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**Executive Members for Children's Services and Advisory Panel     21 January 2008**

Joint report of the Director of Learning, Culture and Children's Services and the Director of Resources

**REVENUE & CAPITAL BUDGET ESTIMATES - 2008/09**

**Purpose of Report**

- 1 This report presents the 2008/09 budget proposals for Children's Services. It includes:
  - The revenue budget for 2007/08 (Annex 1) to show the original budgets.
  - The base budget for 2008/09 including the 2007/08 budget rolled forward and adjusted.
  - The provisional allocation of pay and price increases for the portfolio.
  - Budget service pressure costs and savings proposals for the portfolio area (Annexes 2 and 3).
  - Fees and Charges proposals (Annex 4).
  - Other revenue budget options for consultation (Annex 5).
  - The existing approved capital programme (Annex 6).
  - Proposals for new capital schemes (Annex 7).
  - Residential Homes, Foster Carers, Sharing Care, Adoption and Residence Order Weekly Allowances (Annex 8).
  
- 2 Budget Council will be held on 21 February 2008 and will make decisions on the overall budget for the council. Proposals for savings/growth currently being considered by the individual EMAP meetings will not result in a balanced budget so the Executive Members will also have to consider other options. Further options relating to this portfolio are shown in Annex 5. In order to facilitate the decision making process the Executive are meeting on 12 February 2008 to consider the preferences identified by the individual portfolio Executive Members and the results of the consultation exercise.
  
- 3 The Executive Members are therefore asked to consider the budget proposals included in this report and identify their preferences, including the proposals in Annexes 2, 3 and 7 that will be considered by the Executive as part of the intended budget. In particular Member advice is sought on the items listed for consultation in Annex 5, which at present do not form part of the intended budget, but which may need to (see paragraph 2). Members of EMAP are invited to provide comments on the budget proposals in this report.

## **Background**

- 4 The Council's Financial Strategy was adopted by the Executive on 11 September 2007. This paper is the result of ongoing work against this agreed framework.

### Local Government Finance Settlement

- 5 The provisional Local Government Finance settlement for 2008/09 was issued by the Department for Communities & Local Government (DCLG) on 6 December 2007 and also included indicative figures for 2009/10 and 2010/11 that will enable the Council to consider future budget issues. The provisional settlement for 2008/09 indicated that the government has transferred £2.626m from service specific grants into the general (Revenue Support) grant. Formula damping, by which the government try to ensure that there is a limit to large gains/losses to council's from formula changes, is still in force. The proposed funding position shows that the general grant will increase by £1.39m (3.63%) in 2008/09, £1.17m (2.75%) in 2009/10 and £1.11m (2.56%) in 2010/11.
- 6 It should be noted that this is a *provisional* settlement, and, as such, it is likely to change following consultation. As it is a three-year settlement it is likely that the authorities that are large grant losers who have significant resources at their disposal will be lobbying hard for changes to be made in their favour. It is also likely that there may be errors/changes to the data used by the DCLG when the final settlement is announced.

### Schools Funding Settlement

- 7 For schools funding delivered through the Dedicated Schools Grant (DSG), 2008/09 is the first year of a three-year budget period. The DSG is provided by the Department for Children, Schools and Families (DCSF), is the main funding stream for schools' expenditure and is ring-fenced for funding the provision of education for pupils in schools (maintained, Pupil Referral Units [PRUs], Private, Voluntary & Independent [PVI] nurseries or externally purchased places). As such it covers funding delegated to individual Local Authority (LA) maintained schools through the Local Management of Schools (LMS) Funding Formula and funding for other pupil provision which is retained centrally by the LA (e.g. Special Educational Needs [SEN], Early Years, PRUs etc.). The DSG is distributed according to a formula, which guarantees a minimum per pupil increase for each LA of 3.1% in 2008/09 and 2.9% in 2009/10 & 2010/11 (was 5% in 2007/08). Additional funding is then allocated based on Ministers' priorities.
- 8 The LA by itself cannot use the DSG for any purpose other than Schools Budget expenditure, although with the permission of the Schools Forum limited contributions can be made to the following areas:
  - Combined budgets supporting Every Child Matters objectives where there is a clear educational benefit.
  - Prudential borrowing, where overall net savings to the Schools Budget can be demonstrated.
  - Some SEN transport costs, again only when there is a net Schools Budget saving.

