

Decision Maker: **Children and Young People
Policy Development and Scrutiny Committee**

Date: **24 January 2012**

TITLE: DRAFT 2012/13 BUDGET

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Ward: Boroughwide

1. Reason for report

- 1.1 The prime purpose of this report is to consider the Portfolio Holder's Draft 2012/13 Budget which incorporates future cost pressures and further range of budget saving options which were reported to Executive on 11 January 2012. Members are requested to consider the draft budget saving options and also identify any further action that might be taken to reduce cost pressures facing the Council over the next four years.
- 1.2 Executive are requesting that each PDS Committee consider the draft budget savings and cost pressures for their Portfolio and the views of each PDS Committee be reported back to the next meeting of the Executive on 1 February 2012, prior to the Executive making recommendations to Council on 2012/13 Council Tax levels.
- 1.3 There are still outstanding issues and areas of uncertainty which will impact on the Council's overall financial strategy. Any further updates will be included in the 2012/13 Council Tax report to the next meeting of the Executive.
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2. **RECOMMENDATION(S)**

2.1 The CYP PDS Committee are requested to:

- (a) consider the initial draft CYP 2012/13 Budget as a basis for setting the Council's overall 2012/13 Budget;
- (b) consider the draft CYP budget saving options proposed by the Executive;
- (c) consider the update on the financial forecast for 2013/14 to 2015/16;
- (d) consider how this Committee can continue to contribute towards reducing the service pressures to achieve a more sustainable budget position;
- (e) provide comments for the meeting of the Executive on 1 February 2012 when further consideration will be given to the Draft 2012/13 Budget.

Corporate Policy

1. Policy Status: N/A Sound financial management
 2. BBB Priority: Children and Young People
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost
 3. Budget head/performance centre: Total CYP Budget
 4. Total current budget for this head: £67m in 2011/12
 5. Source of funding: RSG, Council Tax, Specific Grants
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Staff

1. Number of staff (current and additional) –
 2. If from existing staff resources, number of staff hours – N/A
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Legal

1. Legal Requirement: Statutory requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000; and the Local Government Act 2002.
 2. Call in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected) - the 2011/12 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the council's customers (including Council tax payers) and users of the services.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments:

3. COMMENTARY

Approach to the Budget

- 3.1 Forward financial planning and financial management is a key strength at Bromley and this has been recognised previously by our external auditors. The Executive report on the 11th January 2012 set out the financial forecast for the next 4 years but with some caution around projections for the 3rd and 4th year of the Comprehensive Spending Review period (2013/14 and 2014/15) as well as the year following the 4-year Comprehensive Spending Review period (2015/16). There are significant changes which can impact on the Council's finances from 2013/14 arising from the final outcome of the Local Government Resources review which includes the localisation of business rates and council tax benefit.
- 3.2 The Budget Strategy has to be set within the context of a reducing resource base – the need to reduce the size and shape of the organisation to secure priority outcomes within the resources available. There is also a need to build in flexibility in identifying options to bridge the budget gap as the gap could increase further. The overall updated strategy has to be set in the context of the national state of public finances, unprecedented in recent times, and the high expectation from the Government that services should be reformed and redesigned. There is also a need to consider “front loading” savings to ensure difficult decisions are taken early in the budgetary cycle, provide some investment in specific priorities and to support invest to save opportunities which provide a more sustainable financial position in the longer term, ensuring stewardship of the Council's resources . Any budget decisions will need to consider the finalisation of the 2012/13 Budget but also consider the longer time frame where it is now clear that a longer period of austerity beyond 2015/16 is inevitable. Members will need to consider decisions now that can have a significant impact on the future year's financial position which ultimately will help to protect key services. Further details of the Council's approach to budgeting were included in the “Update on Council's Financial Strategy 2012/13 to 2015/16” considered by Executive on 7 September 2011.

