

To: Children, Families & Education Resources and Infrastructure
Policy Overview and Scrutiny Committee - 19 November 2009

By: Ms Rosalind Turner, Managing Director, Children, Families and
Education Directorate
Mrs Sarah Hohler, Cabinet Member for Children, Families &
Education

**Subject: BUDGET 2010/11 AND MEDIUM TERM FINANCIAL PLAN
2010/11 TO 2012/13**

Classification: Unrestricted

Summary: This report identifies the proposed strategy for determining next year's budget and the financial plans for the following two years. This includes the latest indications of likely pressures facing the Children, Families and Education portfolio, suggested areas for service improvements and the savings that may be needed in order to set a realistic three year budget plan.

Recommendation: Members are asked to review and comment on the overall strategy, the pressures identified for the Children, Families and Education portfolio and to identify their priorities for savings if each portfolio had to deliver a 10% saving on gross expenditure over the next three years.

FOR COMMENT

1. Introduction

- 1.1 The Autumn Budget Statement to Cabinet on 12th October 2009 suggested that we are entering into more uncertain times for local government finance than has been the case for many years. Whilst we have been assured that the Government will honour the third and final year (2010/11) of the current three-year Local Government Finance settlement there remain uncertainties on the level of efficiency savings that will be required for the year, the allocation of specific grants and the level of council tax capping.
- 1.2 Beyond 2010/11 the future is even more uncertain with the next three-year Comprehensive Spending Review (CSR) deferred until after the next general election, the general state of the UK economy continuing to be weak, and a considerable pressure on public finances. The most likely scenario is that we will be heading into a period of spending restraint compared to the relative prosperity of recent years.

2. Background

- 2.1 Indicative cash limits for 2010/11 and 2011/12 were approved by the County Council on 19th February 2009 in the Medium Term Plan (MTP) for 2009/12. These have been updated for known changes such as transfers of activities or staff between portfolios following the announcement of the new Cabinet responsibilities in May.
- 2.2 We are proposing a minor restructuring of the presentation of the MTP so that we can more clearly distinguish between unavoidable pressures (such as the impact of inflationary pressures on pay and prices, demographic & demand pressures due to changes in Kent's population, and legislative pressures from Government) and pressures arising from local decisions on service levels and policy led improvements. The indicative cash limits have been updated for the latest forecast of these pressures.
- 2.3 We are also proposing a minor re-presentation of savings and income sections to more closely match the strands set out in the budget strategy below. Managing Directors have been set targets to make efficiency savings on staff overheads and procured services. In setting these targets we have been clear that we need to drive out as much as possible from efficiency savings before we look at any other savings.
- 2.4 We are setting POCs the challenge to identify their priorities for areas for savings if we had to make a 10% reduction on gross expenditure over the next 3 years. At this stage in the process this is a scoping exercise to inform policy development over the medium term (and we have no intention to take such a blunt salami slicing approach to policy development) rather than to bring forward specific proposals. However, POCs will have the opportunity to identify any areas where they think savings can be achieved from policy changes affecting the 2010/11 budget.

3. Budget Strategy

- 3.1 In light of the national situation outlined in this report we are proposing a budget strategy based on the following assumptions:
 - A £9m increase in formula grant for 2010/11 from £267m to £276m. Thereafter we are estimating a 3% per annum reduction in cash terms.
 - A reduction in the growth in the council tax base due to additional households from 0.8% in 2009/10 to 0.5% pa for the period of the next MTP
 - As low an increase in council tax as possible
- 3.2 Based on these assumptions this would see a small increase in the council's net spending of £822m in 2009/10 (excl. Area Based Grant) and thereafter standstill or reduced net spending. This represents a substantial shift over the previous three-year period which saw net

spending rise from £710m in 2006/07 to £742m in 2007/08 to £796m in 2008/09.

- 3.3 In order to deliver a change of this magnitude we have calculated we would need to reduce spending in real terms by nearly £200m over the period of the next MTP. We are proposing this would be achieved through a combination of resisting budget pressures and making savings through efficiencies/income generation (i.e. delivering the same or similar level of service at lower cost) and policy led changes (i.e. delivering a different level of service).
- 3.4 In the normal course of events we could have anticipated budget pressures of circa £190m over the period of the next MTP. This assumes inflation running within the government target of 2.5% pa, demographic changes arising from an increasingly elderly and needy population, and legislative changes adding additional burdens on local authority services. Under the budget strategy we propose to resist 1/3 of these pressures through taking a robust stance in negotiating pay and price increases and responding to demographic and legislative pressures through innovative cost effective approaches.
- 3.5 Even after resisting some pressures this would still leave the authority needing to find around £130m of cashable savings to deliver a balanced budget within the overall strategic assumptions outlined in paragraph 3.1. This equates to the 10% that we are asking each POC to consider (assuming schools spending/grants continue to be outside of KCC's direct influence). To put savings of this magnitude into context over the preceding three-year period from April 2007 to March 2010 we will have delivered over £110m of efficiency savings/income generation as part of delivering each year's budget.
- 3.6 Chief Officers have signed up to identifying £10m of efficiency savings in 2010/11 from reducing staff overheads through a review of support functions. Chief Officers have also agreed to identify £6m of savings on procured services in 2010/11 through driving out efficiencies between the authority and contractors. POCs can consider and comment on these proposals as part of their deliberations on identifying the scope for 10% savings on the total portfolio spend.

4. Latest Developments: National Context

- 4.1 There are a number of national factors to take into account.
- 4.2 The Government's Comprehensive Spending Review 2007, published on 9 October 2007, set out national spending plans for 2008/11. The overall state of public finances and direction of the UK and world economy has significantly deteriorated since these plans were published. Nonetheless, the Government has assured local authorities that they will honour the third and final year of the current plan and that Formula Grant

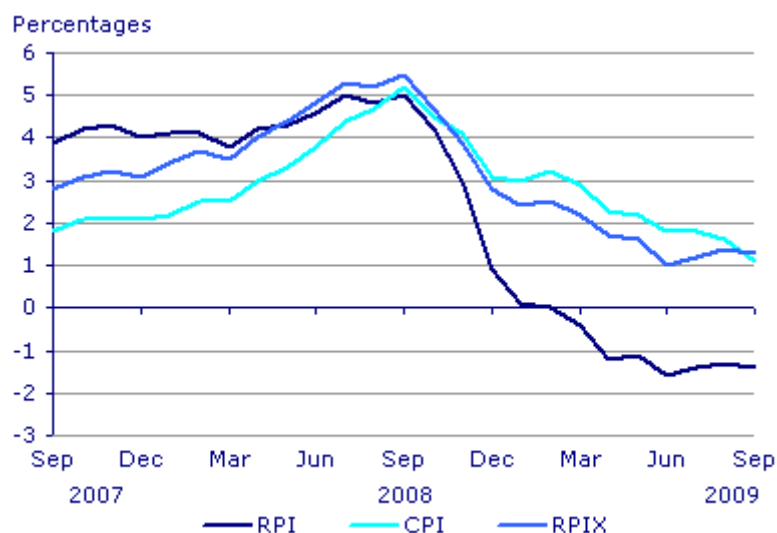
settlements will be as previously announced. For Kent this represents an increase of around £9m on the £267m grant for 2009/10. The final figure will vary slightly for changes in the data used for the formula and the Government is due to issue revised indicative figures in late November/Early December and we should get final settlements in late January/early February.

- 4.3 Over the last 18 months inflation has initially gone up (exceeding Government targets) and subsequently reduced. There are different indices used to measure inflation, the indices enable an annual rate of underlying inflation to be calculated:

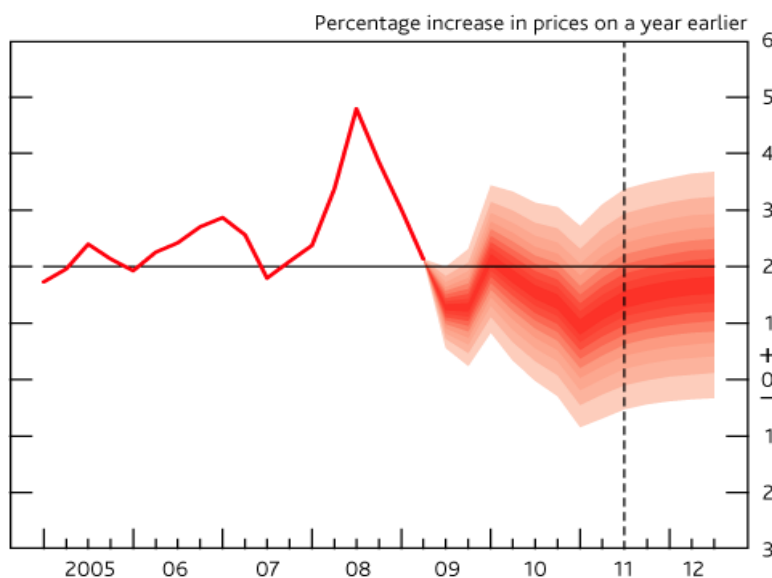
Retail Price Index (RPI) – This is the traditionally accepted measure for inflation and has been calculated continuously since June 1947. It is used by the government to update pensions, benefits and index-linked gilts. It is commonly used to uprate contracts, and is often taken into account in wage bargaining. RPIX is a variant excluding mortgage interest payments; RPIY is a further variant excluding mortgage interest and indirect taxes (e.g. VAT and council tax).

