

**CHILDREN AND YOUNG PEOPLE
SCRUTINY AND PERFORMANCE PANEL**

DATE: 4 DECEMBER 2009

Draft Revenue Budget 2010/11 for Children's Services Portfolio

Ward(s) All

Portfolio:

Councillor R Walker – Children's Services

Summary of report

This report presents Cabinet's draft revenue budget proposals for 2010/11 for consultation with the panel and to provide an opportunity for the panel to make recommendations to Cabinet.

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Recommendation

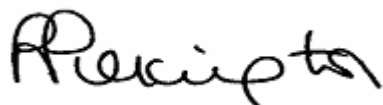
The panel are recommended to consider the draft proposals in this report and make recommendations to Cabinet as appropriate.

Background papers

Various financial working papers.

Reason for scrutiny

To enable consultation and scrutiny of the draft budget proposals for 2010/11.



Signed

Executive Director - Pauline Pilkington

24 November 2009

Background: Vision and Priorities of Children's Services Portfolio

The following section details the vision and priorities of the services within the Children's Services portfolio for consideration alongside the draft budget proposals.

Children's Services Vision: 'We believe that all children and young people in Walsall have the right to be healthy, happy and safe, to be loved, valued and respected and to have high aspirations for a successful future'.

Priorities of the Children's Services Portfolio

Our Statutory Children's Plan for 2009-10 to 2011-12 priorities (and success measures) are;

1. Encourage healthy lifestyles

- Reduce Infant & Perinatal Mortality rate
- Reduce under 18 conception rate per 1,000 females aged 15 – 17 (LAA local)
- Reduce Children travelling to school in cars (LAA)
- Reduce obesity rates in Primary schools children (LAA)

2. Promote mental health, well-being and enjoyment of life and school

- Deliver effective CAMHS services
- Reduce % who worry about their future
- Increase % who enjoy school
- Increase % of Young People engaged in positive activities (LAA)

3. Target early intervention to ensure safety

- Reduce Domestic Violence referrals to children's services (LAA local)
- Reduce number of children and young people who run away
- Enhance targeted support for vulnerable children

4. Promote social inclusion and reduce child poverty

- Reduce numbers and/or negative impact of children in poverty (LAA)
- Increase range and quality of short breaks and support for disabled children
- Improve aspirations and attainment of underperforming groups (FSM, looked after children, SEN, Pakistani, Bangladeshi, White boys)
- Reduce % Not in Education, Employment or Training including Black and Minority Ethnic young people (LAA)
- Reduce Rate of Re- Offending (LAA)
- Reduce cautions & convictions of looked after children

5. Value and support our young people

- Improve % of 7 year olds achieving L2+ at KS1 writing
- Increase % 5+ A*-C GCSEs (Eng & maths)
- Increase % 5 A*-G GCSEs
- Increase % level 2 & 3 qualifications
- Increase % who want to go to Higher Education
- Provide more suitable accommodation for Care Leavers
- Improve 6th form average points score

6. Improve Service delivery

- Listen, respond to and involve children, young people and their families and carers in decision making on service delivery and planning
- Ensure services respond to diverse community needs
- Develop our Workforce
- Deliver Education Transformation and leadership (inc. BSF and PCP and LSC transfer)
- Integrate Young Peoples services
- Strengthen Children's Trust and Children Area Partnerships
- Improve value for money and efficiency through effective commissioning

- Investing in the Families Matter Programme

These are supported by the priority given to Children and Young People in the Sustainable Community Strategy,

- Supporting children to do as well as they can and enjoy their childhood and youth
- Improving educational attainment and school facilities
- Reducing child poverty and promoting the economic well-being of young people and their families
- Work with our educational providers to ensure that our children, young people and adults both in and out of work, develop the new skill set required

And by the Cabinet pledges 2009-10;

- We will raise the levels of physical activity (Neighbourhoods and Children's services)
- We will improve the aspirations and attainment of underperforming groups, in particular white boys, LAC and Pakistani / Bangladeshi (Children's Services)

Resource and legal considerations

Cabinet on 18th November presented their draft budget proposals 2010/11 for consultation. These proposals include savings and investment proposals for the services within the remit of this panel. The proposals are presented to this panel for consultation and scrutiny and allow the panel to make recommendations to Cabinet.

Table 1 sets out the draft budget 2010/11 for the Children's Services Portfolio and changes in resources, compared to the approved budget for 2009/10.

