

WIRRAL COUNCIL

CHILDREN'S SERVICES AND LIFELONG LEARNING OVERVIEW AND
SCRUTINY COMMITTEE – 30 OCTOBER 2007

REPORT OF DIRECTOR OF CHILDREN'S SERVICES

CHILDREN AND YOUNG PEOPLE'S DEPARTMENT - PROJECTED BUDGET
2008-2011

1. EXECUTIVE SUMMARY

- 1.1 This report informs Members of the Children & Young People's Projected Budget for 2008-2011. It outlines the key financial changes to the department's budget anticipated for this period. It is the departmental version of a report that Cabinet considers on the overall Council budget. The Schools Budget is funded by Dedicated Schools Grant and is not covered in this report. The Schools Budget will be the subject of a separate report when the details of the DSG settlement become available.
- 1.2 Members are asked to endorse the proposals for 2008-09 only and refer them to the Budget Cabinet meeting on the 21 February 2008 so that they may be included in the 2008-09 budget.

2. INTRODUCTION

- 2.1. The Council agreed its Medium Term Financial Strategy on 6 September 2007. This sets a financial strategic overview for the period 2008-11 and that services need to be financed within the funds that are available. It details the major financial challenge facing this Council as the need to bridge the gap between spending and the resources that are available. The budget setting process is the means by which these longer- term financial plans are turned into the annual base budget.
- 2.2 Projected budgets for a three year period are detailed. This is to coincide with the period of the Comprehensive Spending Review 2007 (CSR). The Department for Communities and Local Government (DCLG) has stated that following the CSR the Local Government Finance Settlement will cover the period from 2008 to 2011 and that Local Authorities will be expected to budget on a 3 year period. To move toward this requirement this report details indicative budgets for the years 2009 to 2011. The Council will in March set the budget for first year of this period, 2008/09, publishing planned departmental targets for the following two years.
- 2.3 Due to the budget challenge facing the Council the report presents to this committee the projected budget earlier than in previous years. This is to allow Members sufficient time in the budget setting process to consider the base estimate for 2008-09. The format focuses on the key financial changes that

will impact on this department's budget. Further details of these are contained in section 3.

3. PROJECTED BUDGET 2008/09-2010/11

3.1 The Councils Medium Term Financial Strategy was agreed by the Cabinet on 6 September 2007. This strategy covered:

- o Resource issues and principles that shape the Council's Budget
- o Allocation of Resources to priorities
- o Current issues and potential developments that provided the basis for the revenue and capital budgets for 2008/09 -2010/11

3.2 The Projected Budget 2008/09-2010/11 is detailed at appendix 1 and includes the items that are detailed in the following paragraphs.

3.3 Inflation

3.3.1 Provision is included for pay at 2% and income at 3% for 2008-2011. Provision has been included for price inflation at 2% in line with the Cabinet decision of 24 May 2007.

3.4 Inter Departmental Budget transfers

3.4.1 £58,600 has been transferred from Adult Social Services for the costs of Swift support staff during 2007/08. There are continuing issues relating to staff transfers to be resolved during the budget process.

3.5 Specific Grants and time limited funding

3.5.1 A number of specific grants have been included where it can be reasonable assumed that they will continue. These are detailed in the table below. A number of these are subject to confirmation by the various grant awarding bodies. Cabinet on 18 October agreed that any grant decreases which cannot be matched by a decrease in expenditure should be reported to a future Cabinet meeting and that any increases will be reported to Cabinet for approval before inclusion in a department's budget.

Service Area	Specific Grant	Amount 2007/08	Estimated amount 2008/09
Children's Services	Teenage Pregnancy	185	185
Children's Services	Carers	276	276
Children's Services	CAMHS	670	670
Children's Services	HR Development	64	64
Children's Services	National Training	167	167
Children's Services	Asylum Seekers	30	30
Children's Services	Children's Fund	1,241	1,241
Children's Services	Sharing IS Index	188	188
Children's Services	Positive Activities for Young People	339	339

Asset Management	PFI grant	5,471	5,471
Adult & Community Learning	Learning & Skills Council	836	836
Youth Services	Youth Justice Board	1,246	1,246

3.5.2 The £17.8m specific grant funding the Merseyside Connexions service ceases at the end of 2007/08 and is replaced by an area based grant for Wirral only of £3.7m.

3.5.3 There are a number of specific grants which will be consolidated into the Formula Grant. The switch of this income from departmental budgets to the general fund does not reduce the income of the council, or the spending of the departments concerned. The Children's Services Grant of £1,445,000 in 2007/08 is to be included in Formula Grant in the 2008/09 budget, the associated costs remain within the department.