- 9 There are also strict limits (Central Expenditure Limits [CEL]) on the amount of the DSG that the LA can retain to fund pupil costs outside mainstream schools and PVI nurseries e.g. SEN, Out of City Placements, PRUs, Behavioural Support etc. At this stage the LA has no plans to ask the forum to agree to any increases in centrally retained expenditure above the CEL.
- 10 Annex 9 sets out headline figures from the DSG settlement showing that for 2008-11 York's increase in DSG is estimated at £9.669m or 11.6% and below the national average of 12.0%. As pupil numbers in York are projected to fall over this period, this equates to an increase of £489 per pupil or 13.5%, above the national average of 13.1% per pupil.
- 11 Annex 9 also shows that within these figures, additional funding above the minimum percentages per pupil (3.1%, 2.9% & 2.9%) has been allocated to York for a number of government priorities namely:
- Personalised Learning (£2,777k).
  - Pockets of Deprivation - *targeting pupils from deprived backgrounds within authorities that have an overall relatively low level of deprivation* (£673k).
  - Funding 6th Day of Exclusion (£21k).
- 12 Compared to other LAs York has fared relatively well in the settlement, particularly in 2008/09 when the percentage increase in per pupil funding is the 6<sup>th</sup> highest out of all 149 LAs (24<sup>th</sup> highest over the 3 year period). On a cash increase per pupil basis, York ranks 36<sup>th</sup> highest in 2008/09 (78<sup>th</sup> highest over the 3 year period).
- 13 The reason for this is the extra funding for "Pockets of Deprivation". This has only been allocated to 46 LAs as it is intended to support children from deprived backgrounds who attend schools in less deprived LAs. York has been allocated £30 per pupil in 2008/09, the 5<sup>th</sup> highest allocation nationally. There is a presumption that this extra funding will be allocated to schools in the city based on relative levels of deprivation.
- 14 Despite these increases though, York's actual funding level is still at the lower end nationally, 23<sup>rd</sup> lowest (out of 149 LAs) by the end of the 3-year period. This means that if York received the national average funding in 2008/09 there would be an extra £265 for every pupil or £6.036m in total. This would be enough to give an extra £266k to every secondary school and £56k extra to every primary school. This is also the equivalent of an additional 165 teachers or 300 additional classroom assistants.

### **Budget Proposals for Children's Services**

- 15 A summary of the budget proposals is shown in table 1 below. Further details on individual elements are presented in the subsequent paragraphs. The annexes also contain other potential savings items, which at this stage are not being recommended to Members.

<b>Table 1: Proposed Children's Services Budget 2008/09</b>	Para Ref	DSG £000	General Fund £000	Children's Services Total £000
<b>2007/08 Original Budget (see Annex 1)</b>		<b>83,942</b>	<b>25,991</b>	<b>109,932</b>
2007/08 In Year Recurring Amendments:				
Allocation of residual budgets following Arts & Culture restructure			+1	+1
Housing Recharge Budgets Back to HASS			-2	-2
NNDR Adjustments			-5	-5
DSG Carry Forward Adjustment re Westside Contingency		+165		+165
One-Off Growth in 2007/08 Budget:				
Nurture Groups Additional Contribution		-70		-70
One-Off Savings in 2007/08 Budget:				
Information Sharing Index Grant			+20	+20
Broadband Standards Fund Grant			+50	+50
DSG Overhead Allocation		-50	+50	0
FYE of 2007/08 Savings In 2008/09:				
Adult Education Centre Closure			-3	-3
<b>2008/09 Base Budget</b>	<b>16</b>	<b>83,987</b>	<b>26,102</b>	<b>110,089</b>
Schools Minimum Funding Requirement	17-19	+1,926		+1,926
Provision for Pay Increases (not schools)	20	+160	+661	+821
Provision for Price Increases (not schools)	21	+202	+386	+588
Fees & Charges Increases	22-23		-160	-160
Service Pressure Proposals (Annex 2)	24-26	+204	+906	+1,110
Savings Proposals (Annex 3)	28-29	-207	-480	-687
<b>2008/09 Total Proposed Budget</b>		<b>86,272</b>	<b>27,415</b>	<b>113,687</b>
<b>Funding Available within the DSG</b>	<b>30</b>	<b>86,329</b>		
<b>DSG Budget Unallocated</b>	<b>31</b>	<b>57</b>		

