

DERBYSHIRE COUNTY COUNCIL**CABINET MEMBER****9 November 2017****Joint Report of the Strategic Director of Adult Care
and the Director of Finance & ICT****2017-18 REVENUE BUDGET MONITORING
ADULT CARE PORTFOLIO – PERIOD 5 (To 31 August 2017)****1. Purpose of the Report**

To provide the Cabinet Member with an update of the Adult Social Care Portfolio Revenue Budget position for 2017-18 up to the end of August (period 5).

2. Information and Analysis

The Revenue Budget Monitoring Statement prepared at period 5 indicated that there was a projected year end underspend of £2.016m (this is based on the assumption that the £4.447m balance on the Improved Better Care Fund will be fully spent within the current financial year). 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	1.764	0.596	(1.168)
Purchased Services - including Prevention & Personalisation and Direct Care (See note 1)	209.393	212.641	3.247
Commissioning and Performance	19.696	15.599	(4.097)
Total	230.853	228.836	(2.017)

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'.

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Budget savings totalling £12.249m were allocated for the year, with a brought forward figure from 2016-17 of £2.546m, giving an overall target of £14.795m. Savings identified for 2016-17 total £14.631m and up to the period end the total achieved was £12.639m. The table below shows performance against the savings identified.

Budget Saving Target	Budget Reduction Amount £m	Achieved To Date £m	Balance to Be Achieved £m
Transport Policy	0.300	0.000	0.300
Vol Org Grants – Ceased	0.068	0.068	0.000
Vol Org Grants – Public Health Funding	0.602	0.602	0.000
Vol Org Grants – Use of Reserves	1.633	1.633	0.000
Consolidate Block Contracts	0.950	0.952	(0.002)
Review “No AA/DLA” Clients	0.012	0.012	0.000
Co-Funding Contributions	0.300	0.300	0.000
Review S117 Cases	0.400	0.051	0.349
Address Double Handling	0.750	0.354	0.396
Close Homes for Older People	0.326	0.326	0.000
Demand Management	3.300	2.501	0.799
Review Other Prevention Services	0.150	0.000	0.150
Use of improved Better Care Fund to Support Adult Care	5.318	5.318	0.000
Use of improved Better Care Fund to Support Vol Org Grants	0.522	0.522	0.000
Total Identified	14.631	12.639	1.992
Unidentified	0.164		
Total Target	14.795		

Earmarked reserves totalling £5.493m are currently held to support future expenditure. Details of these reserves are shown below:

	Amount £m
Adult Care Replacement ICT System	0.250
Adult Care Budget Saving Shortfall	4.472
Adult Care Budget Saving Pump Priming	0.771
Total Earmarked Reserves	5.493

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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 2017-18 Revenue Budget.

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DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER FOR YOUNG PEOPLE

7 November 2017

**Report of the Strategic Director for Children's Services and Director of Finance
and ICT**

CHILDREN'S SERVICES SPENDING 2017/18

1 Purpose of the Report

To inform the Cabinet Member of the results of the latest Children's Services budget monitoring for 2017/18 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 2017-18 prepared during August 2017.

The current forecast year-end position for Children's Services expenditure funded by the Council is an overspend of £5.905 million, an increase of £0.866 million from the previous reported projection.

The residual Children's Services prior year underspend is able to contribute £2.154 million towards this overspend leaving £3.751 million to be met from the Council's general reserve. The department is committed to implementing the budget reductions agreed by Council and will continue to control spend by other measures such as vacancy control. However, increases in demand for statutory services have exceeded the capacity of the current Children's Services budget for some years.

A breakdown by service area is attached as Appendix 1.

2.2 Children's Services Budgets – major variances

The forecast overspend is £5.905 million which 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 spend.

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

Budget Reductions still to be achieved £0.531 million overspend

Unallocated ongoing budget reductions in 2017/18 are £3.184 million which is being offset during the year since not all the 2017/18 growth allocation made to Children's Services will be spent in 2017/18. The unallocated budget reductions will increase to £6.677 million for 2018/19. This is because a one-off budget allocation of £3.493 million has been made for 2017/18 to cover the gap between the budget reduction allocated to Children's Services and the total budget reductions which have been identified.

Finance/HR/Information & ICT/Business Services £0.661 million underspend

Non front-line services are collectively underspent due to vacancies being held where possible. The projected underspend has increased since the previous report.

Allocations from Grants £0.119 million overspend

The overspend is due to a shortfall in the re-pooling of contributions from schools and academies towards the Early Help offer. This is net of one-off budget support of £1.200 million to cover the early years element of the total contribution which was not agreed by Schools Forum. Now that schools have made decisions on re-pooling funds, the department is working on reshaping services in line with the level of available resources. The projected overspend has reduced since the previous report.

