

**DERBYSHIRE COUNTY COUNCIL****CABINET MEMBER****20 October 2015****Joint Report of the Strategic Director of Adult Care  
and the Director of Finance****2015-16 REVENUE BUDGET MONITORING  
ADULT CARE – PERIOD 5 (TO 31 AUGUST 2015)****1. Purpose of the Report**

To provide the Cabinet Member with an update of the Adult Care Revenue Budget position for 2015-16 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 overspend of £5.754m. The significant areas which make up this projection are shown in the table below:

	<b>Controllable Budget</b>	<b>Full Year Forecast</b>	<b>Forecast (Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Strategic Director (See Note 1)</b>	1.897	2.947	1.050
<b>Purchased Services - including Fieldwork and Direct Care (See Note 2)</b>	184.352	190.438	6.086
<b>Strategy and Commissioning</b>	16.297	15.048	(1.249)
<b>Miscellaneous</b>	0.715	0.582	(0.133)
<b>Total</b>	<b>203.261</b>	<b>209.015</b>	<b>5.754</b>

- Note 1: This includes the additional £3m one-off funding agreed as part of the 5 Year Financial Plan report on 15<sup>th</sup> 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’.

Budget reductions totalling £24.216m were allocated for the year, with a brought forward figure from 2013-14 of (£0.265m) to give an overall target of £23.952m. It is anticipated that £22.025m will have been achieved by the year end. The table below shows performance against the target.

<b>Budget Cut Target</b>	<b>Budget Reduction Amount £m</b>	<b>Projected Amount Achieved £m</b>	<b>Not Achieved £m</b>
Supported Living Schemes	1.728	1.204	0.524
Frozen Meals and Laundry	0.000	0.112	(0.112)
Transport	0.000	0.101	(0.101)
FACS to Substantial	0.650	0.852	(0.202)
Cut Grants to Vol Orgs	1.610	1.610	0.000
Housing Related Support	6.576	5.478	1.098
Consolidate Block Contracts	0.300	0.300	0.000
Community Equipment	0.290	0.000	0.290
Review “No AA/DLA” Clients	0.145	0.000	0.145
Co-Funding Contributions	3.816	3.816	0.000
Review S117 Cases	0.050	0.000	0.050
Consistent Application of the RAS	8.000	8.000	0.000
Reduction in Leadership	0.000	0.089	(0.089)
Direct Care Trading Income	0.100	0.463	(0.363)
Reduction in Business Services	0.050	0.000	0.050
Balancing Figure	0.637	0.000	0.636
<b>Total</b>	<b>23.952</b>	<b>22.025</b>	<b>1.927</b>

Earmarked reserves totalling £1.525m are currently held to support future expenditure. Details of these reserves are shown below:

	<b>Amount £m</b>
Adult Care Replacement ICT System	0.250
Care Home – Backdated Fees	1.275
<b>Total Earmarked Reserves</b>	<b>1.525</b>

### **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

### **7. OFFICER RECOMMENDATION**

That the Cabinet Member notes the position with the 2015-16 Revenue Budget.

**Joy Hollister**  
**Strategic Director – Adult Care**  
**County Hall**  
**Matlock**

**Peter Handford**  
**Director of Finance**  
**County Hall**  
**Matlock**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET MEMBER FOR CHILDREN and YOUNG PEOPLE**

**8 September 2015**

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

**CHILDREN AND YOUNGER ADULTS (CAYA) SERVICE SPENDING 2015/16**

**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 progress on delivery of budget reductions.

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 2015/16 based on income and expenditure up to the end of June 2015.

The current forecast year end position for CAYA's expenditure funded by the Council is an overspend of £5.225m. A number of actions are in place to minimise any overspend. Any shortfall in closing the gap will be met by the use of CAYA's 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.

The Dedicated Schools Grant is projected to underspend by £2.063m 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 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 £458.690m against a grant of £460.743m (before adjustment for academy conversions post 1<sup>st</sup> August 2015), an underspend of £2.063m.

The reasons for the underspend are:

- Adjustment to the 2015/16 DSG for Early Years spend during 2014/15 £0.322m  
The DfE makes an adjustment each year to reflect the actual numbers of children receiving the free early years entitlement of 15 hours in the preceding year.
- Allocation for Unifi £0.500m  
Although an allocation for this has been made for 2015/16, there are currently no plans in place for expenditure in this year.
- Primary KS1 class size funding £0.650m  
Schools Forum have agreed to a change in the support provided to schools with additional KS1 classes from September 2015 and it is estimated that spend will be reduced as a result.
- Re-pooled budgets £0.273m  
This is mainly on contingency payments to secondary schools but in any event would be held to fund the 2016/17 pooled budget or returned to schools.
- Early Years PVI places £0.361m  
The number of funded children is now expected to be slightly lower than anticipated when the budgets were allocated.

The above underspends are offset by a projected overspend of £0.199m for Out County Placements for SEN.

## **2.3 CAYA Budgets**

The forecast overspend is £5.225m which is net of the approved use of reserves to cover known delays in the achievement of specific budget reductions advised to Cabinet 5 May 2015.

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.

