

Finance

Service Implications for Children's and Education Revenue Budget 2013/14

The areas within the Children's and Education portfolios are responsible for ensuring that the full range of the Council's statutory responsibilities for children and young people are met and for providing efficient and effective services to improve outcomes for children and young people

The financial climate remains difficult and funding regimes are uncertain for 2013/14 and beyond. There are particular risks around: funding allocated to councils with the shift towards academy status for many schools; a new funding formula for schools; reductions in the Early Intervention Grant and re-direction of EIG resources to funding early learning and child care places for two year olds via the Dedicated Schools Grant (DSG).

Partnership working, both with internal and external partners, and the development of increasingly integrated services is seen as central to the achievement of the vision for Schools, Children and Families.

To continue to provide efficient and effective children's services with reduced budgets, we are continuing to radically examine the functions and services provided; work innovatively; target resources to communities and families with the most acute needs; and enhance collaboration, joint commissioning and realignment of services to achieve the most effective and efficient use of reducing resources.

A strong focus on outcomes and rigorous approach to allocation and use of resources is a key feature of the directorate's way of working.

Revenue Resource

The revenue budget is made up of four high level business areas with a cash limit gross expenditure budget of £1,249,245,691 after agreed savings for 2013/14. The proposed net budget for 2013/14 is £182,276,386, compared to £216,581,000 in 2012/13.

KEY SERVICE AREAS	GROSS BUDGET	INCOME EXCL SPECIFIC GRANTS	SPECIFIC GRANTS	NET BUDGET
	£	£	£	£
CHILDREN'S & EDUCATION	1,249,245,691	- 20,442,764	- 1,046,526,541	182,276,386
SOCIAL CARE AND YOUTH OFFENDING	127,522,820	- 5,306,154	- 4,889,369	117,327,297
EDUCATION AND LEARNING	184,859,155	- 13,689,133	- 39,697,087	131,472,936
TRANSFORMATION, PERFORMANCE & OTHER STRATEGIC SUPPORT	53,430,570	- 1,477,943	- 35,963	51,916,665
INDIVIDUAL SCHOOLS BUDGET (Incl Schools PFI etc)	883,433,146	30,466	- 1,001,904,123	- 118,440,511

In addition outlined within the Integrated Planning Schedule is £49.857 million of the 2013/14 gross budget which is expended on areas which could provide early opportunities for commissioning in an integrated way.

The emerging pressures and efficiency opportunities within the Children and Education related budgets are set out in the report on County Council Revenue Budget for 2013/14 (agreed by full Council in February 2012) and summarised in the short sections below.

Social Care and Youth Offending

The gross revenue budget in 2013/14 for Social Care and Youth Offending is £127,522,820 (net £117,327,297). Key responsibilities: Safeguarding vulnerable children and young people at risk of abuse or neglect, meeting the needs of children looked after, providing support for children and families in need.

The main 2013/14 areas of pressures include the following:

- Care Management and Assessment - Family Support - working directly with families providing Intensive Family Support Services
- Staffing Establishment - additional resources to ensure manageable caseloads improve inter-agency working; provide additional child protection expertise and independence, and greater efficiency in the adoption process.
- Carer network rates - uplift in rates aligned to Residence Orders, Special Guardianship Orders and Adoption Allowances to reflect the authority's legal responsibility

Efficiencies identified to mitigate service impact include the following:

- Children in Care placement costs - reduce the need to use more expensive external or residential care placements due to our investment in early intervention and prevention
- Staffing productivity savings across the directorate

Education and Learning

The gross revenue budget in 2013/14 for Education and Learning is £184,859,155 (net £131,472,936). Key responsibilities: Providing leadership to the education and skills sector in Essex, commissioning the work to: drive up standards, improve access to education and educational outcomes, and improving the likelihood of employment.

The main 2013/14 areas of pressures include the following:

- Education for Under Fives- secure early education places for 2 year olds from lower income households, and volume growth / rate increase for 3 and 4 year old free entitlement to 15 hours of nursery education

Efficiencies identified to mitigate service impact include the following:

- Early Years Services - redesign of the early years' service, predominantly around the procurement of Children's Centres
- School Education Strategy - final phase of the School Education redesign

Individual Schools Budget (Including PFI and other school specific expenditure)

The gross Schools specific revenue budget in 2013/14 is £883,433,136 (net -£118,440,511). Key responsibilities: educating for excellence, ensuring all young people get the best opportunity to realise their full potential and no individual or community is left behind in the process.

The main 2013/14 areas of financial change include the following:

- Changes in the formula for funding schools
- Increase due to increase in pupil numbers, transfer from the Non DSG and subsequent increase of 2 year old funding and Newly Qualified Teacher (NQT) funding

Transformation, Performance and Other Strategic Support

The gross revenue budget in 2013/14 for Transformation, Performance and Other Strategic Support is £53,430,570 (net £51,916,665). *Key responsibilities:* Provides the “engine” to drive and deliver innovation and improvement within the Children’s and Education related services.

The main 2013/14 areas of pressures include the following:

- Home to School Transport: Provision of special and mainstream transport to eligible pupils to ensure that all children eligible for services will be enabled to attend their local schools safely

Efficiencies identified to mitigate service impact include the following:

- Commissioning Efficiencies – more efficient commissioning, reduced spot purchasing

The 2013/14 budget should be seen in the context of on-going resource reductions and future budget and service planning will need to take account of the need to continue to find ways of reducing budgets whilst maintaining essential services to the most vulnerable children and young people.