

**Number 22**

**Spring 2010**

Welcome to the newsletter for finance practitioners and CIPFA members working in Children's Services. This newsletter has been prepared by CIPFA's Children's Services Panel.

This issue includes various topical updates, a summary of the Children, Schools and Families Bill and a briefing on schools and the carbon reduction commitment. There is also some information about forthcoming CIPFA events.

If you have any feedback or thoughts possibly for future publication email Lesley Lodge at: [lesley.lodge@cipfa.org.uk](mailto:lesley.lodge@cipfa.org.uk). Please mark your email 'for the attention of the Children's Services Panel.'

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## **Schools' revenue balance figures released**

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The DCSF has released a publication containing statistics showing the total revenue balance for schools. The publication provides statistics for each school reporting their total revenue income, their total revenue balance (showing both committed and uncommitted revenue) and the total revenue balance as a proportion of the total revenue income. Further analysis describes school balances for those schools in deficit, those in surplus and those schools with excessive surpluses.

This is the first time these statistics have been published as Official Statistics - though they do form part of the annual series of school balances statistics which have been published on the Department's Every Child Matters (and previously the Section 52) website.

These can be found on the DCSF website at:

[www.dcsf.gov.uk/rsgateway/DB/STR/d000905/index.shtml](http://www.dcsf.gov.uk/rsgateway/DB/STR/d000905/index.shtml)

Initial draft guidance for LAs on school balances was published by the Department in December – see:

[www.teachernet.gov.uk/management/schoolfunding/news/financeofficernews/](http://www.teachernet.gov.uk/management/schoolfunding/news/financeofficernews/)

## **Postponement of the implementation of the early years single funding formula (EYSFF)**

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Also in December, the Minister for Children, Young People and Families announced the postponement of the implementation of the EYSFF. A letter to directors of children's services regarding the postponement of the implementation of the EYSFF was sent with the Written Ministerial Statement.

The letter can be downloaded at:

[www.teachernet.gov.uk/management/schoolfunding/news/financeofficernews/](http://www.teachernet.gov.uk/management/schoolfunding/news/financeofficernews/)

## **Select Committee on Schools' Accountability**

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The Committee has today published its first report and this can be downloaded from the following link:

[www.publications.parliament.uk/pa/cm/cmchilsch.htm](http://www.publications.parliament.uk/pa/cm/cmchilsch.htm)

The main message in this Report is a warning against the complexity which results from overlapping accountability structures and serial policy initiatives. The Government is correct in saying in the 21st Century Schools White Paper that schools should be empowered to take charge of their own improvement processes; but shifting Government priorities and the pressures of inspection, targets and Government programmes for school improvement combine to prevent schools from having the freedom to take ownership of their improvement. The 'flexibility' of the accountability system, championed by the Government, may not be quite the benefit which it appears to be. Schools and local authorities now need a period of stability so that they can

regroup, take time to identify where their priorities lie, and then work to secure the necessary improvements.

If you select to download the pdf version, the section on finance and budgets begins on page 44.

CIPFA's own submission to the Select Committee may be read on the Children's Services Panel website at:

[www.cipfa.org.uk/panels/childrens\\_services/index.cfm](http://www.cipfa.org.uk/panels/childrens_services/index.cfm)

## **2010 CIPFA seminar: Developments in Children's Services Finances**

**23 February, London**

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This year's annual developments event will cover all of the major issues within children's services finance for 2010. Come and hear the Government's response to the DSG consultation and the latest update on schools forums as well as other priority areas. You will get the opportunity to gain a better understanding of the latest policy developments affecting your role and how your local authority delivers children's services. We have deliberately covered a range of topics in order for you to get a complete picture of all new and developing financial regulations and frameworks.

For more details or to book a place, visit the CIPFA Shop at:

<http://secure.cipfa.org.uk/cgi-bin/cipfa.storefront/4b47049813b2278c27423efdf4070656/Catalog/1031>

or email [courses@cipfa.org.uk](mailto:courses@cipfa.org.uk)

## **Safeguarding placements: budget pressures following Baby P**

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The Children's Services Panel recently discussed concerns around the very serious budget pressures arising from Safeguarding Placements since the Baby P case. This is a very substantial problem for some local authorities, especially in the North and in parts of London, causing large increases in costs - and yet there appears to be little recognition of these pressures. For preventative services to work requires 'double funding' while measures are implemented.

The panel realises that the recession and national debt position mean that significant additional grant funding from government is likely to be unachievable but the problem remains for local authorities and it is important that any future Government should recognise the problem.

