

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Lead Member for Children's Services
<b>Date:</b>	15 January 2018
<b>Title:</b>	2018/19 Revenue Budget Report for Children's Services
<b>Report From:</b>	Director of Children's Services and Director of Corporate Resources – Corporate Services

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### 1. Recommendations

To approve for submission to the Leader and Cabinet:

- The revised revenue budget for 2017/18 as set out in Appendix 1.
- The summary revenue budget for 2018/19 as set out in Appendix 1.
- Changes to the local school funding formula for 2018/19, as set out in paragraph 8.21.

### 2. Executive Summary

- 2.1. The purpose of this report is to set out proposals for the 2018/19 budget for Children's Services in accordance with the Councils Medium Term Financial Strategy (MTFS) approved by the County Council in November 2017.
- 2.2. The deliberate strategy that the County Council has followed to date for dealing with grant reductions during the prolonged period of austerity is well documented. It involves planning ahead of time, making savings in anticipation of need and using those savings to help fund transformational change to generate the next round of savings.
- 2.3. In line with the financial strategy that the County Council operates, which works on the basis of a two year cycle of delivering departmental savings to close the anticipated budget gap, there is no savings target set for departments in 2018/19. Any early achievement of resources from proposals during 2018/19 as part of the Transformation to 2019 (Tt2019) Programme will be retained by departments to use for cost of change purposes.
- 2.4. The report also provides an update on the financial position for the current year. Overall the outturn forecast for the Department for 2017/18 is a budget over spend of £7.6m.
- 2.5. The proposed budget for 2018/19 analysed by service is shown in Appendix 1.

- 2.6. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2017/18 and detailed service budgets for 2018/19 for Children's Services Department. The report has been prepared in consultation with the Executive Member and will be reviewed by the Children and Young People Select Committee. It will be reported to the Leader and Cabinet on 5 February 2018 to make final recommendations to County Council on 22 February 2018.

### **3. Context and Priorities**

- 3.1. The current financial strategy which the County Council operates works on the basis of a two year cycle of delivering departmental savings targets to close the anticipated budget gap. This provides the time and capacity to properly deliver major savings programmes every two years, with deficits in the intervening years being met from the Grant Equalisation Reserve (GER) with any early achievement of savings proposals retained by departments to use for cost of change purposes, cashflow the delivery of savings or offset service pressures.
- 3.2. The County Council's early action in tackling its forecast budget deficit over the prolonged period of austerity and providing funding in anticipation of further reductions has placed it in a very strong position to produce a 'steady state' budget for 2018/19, giving itself the time and capacity to develop and implement the Tt2019 Programme to deliver the next phase of savings totalling £140m. This also avoids the worst effects of sudden and unplanned decisions on service delivery and the most vulnerable members of the community. Consequently there are no departmental savings targets built into the 2018/19 budget. However, other factors will still affect the budget, such as council tax decisions and inflation.
- 3.3. In 2016 the Local Government Finance Settlement provided definitive figures for 2016/17 and provisional figures for local authorities for the following three years to aid financial planning for those authorities who could 'demonstrate efficiency savings'. Following acceptance by the Department for Communities and Local Government (DCLG) of the County Council's Efficiency Plan for the period to 2019/20 the expectation was for minimal change for 2018/19 and 2019/20. No figures have been published beyond this date and there remains uncertainty around the Fair Funding Review and the future of 100% Business Rate Retention.
- 3.4. The Medium Term Financial Strategy (MTFS) approved by the County Council in November 2017 flagged that the Budget in November might contain some additional information that could impact our planning assumptions, for example around public sector pay and council tax referendum limits.
- 3.5. In overall terms, the announcements in the Budget had very little impact on the revenue position reported in the MTFS, although there were some welcome announcements in respect of the Community Infrastructure Levy and Section 106 Developer Contributions.
- 3.6. Since the Budget was announced there has been a two year pay offer for local government workers, which includes a 'core' increase of 2% and changes to the lower pay scales to reflect the impact of the National Living

Wage. The overall increase in the pay bill could be in the region of 6% over the two years, and is above the allowances made within the MTF5. Depending on the final pay award that is agreed this could mean additional recurring costs of circa £5m will need to be met.

