

Extracts from the 5 January 2011 Executive Budget Paper for Children's Services and Schools

6. Children's Services

6.1 The total budget for children's services in 2010/11 is £100.070m. The budget for 2011/12 includes an addition of £0.450m for front line social work.

Savings, phased over four years, are :

2011/12	£11.379m
2012/13	£9.564m
2013/14	£1.520m
2014/15	£0.589m

The savings represent 23% of the base budget.

6.2 The service has carried out a complete overhaul of the services currently provided. It proposes that front line safeguarding services are largely protected to ensure our most vulnerable children are safe from harm. Children's Services are committed to retaining as much preventative services as are affordable including Children's Centres and Family Support as there is evidence that early intervention targeted on those most in need helps children and families to thrive. The service also proposes protecting services which are statutory duties such as school admissions, education of excluded children and home to school transport, although it seeks policy changes in this area.

6.3 The priorities for Children's Services in the future will be:

- Safeguarding
- Looked After Children
- Support for Children with Additional Needs
- Prevention

6.4 The service expects that there will be visible reductions in the level of service provision across almost all areas as it seeks to protect safeguarding and statutory services.

The more significant areas of change in the proposals are:

- The number of managers reduced as a result of the senior management restructuring.
- Back office functions decreased to protect frontline services.
- A traded offer for services which promote inclusion and behaviour has been made to Academies. If not financially viable, these services could stop.
- School based interventions reduce as funds are given to schools directly and the regulations change as outlined in "The Importance of Teaching: The School's White Paper".
- Statutory transport home to school/college continues - with policy changes.
- Teenage Services remodelled to mirror Government Big Society aspirations.
- Careers information, guidance and advice to young people provided in future by schools and a national careers service.
- Contracts for non-statutory community based services stopped.

- Remodelling of services for children with disability to drive forward the personalisation agenda through direct payments.

6.5 The scale of these cuts has inevitably led to a refocus of priorities and a reconfiguration of the service's management and workforce in order to meet our statutory duties and retain safeguarding services. The impact on local families, children young people and our workforce will be significant and should not be underestimated. The service will focus resources on the most vulnerable children and young people moving away from universal provision. In doing this it will seek to maintain a level of targeted prevention which will, it is hoped, contain the number of referrals into child protection and regulated services. This is part of a deliberate strategy to maintain costs in these areas.

6.6 Policy changes in transport will impact on home to school / college routes and contributions and this will be subject to a separate consultation process.

6.7 Children's Services seek to front load budget reductions in management and back office functions so that it can protect front line safeguarding services. Services which the service trades with schools will be phased for years 2 and 3 so that it can explore the commercial viability of these services. The shift from universal services to a targeted model of delivery will be implemented across year 2, so by year 3 we will have a revised service delivery model. Transport policy changes will be introduced from 2011 onwards.

6.8 Key risks in deliverability are:

- Mobilisation time to realise staffing savings
- Transport policy changes are required to be subject to public statutory consultation which will take a minimum of 12 weeks
- Volatility of transport budget: though we are proposing ambitious savings in relation to policy changes and procurement savings, transport is inherently at risk due to volatility.
- Dissatisfaction in the community of proposed reductions and policy changes

6.9 Risks to the service areas include:

- Escalating costs for fostering and out of county residential – Children's Services have been highly successful in reducing and effectively managing these budgets which are highly volatile. A key risk is that reduction of preventative services may lead to an imbalance of effective support leading to the numbers of children in need of statutory services escalating
- Reduced Universal Services for Children and Young People – Children's Services have been highly successful in the delivery of services to Teenagers. Youth Work, whilst a non-statutory service, features highly in communities as a method of reducing the perception of; and actual anti-social behaviour by young people. This risk could be managed through a community development model with volunteers and community members encouraged to support the delivery of positive activities
- Services to promote learning – reductions in resources to assist LCC to intervene within schools causing concern places at risk our ability to promote high standards of education. However, as funding is going direct to schools, there are opportunities for schools to purchase services which best meet their needs

7. Schools

7.1 The Department for Education announced arrangements for school funding on 14 December 2010. The key points are set out below:

7.2 Local Authority and school funding

- This is a two year settlement for councils, with one year's details for schools.
- School funding will be maintained at 'flat cash per pupil' until 2014-15 i.e. funding will rise with pupil numbers. The pupil premium will be additional to that.
- The current distribution methodology for funding councils remains unchanged.
- The Department is simplifying arrangements and the Dedicated Schools Grant will now include resources from previous specific grants. Councils will be required to take account of the previous level of these grants in constructing their settlement for schools, to prevent turbulence in grant distribution.
- The 2010/11 guaranteed unit of funding in Lincolnshire was £4,098 per pupil. The streamlining of grants will add a further £699 to that in 2011/12.
- Some individual schools may see cash cuts in their budgets due to falling rolls or because of other changes made by the Council to its local funding formula.
- To provide a degree of protection, the minimum funding guarantee has been set so that no school will see a reduction, compared with its 2010-11 budget (excluding sixth form funding), of more than 1.5% (in the previous three year period, schools were guaranteed a 2.1% increase in per pupil funding). The guarantee applies to a school's overall 2010-11 budget including grants that have been mainstreamed.
- The Department will stop double funding pupils registered at both schools and at pupil referral units. This may reduce funding in Lincolnshire by c.£0.3m.
- New arrangements will ensure that councils with falling rolls lose no more than 2% of their budget.
- Academies in Lincolnshire currently receive an extra c.£460 per pupil to cover services no longer provided to them by the LA. The Department is recovering the funding of this from councils by reducing their Formula Grant allocations. Lincolnshire's Formula Grant is reduced by £2.4m in 2011/12 and by a further £1.9m in 2012/13.

7.3 The pupil premium :

- The pupil premium is in addition to the underlying schools budget.
- Nationally, the pupil premium will be £625m in 2011-12, rising each year until 2014-15 when it will be worth £2.5bn.
- In 2011-12, it will be allocated to those pupils eligible for free school meals.
- However, from 2012-13 the aim is to extend the reach of the premium to those who have previously been on free school meals (this might include children that were eligible, say, in the previous 2 or 5 years).
- The level of the premium in 2011/12 will be £430 per pupil and will be the same for every deprived pupil, no matter where they live.
- The Government's objective is to reform the underlying funding system to ensure that over time deprived children in every part of the country receive the same level of support. Therefore, shire counties may gain more than many other LAs in future years because their overall funding level is currently lower.

- Schools will be free to deploy the pupil premium as they see fit, to raise the attainment of those children.
- However, new measures in the performance tables will help capture the impact at school level.
- As Looked-after children face additional barriers to reaching their potential, those pupils will also receive a premium of £430.
- A premium for the children of armed services personnel will be allocated at a rate of £200 in 2011-12.