## **Schools and the carbon reduction commitment**

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The CRC - a mandatory carbon emissions trading scheme - will commence in April 2010 for large public and private sector organisations in the UK. It is part of a package of measures within the Climate Change Act, which aims to save over 4 million tonnes of CO<sub>2</sub> by 2020. The scheme uses reputational and financial incentives to secure commitment from participating organisations in achieving this objective. Organisations will have to purchase allowances for every tonne of CO<sub>2</sub> they emit, the income from this sale will then be recycled back to all participants based on their

position in a league table.

The carbon footprint of participating authorities will need to include emissions from any state funded schools under their authority. This includes maintained, foundation, voluntary aided, voluntary controlled, city technology colleges, academy and trust schools. The local authority is the CRC participant and so is responsible for the legal and financial aspects of the scheme. However a 'reasonable assistance' duty will be placed on schools requiring them to supply the authority with energy data. In the case of PFI schools, where the PFI company is the counterparty to the energy supply contract, the energy use will be attributed to the PFI company.

There are important implementation issues for schools and for local authorities - it is crucial that systems and procedures are in place to collect, collate and analyse this data. To read a summary briefing, with advice on what steps to take, from CIPFA's Children's Services Finance Advisory Network (CSFAN), visit the Panel website at:

[www.cipfa.org.uk/panels/childrens\\_services/index.cfm](http://www.cipfa.org.uk/panels/childrens_services/index.cfm)

(The full briefing is available to CSFAN subscribers).

## **CRC: DCSF proposal to change the school finance regulations**

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To incentivise schools to reduce their energy consumption, DCSF proposes to amend the Schools Finance Regulations (SFR) in 2011-12 to enable local authorities to charge any loss attributable to schools to the Schools Budget. Authorities will be able to treat this sum as centrally held expenditure but will be allowed, if they wish, to use a formula factor to apportion the loss among schools according to their individual performance.

In CIPFA's view, there are a number of difficulties with the DCSF proposal and CIPFA has written jointly with the Local Government Association (LGA) and the London Energy Project (LEP) drawing DCSF's attention to these. The letter welcomes the proposals overall but seeks a dialogue with DCSF on an agreed protocol and possible 'model formula factor' for apportioning CRC EES bonus and penalties through the SFR. To read the full text of the letter, visit the panel website at:

[www.cipfa.org.uk/panels/childrens\\_services/download/carbon\\_trading\\_DCSFv3.pdf](http://www.cipfa.org.uk/panels/childrens_services/download/carbon_trading_DCSFv3.pdf)

## **CRC: useful information and further reading**

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Becta has practical tips for reducing schools ICT carbon footprint

<http://schools.becta.org.uk/>

(click on Resources, then Environmental Impact)

[www.carbondetectives.org.uk/content/home/toolkit/energywater](http://www.carbondetectives.org.uk/content/home/toolkit/energywater)

## **Children, Schools and Families bill**

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The Queen's Speech specifically included mention of the Children, Schools and Families Bill and this Bill is currently in progress. The Bill had been introduced back in June 2009 in the then Draft Legislative Programme as the Improving Schools and Safeguarding Children Bill and it takes forward proposals set out in the education white paper 'Your child, your schools, our future: building a 21st century schools system'.

The Bill's main purpose is to 'Provide guarantees for parents and pupils setting out what they can expect from a 21st century schools system. These will equip every child, every family and everyone who works with them to meet the challenges ahead, and so help secure this country's success now and in the future'.

The Government has set out the following main benefits of the bill:

- Families aware of, and crucially receiving, what they are entitled to expect from the schools and the wider schools system.
- Children and young people better equipped to meet the opportunities, demands and challenges of adult life through an updated school curriculum covering the skills and knowledge they need to succeed.
- Recognition for teachers through a new licensing scheme that recognises their professionalism and boosts their public standing.

The main elements of the bill are:

- Guarantees – through new pupil and parent guarantees the Government is committing for the first time a series of specific entitlements for all and providing a means of redress if expectations are not met.
- 21st century schools – building on over a decade of increasing school standards, this Bill would deliver the building blocks for a world class 21st century schooling system that meets the needs of every pupil so they can achieve their full potential. In future schools will work more in partnership and have greater flexibility in how they spend their budgets. The Bill would also allow for the introduction of our new School Report Card.
- Curriculum reforms – learning from wide ranging consultation and international evidence, the Bill would introduce reforms to the school curriculum so children and young people are equipped with the knowledge and skills they and future employers want and need. The Bill would reform the Primary curriculum following Sir Jim Rose's review to provide greater flexibility for schools to tailor teaching to the needs and interests of their children while also focusing on the basics of literacy, numeracy and Information Communications Technology (ICT). The Bill would also put Personal, Social and Health Education (PSHE) on a statutory footing and ensure for the first time that all young people receive at least one year of sex and relationships education.
- Licence to practise – improving teaching underpins every effort to deliver the best possible education for all pupils, and through a new licensing system this Bill would professionalise the workforce and provide teachers the status they deserve. This would create a new learning culture among every school's teaching staff which puts professional development at the forefront and so improve teaching quality across the board. This will also clearly

demonstrate to parents that high-quality teaching standards are being maintained.

