CHILDREN AND YOUNG PEOPLE'S COMMITTEE REVIEW OF THE FINAL DRAFT REVENUE BUSINESS PLANNING PROPOSALS FOR 2015/16 TO 2019/20

To:	**Children and Young People's Committee**
Meeting Date:	**18th November 2014**
From:	**Adrian Loades, Executive Director, Children, Families and Adults Services; Chris Malyon, Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**This report provides the Committee with an overview of the final draft revenue Children, Families and Adults (CFA) Service Business Planning proposals that are within the remit of the Children and Young People's Committee.**

Recommendation:

a) It is requested that the Committee note the overview and context provided for the 2015/16 to 2019/20 Business Plan revenue proposals for the CFA Service.

b) It is requested that the Committee comment on those final draft revenue savings proposals that are within the remit of the Children and Young People's Committee for 2015/16 to 2019/20 and endorse them.

c) It is requested that the Committee consider the proposed levels of fees and charges for the CFA Service that are in the remit of the Children and Young People's Committee for 2015/16 to 2019/20 and endorse them.

d) It is requested that the Committee consider the proposed approach to inflation for those CFA services that are within the remit of the Children and Young People's Committee for 2015/16 and endorse the recommendations.

e) It is requested that the Committee consider the proposed performance indicators for those CFA services that are within the remit of the Children and Young People's Committee and endorse them.

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1. OVERVIEW

1.1 The Council's Business Plan sets out how we will spend our money to achieve our vision and priorities for Cambridgeshire. The Business Plan is reviewed each year by Members and Officers prior to consideration by Full Council each February. This report forms part of the process set out in the Medium Term Financial Strategy whereby the Council updates, alters and refines its revenue proposals in line with new savings targets. The Adults Committee considered the draft revenue budget proposals for the Children, Families and Adult (CFA) Service that are within the remit of the Adults Committee at its October meeting. Since then, further work has been undertaken by officers to produce the final draft budget tables set out in **Appendix B**.

1.2 Following consideration by this Committee and incorporation of any revisions requested, final budget tables will be reviewed by General Purposes Committee in December before recommending the programme in January as part of the overarching Business Plan for Full Council to consider in February.

1.3 The Council is facing some cost pressures that could not be absorbed within the cost of those service areas without significant impact on the delivery of those services. These were reported to General Purposes Committee in September who agreed to note the pressures.

Service Block / Description	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
CFA: Young Carers – assessments and support	175	-	-	-	-
CFA: Deprivation of Liberty Standards	2,340	-1,540	-	-	-
CFA: Emergency Duty Team	300	-	-	-	-
CFA: Older People Service	3,000	-	-	-	-
ETE: City Deal - Adult Learning Skills	200	-	-	-	-
ETE: Waste PFI	916	336	319	341	-59
CS: Business Planning Support	50	-	-	-	-
CS: Reinstatement of Voluntary Sector Infrastructure Budget	48	-	-	-	-
CS: Exploitation of Digital solutions *(investment)*	258	-	-258	-	-
Total	**7,282**	**-1,204**	**61**	**341**	**-59**

Note: £50k CS: Business Planning Support pressure no longer required.

1.4 At the October meeting of General Purposes Committee it was requested that, at this stage in the Business Planning process, budgets should be presented on the basis of services funding any pressures/ investments being put forward. The Committee will consider pressures/investments individually to determine whether they will be funded corporately by sharing the additional savings burden which this would give rise to across the Council. All Committee Chairs and Vice Chairs will bring their proposals to a General Purposes Committee workshop in November for further discussion prior to the formal General Purposes Committee meeting on 2 December 2014. Until the pressures/investments are reviewed by the Committee, Service cash limits / savings targets have been amended to reflect this adjustment as shown below. The budget tables in **Appendix B** reflect these updated figures.

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Children, Families and Adults	-334	+667	+43	+242	-42
Economy, Transport and Environment	-58	-500	-311	-297	+52
Public Health	-	-49	+4	+22	-4
Corporate and Managed Services	+84	-69	+261	+19	-3
LGSS Operational	+308	-49	+2	+14	-2

2. SUMMARY OF THE FINAL DRAFT REVENUE BUDGET

2.1 In order to balance the budget, savings of £32.1m are required for 2015-16 and a total of £121.7m across the full five years of the Business Plan. The following table shows the total amount of savings / increased income necessary for each of the next five years, split by service block.

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Children, Families and Adults	-25,238	-25,566	-19,288	-16,066	-7,173
Economy, Transport and Environment	-4,491	-5,339	-3,925	-2,882	-1,170
Public Health	-764	-140	-131	-758	-416
Corporate and Managed Services	-882	-2,365	-443	-326	-568
LGSS Operational	-735	-793	-1,037	-774	-391
Total	**-32,110**	**-34,203**	**-24,824**	**-20,806**	**-9,718**

2.2 In some cases, Services have opted to increase locally generated income instead of cutting expenditure. For the purpose of balancing the budget these two approaches have the same effect and are treated in the same way.

2.3 Delivering the level of savings required to balance the budget becomes increasingly difficult each year. While Services have considered the gap across the full five year planning period when developing savings proposals, the focus has been on 2015-16 as it is a statutory requirement to present a balanced budget for the following year. At this stage in the Business Planning Process the remaining unidentified savings are as follows:

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Children, Families and Adults	-	-13,572	-10,992	-15,666	-6,773
Children, Families and Adults (DSG funded)	-	-318	-361	-400	-400
Economy, Transport and Environment	-	-1,496	-917	-2,876	-1,170
Public Health	-	-	-	-	-
Corporate and Managed Services	-	-343	184	-31	-289
LGSS Operational	-	-	-	-	-388
Total	**-**	**-15,729**	**-12,086**	**-18,973**	**-9,020**

3. FEES AND CHARGES

3.1 Fees and charges are a very important source of income to the Council, enabling important services to be sustained and provided. As outlined in the Medium Term Financial Strategy, some fees and charges have not been routinely reviewed by Council to consider how income generated through fees and charges can support the delivery of corporate objectives. Therefore, as part of this year's Business Planning process, a schedule of proposed fees and charges relating to the areas within their remit is being presented to each Service Committee for their review.

3.2 The schedule of fees and charges is set out in **Appendix D**. The Committee is asked to consider the proposals for 2015/16 charges. The schedule outlines standard fees and charges levied to the public. It excludes:

- service user contributions where these are linked to their ability to pay;
- individually negotiated fees and charges;
- fees and charges that are not standard across the whole county;
- formally individually agreed leases; and
- any fees or charges that generate less than £100k in total.