2008/09 Base Budget (£110,089k)

- 16 This represents the latest 2007/08 budget approved by and reported to Members, updated for the full year effect of decisions taken in the 2007/08 budget and amendments during 2007/08, e.g. supplementary estimates.

Schools Minimum Funding Requirement (+£1,926k)

- 17 The DCSF have confirmed that the Minimum Funding Guarantee (MFG) will continue to deliver a minimum per pupil increase for all schools in each of the next three years. They have estimated average school level pay and price inflation over the

2008-11 period at 3.1% per year. The DCSF have then assumed that each school can make an efficiency gain of 1% for each of the next three years, reflecting the substantial improvement in efficiency they expect to be achieved across the schools sector and the public sector as a whole. The result is an MFG for all schools set at 2.1% for each of the next three years. This is significantly lower than the 3.7% guarantee in 2007/08. The estimated amount required to deliver the MFG for all York schools is £1,503k in 2008/09.

- 18 The minimum guarantee applies to the funding provided by the LEA to schools via the LMS funding formula. The actual way the guarantee is calculated for an individual school varies depending on the type of school (primary, secondary or special) and the size of the school (separate arrangements apply to schools with fewer than 75 pupils).
- 19 Central Expenditure Limit regulations determine the minimum total size of the Individual Schools Budget (ISB). For 2008/09 an additional £423k will need to be allocated to schools over and above the £1,503k required to deliver the MFG in order to meet the CEL limit.

Provisional Pay Increases (excluding schools) (+£821k)

- 20 These calculations are based on a pay increase for APT&C and Teaching staff of 2.5% and an increase in pension costs totalling £621k. The negotiations for the 2008/09 settlement have not yet started, although there is pressure from the Treasury that increases are kept under 2%. In addition, under the national pay scheme employees are entitled to an annual increment where they are not at the top of the agreed pay scale. Growth of £200k is included for the net costs after allowing for new starters at the lower point of the grade.

Provisional Price Inflation (excluding schools) (+£588k)

- 21 The budget proposes that, due to the underlying low rate of inflation, there is a general price freeze on most budgets, including grants to voluntary organisations and partnerships. The amount allowed for price inflation is to fund known price increases, e.g. contract payments and fuel bills. There is also an allowance for a 2.3% increase in Nursery Education Funding and Foster & Adoption allowances (see paragraphs 43-54 for more details)

Fees & Charges and other Income Budgets (-£160k)

- 22 Fees & Charges are generally increasing by 5% except where there are nationally set charges. These are then rounded up or down as appropriate to create sensible figures. Internal services that trade with schools are also generally increasing their charges by 5%. Where increases are proposed in excess of this the additional income is either reflected in the savings totals offered or being used to address existing income budget shortfalls.
- 23 A schedule of proposed Youth Service fees and charges is shown at Annex 4. For Adult Education and the Music & Performing Arts Service, charges are set for each academic year. The budgets for 2008/09 have been set based on a 5% increase plus any specific savings targets set out in Annex 3. Further details will be presented to EMAP prior to September 2008.

### Service Pressure Proposals (+£1,110k)

- 24 In the Finance Strategy report to the Executive on 11 September 2007 a sum of £7.828m was included as the estimated amount that would be needed to meet increasing demand for services and to allow for reprioritisation of service provision within the General Fund. Schools Budget pressures have to be funded from within the DSG.
- 25 A range of options for service pressure proposals has been considered and in view of the overall available resources it is proposed that only those proposals shown in Annexes 2a and 2b are included as the preferred options for Children's Services. The proposals put forward are the result of a rigorous assessment process, which included looking at the risk to customers, schools and staff, legislative requirements, proven customer demand and the Council's corporate objectives.
- 26 Included in these figures is a cost pressure of £459k (G01 at Annex 2a) resulting from the transfer into RSG of income formerly received as a direct Children's Services Grant. It is not possible to reduce expenditure against this grant allocation as it is currently used to fund statutory children's care services such as fostering and adoption rather than allocated to any specific discretionary projects.