Changes that could impact on longer term financial projections

- 3.3 In considering the next four years there remain many variables which will impact on any final outcome, these include:-
- The number of schools transferring to Academies will result in further “top slicing” in formula grant funding to the Council. An estimated additional £3 million per annum from 2013/14 has been assumed in the forecast, at this stage.
 - Income from interest on balances included in the 2011/12 Council Tax report assumed that interest rates will increase to 4.25% by 2014/15. The latest forecast assumes a revised level of 2.0% by 2014/15. Recent indications are that interest rates will remain low in the medium term which was confirmed in the recent downward projections on interest rates included in the Bank of England Inflation Report (November 2011). The credit rating agencies and the market in general continue to be extremely nervous about the financial climate resulting in recent downgrades to UK banks and building societies, primarily Barclays, Santander and Nationwide which will result in reductions to the total value and duration of such investments. This will undoubtedly lead to greater reliance on money market funds, which pay considerably lower rates in exchange for instant access to cash. The recent changes will impact on the Council's ability to earn interest on investments in 2012/13 and 2013/14 and potentially later years.
 - There will be a review of local government finance and the initial proposals include the abolition of Formula Grant and allowing local authorities to retain business rates. Although Bromley would be a net gainer, in reality there would be a business rate equalisation scheme to support low revenue raising authorities which may offset any gains. Other Government grants will still reduce in future years to reflect planned

reductions in public spending. No changes to the financial forecast have been made at this stage. There are planned 10% reductions in Council Tax Benefit Subsidy from 2013/14 which the projections assume will be cost neutral (i.e. offset by a corresponding reduction in payments). These proposals result in a significant risk transfer from central government to local government. Government currently manages the increasing costs of council tax benefit and the risks relating to variations in business rates. These risks will be managed by the Council from April 2013. Finally more detail of the options for “community budgets” will be produced from the local government finance review.

- The coalition Government will introduce many changes in its first term including, for example, changes to health (including transfer of funding for public health from 2013/14), welfare benefits, localism (including new powers of competence for Councils to act in the interest of their communities), which have been assumed as cost neutral in the projections at this stage.
- There will be many other variables as the forecast is based on predicting the next four years; the longer the timescale the greater the uncertainty. Many of the national issues outlined above, makes accurate forecasting post April 2013 virtually impossible. However, it is clear that a significant “budget gap” will continue.

Latest Financial Forecast

3.4 A summary of the latest budget projections including further savings required to balance the budget for 2012/13 to 2015/16 are summarised below:

	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m
Cost Pressures				
Inflation	8.10	15.70	23.40	31.10
Interest on Balances	0.00	0.00	-0.50	-1.00
Grant loss	7.30	11.80	20.10	27.90
Real changes	1.50	3.30	5.70	9.60
Provision for risk	2.00	1.50	1.50	1.50
Loss of grant funding (LACSEG)	0.00	3.00	3.00	3.00
	<u>18.90</u>	<u>35.30</u>	<u>53.20</u>	<u>72.10</u>
Income/Savings				
2.5% increase in Council Tax (assumes freeze at this stage for 2012/13)	0	-3.3	-6.7	-10.1
Savings approved by Executive February	-10.6	-9.7	-9.7	-9.8
Further savings identified	<u>-13.8</u>	<u>-23.9</u>	<u>-23.9</u>	<u>-23.9</u>
	<u>-24.4</u>	<u>-36.9</u>	<u>-40.3</u>	<u>-43.8</u>
Invest to Save (one-off)	3.00	0.00	0.00	0.00
Council Tax Freeze grant	-3.00	0.00	0.00	0.00
Contribution to Glades	0.90	0.00	0.00	0.00
Increase in Council Tax base	-0.50	-0.50	-0.50	-0.50
New Homes Bonus – transfer to earmarked reserve	2.00	2.30	2.50	2.70
Increase in New Homes Bonus	-1.30	-1.50	-1.80	-2.00
Infrastructure Fund (one off funding)	4.40	1.30		
	<u>5.50</u>	<u>1.60</u>	<u>0.20</u>	<u>0.20</u>
Remaining "Budget Gap"	<u>0.00</u>	<u>0.00</u>	<u>13.10</u>	<u>28.50</u>

The above table shows, for illustrative purposes the impact of a council tax freeze in 2012/13. If Members agree a council tax increase of 2.5% in 2012/13 the medium term “budget gap” reduces by £3.3m. Each 1% council tax increase generates ongoing annual income of £1.3m.

