

DERBYSHIRE COUNTY COUNCIL**CABINET MEMBER****15 FEBRUARY 2017****Joint Report of the Strategic Director of Adult Care
and the Director of Finance****2016-17 REVENUE BUDGET MONITORING
ADULT SOCIAL CARE PORTFOLIO – PERIOD 9 (To 31 December 2016)****1. Purpose of the Report**

To provide the Cabinet Member with an update of the Adult Social Care Portfolio Revenue Budget position for 2016-17 up to the end of December (period 9).

2. Information and Analysis

The Revenue Budget Monitoring Statement prepared at period 9 indicated that there was a projected year end overspend of £1.270m. The significant areas which make up this projection are shown in the table below:

	Controllable Budget	Full Year Forecast	Forecast (Under)/Over Spend
	£m	£m	£m
Strategic Director	(2.531)	0.334	2.865
Purchased Services - including Fieldwork and Direct Care (See note 1)	181.741	182.942	1.201
Commissioning and Performance	28.917	26.093	(2.824)
Miscellaneous	1.068	1.096	0.028
Total	209.195	210.465	1.270

Note 1: Purchased Services are defined as 'Agreements for provision of services, primarily residential and nursing care, day care, home care, direct payments and other community services, for individuals by providers, both in-house and independent sector'.

Public

Budget reductions totalling £12.916m were allocated for the year, with a brought forward figure from 2015-16 of £4.127m, giving an overall target of £17.043m. Savings identified for 2016-17 total £14.510m and up to the period end the total achieved was £13.041m. The table below shows performance against the savings identified.

Budget Cut Target	Budget Reduction Amount £m	Achieved To Date £m	Balance to Be Achieved £m
Supported Living Schemes	0.198	0.198	0.000
Cut Grants to Vol Orgs	0.241	0.441	(0.200)
Housing Related Support	4.178	4.178	0.000
Consolidate Block Contracts	0.400	0.904	(0.504)
Community Equipment	0.000	0.025	(0.025)
Review "No AA/DLA" Clients	0.276	0.276	0.000
Co-Funding Contributions	0.601	0.601	0.000
Close Springfield Avenue	0.126	0.126	0.000
Revised Skill Mix & Mngt Structure	0.253	0.000	0.253
Review S117 Cases	0.050	0.000	0.050
Address Double Handling	0.250	0.000	0.250
Close HOPs	1.225	0.644	0.581
Reduction in Business Services	0.047	0.000	0.047
Red'n in Contracting & Comm	0.042	0.000	0.042
Reduction in Leadership	0.096	0.096	0.000
Demand Management	3.300	2.475	0.825
Review Other Prevention Services	0.150	0.000	0.150
Reduce PH Spend to Grant Level	0.207	0.207	0.000
Reduction in ILF Packages	0.684	0.684	0.000
Care Act Implementation Grant	2.186	2.186	0.000
Total Identified	14.510	13.041	1.469
Unidentified	2.533		
Total Target	17.043		

Earmarked reserves totalling £7.221m are currently held to support future expenditure. Details of these reserves are shown below:

Public

	Amount £m
Adult Care Replacement ICT System	0.250
Adult Care Budget Cut Shortfall	4.567
Adult Care Budget Cut Pump Priming	0.771
Adult Care Voluntary Organisation Grants	1.633
Total Earmarked Reserves	7.221

3. Social Values

All expenditure incurred is fully assessed against the Social Value imperatives.

4. Other Considerations

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

5. Background Papers

None

6. Key Decision

No

7. Is it required that Call-in be waived for any decision on this report?

No

8. Officer Recommendation

That the Cabinet Member notes the position with the 2016-17 Revenue Budget.

Joy Hollister
Strategic Director – Adult Care
County Hall
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DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER FOR CHILDREN'S SERVICES

10 January 2017

Report of the Strategic Director for Children's Services

CHILDREN'S SERVICES SPENDING 2016/17

1 Purpose of the Report

To inform the Cabinet Member of the results of the latest Children's Services budget monitoring and to highlight major variances.

To inform the Cabinet Member of progress on delivery of budget reductions.

2. Information and Analysis

2.1 General

This report provides an analysis of the latest forecast year-end position for 2016/17 based on income and expenditure up to the end of October 2016.

The current forecast year-end position for Children's Services expenditure funded by the Council is an overspend of £3.875 million. A number of actions are in place to minimise any overspend. Any shortfall in closing the gap will be met by the use of Children's Services' earmarked reserves. The department is committed to implementing the budget reductions agreed by Council so that it does not need to rely on one-off sources of funding.

A breakdown by service area is attached as Appendix 1.

2.2 Children's Services Budgets – major variances

The forecast overspend is £3.875 million and this overspend will be covered by the use of Children's Services underspend from previous years currently held within an earmarked reserve. The available balance of that reserve after covering the 2015-16 overspend is £6.266 million.

The forecast spend assumes that the numbers of children in care remain unchanged and that staff remain in post until the end of the financial year unless it is already known that they are leaving.

In addition to strict vacancy control measures, actions that are being taken by officers include:

- Delivery of budget reductions when agreed by Cabinet.
- Increasing income to Children's Services by trading and maximising the use of other grants such as funding for adoption and assistance to troubled families
- A determined focus and challenge to all expenditure by senior managers within Children's Services with a comprehensive review of all discretionary spend.

