

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER FOR CHILDREN and YOUNG PEOPLE

10 March 2015

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

CHILDREN AND YOUNGER ADULTS (CAYA) SERVICE SPENDING 2014/15

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.

To inform the Cabinet Member of the projected year end earmarked reserves balances taking into account anticipated drawdowns and additions during the year.

2. Information and Analysis

2.1 General

This report provides an analysis of the latest forecast year end position for 2014/15 based on income and expenditure up to the middle of December.

The current forecast year end position for CAYA's expenditure funded by the Council is an underspend of £187,000.

The Dedicated Schools Grant is projected to underspend by £1,026,000 and the underspend is permitted to be carried forward for future years and used in accordance with the School Finance Regulations applying in future years..

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.

The expenditure against the Dedicated Schools Grant is projected to be £451,945,000 against a grant of £452,971,000 (before adjustment for academy conversions post 1st December 2014), an underspend of £1,026,000.

The main component of the underspend, £1,605,000, is due to expenditure on provision of nursery places being below the amount of funding allocated by the DfE within the Dedicated Schools Grant. The underspend is after an allocation of £2,563,000 for capital investment in schools to increase the supply of places for two year olds in schools.

Across the block supporting services and provision for children with high needs, the High Needs Block, there is an overall underspend of £428,000 of which £214,000 is due to an underspend on the contingency budget allocated. The largest overspends within this block are

- £221,000 on top-ups in Special Schools
- £109,000 on top-ups in Secondary Schools.

Projected underspends across other areas more than offset these overspends.

Within the overall projected underspend of £1,026,000, a projected overspend of £156,000 has arisen on budgets resulting from pooling arrangements entered into by primary and secondary schools. This overspend may be recovered by the Authority from future pooling arrangements subject to the agreement of Schools' Forum.

There is also an overspend of £254,000 projected for Nursery Provision for 3 and 4 year olds due to increased numbers of places being funded. An additional payment is expected to fund this in 2015-16 when final census numbers are submitted and reviewed by the DfE.

The allocation to School Budgets was understated by £133,000 for rates due to final figures for the new Tibshelf school not being available at the time the budget was set, leading to an overspend in the year.

Finally, the anticipated amount due from the DfE as grant income is expected to be £400,000 lower than estimated when budgets were set.

2.3 CAYA Budgets

The forecast underspend is £187,000 which has improved from the projected overspend of £1,888,000 reported previously.

Some of the overspends are due to slippage in reducing spending against the timetable originally envisaged when the budget was set. Others are due to

unfunded pressures arising through increased demand. However, the overspends are more than offset by other one-off receipts and other temporary savings within CAYA.

Placement costs

There has been an increase in external residential placements charged to the Authority in recent months and this is a major contributor to placement costs being projected to be £1,306,000 above the equivalent cost for 2013-14.

Advisory Service

The spend is below budget due to reduced use of Associate Advisers than when the budget was set and lower spend on staffing on established posts.

Business Services

Expenditure is below budget due to lower staffing costs due to the restructure and other vacant posts.

0-19 Multi Agency Teams and Children's Centres

These services are underspent against the budget due to staff vacancies and lower than anticipated spend on goods and services for families than when the budget was prepared.

Youth Service

The service is spending below budget due partly to unfilled posts.

Changes from last reported position

The main changes in projection since the last reported position are:

Release of budget due to reductions in projected on-going costs in Youth Offending following a restructure and the costs of early retirements.

Increased spend on Safeguarding Specialist Services due to additional projected costs of residential provision (in-house and agency), disabled children's services where recovery of some costs from health providers is uncertain at this stage and higher than expected placement costs for unaccompanied asylum-seeking children. These additional costs are partially offset by reductions in the projected overall spend of the district social work teams in areas such as staffing and support for children and families in care and in need.

Reductions in anticipated spend on Schools & Learning due to further reductions in the projected cost of the Advisory service.