- 3.7. The offer of a four year settlement provided greater but not absolute funding certainty and the provisional Local Government Settlement announced on 19 December confirmed the grant figures for 2018/19 in line with the four year settlement. The other key elements of the provisional settlement were:
- The 'core' council tax referendum limit was increased from 2% to 3% for all authorities for the next two years (each 1% increase in council tax equates to approximately £5.7m). The arrangements for the social care precept remain unchanged.
  - Ten new 100% Business Rate Pilots were announced, one of which was for the 3 local unitary councils.
  - A Fair Funding Review consultation was announced as part of the settlement which is expected to be implemented in 2020/21.
  - A potential move to at least 75% Business Rate Retention is also planned for 2020/21, but still on the basis of fiscal neutrality.
  - No new announcements of funding for social care above those that we are already aware of but the Green Paper for adult social care is due to be published in summer 2018 .
- 3.8. The key announcement related to the new referendum limit for council tax and this will be considered by Cabinet as part of the budget setting process in February.
- 3.9. Children's Services has been developing its service plans and budgets for 2018/19 and future years in keeping with the County Council's priorities and the key issues, challenges and priorities for the Department are set out below.

#### **4. Departmental Challenges and Priorities**

- 4.1. The department's priorities were set out in previous budget review processes and remain as follows:
- Ensure a safe and effective social care system that continues to manage the risks between protecting and caring for the most vulnerable children and providing support to families in need;
  - Ensure sufficient capacity to lead, challenge and improve the schools system to help ensure improved outcomes for all but particularly more vulnerable groups;
  - Tightly target limited resources according to the needs of children whether that be support to children and families or to schools;
  - Secure targeted and co-ordinated early help provision where it demonstrably reduces escalation of need;
  - Sustain and develop high quality and financially competitive sold services when doing so contributes to our responsibilities to Hampshire;

- Maximise the opportunities to create efficiencies and maintain and enhance services through partnership arrangements.
- 4.2. These principles have served the department and the council and partners well in shaping the budget review process to meet the transformation programme requirements. The principles provide focus on the essence of the department's work in terms of its statutory duties to safeguard children and sustaining the role of the local education authority especially with regard to securing the best performance of schools in order that children's optimal outcomes can be achieved. These principles also ensure that a careful strategic approach is taken to future trading opportunities which help maintain capacity and an appropriate contribution to fixed and overheads costs of the Department.
  - 4.3. With regard to the provision of social care services, performance remains one of the strongest nationally although the financial pressures generated by the increases in vulnerable children needing to be 'looked after' continue to dominate our thinking with regard to both service and financial strategies.
  - 4.4. In terms of Hampshire's role as an education authority, the other key pillar of the department's strategic direction, the quality of our planning, support and intervention with schools remains high. These strengths are important for the reputation of the County Council as well as the outcomes for the individual children. They are also achieved through a particularly mature and responsive relationship between the School's Forum and the local authority. This relationship remains critical as the Department's and the schools' budgets become further restricted.
  - 4.5. The most significant partnership arrangement, aside from the composite arrangement with the Hampshire family of schools, remains the Council's partnership with the Isle of Wight Council for the delivery of children's services. In addition, Children's Services are supporting Torbay Council.

### **Children in Care**

- 4.6. Both nationally and locally pressures relating to the costs (and numbers) of children looked after continue to grow. A number of high profile child deaths nationally and a mix of other factors such as greater awareness of child sexual exploitation, online child exploitation and the growth in unaccompanied asylum seekers has led to higher numbers of children in care both nationally and in Hampshire.
- 4.7. The number of children in the care of the local authority is never a static figure. Every week, indeed most days, children are coming into our care but equally as important, children leave our care. Every decision to take a child in to care is carefully considered and there is a 'triple lock' of accountable decision making through social workers, team managers and district managers. Children also leave care most days. Often this is because they have become 18 and are classified as 'care leavers' and will be entitled to ongoing financial and practical support from the local authority. As the number of children in care has grown so have the financial pressures relating to care leavers. Other children are adopted and some, particularly teenagers, return home or go to live with a family member under an arrangement such as a special guardianship order (which still has a cost associated).

4.8. At the end of November 2016 there were 1404 children in care. As of November 2017, the number of children in the care had risen to 1549, an increase of 10%, a slightly higher percentage increase than there was in 2016/17.

