

Notice of a Meeting

Children's Services Scrutiny Committee Tuesday, 8 December 2009 at 10.00 am County Hall

Membership

Chairman - Councillor Ann Bonner
Deputy Chairman – Councillor Neil Owen

<i>Councillors:</i>	M. Altaf-Khan	Anda Fitzgerald-	Tony Harbour
	Marilyn Badcock	O'Connor	Dave Sexon
	Roger Belson	Janet Godden	Val Smith
		Pete Handley	

<i>Co-optees:</i>	Mr Chris Bevan	Mrs Sue Matthew	Mrs Galina Kildyushova
	1 Vacancy		

Notes:

Date of next meeting: 23 February 2010

What does this Committee review or scrutinise?

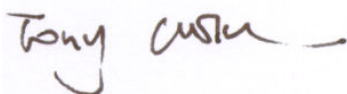
- Services for children, young people and families; preventative services; child protection; family support, educational policy; youth service; youth justice;
- Primary & secondary schools; special education; pupil services; school transport; music service

How can I have my say?

We welcome the views of the community on any issues in relation to the responsibilities of this Committee. Members of the public may ask to speak on any item on the agenda or may suggest matters which they would like the Committee to look at. **Requests to speak must be submitted to the Committee Officer below no later than 9 am on the working day before the date of the meeting.**

For more information about this Committee please contact:

Chairman	-	Councillor Ann Bonner E.Mail: ann.bonner@oxfordshire.gov.uk
Committee Officer	-	<i>Deborah Miller, Tel: (01865) 815384</i> deborah.miller@oxfordshire.gov.uk



Tony Cloke
Assistant Head of Legal & Democratic Services

November 2009

About the County Council

The Oxfordshire County Council is made up of 74 councillors who are democratically elected every four years. The Council provides a range of services to Oxfordshire's 630,000 residents. These include:

schools	social & health care	libraries and museums
the fire service	roads	trading standards
land use	transport planning	waste management

Each year the Council manages £0.9 billion of public money in providing these services. Most decisions are taken by a Cabinet of 9 Councillors, which makes decisions about service priorities and spending. Some decisions will now be delegated to individual members of the Cabinet.

About Scrutiny

Scrutiny is about:

- Providing a challenge to the Cabinet
- Examining how well the Cabinet and the Authority are performing
- Influencing the Cabinet on decisions that affect local people
- Helping the Cabinet to develop Council policies
- Representing the community in Council decision making
- Promoting joined up working across the authority's work and with partners

Scrutiny is NOT about:

- Making day to day service decisions
- Investigating individual complaints.

What does this Committee do?

The Committee meets up to 6 times a year or more. It develops a work programme, which lists the issues it plans to investigate. These investigations can include whole committee investigations undertaken during the meeting, or reviews by a panel of members doing research and talking to lots of people outside of the meeting. Once an investigation is completed the Committee provides its advice to the Cabinet, the full Council or other scrutiny committees. Meetings are open to the public and all reports are available to the public unless exempt or confidential, when the items would be considered in closed session

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, giving as much notice as possible before the meeting

A hearing loop is available at County Hall.

AGENDA

1. **Apologies for Absence and Temporary Appointments**
2. **Declarations of Interest - see guidance note on the back page**
3. **Minutes (Pages 1 - 10)**

To approve the minutes of the meetings held on 5 November 2009 (**CH3**) and to note for information any matters arising on them.

4. **Speaking to or petitioning the Committee**

SCRUTINY MATTERS

To consider matters where the Committee can provide a challenge to the work of the Authority

5. **Service and Resource Planning 2010/11 - 2014/15 (Pages 11 - 42)**

10:15

Contact Officer: Lorna Baxter, Assistant Head of Finance (Corporate Finance), 01865 323971

The attached report (**CH5**) sets out the Business Improvement & Efficiency Strategies for the Children, Young People and Families Directorate. The strategy contains the identified pressures and proposed savings over the medium term from 2010/11 to 2014/15. For reference, the current financial context and the report to the Strategy & Partnerships Scrutiny Committee are included. The scrutiny committee is invited to consider and comment on the strategies and the pressures and savings contained therein.

Comments from each scrutiny committee will be collated and fed back to the Cabinet by the Strategy and Partnerships Scrutiny Committee which meets on 14 January 2010.

Members of the Committee will have the opportunity to question the Cabinet Members for Schools Improvement and Children, Young People & Families, together with the Interim Director for Children, Young People & Families, Heads of Service and other officers on the identified pressures and proposed savings. Officers from Financial Services will also be present at the meeting to answer any questions that the Committee may wish to ask.

A presentation will be given to the Committee on the identified pressures and proposed

savings for 2010/11.

The Scrutiny Committee is invited to consider and comment on the Directorate Efficiency Strategies plus the identified pressures and proposals for savings contained therein.

6. Forward Plan

The Committee is asked to suggest items from the current Forward Plan on which it may wish to have an opportunity to offer advice to the Cabinet before any decision is taken, together with details of what it thinks could be achieved by looking at any items.

Close of Meeting

Declarations of Interest

This note briefly summarises the position on interests which you must declare at the meeting. Please refer to the Members' Code of Conduct in Section DD of the Constitution for a fuller description.

The duty to declare ...

You must always declare any "personal interest" in a matter under consideration, ie where the matter affects (either positively or negatively):

- (i) any of the financial and other interests which you are required to notify for inclusion in the statutory Register of Members' Interests; or
- (ii) your own well-being or financial position or that of any member of your family or any person with whom you have a close association more than it would affect other people in the County.

Whose interests are included ...

"Member of your family" in (ii) above includes spouses and partners and other relatives' spouses and partners, and extends to the employment and investment interests of relatives and friends and their involvement in other bodies of various descriptions. For a full list of what "relative" covers, please see the Code of Conduct.

When and what to declare ...

The best time to make any declaration is under the agenda item "Declarations of Interest". Under the Code you must declare not later than at the start of the item concerned or (if different) as soon as the interest "becomes apparent".

In making a declaration you must state the nature of the interest.

Taking part if you have an interest ...

Having made a declaration you may still take part in the debate and vote on the matter unless your personal interest is also a "prejudicial" interest.

"Prejudicial" interests ...

A prejudicial interest is one which a member of the public knowing the relevant facts would think so significant as to be likely to affect your judgment of the public interest.

What to do if your interest is prejudicial ...

If you have a prejudicial interest in any matter under consideration, you may remain in the room but only for the purpose of making representations, answering questions or giving evidence relating to the matter under consideration, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

Exceptions ...

There are a few circumstances where you may regard yourself as not having a prejudicial interest or may participate even though you may have one. These, together with other rules about participation in the case of a prejudicial interest, are set out in paragraphs 10 – 12 of the Code.

Seeking Advice ...

It is your responsibility to decide whether any of these provisions apply to you in particular circumstances, but you may wish to seek the advice of the Monitoring Officer before the meeting.

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CHILDREN'S SERVICES SCRUTINY COMMITTEE

MINUTES of the meeting held on Thursday, 5 November 2009 commencing at 10.00 am and finishing at 12.30 pm

Present:

Voting Members: Councillor Ann Bonner – in the Chair

Councillor Neil Owen (Deputy Chairman)
Councillor M. Altaf-Khan
Councillor Marilyn Badcock
Councillor Roger Belson
Councillor Mrs Anda Fitzgerald-O'Connor
Councillor Janet Godden
Councillor Tim Hallchurch MBE (In place of Councillor Tony Harbour)
Councillor Pete Handley
Councillor Dave Sexon
Councillor Val Smith

Other Members in Attendance: Councillor Louise Chapman and Councillor Michael Waine

Co-opted Members: Mr Chris Bevan
Mrs Sue Matthew
Mrs Galina Kildyushova

By Invitation: Carole Thomson

Officers:

Whole of meeting Julie Dean (Principal Committee Officer)
Lisa Michelson (Policy & Review Officer)

Part of meeting Item 8 - Julian Hehir (Policy & Review Officer)

The Scrutiny Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and agreed as set out below. Copies of the agenda and reports are attached to the signed Minutes.

36/09 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS
(Agenda No. 1)

Councillor Timothy Hallchurch attended in place of Councillor Tony Harbour.

37/09 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE ON THE BACK PAGE

(Agenda No. 2)

Cllr Hallchurch declared a personal interest in Agenda Item 6 on account of his being a member of the Federation of Small Businesses.

Cllr Fitzgerald O'Connor declared a personal interest in Agenda Item 7 on account of her membership on the Boards of Oxfordshire Play Association and Oxfordshire Playbus.

38/09 MINUTES

(Agenda No. 3)

The Minutes of the meetings held on 22 September 2009 (CH3(a)) and 5 October 2009 (CH3(b)) were approved and signed subject to the addition of Carole Thomson as being present at both meetings and the addition of the following bullet point at the top of page 21, 5 October 2009 meeting, to read as follows:

'A projected £600k would be withdrawn from the central budget if there were to be two academies'.

39/09 SCRUTINY WORK PROGRAMME 2009/10 - CHILDREN'S SERVICES

(Agenda No. 5)

It was **AGREED** to receive the matrix as set down in CH5.