Consumer Price Index (CPI) – This is the measure now adopted by Government for targets on the economy. It is based on harmonised consumer index prices (HCIP) and enables comparison on internationally agreed standards throughout Europe. It does not include mortgage interest or indirect taxes but does include some financial services not included in RPI.

- 4.4 The chart below shows the changes in inflation over the last 2 years. In summer 2008 we experienced relatively high levels of inflation (CPI 5.2%, RPI 5.0% both peaked in September 2008) well above the levels assumed in the government's spending plans. At the time was attributed to rising fuel prices. Since then RPI has declined steadily dropping to 0% in January 2009 and currently stands at an annual decrease of -1.4% as at September 2009. This is mainly on the back of reduced interest rates affecting mortgage payments and reduction in VAT. CPI has declined less rapidly and currently stands at an annual increase of +1.1% as at September 2009 (down from 1.6% in August). The largest downward factor on CPI over the last year has come from housing and household services particularly energy prices which have remained largely constant following increases last September.

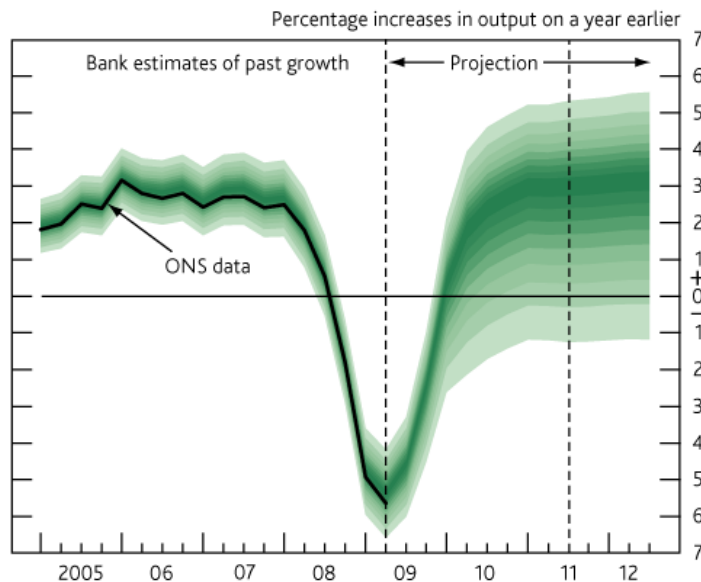


4.5 The Bank of England Monetary Policy Committee (MPC) produces monthly “fan charts” with forecasts for inflation (CPI) and economic growth (Gross domestic Product – GDP). The idea of the fan chart is that it provides a range for forecasts which expand the further into the future to allow for greater uncertainty. The latest fan chart for inflation is reproduced below.



4.6 As can be seen from the fan chart the MPC is forecasting a rise in inflation (as measured by CPI) to around 2% by the end of the year with a steady decline throughout 2010 (down to around 1%) and thereafter a small but steady rise up to around 1.8% by the end of 2011. On the presumption that interest rates will remain low for the foreseeable future it seems likely that RPI will continue to be below CPI although the gap should close as the reductions in interest rates last year no longer have a negative impact on the annual underlying rate of inflation (when interest rates eventually rise this is likely to impact as an increase in RPI taking it above CPI).

- 4.7 We have dwelt on inflation in more depth than previous POC reports as it is an essential component of our budget strategy that the current low levels be reflected in our pay and price pressures and negotiations. In particular RPI on which many of our contracts and wage bargaining is based is currently negative (and likely to remain so or at least negligible increase while interest rates remain low).
- 4.8 The other major economic factor which we have to take into account is that the UK economy has been in recession since Autumn 2008. The MPC is currently forecasting that we reached the bottom of the trough earlier in the year and the economy is slowly improving. The fan graph for GDP suggests the economy could be back into modest growth by the end of the year. Should the forecasts prove to be inaccurate and the recession continue longer than expected this could have significant impact on the demographic forecasts within the MTP as there is much evidence that in a time of prolonged recession people's attitudes, behaviours and demands for public services change.



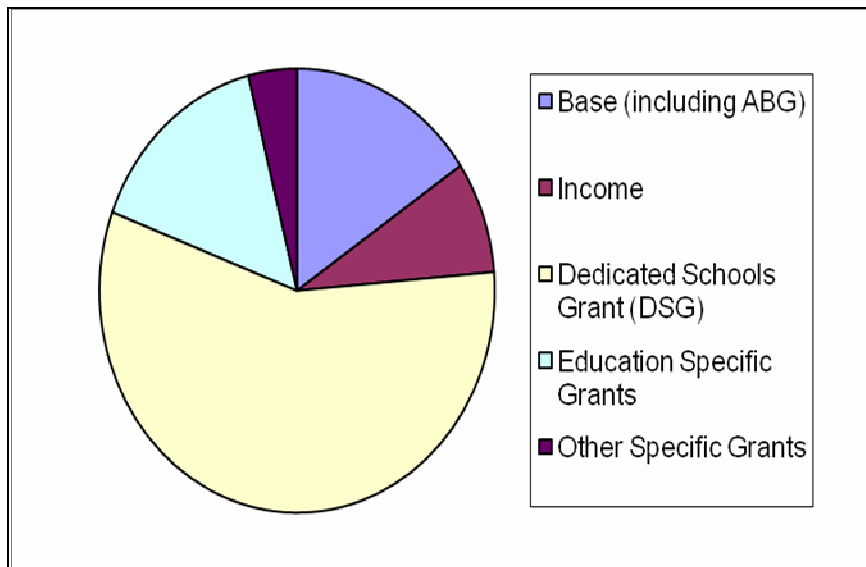
5. The current budget

- 5.1 The current budget(s) for the portfolio(s) under the oversight of this POC is as follows:

	Gross spend £'000	Income £'000	Net spend £'000
Portfolio controllable	1,356,521	1,146,405	210,116

The majority of the gross budget of £1,356,521k is funded from specific grants. An analysis of the funding is source is provided below for information.

	£'000s
Base (including Area Based Grant)	210,116
Income	110,747
Dedicated Schools Grant (DSG)	774,705
Education Specific Grants	206,997
Other Specific Grants	53,956
Total	<u>1,356,521</u>



Further detail is outlined in Appendix 1. Please note that the current budget has been re-presented to reflect the new interim CFE structure agreed by County Council on 25 June 2009 that was implemented on 1 October 2009.

5.2 In very brief summary this budget provides for the following outcomes, outputs and/or service improvements:

- Provide advice, support and challenge to 570 schools, 740+ private, voluntary and independent early years providers
- School place planning and admissions & transport for Kent pupils
- Support and train 7,500+ school governors
- Work with 570 schools to develop extended services for children and families
- Provide a range of services (residential care, fostering, adoption) to 1,180 Kent Looked After Children
- Provide assessment and care plans for children in need and a range of safeguarding and family support
- Provide support to 870 unaccompanied asylum seeking children
- Support over 6,400 pupils with statements of special educational need

- Support the Kent Children's Trust and Local Children's Service Partnerships and Kent Safeguarding Board.
- Information, advice and support for over 250,000 children and families in Kent
- From 1 April 2010, CFE will also be accountable for all education and training in Kent for 16 to 19 year olds

Further detail is outlined in Appendix 2.

5.3 As reported in the monthly monitoring reports there are spending pressures/savings in the following areas:

- £280k pressure on Home to College transport
- £480k pressure on Pensions
- £700k pressure on maintaining disused buildings
- £470k pressure on SEN Home to School transport
- £1,193k pressure on Fostering services
- £1,119k pressure on 16+ leaving care
- £3,969k pressure on Asylum (please note that this is a Corporate pressure)
- £350k pressure on maternity budgets for school based staff (this is funded from DSG)
- £170k pressure on Free School Meals (this is funded from DSG)
- £1,000k pressure on Warmstone Pupil Referral Unit (this is funded from DSG)

These pressures have been offset by savings in the following areas:

- £1,784k saving due to delay in recruiting to social work vacancies
- £270k saving on mainstream home to school transport
- £897k saving/additional income on independent residential care
- £500k saving on various DSG funded staffing budgets due to delays in recruitment

Management action to mitigate the remaining net pressures is as follows:

- Re-direction of unspent Sure Start grant, as a result of delays in the opening of some Children's Centre
- Management of vacancies through the Establishment Panel process to achieve a planned delay in recruitment (although not to front line social work posts)
- If the Directorate has a residual overspend on this year's DSG funded budgets, it will draw down the required level of funding from the central DSG reserve.

Further detail is outlined in Appendix 3.

