

This Annex contains the following extracts from Revenue Budget Resolutions of the Cabinet 6 January 2011 which relate to education.

Formal Resolutions (pages 3-5)

Annex 1 Below the Line Savings (page 6)

Relevant pages which relate to education:

Annex 2 Service Efficiencies (page 7 table)

- Special Educational Needs Transport (page 11)

Annex 3 Service Policy Proposals (pages 14 and 15 table)

- Specialist Special Educational Needs and Disability (SEND) Transport (page 38)
- Statutory responsibilities for Schools (page 39)
- Interest on School Balances (page 43)
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Annex 4 Service Charging Proposals (page 66 table)

- Charge for denominational transport (page 74).
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RESOLUTIONS: CABINET 6 JANUARY 2011

Item 3b - Revenue Budget 2011/12 to 2013/14

Resolved:-

1. That Cabinet notes the savings requirement over the next three years:

2011/12	£71.6m
2012/13	£50.1m
2013/14	£57.4m
Total	£179.1m

2. That the Cabinet will consult upon proposals to deliver a three year balanced budget for the County Council for the financial years 2011/12 to 2013/14, providing a sustainable and stable budget in a challenging economic climate.
3. That within these proposals, the Cabinet agree a three year council tax strategy, of a council tax freeze in 2011/12, and a maximum council tax increase of 2½% in 2012/13 and 2013/14.
4. That the Cabinet will seek to maximise the "below the line" savings (which will reduce the management and administration costs of the County Council, without impacting on services) over the next three years, thereby minimising savings needed from services. The first tranche was agreed by the Cabinet in November 2010 and will reduce costs by £31.200m in 2011/12, a further £15.000m in 2012/13 and a further £9.100m in 2013/14. Details of the savings are set out in Annex 1 to these resolutions.
5. The Cabinet resolves to maximise the level of efficiencies to reduce costs but maintain service provision. Cabinet therefore approves service efficiencies which will reduce costs of £3.350m in 2011/12, a further £6.610m in 2012/13 and a further £2.000m in 2013/14, as set out in Annex 2 to these resolutions.
6. That Executive Directors be asked to maintain an ongoing review of costs in order to identify opportunities for further efficiencies throughout the financial year to ensure costs are continually examined and reduced wherever practicable.
7. That the Cabinet proposes, for consultation, proposals for service reductions totalling £34.654m in 2011/12 (with an impact of £30.892m in 2012/13 and £31.476m in 2013/14), as set out in Annex 3 to these resolutions.
8. That the Cabinet proposes to invest in Lancashire's highways network in 2011/12 by £2.038m, which together with the additional capital investment of £3m previously agreed, brings the total additional investment to

£5.038m in 2011/12. This investment will counter the impact of the recent adverse weather, improve the road network and contribute to road safety.

9. That the Cabinet proposes to invest in Lancashire's highways network in 2012/13 by £6.223m, which together with the additional capital investment of £5m previously agreed, brings the total additional investment to £11.223m in 2012/13, which will significantly improve the road network.
10. That in order to minimise the impact of the budget reductions on services for the most vulnerable people within Lancashire, the Cabinet proposes, for consultation, proposals for increasing income through charging totalling £4.500m in 2011/12 (with an impact of £1.730m in 2012/13 and £1.100m in 2013/14), as set out in Annex 4 to these resolutions;
11. That the above proposals would result in no increase in council tax in 2011/12 (as far as can be determined in advance of final information on the council tax base, the confirmation of the level of government grant in 2011/12, and of the results of consultations on the budget proposals as set out above), as set out in the table below:

	2011/12 £m	2012/13 £m	2013/14 £m	Total £m
Level of Savings Required	71.666	50.047	57.363	179.076
Savings Proposals				
Below the Line Savings (annex 1)	31.200	15.000	9.100	55.300
Service Efficiency Savings (annex 2)	3.350	6.610	2.000	11.960
Service Reductions (annex 3)	34.654	30.892	31.476	97.022
Proposals to Increase Charges (annex 4)	4.500	1.730	1.100	7.330
Total Savings Proposals	73.704	54.232	43.676	171.612
New investment in highways maintenance to improve the road network (in year only)	2.038	6.223	-6.223	-
Further Savings Needed in 2013/14			7.464	7.464

12. That the Chief Executive, Executive Directors and the County Treasurer identify further efficiency savings and/or "below the line" savings in 2013/14 of £7.464m in order to present a balanced, sustainable three year budget for the County Council for 2011/12 to 2012/13.

