

**TO: SCHOOLS FORUM
10 MARCH 2016**

**LA REVENUE BUDGET 2016/17 – FURTHER SAVINGS PROPOSALS
Director Children, Young People and Learning**

1 PURPOSE OF REPORT

- 1.1 To seek comments from the Schools Forum on a range of further savings proposals that will contribute towards the delivery of a sustainable revenue budget for 2016/17 and beyond, and in particular, their impact on Children, Young People and Learning Department. The proposals reflect the outcomes of the Provisional Local Government Financial Settlement and are in addition to those presented to the Forum at its last meeting in January.

2 RECOMMENDATION(S)

- 2.1 **That the Schools Forum comments on the 2016/17 further savings proposals of the Executive in respect of the revenue budget for the Children, Young People and Learning Department.**

3 REASONS FOR RECOMMENDATION(S)

- 3.1 The Executive seeks the views of the Schools Forum as an interested party on the 2016/17 budget proposals.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The range of options being considered are included in the report and its annexes.

SUPPORTING INFORMATION

5 BACKGROUND

- 5.1 The Council published its initial budget proposals for consultation on 16 December 2015 with the Schools Forum invited to make comments at its meeting on 14 January 2016. In respect of the CYPL Department, £0.246m of pressures and £0.714m of savings were proposed and subsequently approved by the Executive on 23 February. Annexes 1 and 2 show the details of the agreed changes.
- 5.2 The scale of the initial budget proposals was entirely consistent with the guidance provided by Government throughout the late summer and autumn of 2015. They included economies of approximately £4m which left a potential budget gap of around £6.044m. Members were advised that to bridge this remaining gap any, or all, of the following options were available:

- An increase in Council Tax

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- An appropriate contribution from the Council's revenue reserves, bearing in mind the Medium Term Financial Strategy
- Identifying further economies.

5.3 With regards to identifying additional economies, the Council established a Transformation Board to take the lead on reviewing the way in which all Council services are delivered over the next four years. This represents a continuous programme of work, with the aim of identifying significant savings that can be incorporated into the 2016/17 budget and beyond. In December, it was anticipated that a significant proportion of the £6.044m budget gap would be met from the following five service areas:

- Adult social care commissioning
- Highways and transport
- Welfare and housing
- Cultural and leisure services, and
- Public health

5.4 The work of the Transformation Board has to date identified potential economies of £2.183m from these areas for 2016/17 of which £1.816m are expected to be available to contribute to closing the £6.044m budget gap. These are set out in more detail below at paragraph 5.10.

5.5 The Council's initial budget proposals were published for consultation ahead of the Provisional Local Government Finance Settlement which was announced on 17 December 2015. The Provisional Settlement for 2016/17 included previously unannounced changes to the distribution of resources amongst authorities depending on the different sets of services provided by them and their relative ability to raise income through council tax locally. The intention is to recognise both the rising costs of adult social care and the differing relative abilities of local authorities to raise income. The impact of this is for the significant cuts already announced by the Government in the November 2015 Spending Review to fall greatest on those authorities with a perceived ability to raise more income from council tax, of which Bracknell Forest is one. The consequence is that Bracknell Forest's Revenue Support Grant will be cut by 80% over the four year period of the settlement. This is against a backdrop of Government announcements prior to 17 December that signalled real terms reductions of up to 40% should be expected.

5.6 In its response to the consultation on the Settlement, the Council, along with the other Berkshire Council's, has made strong and compelling arguments for treating Berkshire more favourably. This has been reinforced through a delegation of Berkshire Leaders, headed by the Leader, in a meeting with the Minister for Local Government, Marcus Jones, MP. The Government announced the outcome of its consultation on the Provisional Local Government Finance Settlement on 8 February. Whilst the Council's Revenue Support Grant remains unchanged a new transitional grant has been introduced to assist those authorities that have been affected most severely by the changes to the distribution of resources. As such, the Council will receive transitional grant of £0.9m in both 2016/17 and 2017/18.

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- 5.7 The following table sets out the impact of the Provisional Settlement on the Council's Revenue Support Grant over the four year period of the Spending Review.

Loss of Revenue Support Grant

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Anticipated Revenue Support Grant Loss	3.0	2.5	2.0	1.5
Actual Revenue Support Grant Loss	5.4	4.2	2.0	1.7
Additional Revenue Support Grant Loss	2.4	1.7	0.0	0.2
Transitional Grant	0.9	0.9	0.0	0.0
ADDITIONAL LOSS OF GRANT	1.5	0.8	0.0	0.2

In overall terms this represents a further £2.5m loss of grant. The original forecasts contained in the Council's Medium Term Financial Strategy anticipated a budget gap of £22m over four years. This has now become £24.5m over four years and has become heavily front loaded.