40/09 LEARNING & SKILLS COUNCIL DISSOLUTION AND LAW CHANGE - PRESENTATION

(Agenda No. 6)

Members of the Committee were given a presentation based on a briefing paper prepared by (**CH5**) by Sandra Higgs, Strategy Leader, 14 – 19, and Richard Savage, Service Manager, Supporting Choices. This item had been one of the three principle topics earmarked at the 22 September meeting for review, the others being 'Bullying in Schools' and 'Science in Schools and the Community'. Plans were underway for presentations to be given to the 23 February meeting on the latter two topics.

Following the presentation, the Committee conducted a question and answer session, some of the responses to which are set out below:

Q Is Health & Safety, and in particular Manual Handling, part of the curriculum?

R Health & Safety is part of the curriculum for both the new Diploma and the Apprenticeship programmes. It is also a stand alone qualification. We have to think about the needs of the learners and, at the same time avoid duplication of courses in order to make them cost effective.

Q Will those that have started in the sixth form at Carterton College qualify for subsidised travel?

R It is the Local Authority's responsibility to organise travel and to ensure access to college courses. However, there are thresholds in place for qualification. We are finding that not all wish to apply for it and, to this end, we are working with Carterton College.

Q In my division there are a significant amount of small businesses, pubs, post offices, corner shops and farms employing young people aged under 18 and access to courses can be impossible without independent transport. In addition, might a number of small business employers lose their day release facilities? Will EU workers qualify for language course?

R Part of the changes is to give more flexibility to employers and providers and to make learners used to different styles of learning. Part of this flexibility could be via learning on the job, receiving both assessment and mentoring support. The challenge in Oxfordshire is to try to communicate this message to employers and providers in a better way and to ensure that types of programme availability matches up to need. Currently there are a large number of employers not giving training as employees are still required to travel to a central venue. Yes EU workers will qualify for language courses.

Q Will 16 year olds who are already in day release training, be breaking the law ?

R There is a nationwide debate currently going on about who to criminalise in these circumstances – the young people (or their parents), or the employers who take them on. We do not have an answer to that at this time. It is a matter of concern.

The Leach report said that young people not receiving training, and not willing to engage in training will be unlikely to remain in a job for a long time. Statistics suggest that young people currently in year 6 and 7 will be likely to have up to 17 jobs before the age of 50.

Local authorities responsible for post 16 training are concerned about the numbers of young people not in employment. Moreover, because they are not in learning, it is difficult to find them. We are working with the Learning & Skills Council to try to secure Government funded, extra learning places within Oxfordshire for young people up to the age of 17.

Q What is in the contract for current year 11's?

R We have a contract with Connexions to provide a range of information via the schools. This includes an area wide prospectus which includes a collation of all apprenticeships available, with the addition of job seeking information which is followed up with advice. For those young people who are struggling there is a guidance and support service, and their parents are also invited to come in to look at what is available. This is backed up by a guarantee that all 16 – 17 year olds will be given an offer of learning and this will be monitored.

Q Do we as a local authority have a legal obligation now to provide a place?

R We will pick up accountability from the LSC next year. There is no absolute legal requirement for the moment.

Q Would, say, a short block of one month's training in Agricultural College meet the requirement over one year?

R Yes, if they are working. There might be visiting assessors to their work etc. This would lead to a nationally recognised qualification. This Authority would provide the assessor.

Q Of the 8 new staff transferring from April, are any of these finance staff?

R The LSC have to employ very capable financial business managers, as they have to be able to manage large business envelopes. Of the staff transferring, 4 are financially competent. However, they are not accountants.

Q How will they be paid?

R The LSC conducts this on a national basis. This will amount to 9 extra monthly payments . The act of paying them will not be a challenge, the challenge will be around working pot how much they will receive. The formula is being worked up by the LSC at the moment and then they will instruct the providers. We might receive some administrative support, but we do not expect to get accountants.

Q Could there be significant financial implications for the Council?

R The current Government has made it clear that they are committed to spend on this as much they are doing now. Statistics suggest that there will be the same number of learners in the system in 2013 as now, but there will be a difference in what they will be doing. One could argue that the funding accessed at the moment is expensive.

Q Won't some youth clubs, for example, have some extra facilities which could be accessed?

R Functional skills are firmly embedded throughout all four pathways. For example, all young people are expected to have the opportunity to reach level 2 in English and IT and they are also expected to continue until they reach level 3, regardless of which pathway they are following. We enable this via the curriculum at 14, or by innovative means.

There is also a scheme called 'Back on Track' whereby the youth centre hosts pre 16 learners who are not in school. They provide a range of activities which are well suited to the youth centre environment. The first run of this has just finished in Didcot. All youth centres are getting an update programme in IT which is available to all users. There is not, however, any specialised input.

Q What would a young person do is they had not achieved good grades at GCSE and had not been able to find an apprenticeship?

R The thinking behind the Leach report is that some young people take longer than others to reach higher qualifications; and thus should be able to access skills in different ways. There is a recognition within the education field that the current system is not necessarily maximising the 'pot' of skills which young people can offer. This is already being addressed in a number of ways, one being via the broadening of the curriculum at age 14 giving the opportunity to study a diploma in a particular subject. This constitutes a different angle of learning. We aim to create more opportunities such as this.

Q I understand that the resource envelope remains the same – and you intend to introduce more opportunities? Has the Directorate a sense of where the money will come from to do this? And will there be a shortfall?

R We are very aware that we will have to create more expensive provision for the same amount of funding. At the moment we are receiving primary funding and many young people are benefiting from this. However, it won't last forever. There has been some collaboration and participation in the reduction of cost inefficient provision at the moment. For example, there are very small classes carrying small groups of 3 or 4 in neighbouring schools. We are in the process of reducing the amount of inefficient provision and placing it with good provision, where there are good facilities and the right staff in the right place. We have to look at current provision so that we can pay for more expensive provision. We are also trying to set up seven 14 – 19 consortia comprising representatives from the special, secondary and FE sectors to discuss how needs can be met and what the potential is.

Q Is there any central monitoring? Will the form filling be an extra burden on the School/College? This Scrutiny Committee supported has supported post 16 education into special schools. Has there been any clarity as to the funding streams with regard to this? This Council has put in additional monies to effect this.

R Getting clarity for this is a responsibility which will be retained by the Young People's Learning Agency. A member of the Local LSC will be transferred precisely for that reason. More work has to be done on it.

Q With the delay in will the current situation with regard to funding continue?

R At the moment there is a gap and there is no guarantee of what will fill it. It is currently based on LSC funding. This issue is currently being explored within the Directorate. The Leach report also refers to funding.

Q Few small businesses employ young people, one of the problems being that they need experience.

R Cllr Waine – Many people 'dumb down' lower qualifications. The Council takes the view that people with a lower number of qualifications are fulfilling roles in society which we cannot do without. With regard to young people, I have not seen the new diploma course working, in relation to the different levels of qualifications, as yet

On the conclusion of the above question and answer session it was **AGREED** to:

- (a) thank Sandra Higgs and Richard Savage for their briefing paper and for their attendance for the question and answer session; and
- (b) congratulate the officers on the positive progress to date and request Lisa Michelson to arrange a seminar for the Spring 2010 to which all members of Council will be invited.

Sandra Higgs undertook bring along her colleagues to the seminar who would be able to give the finer detail on funding. She also agreed to provide an electronic link to the Leach Report for members to look at prior to the seminar. Councillor Hallchurch also suggested that representatives from Oxfordshire Economic Partnership be invited also.

41/09 DRAFT OXFORDSHIRE CHILDREN & YOUNG PEOPLE'S PLAN 2010-13
(Agenda No. 7)

Members had before them a copy of the draft Oxfordshire Children & Young People's Plan 2010-13. This was an opportunity for the Committee to feed any advice/comment to Cabinet in relation to the draft Plan, prior to its submission for approval to the 15 December Cabinet and to full Council in January.

Sian Rodway, Councillor Louise Chapman and Councillor Michael Waine were present in order to introduce the report and to answer any questions that the Committee had. The Committee had a number of questions, some of which are detailed below along with the response received:

Q Play is very important to a child's development as it enhances trust and self confidence. There does not appear to be much emphasis placed on play in the document?

R (Cllr Chapman) The local authority has a Play Strategy which various people and organisations have signed up to . There is quite a significant amount of information on play on the website. We will have a look at it and maybe strengthen the language in the Delivery Plan.

Q Is there anything extra in the Plan to alleviate the problems Young Carers sometimes experience in school, such a bullying?

R Young Carers are mentioned in the Plan and there will be clear links within the Strategy. We have not started from scratch and we are linking into other Strategies extending into 2010 which are focussed on these young people, such as the Anti Bullying Strategy.

Q This is a very well written, plausible and exciting document – but have you been ambitious enough with some of the targets and milestones? For example, the secondary school absence rate targets? Also some of the statistics are not clear enough – for example those relating to entrants to criminal justice. How measurable are these targets?