4.9. The continued rise in the number of Unaccompanied Asylum Seeking Children (UASC) has contributed to the overall rise in children becoming looked after by Hampshire. There are three groups of unaccompanied asylum seeking children: those who enter the UK illegally, those who enter according to the DUBS1 amendment and Syrian refugees who travel legally to the UK. These children become looked after children and are the responsibility of the Local Authority but the implications are wide reaching and complex. The table below shows the continued rise in the numbers of UASC and as a percentage of the over all cohort of looked after children:

	Nov-16	Nov-17	% increase
CLA excl UASC	1,342	1440	7%
UASC	62	109	75%
Total	1,404	1549	10%

4.10. If the number of new UASC (47) is removed from November 1549 figure, then the actual percentage rise is 7%, slightly above the national figure of 5%.

4.11. Nationally the picture of demand continues to outstrip the supply of places, and the costs of placements are still rising significantly. Given that the national number of children in care has increased incrementally and significantly over the last nine years, it should not be a surprise that nationally, demand has outstripped supply and that prices in the independent placements sector have risen. Significant effort and intelligence has been applied to reducing the costs of contracts with the independent sector as part of Tt2017 and further work will follow as part of Tt2019.

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<sup>1</sup> <https://www.gov.uk/government/news/unaccompanied-asylum-seeking-children-to-be-resettled-from-europe>

- 4.12. Given the pressures nationally, a key strand of work that is under way to safely reduce the number of children in care, through Hampshire's involvement in the DfE's Partners in Practice programme. The DfE selected 7 of the top performing Children's Services departments to look at delivering children's social care services radically differently. This is a four year programme from 2016-2020, and Children's Services has embarked on an ambitious programme to redesign the operating model predicated on the following principles:
- Working in multi-disciplinary teams to deliver family focussed interventions to children and families at the time they need it;
  - A social work led, integrated, multi-disciplinary service, from the front door through to specialist services;
  - Reunifying children home, where it is safe and appropriate to do so, as a central strand of our operating model;
  - Children are supported by and within their own family/community wherever possible. Where children do come into care longer term their experience will be life changing for the better.
- 4.13. This programme significantly expands our work under the one year DfE funded innovations programme where we successfully delivered a pilot of a more family oriented set of interventions focused on parenting deficits and the presence of the 'toxic trio' (domestic abuse, parental substance misuse and parental mental health) whilst increasing capacity through the use of volunteers. The numbers of children coming into care plateaued whilst these pilots were in place and our new operating model is predicated on the same approach but on a whole system re-design to have greater impact on effecting change with vulnerable children and families.
- 4.14. To achieve a significant reduction in the identified teenage cohort of children coming into care, social workers need the capacity to increase the time and interventions they deliver with children and their families. To that end an investment in social workers is required and has been agreed by Cabinet.
- 4.15. However, given the size of the service and the fundamental changes required to the operating model, numbers of children coming into care will not reduce rapidly but over time. The Department therefore anticipates that there will be continuing pressures on CLA numbers and unit costs as well as for care leavers for some time. These will continue to be closely monitored going forward.

## **Schools**

- 4.16. Financial pressures on schools are increasing, both at an individual school level and within the overall schools budget.
- 4.17. The overall schools budget will end in deficit this financial year and Schools Forum has agreed for this to be carried forward into the budget for 2018/19. The pressure predominantly relates to demand led budgets funding pupils with high levels of additional need, in particular where there are increasing numbers of pupils with Education, Health and Care (EHC) plans. A number of management actions are being developed to reduce this pressure.
- 4.18. In September 2017, the DfE announced the introduction of a National

Funding Formula for Schools, High Needs and the Central School Services blocks. The Government's intention is that individual school budgets should ultimately be set on the basis of a single national formula (a 'hard' funding formula) however, no timescales have been set. For 2018/19 and 2019/20, funding for schools will be calculated on a national basis and then passed to the local authority for allocation. Hampshire's schools budget is due to gain £37m through the changes however, this will be implemented over the next three years with the final year not guaranteed as it is subject to decisions made regarding the next Spending Review. The local implementation of the changes is complex with a great deal of external scrutiny requiring clear consultation and engagement. A series of briefings were provided for all stakeholders and a three week consultation was undertaken with all schools to seek views on changes to the local formula.