6. Children, Families and Education Priorities for the Medium Term Plan

- 6.1 The Directorate has set out in its briefings with Schools and CFE Staff the key service strategies and principles for the Medium Term Plan. These include the protection of front-line services, reduction of overheads and administration costs, maximisation of income, containing costs and improving efficiency, reviewing some service entitlements and the relationship with schools.
- 6.2 The overall direction for the Children, Families and Education portfolio is now well established, and enclosed with this report at Appendix 4 is a draft statement of the Medium Term Service Priorities for Children, Families and Education which will shape our contribution to Section 3 of the Medium Term Plan.
- 6.3 Members will appreciate, from the information in Section 3 above, that the financial framework for the medium term will be very tough for all portfolios and comes at a time when demand for services has never been higher, both because more people need services and because of greater public expectations particularly at times of recession.
- 6.4 Whilst the Directorate is implementing modernisation changes that will increase efficiency and effectiveness, this will not avoid altogether the need for some difficult decisions over the medium term.
- 6.5 Areas of spending priority for which significant additional funding is proposed are as follows:

Pay

There is no provision currently included in cash limits for an annual pay award for Kent Scheme staff in 2010/11 as no proposal has been made. Thereafter cash limits include a provision consistent with the underlying rates of inflation throughout 2009 and the Monetary Policy Committee (MPC) forecasts for the next two years. Settlements continue to be the subject of local pay bargaining with recognised trade unions on an annual basis.

The majority of staff in the Kent Scheme benefit from incremental progression under the performance progression arrangements. On average incremental progression equates to a 2.7% increase in pay. No funding is provided within the overall cash limit for incremental progression on the grounds that the cost is offset by the effect of staff turnover. Staff turnover levels have marginally declined in the current recession; KCC now has an average turnover level of around 12% of staff. This will continue to be closely monitored.

In addition to staff turnover, vacancy management continues to be used to both balance budget provision and wherever possible to mitigate the

impact of restructuring and any necessary downsizing for other employed staff.

For staff within the Directorate in national pay schemes (e.g. Teachers) we have shown a pressure of 2.3% based on our best assumptions on national pay awards.

The pay provision does not include staff in externally funded or trading functions.

Prices

Transport £1.288m – This pressure relates to the projected contractual increase in pupil transport costs (Mainstream, SEN and College). The increase relates to re-contracting and increased fuel costs. Failure to fund this pressure will lead to an inability to deliver our statutory requirement resulting in possible intervention by the DCSF and/or major claims from parents through courts.

Payments to Private, Voluntary and Independent early years providers £1.280m – This pressure, which is funded from DSG, relates to an increase in the funding to PVI early years providers in line with previously published Medium Term Plans. The LA is currently out to consultation with all early years providers (PVI and maintained) regarding the introduction of a common formula from 1 April.

Government/Legislative

Increase in early years education entitlement to 15 hours per week +£5.201m – This pressure, which is funded entirely from additional government grant (standards funding), relates to the increase in free early years educational entitlement for 3 and 4 year olds from 12.5 to 15 hours per week for all settings from 1 September 2010.

Demographic/Demand Led

Maintaining disused school buildings +£0.700m – This pressure has been highlighted through the 2008/09 outturn and the 2009/10 quarterly monitoring return. It specifically relates to the costs associated with the boarding up and maintenance of unused school buildings, which is expected to continue until the property market recovers.

Pressure on front line social care assessments and care plans due to increased referrals, difficulty in recruiting and retaining experienced social workers.

Fostering service +£1.193m - This pressure has been highlighted through the 2008/09 outturn and the 2009/10 quarterly monitoring return, and in part relates to the impact of the Southwark judgement. It relates to a continuing demand for this service and for an increasing proportion of children being placed in higher cost placements with Independent

Fostering Agencies. There are no measurable improvements from funding this pressure as it reflects the current demand for this service.

16+ Leaving Care service +£1.022m – Like the fostering service pressure above, the pressure on this service has been highlighted in part through the 2008/09 outturn and more recently in the 2009/10 quarterly monitoring return. For 2009/10 the presentation of the budget for the 16+ service was changed to represent the cost of the service level agreement, in preparation for the transfer of this service to an external provider. In the main, this pressure relates to the 16+ in-house fostering service and independent fostering allowances. There are no measurable improvements from funding this pressure as it reflects the current demand for this service.

Service Strategies & Improvement

Warmstone PRU +£1.000m – This pupil referral unit was set up as an education provision for 75 Children & Young People (CYP) with statemented SEN who have been excluded from Kent Special Schools and independent non-maintained special schools. This unit has achieved a very good Ofsted and successfully keeps many CYPs out of the youth justice system. This pressure represents the full year effect of the running costs of the unit.

6.6 Areas where significant additional income generation is proposed

The Directorate is looking to further develop existing income streams in order to generate additional income. These may include offering some new services to schools. The LA will start discussing these plans with the Schools' Funding Forum on 27th November 2009.

6.7 Areas where the Managing Director/Cabinet Member consider there is scope for efficiency savings are as follows:

Section 3.6 refers to aggregate savings targets for 2010/11 and specifically in relation to staff efficiency and procurement savings.

For Children, Families and Education, the impact over the next three years of the 2010-13 MTP period is as follows:

	£'000
Staff Efficiencies – CFE	6,958
Staff Efficiencies – CED Delegated budgets	562
Sub Total – Staff Efficiencies	7,520
Procurement savings	1,900
Total efficiency and procurement savings	9,420

Staff efficiency savings will be achieved by reviewing management structures, reducing overheads and administration costs together with

improving efficiency by bringing together some support functions within the Directorate where this makes sense to do so.

The procurement savings will be achieved by a reviewing a number of areas, notably out of county residential/respite provision

Overarching all of this is the key principle that we must do all we can to protect front line services.

The proposed efficiency and procurement savings are set out in more detail in the attached draft Medium Term Plan, Appendix 5.

6.8 The position can be summarised as follows:

	2010/11	2011/12	2012/13
	£'000	£'000	£'000
Existing pressures in published MTP 2009/12			
Pay	3,076	3,137	0
Prices	5,518	5,625	0
Legislative	7,812	1,330	0
Demographic/Demand Led	452	100	0
Service Improvements	372	40	0
School Budgets / Grant Increase	-8,498	-3,734	0
Income Generation	0	0	0
Efficiency Savings	-9,340	-6,880	0
New pressures/savings			
Pay	-2,509	-1,222	2,267
Prices	-1,922	-2,432	3,459
Legislative	-1,725	-596	13
Demographic/Demand Led	6,630	-100	0
Service Improvements	1,582	-40	0
School Budgets / Grant Increase	231	2,019	-2,642
Income Generation	-1,885	-160	-180
Efficiency Savings	2,727	2,339	-1,263

In total, the Directorate is looking at savings and income generation proposals over the draft Medium Term Plan period of £15m, which represents in excess of 7% of its controllable net budget. Approximately half of these savings plan to be made by efficiencies in management and overhead areas.

More detail is set out in the attached draft Medium Term Plan Financial Appendix 5. For reference, the previous published MTP for 2009/12 is reproduced in Appendix 6.

6.9 As previously indicated the POC is asked to consider the gross spend within the portfolio and identify its priorities should the authority have to

make a 10% reduction in spend over the period of the next MTP. In making its recommendations the POCs should consider the balance between efficiency savings in front line, procured and support functions, and policy savings influencing the level and scope of front line services to the public. The current interim CFE structure was introduced on 1 October 2009, following approval from the County Council in June. As part of the Directorates wider restructure, we are proposing to commence the consultation process in January 2010.

7. Recommendation

7.1 Members are asked to

- (i) note and comment on the above proposals.
- (ii) identify and express their relative priorities for services in Children, Families and Education giving broad indications of areas or types of savings and efficiencies that they consider could be realistically be achieved.

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Appendix 1 – Existing 2009-10 budgets (as recast to reflect new portfolio responsibilities)

Children, Families and Education Portfolio Service Budget

Service Unit	Total £'000	Income £'000	Net Cost £'000
Learning			
Early Years & Childcare	14,081	-165.0	13,916
ASK Primary	5,348	-590.0	4,758
ASK Secondary	3,402	-160	3,242
ASK Strategic Development	4,325	-2,072	2,253
ASK Improvement Partnerships	1,713	-60	1,653
International Development	94	0	94
14-24 Unit	2,369	-150	2,219
Area Children's Services Officers	589	0	589
School Governance	622	-280	342
Extended Services	5,772	-77	5,695
Minority Communities Achievement	1,663	-97	1,566
Specialist Teaching	4,692	-615	4,077
LCSPs	50,785	-562	50,223
			90,627
Vulnerable Children			
District Teams incl Parenting Capacity Assessment teams	54,706	-1,415	53,291
Additional Educational Needs & Resources	45,276	-6,276	39,000
Children's Specialist & Disability Unit	17,827	-740	17,087
Common Assessment Framework, Contact Point	1,395	-390	1,005
Preventative Strategy	909	-98	811
Adoption & Fostering	8,139	-220	7,919
County Asylum Seekers & Refugee Services	14,129	-14,129	0
Out of Hours	1,249	-1,016	233
16+	6,609	0	6,609
Family Group Conferencing	1,156	-100	1,056
Social Work Professional Training	1,510	0	1,510
Attendance & Behaviour Service	8,456	-2,420	6,036
Integrated Looked After Children Support Service	17	0	17
Psychology	3,694	0	3,694
			138,268
Commissioning, Quality Assurance, Partnerships			
Policy & Performance	3,102	-156	2,946
Project Management	118	0	118
Management Information	34,394	-35	34,359
Strategic Planning & Review	723	0	723
Commissioning	13,191	-224	12,967