### General Contingency

- 27 Members should note that there are also some potential expenditure pressures that may materialise in 2008/09 but which are not yet certain or not quantifiable at this stage. The issues are listed in Table 2 below and it is assumed that if they materialise then funding will be requested from the General Contingency.

<b>Table 2: Contingency Issues for 2008/09</b>	£00
	0
<u>Children's Social Care Fostering Costs</u> The number of children in foster care has risen over the last couple of years (total numbers of looked after children have risen from 140 at the start of 2006/07 to around 160 early in 2007/08). This has led to more children being placed through expensive Independent Fostering Agencies, as there are not enough places available with York foster carers. However, it is believed that the number of looked after children is now starting to fall back again and once the short term 'bulge' is passed the financial pressures should be reduced. Further effort is also being invested in expanding the local fostering programme. It is suggested that rather than providing on-going funding, a one-off allocation of £100k is made from reserves for 2008/09 (G03 at Annex 2a), with a further provision of £80k allowed for in contingency and a full review of the underlying position undertaken prior to 2009/10.	80
<u>Connexions Grant Shortfall</u> Connexions statutory functions will transfer to the Council from 1 April 2008. The amount of grant to be provided has now been confirmed but there are also on-going negotiations on the level and cost of the staff that will transfer under the TUPE arrangements. More details are provided in a separate report elsewhere on this agenda.	50
<b>Total</b>	<b>130</b>

### Savings Proposals (-£687k)

- 28 Members will be aware that the 2007/08 budget savings were significant and that all Directorates are operating within a tight financial environment. In seeking to achieve savings for the 2008/09 budget, Directorates have examined budgets with a view to identifying savings that have a minimum impact on the services provided to the public, schools, customers and the wider Council. They have therefore concentrated on initiatives that:
- reflect directorate priorities and plans;
  - improve quality and efficiency;
  - take advantage of ongoing service and/or Best Value reviews;
  - generate income;
  - address budgetary underspends;
  - improve cash flow and interest earnings;
  - generate savings from the technical and financial administration functions of the Council.
- 29 Annex 3a and 3b show the full list of savings proposals for Children's Services.

### Funding Available within the DSG (£86,329k)

- 30 The funding available includes the estimated 2008/09 DSG allocation of £86,527k less an estimated deficit carry forward from 2007/08 of £198k, mainly due to a small overestimation of pupil numbers in 2007/08.

### **Balancing the Dedicated Schools Grant**

- 31 Table 1 at paragraph 15 shows that there is currently £57k of DSG unallocated within the draft Schools Budget at the time of writing this report. Further work will be undertaken in conjunction with the Schools Forum to identify options for allocating this funding, with officers recommending that additional resources are targeted towards Behaviour Support Services. At its budget meeting on 12 February the Executive will be updated on the outcome of the discussions with and decisions/comments of the Schools Forum.

### **Capital Programme**

- 32 A summary of the Council's existing capital programme is shown at Annex 6.
- 33 The resources to fund new capital schemes are limited. Overall the existing programme is anticipated to generate a small receipts surplus of £0.6m, however, it is unlikely that there will be any new major receipts as all surplus land holdings have either been sold or are earmarked to be sold for existing commitments. A maximum of £1.25m is expected to be available for new schemes as part of the 2008/09 – 2010/11 programme, which if fully committed, leaves no contingency if sales are not made at their expected values. Against this background Officers have prepared a list of possible schemes to be considered for this portfolio. These are shown at Annex 7.