- 4.19. Decisions regarding the shape of the local formula were made at Schools Forum in December prior to the budget allocation announcement. The formula will be finalised at Schools Forum in January. Schools Forum recognised in making the decision that this was in the context of insufficient funding going into Hampshire schools overall and would be seeking to raise the challenges faced by Hampshire schools with the DfE and local MPs and relevant ministers.
- 4.20. There are an increasing number of schools in, or at risk of falling into deficit. Reasons for this vary. Tailored support is being provided to individual schools facing financial difficulties along with appropriate challenge and intervention where required.

## **5. 2017/18 Revenue Budget**

- 5.1. Enhanced financial resilience reporting, which looks not only at the regular financial reporting carried out in previous years but also at potential pressures in the system and the achievement of savings being delivered through transformation, has continued through regular reports to the Corporate Management Team (CMT) and periodic reports to Cabinet.
- 5.2. The expected outturn forecast for 2017/18 is a budget over spend of £7.6m.
- 5.3. The pressure relates to the children looked after growth, including UASC, which has continued to increase since the baselining exercise was undertaken last December and corporate funding agreed.
- 5.4. There has been significant focus on children looked after numbers and costs over the year as set out above. Trends for average costs, numbers and the mix of placement type have been tracked throughout the year. Based on this analysis and tracking, with a base line of December 2016, additional corporate support was agreed to address the pressures arising from the growth in the costs of children looked after.
- 5.5. The agreed increase in Unaccompanied Asylum Seeking Children (UASC) has impacted on numbers in care. Costs relating to UASC placements are reclaimed from the Home Office, although a cap is applied.
- 5.6. Other challenges faced by the Department relate to the short supply of qualified social workers, an increase in the numbers of care leavers and the costs associated with the provision of school transport, mainly relating to

those with special education needs. Again, the Tt2019 plans will assist in addressing these pressures.

- 5.7. Further corporate support has been agreed to help alleviate the pressures being felt in these areas which is already accounted for in the forecast pressure noted above.
- 5.8. The forecast pressure above relies on the success of a series of management actions. Children's Services have, for a long time only authorised essential spend. Such messages are being and will be continuously reinforced by senior managers..
- 5.9. As reported to Cabinet in October, the projections used to baseline corporate funding were based on a wide range of assumptions and predictions and given the volatile nature of these areas, a requirement to continue to monitor activity and spend closely was recognised. This continued monitoring will inform a review of the recurring funding previously agreed.
- 5.10. As previously reported, the cost of change within Children's Services will be exhausted before the end of the financial year.
- 5.11. In the schools budget, there are significant pressures in a number of areas of high needs driven by an increase in demand. There are significant overspends in a number of top-up budgets and for the placement budget for Independent, Non-maintained Special Schools.
- 5.12. Further funding for high needs is due to be received through the National Funding Formula and a transfer of funds equating to 0.5% of the Schools Block has been requested to help meet these pressures in 2018/19. Management actions are also being developed to reduce expenditure through a number of centrally held budgets.
- 5.13. There is a further overspend within the early years budget due to an unexpected decline in the number of children recorded on the census.
- 5.14. The expected 2017/18 outturn forecast for the schools budget is an overspend of £10.3m.
- 5.15. The budget for Children's Services has been updated throughout the year and the revised budget is shown in Appendix 1.

## **6. 2018/19 Revenue Budget Pressures and Initiatives**

- 6.1. There are significant areas of pressure within the Children's Services budget.
- 6.2. The most volatile pressure relates to children looked after, both in numbers and also in type. The department is monitoring this position very carefully and many of the Tt2019 actions, most notably the work to reduce the numbers of children looked after are aimed at reducing the financial risks around the need to make appropriate provision for this vulnerable group of children and young people.
- 6.3. The home to school transport pressure is almost entirely due to increased costs around the transport of children with special educational needs. Many of these are taxi journeys and have been subject to some inflationary pressure. However other contributing factors include the increasing numbers of pupils with SEN including the impact of Education Health Care Plans



(EHCP) continuing until the age of 25, the pressures on SEN school places which can lead to the nearest provision being full, and the historical tendency for much higher levels of discretionary exceptions to transport policy relating to pupils with SEN. Tt2019 work will include much more rigorous consideration of entitlement in line with policy.

