

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER FOR CHILDREN’S SERVICES

8 November 2016

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 August 2016.

The current forecast year-end position for Children’s Services expenditure funded by the Council is an overspend of £7.096 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 £7.096 million which is before the use of reserves to cover the time until achievement in full of planned budget reductions. 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:

- 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.

Should expenditure continue to be above budget by the end of 2016/17, Children's Services will draw down from its earmarked reserve of prior year underspends to provide the additional resources. The available balance of that reserve after covering the 2015-16 overspend is £6.266 million.

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 £0.491 million overspend

Progress continues to be made in ensuring that there is an achievable plan in place such that the department can deliver agreed services within its allocated budget as soon as possible.

Placement costs £2.709 million overspend

Costs continue to exceed the allocated budgets. Despite the lower numbers of children in care, 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.

Special Guardianship £0.500 million overspend

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 budget allocated to Children's Services as part of the 2016/17 budget.

Disabled Children £0.666 million overspend

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 reduction in spend will not be achieved until 2017/18.

Children's Centres

£4.286 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.

Catering

£0.429 million underspend

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

Other

£1.127 million underspend

Release of previously identified reserves (£0.800 million) to cover the time lag in achieving budget reductions are anticipated within this.

2.3 Dedicated Schools Grant

The projected outturn for the Dedicated Schools Grant is breakeven. Pressures are emerging in High Needs Block top-ups for secondary school pupils, however these are offset by a lower level of post-16 top-ups.

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 jointly commission 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

	Full year budget	Forecast year	Forecast year
	2016/17	end actual	end
	2016/17	2016/17	(Under)/Over
	£ million	£ million	spend
			2016/17
			£ million
Budget reductions unapplied	(0.370)	0.121	0.491
Grants & funding from Dedicated Schools Grant	(21.036)	(21.036)	0.000
Pension Commitments from previous years & redundancy costs	6.021	5.936	(0.085)
SMT & Resources	3.233	3.315	0.082
Safeguarding & Early Help	71.172	79.189	8.017
Schools & Learning	26.494	26.380	(0.114)
Performance & Quality	9.160	8.664	(0.496)
Use of reserves, assumed allocation for inflation	0.800	0.000	(0.800)
TOTAL	95.473	102.569	7.096

DERBYSHIRE COUNTY COUNCIL**CABINET MEMBER****14 SEPTEMBER 2016****Joint Report of the Strategic Director of Adult Care
and the Director of Finance****2016-17 REVENUE BUDGET MONITORING
ADULT SOCIAL CARE PORTFOLIO – PERIOD 3 (To 30 June 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 June (period 3).

2. Information and Analysis

The Revenue Budget Monitoring Statement prepared at period 3 indicated that there was a projected year end underspend of £0.537m. 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	3.062	0.533	(2.529)
Purchased Services - including Fieldwork and Direct Care (See note 1)	175.141	178.418	3.277
Commissioning and Performance	30.075	28.315	(1.760)
Miscellaneous	1.012	1.487	0.475
Total	209.290	208.753	(0.537)

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'.

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 £12.638m and up to the period end the total achieved was £7.458m. 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
Transport Policy	0.000	0.069	(0.069)
Cut Grants to Vol Orgs	0.241	0.241	0.000
Housing Related Support	4.178	4.178	0.000
Consolidate Block Contracts	0.400	0.056	0.344
Review "No AA/DLA" Clients	0.300	0.177	0.123
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	0.143	1.082
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	0.825	2.475
Reduce Plan B Costs	0.290	0.000	0.290
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
Total Identified	12.638	7.601	5.037
Unidentified	4.405		
Total Target	17.043		

PUBLIC

Earmarked reserves totalling £0.250m 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 Cut Shortfall	4.567
Adult Care Budget Cut Pump Priming	0.771
Total Earmarked Reserves	5.588

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.

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