Business Planning & Management	7,140	-150	6,990
Children's Trust Partnerships and Support	656	0	656
Customer Care/ Complaints	97	0	97
Safeguarding and Board Co-ordination	1,137	-255	882
Independent Reviewing Officers	1,414	0	1,414
			<u>61,152</u>
Resources, Planning and Projects			
Awards	5,117	-797	4,320
Personnel	17,449	-3,356	14,093
Finance	4,107	-1,181	2,926
Communication & Info Governance	296	-10	286
Workforce Development	94	0	94
MD & Democratic Support	1,274	0	1,274
Strategic Management	1,514	0	1,514
Schools budgets and schools contingency	958,597	-80,967	877,630
Grant income and Contingency	7,367	-1,021,029	-1,013,662
Support services	9,281	0	9,281
			<u>-102,244</u>
Capital Programme and Infrastructure			
Building Schools for the Future / PFI / Academies	432	0	432
Special School Review	48	0	48
Capital Strategy	1,573	-182	1,391
Outdoor Education	185	-185	0
Health & Safety	233	0	233
ICT - Strategic Technology and Digital Curriculum	1,620	-682	938
Facilities Management	1,903	-267	1,636
Client Services	5,754	-4,813	941
Admissions & Transport	16,840	-484	16,356
Education Support / Planning Officers	338	0	338
			<u>22,313</u>
Total Directorate Budget	1,356,521	-1,146,405	210,116

Portfolio Subjective Budget

CHILDREN, FAMILIES & EDUCATION

REVENUE SPENDING ❖ HOW THE MONEY IS SPENT

2008-09 Spending Plans £'000	Non Delegated £'000	Schools Delegated £'000		Non Delegated £'000	Schools Delegated £'000	2009-10 Spending Plans £'000
Employee Costs						
874,967	139,045	735,922	Salaries and Wages Pension and Severance	149,186	737,532	886,718
8,542	8,542	-	Payments	8,517	-	8,517
9,656	3,253	6,403	Training Expenses	6,444	5,540	11,984
8,578	2,436	6,142	Other Employee Costs	2,313	7,627	9,940
901,743	153,276	748,467	Total Employee Costs	166,460	750,699	917,159
Premises Costs						
18,995	1,259	17,736	Repairs, Alterations and Maintenance	2,063	14,995	17,058
12,067	521	11,546	Energy Costs	892	14,142	15,034
6,170	6,170	-	Rent	6,547	-	6,547
11,167	791	10,376	Rates	1,837	9,947	11,784
18,661	5,316	13,345	Other Premises Costs	5,867	13,935	19,802
67,060	14,057	53,003	Total Premises Costs	17,206	53,019	70,225
Transport Costs						
1,965	1,965	-	Vehicle Expenses	633	-	633
80	80	-	Hire and Pool Car Charges	130	-	130
33,635	33,635	-	Home to School / College Transport	34,148	-	34,148
1,540	1,540	-	Public Transport	1,679	-	1,679
-	-	-	Public Transport Revenue Support	-	-	-
2,343	2,343	-	Car Allowances	4,053	-	4,053
39,563	39,563	-	Total Transport Costs	40,643	0	40,643
Supplies and Services						
108,654	9,715	98,939	Equipment and Services	11,161	106,316	117,477
-	-	-	Book Fund	-	-	-
-	-	-	Highways Contracts	-	-	-
22,913	4,729	18,184	Communications and Computing	4,744	17,745	22,489
3,075	3,075	-	Expenses and Allowances	2,933	-	2,933
30,048	30,048	-	Grants and Subscriptions	8,047	-	8,047

44,921	29,546	15,375	Levies and Other Expenses	30,896	14,604	45,500
2,355	2,355	-	Free School Meals	2,506	-	2,506
211,966	79,468	132,498	Total Supplies and Services	60,287	138,665	198,952
86,378	86,378	-	Third Party Payments	103,341	-	103,341
-	-	-	Coast Protection	-	-	-
521	521	-	Awards	491	-	491
17,382	17,382	-	Central Support Costs	13,804	-	13,804
6,090	6,090	-	Internal Recharges	8,100	-	8,100
91,878	91,878	-	Capital Financing Costs	-	-	-
6,983	108	6,875	Capital Expenditure Financed by Revenue	125	3,850	3,975
-77	-77	-	Contribution to Reserves	-168	-	-168
1,429,487	488,644	6,875	GROSS EXPENDITURE	410,289	946,233	1,356,522
-	-	-	Central Support Cost	-	-	-
-	-	-	Allocations	-	-	-
1,429,487	488,644	6,875	GROSS EXPENDITURE after Central Support Cost	410,289	946,233	1,356,522
			Allocations			
			Income			
23,056	11,175	11,881	Contributions	6,620	9,216	15,836
28,703	191	28,512	Sales	218	26,547	26,765
18,358	9,196	9,162	Fees and Charges	4,306	9,192	13,498
32,599	30,012	2,587	Other Income	22,721	3,384	26,105
-	-	-	Internal Income	12,356	-	12,356
102,716	50,574	52,142	Total External Income	46,221	48,339	94,560
			Specific and Supplementary Grants			
1,027,125	998,750	28,375		1,019,668	32,178	1,051,846
1,129,841	1,049,324	80,517	TOTAL INCOME	1,065,889	80,517	1,146,406
-	-	-	Contribution to Reserves	-	-	-
299,646	-560,680	-73,642	NET EXPENDITURE	-655,600	865,716	210,116

Appendix 2 – Activity and output data – what the current budget “buys”

Service Unit	FTEs	Principal Activity and Outcomes
Learning		
Early Years & Childcare	114	Providing advice, support and challenge to childcare providers in approximately 740+ private, voluntary and independent settings and 416 maintained nursery and reception classes, 1 nursery school and 1,600 childminders covering the age range 0-14 (0-16 for children with SEN).
ASK Primary	75	Monitor, challenge and support 450 schools and 23 local children's service partnerships, to raise standards of pupil achievement. Deliver national primary strategy and support school leadership teams.
ASK Secondary	40	Advice, guidance, support and challenge to 96 middle and secondary schools, PRUs and clusters, to raise standards of achievement of all young people. Implementation of national and local secondary strategies.
ASK Strategic Development	79	To provide effective continuing professional development for teaching and support staff in 570 schools and 7,500+ governors, for practitioners in 740+ early years/pre-school settings, the Advisory Service and other divisional staff.
ASK Improvement Partnerships	31	To develop effective improvement partnerships between 570 schools, 740+ early year's settings and 23 local children's service partnerships. Facilitate effective networks of specialist schools/colleagues and 14-19 collaborations.
International Development	5	Developing international partnerships & securing external funding. This unit has transferred to Policy & Performance and Business Management budget lines.
14-24 Unit	11	Working to provide a high quality universal service for 14-24 year olds by commissioning a range of demand led services.
Area Children's Services Officers	6	Support and advice to 570 schools, monitoring of 23 LCSPs and strategic planning of school places
School Governance	9	Support and training for 7500+ governors

		at 570 schools.
Extended Services	34	Working with 570 schools and partners to develop extended services for children and families, e.g. childcare, study support, parent support and community access to school facilities.
Minority Communities Achievement	33	Support provided for children who have English as an additional language. Statutory requirement to provide education to traveller children.
Specialist Teaching	78	Specialist teachers who provide support and training to teachers in mainstream schools who deal with special educational needs.
LCSPs	777	Co-ordinates critical support to children and young people in a variety of areas, e.g. welfare, behaviour, SEN, early years etc., and supports collaborative working between schools.
Vulnerable Children		
Residential Care provided by KCC	57	Provision of 980 weeks of in-house residential respite care for children including those with a disability.
Independent sector residential care	0	Provision of approximately 1,800 weeks of independent sector residential care and 45 weeks of secure independent sector residential care for looked after children.
Residential care - not looked after children	0	Provision of approximately 670 weeks of residential care for children not looked after.
KCC family support	267	KCC Family Support includes 13 family centres across Kent. This budget has transferred to the Assessment and related line.
Family group conferencing	33	A scheme to empower families to make decisions about how their family can provide support to vulnerable children at risk of being admitted to care.
Fostering Service	95	Provision of short, medium and for older children, long term placements. Includes related and non-related payments, independent sector fostering and County fostering team. Special guardianship and Kinship payments are also included. This budget equates to approximately 46,300 weeks of KCC fostering and 1,500 weeks of

independent sector fostering. The budget for 16+ service has moved to the 16+ service line below.

Adoption Service	56	Provision of permanent care for Kent children who are unable to live with their birth families. Includes adoption payments and the cost of the County Adoption Team. This budget funds 30,000+ weeks of adoption allowances and other costs.
Direct payments	0	Direct payments are offered to parents/carers, where their child has been assessed as requiring services, to enable families to purchase their own community care services directly. Currently approximately 300 parent/carers are in receipt of this service.
Teenage pregnancy	0	Supports strategies that prevent teenage pregnancies.
16+ Service	0	Supports care leavers and Looked After Children 16+ preparing to leave care, which KCC is responsible for as a corporate parent. Includes payments under sections 23 and 24 of Children Act 1989 and includes all 16+ fostering payments and residential independent sector care. This entire service is managed by an external provider under a service agency agreement.
Other Community Services	5	Provision of community based preventative and support services to children and their families. This new budget line includes independent sector day care, section 17, link placements and some payments to voluntary organisations for preventative and community services.
Out of Hours	10	Out of Hours service
Social Work Professional Training	10	Social Work Professional Training
Assessment and Related	603	Provision of social work services and its related support. This service also includes family support across tiers 1 to 2.5,
County Asylum Seekers & Refugee Services	77	Providing support to all categories of asylum seeker.