- 6.4. The costs of agency social workers to cover for the short supply of qualified social workers are creating significant pressures. Agency recruitment is subject to approval at senior level and action is being taken to ensure that the use of agency staff is kept to an absolute minimum. Corporate support has been agreed in order to increase the number of social workers which will lead to a reduced caseload for teams. The outcome of this is to ensure that we retain our social workers and avoid the use of agency staff. Various recruitment and alternative pathways to social work careers are being promoted.

## **7. Revenue Savings Proposals**

- 7.1. In line with the current financial strategy, there are no new savings proposals presented as part of the 2018/19 budget setting process. Savings targets for 2019/20 were approved as part of the MTFS to 2020 by the County Council in July 2016. Savings proposals to meet these targets have been developed through the Tt2019 Programme and were approved by Executive Members, Cabinet and County Council in October and November this year.
- 7.2. Some savings will be implemented prior to April 2019 and any early achievement of savings in 2018/19 can be retained by departments to meet cost of change priorities. It is anticipated that £2.7m of savings will be achieved in 2018/19 and this has been reflected in the detailed estimates contained in Appendix 1.
- 7.3. Due to the transformational nature of some of the Tt2019 work, and linked to the four year Partners in Practice programme, some of the planned savings will be delivered beyond the 2019/20 timeframe. This will enable the Department to ensure that any changes to services provided to vulnerable people are well thought through, planned, communicated and coordinated.

## **8. Schools Budget**

- 8.1. A forecast overspend of £10.3m in 2017/18 was reported to Schools Forum in December 2017. These pressures relate to both high needs and early years.
- 8.2. Pressures on the High Needs Block have mainly arisen due to significant increases in the number of pupils with additional needs. This is a pressure that is mirrored nationally and has been seen since the SEND Reforms in 2014. There are also increases in the amount of funding being provided for each pupil on average due to increasing levels of need. Both of these factors have created pressures on the top-up budgets for mainstream schools, special schools, resourced provisions and FE colleges. There is also a significant pressure due to more pupils requiring placements in independent and non-maintained special schools.
- 8.3. The pressures on the High Needs budgets provide significant cause for concern for the current year's budget and future budget planning. This is a

very similar picture to many other Local Authorities. Actions are being taken to address the pressures, however these are demand-led budgets so it is difficult to manage spending where demand is increasing year on year in volume and cost dimension.

- 8.4. There is also a forecast overspend on the Early Years Block. This is due to a reduction in the Dedicated Schools Grant allocation from the DfE following the national mid year update, which is based on the number of children submitted in the January 2017 census.
- 8.5. Any year end overspend is usually met from the Dedicated Schools Grant (DSG) reserve, however, the reserve balance is not now sufficient to cover these pressures. The allocation of schools budget for 2018/19 will address this in the short term.

**Dedicated Schools Grant (DSG) 2018/19**

- 8.6. The DSG is allocated in four notional blocks - Schools Block, Early Years Block, High Needs Block and Central School Services Block. The school funding formula approach is that local authorities set the policies and allocations that are then applied to academies. Initial total notional allocations for 2018/19 have been received, as follows:

<b>Block</b>	<b>Amount £'000</b>
Schools	732,205
Early Years	79,010
High Needs	108,649
Central School Services	<u>8,116</u>
<b>Total</b>	<b><u>927,980</u></b>

- 8.7. The early years block includes an additional allocation for 30 hours entitlement; this was introduced from September 2017.
- 8.8. Funding for statutory functions relating to maintained schools, previously funded through the general services element of the Education Services Grant, has been funded from maintained schools budget shares since September 2017. The full year effect of the charge will be top-sliced from schools budget shares in 2018/19.
- 8.9. Following implementation of the National Funding Formula, a funding block has been created for Central School Services. This includes funding for historic commitments, activities formally met by the retained duties element of the Education Services Grant and central activities such as admissions.
- 8.10. National formula changes and additional pupils has provided additional funding to Hampshire of £26.1m in 2018/19 (excluding Early Years Block). This is reflected in the block allocations above.

