

MEETING, 21<sup>ST</sup> JANUARY, 2008

Also in attendance

Mr. A. Jennings Democratic Services Manager

Councillor Mrs Thomas in the Chair

The minutes of the proceedings of the meeting of the Policy Development Group held on 4<sup>th</sup> December, 2007 were submitted and signed as a correct record.

The Director of Children's Services submitted a report which informed members of the Strategic Budget Options in respect of the Children's Services portfolio for 2008/2009 following financial guidance agreed by the Executive at its meeting in January, 2008 and the indicative Dedicated Schools Grant (DSG) settlement as announced by the DCSE.

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The report advised that the strategic budget options for Children's Services had been prepared based on:-

- the full passporting of the Dedicated Schools Grant (DSG) to the Children's Services Portfolio;
- cashable savings of 4% being sought in respect of the non schools element of the Children's Services portfolio;
- the DSG base to be adjusted in 2008/09 to reflect the transfer of the Bolton Muslim Girls School into the maintained sector from September, 2007;
- Council investment of £ 500,000 in the school improvement service and provision for front line youth services; and
- Council investment of £ 500,000 in support of the BSF (Building Schools for the Future) programme.

The report advised that the Department would be required to generate savings equal to 4% of the non-schools budget, this represented slightly less than £1.6 million savings requirement against a budget of just over £43 million.

The report stated that a number of budget considerations had been identified together with a range of strategic policy options for 2008/09. Inflationary, superannuation pressures and capital debt costs amounted to £6.6 million across the whole portfolio. The report advised that, in order to fund these pressures the Department had identified a range of cashable savings. Some of the processes adopted by the Department included analysis of the potential to generate efficiencies through business process re-engineering; benchmarking exercises to indicate areas of higher than average spend to be investigated; value for money reviews and maximising the use of external funding.

The potential savings identified included:-

	£
Agency Placements	50,000
Integrated Youth Offer Review	500,000

Early Start and Children's Social Care	157,500
Finance Unit	20,000
Departmental Management Realignment and Capacity Building	135,000
Children's Trust	59,800
Children's Services Departmental Expenditure Reductions	250,000
Music Service	103,000
Education Social Work Service	91,200
Behaviour Support	60,000
Schools Centrally Held Contingency	100,000
<b>Total Potential Savings:</b>	<b>1,526,500</b>

Funding within the centrally held block was subject to the central expenditure limit regulations (CEL). These regulations provided that centrally held resources could not increase any faster than the delegated funding to schools. However, the CEL may be breached with the approval of the Schools Forum.

During the consultation regarding the budget setting for 2007/08, and given the significant financial pressures against the centrally held block (and LA block), the Schools Forum was asked to consider breaching the CEL limit for 2007/08 in order to allow a number of the policy option proposals to be supported.

At the Schools Forum meeting on 10<sup>th</sup> January, 2008 the Forum had agreed that the Central Expenditure Limit be breached for 12 months only, to support the following policy options: -

- (a) known existing budget pressures in the sum of £103,000; (covering inflationary pressure, school meals, and FMSiS introduction);
- (b) central support for the Music Service in the sum of £103,000; and

(c) support for ESW provision in the sum of £ 91,200.

Given this breach was for only one year an adjustment had been incorporated within the budget estimates for April, 2008 to reflect the temporary breach in 2007/08.

The PDG was advised that ,whilst available funding would be insufficient to meet all the demands in the centrally held schools block, there was still over £1.6 m funding available for growth within this block. It was reported that £900,000 had been allocated against the delegated schools block to cover the potential impact of the pay and grading review.

It was reported that the Schools Forum had recommended using the remaining budget growth to support the following;

- **a formula factor to support International new arrivals**

Following discussion earlier in the year by the Formula Review Group and presentation to the Schools Forum, the Schools Forum recommended the introduction of a new formula element to fund international new arrivals;

- **pooled resources to support integrated working**

The Schools Forum had agreed that the Central Expenditure Limit be breached to create a resource of £ 100,000 to support integrated working across Children's services and within schools to improve outcomes for children.

- **a formula factor to support attainment of Looked After Children**

Following discussion earlier in the year by the Formula Review Group, the Schools Forum recommended the introduction of a new formula element from April 2008 to fund support for Looked after children within schools (equal to approx £ 262,000) based on the actual number of looked after children within each school.

The impact of these recommendations was shown in Appendix D to the report.

**It was agreed that the report be noted and be submitted to the Executive Members for Children's Services and Young People and Sport.**

(The meeting started at 4.30pm and finished at 5.00pm)