R The priorities are the business of all the partners who have signed up to it and everybody will be held to account. The priorities also have to line up with legislative requirements so that we can then extricate funding against them. Some will show a very definite achievement by the end of the first year and some will take much longer. Every year they are reviewed formally, as is the Delivery Plan. LAA targets are set with GOSE and reviewed on an annual basis. It is recognised that the outcomes of some targets by their very nature cannot be predicted as they are set a long time in advance. With regard to the external targets in particular, we need to be very clear as to whose target it is, when it was set, what ability we have to revise it etc and whether we are in a position to move on. The Children's Trust will be monitoring the Plan and of course, scrutiny. We welcome any form of monitoring.

Q Oxford City Council's own response was to direct attention to the neglectful environments which some children were having to live in and proposing that they have a safe place to go to if bullying occurred. The Council also raised concern about patchy youth service facilities in some parts of the City.

R The points you raise are embedded in what we are trying to do with this Plan. We are working with our City Council colleagues on housing issues, with Health Visitors and with the Home/School Link. One challenge we have is that of communication and to ensure that all the links are in place. With regard to your concern about youth service provision in the City area we will be developing three area plans for the northern, central and southern areas of Oxfordshire, via three local area Trust Boards, to address the different priorities and challenges prevalent in those areas. We have already visited one area committee to speak on this area.

The Committee thanked Sian Rodway and Cllr Chapman for their attendance and for responding to the questions from members. It was **AGREED** to **ADVISE** Cabinet on 15 December that this Committee approved the priorities contained in the Plan, subject to clarification being given of some of the statistics contained within the document and an annotation added to some of the milestones and targets.

42/09 MONITORING - YOUNG CARER'S SCRUTINY REVIEW

(Agenda No. 8)

The purpose of this agenda item was to evaluate, 12 months on from the Cabinet's consideration of the review, what progress has been made in implementing the recommendations that were agreed. The review was undertaken by Councillors Anda Fitzgerald O'Connor, Carol Viney and David Turner, together with Ben Jackson, a former co-optee of the Committee.

Councillor David Turner, as lead member, had been tracking the review and he has been invited to attend.

Councillors Michael Waine and Louise Chapman were also in attendance to respond to any questions members of the Committee might have had with regard to the tracking report, together with Children, Young People & Families officers Deborah Parkhouse and Hannah Farncombe.

Copies of the full review were attached at **CH8(a)**, the Executive Summary at **CH8(b)** and the tracking report at **CH8(c)**.

Various follow up questions were asked by Cllr Turner to those contained in the monitoring report, some of which, together with the responses received, are detailed below:

Recommendation 1

Q Was Annex 2 circulated to all schools and why will the Action Plan relating to the work needed in schools not be developed until spring 2010?

R The contents of Annex 2 was sent out to all schools in the County and the contents embedded in the Young Carers Strategy. In addition, the Strategy has gone out to all schools. A new School Development Worker post has been developed to work county wide. This person will come into post in January 2010 and will build on the work done to date.

Q Couldn't the Strategy have been sent out earlier than September 2009?

R Much work was required to develop a Strategy with partners following the Cabinet meeting. Cllr Chapman commented that officers were able to embed a significant amount into the Strategy after consultation. The timing of the review was opportune, as officers were able to incorporate its recommendations into the Strategy.

Recommendation 3

Q How wide has the build up of non teaching support for young carers been? How many single points of contact have been made in schools?

R There have been some, but the situation is inconsistent. We have tried to develop it via integration with the Strategy.

Recommendation 5

Q Has there been any improvement to access to support services for those young carers living in rural areas?

R We have accessed voluntary drivers and other forms of community transport within some rural parts of the north and the south of the County. Also, Lord Williams's School in Thame have done some work on the recognition of young carers in the area. We have supported the School with some of the issues including bullying. However, generally this still remains a challenge area.

Recommendation 6

Q Have you managed to lobby the LGA to consider reviewing the legislative requirements around assessments for young carers?

R Cllr Chapman – This issue has come up at various times. I have raised it locally with MPs and others. I should add that this recommendation drew attention to the problems surrounding services available and provided for 16-24 year olds. We have re-commissioned the services in Oxfordshire during 2009 and this has meant that 16-24 yr olds in particular, have been prioritised. Oxfordshire is the first county to have done so.

Recommendation 7

Q Has the budget gone up or down for young carers?

R Cllr Chapman - When the report came to Cabinet we were under the impression that we were getting more money for it via the LAA. We had, in fact, bid for it ourselves. We found that part of the agreement was that we were unable to shift monies around into other services. However, we were able to increase funding into other services. This will be available for the next two years. We made a commitment by publicising the Strategy and we therefore found money for the required resources.

Recommendation 7

Q Are young carers allowed to telephone home during school hours?

R Young Carers are allowed to use mobile phones. This issue will be picked up by the development worker and the PCT in their protocols

Cllr Chapman commented that the Council can only encourage schools to allow this. Carole Thomson informed the Committee that the policy decision rested with the Governing Body.

Recommendation 8

Q Are GPs sharing the information – one cannot make allowance for them if they are not disseminating the information?

R (Cllr Waine) I have raised concerns about this. The school may have to take control when really it should be the task of other services. . We shall have to ensure that there is specific support for these young people.

Recommendation 10

Q Why did the bid to become one of the authorities involved in the Children's Society roll out of the development of the Key principles of Practice – Guidance for Practitioners and the Whole-Family Pathway, given the high levels of deprivation in pockets of Oxfordshire?

R Although this authority was involved in the development of it, we were not successful in our bid to become a pilot authority. The Children's Society were looking to other local authorities to do the pilots. However, we have implemented it anyway via the Children's Strategy.

Recommendation 14

Q When were the Princess Royal Trust for Carers approached?

R October of this year. It has now been established.

Q Are you doing anything for young carers of primary school age?

R We are doing something for the first time via new monies coming for a new service targeting young carers under the age of 8.

Q How many of these children are there?

R There are several within the County whom we know of. It is difficult to know if the numbers are rising or whether we are getting better at spotting them.

Councillor Turner and member of the Committee concluded by paying tribute to the work of young carers in the county who displayed a nobility and great maturity beyond their years.

The Committee thanked Councillor David Turner, Cllr Michael Waine, Cllr Louise Chapman, Deborah Parkhouse and Hannah Farncombe for their attendance and for responding to questions.

It was **AGREED** to thank all involved for a very thorough and worthwhile piece of work and for the progress made with the recommendations.

Hannah Farncombe and Deborah Parkhouse undertook to send a copy of the document 'Good Days/Bad Days' to those members who were new to the Committee and who had therefore not received it previously.

43/09 EDUCATIONAL ATTAINMENT SCRUTINY REVIEW - UPDATE
(Agenda No. 9)

The Committee noted the progress report.

44/09 TEENAGE CONCEPTION REVIEW - UPDATE
(Agenda No. 10)

The Committee noted the progress report.

..... in the Chair

Date of signing 2009

Division(s): N/A

CHILDREN'S SERVICES SCRUTINY COMMITTEE 8 DECEMBER 2009

SERVICE AND RESOURCE PLANNING 2010/11 – 2014/15

**Report by Assistant Chief Executive & Chief Finance Officer and
Director for Children, Young People & Families**

Introduction

1. This report forms part of a series relating to the Service and Resource Planning process for 2010/11 to 2014/15, and provides Scrutiny Committee Members with an opportunity to consider efficiency strategies for 2010/11 and the medium term for their programme area. Annex 1 provides background information on the financial context. More detailed information is provided in the Service & Resource Planning report to Cabinet on 15 September 2009.
2. The following annexes are attached:
 - Annex 1 Financial Context
 - Annex 2: Children, Young People & Families Directorate
 Business Improvement & Efficiency Strategy
 - Annex 3: Report to Strategy & Partnerships Scrutiny Committee
 25 November 2009
 - Annex 3,
 - Appendix 1: Summary of Identified Pressures and Proposed Savings

Service and Resource Planning process 2010/11

3. The Service & Resource Planning framework is designed to enable managers to plan for their service within available resources over the medium term. The underlying process for 2010/11 remains the same as in previous years but the emphasis is on identifying adequate and acceptable plans to achieve the savings targets issued to Directorates in July 2009.
4. Directorate efficiency strategies and draft business plans were completed in September in order that financial pressures and savings over the medium term could be considered by the relevant Star Chamber as part of the Service & Resource Planning process. A report to Strategy & Partnerships Scrutiny Committee on 25 November provided the overarching business efficiency strategy and the individual Directorate strategies (including pressures identified and proposals for savings).
5. An update on the Service & Resource Planning process will be reported to Cabinet on 15 December 2009. The Cabinet will finalise their budget proposals and propose the Revenue and Capital Budget for 2010/11 –

2014/15 on 19 January 2010, taking into consideration comments from Strategy & Partnerships Scrutiny Committee on 14 January 2010

6. This report provides the context for the current position, set out in Annex 1, based on the Service & Resource Planning report to Cabinet in September 2009 and includes the Business Improvement & Efficiency Strategy for Children, Young People & Families Directorate at Annex 2. For reference, the report to Strategy & Partnerships Scrutiny Committee is attached at Annex 3.
7. The scrutiny committee is invited to consider and comment on the strategies plus the identified pressures and proposals for savings contained therein.