An increase in the projected expenditure on Performance & Quality due to a potential contribution payable for the Family Nurse Partnership work that relates to previous years.

Reductions in the projected expenditure on Universal and Targeted Services due mainly to lower estimates of staffing costs as a result of vacancies and limited expenditure of the Youth Action Grant.

Additional Resources

In addition to the CAYA base budget allocated by Council, the projected overspend is net of the following additional resources:

- £1,000,000 allocation from Public Health;
- £659,000 release of an earmarked reserve (one-off);
- £325,000 funds repaid by Connexions (one-off); and

Following the agreement of the pooled budget for children with complex needs with the Derbyshire CCGs, an adjustment has also been made to ensure that children whose needs meet the criteria are funded from the appropriate source. This has increased the cost to the pooled budget in the year by £2,139,000 whereas this cost was borne by CAYA during 2013/14.

It is anticipated that £3.169million of the original budget reduction target of £6.033million will be achieved in the year. This is before any adjustment in the target for funding from the Public Health Fund.

2.4 CAYA Earmarked Reserves

The projected end year position of the CAYA earmarked reserves is shown in Appendix 2 and predicts a net reduction of £5,833,000.

Within this, £10,146,000 is the balance of the prior year's underspend which the department intends to use in future financial years to manage the impact of budget reductions.

A further £1,937,000 is being held to fund the implementation of SEN and Disability reforms and the transition to new Education, Health and Care plans for children and young people up to the age of 25 who have high levels of additional need.

Reward grant income of £3,490,000 is being held with the intention of supporting the Early Help service over the next three years to continue its work with troubled families.

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 budget and earmarked reserves monitoring for 2014-15.

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

Children and Younger Adults - Financial Monitoring (spend to 10/12/2014) **Appendix 1**

	Full year budget £000s	Forecast year end actual 2014/15 0£000s	Forecast year end (Under)/Over 2014/15 £000s
Budget reductions unapplied	(7,505)	(463)	7,042
Grants & funding from Dedicated Schools Grant	(13,922)	(13,924)	(2)
Pension Commitments from previous years	5,838	5,810	(28)
SMT & Resources	3,522	3,410	(112)
Safeguarding Specialist Services	52,329	53,290	962
Schools & Learning	26,132	25,359	(773)
Performance & Quality	18,278	17,581	(697)
Universal & Targeted Services	25,229	23,335	(1,894)
Anticipated future savings from vacancies, allocation from public health & other items		(4,684)	(4,684)
TOTAL	109,901	109,714	(187)

Children & Younger Adults Reserves projected 31/03/2015**(excluding Dedicated Schools Grant)**

	Opening Balance 01/4/2014 £000s	Increase / (Decrease) £000s	Projected Closing Balance 31/3/2015 £000s
Schools Accounting System replacement	231	(231)	0
Complex Case Pooled Budget	1,823	(1,823)	0
Ring-fenced LAA grant 07/08	659	(659)	0
PSA 1 Reward Grant	908	(908)	0
IT Equipment – Foster Carers	137	(68)	69
Special Schools Sickness Pool Premium Reserve	64	0	64
Primary Teachers Sickness Pooled Premium Reserve	300	0	300
Primary Non Teachers Sickness Pooled Premium Reserve	17	0	17
Primary SEN Teaching Assistant Sickness Pooled Premium Reserve	25	0	25
Foster Carer Adaptations	500	(31)	469
Single Children's System	1,353	0	1,353
Income in advance – Lea Green/White Hall	170	0	170
YPLA threshold funding	690	0	690
Teaching Assistant funding pre statement	72	(2)	70
Further education funding for children in care	17	(2)	15
Co-location Multi-Agency Teams	2,387	(2,387)	0
Ozbox	161	(161)	0
Social Worker Training	500	(250)	250
Higher Education of Children in Care	34	0	34
Contact pilot	172	(172)	0
Catering equipment	140	(140)	0
Catering – urgent Health & Safety issues	200	(150)	50
Multi-Systemic therapy pilot	658	(270)	388
Transport Access	25	(25)	0
Family Literacy	66	0	66
Unifi	1,039	(536)	503
Gamesley Community	64	(49)	15
PC/Laptop replacement	238	0	238

