

BUDGET PROPOSALS REPORT FOR EDUCATION & CHILDREN'S SERVICES 2012/13

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REASON FOR ITEM

To comply with the Budget and Policy Framework procedure rules as part of the agreed consultation process for the General Fund revenue budget and capital programme for 2012/13, this report sets out the draft revenue budget and capital programme for Education & Children's Services for 2012/13, along with indicative projections for the following two years. Following consideration by Cabinet on 15 December 2011, these proposals are now under consultation, and the proposals for each Group are being discussed at the January cycle of Policy Overview Committees.

Cabinet will next consider the budget proposals on 16 February 2012, and the report will include comments received from Policy Overview Committees. At the meeting on 16 February 2012 Cabinet will make recommendations to full Council regarding the budget and Council Tax levels for 2012/13. Full Council will meet to agree the budgets and Council Tax for 2012/13 on 23 February 2012.

The Committee needs to consider the budget proposals as they relate to Education & Children's Services, but within the corporate context and the constraints applying as a result of the aggregate financial position of the authority.

OPTIONS AVAILABLE TO THE COMMITTEE

It is recommended that the Committee notes the budget projections contained in the report, and comments as appropriate on the combined budget proposals put forward for Education & Children's Services, within the context of the corporate budgetary position.

INFORMATION

Background

1. As reported to Council in February 2011, the budget report for Council Tax setting for 2011/12 contained an initial savings requirement of £16.4m for 2012/13. The budget strategy developed in response to the CSR 2010, which is reliant on the HIP Business Improvement Delivery project, contained challenging savings targets totalling in excess of £60m over the subsequent four year period. Having delivered budgeted savings of around £15.6m in 2010/11 (£10.2m original savings target, increased to £15.6m to deal with in-year Government cuts) and being well on track to deliver an additional £26.2m savings in 2011/12, initial plans had been developed to deliver the £16.4m savings required in 2012/13. Alongside this, groups were also tasked with reviewing all pressures and a review also commenced of all corporate pressures.

2. The local Government Finance Settlement in 2010 was for 2 years, so large elements of the funding for 2012/13 were known at the start of the budget cycle. However, there were still a number of areas of uncertainty within the budget, some of which still remain, and recent funding consultations add further uncertainty going forward. In addition, there are some emerging demand led pressures which have now been recognised in the draft budget. The net result of all these changes is that the estimated budget gap now stands at £17.8m.
3. The timetable for the development of the 2012/13 budget was brought forward significantly from previous years with work commencing as soon as the 2011/12 budget was agreed by Council in February. Work on the development of savings proposals was integrated with service transformation work programmes and managed through the HIP Business Improvement Delivery programme. BID has continued to develop and evolve. The Deputy Chief Executive and Corporate Director of Planning, Environment, Education and Community Services has full control for the delivery of the total BID programme to ensure there is a standardised approach taken across all departments and services and oversees the established group change boards, who manage the delivery of the programme within each group. This refreshed governance framework enabled significant early progress on both the delivery of a balanced 2011/12 budget position and the development of a balanced set of proposals for 2012/13. Challenge sessions were held with all groups during June to ensure their proposals were sufficiently robust and to discuss the service pressures in each area, both ongoing and emerging. As a result of this work the draft 2012/13 budget was comprehensively updated and a detailed set of proposals and supporting working papers provided to the Leader at the end of July.
4. The structure of the report reflects the budget proposals reported to Cabinet on 15 December 2011, and sets out the aggregate corporate position, followed by Education & Children's Services proposals extracted from the wider corporate budget.

The Budget and Policy Framework Procedure Rules

5. The consultation on the budget proposals commenced on 16 December 2011 following decisions taken by Cabinet on 15 December 2011.
6. There will be a further consideration by Cabinet of the budget proposals on 16 February 2012, including comments from Policy Overview Committees. These will be collated and reported back to Cabinet by the Corporate Services and Partnerships Policy Overview Committee. Council will be requested to approve the Cabinet's proposals on 23 February 2012, and if approved without further amendment they will be effective immediately.