Growth Pressures

- 3.5 A breakdown of growth pressures over the next four years is included in Appendix 3 of the Executive report of 11 January 2012. The growth for CYP Portfolio is shown in the Table A below:-

Table A	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000
Children's Placements/additional referrals	500	500	500	500
Additional Pressures (SEN Transport - Exec January 2011)	150	150	150	150
New Growth Pressures – children's placements	100	100	100	100
New Growth Pressures – children with disabilities	605	605	605	605
	1,355	1,355	1,355	1,355

Saving Options

- 3.6 A summary of the savings options relating to the Children and Young People Services Portfolio is shown in the Table B below, and in **Appendix 1a, 1b, 1c and 1d** of this report:-

Table B	2012/13	2013/14
	£'000	£'000
Section 1 Budget options savings currently being implemented by Chief Officers	1,082	1,182
CYP full year effect savings from 2011/12 for 2013/14	0	770
CYP Additional budget options	960	1,476
	2,042	3,428

4. CHIEF OFFICER COMMENTS

The Director for Children & Young People Services (CYP) has highlighted a range of key issues that need to be taken into full account in shaping the 2012/13 budget arrangements for children's services.

4.1 Context

- 4.1.1 The CYP Department has been heavily reliant on grant funding and there are tight regulations and guidance on the use of grants including the Dedicated Schools Grant (DSG). In 2011/12 Grants such as Standards Funds and Surestart grant were either withdrawn by Government completely or amalgamated into other non-ringfenced grant such as Early Intervention Grant (EIG). In recognition of the Council's position as a Revenue Support Grant (RSG) 'floor' authority the Council has wherever possible, used grant flexibly to support essential services. Through this action, over successive years, an increasing range of statutory CYP services have been moved under grant funding. By 2011/12 a very high proportion of the CYP Department staffing has become reliant on grant funding. This action has enabled the continued delivery and improvement in children and young people services, whilst at the same time effectively removing these costs from Council Tax funding. This approach has given the Council some short term financial relief, but has inevitably made the CYP Department more vulnerable as the Government grants have been reduced or withdrawn.

4.1.2 The National Audit Commission publishes baseline indicators which provide comparative data for local authorities spend; using Section 251 Statement of local authority expenditure. Based on this annual assessment, Bromley has consistently been identified as a low-spend Authority in terms of central costs per child per annum in comparison with statistical neighbour LAs, and the London Average. This position is a direct result of the Government's requirement on the Local Authority to increase over time the percentage of delegated funding to schools, coupled with the low overall funding allocation to Bromley which has kept it on the Revenue Support Grant (RSG) 'floor' since 2002/03. The Audit Commission's comparative data for Bromley's spend compared to other LA's was reported to Members as part of the Director's CYP report of 29/11/11 (DCYP 11130) 'Children and Young People Services, Staffing, Business functions and funding'.

Table C Extracts from Bromley's Value for Money Profile. Published by the Audit Commission Based on 2010/11 data			
Service Area	Bromley Spend	Statistical Neighbour Average	All London Average
Children's services per young person aged 0-17	£1,526	£1,535	£2,071
Schools spend per pupil aged 3-19	£4,181	£4,561	£4,913
Schools Improvement per pupil aged 3-19	£32	£50	£76
LA functions per young person aged 0-17	£45	£81	£81
Youth Service spend per young person aged 13-19	£328	£332	£537
Special Education Needs per pupil aged 3-19	£42	£49	£53
Children's social services per young person aged 0-19	£370	£477	£798

4.2 CYP Service Cost Pressures

4.2.1 In the current financial year, there is a forecast overspend on the CYP non-schools budget of **£1.7m** as a consequence of children's placements in social care and children with disabilities, the higher cost of locum staff and SEN transport. However, through robust management action and flexible use of funding, the projected net overspend on the non-schools budget (as per the CYP Budget Monitoring report elsewhere on this agenda) has been reduced to **£138k**.

