

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER FOR CHILDREN and YOUNG PEOPLE

3rd September 2013

**Joint Report of the Strategic Director for Children & Younger Adults and the
Director of Finance**

CHILDREN AND YOUNGER ADULTS (CAYA) SERVICE SPENDING 2013/14

1 Purpose of the Report

To inform the Cabinet Member of the results of the latest CAYA service budget monitoring and to highlight major variances.

2. Information and Analysis

2.1 General

This report provides an analysis of the latest forecast year end position for 2013/14 based on income and expenditure up to the end of June.

The forecast year end position for CAYA's expenditure funded by the Council is an overspend of £6,390k. The projected overspend in year can be financed by the uncommitted balance from previous years brought forward although, since this resource is one-off in nature, urgent action is required to align the level of spend and available on-going resources.

A breakdown by service area is attached as Appendix 1.

2.2 Dedicated Schools Grant (DSG)

The changes in schools funding reform mean that there are now very few central budgets maintained by the Authority. The Authority retains control over spending on children and young people with additional educational needs in schools (including academies and independent/non maintained sector as well as maintained schools) and the support services that work with those pupils. At this stage in the year there is very little additional information on demands on the budget compared to that used to prepare the budgets. This will change

as the new academic year starts and it is proposed to defer any reporting of the DSG until this information is available.

2.3 CAYA Budgets

The forecast overspend is £6,390k. This will be funded from previous years' uncommitted underspends.

As the budget for CAYA is over-committed and spend is being supported from prior year underspends, the budget allocations for each service are being regularly reviewed and revised during the year to capture temporary underspends where they occur in order to keep the overall overspending against the budget allocation as low as possible.

The main cause of the overspend against the in-year budget is that the agreed budget reductions allocated to CAYA have not yet been applied to individual budgets. There are two other points to note:

Complex Case Pooled budget

There is a projected underspend against the complex case pooled budget of £200k, however any underspends against this budget are ring-fenced and used to offset the cost of next year's contribution from the Authority to the pooled budget.

Placement costs

The number of children in care has been reducing in recent months and current estimates show a reduction in spend of £515k compared with the 2012-13 outturn. This is very sensitive to the characteristics of children leaving and joining care – for example 18 children in foster care placements cost approximately the same as 1 child requiring a specialised residential placement.

Overall

It should be noted that the forecast overspend is due in large part to the impact of the savings target for CAYA for 2013-14 (£7.725m.) Work is on-going to identify savings to reduce the deficit, any residual overspend will, in the short term, be met from previous years' balances. Looking forward, the Council has estimated that it has a £157m shortfall in its overall finances over the next four years. Further reductions in CAYA's budget as a consequence of this funding gap would make the Service's financial position even more challenging and would inevitably lead to reductions in the services available to Derbyshire residents.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, human resources, legal & human rights, environmental, health, property and transport considerations.

4. Key Decision?

No.

5. Background Papers

Budget monitoring files held in CAYA Accountancy.

6. Officers' Recommendations

That the Cabinet Member notes the outcome of the latest strategic budget monitoring for 2013/14.

IAN THOMAS
Strategic Director for Children & Younger Adults
PETER HANDFORD
Director of Finance

	Full year budget £000s	Forecast year end actual 2013/14 £000s	Forecast year end (Under)/Over 2013/14 £000s
Budget reductions unapplied	(6,757)	0	6,757
Grants & funding from Dedicated Schools Grant	(12,964)	(12,964)	
Pension Commitments from previous years	5,181	5,181	0
SMT & Resources	3,551	3,551	0
Deputy Director CAYA: Non Safeguarding	10,884	10,884	0
Safeguarding Specialist Services	47,960	47,960	0
Schools & Learning	27,673	27,673	0
Commissioning & Performance Management:	5,918	5,718	(200)
Universal & Targeted Services	23,990	23,990	0
Anticipated future savings from vacancies & other items		(367)	(367)
TOTAL	105,436	111,626	6,190
Less proposed net transfers to earmarked reserves			200
			6,390