Identified Pressures and Proposed Savings

8. The table below sets out a summary of identified pressures and proposals for savings within this scrutiny committee's programme area. These form part of the overall position set out in the Strategy & Partnerships Scrutiny Committee report on 25 November 2009.

Service	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Children, Young People & Families Directorate					
Total pressures	5,145	5,430	6,589	7,746	10,056
Total savings	-5,902	-9,689	-13,340	-16,642	-18,272
Net saving	-757	-4,259	-6,751	-8,896	-8,216
Total for Children's Services					
Total pressures	5,145	5,430	6,589	7,746	10,056
Total savings	-5,902	-9,689	-13,340	-16,642	-18,272
Net saving	-757	-4,259	-6,751	-8,896	-8,216

9. Pressures identified for the Scrutiny area total £5.145m in 2010/11 rising to £10.056m in 2014/15. Savings identified total £18.272m giving a net saving of £8.216m.

Financial and Legal Implications

10. This report is mostly concerned with finance and the implications are set out in the main body of the report. Under the Local Government Finance Act 1992, the Council is required to set a budget requirement for the authority and an amount of Council Tax. This report provides information on the financial position for the authority which forms a basis for those requirements, leading to the budget requirement and Council Tax being agreed in February 2010.

RECOMMENDATION

11. **The Scrutiny Committee is invited to consider and comment upon the Directorate Efficiency Strategy plus the identified pressures and proposals for savings contained therein.**

SUE SCANE

Assistant Chief Executive & Chief Finance Officer

JIM CROOK

Interim Director for Children, Young People & Families

Background Papers: Nil

Contact Officers: Lorna Baxter – Assistant Head of Finance (Corporate Finance) Tel. 01865 323971

December 2009

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Financial Context

1. The current Medium Term Financial Plan (MTFP) for the period 2009/10 to 2013/14 was agreed by the Council in February 2009. For 2010/11, this assumed an indicative Council Tax increase of 3.75% based on a budget requirement of £391.1m. However, as set out in the Service & Resource Planning report to Cabinet on 15 September 2009, it is likely that the global financial position will impact on our Medium Term Financial Planning, and on our ability to maintain the assumptions underpinning that.
2. The following table sets out the assessment of the estimated changes to the financial position for 2010/11 and the medium term compared to the MTFP agreed by Council in February 2009.

	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
<u>Estimated Funding</u>					
Central Government Grant		-7.8	-8.8	-9.9	-9.9
Council Tax (precept)	-1.4	-5.7	-9.7	-10.1	-10.6
Council Tax surpluses/deficits	-0.8	-0.5	-0.5	-0.5	-0.5
Total Funding	-2.2	-14.0	-19.0	-20.5	-21.0
<u>Planned Expenditure</u>					
Identified pressures	6.5	13.0	20.0	30.4	34.0
Savings required ¹	-16.2	-30.5	-44.4	-55.0	-55.0
Carry Forward of Savings	7.5	3.5	5.4	4.1	
Total Expenditure	-2.2	-14.0	-19.0	-20.5	-21.0

Changes to Estimated Funding

3. The estimated funding is the total external funding available to the Council after taking into account expenditure funded by specific grants and income raised through fees and charges. It includes Revenue Support Grant, National Non Domestic Rates, Council Tax (precept) income and the county council's share of the district councils' collection fund surpluses or deficits. The Service & Resource Planning report to Cabinet in September set out the changes in assumptions from those in the MTFP as follows:

Central Government Grant

4. 2010/11 will be the final year of the Local Government Finance Settlement for 2008/09 to 2010/11. Whilst the grant for 2010/11 will not be confirmed until

¹ The MTFP agreed in February included an additional £5.0m of savings to be made; these savings had not been identified and are required in addition to the £55.0m shown in the table.

January 2010, it is not expected to change. Oxfordshire is expected to receive £106.3m in 2010/11, a 1.5% increase from 2009/10.

5. The next Comprehensive Spending Review which will set out the expected grant for the three years 2011/12 to 2013/14 is not now likely to be published until October 2010 (assuming a general election in June 2010). The MTFP currently includes annual increases of 1% beyond 2010/11. Given the current level of public sector borrowing and the likely need to reduce expenditure to compensate, the expectation is that there will be no increase in grant for the three year period up to 2013/14. Each 1% change in grant equates to approximately £1.1m.
6. As part of the Revenue Support Grant, Oxfordshire is expected to receive £6.7m of 'Damping grant' in 2010/11. This ensures that Oxfordshire receives the minimum grant increase set by the Government. A possible outcome of the next Comprehensive Spending Review could be that this support could be reduced or it may even cease completely.

Council Tax (precept)

7. The planned Council Tax increase for 2010/11 and the medium term set out in the agreed MTFP is 3.75%. The taxbase, representing the number of properties Council Tax can be collected from, is assumed to increase by 0.5% in 2010/11 and 2011/12, and 0.75% thereafter. Since agreeing the MTFP, there has been no sign of recovery in new house building. With growth of only 0.39% in 2009/10, an increase of 0.5% in 2010/11 now looks very unlikely. Consequently the updated assumption is that there will be no growth in 2010/11 and only 0.25% in 2011/12. The impact of this is to reduce the total funding available by £1.4m in 2010/11 rising to £2.2m in 2011/12. The actual taxbase for each of the district councils will not be confirmed until January 2010.
8. Should the Conservative Party win the next general election, a Conservative government would work with local government to freeze council tax for two years. The impact of reducing council tax increases to 2.5% for the two years 2011/12 and 2012/13 has been included in the current assumptions.

Council Tax surpluses/deficits

9. The county council's share of the district councils' Collection Fund surpluses and deficits was £1.95m in 2009/10. The MTFP assumes £0.8m in 2010/11 and £1.25m in each year beyond. The lower figure for 2010/11 reflected the likelihood that in the short term the amount of bad debts from Council Tax could increase, lowering the income through the Collection Fund. Due to rising unemployment and the likelihood that it may take some time to recover from the recession, this position could no longer be realistic. At this stage it is prudent to assume that there will be no surplus in 2010/11 and reduced surpluses of £0.8m in each year beyond then. The impact of this is to reduce the one-off funding available in each year. As with the taxbase, figures will not be confirmed until January 2010.

Planned Expenditure

Starting point for the 2010/11 budget

10. The starting point for the 2010/11 budget is the 2009/10 budget adjusted for those items set out in the agreed MTFP for 2009/10 - 2011/12². These include inflation, previously agreed budget changes and function changes.
11. Planned savings of £4.8m for 2010/11 are already built into the MTFP, as well as savings of £5.0m for each year from 2011/12 to 2013/14. When the MTFP was agreed by Council in February 2009, further savings of £2.5m in 2010/11 rising to £5.0m in 2011/12 were required but not identified at that stage.

Changes to Planned Expenditure since February 2009

12. Since the budget was agreed, the financial position has been under continuous review. Pressures relating to the medium term have already been identified which require changes to the planning assumptions. These reflect the scale of the national and global recession, changes in legislation and pressures in the cost of services. The pressures which have been identified are:

Global recession

13. Impacts on Strategic Measures: Whilst CPI and RPI inflation measures are reducing as expected, the Baxter index (which is based on construction indices and applied to developer contributions) is not falling so fast or expected to fall as far. It is currently assumed that an extra £1m may be required. Assuming that the rate of deposit remains more in line with the base rate, the amount of income earned on deposits in 2010/11 could be £0.5m lower than budgeted.
14. The MTFP already includes £6m in 2011/12 for the possible increased costs of the employer's pension contributions following the next triennial valuation due to take place in April 2010. The position based on an assessment in June 2009 showed that the cost could be £2.5m higher than already assumed.

Government legislation

15. If responsibility for concessionary fares is transferred to county councils, there would be a shortfall in funding currently estimated to be £3.0m from 2011/12.
16. Further increases in landfill tax of £8 per tonne for each year from 2011 were announced in April 2009. This will cost an additional £1.5m each year, reaching £6.0m by 2014/15.
17. The Carbon Reduction Commitment (CRC) legislation to address climate change and energy saving was passed in October 2008. However, the details and financial implications of the scheme were only announced in the spring 2009. It is estimated that the cost could be £0.1m in 2010/11 rising to £0.2m in 2012/13. When trading commences, the costs may be much more significant and could be £1.0m in 2013/14 rising to £1.5m in 2014/15 although this will depend upon the Council's performance on carbon reduction.

² Part of the Service & Resource Planning – Financial Plan 2009/10 to 2013/14 document

Directorate pressures

18. In previous years budgets there have been pressures in Directorates which the Council made a decision to fund. As referred to earlier, in setting the budget and MTFP in February 2009, identified pressures were built in. However, there are likely to be some further pressures which arise that will need to be managed. Over the medium term, it is estimated that pressures required to be funded are £6.5m in 2010/11 rising to a total of £21.5m by 2014/15. These include pressures in Children and Families in Children, Young People & Families and the implications of changes in eligibility for Continuing Care within Social & Community Services.