- Safeguarding the vulnerable – strengthening the powers of local authorities and others with regards to registration, inspection and intervention will mean effective systems are in place to protect those that most need it. The Bill will introduce a new home educators' registration system and take new powers for secretaries of state to intervene in youth offending teams that are failing and potentially putting young people and their communities at risk.
- Increasing public confidence in family courts – providing a commitment to review the publication of information relating to family proceedings and report to Parliament.

Overall, the Bill covers England and Wales, although some clauses apply only to Wales. (It also extends to a very limited extent to Northern Ireland but only for the purpose of maintaining the current position in Northern Ireland).

The Bill will involve amendments to the following existing legislation:

- The Children, Schools and Families Bill seeks to make amendments to:
- Education Act 1996
- School Standards and Framework Act 1998
- Teaching and Higher Education Act 1998
- Education Act 2002
- Children Act 2004
- Education Act 2005
- Education and Inspections Act 2006
- Education and Skills Act 2008
- Apprenticeships, Skills, Children and Learning Act 2009

## **The CIPFA Manifesto: better ideas, better public services**

While the political parties are focusing on their manifestos, CIPFA has published its own manifesto. *Better Ideas, Better Public Services* calls for an urgent debate on improving governance and financial management in the UK public services.

CIPFA sets out a number of ideas for improving openness and transparency, making better decisions, providing better information to the public, strengthening accountability and much more. Above all, the manifesto focuses on the need for politicians to re-inspire trust and confidence after the MPs' expenses debacle.

CIPFA's overriding aim is to encourage a healthy, open debate and to ensure that this critically important challenge is fully and clearly addressed by the political parties. Your views on the CIPFA manifesto and your alternative proposals are warmly welcomed. Please submit them to: [steve.freer@cipfa.org.uk](mailto:steve.freer@cipfa.org.uk)

## **Countdown to IFRS for local government**

At the time of writing, CIPFA's countdown clock (see CIPFA's IFRS website at: [www.cipfa.org.uk/ifrs](http://www.cipfa.org.uk/ifrs)) shows that there are only 75 days to local government IFRS implementation.

To assist LAs in implementation, CIPFA has published the first accounting codes of practice for local authorities to be based on International Financial Reporting Standards (IFRS).

The 2010/11 Code of Practice on Local Authority Accounting in the United Kingdom and the Best Value Accounting Code of Practice set out the accounting requirements for local authorities. The codes are based on IFRS, and signal the final phase of local authorities' move to IFRS which began in 2007/08. From 2010/11, central government, local government and the health service will then for the first time be accounting on a consistent basis.

Paul Mason, Technical Manager at CIPFA said: 'These Codes provide the definitive guidance local authorities need to implement IFRS. Local authorities are making progress with the changes required, and the publication of these codes will help them to complete the transition to IFRS as smoothly as possible.'

CIPFA has also published its 2009/10 Guidance Notes on the Code of Practice on Local Authority Accounting: Statement of Recommended Practice. The 2009 SORP included significant changes to accounting for PFI schemes as part of the phased introduction of IFRS, and the Guidance Notes provide detailed, practical advice to assist practitioners in implementing the new requirements in this complex and sensitive area. Visit the CIPFA IFRS webpages at:

[www.cipfa.org.uk/ifrs](http://www.cipfa.org.uk/ifrs)

## **After the downturn – CIPFA/SOLACE joint paper**

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The major political parties have acknowledged that public spending cuts are unavoidable. It is clear that the forthcoming General Election will be fought in large part on how spending reductions should be achieved and where they should fall.

CIPFA and SOLACE, informed by a much wider cross-section of public sector professionals, has prepared a paper, *After the Downturn - Managing a significant and sustained adjustment in public sector funding*, which explores these crucial questions and calls on the political party manifestos to address these questions clearly. The paper considers two levels of headline cuts in current public spending in the three year spending round following the 2010 election. Scenario A envisages a 7.5% (real terms) cut in current public spending over the next three year spending round 2011-14 (with the likelihood of cuts of a similar scale in the following spending round, 2014-17, as well). Scenario B envisages a 15% (real terms) cut in current public spending over the next three year spending round, 2011-14 (with the possibility of further, probably less severe, cuts in the following spending round, 2014-17).