4.2.2 Demands on services for children continue to increase, particularly in statutory service responsibilities including: Children's Social Care, placement and support costs for children with Special Education Needs (SEN) and children with disabilities. This is a direct consequence of increasing volumes of children, the complexity of their needs and the associated costs. The service activity trends and costs are monitored closely by two Executive Working Parties: SEN and Safeguarding & Corporate Parenting with regular reports throughout the cycle of meetings to the CYP PDS Committee and that of the Portfolio Holder CYP. These reports have also outlined the strong framework of management action and measures taken within the CYP Department to contain the increased costs and offset, where possible, service pressures. This has included: further strengthening gatekeeping and management of eligibility criteria; reviewing commissioning arrangements through tight control of placement purchasing; a general moratorium on all running costs including post vacancies across the Department. Whilst this action has achieved in-year compensatory savings to contain the overspend, the service and costs pressures associated with these areas are predicted to continue into 2012/13 and beyond.

4.2.3 As part of the medium to longer term strategy detailed consideration is being given to early intervention, invest-to-save schemes to increase Bromley's in-borough capacity to meet the needs of children with SEN and disabilities, thereby reducing reliance on expensive out-borough provision.

4.3 Additional Funding for Social Care and Health

4.3.1 The Government allocated additional funding to Public Health transferring to LA's which was earmarked for spend on shared social care/health service areas for children and adults. A corporate bidding system has been developed by the Director of Resources through which the Director CYP can bid for a percentage of this funding to address early-intervention social care/health areas of responsibility. The total envelope of funding for Bromley is £3.2m in 2011/12 and £3m in 2012/13. Spending plans for this grant must contribute towards reducing demand for social care and health services – e.g. preventing of placements, and health related areas of placements themselves. Effective use of this resource will assist in managing the cost pressures associated with demographic growth in demand, particularly in relation to funding Children Social Care placements.

4.4 Local Authority Central Spend Equivalent Grant (LACSEG)

4.4.1 The Government initiated consultation in August 2011 regarding the proposed changes to the recoupment of LACSEG from LA's through top-slicing the Revenue Support Grant (RSG) allocation. The proposals being suggested would have had a major impact on Bromley and future funding. Officers modelled the likely impact based on the number of schools which had converted to academy status (25 schools); the net estimate being in the region of £6.25m. This was in comparison to the original £1.4m that was determined by DfE for 2011/12 and 2012/13. This was compounded by the suggestion that this funding reduction could have been backdated to 2011/12.

4.4.2 As part of Bromley's response to the consultation, strong representations were made direct to the DfE through meetings involving the CYP Portfolio Holder and Assistant and the Directors for CYP and Finance.

4.4.3 As part of the Local Government Finance Settlement announcements in early December 2011, further LACSEG information was released in the form of a second consultation. It outlined the position the Government was minded to take in terms of LACSEG for 2011/12 and 2012/13. The Government has responded positively to the issues raised during the consultation. The summary is as follows:-

- (1) 2011/12 - no additional reduction of grant as this would cause too much uncertainty and turbulence.
- (2) 2012/13 – no additional reduction for Bromley. DfE will work out a LACSEG figure using the 2011/12 S251 returns that all authorities complete and derive a LACSEG top-slice figure. However Authorities will be capped at a maximum of the original top slice in the formula grant for 2012/13. Authorities whose top slice is above the LACSEG calculation will be refunded. This means that Bromley's top slice will be limited to the £1.4m already planned for in the previous finance settlement.

4.4.4 However it has been made clear that this situation cannot continue into the medium term and that changes must be made to mitigate what the Government sees as double funding of authorities. This arrangement is transitional. For 2013/14 the Government is exploring removing the funding for LACSEG relevant services from formula grant into a DfE budget as part of the Local Government Resource Review. Grant would then be administered to authorities and academies proportionate to the number of pupils and at a national rate. As there are no details of how this is going to be administered, the impact on Bromley is unknown. Government will consult in 2012 on new proposals to take effect in 2013/14.

