

**DERBYSHIRE COUNTY COUNCIL**

**CABINET MEMBER FOR CHILDREN and YOUNG PEOPLE**

**9<sup>th</sup> September 2014**

**Joint Report of the 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 July.

The forecast year end position for CAYA's expenditure funded by the Council is an overspend of £3,467k. The projected overspend in year can be financed by the uncommitted balance from previous years' accumulated underspends and initiatives are being progressed to align the level of spend and available on-going resources.

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. At this stage in the year there is very little additional information on demands on the budget compared to that used to prepare the budgets.

Within the DSG however, there is a specific allocation for early years placements for vulnerable 2 year olds. This is projected to be underspent by £4,329k in 2014-15 due to a lower proportion of eligible children taking up their entitlement than the Government has provided funding for. The Department for Education are set to change the basis for funding for 2015-16 from population to participation which will reduce the allocation in future years to Derbyshire unless participation rates increase.

## **2.3 CAYA Budgets**

The forecast overspend is £3,467k. This will be funded from previous years' uncommitted underspends.

As the budget for CAYA is over-committed, and spend is being supported from prior year underspends, the budget allocations for each service are being regularly reviewed and revised during the year to capture temporary underspends where they occur in order to keep the overall overspending against the budget allocation as low as possible.

The main cause of the overspend is that the actions to reduce spending have slipped against the timetable originally envisaged when the budget was originally set.

### Complex Case Pooled budget

There is a projected underspend against the complex case pooled budget of £617k, however any underspends against this budget are ring-fenced and used to offset the cost of next year's contribution from the Authority to the pooled budget.

### 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 £1,322k above the equivalent cost for 2013-14.

### Additional Resources

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

- £1,000k allocation from Public Heath;
- £659k release of an earmarked reserve (one-off);

- £333k funds repaid by Connexions (one-off); and
- £600k additional grant anticipated due to the expansion of the Troubled Families programme by DfE

## **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 £6,847k.

The projected overspend of £3,467k is the largest drawdown anticipated at this stage and there will be further drawdowns from other reserves during the year to cover relevant expenditure.

## **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 THOMAS**  
**Strategic Director for Children & Younger Adults**  
**PETER HANDFORD**  
**Director of Finance**

	<b>Full year budget £000s</b>	<b>Forecast year end actual 2014/15 0£000s</b>	<b>Forecast year end (Under)/Over 2014/15 £000s</b>
Budget reductions unapplied	(6,358.3)	0	6,358.3
Grants & funding from Dedicated Schools Grant	(15,687.6)	(15,687.6)	0
Pension Commitments from previous years	5,751.6	5,761.9	10.3
SMT & Resources	3,346.8	3,248.7	(98.1)
Safeguarding Specialist Services	51,629.3	51,690.1	60.8
Schools & Learning	26,077.7	26,220.8	143.1
Performance & Quality	17,531.9	16,797.5	(734.4)
Universal & Targeted Services	24,638.7	24,841.3	202.6
Anticipated future savings from vacancies & other items		(3,092.7)	(3,092.7)
TOTAL	106,930.2	109,780.0	2,849.8
Less proposed net transfers to earmarked reserves			617.2
			3,467.0

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

	<b>Opening Balance 01/4/2014 £000s</b>	<b>Increase / (Decrease) £000s</b>	<b>Projected Closing Balance 31/3/2015 £000s</b>
Schools Accounting System replacement	231	0	231
Complex Case Pooled Budget	1,823	(1,432)	390
Ring-fenced LAA grant 07/08	768	(768)	0
PSA 1 Reward Grant	908	(908)	0
IT Equipment – Foster Carers	137	0	137
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	0	500
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	0	72
Further education funding for children in care	17	0	17
Co-location Multi-Agency Teams	2,394	0	2,394
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	(25)	175
Multi-Systemic therapy pilot	658	0	658
Transport Access	25	(25)	0
Family Literacy	66	0	66
Unifi	1,039	(233)	806
Gamesley Community	64	(64)	0
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	0	119
Tibshelf School – demolition	250	0	250
Schools Causing Concern	300	0	300
Support & Aspiration project	75	1,017	1,092
Prior Year underspend	10,146	Est (3,467)	6,679
Secondary School Improvement project	100	0	100
Supporting various music grant bids	35	0	35
Supporting Children in Care – education	117	0	117
Every Child a Talker – training	56	0	56
Virtual School – staff	0	233	233
	24,580	(6,847)	17,733

**DERBYSHIRE COUNTY COUNCIL****CABINET MEMBER****12 NOVEMBER 2014****Joint Report of the Strategic Director of Adult Care  
and the Director of Finance****2014-15 REVENUE BUDGET MONITORING  
ADULT CARE – PERIOD 5 (TO 31 AUGUST 2014)****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 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 £7.376m. 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>	(10.918)	(15.659)	(4.741)
<b>Purchased Services - including Fieldwork and Direct Care (See Note 2)</b>	181.958	193.692	11.734
<b>Strategy and Commissioning (See Note 3)</b>	35.185	35.356	0.171
<b>Miscellaneous</b>	0.662	0.874	0.213
<b>Total</b>	<b>206.886</b>	<b>214.262</b>	<b>7.376</b>

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- Note 1: This includes the additional £4m 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'.
- Note 3: This figure includes the transfer of £1.944m of expenditure on Housing Related Support and Grants to Voluntary Organisations to Public Health.

The projected year end overspend of £7.376m does not take into account the additional actions that are to be taken following cabinet approval. The revised projected outturn position based on the current estimated savings for these schemes would be:-

	£m
Current Projected Year-End Position	7.376
Increase to client's co-funding Contributions	(2.750)
Increase FACS to Substantial	(0.613)
Consistent Application of the Resource Allocation System	(0.767)
Revised Projected Year-End Position	3.246

The above figure does not reflect the additional costs to be incurred when the Extra Care and Residential Centres open over the next two years. This is currently projected to be £0.757m in 2014-15, with a final cost of £3.700m per annum on completion of the scheme.

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 £11.741m of these 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>
Non-allocation of inflation	0.500	1.196	(0.696)
Consumables	0.150	0.354	(0.204)
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	0.000	0.100



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FACS to Substantial	2.250	1.638	0.612
Cut Grants to Vol Orgs	1.380	1.362	0.018
Housing Related Support	1.496	1.496	0.000
Consolidate Block Contracts	0.750	0.744	0.006
Co-Funding Contributions	2.750	2.750	0.000
Revise Skill Mix	0.438	0.411	0.027
Consistent Application of the RAS	3.000	2.232	0.768
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)
<b>Total</b>	<b>13.631</b>	<b>13.121</b>	<b>0.510</b>

Earmarked reserves totalling £9.040m 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
Derbyshire Discretionary Fund	0.790
Care Home – Backdated Fees	8.000
<b>Total Earmarked Reserves</b>	<b>9.040</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

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**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 2014-15 Revenue Budget.

**Mary McElvaney**  
**Acting Strategic Director – Adult Care**  
**County Hall**  
**Matlock**

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