8.11. The Pupil Premium level of funding for 2018/19 is detailed in the table below :

Premium	Basis	2018/19 (per annum)
Ever 6 FSM- Primary Schools	Pupils in Year R – 11 eligible for FSM according to the January census, or known to be eligible in any of the previous 6 years census.	£1,320
Ever 6 FSM - Secondary Schools		£935
Looked After (LAC) / Post-LAC	Looked after for 1 day or more, <b>or</b> adopted from care, <b>or</b> has left care under a special guardianship order, a residence order or a child arrangement order.	£2,300
Service Family (Ever 6)	One parent serving/previously served in Armed Forces; one parent died in service and pupil receives relevant pension.	£300
Literacy and numeracy 'catch up'	Year 7 pupils who have failed to reach level 4 in reading and/or maths.	£500
Early Years (3 and 4 year olds)	Looked after for 1 day or more Adopted from care Has left care under a special guardianship order, a residence order or a child arrangement order.	£302

\*FSM = Free School Meals

8.12. The DfE have confirmed the grant for universal infant free school meals (UIFSM) continues at a meal rate of £2.30 for the 2018 to 2019 academic year. It has also been confirmed the primary PE and sport premium will also continue. Further details on these will be available shortly.

8.13. The Music Grant for 2018/19 has yet to be announced. Therefore, the 2017/18 figure of £1.696m has been used.

8.14. The table below shows how the total schools budget managed by Children's Services is derived:

	<b>2018/19 £'000</b>
Dedicated Schools Grant (DSG) (incl. in year adjustments)	929,085
Less recoupment (incl. academies & FE colleges)	(181,815)
<b>Sub-total</b>	<b>747,270</b>
Pupil Premium and other schools grant	57,919
Music Grant	1,696
<b>Total schools budget managed by Children's Services</b>	<b>806,885</b>

8.15. The following adjustments have been made to the DSG allocation as set out in section 8.3 :

- Recoupment for academies and post 16 education providers (£181.815m).
- For early years, figures are based on schools and early years census data from January 2017 and will be updated based on January 2018 and January 2019 census data, which is estimated to be an increase of £1.105m.

8.16. The proposed budgets to be retained by the local authority are summarised below.

<b>Block</b>	<b>Budget £'000</b>
Schools	556,314
Early Years	80,115
High Needs	102,725
Central School Services	8,116
<b>Total</b>	<b>747,270</b>

8.17. On 11 December 2017 Schools Forum gave initial consideration to the 2018/19 budget and agreed principles and policies to be applied in determining budget allocations.

8.18. Schools Forum considered the feedback from the funding consultation with all schools in which 44% of primary and secondary schools responded. The response indicated strong support (91%) for the transfer of 0.5% funding from the Schools Block to the High Needs block. Responses regarding the preferred option for funding distribution were more mixed however the

majority of responders indicated a preference for a proportional reduction to unit values (Option A).

- 8.19. Schools Forum considered each option and decision in detail before drawing any conclusions. They recognised the need to try and make the best decision they can for all whilst noting that there is insufficient money in the system to achieve any true fairness in funding.
- 8.20. After much discussion, they agreed the 0.5% transfer of funding from the Schools Block to the High Needs Block (supported by 91% of schools who responded to the consultation) and concluded that on balance, Option A should be applied to the funding formula next year.
- 8.21. Schools Forum has decided to adopt the principles of the National Funding Formula from 2018/19 and has approved changes required to the local schools funding formula to reflect this. These are inclusion of Free School Meals as a measure of deprivation, a new factor for the minimum level of per pupil funding and removal of the looked after child factor, which is now incorporated in the Pupil Premium Grant.
- 8.22. On 16 January 2018 Schools Forum will consider and agree 2018/19 budget proposals based on current information. Confirmation of DSG figures to be paid to local authorities net of recoupment for existing academies will be made in March 2018.

## **9. Budget Summary 2018/19**

- 9.1. The budget update report presented to Cabinet in December included provisional cash limit guidelines for each department. The cash limit for Children's Services in that report was £947,617 (£781.076m schools and £166.541m non-schools). This has been increased by £26.309m to reflect :
  - Updated grant announcement in relation to the SEND reforms (£500,000)
  - Updated Dedicated Schools grant announcement on 19 December as detailed in section 8 (£25.809m)
- 9.2. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by Children's Services for 2018/19 and show that these are within the cash limit set out above.

