

IN YEAR REDUCTION TO AREA BASED GRANTS

Report of the Executive Director of Children and Young People's Services

Please note that the following recommendations are subject to approval by the Cabinet and confirmation under the provisions of the Council's Constitution before taking effect.

Recommendation: that Cabinet

- (i) note the challenge in making in-year cuts on this scale;
- (ii) approve the areas for reduction as set out in section 3
- (iii) endorse a full year's notice of change to be given in September 2010 to recipients of concessionary transport arrangements, with a view to phased changes from September 2011 (1.7).

1.0 CONTEXT

- 1.1 The Department for Education makes large ring-fenced grants to local authorities (the most significant being the Dedicated Schools Grant) and distributes a further £1.3billion through Area Based Grant (ABG) which is not ring-fenced. The DfE ABG is being reduced in year by 24%, £311m, of which £3.1m is Devon's apportionment.
- 1.2 Reductions are always sensitive and difficult: in year reductions are particularly difficult. Apart from a requirement to accelerate decision-making to achieve a part-year effect, it reduces the scope for redeploying staff and taking advantage of natural staff turn-over.
- 1.3 The grants now within the ABG were originally allocated for specific purposes, and have frequently been used by services to extend opportunities to access and influence local provision; and for investment in the preventative strategies that local authorities had found it hard to fund against needs-led budgetary pressures. An indication of these activities is given at Appendix 1.
- 1.4 Some areas of the ABG are particularly challenging because of the wide scope of the work: the Children's Fund, Extended Services in and around Schools (ESS) and the Connexions grant are the largest budget lines. The latter covers a range of statutory duties in relation to careers advice and guidance and is part of a peninsula company directed by Devon, Cornwall, Plymouth and Torbay authorities. Some parts of the authority such as the Learning and Development Partnership face a cumulative impact from reductions on a number of grant lines that support our Service Delivery Agreement.
- 1.5 It should be noted that some grants end on 31 March 2011, and although an unexpected in-year cut is unwelcome and challenging, it is in fact bringing forward exit strategies: the Children's Fund and ESS grants (total £6.65m) are in this category.

- 1.6 Any ABG funded activities that align strongly to the Strategic Plan will now need to be evaluated alongside all other activities, to arrive at funding priorities within remaining resource for 2011 onwards. It is important to maximise the full-year effect of in-year changes.
- 1.7 The Council faces considerable pressure on home-school/college transport budgets. It is already looking at concessionary areas of post-16, faith and grammar school transport. The ABG grant now brings the extended eligibility to Key Stage 2 pupils into the frame. The full year cost currently covered by this grant alone is over £600k. The Council is committed to giving parents good notice of change and will prefer a phased withdrawal. More detailed proposals will be brought forward in the Autumn.

2.0 PROCESS

- 2.1 Senior managers have scrutinised each grant line against a matrix that evaluated
- alignment with corporate priorities
 - extent to which activities supported vulnerable children and families
 - whether DCC resources were essential to longer term viability of activities
 - other options for delivering the outcomes
- 2.2 In order to do this it was important to look wider than the ABG-funded activities. The grant lines were grouped to allow cross-referencing to related areas of work. In some cases an activity can be reduced but mainstreamed in a cost-effective way, rather than curtailed.
- 2.3 To protect front-line services to families and communities as far as possible, the Directorate has stepped up work on reducing infrastructure costs. Projected in-year savings have been included in the £3.1m target.

3.0 SUMMARY OF PROPOSALS

The table below sets out the proposed reductions. It is not yet possible to give an exact number for the posts likely to be affected, as work is still underway on mainstreaming activities where possible. A range is therefore entered.

Proposal	£000	Risks	Mitigating action	Risk to DCC posts
Reduce Children's Fund activities	612 (43%)	All work not yet embedded: benefits from previous input could be at risk. Risk to multi-agency approaches including use of toolkit (e.g. Common Assessment Framework). Work undertaken by local Children's Trusts in response to local priorities will be destabilised.	Review of all locality-based infrastructures (in hand) to ensure essential requirements sustained for child-centred responses. This grant was due to end 31.03.11 so it is a matter of bringing forward exit strategies and/or withdrawing from short-term proposals.	Y (6-10)