12. That given the financial challenge facing the County Council, regular reports be brought to Cabinet on the County Council's financial outlook. This will ensure that the financial strategy remains robust and that the County Council can effectively plan to meet the financial challenges ahead.
13. That the budget proposals set out in the report be made available to the Overview and Scrutiny Committee for the purpose of consultation, and for that Committee to consult as it sees fit amongst members of the O&S committees and to respond on that consultation.
14. Cabinet values the views of the consultees and has therefore resolved that in addition to O&S committees, the above proposals be consulted upon in accordance with the second stage of the consultation process set out in the report, with:
 - 12 Lancashire districts;
 - Blackpool & Blackburn with Darwen councils;
 - Trade Unions;
 - The Youth Council; and
 - Business representatives.

The consultation will take place from now until 3 February when the Cabinet will consider its final budget recommendations to the Full Council on 17 February 2011, when the views expressed in the Life in Lancashire survey and the online budget calculator will also be taken into consideration.;

15. That the Cabinet await final confirmation of the grant settlement for 2011/12 and 2012/13 and the council tax resources available for the year, together with feedback from the consultation process, before deciding on firm cash limit proposals within a council tax with no increase for 2011/12, subject to confirmation within the settlement of the Council Tax Freeze Grant;
16. That in respect of the 2011/12 Schools Budget:
 - the County Council's allocation of Dedicated Schools Grant (DSG) be used in accordance with the statutory requirement that it be applied in its entirety to the Authority's Schools Budget and the Schools Budget not be supplemented from other resources available to the Authority; and
 - the detailed allocation of resources within the Schools Budget be determined at a later date by the Cabinet Member for Children and Schools in consultation with the Executive Director for Children and Young People and the Executive Director for Resources, or County Treasurer(designate) and in conjunction with the Lancashire Schools Forum.

Below the Line Savings

	2011/12 £m	2012/13 £m	2013/14 £m
Savings from the strategic partnership	7.0	2.5	4.5
Treasury Management strategy	9.0	0.5	0.5
Review of insurance	2.0	-	-
Impact of pension valuation	0.6	0.7	0.6
Improvement in the tax base from that previously forecast	1.0	1.0	1.0
Reduction in policy, performance management, administration and related costs	3.5	3.5	-
Consolidation of Property functions and Accommodation savings	1.0	1.0	1.0
Reduction in management costs by reducing the number of earners >£50k	2.5	2.5	-
Reduce travel and conference costs	1.0	1.0	-
Reduction in use of agency staff	1.0	1.0	-
Reduction in the use of consultants	1.0	-	-
Review of financial transactions	0.5	0.5	-
Transport Review	1.1	0.8	1.5
Total Below the Line Savings	31.2	15.0	9.1

Service Efficiencies

	Page No	2011/12 £m	2012/13 £m	2013/14 £m
<u>Adult and Community Services</u>	8			
Reduce spend on Older people's day care and related transport	9	0.375	0.375	-
Reduction in mobile library service	9	0.035	0.035	-
		0.410	0.410	0.000
<u>Children and Young People</u>	10			
SEN Transport	11	0.100	-	-
		0.100	-	-
<u>Environment</u>	12			
"One Team" working (Highway Services review)	13	2.180	4.000	-
Maximising efficiencies of the PFI contract	13	0.430	2.000	2.000
Further rationalisation of County Analyst and Trading Standards	13	0.200	0.200	-
Improved efficiency in development control activities	13	0.030	-	-
		2.840	6.200	2.000
Total Efficiency Savings proposals		3.350	6.610	2.000

	Directorate name: Children and Young People	Impact of efficiency savings		Further impact	
		2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
1)	Efficiency saving: Special Educational Needs Transport Improved procurement process including route optimisation planning and procurement working practices.	0.100			
	Total Efficiency Savings for Children and Young People	0.100			