Corporate Summary

7. While the focus of the discussion for the Policy Overview Committee should be the specific services within its remit, it is important that this discussion is conducted in the context of the overall corporate financial position.
8. The budget proposals included in this report represent Cabinet's budget strategy for 2012/13 and beyond. The revenue budget proposals have been developed to deliver a zero increase in Council Tax for 2012/13 whilst maintaining balances and reserves at well above £12m over the medium term.
9. The main challenge in delivering a balanced budget for 2012/13 is the development of significant savings of around £17.8m, on top of the £26.2m delivered in 2011/12. However, the Council's Business Improvement Delivery Programme is now well established and is driving the delivery of these savings. The month 7 budget monitoring for 2011/12 shows that good progress is being made in responding to this challenge; with the latest year end forecast showing a projected budget underspend of £2,349k and 94% of the 2011/12 savings being on track for delivery.
10. The final funding settlement for 2012/13 has not yet been announced and the budget has therefore been drafted on an estimated cut in funding of £9.2m, partially offset by a further central Government grant of £2.8m enabling a freeze in Council Tax in 2012/13.
11. Detailed within the draft budget proposals, in addition to the £17.8m savings proposals are £5.1m of corporate increases, £5.4m of contingency provisions and service pressures and an allowance of £3.3m for inflation.
12. The development of savings proposals has continued to concentrate on more efficient service delivery methods, the rolling out of the new Council operating model, focusing on core services and by not creating new pressures by providing services that are no longer funded by Central Government.
13. The draft general fund capital programme for 2012/13 amounts to £204m over three years, with £111m of that investment focused on meeting demand for Primary School Places across the Borough. In addition this programme will enable completion of a number of major projects during 2012/13 including the South Ruislip and Hayes End Library Developments and a new Civic Amenity Site at New Years Green Lane.

Education & Children's Services Budget Proposals

CHILDREN AND FAMILIES SOCIAL CARE SERVICE

Summary of Key Financial Issues

14. The challenge for the Children and Families social care service is to be able to manage the external demand that drives a majority of its spend and cannot easily be reduced. In September 2011, the results of the children in need (CIN) census for Hillingdon were published (for April 2010-March 2011) and this showed increases in referrals and the number of children subject to child protection (CP) plans.
15. The increased demand in child protection work, reflected in the children in need census for 2010-2011 has not diminished in recent months, and has continued at the same rate during the latter part of the year [September 2011-December]. There are currently 254 children who are subject to a child protection plan in Hillingdon. In addition, 36 new cases with one child or more have been escalated into the court process, since April 2011. In the last two months of the year, -November 2011 and December 2011, there were 220 child protection enquiries, almost double the number of enquiries in the same two months of 2010.
16. The challenge therefore is to achieve the same outcomes at less cost through redesigning existing services and providing more cost effective services coupled with a preventative strategy that deflects an individual's demand to a later date or eliminates it altogether. The Children and Families MTFF for the current year was the start of this journey in which the provision of additional in-house Foster parents will play a key part in enabling this change to be successful.
17. The Children and Families service has 3 key priority outcomes which are:
 - a. **Managing Demand:** keeping young people independent, investing in preventative services to reduce the need for vulnerable children, young people and their families from receiving statutory social care or from becoming homeless or in housing need.
 - b. **Managing the System:** efficient and effective in-house provision that delivers time-limited interventions to effect change so young people can learn or re-learn crucial skills to live independently.
 - c. **Managing Supply:** building capacity within in-house fostering and housing services, delivering support, choice and independence to vulnerable, complex and high dependency young people and ensuring efficient commissioning of external placements where required.
18. The MTFF for Children and Families as proposed is a continuation of the current strategy to reduce reliance on external provision for fostering and residential placements and enable young people to be supported to live within their family or from the support offered from the in-house fostering service. One strand of managing

supply is the weekly Access To Resources Panel chaired by The Deputy Director and with representation from Education and Health which rigorously monitors all requests for new placements and monitors outcomes.

19. The Fostering Service has an on-going, intensive foster carer recruitment programme underway and has reviewed its structure to improve the support to, and supervision of, carers. Hillingdon are also utilising funding from the DfE for a Multidimensional Treatment Fostering Care programme (MTFC) targeting young people aged 12 -16 with more complex and challenging behaviour.
20. Hillingdon is part of the West London Alliance Efficiency Programme for Looked After Children and Care Leavers, a three year programme which was launched in Spring 2011 to deliver savings and efficiencies from spend on externally commissioned social care provision. Hillingdon are leading on the work with the Independent Fostering Agencies, and are represented on the other workstreams including involvement in in-year negotiations which are underway.
21. The contribution from Housing (which is also a continuation of the strategy embarked on last year) is key to ensuring the availability at the right time of suitable accommodation for young people according to their needs. This is especially key for those who are, or about to, be leaving care and with by working with Housing colleagues the department can better meet needs locally from within our own resources.
22. The MTF for Children and Families as proposed is a continuation of the current strategy to reduce reliance on external provision for fostering placements and enable young people to be supported to live within their family or from the support offered from the in-house fostering service.
23. We are transforming our services to deliver our aim that young people have the choice and control to live safe, healthy, independent lives in supportive local communities. We are doing this by providing advice and information, preventative measures and support designed around the individual, and supporting the delivery of suitable housing, including adaptations to homes. Close partnership working across social care, housing and health care services underpins the transformation of our services.