Table 1

DRAFT NET BUDGET – CHILDREN'S SERVICES

DETAILS	2010/11 £m
Budget brought forward from previous year	60.851
Inflation	0.864
Other budget refresh	(0.172)
Budget pressures : demographics, cost pressures, fall out of grant	1.950
Full year effect of 2009/10 growth	0.008
Efficiencies, savings and income generation	(1.374)
Full year effect of 2009/10 savings	(0.299)
Draft net budget requirement	61.828

Budget Pressures and Investment for Service Developments

The key budget pressures are;

- Impact of demographic growth
The population of young children aged under 9 will increase by 1600 over next 3 years; increasing demand for services.
- Impact of the recession
Our analysis shows that the number of looked after children (LAC) is closely related to levels of unemployment and that the 90% increase in Job Seeker allowance (JSA) claimants from May 2008 to July 2009 led to an increased demand of 30 additional LAC costing an extra £1 million

- Impact of Baby Peter of child protection

The numbers of children requiring protection has increased by 20% this financial year; many of them require care and this has increased cost by an estimated £0.5 million

In addition to these costs of placement (eg a residential home cost around £150,000 per year for one child) contact between the child and parents has to be maintained until the courts decide on the final plan, this 'contact' cost is very substantial (in total around £2 million a year).

The draft 2010/11 revenue budget for Children's Services includes £0.008m of growth which relates to investment decisions made by Council in February 2009 where a part year cost effect only was included in 2009/10. In addition further growth totalling £1.950m has been identified as a very high priority by Cabinet and as being essential to meeting cost pressures arising from impacts described above. A summary of growth is shown in **Table 2** and in more detail at **Appendix 1**.

Table 2 - Budget Pressures	Budget Demand Pressures £'m
Increase in demand to support placement costs for Looked After Children (LAC) due to increase in service demand	1.500
Increase in demand for contact with families and support of this service for Looked After Children in line with demands of courts	0.450
Total	1.950

Efficiencies, Savings and Fees and Charges Increases

The draft 2010/11 revenue budget for Children's Services includes £0.299m of savings which relate to decisions made by Council in February 2009 where a part year effect only was included in 2009/10.

In order to set a balanced budget, and after a review of available resources from Formula grant and council tax, and taking into account additional known and likely pressures, a council wide savings and efficiency target of just over £12m was set for services. Proposals were brought forward and considered by Cabinet and total budget reduction options (including efficiencies, savings and income generation) of £1.374m are included in the draft budget proposals for Children's Services within this report for consultation. This has enabled Cabinet to use available resources to target priority services, and allowed some targeted investment in high priority areas, such as increase in demand for services for clients with dementia.

Detail on individual savings is provided in **Appendix 2**.

A number of options require a formal decision by cabinet to proceed. Attached at **Appendix 3 (3a – 3b)** is further information on these items.

Citizen impact

The budget is aligned with service activity within service plans across the council. Investment is intended to be targeted at service improvement, stability and user demand. The report sets out the vision and priorities for the services within the remit of this panel.

Environmental impact

Services within the remit of this panel have a direct influence and impact on the environment.

Performance management

Financial performance is considered alongside service targets. Managers are required to deliver their service targets within budget, wherever possible. **Table 3** details the performance scorecard as at Quarter 2 for 2009/10 summarising our delivery against 195 Improvement targets..

Table 3: 2009/10 CYPP Scorecard Targets Progress – Q2 (including Process RAGS)

Outcome	Total Measures	Off Target	Progressing to target	On Target	No Rag	% progressing to target	% off target
Being Healthy	33	6	9	12	6	63.6	18.2
Stay Safe	35	7	7	21	0	80	20
Enjoy and Achieve	52	2	26	17	7	82.7	3.8
Positive Contribution	21	1	10	9	1	90.4	4.7
Economic Wellbeing	32	6	15	6	5	65.6	18.8
Service Management	22	3	4	12	3	72.7	13.6
Total	195	25	71	77	22	75.9	12.8

Our current inspection judgement from the JAR report in **June 2008** rated us as providing a **‘good service with good capacity for improvement’**

Our 2009 Ofsted Judgement will be published along with the results of the Comprehensive Area Assessment on 10 December 2009; learning from this judgement will be fed into our planning processes. However it is important to note that the methodology and criteria used has changed completely from previous years which makes comparisons with previous performance unhelpful and inappropriate.