Reduce funding for preventative work on teenage conception and substance misuse, and remodel Choice Advice	122 (38%)	Statutory requirement to deliver independent Choice Advice may be at risk; work on teenage pregnancy and substance misuse could be destabilised.	Design a sustainable, integrated framework that provides one 'pathway' for vulnerable adolescents rooted in universal services, and linked to other services to vulnerable adolescents e.g. Housing (in hand). A strategy for teenage pregnancy has been agreed with the Health Authority	Y (1-2)
Reduce activities in Learning and Development Partnership	539 (24%)	Impact on standards through reduction in School Improvement Partners and lack of early intervention capacity. Impact on Be Healthy and Enjoy and Achieve targets in CYPP. Threat to sustainability of LDP	Explore different approach to SIP role. Revisit 'critical mass' for tendering contract. Considering services to include in LDP for Joint Venture Company.	Y (11-18)
Reduce infrastructure for 14-19	103 (37%)	Reduced capacity for planning and delivering an extending area of responsibilities with tender of LSC functions.	Review statutory implications and partnership contributions. Reduce Area Partnership work.	Y (2) (vacant from TUPE transfer of LSC)
Connexions	600 (12.5%)	Some loss of service; some school-based. Risk to reduction in number of those not in Education, Employment and Training (NEETs).	Working with partners, scrutinise all commissioned or provided Information, Advice and Guidance (IAG) services and propose options for a new model (in hand)	N
Youth Services. Reduce infrastructures in elements of Integrated Youth Support Services (these are universal youth services and youth offending teams)	175 (beyond ABG) 25 ABG	YOT has some vacancies but these need to be explored in partnership with other funders. If funding from infrastructures not possible there could be a knock-on to service provision including Positive Activities for Young People (through Connexions)	Streamline some support activities within wider infrastructures. Re-visit management structures. Scrutinise as part of vulnerable adolescents work (in hand - see above) Some will be taken from a contingency to assist in-year changes	Y (2-5)
Reduce central and devolved funding from the Extended Services in and Around Schools 'Start-up Grant'	384 [£45k from infrastructure] (35%)	No staff development. Minimal web information. No further work on evidence-based practice. Less commissioned activity for - parenting and parent participation - childcare sufficiency - activities with governors - LLC support	Grant ceasing from 01.04.11 so bringing forward exit strategies. The ESS Sustainability Grant has not been reduced.	Y (4-6)

Reduce funding for some care services	172 (26%)	<ul style="list-style-type: none"> - Designated CiC teacher training - DCC contribution to Child Death Reviews - Child Trust Funds in line with national changes - access to supported lodgings - placement stability 	Alternative training proposals; other areas are being considered alongside mainstream activities.	N
Phase out Travel Advisers and Sustainable Travel support	96 (55%)	Good practice may not yet be fully embedded in schools	Seek to mainstream; focus on Highways Safety	Y (2-4)
Reduce sum going to corporate support activities	34 (11%)	Reductions would be commensurate with 24% reduction in activity. Risk to L&D work.	Learning and development proposals that are part of social work remodelling have been protected.	N
Remove Clothing and Footwear Allowance	10 (100%)	Small risk as spend on this line is minimal.	Local arrangements are generally made in cases of hardship.	N
Reduce central funding for investigations and mediation	10 (15%)	More onus on senior managers able to undertake these processes.	Increase number of designated officers.	N
Bring forward a range of central infrastructure savings	140 (beyond ABG)	Fewer staff with wider spans of responsibility	Seek reductions in workload related to corporate prioritisation (in hand)	Y (11-15)
Reduce Extended Eligibility for travel for KS2 pupils.	[160] (24% - not recommended)	In year reduction is too great a risk to stability of arrangements for these families	Transport discretions are part of an ongoing review	N
Bring forward some transport contract and route review activities	80 (beyond ABG)	Although achievable this reduces scope to balance in-year budget pressures on volatile lines.	Seek to redeploy an officer to an additional route review function to increase net savings in this year	N
TOTALS	3,102			Range 37-60

4.0 SUSTAINABILITY

The exercise has been undertaken in the anticipation of further challenging budget rounds in the public sector. New models for preventative work and locality-based interventions will be based on realistic expectations.

5.0 EQUALITY

As part of the preparation for recommendations the impact on vulnerable groups was considered. In particular, Children in Care and in need have been protected, and a number of Task Groups are focussed on more effective streamlining of current projects and activities.

6.0 RISK MANAGEMENT

The risks associated with activities are set out in the table above. Any significant slippage will risk achievement of the target and put further pressure on other services.

7.0 LEGAL

There are some contractual issues on which legal advice has been sought.

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ELECTORAL DIVISION:

Local Government Act 1972

Background Paper Date File Reference:

Cabinet Member Decision Form authorised 16 September 2009

Cabinet Member Decision Form authorised 16 April 2010

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Cabinet Member for Schools and Skills: Councillor Christine Channon

Cabinet Member for Health and Wellbeing: Councillor Andrea Davis

Programmes funded by the area-based grant (full Devon grant before reductions given after "DCC:" in each category), and the duties the grant supports

Care Matters

- Provide £2,000 higher education bursary for care leavers
- Promote health and wellbeing of children in care and care leavers
- Provide sufficient accommodation for looked-after children

DCC: £513,545. Devon is more generous with its bursaries.