3.6 Savings

3.6.1 Cabinet on 24 January 2007 agreed to the preparation of an efficiency plan for 2008-2011 totalling £30m. This projected budget shortfall was up dated at Cabinet on 7 June 2007 for price inflation and the projected shortfall is now £45.4m. This has been apportioned between departments. The 2008/09 budget includes an efficiency target of £4.06m for this department. In 2009/10 and 2010/11 further savings of £2.78m and £2.87m have to be found.

3.6.2 Information on how savings will be achieved was considered by Cabinet on the 6 September and 4 October. Details of these are listed in appendix 1. Reports on how further savings will be achieved are due to be considered by Cabinet in the near future.

3.7 Growth

3.7.1 Growth agreed by Cabinet on 4 October of £800,000 relating to increased PFI payments has been included in the estimates for 2009/10, but revised to £200,000, and a further £1.5m approved for 2010/11 has been included. Since 2005/06 PFI costs have, as anticipated, exceeded the specific grant received plus schools contributions. This shortfall has been financed from a reserve created in 2002. In 2009/010 the reserve will be fully utilised and additional costs will fall on the council's budget

3.7.2 Cabinet agreed on 21 September 2006 to fund the training of Educational Psychologists, with additional costs in 2008/09 of £13,000 and a further £13,000 in 2009/10. Details of growth are listed in appendix 1.

4 BUDGET TIMETABLE

4.1 The budget and council tax for 2008/09 is anticipated to be agreed at the Council set for 3 March 2008. Prior to this the department's budget presented here will be updated for changes to central establishment, administrative buildings and other recharges that will be revised to reflect changes arising

from the budget process and further decisions made by Cabinet, for example following the announcements of the Local Government Finance Settlement.

- 4.2 Cabinet on the 21 February will consider the Councils overall budget 2008-09 and service plans for all departments. The service plans will include full budget details including grant announcements, central establishment and other recharges. Further details on the budget timetable are given in appendix 2.

5. FINANCIAL IMPLICATIONS

- 5.1. The budget for 2008-09 is compiled from the base budget for 2007-08 approved by Council 1 March 2007, the Medium Term Financial Strategy 2008-2011 agreed by the Cabinet on 6 September 2007, and updated for the issues outlined in this report. The projected budget is shown in Appendix 1 attached.
- 5.2 This report has given explanations of the changes to the budget for this department. The key figures at the date of preparing this report are:

Children and Young People's Department	£
Base Estimate 2007/08	59,243,600
Base Estimate 2008/09	60,632,000
Projected Estimate 2009/10	62,092,000
Projected Estimate 2010/11	64,839,000

6. STAFFING IMPLICATIONS

- 6.1. There are none arising from this report.

7. EQUAL OPPORTUNITIES IMPLICATIONS

- 7.1. There are none arising from this report.

8. HUMAN RIGHTS IMPLICATIONS

- 8.1. There are none arising from this report.

9. LOCAL AGENDA 21 IMPLICATIONS

- 9.1. There are none arising from this report.

10. COMMUNITY SAFETY IMPLICATIONS

- 10.1. There are none arising from this report.

11. PLANNING IMPLICATIONS

- 11.1. There are none arising from this report.

12. LOCAL MEMBER SUPPORT IMPLICATIONS

12.1. There are none arising from this report.

13. BACKGROUND PAPERS

13.1. Medium Term Financial Strategy – 2008-2011 6 September 2007
Projected Budget 2008-2011 Various Cabinet meetings

14. RECOMMENDATION

14.1 Members are asked to note the Projected Budget 2008/2011 as it reflects this department.

14.2 That this Overview and Scrutiny Committee be informed of any Cabinet decisions that affect the projected budget.

Howard Cooper
Director of Children's Services

This report was prepared by R Nicklin who can be contacted on 666 3344.

CHILDREN AND YOUNG PEOPLE'S DEPARTMENT

PROJECTED BUDGET 2008-2011

	2008-09	2009-10	2010-11
	£'000	£'000	£'000
Base Budget	59,243	60,632	62,092
Pay Inflation	627	627	627
Price Inflation	666	666	666
Income Inflation	-46	-46	-46
Inter Departmental Budget transfer			
From Adult Social Services	59		
Consolidation of Specific Grants Children's Services	1,445		
Efficiency Plan Savings:			
Reduce sickness levels and reliance on agency staff	-100		
More cost effective Facilities Management	-25		
Net reduction of out of borough placements for Looked After Children	-650		
Further savings on procurement	-100		
Closure of Poolwood Children's Home	-500		
Growth:			
PFI payments		200	1,500
Educational Psychologists	13	13	
Base Budget 2008-09	60,632		
Projected Budget 2009-2011		62,092	64,839

**BUDGET
TIMETABLE
2008-09**

APENDIX 2