National Scene

24. The national scene continues to change as the coalition government publishes more guidance and draft policies. The paragraphs below summarise the main areas of challenge for Children and Families Social Care

Monro Review

25. In May 2011 Professor Eileen Monro published her report¹ of a review of Child Protection, the recommendations are far reaching and will impact on Children and Families services. On 13 December 2011, Tim Loughton, Parliamentary Under-

¹ www.education.gov.uk/munroreview

Secretary of State for Children and Families gave an update to Parliament on progress being made across the range of commitments in the Government response to the Munro Review, the full response can be found at the Department of Education website. A summary of the recommendations and the Ministers response are at Appendix C. Locally, work is progressing in response to these recommendations and the Minister's response.

26. The Minister's full answer reiterates the important message that implementing Professor Munro's recommendations requires a shift in mindset. The Government response to the Munro Review was not intended to be a one-off set of recommended solutions imposed from the centre, but a joint venture between central Government, local agencies, local authorities and professionals. The reforms are designed to shift the focus of the child protection system on to the things that matter most: the views and experiences of children and young people.

Family Justice Review

27. The Family Justice Review panel commissioned by the Government has published a package of recommendations (03 November 2011) aimed at tackling delays in the family justice system and to make sure that children and families are given the service they deserve.

28. The key recommendations are:

- a) A new 6 month time limit in care cases so delays are significantly reduced
- b) Enabling people to make their own arrangements for their children when they separate, and only use courts when necessary
- c) Overhauling the family justice system so that agencies and professionals work together to improve the experience and outcomes for children and families.

Adoption Guidance

29. The Government has signaled its intention to speed up the adoption of children in the care system through issuing new national guidance in April 2011. Improvements in the adoption system will be tightly monitored through a more stringent inspection and regulatory regime. Improvements envisaged by the Government are as follows:

- a) The information required about potential adopters should be reviewed, to ensure that only relevant information is collected;
- b) Reports to court and to adoption panels should contain more analysis, rather than description;
- c) Adoption panels should be streamlined so that they focus on the selection of adopters rather than care planning;
- d) Inspection and performance data should focus on outcomes rather than process;
- e) Government policy will also promote alternative forms of permanence, such as Special Guardianship, as well as adoption, as offering a permanent and stable home for vulnerable children

Human trafficking: the Government's strategy

30. The Government launched its new strategy on human trafficking in July 2011 which sets out a renewed focus on preventing human trafficking overseas, before the harm can reach the UK, while maintaining and improving care arrangements for adult victims at home. The strategy takes a comprehensive approach to tackling trafficking. It:

- a) confirms a commitment to improving victim care arrangements
- b) focuses on disrupting trafficking networks before they reach the UK
- c) establishes a basis for smarter multi-agency action at the border
- d) aims to improve coordination of our law enforcement efforts in the UK
- e) seeks to strengthen intelligence-gathering and -sharing through the new National Crime Agency
- f) places emphasis on raising awareness of child trafficking and ensuring child victims are safeguarded and protected from re-trafficking

Children and Families Social Care Service Revenue Budget 2012/13

31. The movement between the current year's budget and the draft budget requirement for 2012/13 is summarised in the table below. Each of the lines in the table is set out in the following sections and in Appendix A.

Children and Families Social Care Service Revenue Budget 2012/13

	Budget (£000s)
Budget 2011/12	29,035
Inflation	268
Corporate Items	31
Service Pressures	1614
Priority Growth	150
Savings	
Full year impact of 2011-12 savings (no changes)	(333)
Full year impact of 2011-12 savings (revised)	(1,768)
Total Savings	(2,101)
Other Adjustments	0
Draft Children and Families Social Care Service Revenue Budget 2012/13	28,997

Development and Risk Contingency and Service pressures

32. The Development and Risk Contingency provides for resources within the revenue budget that are unallocated at the beginning of the year, but that can be applied to issues as they arise during the year. The contingency is therefore used to budget for items where the probability or value of items is uncertain at the beginning of the

year. For Children and Families social care there is contingency provision of £1,614k as set out in the table below.