Equality Implications

Services consider equality issues in setting budgets and delivering services. Irrespective of budgetary pressures the council must fulfil equal opportunities obligations

Consultation

This is the first of two meetings for scrutiny to consider Cabinets draft budget proposals. Proposals from the panel will be reported to Cabinet at its meeting on 16th December 2009 for their consideration. The second meeting on 20 January 2010 will include the impact of the final settlement and any other funding changes and any changes to the draft figures arising from budget consultation. It will also include Cabinets draft capital programme budget proposals.

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Appendix 3a**2010/11 BUDGET PROCESS – SAVINGS PROPOSALS ADDITIONAL INFORMATION****15. Reduction in Child and Adolescent Mental Health Services.**

Estimate Net Saving in £'000			
2010 / 2011	2011 / 2012	2012 / 2013	Implementation cost
£50,000	£50,000	£50,000	£0

1. DESCRIPTION OF THE SAVINGS PROPOSAL

- 1.1 The proposal is to reduce spend on child and adolescent mental health services provided by Dudley/Walsall Mental Health Trust and the voluntary sector and commissioned in partnership with NHS Walsall. Historically the LA and NHS Walsall have commissioned services separately from CAMHS providers, from the inception of the new MHT in August of last year NHS Walsall and Children Services have commissioned jointly to agreed priorities and using a shared needs analysis, this provides an opportunity to reduce duplication of services and enable more efficient spend of aligned budgets. In addition the development of targeted youth support and Walsall's successful bid to pilot a grant funded government initiative targeted at vulnerable young people and their families, has enabled us to maximise funding from these other funding streams to benefit particularly vulnerable children and young people. The Saving proposed is a reduction in spend of £50,000 in 2010/11 which will be maintained at the same level in future years.

2. IMPLICATIONS ASSOCIATED WITH SAVINGS PROPOSAL**2.1 Customers**

No reduction in service is anticipated however opportunities to enhance service provision in the next financial year and beyond may be effected

2.2 Employees

There are no implications for existing employees

2.3 Partners

There are no implications for existing partners although opportunities for future engagement with voluntary and independent providers may be limited

2.4 **Corporate Plan/Priorities**

Actions and priorities in Corporate and Children and Young Peoples plan will still be addressed

2.5 **Other Council Services**

There are no implications for other Council services

3. **ASSOCIATED RISKS**

The risk of continued growth in demand on Children's Services has an impact on demand for other services including CAMHS. Any budget reduction will limit opportunity to engage partner agencies in the development of service provision

4. **CONSULTATION**

There is ongoing consultation with partner agencies on CAMHS delivery and priorities

5. **LEGAL IMPLICATION**

There are no legal implications

6. **EQUAL OPPORTUNITIES AND ENVIRONMENTAL IMPLICATIONS**

The need to reflect the needs of CYP from all communities remains a service priority
and will not be affected by any budget reduction

There are no environmental implications

7. **EQUALITY IMPACT ASSESSMENT**

A formal EqlA has not been undertaken however the need to reflect the needs of CYP from all communities remains a service priority and will not be affected by any budget reduction

2010/11 BUDGET PROCESS – SAVINGS PROPOSALS ADDITIONAL INFORMATION**13. Integrated Young People Support Services (IYPSS) & Connexions**

Estimate Net Saving in £'000			
2010 / 2011	2011 / 2012	2012 / 2013	Implementation cost
£405,373	£405,373	£405,373	£0

1. DESCRIPTION OF THE SAVINGS PROPOSAL

- 1.1 Efficiency savings through integrating the young people's support services (previously youth service, youth offending service and Connexions), working with partners and re-aligning services.

2. IMPLICATIONS ASSOCIATED WITH SAVINGS PROPOSAL**2.1 Customers**

No reduction of service is anticipated. Remodelling existing services to work differently to provide greater access to information, advice and guidance for young people. Part of this process is re-tendering a contract in order to deliver a proportion of the efficiency savings the successful contractor may have to reduce current staffing staff. The number of youth unemployment are forecast to rise due to the recession. See risks below

2.2 Employees

A phased transition plan relating to staffing arrangements has been shared with staff and as yet there have been no objections to proposals put forward.

2.3 Partners

The new service will work closely with key partners through the Children's Trust arrangements and some services will be delivered by partners through a commissioning process.

2.4 Corporate Plan/Priorities

Priorities within the CYPP directly relate to improved outcomes for young people and the reconfiguration of youth services is a key objective within the CYPP to deliver improved outcomes.

2.5 Other Council Services

There are no implications for other council services, cross directorate and partnership working will continue as a key aspect of IYPSS.

3. ASSOCIATED RISKS

Re-tendering process is in early stages. Unknown outcomes

High risk to outcome targets related to NEET NI117, LAA NI110 Positive Activities which will be managed through the new service.