Savings Targets

19. Adding together the effect of the funding and expenditure changes gives a total of £60.0m. Of that £21.0m relates to reduced funding, £34.0m to pressures and £5.0m to the unidentified saving built into the MTFP. The level of reduced funding will be a real reduction in the level of expenditure (ie. it will reduce the overall Budget Requirement), but the remaining savings identified will be recycled to fund continuing or new pressures within the overall funding available.
20. To ensure that pressures identified can be managed across the medium term, savings targets totalling £60m as shown in the following table were allocated to Directorates to be addressed through the business planning process.

Directorate	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	TOTAL £m
Children, Young People & Families	4.4	3.9	3.2	2.5	14.0
Social & Community Services	8.1	7.2	6.1	4.6	26.0
Environment & Economy	3.4	3.1	2.6	1.9	11.0
Community Safety & Shared Services	1.6	1.4	1.1	0.9	5.0
Corporate Core	1.3	1.1	0.9	0.7	4.0
TOTAL	18.8	16.7	13.9	10.6	60.0

21. The savings identified through this process are included as part of the Efficiency Strategies along with any additional pressures.



Business Improvement and Efficiency Strategy 2010/11 – 2014/15

Children Young People and Families

Context for Children Young People and Families

The Children Young People and Families (CYPF) Directorate is one of the largest directorates with a gross budget of £511m and staffing of over 14,000, of which 11,000 work in our schools and nurseries. The Directorate operates within an overall budget as follows:

Total 2009/10 Gross Budget	£511m
<i>which includes:</i>	
Dedicated Schools' Grant (DSG)	£317m
Grants for specific purposes only	£92m
Area Based Grant	£13m
Other	-£9m
Local Authority Base Budget Funding	£98m

Cumulative	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Total Pressures (including previously agreed savings not identified)	5,145	5,430	6,589	7,746	10,056
Total Savings Proposed	-5,902	-9,689	-13,340	-16,642	-18,272
Net Position	-757	-4,259	-6,751	-8,896	-8,216

Savings Target	-4,377	-8,283	-11,523	-14,000	-14,000
Position compared to target	3,620	4,024	4,772	5,104	5,784
Less Pressures included in £60m	-3,845	-3,995	-4,095	-4,195	-4,395
Net Position compared to target	-225	29	677	909	1,389

Staffing Changes in Full Time Equivalent (FTEs)	-52.1	-106.8	-219.9	-267.8	-272.4
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There are about 155,700 children and young people aged 0-19 years living in Oxfordshire, out of a total population of about 639,800 (mid 2008 data).

Some overview statistics:

- Over 14,000 full and part-time employees work within the directorate
- About 11,000 of these are in our schools and nurseries
- We have 289 schools
- We have 341 private, voluntary and independent (PVI) early years and childcare settings
- We have 45 children's and family centres

We want Oxfordshire to be the best place in England for children and young people to grow up, by working with every child and young person to develop the skills, confidence and opportunities they need to achieve their full potential.

The directorate has three priorities, as set out in the Children and Young People's Plan 2010-2013:

1. Keeping all children and young people safe

In partnership with the Primary Care Trust and National Health Service, Thames Valley Police, local schools and voluntary and community groups we support and deliver services to keep children and young people safe and protect them from harm. We provide services including prevention and early intervention, anti-bullying support, support for children and young people in care, in custody, who live in households with domestic abuse or who are involved in harmful risk-taking and behaviour, including substance misuse and sexual risk.

2. Raising achievement for all children and young people

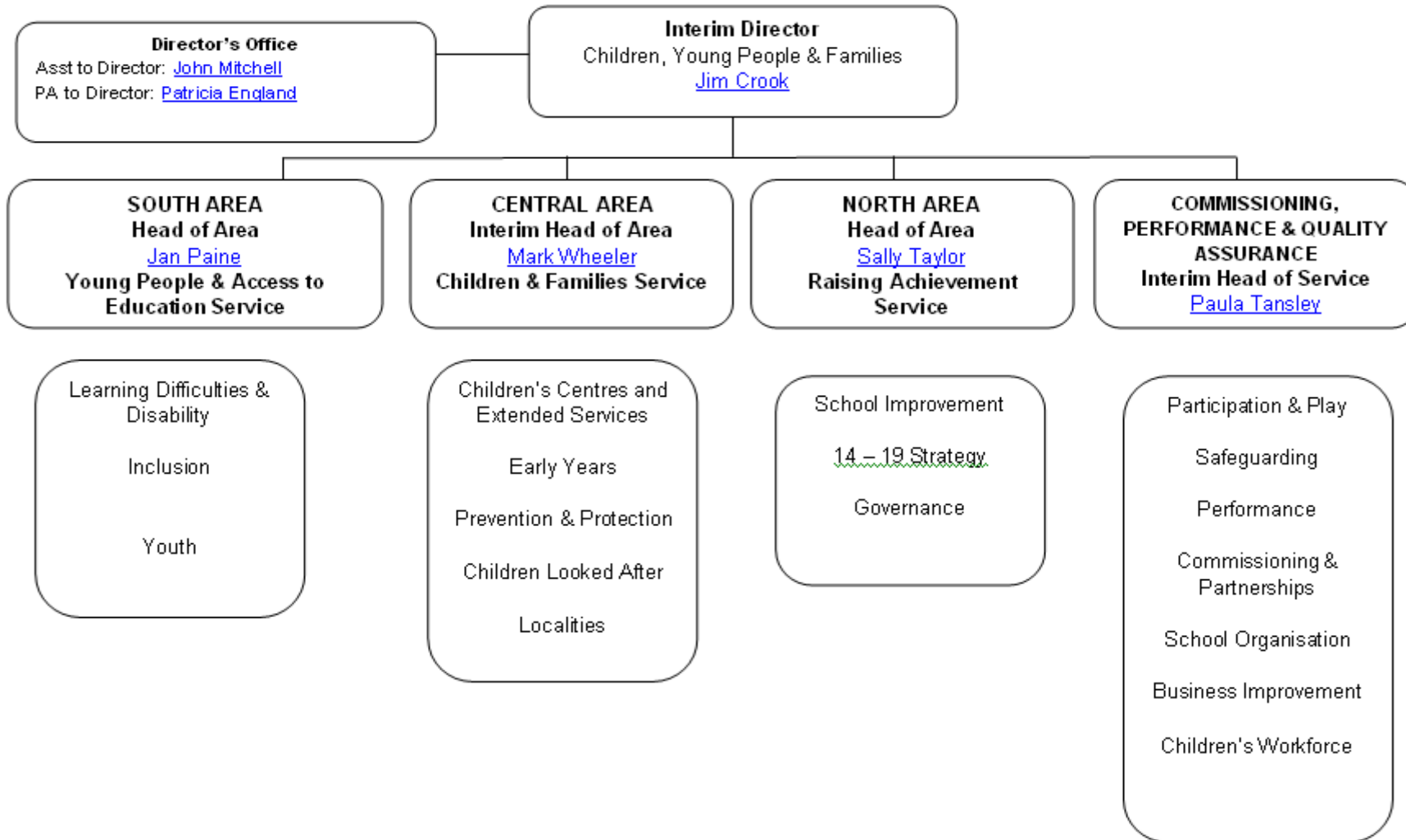
CYPF aims to raise the levels of educational aspiration, achievement and enjoyment of all children and young people in Oxfordshire, whilst particularly ensuring support for those with the greatest level of need. A key part of the directorate's work is to continue to raise the achievement of all children and young people living and learning in Oxfordshire so that our children and young people do as well as or better than those living in similar areas. Services include support and challenge to schools to raise achievement, extended services, improving attendance, positive and fun activities, provision of volunteering and community involvement, Primary Capital Programme, Building Schools for the Future and 14-19 activities including engagement of business.

3. Narrowing the gap for our most disadvantaged and vulnerable groups

Our most vulnerable groups of children and young people, at risk of being less healthy and achieving less well than their peers often face additional challenges. Through ensuring the provision of tailored education programmes, alternative education for children and young people with challenging behaviour, volunteering and community schemes, building capacity in schools to support children and young people at risk of exclusion we aim to reduce the number of young people not currently engaged in employment, education or training. We also provide parenting programmes, Children's Centres and support for children and young people with mental health needs and with autistic spectrum disorders. We are determined to give children and young people in vulnerable groups a better chance to succeed in life through focusing on prevention and early intervention, working with them to build resilience, minimizing the risks they face, and providing more targeted support.

Over the past year the structure has been re-organised to provide an integrated approach and greater responsiveness at local level by the development of three areas which each provide the full range of services. Each Area Head of Service manages a functional area alongside their area responsibilities. The Head of Service for the South Area also manages the Young People & Access to Education Service; the Head of Service for the Central Area also manages the Children and Families Service; and the Head of Services for the North Area also manages the Raising Achievement Service. The Head of Commissioning, Performance and Quality Assurance manages an extended range of cross-directorate services including performance management, commissioning, school organisation and planning and business improvement.

Management Structure of Children Young People and Families



Broad approach to improvement and efficiency

The directorate has a large overall budget but much of this is made up of specific grants and scope for efficiencies is consequently reduced. In putting together our efficiency plan we have taken into account the need to protect safeguarding and, where possible, front line services and to maintain statutory services. Some efficiencies already undertaken in previous years' plans include:

- Restructuring of Directorate
- First phase of Administrative Review
- Rationalisation of Raising Achievement Service
- Benchmarking against similar councils
- Deletion of unfilled posts
- Introduction of vacancy control

The current Medium Term Financial Plan identifies already agreed pressures and savings of +£2.4 million and -£5.3 million respectively for 2010/11 to 2013/14. In addition to this, the directorate efficiency target for the period of 2010/11 to 2014/15 is £14 million.