Service Policy Proposals

	Page No	2011/12 £m	2012/13 £m	2013/14 £m
<u>Adult and Community Services</u>	16			
Social Care fee reductions	17	7.000	8.736	9.208
Fair Access to Care eligibility	18	2.500	2.500	-
Reduce training budget	20	1.500	-	-
Reduction in Resources Fund	21	0.300	-	-
Reduce overall level of non-residential social care services	23	1.500	3.000	7.500
Reduce provision of transport and introduce charges for service users	24	0.500	0.500	-
Reduce cost of in-house service provision	25	0.500	0.500	1.600
Reduce expenditure on supporting people programme	26	1.500	1.000	0.500
Remodel of Learning Disability Supported Living Services	27	0.500	1.500	4.000
Reduce Social Care Assessment and Care Management staff	28	1.850	1.350	-
Libraries staff and service rationalisation	29	1.000	0.500	0.400
Reduce level of grant support to the Arts	30	0.100	-	0.100
		18.750	19.586	23.308
<u>Children and Young People</u>	31			
Transforming Care Services for Children and Young People	32	0.500	1.000	3.000
Transforming Care Services - reducing the number of authority residential places and the number of adolescents accommodated in children's home provision	34	0.680	0.700	0.320
Review of reshaping respite provision and direct payments for children with disabilities	36	0.700	0.900	0.900
Specialist Special Educational Needs and Disability (SEND) transport	38	0.200	1.200	1.400
Statutory responsibility for schools	39	0.500	0.800	0.700
Restructuring the young people's service	40	1.008	1.508	1.104
Early Years / Family Support	42	0.500	-	-
Interest on School balances	43	0.400	-	-
Full year effect savings proposals to meet the budget reductions in 2010/11	44	3.172	0.008	0.004
Reduction in Area Based Grant funded services:				
• Connexions grant	45	1.547	2.106	0.740
• Prevention Fund	45	0.841	0.601	-
• School facing activities	45	1.370	0.979	-
• Teenage Pregnancy	45	0.382	-	-
		11.800	9.802	8.168

Service Policy Proposals (continued)

	Page No	2011/12 £m	2012/13 £m	2013/14 £m
<u>Environment</u>	47			
Closure of Household Waste Recycling Centres (HWRC's)	48	0.730	0.800	-
Reduction in Waste Minimisation activities	49	0.430		-
Reduce level of street lighting in appropriate areas (which does not compromise either road safety or community safety)	50	0.500	0.500	-
Review and retender existing bus services	51	0.625	0.204	-
Reduction in public transport information	57	0.100	-	-
Removal of Real Time information service	58	0.175	-	-
Reduced ability to progress new public transport and sustainable travel initiatives	59	0.180	-	-
Rationalisation of Public Rights of Way (PROW) and Countryside maintenance	60	0.204	-	-
Reduced support for environmental and community projects	61	0.180	-	-
More efficient spending on road safety educational resources, road safety initiatives and the Pre-pass support scheme	62	0.270	-	-
Cease entirely the tree planting programme within the Waste PFI Contract	63	0.500	-	-
Minor increase in response times to enquiries from members of the public on Trading Standards issues	64	0.120	-	-
Rationalise response to new requirements for traffic light installations and urban traffic control systems	65	0.090	-	-
		4.104	1.504	0.000
Total Service Policy Proposals		34.654	30.892	31.476

Impact of Policy Proposals 2011/12 to 2014/15				
	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m
<p>Proposal 4. - Specialist Special Educational Needs and Disability (SEND) Transport</p> <p>Spending on SEN transport and transport for children with disabilities represents a significant sum of approximately £15m per year. This is made up of a number of commitments including transport for children and young people with Statements of Special Educational Needs to and from home and school. This provision is statutory. Funding also pays for passenger assistants where appropriate, mainly for younger children or those with more severe disabilities.</p> <p>Work has been undertaken on this over the past year to rationalise this budget and to create more cost-effective routes working in partnership with officers in the environment directorate. Some funding is also provided to transport children with disabilities to and from respite placements.</p> <p>Overall, significant changes are required in the policy, planning and procurement processes for SEN and Disability specialist transport. Some of the key changes proposed would include:</p> <ul style="list-style-type: none"> • the introduction of means testing for 16+ students for transport to college particularly where other benefits are received that already include an element of this • reducing costs of passenger assistants • increased partnership with schools and health providers in providing SEND transport • 'self' provision of transport by parents of SEN children particularly where public money has already provided a specially adapted vehicle to be used for the child 	0.200	1.200	1.400	-
<p>State whether full or partial cessation:</p> <p>Staffing effect: Reduction in the number of passenger assistants</p> <p>Risk associated with delivering proposal: Exploring different ways of providing transport for children with SEN will require careful planning and clear guidance and consistency in applying criteria for eligibility</p> <p>Any other issues:</p>				