As a consequence of the economic recession it is anticipated that youth unemployment will rise creating further challenges for the IAG service. The Invitation To Tender obligates the bidders to take account of this risk within their tender. However it is anticipated that this may be an area of negotiation when bids are received.

4. **CONSULTATION**

Series of consultation activities have taken place involving staff in current services, key partners and agencies. Feedback from these consultation activities have informed process going forward.

5. **LEGAL IMPLICATION**

The monitoring officer has chaired a meeting with lawyers from the four Black Country Councils in order to ensure a consistent approach in relation to dealing with the pension deficit in relation to Connexions. A memorandum of understanding has been prepared by Wolverhampton.

6. **EQUAL OPPORTUNITIES AND ENVIRONMENTAL IMPLICATIONS**

The need to reflect the needs of CYP from all communities remains a service priority and will not be affected by any budget reduction.

7. **EQUALITY IMPACT ASSESSMENT**

Completed as part of project management process.

DRAFT CHILDREN'S SERVICES PORTFOLIO PROPOSALS - EFFICIENCIES / SAVINGS / REVIEW OF FEES AND CHARGES

REF NO	SAVING CATEGORY	SAVING DESCRIPTION	DIRECTORATE	SUB SERVICE AREA	ANNUAL NET SAVING		
					2010/11	2011/12	2012/13
					£	£	£
CHILDREN'S PORTFOLIO							
Full Year Effect	EFFICIENCY / SAVINGS	Catering - Management team re-alignment	NEIGHBOURHOOD SERVICES	LEISURE, CULTURE AND LIFELONG LEARNING	(24,483)	(24,483)	(24,483)
Full Year Effect	EFFICIENCY / SAVINGS	Restructure support services to looked after children to include consideration of reduction in management posts	CHILDRENS	SPECIALIST SERVICES	(36,843)	(36,843)	(36,843)
Full Year Effect	EFFICIENCY / SAVINGS	Realign services to establish integrated young peoples services - deliver services in multiagency team allowing reduction in 2 management posts.	CHILDRENS	UNIVERSAL SERVICES	(4,000)	(4,000)	(4,000)
Full Year Effect	EFFICIENCY / SAVINGS	Reduction in ABG funding	CHILDRENS	ACROSS DIRECTORATE	(155,408)	(30,000)	(30,000)
TOTAL EFFICIENCIES					(220,734)	(95,326)	(95,326)
Full Year Effect	NEW INCOME	Catering - Introduction of Management Fee	NEIGHBOURHOOD SERVICES	LEISURE, CULTURE AND LIFELONG	(78,200)	(78,200)	(78,200)
TOTAL INCOME					(78,200)	(78,200)	(78,200)
TOTAL COMMUNITIES & PARTNERSHIPS PORTFOLIO FULL YEAR EFFECT OF 2009/10					(298,934)	(173,526)	(173,526)

REF NO	SAVING CATEGORY	SAVING DESCRIPTION	DIRECTORATE	SUB SERVICE AREA	ANNUAL NET SAVING		
					2010/11	2011/12	2012/13
					£	£	£
CHILDREN'S PORTFOLIO							
1	EFFICIENCY	Restructure of the Family Placement Service to secure service improvements. This saving is removing vacant posts	CHILDRENS	Residential and Fostering	(185,947)	(185,947)	(185,947)
2	EFFICIENCY	Remove vacant post in Children Trust Support Team	CHILDRENS	Childrens Trust	(5,300)	(5,300)	(5,300)
3	EFFICIENCY	Reduction in costs and budget requirement for Uplands House premise, following the transfer of Social Workers team	CHILDRENS	Childrens Trust	(33,000)	(33,000)	(33,000)
4	EFFICIENCY	Review and removal of administrative budgets within general management	CHILDRENS	Specialist Management	(15,000)	(15,000)	(15,000)
5	EFFICIENCY	Saving in budget for Uplands House in line with current spend - Transition & Leaving Care Team	CHILDRENS	Residential and Fostering	(30,000)	(30,000)	(30,000)
6	EFFICIENCY	Saving in budget for Quest Building in line with current spend	CHILDRENS	Vulnerable Children	(10,000)	(10,000)	(10,000)
7	EFFICIENCY	Saving on service management structure (realises saving of part of a post)	CHILDRENS	CAPS & Young Carers	(30,000)	(30,000)	(30,000)
8	EFFICIENCY	Reduction in spend on managing the education contract	CHILDRENS	Education Client	(20,000)	(20,000)	(20,000)
9	EFFICIENCY	Realignment of budget in line with current spend for Music Support Service	CHILDRENS	Education Client	(20,000)	(20,000)	(20,000)
TOTAL EFFICIENCIES					(349,247)	(349,247)	(349,247)
10	NEW INCOME	Transfer of Walsall Street Team (specialist service) contracts to grant funding (e.g.Solom Project & Jigsaw)	CHILDRENS	Child Protection	(17,332)	(17,332)	(17,332)
11	NEW INCOME	Integrating new grant income streams to maximise outcomes and align posts with this grant funding	CHILDRENS	Residential and Fostering	(81,772)	(81,772)	(81,772)
12	NEW INCOME	Increase the catering management fee to schools for 2010/11	NEIGHBOURHOOD	Catering	(21,817)	(39,756)	(39,756)
TOTAL INCOME					(120,921)	(138,860)	(138,860)