- 4.4.5 Therefore a risk remains of further top slicing from 2013/14 and beyond. This variable has been built into Bromley's draft financial strategy for 2012/13 to 2015/16.
- 4.4.6 Given the momentum and pace of academy conversions within Bromley, the in-year top slicing effect on the DSG is significant and that will have a direct impact on specific areas of central CYP services which are DSG funded. Of the Council's original 95 maintained schools (17 secondary, 74 primary, 4 special schools) as at 9 January 2012 a total of 26 schools have converted to academy status (15 secondary and 11 primary); a further 6 are currently pursuing conversion. Future levels of RSG and DSG top slicing will be based on Bromley's current and projected conversion rate, with the associated impact on the Council's funding and service levels.

4.5 **Dedicated Schools Grant (DSG)**

- 4.5.1 Government has recently announced the DSG for schools and LA school-related services funded from DSG for 2012/13. The funding remains static and at the same funding level per pupil as in 2011/12. However, Government are consulting on future funding levels which may mean further changes to the future funding methodology; these changes are expected to be implemented by 2013/14. The full effect of these changes is unknown until further announcements by Government. Although funding could rise due to formula changes there is also a risk of funding reductions which could have an impact on Schools and LA central support services funded through DSG.
- 4.5.2 Over previous financial years, where feasible within the terms of the DSG grant funding, key aspects of children's services many being statutory, have been transferred from RSG to DSG, to reduce the cost pressure on the Councils' core grant. As DSG levels reduce, this will place the sustainability of those services under significant pressure and potential risk.

4.6 **BUDGET OPTIONS 2012/13 TO 2014/15**

- 4.6.1 The reporting approach for the proposed budget options has been determined corporately so that there is consistency across Departments and Portfolios.
- 4.6.2 In accordance with the corporate process and timetable, each Chief Officer has been required to prepare a range of further budget options to enable the Council to reduce its net spend from £200m to £150m by 2014/15. In addition, as part of the corporate identification of savings, a programme of Aligning Policy and Finance reviews has been undertaken during the Summer/Autumn 2011 to examine all key areas of Departmental services and associated spend with a view to highlighting options for efficiencies, alternative ways of delivering services and reduced costs. Three reviews were progressed in relation to the CYP Portfolio: SEN and Inclusion; Children and Family Services; Behaviour Services. The outcomes from these reviews are reported elsewhere on this agenda.
- 4.6.3 In January/February 2011 the Council conducted consultation on the first two years of a four year budget strategy. This included savings aged for 2011/12 and 2012/13. The savings for CYP are set out in **Appendices 1a, 1b, 1c and 1d** and represent an additional phase of budget options identified with the department and through the corporate Aligning Policy and Finance reviews.
- 4.6.4 In identifying the further savings options for CYP to contribute to the Council's strategy for reduced service costs across the four-year period 2012/12 to 2015/16, every effort has been made to protect frontline services. However, given the scale of these savings, in addition to the front loaded savings approved for 2011/12 and the loss of grant allocations, inevitably this can only be achieved through a combination of measures including: reductions in management posts and business support functions; service restructuring; revisions to access thresholds; reductions to aspects of frontline service provision.

- 4.6.5 In identifying the budget options as reported to the Council's Executive on 11 January 2012, where approval was given to progress consultation, the Director CYP, Assistant Directors and Head of CYP Finance have assessed all of the CYP Department business functions and related staffing. For major aspects of the Department, most significantly affected by the reductions for 2011/12, the process has required a complete service redesign and restructuring. These changes will position the CYP department for its transition into the Council's new Department which will combine children's and adults services with effect from 1 April 2012.
- 4.6.6 Challenging targets have been set across the service. Officers are clear of the savings that are to be made and the plans for achieving these. Proposals are currently underway where possible. A number of proposals will involve further service restructuring and reductions to CYP service teams and will be the subject of consultation with staff, service users and voluntary sector providers and the outcome of which may influence decisions and outcomes. **Appendix 1a** summarises the savings that are currently already being implemented categorised by the corporate framework, **Appendix 1b** provides the detail behind the headline summary savings, **Appendix 1c** relates to the ongoing impact of 2011/12 budget savings (mainly full year effect) and **Appendix 1d** outlines the further savings that have been identified.
- 4.6.7 The cumulative savings for CYP for the financial years 2011/12 to 2013/14 are contained in the Table D below.