Child Protection £0.212 million overspend

The number of children with a child protection plan and the number of referrals of children has increased the workload of the service leading to additional staff

being employed to meet safe working standards. The projected overspend has increased since the previous report.

Early Help & Safeguarding

£7.405 million overspend

Demand for statutory services has been increasing over several years and the gap between the budget allocated and the amount required to be spent to deliver safe services has been growing. Reasons for this include:

- Increased numbers of children in care
- Increased numbers of referrals
- Increased complexity and number of care proceedings
- Increased number of placements required for children with complex and more severe needs.
- Greater number of children living with family members but financially supported by the Authority.
- Staff turnover leading to increased use of more expensive agency staff to ensure safe caseloads are maintained

Budget reductions have been applied to the service predicated on being able to reduce the demand for provision. With the increase in demand, this has exacerbated the overspend. In addition, support from Public Health of £0.946 million towards the operation of Children's Centres was withdrawn following a reduction to that grant, a corresponding reduction in spend on Children's Centres driven by that decision has not yet been made.

This overspend is net of projected underspends of £1.439 million across Multi-agency team workers, Children's Centre staff and Youth workers where vacancies are unfilled.

The projected overspend has increased since the previous report due to an increase in the number of children being cared for in residential placements which has increased projected costs by an estimated £1.033 million.

Advisory Service

£1.237 million overspend

The budget for the service has been reduced and the service will be supported by grant income and traded income in future. The service is anticipated to overspend as working practices change and schools adjust to the provision of a traded offer. This overspend is being covered by an earmarked reserve and use of that reserve has already been reflected in the department's projected total overspend of £5.961 million.

Capital Adjustment

£0.671 million underspend

During 2016/17, reconciliation of capital allocations to projects was initiated and an overspend of £0.671 million was identified by the end of the year. This was funded by Children's Services' revenue account. During 2017/18, it is anticipated that the full reconciliation will be concluded and that funds will be identified from underspending capital projects to be returned to Children's Services.

2.3 Unaccompanied Asylum Seeking Children (UASC)

The current projected expenditure on Unaccompanied Asylum Seeking Children is £0.519 million, net of grant funding from the Home Office. This is within the current budget allocation. The number of Unaccompanied Asylum Seeking Children (UASC) supported by the Council as at end September 2017 is 29, of which 20 have transferred to Derbyshire from other local authorities or direct from Calais. The UASC Social Work team still have case-holding responsibility for former UASC who have reached the age of 18 but who do not yet have long-term asylum status. The Dubs scheme, which will move young people direct from camps in Europe, is expected to commence later this year.

2.4 Dedicated Schools Grant

The projected outturn for the Dedicated Schools Grant is an underspend of £0.106 million. This includes a projected overspend of £0.186 million relating to local authority schools' re-pooled budgets. It is intended that this will be covered from the accumulated underspend of those budgets from previous years, subject to the approval of Schools Forum. The £0.292 million projected underspend across other budgets has arisen in the following areas.

Early Years expenditure is projected to exceed the grant allocated by £0.595 million due to increased numbers of 2, 3 and 4 year-olds accessing provision with PVI providers. The DfE has a mechanism for adjusting funding based on take-up which may result in this shortfall being corrected in 2018/19.

The High Needs block is projected to underspend by £0.931 million. Overall, centrally provided services are projected to overspend by £0.036 million whilst top-ups for pupils are projected to be below budget by £0.368 million. The residual unallocated budget set aside for in-year and future pressures is projected to underspend by £0.599 million. There has been no change to this projection since the last report.

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, social value, environmental, health, property and transport considerations.

4. **Key Decision?**

No.

5. **Background Papers**

Budget monitoring files held in Children's Services Accountancy.

6. **Officer's Recommendations**

That the Cabinet Member notes the outcome of the latest budget monitoring for 2017/18, and that progress on delivery of budget reductions is noted.

JANE PARFREMENT
Strategic Director for Children's Services

PETER HANDFORD
Director of Finance and ICT

	Full year budget 2017/18 £ million	Forecast year end actual 2017/18 £ million	Forecast year end (Under)/Over spend 2017/18 £ million
Budget reductions unapplied	-0.333	-0.864	-0.531
Grants & funding from Dedicated Schools Grant	-21.36	-21.492	-0.132
Pension Commitments from previous years & redundancy costs	5.173	5.053	-0.12
SMT & Resources	3.274	3.17	-0.104
Safeguarding & Early Help	69.914	77.319	7.405
Schools & Learning	25.302	26.846	1.544
Performance, Quality & Partnerships	6.888	6.74	-0.148
Countywide Commissioning	2.864	2.771	-0.093
Use of reserves	1.245	0	-1.245
Temporary savings identified at start of year	0.671	0	-0.671
TOTAL	93.638	99.543	5.905