Impact of Policy Proposals 2011/12 to 2014/15	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
<p>Proposal 5. - Statutory Responsibilities for Schools The White Paper "The Importance of Teaching" has set out a significant change in approach to the role of local authorities in respect of schools and their support and improvement via County Council provided services. The new role has a focus on:</p> <ul style="list-style-type: none"> • ensuring a supply of good schools, • ensuring fair admissions, • representing the rights of children and parents • supporting vulnerable children; and • monitoring maintained schools performance and brokering support for improvement <p>A review of the statutory responsibilities of the local authority in the light of new and emerging legislation would be implemented. This would enable a clear commissioning model for the delivery of these responsibilities to be established, and a broad distinctive traded services business developed.</p> <p>This is separate from any reductions required across the county council as a result of the transfer of responsibilities and funding to academies.</p>	0.500	0.800	0.700	-
<p>State whether full or partial cessation: Cessation of some currently statutory responsibilities in line with new legislation</p>				
<p>Staffing effect: Reduction of posts over the three year period although it is expected that some of these would be through transfer to Traded Services for schools</p>				
<p>Impact on services commission for budget spend and on service users: Schools will see a change in services provided by the county council, and this will require active dialogue to ensure that they understand that this is reflecting national policy changes and not a change in the county council's desire for strong partnership with schools in Lancashire.</p>				
<p>Risk associated with delivering proposal: Limited risks once the new statutory framework is clearly established in legislation. It will be important as part of the change to ensure that schools understand the new relationship and responsibilities.</p>				
<p>Any other issues:</p>				

Impact of Policy Proposals 2011/12 to 2014/15				
	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m
<p>Proposal 8 – Interest on school balances</p> <p>This proposal is to change the way in which the interest on school balances is calculated by offering a fixed percentage below the county council's pooled rate with a 'floor'. Changing the terms on which schools can withdraw money from balances without notice so that the formula more closely represents the rate of interest it is possible to earn on such deposits in the market.</p> <p>The Lancashire Schools Forum has been consulted on this proposal.</p>	0.400	-	-	-
State whether full or partial cessation:				
Staffing effect: Nil				
Impact on services commission for budget spend and on service users: Nil. Schools will earn a lower rate of interest on their balances.				
Risk associated with delivering proposal: Potential adverse reaction from school				
Any other issues:				

Any other issues:

Impact of Policy Proposals 2011/12 to 2014/15	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
<p>Proposal 10 Reduction in Area Based Grant funded services</p> <p>The Directorate currently receives funding through the Area Based Grant for a wide range of services. The Schools White Paper confirms the withdrawal of the national requirement for some of these services and the Area Based Grant has been reduced accordingly. Reductions in the following key areas of business are proposed;</p> <ul style="list-style-type: none"> • Connexions Grant • Prevention Fund • School Facing Activities • Teenage Pregnancy 	<p>1.547</p> <p>0.841</p> <p>1.370</p> <p>0.382</p>	<p>2.106</p> <p>0.601</p> <p>0.979</p> <p>-</p>	<p>0.740</p> <p>-</p> <p>-</p> <p>-</p>	
<p>Connexions</p> <p>The anticipated White Paper is likely to set out significant changes in the way Connexions Services are delivered by local authorities. It is proposed to make reductions in the Connexions budget through reducing specific areas of work, including the CXL commission, and also through a general restructuring of the service.</p>				
<p>Prevention Fund</p> <p>Around £1.2m of the Prevention Fund was set aside originally for supporting work within the twelve Local Children's Trust Partnerships (LCTPs). This amount was subsequently reduced as a consequence of the in-year budget reductions. The grant funding was time limited to 31 March 2011 and LCTPs are aware of this. This will mean that services/projects currently commissioned by LCTPs to assist in achieving local action plans will be expected to come to an end. It is proposed that all project funding ceases as planned on 31 March 2011 and that new work is re-commissioned to deliver the priorities in the new Children and Young People's Plan and to support the business of the Children's Trust.</p>				
<p>School Facing Activities</p>				