Table D	2011/12 £'000	2012/13 £'000	2013/14 £'000
Previously agreed savings from 2011/12 budget round	4,283	6,823	6,823
Further range of savings approved for 2012/13 – 2013/14	0	1,082	1,182
Full year effect savings from 2011/12 for 2013/14 for consultation	0	0	770
Additional budget options for 2012/13 and 2013/14 for consultation		960	1,476
	4,283	8,865	10,251

- 4.6.8 It should be noted that the programme of savings to the CYP budget 2011/12 – 2013/14, outlined in Table D above, were preceded by an in-year grant reduction of £1.4m in 2010/11, by the DfE. Table E illustrates the areas of CYP service functions that were affected by this grant-loss.

Table E – The 2010/11 in-year Area Based Grant (ABG) Grant Reduction of £1.4m		
£1.4m in-year 2010/11 ABG Grant Reductions		
		£'000
Mainstream Pupil Transport	-	34.6
School Improvement Service	-	580.0
Integrated Youth Service	-	392.0
Bromley Children and Family Project	-	123.8
Children's Social Care	-	289.6
		<u>1,420.0</u>

Clearly, this full range of budget reductions will have a compound impact on the overall resourcing and future capacity of CYP Services.

5. POLICY IMPLICATIONS

- 5.1 The Council's key priorities are included within the Council's "Building a Better Bromley" statement and include:
- Safer Communities
 - A quality environment
 - Vibrant, thriving town centres
 - Supporting independence, especially of older people
 - Ensuring all children and young people have opportunities to achieve their potential
 - An Excellent Council
- 5.2 "Building a Better Bromley" refers to aims/outcomes that includes remaining amongst the lowest Council tax levels in Outer London" and achieving a "sustainable council tax and sound financial strategy".

6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications are contained within the overall report.

7. LEGAL IMPLICATIONS

- 7.1 The delivery of some budget options will be dependant on consultation and formal decisions outside of the budget setting process. The Council has to set a lawful balanced budget before 11 March which will include contingencies to cover such items.

8. PERSONNEL IMPLICATIONS

- 8.1 The Corporate Trade Union and Departmental Representatives' Forum receives regular updates on the Council's finances and the associated policy implications and challenges. Staff and their trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the budget options. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

Non-Applicable Sections:	Legal Implications
Background Documents: (Access via Contact Officer)	Documents held in CYP Finance Division

CYP SECTION 1 BUDGET OPTIONS TAKEN FROM EXECUTIVE REPORT APPENDIX 5A

<u>SECTION 1 BUDGET OPTIONS</u>		2012/13 Budget £'000	2013/14 Budget £'000
SENIOR MANAGEMENT SAVINGS		217	217
OTHER STAFF SAVINGS		350	450
STAFFING CHANGES/CHANGE IN SERVICE DELIVERY/OTHER		100	100
REALIGNING FUNDING		415	415
TOTAL		1,082	1,182

This information in the table above is provided in more detail in **Appendix 1B:-**