3.3 The fees and charges policy, included within the Medium Term Financial Strategy considered by the General Purposes Committee in September, can be found in **Appendix** E for reference.

4. CAPITAL PROGRAMME UPDATE

4.1 The draft Capital Programme was reviewed individually by Service Committees in September and has been subsequently reviewed in its entirety, along with the prioritisation of schemes, by the General Purposes Committee in October. No changes have been made as a result of these reviews. However, Services have continued working on the programme to update it for the latest known position. These amendments include the following changes to borrowing:

- updates for the Ely Crossing scheme, including re-phasing, increased cost (£1m) and reduction of other funding sources (£5m);
- updates to the general capital receipts estimates, including re-phasing and increased receipts (-£1.7m);
- reduction in capital receipts for Morley Memorial school (£1m);
- increased cost for Maple Grove school as a result of including additional early years capacity (£1.1m);
- reduced cost for the Swavesey Village College expansion due to reduction in scope as the school cannot attract match funding (-£1.7m)
- addition of the Heritage Lottery Fund contribution scheme (£0.2m);
- removal of the St Peter's school, Huntingdon scheme (-£1.1m);
- updates to 2015-16 spend as a result of the revised 2014-15 forecast outturn position (i.e. re-phasing) for various schemes; and
- updates to indexation for some school schemes.

4.2 As a result, revised borrowing levels included within the draft Capital Programme result in the following levels of revenue debt charges:

Financing Costs	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
2014-15 agreed BP	39,227	43,577	44,382	44,870	-
2015-16 draft BP as per October committee cash limits	37,605	41,654	41,458	41,810	41,943
2015-16 draft BP as per current capital programme	36,716	41,554	42,283	42,354	42,501
Change since October	**-889**	**-100**	**825**	**544**	**558**

4.3 Despite the shortfall of £32m in Department for Education Basic Need funding as a result of the 2014/15 funding announcements, re-working, removing and re-phasing schemes within the programme has actually managed to achieve a saving on the debt charges budget when compared to the 2014/15 Business Plan.

5 COMPLEXITY OF NEED, DEMOGRAPHIC CHALLENGES AND STRATEGIC DIRECTION FOR CHILDREN AND YOUNG PEOPLE'S SERVICES

5.1 The most significant challenge in developing plans to deliver the sizeable savings required within the Children, Families and Adult (CFA) Service is that the demand for services from people who are eligible for Children and Young People's services continues at a level that exceeds the available budget. As we reported to the Committee in October, within Children and Young People's services we are seeing an increasing child population and acuity of need, creating demographic pressure. Services at all tiers are experiencing high levels of demand with caseloads increasing, including a slow but noticeable increase in numbers of Looked After Children and an increase in children with statements of Special Educational Need. We are also seeking to identify savings for 2015/16 that are over and above the £27.15m that has already been achieved by Children and Young People's services over the previous three financial years.

5.2 The financial challenges require a radical and transformational response. Current service models and arrangements are not sustainable and the level and range of services that can be provided is generally reducing. Services will continue to seek to improve their effectiveness, but a lot of our focus will be on managing the triggers of demand rather than just making savings. The strategic direction we are taking for Children and Young People's services over the next five years has underpinned the Business Planning proposals for 2015/16 and will continue to inform planning for the following years.

5.3 As the Committee is aware, across our services for children and young people, we will:

- Continue our focus on providing preventative services which minimise the numbers requiring costly specialist services;
- Target those children and young people with the greatest need and match them with the right service;
- Provide support which helps families and communities take control, build on their strengths and succeed independent of ongoing public services;
- Ensure the services we continue to provide are those which we know improve outcomes; and
- Ensure our services work together coherently as a system and work

around a single plan for each family.

5.4 However, we cannot mitigate the full impact of the savings required and our savings plans for 2015/16 include service reductions.

Early Help strategy

5.5 Our Early Help strategy focuses on building protective factors for families, rather than a risk based model which can propel families from one service to another. The resources available for Early Help will reduce over the next five years, in this context Early Help services need to:

- Support families as a whole; building on their strengths and fostering resilience;
- Be based and designed within communities, making the most of local resources and delivering services at the most local level possible;
- Take a needs lead rather than service lead approach, using the lead professional model as a cornerstone of the work;
- Be joined up and coherent across organisations and sectors, based around early identification, multi-agency assessments of need and good and timely information sharing;
- Be flexible and creative, helping families with a wide range of issues;
- Offer clear targeted support to the right families and demonstrate impact and evidence; and
- Provide a seamless interface with specialist services where required.

5.6 Through our strategy, we will have a specific focus on making sure children are ready for and attend school, and make expected progress, young people have the skills, qualifications and opportunities to succeed in the employment market, and the number of families who need intervention from specialist or higher threshold services is minimised.

Looked After Children

5.7 Whilst Cambridgeshire is in the lowest quartile per 10,000 for children in care, the number of children in care has been increasing slowly in Cambridgeshire from around 470 in 2013 to over 500 in recent months. Our strategy is based on whole system change to reduce the number of children and young people entering care (with a particular focus on outcomes for teenagers) and to reduce the length of time children are in care for, ensuring that children move into family based care promptly where this is appropriate and safe.

5.8 However, given the context of the already low current LAC rate we should recognise that the scope to dramatically reduce the overall number of children in care may be comparatively limited. Our strategy to achieve further savings must therefore also include a strong focus on reducing the unit cost of placements. Reducing these costs will require a combination of approaches including efficient commissioning, developing or facilitating more in-county provision to reduce the reliance on out of county placements and working to change the mix of placements we make. In particular we aim to reduce reliance on independent fostering agencies and explore how we can reduce the number of very expensive residential placements for children with complex needs, finding different family-based solutions to meet needs.

School improvement, particularly for children and young people most vulnerable to underachievement

5.9 Overall, school performance in Cambridgeshire is improving and the majority of children do well. However, there are some key areas where further rapid improvement is required. For example, too many children and young people are still not achieving 'good' attainment or progress levels and while the performance of vulnerable pupils is improving, the attainment gaps between them and their peers remain too wide. The scale of the challenge in Cambridgeshire requires a whole-system response; schools alone cannot bring about the improvement needed. Education structures are more complex with growing numbers of academies but the Council continues to have an important role in securing improvement. Families are complex and require the whole system of our children's services to work together – with schools and settings – to meet their needs and strive to improve educational achievement for our vulnerable groups of children and young people.

- Our whole system of services will work together to support and challenge schools and settings;
- We will improve our analysis and use of data to plan and target services;
- We will improve parental engagement in the achievement of vulnerable groups of children and young people in schools and settings, and support parents to keep the aspirations they have for their children on track;
- We will be rigorous and systematic in our support and challenge to schools, to ensure the best use of the Pupil Premium; and
- We will focus – with schools – on the right support for vulnerable young people to find a career path.