Changes to either of these assumptions will affect the projected overspend and based on the level of staff turnover seen in previous years, a reduction in the overspend of between £1.000m and £2.000m could occur due to vacancies arising in year. The CAYA senior management team are responsible for approving recruitment to every vacancy that arises within CAYA to ensure savings are made wherever possible taking into consideration the need to maintain services.

Further actions that are being taken by officers include:

- Actions to increase income to CAYA and maximising the use of other grants such as funding for adoption and funding available from Public Health
- A determined focus and challenge to all expenditure by senior Managers within CAYA with a comprehensive review of all discretionary spend.

Should the expenditure be above budget by the end of 2015/16, CAYA will drawdown from its earmarked reserve of prior year underspends to provide the additional resources. The available balance of that reserve is estimated at £7.733m.

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>	£1.344m overspend
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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.

<u>Aftercare</u>	£0.710m overspend
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New contracts for accommodation for care leavers have been established however the provision from those contracts is below what was expected leading to a continuing level of spot purchased accommodation and an overall increase in cost.

<u>Placement costs</u>	£1.250m overspend
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There has been an increase in the volume and cost of external residential placements charged to the Authority in recent months and this is a major contributor to placement costs being projected to be £1.250m above budget.

### Special Guardianship

£0.306m overspend

The net increase in the number of arrangements over 2014/15 is the cause of the overspend against budget.

### Advisory Service

£0.362m overspend

The spend is above budget due to the size of the service being maintained to support schools. This is being covered by an allocation from CAYA reserves as the implementation of the budget reductions has been deferred until September 2016.

### 0-19 Multi Agency Teams and Children's Centres £0.325m overspend

These services are overspent against the budget as only a part year impact of the management restructure will be delivered in 2015/16. Savings from closing children's centres and reducing the opening hours of other centres will not be realised until 2016/17. The delay in the full achievement of these budget reductions is being covered by an allocation from CAYA reserves.

## **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 £5.615m.

Within this, £7.733m is the balance of the prior years' underspend which the department intends to use in this and future financial years to manage the impact of budget reductions.

A further £1.009m 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 £3.620m from the Troubled Families initiative 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 2015-16.

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



	Full year budget 2015/16  £000s	Forecast year end actual 2015/16  £000s	Forecast year end (Under)/Over 2015/16  £000s
Budget reductions unapplied	-1,344	0	1,344
Grants & funding from Dedicated Schools Grant	-18,351	-18,385	-34
Pension Commitments from previous years	5,367	5,283	-84
SMT & Resources	3,147	2,890	-257
Safeguarding Specialist Services	50,960	53,987	3,027
Schools & Learning including Sport & Outdoor	25,308	25,979	671
Performance & Quality	15,670	15,933	263
Universal & Targeted Services	22,804	23,099	295
<b>TOTAL</b>	103,561	108,786	5,225

**Children & Younger Adults Reserves projected 31/03/2016****(excluding Dedicated Schools Grant)**

	<b>Opening Balance 01/4/2015 £000s</b>	<b>Increase / (Decrease) £000s</b>	<b>Projected Closing Balance 31/3/2016 £000s</b>
SAP in Schools (incl development)	285	(285)	0
Complex Case Pooled Budget	864	(864)	0
Transition to new resource model	0	775	775
Hardship grants – Denominational transport	100	(100)	0
IT Equipment – Foster Carers	137	0	137
Special Schools Sickness Pool Premium Reserve	57	(57)	0
Primary Teachers Sickness Pooled Premium Reserve	580	0	580
Primary Non Teachers Sickness Pooled Premium Reserve	21	0	21
Primary SEN Teaching Assistant Sickness Pooled Premium Reserve	57	0	57
Foster Carer Adaptations	681	(100)	581
Single Children's System	1,353	0	1,353
Income in advance – Lea Green/White Hall	131	0	131
YPLA threshold funding	690	0	690
Teaching Assistant funding pre statement	63	0	63
Further education funding for children in care	10	0	10
2 yr old places (capital)	2,563	(1,000)	1,563
Staying Put	70	(70)	0
Social Worker Training	250	(250)	0
Higher Education of Children in Care	122	0	122
Catering – urgent Health & Safety issues	163	(163)	0
Multi-Systemic therapy pilot	384	(283)	101
Family Literacy	66	0	66
Unifi	741	(140)	601
Gamesley Community	15	(15)	0
PC/Laptop replacement	132	0	132
HR Single Status in schools team	110	90	200
Breakfast Clubs	65	(65)	0
Catering – online payments	100	(100)	0

	<b>Opening Balance 01/4/2015 £000s</b>	<b>Increase / (Decrease) £000s</b>	<b>Projected Closing Balance 31/3/2016 £000s</b>
Children's Homes Amenity Funds	2	0	2
Citizens Advice	0	239	239
District Youth Club Funds	73	0	73
Eckington Youth Club – Capital grant	70	0	70
Support & Aspiration project	1,608	(599)	1,009
Prior Year underspend	9,666	(1,933)	7,733
Schools Extranet	82	(40)	42
Supporting various music grant bids	12	(2)	10
Virtual School – staff	202	(56)	146
Troubled Families – reward grant	4,217	(597)	3,620
<b>TOTAL</b>	<b>25,742</b>	<b>(5,615)</b>	<b>20,127</b>