9.3. In addition to these cash limited items there are further budgets which fall under the responsibility of Children's Services, which are shown in the table below:

	<b>2018/19</b>	
	<b>£'000</b>	<b>£'000</b>
Cash Limited Expenditure	1,055,101	
Less Income (Other than Government Grants )	(81,175)	
<b>Net Cash Limited Expenditure</b>		<b>973,926</b>
Trading Units Net Deficit		802
Less Government Grants:		
• Dedicated Schools Grant (DSG)	(747,270)	
• Pupil Premium and Other schools grants	(57,919)	
• Music Grant	(1,696)	
• Phonics grant	(51)	
• Extended Rights to Free Travel	(422)	
• SEND reform grant	(500)	
• Step up to Social Work	(870)	
• Staying Put	(423)	
• New Remand Framework funding	(47)	
• Supporting Troubled Families Programme	(1,618)	
• Unaccompanied Asylum Seeking Children	(3,900)	
• Partners in Practice	(1,853)	
• School Improvement monitoring and brokering	(1,624)	
		<hr/>
Total Government Grants		(818,193)
<b>Total Net Expenditure</b>		<b>156,535</b>

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	Yes/No
<b>People in Hampshire live safe, healthy and independent lives:</b>	Yes/No
<b>People in Hampshire enjoy a rich and diverse environment:</b>	Yes/No
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	Yes/No

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
Transformation to 2019 – Revenue Savings Proposals (Executive Lead Member for Children’s Services) <a href="https://hampshireintranet.moderngov.co.uk/ieListDocuments.aspx?CId=162&amp;MId=696&amp;Ver=4">https://hampshireintranet.moderngov.co.uk/ieListDocuments.aspx?CId=162&amp;MId=696&amp;Ver=4</a>	20 September 2017
Medium Term Financial Strategy Update and Transformation to 2019 Savings Proposals (Cabinet) <a href="https://hampshireintranet.moderngov.co.uk/ieListDocuments.aspx?CId=134&amp;MId=737&amp;Ver=4">https://hampshireintranet.moderngov.co.uk/ieListDocuments.aspx?CId=134&amp;MId=737&amp;Ver=4</a>	16 October 2017
Budget Setting and Provisional Cash Limits 2018/19 (Cabinet) <a href="https://hampshireintranet.moderngov.co.uk/ieListDocuments.aspx?CId=134&amp;MId=738&amp;Ver=4">https://hampshireintranet.moderngov.co.uk/ieListDocuments.aspx?CId=134&amp;MId=738&amp;Ver=4</a>	11 December 2017
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2 Equalities Impact Assessment:**

The budget setting process for 2018/19 does not contain any proposals for major service changes which may have an equalities impact. Proposals for budget and service changes which are part of the Transformation to 2019 Programme were considered in detail as part of the approval process carried out in October and November 2017 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 4 to 7 in the October Cabinet report linked below:

<https://hampshireintranet.moderngov.co.uk/ieListDocuments.aspx?CId=134&MId=737&Ver=4>