5.10 The strategy also highlights key groups of children and young people across the Key Stages who are vulnerable to underachievement, based on the most recent data analysis (July 2013). These groups include children and young people with SEN, those eligible for the Pupil Premium and who are Looked After (LAC). Other vulnerable groups may be identified by school leaders in their own settings for intervention and support.

Special Educational Need and Disability Commissioning Strategy

5.11 The purpose of the new SEND commissioning strategy is to understand and plan for the current and future needs of children and young people with SEND and their families, to enable them to achieve good outcomes. We want to design our services around the outcomes that we know are important to children and young people with SEND and their families. These outcomes are to be happy and healthy, to have friends, to do well at school, to go on to have a job and be independent and to have a choice. We need to use the opportunity of the SEND reforms to transform processes and commissioning intentions to deliver these outcomes. Our strategy is based around three principles:

- Be based and designed within communities by families, children and young people with SEND;
- Building on the strengths of the family and community to find solutions through a person and family-centred planning approach; and
- Be joined up and coherent across organisations and sectors - we will work to maintain children and young people with SEND in education and care local to their home.

6 RESPONSE TO SPECIFIC REQUESTS FROM THE COMMITTEE IN OCTOBER

6.1 At the meeting in October, the Committee requested further information about the criteria for safe routes to school and the Early Years and Places Planning savings proposals. This information has been made available separately to Committee Members and can be made available on request. The information requested by the Committee setting out the national guidance on the use of the Dedicated Schools Grant (DSG) is set out in section 7 of this report.

Inflation for Children and Young People's services

6.2 During the October meeting, the Committee also discussed the CFA proposed approach to managing inflationary pressures at rates below the 2% increase proposed by the County Council's Financial Strategy, to contribute to the CFA savings target. The draft tables presented to the Committee in October presented an inflationary increase of 1% on the Looked After Children (LAC) Placements budget. Savings (or relinquished inflation) were presented in the October tables as below.

Strategy and Commissioning – LAC Placements budget	-£183k

6.3 During discussions at the Committee in October, officers were requested to calculate a further reduction, replacing the 1% inflator with 0.5%. This was not necessarily to be awarded across the board and could be used more flexibly where most needed. This measure would release the following additional amount to add to the above saving:

Strategy and Commissioning – LAC Placements budget	-£94k

6.4 It is important to emphasise that any reduction to the inflationary uplift creates considerable challenges and risks for Council services and those commissioned through independent providers. This impact is felt across all teams, but is most significant when considering the costs of packages of care support for older people, vulnerable adults and children in care. There is an increasingly difficult balance to maintain between the Council's financial position and its ability to secure an adequate supply of suitable quality care for those who need it.

6.5 The Committee is invited to draw a distinction between the budget requested for inflationary pressures and the actual inflationary uplifts passed on to providers in individual cases. By some measures, the actual inflationary uplifts and care prices negotiated by the Council in recent years have fallen significantly behind the real cost of inflation. Continuing the trend of low inflationary uplifts potentially threatens the financial sustainability of some providers at a time when demand is increasing. However, the financial position makes funding inflationary costs extremely difficult and the Council must take difficult decisions about the allocation of limited budget.

6.6 Draft tables are presented to the Committee in November which plan for a £183k inflationary budget (an uplift of 1%). Officers advise that the management actions to achieve the proposed additional savings required to approach a balanced budget, stand a greater chance of success in delivering savings compared to further reducing the inflation budget to less than 1%. It is likely that a general percentage-based increase will be necessary in most cases to manage provider expectations and market conditions. Wherever possible, we have removed inflation from our non-care budgets, so the proposed 1% inflationary uplift is prioritised to care budgets where if we are not able to purchase that care, our costs will increase. For example, through having to use more expensive out of county providers.

6.7 ***The Committee is therefore invited to:***

- ***signal that inflationary uplifts to providers should be minimised as far as possible;***
- ***to confirm a LAC inflation budget of £183k based on a 1% general uplift and in line with contractual requirements.***

7 FINAL DRAFT BUSINESS PLANNING PROPOSALS AND APPROACH TO ACHIEVING SAVINGS FOR CHILDREN AND YOUNG PEOPLE'S SERVICES (2015/16 TO 2019/20)

7.1 At the last Committee meeting in October, we reported a shortfall of £5.956m in the savings required across CFA for 2015/16 and set out the work we were undertaking to close this gap. Since the Committee meeting we have identified further savings proposals for 2015/16 and can now present a balanced budget for 2015/16 to the Committee. It is important to note that detailed savings proposals are being presented for 2015/16, but are more narrative based for subsequent years.

7.2 The tables at **Appendix B** represent the full current savings proposals across the CFA Service. The budgets and proposed savings for Children and Young People's services fall within the remit of the Committee.

7.3 Across CFA Services we have taken a number of steps to identify the remaining savings required for the 2015/16 Business Plan. This has included consideration of where we can further reduce our demography funding, where we can take inflation, bringing some savings proposals forward from later years and areas where we can consider invest to save proposals. We have also undertaken comparative work with other local authorities on activity and costs and improving how we use management, financial and performance information to identify where further efficiencies can be made. The main changes since the Committee discussion in October are to increase the savings proposed through management of the triggers of demand for Children and Young People's services. As described throughout this report, this approach is high risk and will have a considerable impact on those who use these services.

Budget and legislative pressures for 2015/16

7.4 We reported to the Committee in October the budget and legislative pressures that have impacted on the development of savings proposals for Children and Young People's services for the 2015/16 Business Plan. The Committee will recall that these combined budget and legislative CFA pressures were presented to the GPC on 9th September 2014. The GPC agreed that they should be noted for further consideration through the business planning process. As detailed in Section 2 of this report, subsequent changes in the allocation of savings have resulted in an increased savings requirement for 2015/16 for CFA of £334k in 2015/16.

Savings proposals for 2015/16

7.5 The savings proposals we have identified are set out in detail in the accompanying draft tables (at Appendix B) to this report and the proposals that have changed or been added since the Committee discussion in October are highlighted below. We have RAG rated the savings according to the impact we consider they will have on those who use our services and according to the deliverability risk of the proposal. It is important to emphasise that there are many risks within these savings proposals in terms of the impact they will have and they are almost all high risk in terms of our ability to deliver them because of the demand led nature of services.

7.6 When it met in October, the Committee requested that the November report to the Committee on the Business Planning savings proposals for Children and Young People's services be structured to highlight those savings that are viewed to be extremely high risk in terms of deliverability and impact. This is set out below, on the basis of the RAG ratings we have given the savings proposals in the financial tables.

