



**CHILDREN AND YOUNG PEOPLE'S SERVICE OVERVIEW AND
SCRUTINY COMMITTEE**

21 JANUARY 2009.

MEDIUM TERM FINANCIAL STRATEGY 2009/10 TO 2012/13

MINUTE EXTRACT

Medium Term Financial Strategy 2009/10 to 2012/13

The Committee considered a joint report of the Director of Children and Young People's Service and the Director of Corporate Resources that provided it with information on the draft Medium Term Financial Strategy (MTFS) for 2009/10 to 2012/13, as approved by the Cabinet on 13 January 2009 for consideration in the scrutiny process. A copy of the report, marked 'B', is filed with these minutes.

The Chairman welcomed to the meeting Mr I D Ould CC, the Cabinet Lead Member for Children and Young People's Service and Mr P C Osborne, Cabinet Member for Children and Young People's Service.

The Director of Children and Young People's Service introduced the report by referring to the Workshop on the Medium Term Financial Strategy on 8 October 2008. The report before the Committee summarised the proposed 2009/10 budget, transfers to other services, proposed growth items and savings, future service issues, external grant funding, the Schools Budget and the Capital Programme for 2009/10 to 2012/13. He concluded by saying that the budget had been drawn up to minimise any impact on front line services whilst delivering the savings required by the Government.

In response to questions, the following points arose:

Proposed Revenue Budget

- (a) The reference in paragraph 6 to 2008/09 budget should read 2009/10;
- (b) It was possible that other services in addition to those referred to in the report might be transferred, arising from the Change Programme, but these would affect future years' budgets;

Growth

- (c) It was noted that the provision of £300,000 to build a project team to develop and deliver the Building Schools for the Future and Primary Capital Programme initiatives would enable the service to buy-in expertise; when the Council was advised that funding under these programmes had been released there would be regular reports to Cabinet and Scrutiny on the development of the project team and these initiatives;
- (d) It was suggested that it would be useful if the Council could make funding available to school councils to enable them to undertake projects to further local democracy both within the school and its local area; it was pointed out that the use of any such funding given to schools would be for the governing body to determine;

Efficiencies/Savings

- (e) The reductions in the budget for Educational Psychology related to reduced management costs and the location of the service and would not affect the delivery of the Anti-Bullying Strategy, on which a report would be submitted to the meeting of the Committee on 18 February; the reductions would not affect the completion of statements of special educational need;
- (f) The Director of Children and Young People's Service confirmed that no posts would be deleted as a consequence of reducing consistently under-spending budgets; the Director was requested to provide members with more detailed information on the under-spending budgets that had been reduced;
- (g) It was not possible to bring forward to 2009/10 anticipated efficiencies arising from reducing bureaucracy; experience to date suggested that future reviews of services would provide these efficiencies and the savings proposed for 2010/11 and 2011/12 were projections based on experience of the outcomes of previous reviews;
- (h) It was suggested that the Committee should be given timely notice of any sensitive front-line service budgets that had come under pressure due to efficiency savings; members were reminded that regular budget monitoring reports were submitted to the Cabinet and the Scrutiny Commission;
- (i) The Director of Children and Young People's Service confirmed that no consideration had been given to closing small schools to meet the challenging savings requirements for 2010/2011 onwards;
- (j) The 3% efficiency target 'passport' to Connexions would not have an impact on the Integrated Youth Support Service developments;

Future Service Issues

- (k) It was noted that although there would be funding for the transfer of responsibility of functions of the Learning and Skills Council (LSC) to local authorities under 'The Machinery of Government', it was not yet clear what would be the extent of this funding or when it would be received;
- (l) The Cabinet Lead Member commented that if current LSC funding was top-sliced this meant funding for sub-regional partnerships would be smaller; College Principals had expressed concern about the new funding regime and the likely need to predict two years ahead what educational courses would be required but, to date, appeals to the DCSF for greater funding had not received a positive response;

Specific Grants

- (m) The Cabinet Lead Member was asked to use opportunities to make it clear to the public that schools were funded by central Government and not through Council Tax;
- (n) Given the current severe economic position, the issue was raised as to what would happen if current specific grants were terminated; the Director of Children and Young People commented that no indication had been given by the Government that this would happen; previous practice had been that good notice was given if grants were to be discontinued and they were phased out over a period of years; in such cases an exit strategy would be implemented; early planning of such exit strategies was desirable.

Schools Budget

- (o) In response to a question as to what action might be taken to 'claw-back' excessive unspent school budgets, the Committee was advised that the issue was about uncommitted school budgets and that any action on this would be taken by the Schools Funding Forum; the Committee requested a report from the Director of Children and Young People's Service to a future meeting about what action had been taken to address excessive uncommitted school budget balances;

Capital Programme

- (p) It was suggested that the description of the item 'Mobile Classroom Replacement' should be changed as it implied a like for like replacement when, in reality, these buildings were being replaced with modern modular buildings; the Cabinet Lead Member responded that this description was appropriate as it reflected the programme to replace mobile classrooms that had been deferred to give priority to replacing intergrid schools;

- (q) In response to a question about the provision for Ashby Boarding House, the Director of Children and Young People's Service advised the Committee that the school had bid for additional capital funding to the DCSF and been successful; the DCSF was keen to promote boarding schools provided in the state sector;
- (r) It was not possible at this stage to predict what return, in terms of energy savings, would arise from the Carbon Management Programme but schools would be asked to give an indication of their expectations;
- (s) The Director of Children and Young People's Service was asked to provide members with more information about the proposals covered by block sums such as the Youth Capital Fund;
- (t) It was explained that the Targeted Capital Fund would include provision for improvements to facilities at the Pupil Referral Unit; members asked that details of these proposals be included in the forthcoming report on the PRU to the meeting on 1 April;

Before the Committee came to a view on the item, Mr Ould and Mr Osborne, having declared a personal and prejudicial interest, left the room.

Motion 1

It was moved by Mr Jones CC and seconded by Mr Wright CC:

'That , as per standard practice, in the interests of this Committee receiving information in good time for its views to influence decision-making, reports be requested as necessary on:

- (a) Any sensitive budgets that come under pressure due to efficiency savings;
- (b) Proposals to meet the later year's savings outlined in the report.'

The motion was put and resulted in an equality of votes, 4 members voting for the motion and 4 against. The Chairman thereupon exercised his casting vote in favour of the motion. Accordingly the motion was carried.

Motion 2

It was moved by Mr Jones CC and seconded by Mr Brown CC:

'That the Cabinet be requested to consider making a budget provision to allow small sums to be made available direct to secondary school councils to undertake projects in furtherance of local democracy within the school or its local area.'

The motion was put and not carried :2 members voting for the motion and 10 against.

Motion 3

It was moved, seconded and carried:-

- (a) That the Committee notes the proposed Revenue Budget and Capital Programme for the Children and Young People's Service;
- (b) That the Committee's comments be forwarded to the Scrutiny Commission and to the Cabinet.

Accordingly, it was RESOLVED:

- (a) That, as per standard practice, in the interests of this Committee receiving information in good time for its views to influence decision-making, reports be requested as necessary on:
 - (i) Any sensitive budgets that come under pressure due to efficiency savings;
 - (ii) Proposals to meet the later year's savings outlined in the report.
- (b) That the Committee notes the proposed Revenue Budget and Capital Programme for the Children and Young People's Service;
- (c) That the Committee's comments be forwarded to the Scrutiny Commission and to the Cabinet.