<p>A number of services that are currently provided to schools are funded through the grant. This proposal will mean that these services will cease at the end of the current academic year. Where services are needed, it may be possible for these to continue on a traded services and school would be required to 'buy back' from the Authority. The Lancashire Schools Forum will need to be consulted on the impact of this reduction in funding.</p>				
<p>Teenage Pregnancy</p> <p>Teenage Pregnancy funding is provided as part of the Area Based Grant in order to reduce the level of under 18 conceptions within Lancashire. Performance has been patchy and the evidence base for a significant impact from the funding is lacking. It is recommended that this funding stream now ceases completely, while acknowledging the county council will continue to contribute to a range of work that contributes to reducing teenage pregnancy and is funded and undertaken through other means.</p>				
<p>State whether full or partial cessation: In some services this will represent full cessation, in others only part.</p>				
<p>Staffing effect: There are likely to be further staffing reductions although some of these are already underway as a consequence of the in year ABG reductions.</p>				
<p>Impact on services commission for budget spend and on service users: Some existing services will cease, this will include some services to schools. Some of these services may continue to be available to schools on a 'buy back' basis.</p>				
<p>Risk associated with delivering proposal: Decrease in ability to respond to a range of needs in a timely and appropriate manner; potential impact on anti-social behaviour amongst young people.</p>				
<p>Any other issues:</p>				

Service Charging Proposals

	Page No	2011/12 £m	2012/13 £m	2013/14 £m
<u>Adult and Community Services</u>	67			
Revised charging policy for non residential care services	68	4.100	0.775	0.350
		4.100	0.775	0.350
<u>Children and Young People</u>	71			
Revised charging policy for Children's Social Care services	72	0.200	0.300	0.250
Charge for denominational transport	74	0.100	0.500	0.400
Increased income from Lancashire outdoor education service	75	-	0.100	0.100
		0.300	0.900	0.750
<u>Environment</u>	76			
Income generation through the introduction of car parking charges in country parks and picnic sites (six sites)	77	0.010	0.055	-
Increase in on-street parking charges in Preston and Lancaster	78	0.090	-	-
		0.100	0.055	0.000
Total Charging Proposals		4.500	1.730	1.100

Impact of Charging Proposals 2011/12 to 2014/15	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
<p>Proposal 2. - Charge for denominational transport. This proposal has already been considered and agreed by the Cabinet Member for Children and Schools following a consultation process. The proposal relates to the introduction of a £2 parental contribution to the cost of denominational transport provision which will be phased in from September 2011.</p>	0.100	0.500	0.400	0.400
State whether full or partial cessation:				
Staffing effect:				
Impact on services commission for budget spend and on service users:				
Risk associated with delivering proposal:				
Any other issues:				

Impact of Charging Proposals 2011/12 to 2014/15		2011/12	2012/13	2013/14	2014/15
		£m	£m	£m	£m
<p>Proposal 3. – Increased income from Lancashire Outdoor Education Service</p> <p>This proposal relates to the development of outdoor education provision within Lancashire to enable increased usage and greater opportunity for children and young people in Lancashire, including:</p> <ul style="list-style-type: none"> • Increased capacity for respite care • Increased accessibility and provision for children and young people with disabilities including those on the autistic spectrum • Reduction in transport costs to accessible facilities <p>The proposal will also result in improved accommodation with the potential of dual usage for adults and families, thus increasing the revenue potential of the Outdoor Education Service</p> <p>This proposal assumes the building of an accessible climbing centre at Hothersall Lodge (Aiming Higher Grant £750,000 secured) and improvements to accessible accommodation and equipment at Borwick Hall and Tower Wood (Aiming Higher Grant £70,000 secured).</p> <p>Future investment at Tower Wood (subject to the outcomes of a Cabinet Working Group) of £1.66m will provide additional income (projected at £50k p.a. beyond 2012/13) as part of an invest to save project and increase the capital value of the site by an estimated £2.0m.</p>		-	0.100	0.100	0.300
<p>State whether full or partial cessation: Neither – increased income</p> <p>Staffing effect: Nil</p> <p>Impact on services commission for budget spend and on service users: Positive impact on children and young people, including those with additional needs and those regarded as vulnerable, through improved provision and accessibility, broadening of potential user groups, and increased facilities available for respite care with consequential reduction in transport costs.</p> <p>Risk associated with delivering proposal: Impact of recession on school/parent/other spending - but this is arguably more likely to have an adverse impact if nothing is done</p> <p>Any other issues:</p>					