CYP SECTION 1 BUDGET OPTIONS TAKEN FROM EXECUTIVE REPORT APPENDIX 5A - DETAIL

Department	Budget 2011/12 £'000	Budget Option Identified	Savings 2012/13 £'000	Savings 2013/14 £'000	Impact on Other Services /Notes
Children & Young People Services					
Zero based review of CYP Management Structure	1,871	Restructure Department Management Team and realign service blocks - reduce from 3 service AD's to 2; reduce third tier managers by 1 and reduce fourth tier managers by 1	217	217	Implications for the future strategic capacity of the department to address a range and complexity of business functions.
Statutory children information service	302	Phased deletion of 7 posts, access future delivery of service as website and signposting	100	200	Managing parental expectations and ensuring access to information and advice in accordance with the Councils' statutory duties
Safeguarding and Social Care - Care and Resources	554	Rationalisation of management posts	50	50	Minimal risk - redistribute management functions across remaining managers
CYP Dept Restructure - management	703	Rationalisation of management structure within Integrated Youth Service	40	40	Integrated Youth Service to transfer under children's social care and safeguarding and incorporate Youth Offending Team
Access and Inclusion – Education Welfare Service (EWS)	505	Rationalisation of EWS resourcing	60	60	Realignment and rationalisation of the Councils Education Welfare Service and targeting service delivery to meet statutory duties for LA maintained schools
Early Years and childcare	1,419	Staffing and commissioning efficiencies through realignment of services	100	100	Realign early years commissioning and quality assurance functions.
Bromley Children and Family Project	3,587	Realignment and rationalisation of management and business support structure	75	75	Redistribute functions. Implications for the future capacity of the service and ability to respond to need
Children's Social Care Workforce (formerly HRDS and NTS)	275	Children's Social Care Workforce (formerly HRDS and NTS)	25	25	Review training capacity to Children's Social Care Workers
Learning and Achievement	1,419	Reduce Early Years Support team and therefore level of support to pre school settings and schools. Fund through DSG	150	150	Use of DSG and uncertainty of future funding. Funding levels not guaranteed. Currently meets statutory duties in respect to early year's foundation stage through monitoring and intervention in 172 PVI providers and 67 schools and the PRS. Support to be differentiated according to need and performance of setting.
Safeguarding and Social Care	687	Recharging an eligible percentage of costs of Education Safeguarding to DSG	15	15	Use of DSG to cover a percentage of the costs of training for school based staff
Safeguarding and Social Care - children in care education	555	Realign education component of LAC support to the DSG	250	250	Transferring costs of Looked After Children educational improvement to the DSG
TOTAL			1,082	1,182	

CYP FULL YEAR EFFECT SAVINGS FROM 2011/12 - TAKEN FROM EXECUTIVE REPORT APPENDIX 5B

Overall Savings across all Departments for 2013/14 (Mainly full year effects)

REF	Department	Budget 2011/12 £'000	Budget Option Identified	Savings 2013/14 £'000	Impact on Other Services /Notes
	Children & Young People Services				
14	Awards Transport and Pupil Benefits	200	Cease funding Pupil Clothing and Footwear Grants	100	The provision of a uniform grant is discretionary. The saving is achievable by withdrawing this support to parents.
15	Standards and Achievement	413	BYMT - contract reduction	40	Service volumes - BYMT working with 4,716 children per annum individual tuition and 4,660 in Group tuition to terms of Bromley CYP contract. Funding reduction from LBB would require increase in their fees OR generate new income OR delivering to less children. The BYMT will have less lead in time to deliver the savings which will have an impact on the service it delivers.
16	Integrated Youth Service	1,986	Universal and Targeted (Connexions) Youth Support	580	This service fulfils the Council's statutory responsibilities for promoting positive activities in addition to the statutory duty for informal youth support and advice. There is a high level of part time/sessional staff. Total staff numbers in the youth service/internal connexions is 123. Proposals for restructuring of the Integrated Youth Support Service (Connexions plus the Youth Service) will reduce staffing from 57.9FTE to 33FTE. This was reported to Members in December. The service is currently delivered from 10 centres and 1 mobile facility. To achieve savings it is proposed to reduce the number of centres through the closure of 4 fixed centres and to sustain provision across the remaining 6 static and 1 mobile facility (Subject to consultation). As part of the changing profile for the service it intended to work with the community and voluntary sector organisation to support the provision of universal youth opportunities. Proposals for the variation of the contract for the delivery of Universal IAG have been the subject for negotiation between the LA and the contractor.
17	Access and Inclusion	473	Align the Behaviour Support Service with the Education Welfare Service	50	The behaviour service has been amalgamated with EWS with a reduction in management costs. The behaviour service is funded from DSG so increased alignment could result in reduced costs to RSG/Council Tax.
	TOTAL			770	