Our approach to efficiencies has been to take a directorate wide perspective rather than focusing on specific functional areas. This has enabled us to take a more considered view and make savings across service areas as well as target specific areas of work. Our strategy for further service improvement and efficiency is focused within the following categories:

1. Cutting bureaucracy and streamlining services

We will undertake a series of efficiency savings across the directorate, to reduce bureaucracy and minimise back-office functions. This includes some directorate-wide efficiencies/savings which are planned against budgets which are not held in one particular service, but are spread across multiple services within the directorate.

2. Rationalisation and re-structuring

Over the next four years we will rationalise and restructure some functions to enable both the delivery of our efficiency targets and leaner services / operational structures. The changes should reduce the overall establishment figure.

3. Reduction in subsidies and increased income generation

We have reviewed the opportunities to increase self-help and to generate increased income through fees and charges. There are a limited number of opportunities to do this, as our key focus is on 'core business' rather than generating income. However, where there are opportunities, e.g. to make Outdoor Education Centres self-sufficient financially, these are being pursued. We are also increasingly seeking to commission or re-tender services rather than make direct provision. Other examples of proposals for reductions in subsidies are a review of the basis of PRC arrangements (for redundancies and premature retirements) and of Schools Repairs and Maintenance.

4. Prioritisation of our services – major rationalisations and reductions

While the efficiencies gained through commissioning/re-tendering and some re-structuring will go a long way towards meeting our savings targets, we have also had to consider the priority afforded to some of our services. All service managers have considered service categories where they could stop or reduce non-statutory services or reduce the level of delivery to the statutory minimum.

The rationalisations will be managed to generate maximum efficiency which, if greater than anticipated, would then be re-invested in services as appropriate.

The efficiencies issues are addressed in the efficiency planning for the directorate. We have additionally provided an analysis of the type of saving, categorised as follows:

ES	Efficiency Savings (achieve the same outputs for less resource or additional outputs for the same resource)
IG	Income Generation (increased charges or increased volume, or new charge)
SR	Service Reduction (providing a lower level of service and/or a lower level of quality for the same/less money)
O	Other Types (e.g. alternative use of previously agreed funding, changes to funding streams)

In addition to these categorisations, we have provided an overall risk assessment of each saving based on the likelihood of achieving the saving. More details about the savings proposals are shown later in this document.

Directorate Pressures

The next five years will see the directorate face significant challenges and demands on our services. Overall the population of children and young people is likely to rise as new houses are built, with associated demand for school places, particularly at the younger age range. Whilst Oxfordshire is a relatively affluent county, there are several small areas of serious deprivation where children and young people experience ill health, are less successful at school, are more likely to become involved or experience crime, may become teenage parents, face higher unemployment, lower earning capacity and, ultimately, an earlier death than their peers. Specific pressures include the following challenges and opportunities:

Challenges/ Opportunities

- Placements – this is a demand led service with an increasing number of children and young people with complex needs requiring care. There has been a 30% rise in the number entering care in the first quarter in 2009-10. There has also been a rise in the number of placements for those with complex needs.
- Asylum seekers – the Council has a responsibility to provide services for Unaccompanied Asylum Seeking Children (UASC) and for former UASCs under the Leaving Care Act. The Council receives different levels of funding for different ages of clients which don't fully meet the full costs of providing services.
- Southwark Judgement – (May 2009, the Court of Appeal) - this has significant implications for the way children's services are delivered to homeless 16 and 17 year olds. The judgement extends the LA's duty of care for this group.
- Transfer of funding for 16-19 year olds from the Learning and Skills Council (LSC) from April 2010 and realising efficiencies and opportunities this brings.
- Raising the participation age in learning to 17 by 2013 and reducing numbers Not in Education, Employment and Training (NEET)
- Increasing access to early intervention and prevention services so as to reduce the development of more complex needs at a later stage but within the context of pressures to deliver efficiencies in the short term.
- Ensuring all children and young people are safe in the light of 'Baby P' taking into account raised expectations and the increasing numbers of children and young people who are vulnerable and who have complex needs.
- Developing the commissioning role of the Children's Trust to provide greater efficiencies and better outcomes.
- Embedding the Area Structure to respond to local needs
- Raising achievement, including for vulnerable groups, to meet the Council's aim and so that children and young people living in Oxfordshire do as well as, or better than those living in similar areas.
- Delivery of the ambitions of the Children and Young People's Plan in the context of economic challenges for the Council and its partners.

Changes in legal requirements and duties

- There is new legislation currently going through Parliament - the Apprenticeships, Skills, Children and Learning (ASCL) Bill - with impacts for the Children and Young People's Plan (CYPP) and the Oxfordshire Children and Young People's Trust (OCYPT).

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	<u>Young People & Access to Education</u>					
CYPFP1	Increased numbers of LDD (Learning Difficulties & Disabilities) children and young people arriving in county especially with ASC (Autistic Spectrum Conditions) preventing meeting recoupment targets and adding to local pressures	200	210	220	230	240
	<u>Children & Families</u>					
CYPFP2	Placements – Increase in the number of children & young people with complex needs requiring care.	2,295	2,245	2,145	2,045	2,045
CYPFP3	Unaccompanied Asylum Seeking Children (UASC) – Pressure arising from difference between grant funding and full cost of providing service	550	550	550	550	550
CYPFP4	Southwark ruling - increased costs for homeless 16 & 17 year olds who now have to be financed in the same way as care leavers	1,000	1,200	1,400	1,600	1,800
CYPFP5	Transport for children in care. A historical income target was set which has not been met due to increase in the numbers of complex contact arrangements made during care proceedings this includes transport for children to go to school, attend therapy and for contact with friends and family.	167	167	167	167	167
CYPFP6	"no recourse" cases, i.e. where the Council has responsibility to provide for families who are not eligible for other funding where failure to do so would result in children having to be taken into Local Authority care.	100	100	100	100	100
CYPFP7	Legal costs for children's cases. There has been a 33% rise in the number of legal proceedings and a corresponding rise in the number of private proceedings that the Local Authority has a duty to help with in certain cases e.g. supporting prospective adopters with their legal fees. There has also been an increase in the number of specialised assessments being undertaken before court proceedings due to changes in Court Procedures, i.e. the introduction of the Public Law Outline.	60	60	60	60	60

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	<u>Commissioning, Performance & Quality Assurance (CPQA)</u>					
CYPFP8	Children's Information & Integration Programme (ChIIP). There is a DCSF requirement for all Local Authorities to have an ICT system to support electronic management of children's social care case records and requirements of the Integrated Children's System (ICS). Until 2009/10 costs have been met from project funds and Capital Steering Funds.	275	275	275	275	275
CYPFP9	Building Schools for the Future - Tranche 1 schools: PFI unitary charge potential 'affordability gap' between the PFI unitary charge and PFI grant based tranche 1 schools. This is the gap prior to any contribution from schools.	0	0	0	0	2,100
	<u>Across Directorate</u>					
CYPFP10	Directorate wide pressures for functions where there is insufficient budget	294	419	419	419	419
CYPFP11	Additional resources for the expansion of the CYP&F Management Accounting Team to provide greater support and specialist expertise across the Directorate and schools.	204	204	204	204	204
CYPFP12	Unallocated savings previously agreed - This pressure represents the directorate 'cancelling out' this saving and replacing it with specified savings for 2010/11	0	0	1,049	2,096	2,096
	TOTAL CYPF PRESSURES	5,145	5,430	6,589	7,746	10,056

Despite these pressures, we anticipate that Children Young People and Families will achieve significant efficiency savings over the next five years and deliver against its priorities.

Savings Proposals

The savings proposals have not been divided by service. The Directorate Leadership Team reviewed all opportunities together and classified them into broad headings (as above). The details of the savings are given below, followed by a summary table.

1. Cutting bureaucracy and streamlining services

City Schools

This completes repayment of the major investment the authority undertook in the City Schools Reorganisation that was implemented several years ago. The final repayment is due to be made by the authority in respect of funding. This will release £413k of funding for other projects and pressures, the savings rising to £594k in a full year.

Reduction in venue/refreshment/conference costs through:

- Better procurement/negotiated rates
- Better guidance to staff on venues available, using minimum acceptable venue standard etc
- Area offices to seek local value for money (VFM) opportunities

Reduction in publications costs and improved information: through existing directorate working group to achieve short-term savings by:

- Switch from paper to electronic wherever possible
- Develop in-house design capacity (in place of external contracts) – like invest-to-save
- Review remaining external contracts for VFM
- Improve information on School Admissions

Streamline performance functions

Streamline performance functions, redistribution of essential tasks and cessation/rationalisation of other functions.

Planned expenditure chargeable to DSG

Review of the conditions associated with use of the Central Dedicated Schools Grant (DSG) funding suggests that some expenditure which has, to date, been funded from OCC core budget could, in future, be chargeable against this central element of DSG. This will not affect schools directly.