Children and Families Social Care Development & Risk Contingency	Provision 2012/13	Provision 2013/14	Provision 2014/15
	£(000s)	£(000s)	£(000s)
Potential Calls			
Social Care Pressures (Children's)	165	240	315
Asylum Funding Shortfall	1,449	1,240	1,174
Total Children and Families Development & Risk Contingency	1,614	1,480	1,489

33. Social Care Pressures (£165k) This contingency has been set aside in response to the Southwark judgement (May 2009). This has been reviewed based on 18 months actual experience and indicates that the previous provision can be substantially reduced.

34. Asylum funding shortfall (£1,449k) Members of this committee will be aware of the increased pressure now being reported through the monthly monitoring as a result of reduced grant funding from United Kingdom Border Agency (UKBA). The numbers of children presenting as unaccompanied asylum seeking children (UASC) has been steadily reducing over the last 2 to 3 years. This fact was recognised by UKBA when the Gateway grant negotiations were being undertaken and resulted in a fixed element to the grant. The purpose being to recognise the infrastructure investment necessary when numbers were significantly higher (e.g. Weir House), coupled with a reduced rate per week based on the child's age. There are 2 other Gateway authorities, Kent and Croydon.

35. The grant conditions allow for the UKBA to initiate a review of the Gateway grant (currently £1,987k) should the numbers vary by 20% from the 30th September 2010 position. It is expected that LBH will trigger this threshold during Q3, the reduction as at Q2 being 18%. The MTFF therefore allows for a 20% reduction in the grant from 2012/13 onwards.

36. A further and significant factor is the increase this year of UASC becoming naturalised and as a result grant funding ceases but the Children and Families service continues to have financial responsibility. For example there were just 8 in 2010-11 compared with 22 in the first 6 months of 2011-12 with the service being aware of a further 11 pending; a run rate for 2011-12 of approx 1 a week

Priority Growth

37. The proposed budget provides for £150k of priority growth for Children and Families social care which is due to increased pressure in the Children in Need Team from a rise in activity from number of case conferences; Core group meetings; and Child

protection visits. The results of the children in need (CIN) census for 2010/11 showed that:

- a. The number of referrals to Children's Social Care has risen for the fourth year in a row to 2,814 (an increase of 500 on the previous year)
- b. The number of children subject to child protection (CP) plans had remained the same as the previous year at 232; but this is significantly higher than for previous years, eg 175 (2008/2009) and 132 (2007/2008)
- c. The activity around child protection work has increased with 213 children coming off a CP plan during the year, and 217 children being made subject to a CP plan.
- d. An additional 350 initial assessments were carried out during the year (2,498); and 220 more core assessments were undertaken (871) during 2010-2011 than in previous years.

Savings

38. The savings proposals contained within this draft budget have been developed through the HIP Business Improvement Delivery programme (BID), the Council's response to the projected budget savings requirement of around £65m over the next four year period.
39. Savings proposals currently developed total £17.8m for 2012/13 across the council. The total savings figure for each group is net of the redundancy costs contained within their package of proposals. The savings included in the budget for Children and Families social care services total £2,006k and are shown in 2 parts. The first part represent the savings that will flow through unchanged from the current MTFP which total £333k; and the second part represent an unchanged MTFP strategy but the financial appraisal has been revised following implementation and these total £1,673k.

Fees and Charges

40. The Council is empowered to seek income from fees and charges to service users across a wide range of activities. Some of these fees and charges are set by the Government or other stakeholders, but many others are set at the discretion of the Council, based on Cabinet's recommendations.
41. The inflation assumption included in the budget does not take account of any increase in income from fees and charges. However, within their detailed savings proposals groups will take account of any projected increases as was the case in 2011/12.
42. For Children and Families there are no set charges raised to parents or children in receipt of children's social care services. However a charge is raised to parents if their child is in care; the weekly amount is subject to a financial assessment. One exception to this relates to UASC where a charge is made when a young UASC is living in tenanted accommodation. These are set out in more detail in Appendix B.

Capital Programme

43. The capital programme for 2011/12 was approved by Cabinet and Council as a one-year capital budget that focused on maximising the use of identified funding in order to minimise the level of new borrowing that ultimately impacts on budget requirements funded through Council Tax.
44. The process of developing a capital programme has again focused on identifying and sustaining available funding streams whilst simultaneously managing the impact of increased demand for primary school places in the borough. The Primary Capital Programme is expected to require an investment in the region of £111m over the period 2010-15, to be financed from a combination of funding streams yet to be announced by central government.