To download the full paper, visit the CIPFA website at:

[www.cipfa.org.uk/pt/cipfasolace/download/After\\_the\\_Downturn.pdf](http://www.cipfa.org.uk/pt/cipfasolace/download/After_the_Downturn.pdf)

## **Young people not in employment, education or training**

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Whatever the election outcomes, the recession has understandably pushed the subject of Young People Not in Employment, Education or Training (NEETs) up the agenda for local authorities. The Audit Commission, the LGA Chair's office and OFSTED are all working on NEET problems at present. In the LGA's case work, this is expected to result in a document called *Hidden Talents*, ideas for policy solutions, and case studies. In OFSTED's case, a report is also being prepared for publication later. And the Audit Commission is currently undertaking a study on:

- What resources are available to support the NEET agenda

- How efficiently they are being used
- Ways areas could do more to maximise the resources they have.

Preliminary messages from the Audit Commission Study seem to indicate that:

- New ways of working are needed to turn around the NEET problem
- An increased focus on prevention will bring savings in the medium- and long- term
- Improved funding arrangements would support areas to take the most appropriate approach locally
- Effective partnerships, and better use of information, would reduce duplication and allow resources to be directed according to need.

The Audit Commission' expects to publish its main report in summer, though it may issue further questions and possibly tools ahead of that.

To follow the Commission's progress on NEETs, visit the Audit Commission website at:

[www.audit-commission.gov.uk/nationalstudies/localgov/Pages/olderteenagersnotineducation.aspx](http://www.audit-commission.gov.uk/nationalstudies/localgov/Pages/olderteenagersnotineducation.aspx)

## **Revised indicative allocations of dedicated schools grant 2010-11**

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Revised Indicative allocations for 2010-11 DSG are available from:

[www.teachernet.gov.uk/management/schoolfunding/schoolfunding2008to11](http://www.teachernet.gov.uk/management/schoolfunding/schoolfunding2008to11)

## **Consultation: working together to safeguard children**

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In The Protection of Children in England: A Progress Report Lord Laming made a number of recommendations which the Government has proposed to address through the revision of Working Together to Safeguard Children statutory guidance. DSCF is now consulting on revised draft guidance to address 17 of Lord Laming's recommendations, as indicated in the National Safeguarding Delivery Unit's earlier pre-consultation. The revised draft also updates the guidance to reflect changes to the policy and legislative landscape since Working Together was last published in 2006.

Closing Date: Thursday 11 February 2010

[www.dcsf.gov.uk/consultations/](http://www.dcsf.gov.uk/consultations/)

## **Consultation: sure start children's centres: guidance**

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DCSF is also consulting to gather views on the draft Sure Start Children's Centres guidance. Following the Apprenticeships, Children, Skills and Learning Act 2009, the document contains statutory guidance to local authorities and, in some cases, Primary Care Trusts and Jobcentre Plus, on the provisions of the Act in relation to children's centres. This guidance builds on the existing DCSF guidance for children's centres. As well as relevant to LAs, PCTs and Jobcentre Plus, the guidance will also be relevant to staff at children's centres and organisations who work with children's centres. The Act also establishes the inspection of children's centres by Ofsted, and

views are also sought on a policy statement explaining the inspection proposals.

Closing Date: Monday 1 February 2010

[www.dcsf.gov.uk/consultations/](http://www.dcsf.gov.uk/consultations/)

## **Public Management and Policy Association (PMPA) events**

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The PMPA has a number of interesting events coming up. In particular, Leading Local Government of the Future is a new PMPA lecture series, produced in association with Accenture, in which the PMPA will seek both to widen its horizons and to really focus on practical delivery. The series will look at working models of local government internationally and hear from those who are looking to tomorrow's technology to ready their councils for tomorrow's circumstances, reflecting on what can be learnt from these models and how the lessons can help us, together, to deliver better local government and better local services in the future. These lectures include:

On 18 February 2010 in London, Stephen Hughes, Chief Executive, Birmingham City Council and Councillor David Parsons CBE, Deputy Chairman, Local Government Association

On 3 March 2010, also in London, David Walker, Managing Director of Communications and Public Reporting, Audit Commission

On 11 March, Keir Buckhurst, Accenture

If you would like further information or to book for any of these events, please email [info.pmpa@cipfa.org.uk](mailto:info.pmpa@cipfa.org.uk)

## **The Children's Services panel**

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CIPFA's Children's Services Panel meets three times a year and is responsible for all financial management and policy issues that affect Children's Services finance. The Panel:

- develops Institute responses to Government, professional bodies' and other bodies' consultation / discussion papers and exposure drafts
- develops, promotes and maintains best practice, standards and guidelines
- produces and disseminates relevant advice and material for members and employers in local authority education
- establishes positive and productive professional relationships with Government, government departments and agencies, the national audit bodies, professional regulators and other bodies falling within the Panel's defined areas of responsibility.

The Panel has vacancies from time to time for volunteer members. If you think you might be interested, please email Julian Smith – [julian.smith@cipfa.org.uk](mailto:julian.smith@cipfa.org.uk) - to find out more. The Panel would be particularly interested to hear from people with Children's Social Care experience.