- 34 The additions to the Children's Services Capital Programme are in relation to the three-year announcements of Capital Funding made by the DCSF in October 2007. As these schemes are fully funded by grant or supported borrowing there is no direct impact on the Council's capital resources from their inclusion in the capital programme.
- 35 A further three-year allocation of School Modernisation has been announced. This is funding allocated to local authorities on a formula basis, and can be joined up with any other resources available to the Council which can be spent on capital. Taking into account assumptions already made about the 2008/09 Modernisation funding, this represents an increase of £3.7m on the existing programme over the years 2008-11.
- 36 A further three years funding has been made available under the Schools Access Initiative. This funding is provided for improvements to schools to make them more accessible to disabled children. This funding totals £864k over three years.
- 37 Funding to upgrade ICT across schools has been announced under a programme entitled Harnessing Technology. Under this programme York will receive £1.586m over the three years.
- 38 York is one of 76 local authorities who have yet to be involved in Building Schools for the Future who have been allocated £8m each over 2009-11 under the Targeted Capital Fund. This funding is to support Diploma provision for 14-19 Year olds, and to improve buildings for children with special educational needs and disabilities.
- 39 The Primary Capital Programme will commence next year supported by a three-year allocation of £1.9 billion nationally. The programme is ultimately intended to rebuild, remodel and refurbish at least half of all primary schools. York will receive funding of £8.378m over the period 2009-11 under this programme.
- 40 A further three-year allocation of funding for Extended Schools has been announced. This funding is provided to fund the capital costs of extending facilities and services provided at schools. York will receive £652k over the three-year period under this programme.
- 41 Devolved Formula Capital (DFC) is an amount allocated each year and devolved directly to schools to be spent by them on their priorities in respect of buildings, ICT and other capital needs. Schools are free to spend this themselves on small scale projects or use to contribute towards larger schemes. The allocations total £8.744m over the three years for York, although the allocations for 2009/10 and 2010/11 are provisional.
- 42 A report will be brought to a future EMAP meeting to outline proposals for the use of these allocations over the three-year period.

#### **Standard charges for the use of Residential Homes and Foster Carers, Sharing Care, Adoption and Residence Order Weekly Allowances**

- 43 Annex 8 sets out the proposed level of charges to other local authorities for the use of services within the Children and Families portfolio for residential care homes. The



annex also lists proposed foster care, sharing care, adoption, residence order and special guardianship weekly allowances for 2008/09.

#### Standard Weekly Charges For Residential Care Homes (Annex 8a)

- 44 A source of income for Children & Families is derived from charges to other local authorities for purchasing services (e.g. North Yorkshire Social Services Department) who purchase residential and day care places for individuals who continue to be their responsibility. Many of this group of people are either resident in, or regular users of, residential and non-residential services.
- 45 There is a requirement for the directorate to set these standard charges both to charge other authorities and to set the maximum charge payable by residents.

#### Minimum Payment For Foster Carers (Annex 8b)

- 46 A basic allowance is paid for each child/young person in a placement. Payments are calculated on a weekly basis according to the age of the child. The government sets statutory minimum weekly allowances for foster carers. The weekly allowances set out at Annex 8b have all been increased by 2.3% or higher if necessary to match the national minimum levels. In practice this has led to rises of between 2.3% and 3.1%.
- 47 Foster carers are also paid a weekly carer's skill premium. These premiums are calculated with reference to an appraisal of the carer's skill level. It is proposed to increase these premiums by 2.3%.
- 48 The Placement Strategy for Looked After Children established a specialist scheme that enhances the recruitment and retention of foster carers, who look after young people with exceptional needs in relation to their emotional and behavioural difficulties or severe disability. Foster carers are specifically selected for the new scheme to be matched with specific young people. It is also proposed that the weekly carer fee for the care of the young people on this scheme be increased by 2.3%. This is incorporated into the shaded area at the foot of the lower table in Annex 8b.

#### Additional Foster Carers Weekly Allowances (Annex 8c)

- 49 In addition to the allowances detailed above further allowances are paid to foster carers. A further weeks allowance is payable for birthdays and Christmas, and a further three weeks allowance will be payable for holidays taken during the year. Additional allowances are shown in Annex 8c. Again it is proposed that the allowances are uplifted by 2.3%.