HR Single Status in schools team	61	(61)	0
Breakfast Clubs	65	0	65
Catering – online payments	100	0	100
Troubled Families	390	(390)	0
Citizens Advice	119	119	0
Tibshelf School – demolition	250	(68)	182
Schools Causing Concern	300	(300)	0
Support & Aspiration project	75	1,862	1,937
Prior Year underspend	10,146	0	10,146
Secondary School Improvement project	100	(100)	0
Supporting various music grant bids	35	(34)	1
Supporting Children in Care – education	117	(117)	0
Every Child a Talker – training	56	0	56
Virtual School – staff	0	202	202
Troubled Families – reward grant	2,334	1,156	3,490
TOTAL	26,798	(5,833)	20,965

DERBYSHIRE COUNTY COUNCIL**CABINET MEMBER****11 March 2015****Joint Report of the Strategic Director of Adult Care
and the Director of Finance****2014-15 REVENUE BUDGET MONITORING
ADULT CARE – PERIOD 9 (TO 31 DECEMBER 2014)****ADULT SOCIAL CARE****1. Purpose of the Report**

To provide the Cabinet Member with an update of the Adult Care Revenue Budget position for 2014-15 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 £2.345m. 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 (See Note 1)	(10.442)	(15.599)	(5.157)
Purchased Services - including Fieldwork and	185.902	194.300	8.398

Direct Care (See Note 2)			
Strategy and Commissioning (See Note 3)	35.199	34.164	(1.034)
Miscellaneous	0.662	0.799	0.138
Total	211.321	213.664	2.345

- Note 1: This includes the additional £4m funding agreed as part of the 5 Year Financial Plan report on 15th July 2014.
- Note 2: 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'.
- Note 3: This figure includes the transfer of £1.944m of expenditure on Housing Related Support and Grants to Voluntary Organisations to Public Health.

Budget reductions totalling £11.945m were allocated for the year, with a brought forward figure from 2013-14 of £1.686m to give an overall target of £13.631m. It is anticipated that £15.343m will have been achieved by the year end. The table below shows performance against the target.

Budget Cut Target	Budget Reduction Amount £m	Projected Amount Achieved £m	Not Achieved £m
Non-allocation of inflation	0.500	1.195	(0.695)
Consumables	0.150	0.232	(0.082)
Learning Disability Day Care	0.173	0.173	0.000
Reduce Training Offer	0.479	0.479	0.000
Frozen Meals and Laundry	0.100	0.091	0.009
FACS to Substantial	2.250	1.271	0.979
Cut Grants to Vol Orgs	1.380	1.379	0.001
Housing Related Support	1.496	1.496	0.000
Consolidate Block Contracts	0.750	0.744	0.006

Co-Funding Contributions	2.750	3.874	(1.124)
Revise Skill Mix	0.438	0.411	0.027
Consistent Application of the RAS	3.000	3.712	(0.712)
Reduction of Staffing	0.184	0.184	0.000
Reduction in Leadership	0.102	0.102	0.000
Balancing Figure	(0.121)	0.000	(0.121)
Total	13.631	15.343	(1.712)

Earmarked reserves totalling £9.040m are currently held to support future expenditure. Details of these reserves are shown below:

	Amount £m
Adult Care Replacement ICT System	0.250
Derbyshire Discretionary Fund	0.790
Care Home – Backdated Fees	8.000
Total Earmarked Reserves	9.040

3. 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.

4. Background Papers

None

5. Key Decision

No

6. IS IT REQUIRED THAT CALL-IN BE WAIVED FOR ANY DECISION ON THIS REPORT?

No

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7. OFFICER RECOMMENDATION

That the Cabinet Member notes the position with the 2014-15 Revenue Budget.

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Peter Handford

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