Additional Educational Needs & Resources	197	Fulfils LA duty to assess children with SEN & proactively meet a child's needs without the need for a statement. Much funding now delegated to schools. Supports over 6,400 pupils with statements.
Common Assessment Framework, Contact Point	21	Implementation of the Common Assessment Framework and Contact Point
Attendance & Behaviour Service	197	Investigating truancy & non-attendance at school. Providing education for "formally" excluded pupils, and those children who are at risk of exclusion.
Psychology	72	57 Psychologists are involved in delivery of psychological services to children and young people in Kent. This includes statutory assessment, case works, training, commissioned projects, crisis support and change management.
Commissioning, Quality Assurance, Partnerships		
Policy & Performance	28	Developing policy and strategy to secure improved outcomes for children, families and young people. Performance Management of services for vulnerable children.
Project Management	2	Initiating and managing strategic policy projects that secure financial resources, collaboration and school improvement.
Management Information	58	Collection and analysis of statistical information from educational establishments, and payments to over 740 private, voluntary and independent providers of early education for 3 & 4 year olds.
Strategic Planning & Review	11	Includes lead responsibility for the following areas across CFE and the KCT: Performance management, inspection and external scrutiny, business and strategic plans, consultation, equalities and early year's research.
Commissioning	12	Commissioning services and support to improve the well being and educational attainment of children in Kent.
Business Planning & Management	29	Support for Children's Services including Duty Service, Legal Fees, Facilities, Planning and Contracting.

Children's Trust Partnerships and Support	6	KCT workforce strategy and development of the KCT
Customer Care/ Complaints	3	Customer Care/ Complaints
Safeguarding and Board Co-ordination	25	providing information and guidance for everyone in Kent who is concerned about safeguarding children and meeting their needs, e.g. children, parents, and everyone in Kent whose work brings them into contact with children and families
Independent Reviewing Officers	24	Monitor and review the care provisions for Kent's 1,174 Looked After Children.
Resources, Planning and Projects		
Awards	29	Advice, guidance and processing of student loans for 13,000+ students and their families. Processing the eligibility checks for 13,000+ free school meals and home to college transport for 1,800 students
Personnel and workforce development	68	Professional support to over 200 Directorate managers, teacher recruitment in 570 schools and budgets including premature retirements, teachers' maternity pay, 13,000 Criminal Records Bureau checks per annum and crossing patrols.
Finance	113	Budgeting, accountancy & financial management support for the Directorate and 570 schools.
Communication & Info Governance	8	Co-ordination of all internal and external CFE communications
MD & Democratic Support	18	Supporting Cabinet Members and the Managing Director's office and SPP officers. Includes centrally retained budgets on behalf of the division or directorate e.g. block purchase of licences for schools.
Strategic Management	20	Directorate senior management and their support team.
Schools budgets and schools contingency	20,517	Funding directly managed by 570 schools.
Grant income and Contingency	0	Includes specific grant income from DCSF (DSG, SDG, SSG and Diplomas), Sure Start, LSC post 16 funding & unallocated ISB.
Support services	0	Facilities Management, Finance and CSEA support services purchased from CED

Capital Programme and Infrastructure

Building Schools for the Future / PFI / Academies / Special School Review	15	Manages the development and delivery of the BSF programme, the Special Schools Review, and individual Academy schemes.
Capital Strategy	17	Develop and manage the school modernisation, maintenance and primary capital programme and asset management plan.
Outdoor Education	4	Includes outdoor education advice and support to 570 schools and for the Directorate.
Health & Safety	6	Includes health & safety advice and support to 570 schools and for the Directorate.
ICT - Strategic Technology and Digital Curriculum	3	Managing National Grid for Learning and broadband developments with schools (now co-funded by capital grant).
Facilities Management	48	Cost of offices and related support staff.
Client Services	14	Managing major contracts (e.g. meals for 370 schools, refuse for 500 schools and cleaning for 180 schools). Promote the improvement in quality of school meals and ensure compliance with standards
Admissions & Transport	24	Administration of school admissions and transport
Education Support / Planning Officers	6	Organising and planning places in 570 schools
Total Directorate Budget	24,099	

Appendix 3 – Current budget monitoring details

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
CHILDREN, FAMILIES and EDUCATION portfolio							
Delegated Budget:							
- Schools Delegated	967,379	-80,517	886,862	0	0	0	
- Schools Unallocated	8,130	-450	7,680	0	0	0	
- Transfer to Reserves			0	0	0	0	
TOTAL DELEGATED	975,509	-80,967	894,542	0	0	0	
Non Delegated Budget:							
- Finance	4,080	-1,122	2,958	0	0	0	
- Awards	5,117	-797	4,320	340	0	340	£280k HTCT - cost realignment affecting adult fares; £30k staffing; £30k equipment
- Personnel & Development	15,575	-1,628	13,947	487	-42	445	Historical overspend on pensions, exacerbated by a cost of living underfunded increase
- Capital Strategy Unit	1,641	-182	1,459	700	0	700	Maintenance of non-operational buildings.
- BSF/ PFI and academies unit	432	0	432	0	0	0	
- Client Services	6,686	-4,813	1,873	39	233	272	Under-recovery of income expected from cleaning & refuse collection contracts. Staffing pressure

- Business Management	1,760	-123	1,637	0	0	0	
- ICT	1,950	-693	1,257	-157	129	-28	Connectivity gross/income variance
- Health & Safety	613	-300	313	10	0	10	
- Strategic Management	1,538	-24	1,514	0	0	0	
- Extended Services	4,182	-77	4,105	68	-68	0	
- Kent Music	877	0	877	0	0	0	
-14-24 unit	2,679	-161	2,518	0	0	0	
- School Organisation	3,030	-90	2,940	0	-10	-10	
- Mainstream HTST	15,238	-484	14,754	-314	44	-270	Renegotiation of contracts based on latest forecast from Passenger Transport Unit (PTU)
- Local Children's Services Partnerships	61,821	-2,791	59,030	0	0	0	
- AEN & Resources	16,573	-5,540	11,033	50	-19	31	
- SEN Home to School Transport	17,605	0	17,605	470	0	470	Historic overspend only partially funded in MTP.
- Independent Sector Provision	11,387	-697	10,690	0	0	0	
- Strategic Planning & Review	1,581	0	1,581	0	0	0	
- Policy & Performance (Vulnerable Children)	4,654	-411	4,243	-16	30	14	
- Directorate & Democratic Services	1,255	0	1,255	30	-30	0	
- Project Management (Strategy, Policy & Review)	118	0	118	-33	0	-33	
- Advisory Service Kent (ASK) Secondary Team	3,188	-160	3,028	0	0	0	
- ASK Primary Team	6,403	-410	5,993	0	0	0	
- ASK Early Years Team	8,209	-12	8,197	0	0	0	
- ASK Improvement Partnerships	2,635	-566	2,069	32	-38	-6	
- ASK Professional Development	3,759	-1,862	1,897	-13	0	-13	

- Early Years & Childcare	5,711	-142	5,569	68	-68	0	
- Management Information	34,431	-35	34,396	0	0	0	
- Educational Psychology Service	3,695	-1	3,694	0	0	0	
- Attendance & Behaviour Service	10,168	-3,686	6,482	0	0	0	
- Minority Community Achievement Service	1,664	-98	1,566	0	0	0	
- Specialist Teaching Service	4,054	-636	3,418	0	0	0	
- Joint Commissioning Service	13,378	0	13,378	-30	0	-30	
- Commissioning General	743	-614	129	0	0	0	
- Residential Care provided by KCC	0	0	0	18	0	18	Centres overspend offset by additional income from various agencies including health and other local authorities
- Independent Sector Residential Care	3,393	-256	3,137	-417	-480	-897	£675k underspend on disability placements, £185k underspend on secure accommodation, £20k underspend on other residential placements - resulting from fewer placements being made.
- Residential Care - not looked after children	0	0	0	-157	0	-157	
- Family group conferencing	2,697	-672	2,025	-56	0	-56	

- Fostering service	30,605	-14,185	16,420	1,193	-5	1,188	£1,632k overspend on independent fostering allowances partly offset by £462k underspend on in-house fostering. Other underspends incl. £277k in County Fostering Team and £300k on the fostering related and kinship budgets.
- Adoption service	2,684	-40	2,644	358	29	387	£391k overspend on special guardianship orders (SGO). £19k overspend on County adoption team offset by £52k an underspend in adoption payments.
- Direct payments	0	0	0	-191	-3	-194	Underspend resulting from the use of aiming high sure start grant to fund new cases.
- Teenage pregnancy	4,015	-256	3,759	0	0	0	