#### Weekly Adoption Allowances and Residence Order Allowances (Annex 8d)

- 50 A weekly allowance is not paid in all cases of adoption, only in certain financial circumstances, or when a disabled child is adopted or possibly to encourage the adopter to take a sibling of a child already adopted. To determine whether an allowance should be paid to an adopter a financial assessment is carried out, using the DCSF suggested assessment model.

- 51 A small number of children in our care are subject to residence orders that replaced custodianship in 1991. A residency order means that the birth parents retain parental responsibility but the carer gains parental rights. As with adoption, a financial assessment of the carer is undertaken to determine whether an allowance should be given.

#### Sharing Care & Sitting Service Allowances (Annex 8e)

- 52 Sharing care is provided for disabled children who attend a temporary carer on either a day care or overnight basis, in order to give the parent or regular carer a break. The sitting service provides for temporary carers to look after children in their own homes. It is proposed to increase sharing care and sitting service allowances by 2.3%. Annex 5e shows the revised allowances for 2008/09.

#### Special Guardianship Allowances (Annex 8f)

- 39 53 A Special Guardianship Order allows carers to gain parental responsibility and enables them to override the parental responsibility of others (such as the child's birth parent) in day-to-day matters. Under legislation, Special Guardians must be offered support services, including financial support, if requested, subject to the same financial assessment as adopters. It is proposed to increase special guardianship order allowances by 2.3%. Annex 8f shows the revised allowances for 2008/09.

#### Rounding

- 54 The figures shown for all weekly allowances contained in Annex 8 have been rounded to the nearest figure in whole pence that can be divided exactly by 7. This is done so that the weekly allowances can easily be converted into daily amounts when processing payments.

#### **Consultation**

- 55 This paper forms part of the Council's budget consultation. The other streams being undertaken include a recently held public meeting where participants sat at tables and tried to produce a balanced budget after considering growth and saving priorities, a leaflet circulated city wide with a fold-out return part and a web-based process.
- 56 In relation to the specific proposals within this report that affect schools, there have been updates for headteachers as budget issues have developed. In addition the Schools Forum will meet on 4 February for a detailed consideration of the Schools Budget.

#### **Options**

- 57 As part of the consultation process Members of EMAP are asked for their comments or alternative suggestions on the proposals shown in Annexes 2, 3, 5 and 7.

#### **Analysis**

- 58 All the analysis is provided in the body of the report and the annexes.

## Corporate Priorities

- 59 The budget represents the opportunity to reprioritise resources towards corporate priority areas. In formulating savings and growth proposals the directorate has paid particular attention to the impact that each proposal will have on the delivery of corporate priorities.

## Implications

- 60 The implications are:

- Financial - The financial implications are dealt with in the body of the report.
- Human Resources - Implications are identified against each of the individual savings and service pressure proposals listed in annexes 2 and 3 where appropriate. In summary though, the savings proposed in Annex 3 equate to the loss of 3.0 fte posts (although some of these are part time posts) and some proposals which may lead to reduced hours or changes to patterns of work. Where requested HR has been involved in the development of the budget proposals and has worked with local managers to identify the HR implications of the proposals. HR implications will be managed in accordance with established council change management procedures. As part of this process consultation with potentially affected staff and their representatives has been undertaken at corporate and departmental level and will continue throughout the budget setting process.

Despite this there is still a statutory requirement for collective consultation with both the trade unions and employees where 20 or more redundancies are proposed within a 90-day period. It is anticipated that due to the number of potential redundancies and when the budget saving proposals become clearer, it will be necessary for the council to issue an Advance Notification of Redundancies (HR1) to the Department for Business, Enterprise and Regulatory Reform (formerly the Department of Trade and Industry) and the trade unions. Failure to do so could result in delays to redundancies taking place and penalties associated with non-compliance. The Council is required to issue this notification 30 days before the first dismissal takes place where there are between 20 and 99 redundancies proposed and 90 days before the first dismissal where there are 100 or more proposed.

The council's overall number of full time equivalent posts to be reduced is still yet to be established. Once this has taken place HR will confirm the required duration of the collective consultation and notification periods. Line managers must not issue notices to dismiss employees before the collective consultation and statutory consultation process has concluded.