Appendix 2

REF NO	SAVING CATEGORY	SAVING DESCRIPTION	DIRECTORATE	SUB SERVICE AREA	ANNUAL NET SAVING		
					2010/11	2011/12	2012/13
					£	£	£
CHILDREN'S PORTFOLIO							
13	SERVICE REDESIGN	Efficiency savings through integrating the young peoples support services (previously youth service, youth offending service and Connexions), working with partners and re-aligning service	CHILDRENS	IYPSS & Connexions	(405,373)	(405,373)	(405,373)
14	SERVICE REDESIGN	Review of contract activity in light of changes in requirements	CHILDRENS	Education Client	(80,000)	(80,000)	(80,000)
15	SERVICE REDESIGN	Re-negotiate with providers of child adolescent mental health and achieve efficiencies	CHILDRENS	Child Protection	(50,000)	(50,000)	(50,000)
16	SERVICE REDESIGN	Review of contract activity in light of changes in requirements	CHILDRENS	Education Client	(200,000)	(200,000)	(200,000)
17	SERVICE REDESIGN	Changes in the commissioning & decommissioning of services	CHILDRENS	Childrens Trust	(33,000)	(33,000)	(33,000)
18	SERVICE REDESIGN	Reduction of spend on no recourse to public fund cases in line with 2009/10 demand	CHILDRENS	Vulnerable Children	(60,000)	(60,000)	(60,000)
19	SERVICE REDESIGN	Realignment of funding of former care matters grant in line with expenditure	CHILDRENS	Residential and Fostering	(75,000)	(75,000)	(75,000)
TOTAL SERVICE REDESIGN SAVINGS					(903,373)	(903,373)	(903,373)
TOTAL CHILDREN'S PORTFOLIO PROPOSALS					(1,373,541)	(1,391,480)	(1,391,480)

DRAFT CHILDREN'S SERVICES PORTFOLIO PROPOSALS : INVESTMENT

Full year effect Investment of 2009/10 Budget

Invest't Category	INVESTMENT DESCRIPTION	SERVICE AREA	ANNUAL INVESTMENT		
			2010/11	2011/12	2012/13
			£	£	£
CHILDREN'S PORTFOLIO					
Full Year Effect	Additional Child Concern Workers to support the development of localised integrated working.	UNIVERSAL SERVICES	0	(100,000)	(100,000)
Full Year Effect	Increase in Demand of no recourse to public funds - statutory duty under Sec 20 Children Act for children of those whose immigration status means they have no access to other public funds - current overspend of £233k is being offset by one-off management actions which cannot be maintained into 2009/10 resulting in a cost pressure.	SPECIALIST SERVICES	6,500	13,163	13,163
Full Year Effect	Increased work around complex abuse cases (child protection) - under section 47 of the Children Act cthe council has a duty to investigate 'complex abuse'. Additional resources are required to meet costs of commissioning additional specialist support.	SPECIALIST SERVICES	1,000	1,500	1,500
Total FYE: CHILDREN'S			7,500	(85,337)	(85,337)

Invest't Category	INVESTMENT DESCRIPTION	SERVICE AREA	ANNUAL INVESTMENT		
			2010/11	2011/12	2012/13
			£	£	£
CHILDREN'S PORTFOLIO					
Demand	Investment required to fund the increase in numbers of looked after children coming into care.	Looked After Children	1,500,000	1,500,000	1,500,000
Demand / Legis'l've	Family contact and support: Additional costs arising from increased family contact and travel costs	Looked After Children	450,000	450,000	450,000
TOTAL INVESTMENT : CHILDREN'S			1,950,000	1,950,000	1,950,000