- 16+ service	6,699	0	6,699	1,119	0	1,119	£2m overspend on Fostering related and IFA placements offset by underspends of £176k residential care, £690k S24/leaving care payments. Other minor variances of £45k.
- Preventative Services	600	0	600	413	-111	302	Continuing pressure on S17 payments.
- Children's Social Services Business support	8,658	-26	8,632	-54	-176	-230	Social Work Pilot Project
- Assessment and related	3,101	0	3,101	-1,784	-17	-1,801	Delay in recruiting to vacancies including new structure
- Grant income & contingency	4,118	-1,045,743	-1,041,625	0	0	0	
- Support Services purchased from CED	8,432	0	8,432	0	0	0	
				0	0	0	
TOTAL NON DELEGATED	353,432	-1,089,333	-735,901	2,173	-602	1,571	
TOTAL CFE portfolio excl Asylum	1,328,941	-1,170,300	158,641	2,173	-602	1,571	
Assumed management Action				-1,571		-1,571	
CFE portfolio (excl Asylum) after Mgmt Action	1,328,941	-1,170,300	158,641	602	-602	0	

- Asylum Seekers	14,129	-14,129	0	0	3,969	3,969	Shortfall in 18+ Home Office income
Total CFE portfolio incl. Asylum <u>after</u> management action	1,343,070	-1,184,429	158,641	602	3,367	3,969	

CHILDREN FAMILIES AND EDUCATION

Overall Objectives of the Portfolio

To ensure every child and young person is inspired and supported to extend their potential with particular reference to the Every Child Matters outcomes and the priorities set out in the Kent Children and Young Peoples Plan, our key objectives within the Children, Families and Education Directorate are:

- Progress work on the portfolio specific targets and relevant cross cutting targets in the Towards 2010 plan and its replacement.
- Progress work on the LAA 2 targets for which this portfolio leads on behalf of the Kent Partnership specifically:
 - Obesity among primary school children in reception year
 - Effectiveness of child and adolescent mental health services
 - Achievement of 5 or more A*-C grades at GCSE and equivalent including GCSEs in English and maths (floor)
 - 16-18 year olds who are not in education, employment or training (NEET)
- Give particular focus to safeguarding and promoting the welfare of children across all agencies, ensuring that Kent fulfils its responsibilities to the children in its care, and ensuring the effectiveness of Kent's Safeguarding Children Board
- Pursue within the Supporting Independence Programme (SIP) priorities and work with relevant units and partners to embed the principles of SIP across the portfolio.
- Review and implement a suite of strategies to ensure the effective delivery of the medium term service priorities
- Reduce the impact of poverty on children's lives by tackling the underlying causes and mitigating the effects

Medium Term Service Priorities

Priority areas to ensure progress is maintained in achieving these objectives include:

Learning

Early Years

- Continue to improve the quality and quantity of pre-school education ensuring that all children are ready to learn on entering primary school and that Kent's foundation stage profiles continue to improve

Primary /Secondary

- Continue to raise standards of attainment at all key stages of education and narrow the gap in outcomes of targeted groups of children
- Provide choice, advice and pathways for all 14 to 19 year olds through extended curriculum choice, independent guidance and the development of vocational centres .
- Provide all 13-19 year olds with first class careers guidance and master classes presented by members of the business community

Partnerships

- Develop capacity and structures by further extending partnerships and federated systems to enhance collaboration and to improve leadership, choice, personalisation and attainment
- Support schools in developing of a range of extended services, in partnership, to raise attainment and support community and economic renewal.

Post 16

- Responding to the Machinery of Government requirements including the transfer of LSC staff and functions into the Directorate
- Prepare for the raising of school leavers age to 17 in 2013 and 18 in 2015

Vulnerable Children

Safe Guarding

- Continue to give top priority to the protection of children and support to Kent's Safeguarding Children Board
- Work with schools and communities to help children and young people feel safer.
- Continue to develop adoption services and a wide range of stable fostering options
- Provide services to meet the needs of asylum seekers and refugee children within allocated KCC resources and lobby central government for funding to cover the full cost of services

Looked After Children

- Continue to implement the Looked After Children action plan and pledge to improve the life chances and educational outcomes of Looked After Children

Prevention/family support

- Continue to offer and further develop multi agency services for parents, carers and families so that they can thrive independently
- Support for the family group conferencing service to provide a framework for better decision making, keeping children in their families, reducing the number of children being looked after and tackling school exclusions.
- Reduce the number of pupils at risk of exclusion, excluded, out of school and poor attenders with a particular focus on early intervention and an expansion of alternative curriculum approaches.

SEN/LDD/Medical needs

- Prioritise better transition planning and independence for all children and young people, particularly those with learning difficulties and/or disabilities, into adulthood, in partnership with the Adult Services Directorate.
- Complete the review of resourced units attached to mainstream schools
- Promote improved life chances and quality of life for Kent's disabled children.
- Improve outcomes for children and young people with medical needs by developing a consistent County-wide service.

Health

- Continue to work towards greater integration with health services.
- Support children and young people to be physically and emotionally healthy, promoting self esteem and finding ways to reduce inappropriate risk taking behaviour .
- Improve access to mental health services ensuring children and young people with mental health problems receive timely support and appropriate ongoing care

Infrastructure

- Develop, agree and implement integrated processes across all agencies in the Kent Children's Trust, including the Common Assessment Framework ,the Lead professional functions, ContactPoint and systems and processes for better data sharing between agencies with the benefit of linking ICT systems

Capital Places and Infrastructure

School places

- Manage the admissions and casual admissions process to ensure improved choice and availability.

Capital

- Create a schools capital building programme able to deliver transformational learning

ICT

- Work systematically towards the comprehensive and appropriate deployment of ICT both for personalised learning and for pupil, school and directorate management.

School transport

- Exploit opportunities for making more effective and efficient arrangements for home to school transport and continue to investigate and promote the feasibility of staggered school hours.

Resources and Planning

Workforce

- Further develop leadership at all levels to secure improvements in the quality of educational provision and support the recruitment and organisation of the workforce including school governors to achieve our objectives

Partnerships

Kent's Children's Trust

- Continue to progress work on the development of the Kent Children's Trust working with partners to redefine and strengthen multi agency commissioning of services to deliver key priorities within the Children and Young People's Plan

Kent's Safeguarding Children Board

- Promote the welfare of children across all agencies ,ensuring the effectiveness of Kent's Safeguarding Children Board

Regeneration

- Support economic and community regeneration to ensure all the educational, health, social and emotional needs of young people are met and suitable employment opportunities are available

Participation

- Ensure the involvement and engagement of children and young people and their parents and carers in service development

Appendix 5 – Draft of MTP financial appendices for Children, Families and Education portfolio

Children, Families and Education Portfolio Revenue Budget				
		2010-11	2011-12	2012-13
		£'000	£'000	£'000
Base budget		210,116		
Base Budget Adjustments - Internal:				
	Teenage pregnancy	-90	0	0
	Area Based Grant	-1,242	0	0
	Special schools review - Prudential Borrowing	-334	0	0
	Reduction in Formula Grant - student finances	-164	0	0
	Remove charging for development opportunities	0	-215	0
Total Base Adjustments		-1,830	-215	0
<u>PRESSURES:</u>				
Pay:				
Non DSG:				
All	Kent Scheme	0	1,085	1,323
All	Other Schemes	211	198	219
		211	1,283	1,542
DSG				
All	Kent Scheme	0	296	355
All	Other Schemes	356	336	370
		356	632	725
Total Pay		567	1,915	2,267
Prices:				
Transport:				
School Org	Mainstream transport	532	313	322
AEN&R	SEN transport	665	383	394
Awards	College transport	82	48	50

Various	Transport SLA	9	9	11
		1,288	753	777
Social Care Provision :				
CSS	Children's Social Services price increases	274	831	1,013
CSS	Legal prices	50	51	62
		324	882	1,075
DSG:				
AEN&R	Independent/non-maintained schools	428	334	344
ICT	SIMS licence	42	45	47
Awards	Free school meals	122	95	98
LCSPs	Alternative curriculum placements	90	67	69
MDO&DS	Collective licences	16	12	13
MI	Payments to private, voluntary and independent early years providers	1,280	998	1,028
		1,978	1,551	1,599
Other:				
All	Legal prices	6	7	8
		6	7	8
Total Prices		3,596	3,193	3,459
Unavoidable Government/Legislative Pressures:				
Non DSG:				
Awards	Phasing of student award reductions	164	0	0
Sch Org	Administration of casual admissions	55	39	0
AEN&R	Tribunals Courts and Enforcements Act 2007	15	17	0
Personnel	School workforce census	18	0	0
MI	Increase in early education entitlement to 15 hours per week (25% of providers from Sep 2009)	5,201	0	0
		5,453	56	0
DSG:				
Awards	Free school meals	26	27	0
All	Academy central recoupment	308	151	13
LCSPs	Alternative curriculum PRU places - increase rate to £9k per place	300	500	0
		634	678	13
Total Unavoidable Government/Legislative Pressures		6,087	734	13