EDUCATION SERVICE

Summary of Key Financial Issues

45. The approach to the delivery of savings within the wider Planning Environment Education and Community Services Group (PEECS) is now being driven through a programme of transformational reviews of every service. This includes large scale reorganisation, restructuring and removal of duplication, undertaken in the context of a significantly larger service grouping. Within this over-arching work, the opportunity is being taken to question the need for services and examine alternative methods of service delivery, through process efficiency, use of technology or combining previously discrete service areas.
46. Other workstreams include a continuing review of the scale of fees and charges, within which there continues to be an emphasis on differentiating Hillingdon resident and non-residential charges. A number of workstreams will include a focus on procurement alongside a phased review of contract-related expenditure across all services. This is being supported by a robust process for controlling and challenging expenditure decisions across all services within the PEECS Group.
47. The Education Service is on track to deliver £4.4m of savings in 2011/12 out of the PEECS Group's total 2011/12 programme of £11.3 million, and a further £3.6m savings out of the £7.8m PEECS Group's total proposed for 2012/13.

National Scene

48. The coalition Government continues to consult with local authorities on a wide range of proposals and have updated a number of regulations through the Education Act 2011. These are described in more detail in the following paragraphs, which also includes an update on the impact of the introduction of the Academies Act 2010.

The Basis for the Decision on the Appropriate Amount of Academies Funding Transfer for 2011-12 and 2012-13

49. Consultation was issued in July 2011, with a response required within a 4 week timeframe. The implications of this suggested that all Local Authority budgets would be subject to a further top-slice, both in 2011/12 and 2012/13. It was decided that the budget savings requirement would be increased by £1.8 million to reflect this potential reduction in the budget for 2012/13.

A consultation on school funding reform: Proposals for a fairer system

50. This consultation was released in July 2011, with a response required by the middle of October 2011. In summary this represented a significant change from the previously trailed intention to create a new national funding formula, as stated in the Education White Paper in November 2010, in terms of both timetable and content. The key points are:

- The current funding system will continue unreformed until at least 2013/14
- Schools will continue to be funded primarily from the ringfenced Dedicated Schools Grant (DSG) and the Pupil Premium
- The Minimum Funding Guarantee (MFG) will continue under the current and proposed reformed systems
- The reformed system will either create notional allocations for each school aggregated to the local authority level and then distributed via a local formula, or a revised distribution of funding at local authority level – in each case funding for individual maintained schools and Academies will be determined by a local funding formula (as present)
- The DSG will be calculated from the aggregations of four funding blocks covering schools, early years, high cost pupils (i.e. special needs and alternative provision), and centrally retained functions
- These funding blocks will not be ringfenced but limits will be placed on movement between them through the MFG and a mechanism similar to the current Central Expenditure Limit (CEL)
- The role of Schools Forums to challenge local authority proposals for school funding will be enhanced
- The definition of the respective responsibilities of schools, centrally retained functions, and Council education functions, and how these should be funded will be reviewed and clarified
- Options presented for the future construction of funding for Academies Local Authority Central Spend Equivalent Grant (LACSEG) from 2013/14 onwards, including mandatory delegation of funding currently in the scope of DSG LACSEG recoupment
- Proposals for significant reforms of special educational needs (SEN) funding are included, with the intention that all providers of SEN places receive a minimum funding allocation of £10,000 per place, with additional costs funded on a top-up basis by the local authority commissioning the provision
- The Pupil Premium will be expanded to include a wider definition of pupils previously eligible for free school meals, with a proposed move to an Ever 6 Free

School Meals (FSM) method, which will pick up any pupil eligible for FSM at any point over the last six years

Implementation of the 2010-11 Review of Education Capital (The James Review)

51. This consultation was released in July 2011, with a response required by the middle of October 2011. The James Review identified that capital resources were not being used effectively across the country and that each authority spent funds on designing individual new schools within their area. The main proposal was to consider the DfE managing this centrally and set up a central procurement contract for the construction of new schools. Additionally the government announced a new Priority Schools Building Programme (a new Public Finance Initiative), which authorities could submit bids to.

Academies Act 2010

52. Since the introduction of the Academies Act 2010 and its subsequent revisions, the Council has 11 Academy schools (excluding the 2 pre Act Academies), all except one special school being secondary schools. A further 3 secondary schools and 2 special schools have expressed an interest and are likely to convert by the 1 March 2012.

Education Service Revenue Budget 2012/13

53. The movement between the current year’s budget and the draft budget requirement for 2012/13 is summarised in the table below. Further detail on the major items in the table is given below.

Education Service Revenue Budget 2012/13

	Budget (£000s)
Budget 2011/12	37,702
Inflation	261
Service Pressures	0
Priority Growth	0
Savings	-3,578
Draft Education Service Revenue Budget 2012/13	34,385

Development and Risk Contingency and Service pressures

54. The Development and Risk Contingency provides for resources within the revenue budget that are unallocated at the beginning of the year, but that can be applied to issues as they arise during the year. The contingency is therefore used to budget for items where the probability or value of items is uncertain at the beginning of the year. The current draft Development and Risk Contingency includes no items for the Education Service.

