



Children and Families Revenue Budget 2009/10

DEPARTMENTAL OVERVIEW

The Children and Families revenue budget for 2009/10 has been developed with three overarching aims.

Firstly, to deliver a sustainable financial position for the department addressing recurring pressures of £3.5m and delivering the further 2% saving of £5.92m assumed in resource totals. The total savings delivered by the department in setting the budget for next year are therefore £9.4m.

Secondly, to protect school devolved budgets (as far as possible given the requirement to deliver the 2% across the board savings. New savings initially expected from schools in 2009/10 were a further £3.7m in addition to current reductions.

Thirdly, to ensure that the ongoing process of aligning the Children's Services budgets with available resources while recognising the risks inherent in managing the increasing demand for child protection services, services to looked after and accommodated children and services to children and young people affected by disability.

SCHOOLS

The net increase in school based funding next year is £10.9m including PPP transfers from capital of £3.9m (5.4%), excluding PPP transfers the increase is 3.3%.

School Inflation

Additional funding has been provided to meet:

- **Pay awards for teachers and other school based staff £4.95m**
- **The actuarial revaluation of the Teacher's Pension Scheme has been provided for. Increased employer contributions next year will total an additional £1.5m.**
- **Increased gas and energy costs totalling £1.75m. This funding will be added to school budgets from April.**

Other Inflation

The Council has also provided further funding next year to address the increased costs of running buildings in the following areas:

- **Non Domestic Rates = £0.137m.**
- **Cleaning, Grounds Maintenance and Catering = £0.231m.**

Savings

With regard to savings the department's budget strategy has been to seek to draw a ring around school budgets.

The impact of the further 2% reduction in school budgets has been mitigated by applying savings from falling schools rolls (£1.3m), school letting (£0.3m) and savings arising from the closure of three primary schools (£0.8m) and savings from energy and other budgets (£0.8m).

There has been a further requirement to find ICT savings of (£0.8m) and this has been met by a combination of a reduction in ICT maintenance and a one off further capitalisation of new IT infrastructure. **A reduction in the number of PCs in schools as originally proposed has therefore been avoided.**

This combination of measures has allowed the Department to meet the additional savings required in the base budget without further direct cuts in school budgets.

The 1.5% saving from 2007/08 will remain.

Growth in School Budgets

Additional **new funding of £0.25m** for school supplies and services devolved budgets has been provided which will allow the e procurement saving currently in school budgets to be partially reduced by approximately 50% from next year.

School Meals

New funding totalling £1.04m (net) has been provided in the Children and Families base budget for free school meals and to provide additional resources to the catering STO. This includes set up costs and the funding to improve school kitchens and dining centres. From August 2009 the entitlement to free school meals will be extended to those in receipt of maximum family tax credit subject, with free meals provided for P1–P3 pupils from August 2010.

School Estate

In the longer term the Department requires to further reduce the size of the school estate to make efficiency savings and remove surplus capacity. This will form a major element of the budget strategy over the next three years with closures proposed in the primary and secondary sectors.

PPP

Funding has been provided in the base budget to pay for PPP schools coming on stream during 2009/10. Bonaly and Juniper Green Primary Schools along with Broughton High School are now open. Holy Rood, Tynecastle, Craigroyston, Forrester and St Augustine's High Schools will come on stream during 2009/10.

Class Size Reductions

It should be noted that while the department has met the requirement to deliver further savings against a 2% target, it has not been possible to provide any further resources to progress this initiative through the budget settlement. Fully funded probationers, if allocated, will be prioritised to enable enhanced staffing for P1-P3 classes. The formation of discrete classes of 18 would result in unfunded capital costs estimated at £16m.

VULNERABLE CHILDREN

The Children and Families budget is under significant pressure associated with increased demand for services to vulnerable children. In line with the experience in other authorities the number of vulnerable children requiring services has increased significantly over the last ten years.