- 5.8 Given the short time available to deal with this additional financial challenge, there are very few options available to the Council to set a legal and balanced budget. A key change is an increased use of balances (£5.161m) to enable the Council to set its budget and council tax on 24 February. Such a significant use of balances is not sustainable over the medium term and as a consequence a range of additional savings proposals are set out below which will enable the Council to put money back into balances during 2016/17 and deliver the Medium Term Financial Strategy.

TRANSFORMATION BOARD – WORK PROGRAMME AND ADDITIONAL SAVINGS PROPOSALS

- 5.9 The Transformation Board began its work in late 2015. Initial activity concentrated on the development of a work programme comprising both strategic reviews and other projects. In tandem with this there was a focus on the identification of additional savings that could be implemented relatively quickly during 2016/17, contributing towards the £6.044m budget gap referred to in paragraph 5.2 above. The overall shape of the emerging work programme is set out in the following table:

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Strategic Reviews	Other Projects
Council wide support services	Major property reviews
Early intervention/prevention	One Public Estate
Library review	Devolution
Leisure services review	SEN transport policy
Arts review	School improvement
Citizen and customer contact	NHS integration
Generating additional income	

- 5.10 With regard to the identification of additional savings, a range of proposals have been developed for consultation which are summarised in the table below:

	2016/17 £000	2017/18 £000
Adult social care commissioning	500	500
Welfare and housing	202	0
Public health	367	0
Highways and transport	1,114	142
Total	2,183	642

- 5.11 Public health is funded through a ring fenced grant. In addition to the funding reductions outlined earlier in this report, public health funding has been subject to reductions of £0.237m (6.2%) in the current financial year, with a further reduction of 2.3% in 2016/17 and beyond. As a consequence, the savings of £0.367m are likely to be needed to manage public health spending to within the overall ring fenced grant and, as such, cannot contribute towards the budget gap of £6.044m. However, this still leaves proposed savings of £1.816m that can contribute towards the budget gap.

ADDITIONAL SAVINGS PROPOSALS AS A CONSEQUENCE OF THE SETTLEMENT

- 5.12 As outlined above the 2016/17 budget and council tax is being set using an increased contribution from balances. Such an approach is unsustainable in the medium term and an additional range of savings proposals have been developed, which are capable of implementation during 2016/17. Once agreed, these will enable

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the Council to return money to balances in 2016/17 and contribute towards the savings that will be required to balance the 2017/18 budget.

- 5.13 These additional savings proposals comprise both revenue and capital economies. Whilst economies arising from reductions in capital expenditure will have little impact on the 2016/17 budget position they are an important component of the overall package as they deliver savings through reduced financing costs in later years.

Additional Revenue Savings Proposals

- 5.14 The additional savings proposals relevant to CYPL are set out in Annex 3 with all new proposals summarised in the table below:

	2016/17	2017/18	2018/19
	£000	£000	£000
Adult social care commissioning	500	0	0
Children centres (CYPL)	75	15	0
Early help offer (CYPL)	217	43	0
Grants to voluntary sector organisations	28	10	0
Corporate Services/Chief Executive's Office	112	0	0
Economic development	100	0	0
Community safety	50	0	0
Highway maintenance	200	-110	-90
Book fund	100	0	0
South Hill Park grant	44	0	0
Parish council tax reduction support (Further £0.040m included in the Commitment Budget 2016/17)	175	0	0
Total	1,601	-42	-90

- 5.15 The proposed reduction in grant to South Hill Park will leave £394,281 available in 2016/17. The Transformation Board will undertake a finance driven review of arts provision in the Borough and the role of South Hill Park. This review will be given priority with a target date of the end of June for its conclusion. The Transformation Board will also be prioritising a finance led strategic review of the library service. Although no specific proposals have been developed there is an expectation and a need for both reviews to identify ways to provide the respective services at significantly less cost. In addition to these two finance driven reviews further work will

also be undertaken to establish whether the car parking charges at The Look Out are set at the optimum level

Additional Capital Savings Proposals

- 5.16 The overall council funded capital programme for 2016/17 is £59.983m. The most significant scheme within the overall programme is the construction of Binfield Learning Village, which is required to deliver statutory school places, meeting the needs of new housing and the provision of associated community facilities. In 2016/17 a budget of £23.3m has been allocated to this scheme. Similarly, a budget of £8.358m has been allocated for the replacement roof and flumes at Coral Reef. Tenders for the works to Coral Reef are due to be returned in early March. Given the magnitude of these schemes and their consequent impact on the revenue budget both will be reviewed in terms of their scale, timing and financing early in the next financial year, together with the proposed youth arts facility and housing development on the Coopers Hill site.
- 5.17 More immediately it would be possible, subject to consultation, to reduce expenditure on four schemes included within the current capital programme. These are summarised in the table below:

	£000
Harmanswater Community Centre	800
Buildings Planned Maintenance	800
IT Schemes	300
Dennis Pilcher House	800
Total	2,700

- 5.18 It is estimated that the removal of the above schemes from the capital programme, together with the review of the scope, timing and financing of the Binfield Learning Village and Coral Reef schemes will generate revenue savings in financing costs of more than £0.3m in 2017/18 and in each subsequent year.