Child death review processes

- Local Safeguarding Children Boards must review the deaths of all children in their area with help of a child death overview panel and a rapid response team

DCC: £69,389 - contribution to a sub-peninsula process which can be found in-year from a reserve. A statutory responsibility - Devon is discussing with partners how to cover this.

Child Trust Funds

- Although this is to be reduced and eventually stopped, under forthcoming legislation trusts will still have to be provided for children born before January 2011

DCC: £10,801. Reduction is £2k which can be accommodated.

Choice Advisers

- Provide advice to parents on stating their preferences for secondary schools

DCC: £42,610. Under review as part of remodelling of information and advisory services. Independent advice is a statutory requirement, but there are a number of ways to address this.

Connexions

- Give careers advice to all young people

DCC: £5,227,787. Part of a larger SW authority contract. Universal entitlement; also work focussed on those not in employment, education or training. The size of the grant and impact of a 24% withdrawal requires a radical review. To ensure compliance Devon proposes a cut limited to 12% in-year, but will need to look at longer-term sustainability.

Designated Teacher Funding

- Appoint a designated teacher in each school for all looked-after children

DCC: £54,900. Reduction will be applied to training programmes.

Extended rights to free travel

- Deliver free school transport to pupils aged eight to 16 who are from low-income families or who go to their nearest suitable school and live more than two miles away

DCC: £665,842. Devon applies this to Key Stage 2 pupils, and does not intend to withdraw any concessionary eligibilities mid-year. At Key Stage 2 pupils are by statute expected to walk up to three miles.

Extended Schools start-up funding

- All schools should have sustainable extended schools services in place
DCC: £1,092,652. Grant ceases 31.03.11. Elements of the 'core offer' overlap with information and advice and childcare provision. The Sustainability Grant is still in place.

Flexible 14 to 19 Partnerships Funding

- Deliver specialised diplomas at Level 1, 2 and 3 for all 14- to 19-year-olds
Devon: £195,485

Positive Activities for Young People

- Provide and promote positive activities for young people
DCC: £149,018. Being considered within the Integrated Youth Services budget. Some is focussed on bridging adolescents across the summer break into employment/training - keeping them engaged. It therefore overlaps with the Connexions review.

Secondary National Strategy; Primary National Strategy

- Deliver the national strategies
DCC: £305,561 + £394,022. This covers an element of central coordination of the strategies and project funds for schools needing to narrow the achievement gap and in particular meet the Floor Targets. Both programmes were due to finish in July 2011 and exit strategies will need to be brought forward.

School Improvement Partners

- Appoint a School Improvement Partner (SIP) in every maintained school
DCC: £369,820. The function of a SIP is to challenge schools on their improvement plans and broker additional support; they also endorse specialist status redesignation. The requirement is to deploy a 2:1 ratio from external (e.g. retired heads, other LAs) and DCC internal specialists.

School Intervention

- Intervene where schools are underperforming
DCC: £249,700. This funds the Targeted Intervention and Support programme and focuses on Ofsted identified schools causing concern.

Behaviour Support and Educational Psychologists

DCC: £272,425 + £73,813. These grants, like the school improvement grants (above), feed into the Service Delivery Agreement for the Learning and Development Partnership (LDP). In arriving at its target, work with vulnerable groups will be protected as far as possible. EPs contribute to statutory statements of SEN.

Sustainable Travel to School

- Promote the use of sustainable travel between home and school
DCC: £59,329. Delivered through EEC.

School travel advisers

- Assess the travel and transport needs of children and young people
DCC: £114,000. Delivered through EEC.

Teenage pregnancy

- Reduce the under-18 conception rate
DCC: £169,000. Talks are in hand to incorporate the work within the Vulnerable Adolescents strategy.

Youth substance misuse

- Take account of youth offending and related issues within all planning, policy and processes

DCC: £125,887 (this is a Home Office Grant). The Vulnerable Adolescents strategy is seeking to streamline responses.

Children's Fund

DCC: £1,422,239. This is a complex area as it has few direct statutory responsibilities but has added value and support to a number of strategies. It was due to end on 31.03.11, so mainstreaming of activities is now stepped up. It currently contributes about 30% to overall funding for the AXS Programme. This will trigger a review of locality based infrastructures, to secure a sustainable model for early response and preventative work as well as targeted and individual responses.