55. There are also no service pressures within the Education Service.

Priority Growth

56. There are no Growth proposals for the Education Service.

Savings

57. The savings proposals contained within this draft budget have been developed through the HIP Business Improvement Delivery programme (BID), the Council's response to the projected budget savings requirement of around £65m over the next four year period.

58. Savings proposals currently developed total £17.8m for 2012/13 across the council. The total savings figure for each group is net of the redundancy costs contained within their package of proposals. The savings included in the draft budget for the Education Service total £3.6m and are included in Appendix D.

Fees and Charges

59. The Council is empowered to seek income from fees and charges to service users across a wide range of activities. Some of these fees and charges are set by the Government or other stakeholders, but many others are set at the discretion of the Council, based on Cabinet's recommendations.

60. The inflation assumption included in the budget does not take account of any increase in income from fees and charges. However, within their detailed savings proposals groups will take account of any projected increases as was the case in 2011/12.

61. Schedules detailing the proposals relating to fees and charges for 2012/13 for the Education Service are attached at Appendix E and F.

62. Any increases have generally been limited to the prevailing inflation rate.

Capital Programme

63. The capital programme for 2011/12 was approved by Cabinet and Council as a one-year capital budget that focused on maximising the use of identified funding in order to minimise the level of new borrowing that ultimately impacts on budget requirements funded through Council Tax.

64. The process of developing a capital programme has again focused on identifying and sustaining available funding streams whilst simultaneously managing the impact of increased demand for primary school places in the borough. The Primary Capital Programme is expected to require an investment in the region of £128m over the period 2010-15, to be financed from a combination of funding streams.
65. The draft capital programme may need to be revised once the final impact of the settlement is known as this may impact on the affordability of the programme. A summary of the draft capital programme for the Education Service is shown in Appendix G. The draft capital programme for the Education Service includes the Formula Capital Devolved to Schools, the School Urgent Building Condition Works and the Primary Schools Expansion Programme.

School's Budget

66. The schools funding settlement for 2012/13 was announced by the Secretary of State for Education on 12 December 2011. Funding levels have been confirmed for 2012/13 only including the pupil premium for disadvantaged pupils.
67. The main headlines in relation to revenue funding are:
- The per pupil unit of funding (the Guaranteed Unit of Funding (GUF)) in the Dedicated Schools Grant (DSG) has been set at £5,419.62 for 2012/13, no change from the 2011/12 position.
 - The Minimum Funding Guarantee has been set at -1.5% for 2012/13.
 - The level of the Pupil Premium has been confirmed at £600 per pupil (an increase of £112 on the current rate of £488), however the method of distribution has changed from those currently eligible for Free School Meals to those pupils eligible for Free School Meals at any point over the last six years (Ever 6).
 - Children in Care of school age who have been looked after for more than six months (i.e. the pupils counted on the SSDA903 (Under the Children Act 1989, a child is looked after by a local authority if he or she; is provided with accommodation, for a continuous period of more than 24 hours, [Children Act 1989 Section 20 and 21]; or is subject to a care order [Children Act 1989 Part IV]), will be those pupils that have been continuously looked after for over 6 months aged 4 to 15 at 31 August 2011. The count point for 2012 is 31st March) will continue to receive £488.
 - An additional amount of £250 per pupil will be included in the Pupil Premium in 2012/13 for the children of members of the UK armed forces, which is an increase from the current £200.
68. The guaranteed units of funding announced for Hillingdon in 2012/13, together with the Council's estimate of Hillingdon pupils and indicative total DSG allocations is shown below in the following table. It should be noted that from 2011/12 onwards the DSG includes the mainstreaming of the Standards Fund Grants.

**Hillingdon - Guaranteed unit of funding / Pupil number estimate / Revised Total
Indicative DSG 2008-13**

<i>Financial Year</i>	<i>Guaranteed per Pupil Unit of Funding (£)</i>	<i>Council Estimate of Pupil Numbers</i>	<i>Indicative Total DSG (£ million)</i>
2008/09	4,361.40	37,907	165.3
2009/10	4,519.38	38,372	173.4
2010/11	4,708.57	38,414	180.9
2011/12	5,419.62	39,768	215.5
2012/13	5,419.62	40,269	218.2

69. The overall DSG is guaranteed in terms of an amount per pupil. If the January 2012 pupil numbers are higher or lower than the assumptions made, the total DSG at local authority level will go up or down.