Action is already being undertaken to mitigate the overall redundancy numbers through processes such as redeployment and controlled recruitment. Natural attrition, the retention of grant funding and attainment of growth bids will equally reduce the final number of posts to be removed from the establishment.

- Equalities - there are no equality implications to this report.
- Legal - The standard weekly charges for residential care homes as shown in Annex 8a must be amended in line with the National Assistance Act 1948. The Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Information Service book shows that "residents in accommodation managed by

the local authority are expected to pay at the maximum, the 'standard' charge fixed by the local authority (section 22(2) of the 1948 Act), or where the resident satisfies the authority that he/she is unable to pay the standard fixed rate, a lower rate based upon the resident's ability to pay." The relevant items of legislation regarding the allowances paid to carers as shown in Annexes 8b to 8e are The Foster Placement (Children) Regulations 1991 and The Adoption Support Services Regulations 2005."

- Crime and Disorder - there are no specific crime and disorder implications to this report.
- Information Technology - there are no information technology implications to this report.
- Property - there are no property implications to this report.

### **Risk Management**

- 61 Key reporting mechanisms to Members on budget matters will continue to be through mid-year monitoring reports and the final Revenue Outturn report for the year. The format/timing of these reports has recently been considered by the Council's Management Team but as a minimum they will report on forecast out-turn compared to budgets and will also address the progress made on investments and savings included within the budgets.
- 62 The budget setting process always entails a degree of risk as managers attempt to assess known and uncertain future events. This year has demonstrated the difficulty of achieving this. As with any budget the key to mitigating risk is prompt monitoring and appropriate management control. As such updated figures and revised corrective actions will be monitored via Directorate Management Teams, Corporate Management Team and the monitor reports during the year.

### **Recommendations**

- 63 The Executive Member Advisory Panel is invited to consider whether the budget proposals are in line with the Council's priorities.
- 64 The Executive Member Advisory Panel is invited to provide comments on the budget proposals for savings and growth which have been prepared by Officers and contained in this report, which are intended to form part of the Council's budget to be considered by the Budget Executive on 12 February 2008.
- 65 The Executive Member Advisory Panel is invited to provide comments on the areas for consultation for the revenue budget contained in this report, which may form part of the Council's budget to be considered by the Budget Executive on 12 February 2008.
- 66 The Executive Member Advisory Panel is invited to provide comments on the capital proposals which have been prepared by Officers and contained in this report, which are intended to form part of the Council's budget to be considered by the Budget Executive on 12 February 2008.
- 67 The Executive Member is invited to consider whether the budget proposals are in line with the Council's priorities.

68 The Executive Member is asked to consider the budget proposals for consultation for Children's Services for 2008/09 contained in this report and listed below and provide comments to be submitted to the Budget Executive on 12 February 2008.

- 2008/09 Base Budget as set out in paragraphs 15 to 21
- Service Pressure Proposals as set out in Annex 2
- Savings Proposals as set out in Annex 3
- Fees and Charges as set out in Annex 4
- Other Revenue Budget Options for Consultation as set out in Annex 5
- Proposals for New Capital Schemes in Annex 7
- Residential Homes and Foster Carers, Sharing Care, Adoption and Residence Order Weekly Allowances as set out at Annex 8

Reason: As part of the consultation on the Children's Services budget for 2008/09.

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<b>Wards Affected:</b>	<b>All</b>	√	
<b>For further information please contact the author of the report</b>			

**Annex 1 - 2007/08 Original Budgets**

**Annex 2 - Service Pressure Proposals**

**Annex 3 - Savings Proposals**

**Annex 4 - Fees & Charges Schedules**

**Annex 5 - Other Revenue Budget Options For Consultation**

**Annex 6 - The Existing Approved Capital Programme**

**Annex 7 - Options For New Capital Schemes**

**Annex 8 - Residential Homes, Foster Carers, Sharing Care, Adoption and Residence Order Weekly Allowances**

**Annex 9 - Dedicated Schools Grant Settlement Headlines**

**Background Papers**

2008/09 Budget Files

Provisional Local Government Finance Settlement - December 2007

Dedicated Schools Grant Settlement 2008-11 – December 2007