Savings proposals considered high risk in terms of impact and deliverability

7.7 We have increased the already significant savings proposal to be achieved through the Looked After Children budget by £700k in 2015/16. This saving is aimed to be delivered through the Children's Placement Strategy (described in section 5 above), underpinned by new investments. This saving will have a significant impact on all children's services, as explained in the paragraphs below, and is considered very challenging to deliver (savings total £2000k in 2015/16, £1,000k in 2016/17, A/R.6.405).

7.8 At the Business Planning workshop on 3rd November, Members asked for a full summary of the LAC budget position to be included in this paper.

7.9 The £2000k proposed saving is from a total budget of approximately £18,000k, which pays primarily for placements with independent foster care agencies, independent residential homes and supported accommodation provision, as well as small numbers of placements in secure units, residential schools, hospital or other care settings. The budget requirement for external placements is driven to a large extent by the total number of Looked After Children. Cambridgeshire has a rate of 39 Looked After Children per 10,000 child population, significantly lower than the national average of 60. This already low rate means that it will be more challenging to achieve further reductions in LAC numbers whilst maintaining the same care threshold. We also need to recognise that nationally more children are becoming Looked After and that this has begun to be reflected in Cambridgeshire with the number of LAC rising from around 480 at the start of the year to around 520 in October 2014. No change to the threshold for accommodation is proposed and our performance at keeping families together is already good. There are, however, some areas where we think we can do more to prevent children becoming Looked After.

7.10 The most significant is a focus on children aged 11-17. A wealth of evidence suggests outcomes for children entering the care system at these ages are not good and that if families can be supported to stay together and wider kinship groups can be engaged then this is much better for young people's long term futures. We are therefore proposing to establish a team which aims to provide a rapid response to family crises and to broker and identify alternatives to care. The team will be established as a new investment, achieving savings by reducing the number of teenagers and young people coming into the care system. However, seeking to improve outcomes by maintaining young people within families whilst we work to address needs and problems, may mean that some young people remaining in chaotic family situations for longer.

7.11 Another specific area of focus is on working intensively with mothers who have their first child removed. Too often these same mothers become pregnant again very quickly and can end up having multiple children take into care. We propose to enhance the level of support we offer to mothers after the first removal to support them to significantly improve their circumstances before having any further children. Breaking the cycle in this way would also deliver savings to the placements budget by reducing LAC numbers in the longer term.

7.12 Savings to the placements budget are also planned by reducing the unit cost of the placements we commission. This is partly about continuing to commission and negotiate with individual providers to ensure maximum value for money, but is mainly about re-shaping the care market to meet our needs. The most expensive placements are in residential homes, with these generally being for children and young people with the most complex and challenging needs, often including learning or physical disabilities or SEN. Some of the most specialist placements cost up to £250k per year each, because the children need direct support for most of the day, specialist settings and equipment, highly trained staff and very low adult to child ratios. Our intention is to reduce the number of children receiving this kind of support, aiming to support them in foster or other family-based care, whilst recognising that this will be challenging and not possible for all young people. Equally we hope to reduce the spend on residential placements by developing new in-county provision which is matched to our needs, reducing our reliance over time on a small number of very high cost providers in other local authority areas.

7.13 The final key strand of our saving proposal is a focus on recruiting sufficient in-house foster carers. The more Local Authority carers we have available, the less reliant we are on independent fostering agencies which tend to be higher cost. By changing our placement mix away from residential and independent fostering agencies and towards in-house foster care and kinship placements we will deliver the required savings to the placements budget.

Savings proposals considered high impact, but low risk to delivery

7.14 Savings will be made within the <u>Home to School Transport budgets</u> for maintained schools through reviewing the routes to school. Where independent risk assessments determine that, following highway improvement work, routes now satisfy the Council's criteria as safe walking routes, we will stop funding transport. Alongside this, we will part (rather than fully) subsidise post-16 students living in low income families for their transport (savings total £282k in 2015/16, and £284k in 2016/17 and £88k in 2017/18, A/R.6.601). Alongside this proposal, we will <u>introduce a parental</u>

contribution to non-statutory post-16 Home to Special School Transport and will undertake a review of parental claimable mileage. Savings total £200k in 2015/16 (A/R.6.407). This is a relatively small saving, but we consider it will have a significant impact on the post-16 cohort.

7.15 The Committee is aware that significant savings will be achieved through delivery of our Early Help strategy and the re-commissioning of our Early Help offer. The savings considered to have a high impact are set out in the paragraphs below. The main impact and risk associated with these savings is that our strategies to reduce demand for high cost services will be adversely affected by these proposals. We will have a reduced capacity to be able to innovate and flex according to need and respond early. We will potentially significantly reduce the youth work offer and place significant pressure on business support.

7.16 Savings will be achieved through a reduction in the service offer provided by Locality Teams and a reduction in the number of Localities. This will result in a loss of operational leadership for early help services at a locality level, and the reduction of strategic management capacity through the loss of one Head of Service within Enhanced and Preventative Services. The service will become more targeted and will result in a loss of capacity in delivering some aspects of services currently provided. Alongside this, savings will be achieved by a reduction in the Business Support functions within the Directorate to rationalise the function according to the service changes planned. We will need to ensure sufficient capacity to deliver quality infrastructure support in relation to referral, assessment and tracking processes, as well as supporting the management information requirements of a reduced team(savings across Localities and Business Support total £1,034k in 2015/16 and £997k in 2016/17, A/R.6.503).

7.17 We will also significantly reduce our youth work offer. Within the Youth Offending Service (YOS) there is a longer term trend for falling case loads and as such, some reduction in posts is expected, including a reduction in the staffing budget. Locality Teams will assume some of the responsibility for aspects of work with YOS clients, which will have an impact on their case load. Collectively, this will save £165k over two years (2015/16 and 2016/17). Alongside this, the central Youth Support Service will reduce their budget by 60%. There will be reductions in their functions and there will be reduced support for more universally focussed activities. There will be a more streamlined focus on performance management and quality assurance function for those young people with NEET. There will be reductions in management and support posts, and some aspects of the service will become fully traded (savings total £369k in 2015/16 and £463k in 2016/17, A/R.6.504).

New savings proposals since October Committee

7.18 The new savings proposals that we have identified to close the gap in the required savings for CFA services since the Committee met in October are set out below. As set out in the accompanying financial tables, these are all considered to be challenging to deliver and to have an impact on those who use our services, but this is considered to be less so than the savings proposals set out in the paragraphs above.