The performance of the department against the allocated budget and the main reasons for the overspend are detailed below:

<u>Budget Reductions still to be achieved</u>	£1.923 million overspend
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The overspend is due to budget reductions which have not yet been identified.

<u>Placement costs</u>	£3.436 million overspend
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Costs continue to exceed the allocated budgets. The pressure is due to changes in the mix of placements between fostered and residential and between in-house and that provided by outside agencies.

<u>Special Guardianship</u>	£0.327 million overspend
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The net increase in the number of arrangements over 2015/16 is the cause of the overspend against budget. The overspend has been reduced by the application of £0.500 million additional resources allocated to Children's Services as part of the 2016/17 budget.

<u>Disabled Children</u>	£0.206 million overspend
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The 2016/17 budget identified a proposed reduction to the grants provided to disabled children and their families where there was no statutory need to be met. The projection for 2016/17 recognises that the reduction in spend will be delivered part-way through the year and that the full reductions will not be achieved until 2017/18. The projected overspend has reduced due to an increased recovery of costs.

Children's Centres

£3.374 million overspend

The Authority has decided to reduce expenditure on children's centres by £4.600 million however the reduction in expenditure will not begin until the last quarter of 2016/17. The full reduction in expenditure will therefore not be achieved until 2017/18 leading to a temporary overspend in this year which has been partially offset by the release of £0.800 million earmarked reserve.

Multi-agency teams

£0.775 million underspend

The underspend is mainly due to vacancies that are being held pending the closure of Children's Centres.

Catering

£0.419 million underspend

The projected underspend assumes that there are no losses during the year to either strike days or closures due to bad weather.

Home to School Transport – Special Needs

£0.462 million overspend

The overspend is mainly due to the reduction in budget for post-16 transport however no changes to provision have yet been made.

School Improvement Service

£0.796 million underspend

The underspend comprises a release of £0.666 million from reserves and £0.130 million in year underspend due to lower expenditure on staffing.

Performance & Quality

£0.987 million underspend

The underspend is due mostly to unfilled vacancies.

Use of Reserves

£1.756 million underspend

The underspend is due to the release of reserves of which the largest is £0.481 million which was set aside to fund the transitional costs of redistributing Social Care and Early Help staff to better match the current and emerging needs within each locality. A further £0.652 million has been released from reserves to fund costs associated with the implementation of the Schools Management Information System that have been incurred in the current and previous financial years.

Temporary Savings identified at start of year

£1.138 million underspend

The underspend relates to adjustments to service budgets where it was identified at the start of the year that not all of the budget would be required in the year – mostly as a result of vacancies at the start of the financial year.

2.3 Unaccompanied Asylum Seeking Children (UASC)

The current projected expenditure on placements for Unaccompanied Asylum Seeking Children is £0.234 million which is within the current budget allocation of £0.343 million. The number of Unaccompanied Asylum Seeking Children supported by the Council as at November 2016 is 23, of which 7 have transferred to Derbyshire from other local authorities or direct from Calais.

2.4 Dedicated Schools Grant

The projected outturn for the Dedicated Schools Grant is an underspend of £0.722 million, of which £0.102 million is ring-fenced to authority schools as it relates to re-pooled school budget. There is a further one-off benefit estimated at £0.236 million which is the return of an underspend from funds for the replacement of the Management Information Systems in schools. The resources for this project were originally provided from the DSG.

Early Years expenditure is projected to exceed the grant allocated due to increased numbers of 3 and 4 year olds accessing provision with PVI providers. The DfE have a mechanism for adjusting funding based on take-up which may result in this shortfall being corrected in 2017/18. The overall projected overspend against Early Years is £0.204 million.

The High Needs block is projected to underspend by £0.526 million. Overall, centrally provided services are projected to underspend by £0.250 million whilst top-ups for primary, secondary and special pupils are projected to exceed the allocations by £0.513 million. Top-ups for post-16 pupils are projected to underspend by £0.300 million and the contingency set aside for in-year pressures is projected to underspend by £0.504 million.

3. Social Value Considerations

Children's Services is responding to the financial pressure on its budgets from both changes to demand and changes to the level of resources. In considering how best to allocate and deploy the resources at its disposal, the department takes into account the social value of activities in contributing to the benefit of Derbyshire communities. An example is working collectively with schools to commission jointly Early Help services for children and families.

4. 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.

5. **Key Decision?**

No.

6. **Background Papers**

Budget monitoring files held in Children's Services Accountancy.

7. **Officer's Recommendations**

That the Cabinet Member notes the outcome of the latest budget monitoring for 2016-17.

JANE PARFREMENT
Strategic Director for Children's Services

Children's Services - Financial Monitoring (spend to October 2016)**Appendix 1**

	Full year budget 2016/17 £ million	Forecast year end actual 2016/17 £ million	Forecast year end (Under)/Over spend 2016/17 £ million
Budget reductions unapplied	(1.714)	0.209	1.923
Grants & funding from Dedicated Schools Grant	(20.927)	(20.927)	0.000
Pension Commitments from previous years & redundancy costs	6.604	6.493	(0.108)
SMT & Resources	3.233	3.131	(0.102)
Safeguarding & Early Help	72.108	78.608	6.499
Schools & Learning	27.316	28.860	(0.456)
Performance & Quality	9.274	8.287	(0.987)
Use of reserves	1.756	0.000	(1.756)
Temporary savings identified at start of year	1.138	0.000	(1.138)
TOTAL	98.787	102.662	3.875