70. The tasks in managing the school funding settlement for 2012/13 are:

- Assess and monitor the overall pupil numbers estimated over the coming months leading up to the January census, **including Academy school pupil numbers (Academy schools are being asked to either provide a copy of their data directly to the Local Authority or send an e-mail to dsd.helpdesk@education.gsi.gov.uk asking them to allow the Local Authority to view your January School Census 2012 data after you have authorised it on COLLECT. The DfE will make your data available to us either via COLLECT or they will upload the file(s) to the s2s site for us to download)**;
- Assess how much funding should be allocated to each sector;
- Assess the impact of the Minimum Funding Guarantee, natural inflation on retained items, changes in commitments resulting from new business case developments and the expected headroom for each year;
- Assess the impact arising from the Early Years Single Funding Formula (EYSFF)
- Distribute school funding to individual schools and PVI nurseries.

Finalising the DSG Allocation

71. The 2012/13 indicative DSG allocation shown in the table above has been calculated on an estimated pupil projection of 40,269. The final cash allocation of DSG funding will be based on actual pupil numbers from the January 2012 count.

72. Several assumptions have been made in estimating this total. These include:

- Primary Key Stage 1 and Key Stage 2 pupil numbers from the September 2011 count will remain the same in January 2012;
- Reception class figures remain static as a result of the move to a single intake;
- Secondary Key Stage 3 and Key Stage 4 pupil numbers from the September 2011 count will remain the same in January 2012;

- Pupil participation from the Early Years Census (EYC) to remain broadly similar to the January 2011 count. The level of participation should remain fairly static from year to year if there are no new providers coming in or existing ones dropping out;
- Pupils out of schools are likely to increase in 2012/13, although this has not been factored into the pupil numbers.

73. The current forecast of pupil numbers would suggest Hillingdon's indicative DSG allocation will be in the region of **£218.2 million** for 2012/13.

74. In response to requests from schools, the Schools Forum undertook a fundamental review of the Primary and Secondary schools funding formula. The outcome of this review was approved by Schools Forum at its meeting on 7 December 2011 and shared with all schools prior to the formal consultation in December 2011. Schools are being formally consulted on a change in the Primary and Secondary Schools Funding Formula which have been set out in a consultation paper that was issued on 5th January 2012, following approval by the Schools Forum. The consultation will run until 17 January 2012 and will be considered by Schools Forum at its meeting on 24 January 2012, when decisions will be made on funding proposals for 2012/13. These decisions will be incorporated into the Cabinet report on 16 February 2012. It is planned that Schools will be issued with indicative budgets on the 10 February 2012 for the period from 1 April 2011 to 31 March 2012. Final budgets will be issued to schools by 31 March 2012.

SUGGESTED COMMITTEE ACTIVITY

To consider the report and make comments on the detail. Comments will then be considered by Corporate Services and Partnership Policy Overview Committee who will then submit composite POC comments to Cabinet.

BACKGROUND PAPERS

Medium Term Financial Forecast 2012/13 – 2014/15 – report to Cabinet 15 December 2011

Appendix A

C&F Ref	Description	2012-13 £000's	2013-14 £000's	2014-15 £000's
(1) FULL YEAR IMPACT OF 2011-12 SAVING (NO CHANGES)				
1.3	Corporate parenting function admin cost reduction	0	-40	-40
1.5	merger of respite services	-40	-40	-40
2.1	children's services business support review	-255	-255	-255
B11A	Reduction in currently budgeted C&F redundancy costs	-38	-38	-38
(2) FULL-YEAR IMPACT OF 2011-12 SAVING (REVISED)				
1.2	BID review of safeguarding and quality assurance (double count removed for later years)	0	0	0
1.4	Looked after children placements review	-1,673	-2,769	-2,769
Net Savings		-2,006	-3,142	-3,142

Appendix B

Type of Fee / Charge (charges are per week unless otherwise stated)	Current Minimum Charge £	Proposed Minimum Charge £	% Increase Min Charge	Current Max Charge £	Proposed Maximum Charge £	% Increase Max Charge	Date of last change to charge	Effective Date
Asylum Service (per month)								
Asylum Service Charges for age 18+	5.00	5.00	0.00%	5.00	5.00	0.00%	01-Feb-11	01-Apr-12
Asylum rental contribution Charges for age 18+	75.00	75.00	0.00%	75.00	75.00	0.00%	01-Feb-11	01-Apr-12

Monro Review

Summary of recommendations are summarised below:

- a) The Government should remove the specific statutory requirement on local authorities for completing assessments within often artificial set timescales so that professionals can give equal weight to helping children, young people, and families, as well as assessing their problems.
 - b) Local services that work with children and families should be freed from unhelpful government targets, national IT systems and nationally prescribed ways of working. They should be free to re-design services that are informed by research and feedback from children and families, and that pay more attention to the impact on children's safety and welfare.
 - c) A change of approach to Serious Case Reviews (SCRs), learning from the approach taken in sectors such as aviation and healthcare. The current system is too focused on what happened, not why.
 - d) The introduction of an expectation on all local services to coordinate an early offer of help to families who do not meet the criteria for social care services, to address problems before they escalate to child protection issues.
 - e) Ofsted inspections of children's services should add more weight to feedback from children and families, directly observe social workers' interaction with children and families, as they do when inspecting schools, and pay more attention to whether children have benefited from the help given.
 - f) Experienced social workers should be kept on the frontline even when they become managers so that their experience and skills are not lost. The expertise and status of the social work profession should be improved with continual professional development that focuses on the skills that are needed in child protection.
 - g) Each local authority should designate a Principal Child and Family Social Worker to report the views and experiences of the front line to all levels of management. At national level, a Chief Social Worker would be established to advise the Government on social work practice.
2. On 13 December 2011, Tim Loughton, Parliamentary Under-Secretary of State for Children and Families gave an update to Parliament on progress being made across the range of commitments in the Government response to the Munro Review². The following progress was included in the Minister's update, the full response can be found at the Department of Education website.
- a) Government has worked with professionals to inform the consultation on Working Together to Safeguard Children (Working Together) and the Framework for the Assessment of Children in Need and their Families, which will take place early next year.
 - b) Local child safeguarding performance information has been developed by the Government, Ofsted, the Association of Directors of Children's Services (ADCS) and a range of other partners. National performance information will be consulted on in the new year.
 - c) Ofsted has consulted on child-centred inspection, and relevant inspectorates have agreed to update on a joint inspection model by May 2012.

² <http://www.education.gov.uk/munroreview>

- d) The Government has published a work programme, Safeguarding Children in the reformed NHS. This will be followed by a stakeholder consultation in January 2012 on a draft Accountabilities Framework, prepared by the Chief Nursing Officer.
- e) Following work with partners, the Government has decided that a new statutory duty on delivering a transparent and coordinated offer of early help is not needed, as there is sufficient existing legislation to deliver Professor Munro's vision for children and families. In the meantime, local areas are encouraged to continue to work to provide early help for the reasons articulated by Professor Munro.
- f) Eight local authorities are trialling more flexible approaches to assessment and emerging evidence is encouraging, and suggests that replacing nationally prescribed timescales for assessment with timely, professional judgments can have the positive impact on practice envisaged by Professor Munro. To gather further evidence, trials have been extended until 31 March 2012 and flexibilities will be consulted on as part of the broader Working Together to Safeguard Children and the Framework for the Assessment of Children in Need and their Families early next year.
- g) Following a consultation and a market sounding exercise, it has been decided that the National electronic Common Assessment Framework system (National eCAF) will be decommissioned. This is consistent with Professor Munro's view that the constraints to local innovation and professional judgment created by prescribing approaches (such as national IT systems) should be removed. Government will work with current users of the system to ensure a smooth transition and consider options to secure value out of the Government owned assets will be considered.
- h) To support the local redesigning of child and family social work, the Children's Workforce Development Council (CWDC) and the College of Social Work are supporting local authorities in designating a Principal Child and Family Social Worker in every local area. Child protection reforms are underpinned by workforce reform for social workers, being led by the Social Work Reform Board and the College of Social Work.
- i) The Government has been making preparations for the appointment of a Chief Social Worker and is confident that they will be in post in 2012.
- j) A consultation on new guidance for Directors of Children's Services and Lead Members is currently underway, to clarify their roles. Discussions with groups of Local Safeguarding Children Board (LSCB) Chairs about how to strengthen their central role have also taken place. Further options will be explored with stakeholders.
- k) Following Professor Munro's recommendation to use systems methodologies for Serious Case Reviews (SCR), the Government and partners are considering how the Social Care Institute for Excellence's (SCIE) Learning Together model can be developed further for use. Coventry LSCB and Lancashire LSCB are piloting the SCIE model on SCRs. Approaches to learning in other sectors, such as aviation and health, are also being explored.

In response to Professor Munro's recommendation to end Ofsted's evaluation of SCRs, the Government and Ofsted have developed transitional arrangements. From January 2012, Ofsted evaluations of SCRs will be more streamlined, with a greater focus on identifying and embedding learning. There will be no formal grading of serious case reviews by Ofsted from now on.