7.19 The improvement in performance in maintained schools means that the intervention budget to support schools causing concern will be reduced. Sufficient budget has been retained to support the anticipated number of maintained schools that will require intervention. There is a risk to these savings if the current rate of improvement is not sustained (savings total £95k in 2015/16, £50k in 2016/17 and £40k in 2017/18, A/R.6.607). Alongside this, we will reduce the school advisor budgets in line with improvements in school quality. Savings in 2015/16 will be found through the deletion of some vacant school adviser posts. Savings in future years are in line with the growth of school-based support capacity and the development of Teaching Schools. Savings total £90k in 2015/16, £345k in 2016/17 and £320k in 2017/18 (A/R.6.606).

7.20 We will seek alternative funding through targeting to lever in investment in children from the private and independent sector (savings total £250k in 2015/16, A/R.7.105). This is an ambitious target in both attracting investment and being able to offset existing spending against this saving. It is a new approach which will entail some risk in moving delivery from sustainable core funding to private grant/sponsorship.

7.21 Within Special Educational Needs services, we will meet the second year impact of the SEN reform requirements within existing budgets (savings total £334k in 2015/16 and 2016/17, A/R.6.410).

7.22 Within CFA, we will further rationalise the support functions within the Strategy and Commissioning Directorate. This will reduce capacity to support change in operational services and some Special Educational Need and Disability (SEND) functions. Savings total £500k in 2015/16 (A/R.6.409).

7.23 Across CFA services, we have re-considered the likely uptake of additional assessments and services as a result of the Care Act 2014. There is therefore a reduction in planned spending on initial Care Act activities (£636k in 2015/16 shown as A/R.6.702). Additional resources will be needed by 2016/17 as staffing levels increase.

7.24 Across CFA, we also propose a saving by bringing together the management of transport budgets. CFA currently spends approximately £18.5m across services on home to school transport and transport for older people and people with disabilities, but these budgets are managed separately. We will manage transport budgets more efficiently by actively reviewing the services they support and finding efficiencies. We consider that, supported by an initial investment for a fixed term leadership role working across CFA to manage the transport budget and deliver savings, a general saving of 3.5% can be found across these budgets by this coordinated action (savings total £150k in 2015/16 and £500k in 2016/17, A/R.6.701).

Remaining savings proposals discussed in October

7.25 The remaining key savings proposals, discussed by the Committee in October, are set out below by Directorate. As set out in the accompanying financial tables, these are all considered to be challenging to deliver and to have an impact on those who use our services, but this is considered to be less so than the savings proposals set out in the paragraphs above.

Children's Social Care services

7.26 We will review our supervised contact arrangements and the managing of the Family Group Conferencing service to achieve further savings. We will achieve the saving through changes in practice and the way the service is commissioned. This represents a challenging target with overall numbers of Looked After Children remaining high and CSC units under pressure through reductions in their total budget (see saving below). This will result in a reduced management capacity, loss of specialist leadership and a reduced service offer for our services users. Savings total £250k in 2015/16 for supervised contact and £85k in the same year for the Family Group Conferencing service (A/R.6.302 and A/R.6.301).

7.27 The budgets for all 47 Children's Social Care units will be reduced by 10% and this will be achieved through greater scrutiny of unit expenditure and better use of universal services. Savings total £252k in 2015/16 and will result in less resource being available to Children's Social Care units. Teams will be less able to spend small flexible sums to support children and families. (A/R.6.303).

7.28 Savings will be made within the Children's Disability service through a continuation of the budget reduction process that has been undertaken by this service over the past year. This has included implementation of Personal Budgets with a Self-Directed Support Framework and a move away from a reliance on expensive specialist services. Flexibility of budget use has also been facilitated wherever possible by a move away from block contracts, to spot purchase frameworks and by reducing the average cost of supporting individual disabled children in the community. Savings total £156k in 2015/16, (A/R.6.304).

7.29 We will review the current clinical offer within social work units by reallocating clinical posts according to need and function, to achieve a 15% reduction in provision of this service. This saving will have an impact in terms of the level of expertise within Children's Social Care units and practitioners will more frequently have to limit input to advice, rather than direct delivery (savings total £200k in 2015/16, A/R.6.307).

7.30 We will make reductions in the Children's Social Care management arrangements and reduce Business Support within CSC units in line with the reduction of services and through more efficient use of resources. We will remove one Head of Service post and reduce the administrative support within the directorate to achieve this saving. There is a risk that this will lead to more administrative tasks being undertaken by our frontline social workers (savings total £205k for Business Support and £70k for management in 2015/16, A/R.6.306 and A/R.6.305).

7.31 Legal proceedings are an area of high cost within Children's Social Care and we will change our approach to legal support by making better use of in-house knowledge and through more direct management of requests for legal advice (savings total £100k in 2015/16, A/R.6.308).

Enhanced and Preventative services

7.32 We will continue the savings we are taking forward in the current Business Plan to re-configure Children's Centres (savings total £259k in 2015/16, A/R.6.501). The £259k saving set out in the accompanying financial tables is the full year effect of the savings realised through the re-configuration programme. As such, Children's Centres will not be required to make any further savings in 2015/16.

7.33 As part of the Early Help offer, further savings will be made from a review of the SEND management structure and service redesign. Opportunities for the trading of Specialist SEND services with schools are likely to increase. Having delivered on a contract with the Autism Education Training, there are now opportunities to deliver external training to other Local Authorities and to provide quality assurance. These savings will mean we no longer expect schools to send referrals to a number of different places will impact on staffing levels within the service (Central Team savings total £200k in 2016/17, A/R.6.506).

7.34 We will strengthen family work across the 0-19 age range by taking a stronger commissioning approach to service delivery and further development of integrated working. This saving will be achieved through integration of the Children's Centre Strategy and the Parenting Strategy Teams. This will not require a saving from Children's Centres (savings total £117k in 2015/16 and £80k in 2016/17, A/R.6.502).

Learning services

7.35 Alongside the proposed saving within the Home to School Transport budgets described above, we will also appoint to a two year post dedicated to securing savings through the purchasing system for Home to School Transport routes that the Council places out to tender (savings total £3500k in 2015/16 and £200k in 2016/17, A/R.6.602). The new post is considered necessary in order to provide both the additional capacity and skills considered necessary.

7.36 We will restructure the CFA workforce development service to realise the efficiencies to be gained by bringing together the children and adult workforce teams. This saving totals £165k in 2015/16 and £150k in 2016/17 and will not result in a reduction in the required professional development for staff (A/R.6.605).