There have been significant increases in the numbers of vulnerable children requiring services over the last ten years and in particular the last five years. These are in relation to child protection, children looked after and children affected by disabilities.

Kinship Care for Looked after Children

Additional funding in the base is provided for Kinship Care £0.36m to address the requirements of the Adoption Act.

Vulnerable Children Inflation

3% Inflation uplift is provided for Family based care = £0.192m

3% uplift is also provided for secure unit and out of council placements = £0.162m

**Additional Funding is therefore provided in the base budget totalling
£0.354m**

Vulnerable Children - Demographic Demand

New resources to fund demographic increases demand for services to vulnerable children Current estimates indicate a requirement to fund an additional 50 children in fostering placements next year totalling £1.4m.

Additional funding of £1.4m has therefore been provided in the base budget to meet this demand.

Gillian Tee

Director of Children and Families

SUMMARY OF FINANCIAL POSITION

Departmental Summary

The departmental position is summarised below.

	2009/10 £000	2009/10 £000	2009/10 £000	2010/11 £000	2010/11 £000	2010/11 £000	2011/12 £000	2011/12 £000	2011/12 £000
Resource Allocation totals	TOTAL	Schools	Other Service Areas	TOTAL	Schools	Other Service Areas	TOTAL	Schools	Other Service Areas
Approved Budget	353,083	201,120	151,963	368,103	212,281	155,822	382,555	221,625	160,930
Virements	(1,190)		(1,190)						
Pay Award :									
- Teachers	3,818	3,818		3,857	3,857		4,925	4,925	
- Other Staff Groups	2,957	1,127	1,830	2,643	1,007	1,636	3,291	1,254	2,037
Inflationary Uplifts :									
- STO Contract Inflationary Uplift	231	204	27	203	179	24	237	208	29
Increase in Income (3% on controllable charges)	(23)		(23)	(182)		(182)	(214)		(214)
- Increased Energy Costs	2,183	1,746	437						
- Fuel (Home to School Transport)	306	306							

	2009/10 £000	2009/10 £000	2009/10 Other Service Areas	2010/11 £000	2010/11 £000	2010/11 Other Service Areas	2010/12 £000	2010/12 £000	2010/12 Other Service Areas
	TOTAL	Schools		TOTAL	Schools		TOTAL	Schools	
- Long Term Contracts Inflationary Uplift (PPP Project)	221	221		368	368		1,025	1,025	
- Care Fees	354		354						
Other:									
Pension Revaluation :									
Teachers	1,174	1,174							
Other Staff Groups	2,076	789	1,287						
Changing Children's Services	32		32						
Non Domestic Rates	137	115	22						
Fostering and Kinship	360		360	360		360			
Free School Meals	1,440	1,440		1,600	1,600				
PPP / School Fund Adjustments	3,921	3,921		5,852	5,852		3,495	3,495	
Scotland Excel	(109)		(109)	27	27				

	2009/10 £000	2009/10 £000	2009/10 £000	2010/11 £000	2010/11 £000	2010/11 £000	2010/12 £000	2010/12 £000	2010/12 £000
	TOTAL	Schools	Other Service Areas	TOTAL	Schools	Other Service Areas	TOTAL	Schools	Other Service Areas
Child Trust Fund Top Up	22		22						
Pathfinder – Learning & Care	(120)		(120)	84		84			
National Insurance							1,128		1,128
Excel – returned to Departments							25		25
Swift Benefits	(307)		(307)	(140)		(140)			
Best Value Savings :									
Departmental Best Value Savings target	(5,920)	(3,700)	(2,220)	(5,631)	(3,519)	(2,112)	(5,458)	(3,411)	(2,047)
Council Motion	3,457		3457	5411		5411	3382		3382
Final Planning Total	368,103	212,281	155,822	382,555	221,625	160,930	394,391	229,121	165,270
% Increase/ (Decrease)	4.3%	5.5%	2.5%	3.9%	4.4%	3.3%	3.1%	3.4%	2.7%