Demand/Demographic Led:				
Non DSG:				
Children's SS	Legal services	202	0	0
Children's SS	Therapeutic fostering	150	0	0
AEN&R	SEN transport	470	0	0
Awards	Home to College Transport	280	0	0
Personnel	Pensions	550	0	0
Capital Strategy	maintaining disused school buildings	700	0	0
Children's SS	Fostering service	1,193	0	0
Children's SS	Special guardianship orders	390	0	0
Children's SS	Section 17 payments	600	0	0
Children's SS	16+ service	1,022	0	0
		5,557	0	0
DSG:				
Awards	Free School Meals	625	0	0
Personnel	Maternity pay in schools	300	0	0
AEN&R	Independent non maintained special schools	500	0	0
CED devolved budgets	Admissions appeals	100	0	0
		1,525	0	0
Total Demand/Demographic Led		7,082	0	0
Schools				
Budget/Block:				
Schools	Schools delegated budgets	29,766	14,506	14,445
Schools	Less: Adjustment for change in pupil no's	118	-1,558	817
Schools	Less: Adjustment for academies (SBS)	-13,817	-6,977	-619
Total Schools Budget/Block		16,067	5,971	14,643
Service Strategies & Improvements:				
Commitments From Previous MTP:				
Non DSG:				
Capital Strategy	Prudential borrowing	334	0	0
MI	Software licences - FYE from 2008/09	28	0	0

Personnel	Criminal Records Bureau re-checks and Independent Safeguarding Authority	544	0	0
AEN&R	Partnership with parents	133	0	0
		1,039	0	0
DSG:				
Sch Org	Replace PESE IT system	-85	0	0
		-85	0	0
New Proposals:				
DSG:				
AEN&R	Independent non maintained - Warmstone PRU	1,000	0	0
		1,000	0	0
Total Service Strategies & Improvements		1,954	0	0
Total Pressures: Non DSG		13,878	2,981	3,402
Total Pressures: DSG		21,475	8,832	16,980
Total Pressures		35,353	11,813	20,382

SAVINGS AND INCOME:

Grant

Increases:

Non DSG:

Contingency	New Specific grant for increase in early education entitlement	-5,201	0	0
		-5,201	0	0

DSG:

Contingency	Dedicated School Grant (DSG) increase before adjustments	-33,454	-16,700	-16,997
Contingency	Less: Adjustment for change in pupil no's	196	1,886	-920
Contingency	Less: Adjustment for academies (SBS)	13,817	6,977	619
Contingency	Less: Adjustment for academies (LACSEG)	308	151	13
		-19,133	-7,686	-17,285

Total Grant Increases

-24,334 -7,686 -17,285

Income Generation:

Non DSG		-660	-160	-180
DSG		-1,225	0	0
Total Income Generation		-1,885	-160	-180
Savings committed from Previous MTP:				
Non DSG:				
Awards	Transfer of student finance function to Student Loan Company	-414	-178	0
Sch Org	Mainstream home to school transport (5/12ths of Freedom pass)	-417	0	0
School Org	Support to Sheppey reorganisation	-50	0	0
Various	Staffing and infrastructure costs	-446	-10	0
AEN&R	SEN database - removal of implementation costs	-100	0	0
		-1,427	-188	0
DSG:				
Joint Commissioning	Common Assessment Framework/ Lead Professional and staffing savings	-130	-130	-50
All	Academy central recoupment	-308	-151	-13
		-438	-281	-63
Total Savings committed from Previous MTP		-1,865	-469	-63
Efficiency/Restructure Savings:				
Directorate Controllable				
Learning	Learning Group	-2,429	-1,001	0
Vul Children	Vulnerable Children Group	-175	-109	0
Comm & Part	Commissioning and Partnership Group	-536	-209	0
Resources	Resources and Planning Group	-975	-109	0
Capital	Capital Planning and Infrastructure Group	-52	-32	0
Resources	CED Delegated budget	-281	-281	0
All	Saving plans still to be developed	0	-1,331	0
Total Efficiency/Restructure Savings		-4,448	-3,072	0
Procurement:				
Non DSG:	Out county/residential/respite	-200		
Non DSG:	Procurement saving plans to be developed		-800	-400
DSG:	Other DSG procurement savings	-100	-200	-200
		-300	-1,000	-600

Total Savings and Income	-35,449	-14,409	-18,728
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Appendix 6 – Existing 2009-12 Published Medium Term Plans for Children’s, Families and Education

Operations, Resources and Skills (CFE) Portfolio Revenue Budget

	Staffing FTE	2009-10 £'000	2010-11 £'000	2011-12 £'000
Base budget		60,893	73,466	71,948
Base budget adjustments:				
Special schools review - Prudential Borrowing		-559	-334	0
Reduction in Formula Grant - student finances		-432	-164	0
Kent Rewards		-22	0	0
Area Based Grant		2,016	-1,856	0
Virement - Schools Personnel Service National		486	0	0
Association of Teachers in Further and Higher Education (NATFHE)		-7	0	0
Criminal Records Bureau		-23	0	0
Kent Adult Social Services post room		-38	0	0
Virement - Property RCCO		125	0	0
Remove charging for development opportunities		215	0	-215
Virement - KPSN		-5	0	0
FM budget devolved from CED		880	0	0
Fin budget devolved from CED		1,309	0	0
CSEA budget devolved from CED		1,844	0	0
Virement - ORS/CFEA		7,719	0	0
		13,508	-2,354	-215

Revised base budget after corporate adjustments		74,401	71,112	71,733	
Pay:					
All	Cost of living	574	1,023	1,043	Part DSG
		574	1,023	1,043	
Prices:					
Awards	College transport	0	89	77	
Sch Org	Mainstream transport	600	783	764	
AEN&R	SEN transport	919	811	765	
AEN&R	Independent/non-maintained schools	323	778	832	DSG
ICT	SIMS licence	60	66	66	DSG
Awards	Free school meals	120	125	130	DSG
LCSPs	Alternative curriculum placements	218	233	249	DSG
		2,240	2,885	2,883	
Government/Legislative Pressures:					
Awards	Free school meals	25	26	27	DSG
Personnel	Criminal Records Bureau (contact point) - FYE from 2008/09	16	0	0	
All	Academy central recoupment	410	627	261	DSG
Awards	Phasing of student award reductions	432	164	0	
Personnel	Criminal Records Bureau re-checks and Independent Safeguarding Authority	84	544	0	
Sch Org	School competition notices	25	0	0	
AEN&R	Partnership with parents	11.0	187	133	0
Personnel	School workforce census	70	18	0	
LCSPs	Alternative curriculum PRU places - increase rate to £9k per place	300	300	500	DSG
		1,549	1,812	788	

Demand/Demographic Led:

LCSPs	Home tuition		200	0	0	DSG
AEN&R	SEN transport		600	0	0	
			800	0	0	

Schools Budget/Block:

Schools	Schools delegated budgets		22,884	27,907	31,734	DSG
Schools	Less: Adjustment for falling roll		-6,041	-5,836	-5,365	
Schools	Less: Adjustment for academies (SBS)		-14,492	-15,776	-7,315	
			2,351	6,295	19,054	

Dedicated Schools Grant Increase:

Contingency	Dedicated School Grant (DSG) increase before adjustments		-25,990	-30,925	-34,686	DSG
Contingency	Less: Adjustment for falling roll		7,595	7,197	6,663	DSG
Contingency	Less: Adjustment for academies (SBS)		14,492	15,776	7,315	DSG
Contingency	Less: Adjustment for academies (LACSEG)		410	627	261	DSG
			-3,493	-7,325	-20,446	

Service Strategies & Improvements:

Capital Strategy	Prudential borrowing		559	334	0	
LCSPs	Local children's service partnership managers	23.0	1,720	0	0	Ref 1 & DSG
LCSPs	LCSP administrative support	9.0	193	0	0	Ref 1 & DSG
Finance & Personnel	Net increase in finance & personnel support to Directorate	5.0	92	40	40	Ref 1 & Part DSG
LCSPs	Local Education Officers	-23.0	-1,765	0	0	Ref 1 & DSG
Sch Org	Replace PESE IT system		85	-85	0	DSG
			884	289	40	

Income generation:

Client Services	Client services	-217	0	0
H&S	Outdoor education unit	-185	0	0
		-402	0	0

Savings and Mitigations:

Bus Man	Administrative support	-95	0	0
Awards	Transfer of student finance function to Student Loan Company (12/12ths)	0	-359	0
Awards	Transfer of student finance function to Student Loan Company (1/12ths)	0	-16	0
Awards	Transfer of student finance function to Student Loan Company (running costs incl. legal)	0	-39	0
Sch Org	Mainstream home to school transport (secondary falling roll)	0	-175	0
Sch Org	Mainstream home to school transport (Freedom pass)	-1,167	-833	0
AEN&R	Reduce database team	-53	0	0
ICT	Savings on broadband connectivity	-89	0	0
All	Corporate loan	-289	289	0
All	Use of PRG funding to help with phasing issue	19	-211	0
All	Cross cutting savings	-208	0	0
School Org	Support to Sheppey reorganisation	0	-50	0
Schools unallocated	Reduction in schools unallocated budget	-800	0	0
All	Review of ABG funded services	-300	0	0
Strategic Mgmt	Reduction in staffing	-5.0	-400	0
Sch Org	Mainstream	-600	0	0