### **2. Impact on Crime and Disorder:**

- Na

### **Climate Change:**

- Na



**Budget Summary 2018/19 – Children’s Services Department**

<b>Service Activity</b>	<b>Original Budget 2017/18 £'000</b>	<b>Revised Budget 2017/18 £'000</b>	<b>Proposed Budget 2018/19 £'000</b>
<b>Early Years</b>	<b>73,378</b>	<b>70,729</b>	<b>80,115</b>
Individual Schools Budgets	543,050	535,673	546,797
Schools De-delegated Items	2,114	2,102	2,102
Central Provisions Funded Through Maintained Schools Budget Shares	1,318	1,302	2,250
Growth Fund	5,000	5,000	5,165
<b>Schools Block</b>	<b>551,482</b>	<b>544,077</b>	<b>556,314</b>
High Needs Block ISB	31,667	31,469	30,534
Central Provisions Funded Through Maintained Schools Budget Shares	29	29	47
High Needs Top-Up Funding	58,112	58,291	63,461
SEN Support Services	5,543	5,543	4,808
High Needs Support for Inclusion	3,361	3,361	3,286
Hospital Education Service	589	589	589
<b>High Needs</b>	<b>99,301</b>	<b>99,282</b>	<b>102,725</b>
<b>Central Block</b>	<b>7,941</b>	<b>7,941</b>	<b>8,116</b>
<b>Other Schools Grants</b>	<b>54,790</b>	<b>57,023</b>	<b>59,615</b>
<b>Schools Budget</b>	<b>786,892</b>	<b>779,052</b>	<b>806,885</b>
<b>Young Peoples Learning &amp; Development</b>	<b>578</b>	<b>803</b>	<b>725</b>
<b>Adult &amp; Community Learning</b>	<b>532</b>	<b>334</b>	<b>389</b>
Asset Management	557	84	86
Central Support Services	52	(77)	(227)
Education Welfare Service	0	0	0
Educational Psychology Service	1,388	1,485	1,565
Home to School Transport	28,186	30,641	32,180
Insurance	38	38	39
Monitoring of National Curriculum Assessment	142	93	51
Parent Partnership, Guidance and Information	199	221	203
Pension Costs (includes existing provisions)	3,204	2,626	2,600
Premature Retirement / Redundancy Costs	0	241	0
School Improvement	2,718	1,736	1,634
SEN Administration, Assessment, Co-ordination	2,337	2,847	2,092

& Monitoring			
Statutory/Regulatory Duties	1,328	820	709
<b>Service Strategy &amp; Other Ed Functions</b>	<b>40,149</b>	<b>40,755</b>	<b>40,932</b>
<b>Management &amp; Support Services – including facilities management and overheads</b>	<b>2,910</b>	<b>2,507</b>	<b>2,318</b>
<b>Early Achievement of Savings</b>	<b>(2,453)</b>	<b>236</b>	<b>773</b>
<b>Other Education &amp; Community</b>	<b>41,716</b>	<b>44,635</b>	<b>45,137</b>
<b>Services for Young Children</b>	<b>1,721</b>	<b>1,760</b>	<b>1,595</b>
Adoption Services	3,475	3,577	3,682
Asylum Seekers	2,000	2,761	3,487
Education of Children Looked After	311	313	125
Fostering Services	27,375	27,943	28,034
Leaving Care Support Services	3,135	5,133	5,209
Other Children Looked After Services	1,177	2,674	2,740
Residential Care	20,827	26,540	26,896
Special Guardianship Support	1,987	2,154	2,206
<b>Children Looked After</b>	<b>60,287</b>	<b>71,095</b>	<b>72,379</b>
<b>Other Children &amp; Families Services</b>	<b>2,022</b>	<b>1,349</b>	<b>1,384</b>
Direct Payments	1,059	1,587	1,625
Other Support for Disabled Children	216	237	241
Short Breaks (Respite) for Disabled Children	5,554	5,886	5,504
Targeted Family Support	5,789	5,946	4,539
Universal Family Support	109	58	42
<b>Family Support Services</b>	<b>12,727</b>	<b>13,714</b>	<b>11,951</b>
<b>Youth Justice</b>	<b>1,418</b>	<b>2,036</b>	<b>1,577</b>
<b>Safeguarding &amp; Young Peoples Services</b>	<b>19,443</b>	<b>19,189</b>	<b>19,564</b>
<b>Services for Young People</b>	<b>1,151</b>	<b>690</b>	<b>658</b>
<b>Management &amp; Support Services – including government grants and legal costs</b>	<b>9,460</b>	<b>11,065</b>	<b>10,792</b>
<b>Early Achievement of Savings</b>	<b>0</b>	<b>400</b>	<b>1,882</b>
<b>Non-Distributed Costs</b>	<b>122</b>	<b>122</b>	<b>122</b>
<b>Children's Social Care</b>	<b>108,351</b>	<b>121,420</b>	<b>121,904</b>
<b>Non-Schools Budget</b>	<b>150,067</b>	<b>166,055</b>	<b>167,041</b>
<b>Children's Services</b>	<b>936,959</b>	<b>945,107</b>	<b>973,926</b>
<b>Trading units</b>	<b>749</b>	<b>847</b>	<b>802</b>

<b>Total Children's Services</b>	<b>937,708</b>	<b>945,954</b>	<b>974,728</b>
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