7.37 We will continue our savings plan for the Early Years and Place Planning services. We will stop or reduce non-statutory functions that encourage the provision of take up of Early Years places and target support where it is most needed. There is a risk that the local authority will fall short of its places targets and that some children will not access places they need and/or that improvement will be jeopardised. However, the Government is supporting the sector with free provision of places for 40% of 2 year olds and with an extension of the pupil premium (savings total £713k in 2015/16, A/R.6.608).

Strategy and Commissioning services

7.38 Savings will be achieved through re-commissioning of contracts. This includes the non renewal of grants, such as the Children's Links contract which expires in June 2016 and has successfully developed a system for voluntary and community organisations. The saving also includes a reduction in small grants funding that is available to the VCS (savings total £100k in 2015/16 and £187k in 2016/17, A/R.6.404).

Dedicated Schools Grant (DSG)

7.39 As we reported to the Committee in October, in July 2014 the Department for Education announced the final DSG methodology which will inform schools' budget setting process for 2015/16. As a result, the Minimum Funding Levels to be applied to the initial Cambridgeshire Schools Block per pupil will increase by £311 per pupil to £4,261, which equates to an overall increase of approximately £23m or 8% over current DSG funding levels based on October 2013 pupil numbers. The Committee should note that the Schools Block DSG to be received for 2015/16 will be based on October 2014 pupil numbers as such initial figures will not be notified to the Local Authority until December 2014.

7.40 Despite the headline figures, schools budget experiences will vary depending on their individual circumstances. For example, some schools with historically high levels of per pupil protection due to the nationally applied Minimum Funding Guarantee will see no or minimal increases in per pupil funding over and above current funding. Following initial discussions with Schools Forum in June 2014, the consensus of Forum members was for no significant changes to be made to the current funding formula and for as much of the additional funding as possible to be allocated to schools as a universal increase, with individual schools best placed to target as required.

7.41 At the meeting in October, the Committee asked for more detail on the DSG, including guidance on its use. A summary of the allowable and non-allowable DSG spend is set out in the paragraphs below and the full Schools and Early Years Finance Regulations (due to come into force in January 2015) are included as **Appendix F**.

7.42 The additional funding from the increase in the DSG cannot be used to support Local Authority functions and however it is allocated it will be used to support pupils, schools and education providers. This could be through a direct increase in schools individual budget shares, funding for High Needs Pupils to meet rising numbers and levels of need, to increase Top-Up allocations, to support pressures on Early Years provision, or to meet the revenue costs for growth and new schools. More detail on this is provided in the paragraphs below.

7.43 Schedule 1 of the regulations (page 25 of Appendix F) lists the education related functions which are the responsibility of the Local Authority and therefore cannot be charged to DSG. The list is considerable, but includes expenditure on:

- services provided by educational psychologists;
- the identification and assessment of children with SEN and review of such statements;
- a number of school improvement and access to education functions;

- additional education and training for children, young persons and adults (youth service); and
- a number of strategic management functions.

7.44 Schedule 2 (page 30 of Appendix F) details those functions which can be charged to the DSG, including in Part 1 a number of central services we already do. However, due to the limitations put in place by the DfE we are unable to increase these over 2014/15 levels. Part 2 refers to other central expenditure mainly around the administration of the growth fund.

7.45 Parts 3 and 4 relate to the Early Years and to children and young people with high needs. Part 5 sets out the de-delegations which can only be applied to maintained mainstream schools and needs to be approved by the relevant phase members at Schools Forum. For Cambridgeshire, this is only applicable to maintained primary schools due to the number of secondary academies. The primary sector current approve de-delegations for CREDS, various licences, FSM eligibility, trade union facilities time, insurance, maternity cover and a small contingency.

7.46 There is no further mechanism for top-slicing or de-delegation of funding per phase and the only way the DSG could be used to support other Local Authority functions would be if schools individually agree to contribute funding back to the Local Authority, or if we started charging for anything over and above our minimum statutory responsibilities.

<u>Savings proposals for 2016/17 and beyond</u>

7.47 As the Committee are aware, as part of our drive to close the gap in unidentified savings in 2015/16, we have considered whether any proposals for 2016/17 could be brought forward a year to meet the immediate challenge for 2015/16. We have also reviewed our current allocations for demand management across Children and Young People's services, on the basis of what is achievable. This has mainly resulted in our initial projections being lowered, which has in turn increased the amount of unallocated savings for 2016/17 and later years. Savings proposals for 2016/17 and beyond are therefore less detailed and are still in development.

7.48 Our recent work to set out the strategic direction for Children and Young People's services over the next five years will continue to inform planning for the remaining years of the Business Plan. The areas of focus and investigation that we are pursuing to further identify the required savings were reported to the Committee in October and are set out below.

7.49 Work is underway to consider how we will <u>build community capacity to reduce demand for intensive support and support our business planning proposals</u>. Within CFA Services this means shifting our focus from meeting the needs of individuals to supporting communities and families. This includes our work to improve support for children and adults with a learning or physical disability, support for young carers and supporting individuals with mental health problems to remain in their communities through early intervention. It also includes identifying the operational factors to build community and family capacity within our Early Help and preventative services and how we will work with the voluntary and community sector (VCS) to achieve this. Alongside this work, we must consider the professional workforce development required to support this agenda and the wider agenda around community capacity across the Council.

7.50 Work is underway to better identify the triggers of demand for our services and where we could intervene at an earlier stage to manage that demand. For example, we are considering the different approach which CFA could take to managing demand and cost for Looked After Children. Our initial analysis shows that the most prevalent triggers of need/risk in children becoming Looked After are neglect, mental health of a parent/carer, emotional and physical abuse, domestic abuse parent/carer subjected and drug misuse by parent/carer. Our focus therefore needs to be on either earlier identification or the establishment of a rapid response intervention which can act very swiftly and differently once the referral is made. This work will be undertaken in 2015/16 and is expected to contribute towards the reduction in demand in 2016/17 and subsequent years.

7.51 Through the work described above, we are considering the opportunities for the development of preventative and specialist services for children, families and adults that could lead to avoided cost for social care by preventing children and young people from entering a service or reducing the need for a service once they are receiving it. We are also considering the cost of different placement types once children are in care and whether we can meet the needs of this cohort at lower cost. The particular challenge is that expanded preventative capacity might identify and address demand that is currently unmet, resulting in no overall saving compared to current spending. Further exploration and testing of the opportunities presented here, with partners, will be essential to develop these ideas into commissioning plans and eventually new or different services.