CONSULTATION ARRANGEMENTS

- 5.19 In accordance with the Council's Constitution a six week consultation period is required on all budget proposals. However, a number of the proposals outlined above have the potential to impact upon groups with protected characteristics under Equalities legislation or involve the voluntary sector. In these cases a longer, twelve week consultation process will be undertaken to assess the impact of these proposals, concluding with the completion of a full Equalities Impact Assessment before any final decisions are taken. Those proposals requiring a longer consultation period are:
- Housing Related Support Service for Older People (already completed)
 - Children Centres

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- Early Help Offer (including youth service, Homestart grant and voluntary sector grant support)
- Voluntary Sector Grants (Chief Executive's Office budget)
- Community Safety
- Soth Hill Park grant

5.20 The timetable for those proposals not requiring a full Equality Impact Assessment is as follows:

Date	Action
23 February 2016	Executive agrees proposals as basis for consultation
24 February 2016 to 5 April 2016	Consultation period
10 March 2016	Overview and Scrutiny Commission reviews budget proposals
10 May 2016	Executive considers representations made and recommends proposals to Council
13 July 2016	Council considers Executive's recommended proposals

5.21 The timetable for those proposals requiring a full Equality Impact Assessment is as follows:

Date	Action
23 February 2016	Executive agrees proposals as basis for consultation
24 February 2016 to 17 May 2016	Consultation period
10 March 2016	Overview and Scrutiny Commission reviews budget proposals
14 June 2016	Executive considers representations made and recommends proposals to Council
13 July 2016	Council considers Executive's recommended proposals

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 The report identifies a number of proposals to assist the Council in meeting its savings requirements for 2016/17 and beyond. The process of lawfully managing service reductions is a challenge for many local authorities in the current financial landscape. It is important that each of the proposals as well as the procedures underpinning the delivery of each is consistent with Public law principle of fairness. This requires appropriate levels of consultation for each proposal and compliance with the following principles;

- Consultation must be undertaken at a time when proposals are at a formative stage
- Sufficient for the proposal must be given to allow intelligent consideration and response

- Adequate time must be given for a response

- The product of the consultation must be conscientiously taken into account in finalising the proposals

The consultation process set out above sensibly envisages a differentiated approach between those processes requiring an Equality Impact Assessment (12 weeks) and those which do not (6 weeks).

In addition to the Public consultation, where staffing reductions are proposed these will need to be undertaken in compliance with Employment law and internal HR procedures and will be set out in a separate report to the Employment Committee at the appropriate time.

Borough Treasurer

6.2 The financial implications of this report are included in the supporting information.

Equalities Impact Assessment

6.3 The further savings proposals included in this report impact on a wide range of services. In addition to a detailed budget consultation on all of the proposals, initial equalities screenings have been completed and full Equalities Impact Assessments will be undertaken on those proposals that have the potential to impact upon groups with protected characteristics, including those set out in paragraph 5.19. The completed documents can be found on the Council's website at <http://www.bracknell-forest.gov.uk/equalitiesassessmentandconsultation>

Strategic Risk Management Issues

6.4 The delivery of the savings proposals outlined in this report are crucial to the setting of a sustainable budget in 2016/17 and the achievement of the Council's Medium Term Financial Strategy.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The Overview & Scrutiny Commission will be consulted on the budget proposals. Targeted consultation exercises will be undertaken with business rate payers, the Schools Forum, town and parish councils and voluntary organisations. Comments and views will be sought on both the overall budget package and on the detailed budget proposals. In addition, this report and all the supporting information are publicly available to any individual or group who wish to comment on any proposal included within it. To facilitate this, the full budget package will be placed on the Council's web site at <http://consult.bracknell-forest.gov.uk/portal>. There will also be a dedicated mailbox to collect comments.

Method of Consultation

- 7.2 here will be three specific methods of consultation:
- Through consideration of this report by the Overview & Scrutiny Commission
 - A web based consultation with residents, and
 - Through letters sent to targeted groups

Representations Received

- 7.3 None at this stage.

Background Papers

None.

