. The review will be underpinned by best practice from other authorities, any new government guidance that is provided and a local needs analysis regarding children with EAL in Brighton and Hove.

City wide attendance strategy support

As part of the review taking place in the Education Welfare Service located in the Integrated Area Working branch, 25% (£25,000) of a net budget of £100,000 will also be saved from the service that provides city wide strategy, commissioning and quality assurance regarding school attendance. This will require a review of both areas of service in the two branches and include a service redesign that ensures we continue to meet our statutory duties in this area but deliver a more efficient and effective service based on current need. This will involve consultation with schools to look at their role in delivering on school attendance and will take account of any new information or guidance we receive from the government.

School Workforce Development and Governor Support

We propose to make an overall saving of £44,000 across these areas of service delivery. This will require reorganisation of the schools training and development and governor support service. It will also require looking at funding some of these current areas of school support by using the Dedicated Schools Grant. In addition we are proposing charging Headteachers for their conference costs.

Special Educational Needs (SEN)

There are proposals around reducing staffing costs in the SEN statutory assessment service by £46,000. This will be achieved through vacancy control and looking to use SEN DSG funding to fund functions/roles that meet this criteria.

Other Savings

Responsibility for support for students is transferring to the student loans company on 1st April 2011 resulting in savings of £42,000.

An efficiency saving of £105,000 is proposed staffing, legal and consultancy costs. Some staff will be relocated from their current accommodation on Preston Road to the LDC. The proposed sale of the vacated property will result in a capital receipt-the saving resulting from this is not included in this strategy.

Strategic Commissioning and Governance

The Council and the PCT are negotiating the process for further transformational programmes, including the review of specific commissioned services, through the 2011/12 NHS Annual Operating Plan and the Section 75 Joint Commissioning Plan for children's services.

Value for Money Programme in CYPT

A Value for Money programme has been developed to secure a complex transformational approach to service improvement and efficiency across children's social care in the first instance. The programme is for 4 years from 2010-2014. The savings target for 2011/12 is £2,019,000 with a total savings target over the 4 years for £8,040,000. The focus is on prevention and strengthening processes to reduce the number of cases needing high cost or long-term social care interventions. There are 2 workstreams – Prevention and Process.

Prevention activities:

- The Common Assessment Framework (CAF) activities will be improved to reduce the referrals on the social care pathway. The CAF is a standardised approach to assessing children and young people's additional needs and deciding how these should be met.
 - A consistent approach to identify children and young people's levels of need has been designed with our partners to reduce the number of inappropriate referrals into social work and child protection services.
 - A new menu of service intervention options will be created so that all staff understand what services are available and their associated costs.
- The savings target for 2011/12 associated with prevention activities is £991,000.

Strengthening processes:

- New processes to ensure the rigorous scrutiny of approval of social care placements are in place to identify the most appropriate care package for children and young people with complex needs.
- Early planning will be strengthened to improve the quality and timely completion of pre-birth assessments.

Item 50 Appendix 2

- A more flexible review process will be put in place to make sure that the care packages we provide are the most effective and the best value for money.

The savings target for 2011/12 associated with process activities is £1,028,000.

As part of both workstreams above, changes in commissioning arrangements/service redesign will be identified and implemented.

Key Risks:

Assumptions about the numbers of children and young people who will enter and leave the care system are critical to the overall budget for CYPT. Delivering VFM savings on the corporate critical budgets will require very close performance management, governance and cross agency working to ensure safeguarding responsibilities are fulfilled. Implementing recommendations from the Munro review may lead to significant changes that require a further review of resources.

A significant risk is that a number of our core services are funded by specific grants and if they cease this will create further budget pressures in addition to the proposed savings in core budgets.

Reductions in support for school improvement and other school support will lead to greater pressure on schools to deliver in areas that in the past the LA would deliver on.

The impact of the ceasing of grants, re-commissioning and VFM on the community and voluntary sector will need to be closely monitored.

Making significant savings across a number of areas of children, schools and family services will lead to some children and families receiving reduced support in more than one area.

2011/12 Budget proposals summary:

Main Service Area	Adjusted Base Budget 2010/11	Inflation	Service Pressures & reinvestment	VFM Programme Savings	Savings from Commissioning Changes	Efficiency Savings and Income above Inflation	Net Change in Budget to 2011/12
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Area Integrated Working	23,074	301	814	0	-1,140	0	-25
Learning, Schools and Skills	10,439	170	414	0	-491	-486	-393
Strategic Commissioning and Governance	13,969	256	2,238	-2,019	0	0	475
BHCC CYPT Total	47,482	727	3,466	-2,019	-1,631	-486	57

This represents an overachievement of savings of £1,259,000 that will be used to off set any reduction in specific grant funding.