7.52 We are looking across our CFA directorates at all the services involved in supporting children, young people and adults with certain needs or in delivering strategic priorities to more fundamentally change how needs are met or priorities are delivered with the funding that is available. This work will bring innovation and efficiencies to the whole system and will lead to very different services and structures. We are considering support to children, young people and adults with learning and physical needs. This includes exploration of how we ensure we are aware of people transitioning from children’s to adult social care services and assist them in planning accordingly, and how we can improve our offer for people on the autistic spectrum. We are exploring how improved participation in education, employment and training could be achieved, and how this could have a beneficial impact on employment and independence rates as people transition to adulthood. The work will also consider services as a whole for children and adults with profound and multiple learning disabilities, to examine whether support can be improved whilst generating savings.

7.53 A further review is focussing on our relationship with schools and providers to identify further savings. We are looking at the impact of school interventions that are funded on a cross-directorate basis and work is underway to identify further areas for exploration where we could stop the intervention, deliver it differently or facilitate the support to be provided elsewhere, where it may have more impact. For example, we are considering ways to reduce the incidence of schools requiring improvement or in an Ofsted category, on the basis that it costs less to intervene in a school through the early warning system. We are testing whether intensive leadership support is the most likely intervention to secure rapid improvement and exploring the impact of school-to-school support on school improvement. We are also considering where school partnerships can be integrated with wider council partnerships to support school improvement.

7.54 As we - across CFA - continue to explore new solutions, a range of proposals are in development for 2016/17 and beyond which would require an initial start-up investment, but which would have the potential to deliver savings in the long term. Since the Committee met in October, we have undertaken further work to refine our invest to save proposals to ensure they are deliverable and will have a significant impact on achieving the required savings in 2016/17 and beyond. This has meant that some of our initial proposals are not being taken forward at this stage. However, our proposals for future investment to deliver savings include:

- Capacity to support the development of traded models and extended traded income targets throughout our Children and Young People's services.

- Consideration might be given to changing the job descriptions, responsibilities and pay scales of social work professionals (children and/or adult services) in order to attract the highest quality social work practitioners on a permanent basis. This has the potential to achieve savings by reducing the reliance on agency staff and also by ensuring that our workforce is best equipped to work successfully and preventatively to reduce need, manage risk and find solutions.

7.55 These proposals will continue to be developed and refined over the coming weeks and months. The initial investment funding for these proposals would be from CFA non-recurrent Directorate reserves. However, although the schemes commit us to additional spend in the short term, the intention is to use the funding to transform services and the way we work and make the savings on an on-going basis. If the investments are not successful and savings are not achieved, alternative savings will have to be developed and the one off investment capacity will have been used up. These proposals are therefore high risk in terms of deliverability, not least because of the long lead in time needed to truly transform services and the way we work.

7.56 Part of our thinking about new savings proposals in 2016/17 and beyond has also included exploration of the areas of work that we consider we could ideally stop doing or at least charge for. This includes statutory requirements that we consider we should not be required to undertake and where legislation is preventing us from doing something that we consider we should be doing. Some of the areas of exploration are set out below.

- We are statutorily required to provide (free) universal Home to School Transport to maintained schools, where there are no safe walking routes for children and young people. For 2015/16 we have proposed savings through reviewing the routes to school (described above). However, in the longer term, whilst we would want to ensure that Home to School Transport for pupils eligible for Free School Meals or receiving the maximum level of Working Families Tax Credit qualify for help with their transport costs, we consider that there is a case for lobbying central government for change in this area. Removing the statutory requirement for universal Home to School Transport would enable us to make sizeable savings that would be deliverable and would lead to increased spending in other priority areas across Children and Young People's services.

- We consider that in the longer term, all school improvement functions should be funded through the Dedicated Schools Grant (DSG). At present, Schedule 1 of the Schools and Early Years Finance Regulations prevents Local Authority expenditure on any school improvement function from being charged to the DSG. However, we believe that this is also an area where we should lobby for change, so that it can be charged to DSG. There are a number of advisory functions to schools and settings that we consider should be funded by schools and our role should be more targeted or our advisory services should be traded.

- We also propose that consideration be given to the Children's Centre service offer in Cambridgeshire, which includes both universal and targeted services. Currently, the universal offer represents approximately 30% of the total budget. Local Authority funding could focus exclusively on targeted interventions for more vulnerable families, and the wider service offer could be re-examined to include delivery by partners across early childhood services. It is proposed that the universal services offer for all families is further examined to consider services being made available on a fully charged basis. The implications of this in terms of statutory and Ofsted requirements for Children's Centre provision would need to be considered.

Community Impact Assessments

7.57 All of the Council's services, policies and functions are required to conduct Community Impact Assessments (CIAs) when they are first developed or when changes are being made. They are a planning tool to identify the potential relative impact of any changes in service provision on different sections of the community and to help us to fulfil our equality duties. CIAs have been completed where required for the additional savings proposals in 2015/16 that we have proposed since the Committee meeting in October. They are attached for the Committee to read (at Appendix C) alongside this report.

7.58 When considering the CIAs, it is important to bear in mind that the significant nature of the savings target means that the savings proposed are about reducing services for some and are high risk in terms of deliverability. They will have an impact on the communities we serve.

Proposed Performance Indicators for Children and Young People's services

7.59 The Committee are asked to consider the proposed performance indicators for Children and Young People's services, which will form part of the Strategic Framework for the 2015/16 Business Plan.

- Number of income deprived 2 year olds receiving free childcare
- Percentage of closed Family Worker cases demonstrating progression
- Rate of Looked After Children per 10,000 population
- Percentage of Domestic Abuse IDVA referrals that are repeat clients
- Proportion of people who use services who feel safe
- Percentage of pupils attending a good or outstanding school
- Percentage of Year 12 in Learning
- Percentage of 16-19 year olds not in education, employment of training (NEET)

- Gap between the proportion of pupils from deprived backgrounds who achieve the expected level of attainment at age 11 in reading, writing and maths, and their peers
- Gap between the proportion of pupils from deprived backgrounds who achieve 5 or more good GCSEs, including English and Maths, and their peers.

Next steps

7.60 At our workshop with Committee Members on 3rd November, it was requested that CFA undertake some work to be more explicit with Parish Councils and other organisations about the detail behind some of the savings proposals, to inform how they choose to respond to the significant cuts proposed to Children and Young People's services. Members are aware that the Council is currently developing a strategy to build and harness capacity within communities and the savings proposals for all CFA services will be part of that. Officers are also happy to talk to Members in more detail about specific savings proposals, where helpful.

7.61 The table below sets out the activity over the coming months to build the Business Plan for 2015/16 and the next four years. We will update the Committee on progress throughout the coming months.