Contact for further information

Contact for further information

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Revenue budget: ORIGINAL pressures for CYPL Department

Description	2016/17 £'000	2017/18 £'000	2018/19 £'000
<p>Multi-agency Safeguarding Hub (MASH).</p> <p>A MASH is designed to improve sharing of information indicating risk between appropriate agencies. MASH's are being established both nationally and within the Thames Valley region and are showing good outcomes both for children and the LA's by ensuring all known concerns are highlighted at an early stage. The pressure relates to BF costs and a contribution to those being incurred by Thames Valley Police.</p>	50		
<p>Post 16 Education Transport</p> <p>New legislation under the Children and Families Act 2014, extended an individual's right for educational support from age 19 to 25. The new legislation does not however extend the duties placed on an Authority to provide transport for Post 16 learners. The net pressure seen is as a result of the discretionary transport policy being available to the extended number of older SEN learners who are continuing on educational courses. It is anticipated that a new Transport Policy for implementation in September 2016 shall need to consider charging for transport for new Post 16 learners.</p>	50		
<p>Special Educational Needs (SEN)</p> <p>Statutory guidance in the SEN Code of Practice 2014, requires all SEN Statements to be converted into Education Health Care Plans before April 2018. Grants have been available in the previous two financial years to support the necessary staffing increase but there is no indication that these will continue. 190 statements will be required to be converted within the next financial year, to a shorter, 20 week timeframe which it is estimated will require additional short term capacity of 4.5 FTE staff.</p>	146	-73	-73
CHILDREN, YOUNG PEOPLE AND LEARNING TOTAL	246	-73	-73

Revenue budget: ORIGINAL economies for CYPL Department

Description / Impact	2016/17 £'000	2017/18 £'000	2018/19 £'000
<p>Additional income A number of services are exceeding their income targets, or identifying new opportunities for income generation, either through improved trading, or additional external contributions, and where this is expected to continue, budgets will be increased accordingly. This relates to Community Learning (£50,000), Larchwood short break unit (£32,000) and aspects of support to the Schools Budget (£10,000).</p>	-92		
<p>Looked After Children The strategy put in place over the past three years to reduce costs continues to be successful. The number of children placed with in-house foster carers and therefore less expensive placements has increased from 61% in March 2012 to 64% at September 2015. There has also been an increase in the number of children being placed permanently outside the care system at minimal cost through either an Adoption or Special Guardianship Order. It has also been possible to de-escalate some young people from high cost residential placements to Independent Fostering. Savings are also continuing to be achieved through commissioning where a rigorous and challenging approach continues to result in savings.</p>	-275		
<p>Revised delivery of services and support As part of the on-going process to improve efficiency, a number of services have been reviewed to consider alternative ways for their delivery or opportunities for cost reductions through reduced take up or general efficiencies. The main reviews of service relate to the Early Help Offer where the Children's Centres management structure has been streamlined (£72,000) along with the youth offer (£58,000), and the Joint Legal Team that provides a Berkshire wide service, hosted by Reading Borough Council (£40,000). Other changes are proposed to Information, Advice and Guidance to young people where service provision can be reduced in response to evidence of low uptake (£70,000), Children's Social Care specialist contracts and externally commissioned assessments (£30,000), Youth Justice support to parenting services (£27,000), the share of cost from the Emergency Duty Team that provides an out of hours social work service (£25,000), the Finance Team (£20,000), and general Departmental resources used to respond to new initiatives (£5,000).</p>	-347		
CHILDREN, YOUNG PEOPLE AND LEARNING TOTAL	-714	0	0

Revenue budget: ADDITIONAL economies for CYPL Department

Description Impact	2016/17 £'000	2017/18 £'000	2018/19 £'000
<p>Children's Centres</p> <p>There will be a reduction in universal service provision within the Alders & Chestnuts Children's Centre area. The focus will be on targeted services. Health services will still be delivered from this site. 2.7 FTE posts will be deleted.</p>	-75	-15	
<p>Early Help Offer</p> <p>A number of savings are proposed within the Early Help Offer:</p> <ul style="list-style-type: none"> • Support to early years providers will end in respect of training and staff development, a reduction in resource support for the Every Child a Talker programme and in the support for providers with sustainability issues (£37,000). • Deletion of 2.2 FTE Development Officer posts that support childminders, after school clubs, play schemes and wrap around provision (£78,000). • Removal of resources budget at the Family Information Service that will develop a reactive service delivery (£10,000). • Deletion of 1.9 FTE youth worker posts which will lead to a reduction in universal services for young people (£57,000). • 50% reduction in grant allocated to Homestart for the provision of trained volunteers to support families requiring early help (£30,000) • Deleting voluntary sector grant support: <ul style="list-style-type: none"> ○ REDZ- provides performing arts sessions to young people at The Spot in Sandhurst] (£4,500) ○ South Hill Park - provides arts based sessions to young people (£13,200) ○ KIDS Young Carers – develops and delivers a service to young carers and their families within Bracknell Forest (£30,000) 	-217	-43	
CHILDREN, YOUNG PEOPLE AND LEARNING TOTAL	-292	-58	0