2. Rationalisation and restructuring

Conclusion of locality development phase

Completion of set up phase of Locality Working, including conclusion of locality co-ordinator contracts and introductory support arrangements for common assessment framework and team around the child.

Rationalisation of strategic functions

Rationalisation of management functions and charging of core funded salaries to grant funding for inclusion and general strategic activities.

Reduction in subsidy for outdoor centres

It is proposed to move towards a self financing model for Outdoor Education Centres over the next four years. Proposals are being developed which would enable this to happen over the next 3 years.

Early years and children's centres: ongoing efficiencies and grant maximisation

Amalgamation and consolidation of OCC support costs to DSG and Surestart funding and further efficiencies, including reduction in centrally commissioned training.

Restructuring of targeted education support services

Restructuring of targeted education support services, including ASET (Advisory Service for Education of Travellers) and EMAS (Ethnic Minority Achievement Service) to improve efficiency. The eventual conjoining of ASET and EMAS will provide greater savings and a more efficient service. Review charges to schools for excluded pupils.

3. Reduction in subsidies and increased income generation

Youth - Chill Out fund

End Council revenue contribution to Youth Chill Out Fund, some activity will still be covered by Youth Opportunities Fund. Any remaining activities would need to be capital projects funded from capital fund if continued.

Services for disabled children

Re-negotiation and reduction in value of contract. Aiming High grant will pick up delivery so no drop in service.

Income generation - Governors and Educational Psychology Services

Council ceases to provide some support services and charges or commissions from elsewhere, recharge to grant funding for SEN work instead of core budget. Review arrangements for schools to pay for non statutory educational psychology services and governor services.

Home to school transport

Maintain rigorous monitoring of expenditure. Consistent application of minimum home to school transport entitlements, including phasing out of non-statutory subsidies. Reduce level of subsidy for concessionary fares. Increase take-up of concessionary fares on buses with spare capacity.

Rationalisation of some school improvement functions and income generation

This includes a realignment of an existing budget for Excellence in Cities. There will be a small amount of income generation.

Review of respite care

Review of respite care for children with disabilities with a view to streamlining and supplying more cost effective provision.

Severance Panel/PRC

Review policy and tighten criteria for school redundancies and early retirement.

4. Prioritisation of our services – major rationalisations and reductions

Council ceases to provide some School Improvement Services over the next 5 years

This is against a changing background for school improvement services with the Local Authority functions becoming those of a facilitator, SIP manager and commissioner but not a provider. From April 2011 the funding for National Strategy support will cease and will go directly into school budgets.

Phase 2 of Admin review

Admin staffing savings to be allocated against each of the 4 services proportionally to number of admin FTEs

Rationalisation of Integrated Youth Support Service (non –statutory)

Review of non statutory elements of Integrated Youth Support Services and consideration of a range of alternative options for changing the service delivery model. In order to make significant savings we would need to make hard decisions that could include reviewing provision and then re-commissioning prioritised aspects. This would require a more flexible delivery model which could mean that services may not be provided by OCC in future but for example may be bought from other providers including private and voluntary sector. There would be significant capital implications and we would need to take into account existing capital programmes and grants for capital projects that may need to be re-paid. It may be that a mixed model could emerge. The savings represented here assume there will be significant changes and reductions in spending from the current £3.7million budget to £1.4 million. This would require a large scale piece of work to be undertaken and would affect all areas of the county during the process. Savings are unlikely to be made before 2012/13.

Tight vacancy management and reduction in agency and consultancy staff

Removing funding for vacant posts by:

- Freezing posts when they become vacant and requiring Directorate Leadership Team (DLT) scrutiny and approval for reinstatement. This would be rigorously but judiciously applied i.e. front line social worker posts would be exempt but all others would be subject to re-appraisal;
- Establishing a 3 months vacancy rule before any agreed posts are filled;
- Reduction and where possible elimination of agency and consultancy staff.

EFFICIENCIES & SAVINGS (CUMULATIVE)

REF	DESCRIPTION	TYPE	RISK	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
CYPF1	Inflation savings	O	L	-1,256	-1,882	-1,882	-1,882	-1,882
	Cutting bureaucracy and streamlining services							
CYPF2	Completion of payments of major investments in City Schools and consequent release of funding	O	L	0	-413	-594	-594	-594
CYPF3	Reduction in venue/refreshment/conference costs	ES&SR	M	-310	-460	-610	-700	-700
CYPF4	Reduction in publications costs and improved information	ES	M	-120	-230	-340	-360	-360
CYPF5	Efficiencies in performance functions	ES	L	-60	-120	-120	-120	-120
CYPF6	Planned expenditure chargeable to Central Dedicated Schools Grant (DSG) funding	O	M	-720	-970	-1,040	-1,040	-1,040
	Rationalisation and restructuring							
CYPF7	Concluding set up phase of locality working	ES	M	-48	-193	-193	-193	-193
CYPF8	Rationalisation of strategic functions	ES&SR	M	-260	-486	-712	-938	-938
CYPF9	Reduction in subsidy for outdoor centres	ES & IG	M	-100	-200	-400	-600	-878
CYPF10	Early years and children's centres: ongoing efficiencies and grant maximisation.	ES	M	-280	-445	-555	-600	-600
CYPF11	Restructuring of targeted education support services	ES&SR	M	-200	-440	-530	-580	-580

EFFICIENCIES & SAVINGS (CUMULATIVE)

REF	DESCRIPTION	TYPE	RISK	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	<u>Reduction in subsidies and increased income generation</u>							
CYPF12	Youth - Chill Out fund	SR	M	-100	-100	-100	-100	-100
CYPF13	Services for disabled children - renegotiation of contract	ES	M	-50	-50	-50	-50	-50
CYPF14	Income generation - Governors and Educational Psychology Services	IG	M	-70	-163	-258	-263	-263
CYPF15	Reduction in home to school transport costs	ES&SR	H	0	0	0	-500	-500
CYPF16	Rationalisation of some school improvement functions and income generation	ES & IG	M	-735	-805	-825	-875	-875
CYPF17	Review of respite care provision for children with disability		M	-200	-200	-200	-200	-200
CYPF18	Severance Panel/Premature Retirement – review of policy and criteria	SR	M	-500	-525	-550	-575	-1,575
	<u>Prioritisation of our services – major rationalisations and reductions</u>							
CYPF19	Council ceases to provide some School Improvement Services	ES & IG	H	0	-192	-534	-602	-954
CYPF20	Phase 2 of Admin review	ES&SR	M	-193	-385	-577	-770	-770
CYPF21	Rationalisation of Integrated Youth Support Service (non – statutory)	ES&SR	H	0	-30	-1,170	-2,300	-2,300
CYPF22	Tight vacancy management and reduction in agency and consultancy staff	ES	H	-700	-1,400	-2,100	-2,800	-2,800
	TOTAL CYPF SAVINGS			-5,902	-9,689	-13,340	-16,642	-18,272

Summary

The Directorate is fully committed to making efficiencies, cutting bureaucracy and streamlining services and has a track record of delivering efficiencies. However, as highlighted above, the majority of our budget is made up of specific grants and scope for efficiencies is consequently reduced. We have, however, gone through a rigorous challenge process to meet our targets. We have prioritised the need to protect safeguarding and maintain statutory services and have identified ways to streamline services and minimise back office services wherever possible. We are also seeking to increase our commissioning of services and reduce direct provision of services where this will have least impact on service delivery but will improve cost effectiveness and lead to improved outcomes for children and young people. We have had to make some difficult choices and have put forward some tough proposals. Some of the savings proposed are high risk and we may face challenge from national and local responsible bodies and partners and from service users. Nevertheless, we believe the savings are deliverable and will ultimately lead to better value for money and improved outcomes.

Jim Crook
Interim Director for Children, Young People & Families

Division(s): N/A

STRATEGY & PARTNERSHIPS SCRUTINY COMMITTEE 25 NOVEMBER 2009

SERVICE AND RESOURCE PLANNING 2010/11 – 2014/15

**Report by Assistant Chief Executive & Chief Finance Officer and Assistant
Chief Executive (Strategy)**

Introduction

1. As part of the Service & Resource Planning process, Strategy & Partnerships Scrutiny Committee is meeting prior to the December round of Scrutiny Committees to consider the Business Improvement and Efficiency Strategies for all Directorates. Each Scrutiny Committee will then consider the strategies for their programme areas with comments from each being passed back to Strategy & Partnerships Scrutiny Committee in January 2010, in order that the committee can then feed back to Cabinet in time for consideration as part of their budget proposals.
2. The following annexes are attached:
 - Annex 1 : Summary of Identified Pressures and Proposed Savings
 - Annex 2 : Oxfordshire's Business Efficiency Strategy
 - Annex 3 : Children, Young People & Families Business Improvement & Efficiency Strategy
 - Annex 4 : Social & Community Services Business Improvement & Efficiency Strategy
 - Annex 5 : Environment & Economy Business Improvement & Efficiency Strategy
 - Annex 6 : Community Safety Business Improvement & Efficiency Strategy
 - Annex 7 : Corporate Core & Shared Services Business Improvement & Efficiency Strategy

Service & Resource Planning process 2010/11 - 2014/15

3. The report to Cabinet in September set out that since the budget was agreed in February 2009, the financial position has been under continuous review. Pressures relating to the medium term were identified which required changes to the planning assumptions. These reflected the scale of the national and global recession, changes in legislation and pressures in the cost of services. The impact of these was spread across the timeframe of the business plans, but with a significant impact in 2011/12.
4. In total pressures of £60.0m were identified, £21.0m relating to reduced funding, £34.0m relating to pressures and £5.0m relating to previously agreed budget changes in the Medium Term Financial Plan (MTFP). The level of

reduced funding being a real reduction in the level of expenditure, however, the remaining savings identified being recycled to fund continuing or new pressures.