November	Committee considers final draft revenue proposals. Ongoing work to develop budget plan and deliver savings proposals. General Purposes Committee workshop to consider savings proposals
December	Ongoing work to develop budget plan and deliver savings proposals. General Purposes Committee discussion of savings proposals
January	General Purposes Committee review draft Business Plan for 2015/16.
February	Draft Business Plan for 2015/16 discussed by Full Council.
March	Publication of final CCC Business Plan for 2015/16. Ongoing work to deliver savings proposals.

8. ALIGNMENT WITH CORPORATE PRIORITIES

8.1 Developing the local economy for the benefit of all

The proposals in the report supporting this priority include:

- Exploring how improved participation in education, employment and training could be achieved for children and young people with physical and learning needs, with the beneficial impact on employment and independence rates as people transition to adulthood,

8.2 Helping people live healthy and independent lives

The proposals in the report supporting this priority include:

- The range of measures to build capacity within families and communities, so that children and young people are supported to live independently for longer and reduce reliance on specialist and intensive services.

8.3 Supporting and protecting vulnerable people

The proposals in the report supporting this priority include:

- Supporting vulnerable children and young people, including those with physical and sensory disabilities, and those with learning difficulties.
- Reducing the number of children and young people coming into care through early intervention, prevention and successful social work.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

There are significant resource implications associated with the proposals set out in the current Business Plan and that we are considering for future years. Our proposals seek to ensure that we are using the most effective use of available resources across the health and social care system. The implications of the proposals will be considered throughout the Business Planning process and the Committee will be fully informed of progress.

9.2 Statutory, Risk and Legal Implications

The proposals set out in this report respond to the statutory duty on the Local Authority to deliver a balanced budget. Advice will be sought on possible legal implications and brought back to the Committee during the Business Planning process.

9.3 Equality and Diversity Implications

The size of the financial challenge means that services will continue to seek to improve their effectiveness, but the level and range of services that can be provided is generally reducing. The scale of the savings requires a fundamental review and change of service provision that will lead to very different way of working across CFA services compared to current arrangements.

9.4 Engagement and Consultation Implications

Our Business Planning proposals are informed by our knowledge of what communities want and need. They will also be informed by the CCC public consultation on the Business Plan and will be discussed with a wide range of partners throughout the process (some of which has begun already). Community Impact Assessments (CIAs) on the more detailed savings proposals contained within this paper for 2015/16 have been drafted and are attached to this paper for consideration by the Committee.

9.5 Localism and Local Member Involvement

The proposals set out in this report, particularly in the latter years, are predicated on empowering communities (both geographical and of interest) to do more for themselves, as we shift our focus from meeting the needs of individuals to supporting communities and families. As the proposals develop, we will have detailed conversations with Members about the impact of the proposals on their localities.

9.6 Public Health Implications

A number of the proposals within this report will have implications for the health of vulnerable adults and older people. We are working closely with Public Health colleagues to ensure our emerging Business Planning proposals are aligned.

Source Documents	**Location**
Cambridgeshire County Council Business Plan for 2014-15	http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/90/business_plan_2014_to_2015

APPENDIX A - EXPLANATION OF THE CFA BUSINESS PLANNING TABLES

CFA has 6 finance tables in the Business Plan.

TABLE 1 presents the net budget split by policy line for each of the five years of the Business Plan. It also shows the revised opening budget and the gross budget, together with fees, charges and ring-fenced grant income, for 2015-16 split by policy line. Policy lines are specific areas within a service on which we report, monitor and control the budget.

The purpose of this table is to show how the net budget for a Service Area changes over the period of the Business Plan.

TABLE 2 presents additional detail on the net budget for 2015-16 split by policy line.

The purpose of the table is to show how the budget for each policy line has been constructed: inflation, demography and demand, pressures, investments and savings are added to the opening budget to give the closing budget.

TABLE 3 presents the gross budget and the detailed changes to the gross budget for the CFA core budget (excluding the Dedicated Schools Grant) for each of the next 5 years. At the top it takes last year's gross budget (opening budget) and then adjusts for inflation, demography and demand, pressures, investments, savings, leaving you with the new total gross budget.

The funding section (near the bottom) then shows how the new total gross budget is funded – which includes central council funding (cash limit funding), fees and charges, school income, and specific grants.

The purpose of this table is to show how the CFA budget changes due to inflation, demography & demand, pressures, investments, and savings.

TABLE 4 presents CFA's capital schemes, across the ten-year period of the capital programme. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table. The third table identifies the funding sources used to fund the overall programme. These sources include prudential borrowing, which has a revenue impact for the Council.

TABLE 5 lists a Service Area's capital schemes and shows how each scheme is funded. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table.

TABLE 6 presents the Dedicated Schools Grant budget changes and is similar to Table 3, which covers just the CFA core budget, but purely relates to the Dedicated Schools Grant. Tables 1 and 2 present both the core CFA budgets and the Dedicated Schools Grant budgets together in an integrated format.

Tables 1, 2, 3 and 6 all show the same revenue budgets in different presentations. Table 3 details all the savings and then Table 2 shows the impact of the Year 1 savings on each policy line. Table 1 shows the combined impact on each policy line over the 5 year period. Some savings in Table 3 impact on just one policy line in Tables 1 and 2, but other savings in Table 3 are split across various policy lines in Tables 1 and 2. The following examples track through the budgets for Integrated Community Equipment Service across Tables 1, 2 and 3.

Example 1: Integrated Community Equipment Service (ICES) : mapping budget changes through the tables

Table 3 - all the sections which impact on ICES budget

A/R 2.001	Inflation – total CFA inflation is £6,331k in 15/16, and of this £54k relates to ICES.
A/R 3.001	Demography – Funding of £112k is allocated to ICES in 15/16 to reflect demographic pressures (with £117k £118k £129k £128k in the following 4 years).
A/R 6.210	Savings of £190k are identified for 15/16, and £185k in each of the following two years.
A/R 6.212	Savings of £160k are identified for 15/16 as a one off saving (being reversed in 16-17). This saving will be made by charging eligible expenditure to the capital budget for one year only.

Table 1 – following the ICES policy line across.

ICES is a policy line in Older People and Mental Health Services. It will have a net budget (third column of table) of £2,077k for 2015-16. In the following 4 years the change in budget is the net impact of the demography, investment and the savings requirement.

Table 2 - following the ICES policy line across.

This table only relates to the 2015/16 year and therefore shows an opening budget (revised 14/15 budget) of £2,261k, adds £54k of inflation and £112k of demography, and takes away £350k of savings – giving a net budget of £2,077k for 2015/16 as shown in Table 1.

Opening Budget	£2,261k
Inflation	+£54k
Demography	+£112k
Savings	-£350k
Gross Budget 15/16	£2,077k