DSG

	transport				
All	Reduction in central DSG budgets (LACSEG)	-410	-627	-261	DSG
All	Conversion of base expenditure to grant	-250	-500	0	
All	Efficiencies through improved procurement	-100	0	0	
Awards	Falling roll in home to college transport	-50	0	0	
Awards	Reduction in the use of temporary staffing	-100	0	0	
All	Use of one-off DSG reserve	-50	50	0	
All	Publicity saving	-66	0	0	
All	Vacancy management saving	-180	0	0	
All	Essential user saving	-71	0	0	
All	Review of pay cash limits	-179	0	0	
	Budget gap - DSG	0	-1,177	-1,140	DSG
	Budget gap - Non DSG	0	-495	-2,880	
		-5,438	-4,143	-4,281	
Budget controlled by this portfolio		20.0	73,466	71,948	70,814

Children, Families and Educational Achievement Portfolio Revenue Budget

	Staffing FTE	2009-10 £'000	2010-11 £'000	2011-12 £'000	
Base budget		132,090	136,651	135,731	
Base Budget Adjustments:					
Teenage pregnancy		-90	-90	0	
Kent rewards		-4	0	0	
Area Based Grant		1,103	610	0	
ABG - Child Trust Funds		23	4	0	
Virement - Public Health Campaign		-150	0	0	
Virement - Out of Hours Service		-195	0	0	
Area Based Grant transfer from KASS (Training)		215	0	0	
Virement - KPSN		-115	0	0	
Fin budget devolved from CED		2,316	0	0	
CSEA budget devolved from CED		3,812	0	0	
Legal prices adjustment		-20	0	0	
Virement - CFEA/ORS		-7,719	0	0	
		-824	524	0	
Revised base budget after corporate adjustments		131,266	137,175	135,731	-
Pay:					
All	Cost of living	1,025	2,053	2,094	Part DSG
		1,025	2,053	2,094	
Prices:					
Children's SS	Children's social services unavoidable price increases	1,311	1,350	1,391	
MDO&DS	Collective licences	19	20	21	DSG
MI	Payments to private, voluntary and independent early years providers	1,138	1,183	1,232	DSG
All	Legal prices	40	40	41	
Children's SS	Client transport	50	40	57	
Children's SS	Increase in energy costs for in-house establishments	95	0	0	
		2,653	2,633	2,742	
Government/Legislative Pressures:					

ASK (EY)	Supporting improvement in all PVI early years settings	4.0	251	250	0	
MI	Increase in early education entitlement to 15 hours per week (25% of providers from Sep 2009)		2,109	5,201	0	Ref 2
MI	Additional school census returns - FYE from 2008/09		33	0	0	
ASK (EY)	Foundation Stage profile modernisation programme - FYE from 2008/09		23	0	0	
ASK (EY)	Phase 2 Setting Improvement Partner (SIP) Programme - FYE from 2008/09		62	0	0	
ASK (EY)	Phase 3 SIP rollout to remaining 60% plus children's centres		0	250	0	
ASK (EY)	Targeted leadership programme for settings Phase 1-3 - FYE from 2008/09		30	90	0	
ASK (EY)	Increase in Early Years Practitioners		150	200	0	
ASK (EY)	Kent Quality Assurance Mark - FYE from 2008/09		100	0	0	
ASK (EY)	Leading Early Years Teachers (LEYT) improvement project - FYE from 2008/09		145	0	0	
All	Looked after children - pledge and personal education allowances		1,300	0	0	
Educational Psychology	Educational psychology entry training		63	0	0	
Commissioning General	Tribunals Courts and Enforcements Act 2007	3.0	235	15	17	
Commissioning General	Web based Arete system		100	-100	0	
Joint Commissioning	Common Assessment Framework (CAF) / Lead Professional (LP) - Support for staffing	2.0	200	0	0	DSG
Joint Commissioning	CAF/LP - eCAF roll out and training		150	-50	-50	DSG
Joint Commissioning	CAF/LP - Recruitment and dedicated CAF co-ordinators in local partnership areas	11.5	575	-115	0	DSG
Joint Commissioning	CAF Module - continuation of temporary system due to delay by central government		80	-80	0	DSG
STS	Mandatory qualifications for HI, VI and MSI		50	0	0	DSG

Children's SS	Children and Young Persons Bill		0	339	575	<i>Ref 3</i>
			5,656	6,000	542	
Demand/Demographic Led:						
Children's SS	Family support - FYE from 2008/09		83	0	0	
Children's SS	Fostering and Adoption - FYE from 2008/09		61	0	0	
Children's SS	Special Guardianship - FYE from 2008/09		88	0	0	
Children's SS	Adoption Support - FYE from 2008/09	1.0	64	0	0	
Children's SS	Adoption (British Association of Adoption & Fostering) - FYE from 2008/09		19	0	0	
Children's SS	Independent sector residential care - non secure		1,140	0	0	
Children's SS	Independent sector residential care - secure		400	0	0	
Children's SS	Legal services		551	202	0	
Children's SS	Training		200	0	0	
Children's SS	Therapeutic fostering		300	150	0	
Children's SS	Family group conferencing		100	100	100	
Children's SS	16+ service		90	0	0	
Policy & Performance	Legal services		60	0	0	
A&B	Children missing education officers	1.7	50	0	0	<i>DSG</i>
A&B	Increase demand on service from unaccompanied asylum seeking children and young people	1.0	160	0	0	<i>DSG</i>
A&B	Health needs education service		200	0	0	<i>DSG</i>
			3,566	452	100	
Dedicated Schools Grant Increase:						
Contingency	Dedicated School Grant (DSG) increase		-2,146	-2,267	-2,341	
Contingency	New Specific grant for increase in early education entitlement		-2,109	-5,201	0	<i>Ref 2</i>
			-4,255	-7,468	-2,341	
Service Strategies and Improvements:						
MI	Software licences - FYE from 2008/09		25	28	0	
ASK (Sec)	Personal, Social and Health Education (PSHE) adviser - FYE from 2008/09		29	0	0	

Strategic Planning & Review	Local Children's Trusts - FYE from 2008/09	1.0	45	45	0	
MI	Additional Capita modules - FYE from 2008/09		33	0	0	
MI	Increased analysis of pupil data - FYE from 2008/09		33	0	0	
Children's SS	Occupational Therapy equipment		97	0	0	
Commissioning	YOS Board post inspection recommendations		90	10	0	
MI	Additional support to PVI early years providers		285	0	0	DSG
Children's SS	Additional support to Children Social Services		1,500	0	0	
			2,137	83	0	
Savings and Mitigations:						
Children's SS	Out of Hours	-8.5	-315	0	0	
Children's SS	Section 17 (Children's Act) preventative services		-200	-200	0	
Children's SS	Adoption staffing	-3.0	-94	-94	0	
Children's SS	Administration staffing and infrastructure costs	-8.0	-425	-300	0	
Children's SS	Ready for practice and training		-83	0	0	
MI	Business Unit		-21	0	0	
Children's SS	County Duty service disaggregation		-40	-239	0	
ASK (PD)	Divisional management & support	-2.0	-250	0	0	
ASK (PD)	Training & development		-73	0	0	
JCO	Joint Commissioning Officer (JCO) and central admin support - FYE from 2008/09		-36	0	0	DSG
All	Service review / use of Area Based Grant (ABG)		-195	-164	0	
All	Use of Performance Reward Grant (PRG) funding to help with phasing issue		125	-920	0	
All	Cross Cutting Savings		-442	0	0	
Children's SS	Adoption		-50	-50	-50	
Children's SS	Day care		-30	-15	-10	
Joint Commissioning	Joint commissioning officers	-5.0	-381	0	0	Ref 1 & DSG
Joint Commissioning	Head of Service and PA	-2.0	-67	-48	0	DSG
A&B	Child Employment Officers	-3.0	-43	-32	0	DSG
A&B	Exclusion Officers	-2.0	-35	-25	0	DSG
Educational	Education Psychologists	-3.5	-117	-83	0	DSG

Psychology						
STS	Administrative Officer	-1.0	-20	-15	0	DSG
Commissioning	Full year effect of 2008/09 staff savings		-258	0	0	DSG
Children's SS	New Government Grant income to fund Children and Young Persons Bill		0	-339	-575	Ref 3
MI	Education Management System (EMS) module update		-150	0	0	
Commissioning General	Data Sharing/Common Assessment Framework		-350	0	0	
All	Review of ABG funded services		-200	0	0	
All	Conversion of base expenditure to grant		-250	0	0	
ASK	Review of support to secondary schools (academies)		-250	0	0	
All	Use of one-off DSG reserve		-75	75	0	
All	Publicity saving		-104	0	0	
All	Vacancy management saving		-358	0	0	
All	Essential user saving		-252	0	0	
All	Review of pay cash limits		-358	0	0	
All	Savings plans to be developed		0	-2,500	0	
	Budget gap - DSG		0	597	281	
	Budget gap - Non DSG		0	-845	-2,246	
			-5,397	-5,197	-2,600	

Budget controlled by this portfolio	-12.8	136,651	135,731	136,268
		136,651	135,731	136,268
		0	0	0

Ref 1 - Transfer of clusters to local children's partnerships (£381k net pressure in ORS Portfolio)

Ref 2 - Additional standards funding provided by DCSF to increase early years free entitlement from 12.5 hours per week to 15 hours per week.

Ref 3 - Assumed Children and Young Persons Bill pressure fully funded from additional government income