5. In July 2009, savings targets rising to £60m over the medium term were issued to Directorates to ensure that the identified pressures could be managed across the medium term and allow adequate time for options and plans to be worked up before the budget is agreed in February 2010.
6. In addition to the £60.0m savings target, the existing MTFP already includes £30.0m of planned savings over the period 2009/10 – 2013/14.

Identified Pressures and Proposed Savings

7. Directorate Business Improvement and Efficiency Strategies alongside draft business plans were completed in September in order that financial pressures and savings over the medium term could be considered by the relevant Star Chamber as part of the Service & Resource Planning process.
8. Through this process pressures totalling £83.5m have been identified, an increase of £23.5m from the estimate in July. The total of savings proposed is £81.1m, after deducting £5.0m already required in the existing MTFP, is £16.1m more than planned. The pressures and savings include £7.5m which have already been agreed as part of the existing MTFP (and form part of the £30m referred to in paragraph 6), but for which specific savings had not previously been identified. The new pressures and savings should therefore exclude this figure. The table below sets out the position.

Year on Year	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	TOTAL £m
Total Pressures Identified	19.4	20.0	10.8	21.4	11.9	83.5
Less : Previously agreed but unidentified savings now shown as a pressure		-1.1	-3.1	-3.3		-7.5
NEW PRESSURES	19.4	18.9	7.7	18.1	11.9	76.0
Total Savings Proposed	-30.1	-17.6	-15.8	-15.4	-2.2	-81.1
Less: Savings required in existing MTFP	2.5	2.5				5.0
Less : Previously agreed but unidentified savings now shown as a pressure		1.1	3.1	3.3		7.5
NEW SAVINGS	-27.6	-14.0	-12.7	-12.1	-2.2	-68.6
NET POSITION	-8.2	4.9	-5.0	6.0	9.7	7.4

9. The table shows that over the medium term there is still a shortfall of £7.4m. This assumes that in 2010/11 and 2012/13 the surpluses are carried forward to future years to cover or contribute towards the deficits.
10. The overarching business efficiency strategy and the individual Directorate strategies (including identified pressures and proposed savings) are set out in Annexes 2 to 7.

Staffing Changes

11. When the savings target of £60m was distributed, it was recognised that there would be a reduction in the number of posts over the medium term of around 500. The table below sets out the proposed staffing changes in full time equivalents (FTE) over the medium term, which arise from the individual Business Improvement and Efficiency Strategies.
12. Many of these reductions can be met through turnover and redeployment. There are currently in excess of 500 vacant posts throughout the organisation (excluding schools), with annual turnover based on the first six months of this financial year at 15%.

Year on Year	2010/11 FTE	2011/12 FTE	2012/13 FTE	2013/14 FTE	2014/15 FTE	TOTAL FTE
Children, Young People & Families	-52.1	-54.7	-113.1	-47.9	-4.6	-272.4
Social & Community Services	-15.0	-22.4	-14.5	-18.5	-2.0	-72.4
Environment & Economy	-18.0	-6.0	-12.0	-12.0	0	-48.0
Community Safety	-4.2	-4.0	0.5	3.0	0	-4.7
Shared Services	-12.0	-3.0	-3.0	0	0	-18.0
Corporate Core	-55.0	-19.0	-16.0	-16.0	0	-106.0
NET POSITION	-156.3	-109.1	-158.1	-91.4	-6.6	-521.5

Council tax

13. The existing MTFP assumes Council tax increases of 3.75% for 2010/11 and beyond. Given the current low rates of inflation, the Committee are asked to consider if they think 3.75% is still an appropriate increase. In considering this, the Committee should bear in mind that every 1% reduction in Council tax requires £2.7m of savings, which would be required in addition to those already set out in the Business Improvement and Efficiency Strategies.

Capital Programme

14. The timetable for consideration of capital is slightly later than the consideration of revenue. The Capital Star Chamber was held on 24 November 2009 and the draft Capital Strategy and Corporate Asset Management Plan will form

part of the report to Cabinet on 19 January 2009 having been considered by Strategy & Partnerships Scrutiny Committee on 17 December 2009. Given the later consideration, it is proposed that the chairs from each Scrutiny Committee are invited to attend the December meeting to comment on the capital proposals.

RECOMMENDATION

15. **The Scrutiny Committee is invited to :**
- (a) comment on the overall Council position and the balance of pressures and savings across the directorates;**
 - (b) note that the Directorate Business Improvement & Efficiency Strategies plus the pressures and savings therein will be considered by the Service Scrutiny committees, their comments being fed back to Strategy & Partnerships Scrutiny Committee for consideration in January 2010;**
 - (c) consider whether the Council tax increase in the existing MTFP is still appropriate recognising that any reduction would require further savings to be identified; and**
 - (d) agree to invite the chairs of the Service Scrutiny Committees to attend the Strategy & Partnerships Scrutiny Committee on 17th December 2009 to comment on the capital proposals.**

SUE SCANE
Assistant Chief Executive & Chief Finance Officer

STEPHEN CAPALDI
Assistant Chief Executive (Strategy)

Contact Officers: Lorna Baxter – Assistant Head of Finance (Corporate Finance)
(Tel. 01865 323971)
Alexandra Bailey – Corporate Performance & Review Manager
(Tel. 01865 816384)

13 November 2009

Service & Resource Planning 2010/11 - 2014/15**Summary of Identified Pressures & Proposed Savings**

		2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
Corporate and Cross Directorate	Pressures	1.7	2.5	2.5	5.2	6.6
	Savings	0.0	0.0	0.0	0.0	0.0
	Net Pressures	1.7	2.5	2.5	5.2	6.6
Children, Young People & Families	Pressures	5.1	5.4	6.6	7.7	10.1
	Savings	-5.9	-9.7	-13.3	-16.6	-18.3
	Net Pressures	-0.8	-4.3	-6.8	-8.9	-8.2
Social & Community Services	Pressures	2.1	3.8	5.6	7.6	12.7
	Savings	-10.2	-19.2	-27.0	-33.6	-33.4
	Net Pressures	-8.1	-15.4	-21.4	-26.0	-20.8
Environment & Economy	Pressures	5.3	11.0	12.8	16.9	18.8
	Savings	-8.6	-12.6	-15.5	-19.8	-20.3
	Net Pressures	-3.3	-1.6	-2.7	-2.9	-1.4
Community Safety	Pressures	0.4	0.5	0.8	0.9	0.9
	Savings	-0.9	-1.4	-1.9	-2.6	-2.6
	Net Pressures	-0.5	-0.9	-1.1	-1.6	-1.6
Shared Services	Pressures	0.0	0.0	0.1	0.2	0.2
	Savings	-0.8	-1.0	-1.1	-1.1	-1.1
	Net Pressures	-0.8	-1.0	-1.0	-0.9	-0.9
Corporate Core	Pressures	2.6	2.2	2.7	3.2	3.4
	Savings	-3.8	-3.9	-4.7	-5.2	-5.5
	Net Pressures	-1.1	-1.7	-1.9	-2.1	-2.1
TOTAL	Ongoing Pressures	17.2	25.4	31.2	41.7	52.6
	Savings	-30.2	-47.8	-63.6	-78.9	-81.1
	Net Pressures	-12.9	-22.4	-32.4	-37.2	-28.4
Year on Year		-12.9	-9.4	-10.0	-4.8	8.8

Summary of Overall Funding Position

	Savings Identified	Saving in MTFP	Total Savings	Identified Pressures	Tax and Grant Funding Pressures	Total Pressures	Net Savings and Pressures	Cumulative Balance	Minimum further Savings to be found
	£m	£m	£m	£m	£m	£m	£m	£m	£m
2010/11	-30.1	2.5	-27.6	17.2	2.2	19.4	-8.2	-8.2	
2011/12	-17.6	2.5	-15.1	8.2	11.8	20.0	4.9	-3.3	
2012/13	-15.8		-15.8	5.8	5.0	10.8	-5.0	-8.3	
2013/14	-15.4		-15.4	10.5	10.9	21.4	6.0	-2.2	
2014/15	-2.2		-2.2	10.9	1.0	11.9	9.7	7.4	7.4
Total	-81.1	5.0	-76.1	52.6	30.9	83.5	7.4		

Totals excluding £7.5m of previously agreed but unidentified savings recorded now as a pressure and a saving

Total	-73.6	5.0	-68.6	45.1	30.9	76.0	7.4
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