CYP ADDITIONAL BUDGET OPTIONS TAKEN FROM EXECUTIVE REPORT APPENDIX 5C

Dept	No	Service area	2011/12 Budget £'000	Saving in 2012/13 Cumulative £'000	Saving in 2013/14 Cumulative £'000	Possible Impact on Service/Notes
		REDUCTION IN SERVICE/ CEASING OF SERVICE				
CYP	22	SEN and Inclusion - Pre school statutory support for SEN and Inclusion	295	50	50	Service volume - 299 pre school children with SEN eligible for service support. A reduction of £50k would reduce level of service support, service thereafter to be targeted at those with most severe needs. EIG -Highly dependent on the future levels of EIG and the government's intention to move to payments by results.
CYP	23	Reduction in Bromley Youth Music Trust contract	394	20	20	Service volumes - BYMT working with 4,716 children per annum tuition and 4,660 Group tuition to terms of Bromley CYP contract. Funding reduction from LBB would require increase in their fees OR generate new income OR delivering to less children. The BYMT will have less lead in time to deliver the savings which will have an impact on the service it delivers. 3 year funding announced on 28th November 2011. Bromley allocated £417k in 2012/13, £360k in 2013/14 and £366k in 2014/15 (2011/12 grant allocation £394k). This is to support music hubs in LA's plus outreach.
CYP	24	Staff savings resulting from new dept		410	410	There will be implications for the future strategic and service capacity of the department to address the range and complexity of support services to schools and also to early intervention services
CYP	25	Safeguarding and Social Care - Safeguarding and Quality Assurance	880	45	45	reduces capacity by 120-140 LAC reviews per annum and may lead to extended timescales for dealing with cases
		Sub-Total		525	525	

Dept	No	Service area	2011/12 Budget £'000	Saving in 2012/13 Cumulative £'000	Saving in 2013/14 Cumulative £'000	Possible Impact on Service/Notes
		REDUCTION IN SERVICE/ CEASING OF SERVICE				
CYP	33	Child and Adolescent Mental Health Services total current funding envelope delivers services for 1850 tier 2 and 3 referrals through CAMHS and 1,225 referrals through Bromley Y targeted at tier 2	498	125	125	There are risks associated with the reduction in CAMHS funding given the volumes of referrals and potential increase in waiting times. However there is scope to access a level of alternative Health funding to compensate for this budget reduction and also to bid through the new commissioning avenues with the future Health commissioning strategy (shadow health and wellbeing board).
CYP	34	Reduce Bromley Youth Music Grant	394	294	294	Service volumes - BYMT working with 4,716 children per annum tuition and 4,660 Group tuition to terms of Bromley CYP contract. Funding reduction from LBB would require increase in their fees OR generate new income OR delivering to less children. The BYMT will have less lead in time to deliver the savings which will have an impact on the service it delivers. 3 year funding announced on 28th November 2011. Bromley allocated £417k in 2012/13, £360k in 2013/14 and £366k in 2014/15 (2011/12 grant allocation £394k). This is to support music hubs in LA's plus outreach Funding reduction from LBB would require increase in their fees OR generate new income OR delivering to less children. Given scale of potential cut it will result in a significantly reduced service in terms of number of children.
CYP/ACS	36	Transformation of Children & Adult Care Services		0	500	Future costs pressures from high cost placements and aging population could mean that any savings delivery are not realised.
		Sub-Total		419	919	
		FUNDING TO VOLUNTARY SECTOR ETC				
CYP	42	Carers Bromley	64	16	32	Carers Bromley work in partnership with the Council to provide a framework of support for the 724 referrals as young carers. This budget option would see the reduction in commissioning in this area and would lead to a significant reduction in the voluntary sectors capacity to support carers.
		Sub-Total		16	32	
		TOTAL		960	1,476	