

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER

17 August 2016

**Joint Report of the Strategic Director of Adult Care
and Director of Finance**

REVENUE OUTTURN 2015/16 ADULT CARE

Adult Social Care

1 Purpose of the Report

To report the final revenue outturn position for 2015/16 for the Adult Care Department.

To identify significant variations in expenditure from the budget and assess the impact of growth items built into the budget

To identify the impact of the 2015/16 outturn on future years and any action proposed.

To note the transfer from reserves.

To approve the use of the 2015/16 underspends.

2. Information and Analysis

2.1 Summary

Attached as Appendix 1 to this report is a statement setting out the final outturn position for 2015/16. Net controllable expenditure was £198.867m compared to a budget (adjusted for transfers to/from earmarked reserves) of £204.205m resulting in a controllable underspend of £5.338m.

The main reasons for this improved year-end position as compared to 2014/15 are:

- The majority of the additional responsibilities outlined in the Care Act have been met using existing resources. This means that the £4.567m Care Act Grant has not yet been utilised.
- Budget cuts of £1.107m have been achieved ahead of schedule.

- Some of the Better Care Fund allocation has been used to fund the additional resources that were put in place over a number of previous years to reduce the level of delayed hospital discharges.

However, a number of one-off items increased the final underspend and the underlying underspend for 2015/16 is as follows:

	£m
Final Underspend	(5.338)
Add back; One-Off Funding for Demographic Growth	3.000
Add back; One-Off Element of the Care Act Grant	2.293
Underlying Underspend	0.045

A summary of controllable expenditure variances is in paragraph 2.2.

2.2 Variances

There was an underspend of £5.338m on controllable expenditure. The main variations were:

Service	(Under)/Over Spend £m	Major Reasons for Outturn Position
Purchased Services (All Client Groups). This covers our main client-based spend on both Independent Sector and In-House Services.	10.775	Combination of demographic pressure and cost of complex cases
Social Care Activity	(1.299)	High level of vacancies due to difficulty in recruiting qualified staff
Commissioning and Service Delivery	(1.172)	Vacancy management and efficiency measures
Housing Related Support	(2.099)	A number of services have ceased or been re-commissioned at a lower cost
Unallocated Budgets	(11.071)	Budgets held at the centre to offset the anticipated overspend in Purchased Services. Also, implementation of the Care Act was achieved, where possible, through the use of existing resources which ensured that the Care Act Grant of £4.567m has not yet been utilised.

2.3 Growth Items

The following items were included in the 2015/16 budget as a growth item:

Demographic Growth £7.000m + £3.000m One-Off

This contributed towards funding the increased pressures on budgets due to the aging population and increased demand within the county from a number of factors e.g. increased life expectancy for people with moderate to severe disabilities.

Residential Fee Increase £1.760m

To fund the increase in residential care home fees in excess of inflation.

2.4 Transfers to/from Earmarked Reserves

A detailed analysis of the earmarked reserves is shown below.

	Opening Balance £m	Additions £m	Used/ Returned £m	Closing Balance £m
Care Home Fee Provision	1.275	0.000	(1.275)	0.000
ICT System Replacement	0.250	0.000	0.000	0.250
	1.525	0.000	(1.275)	0.250

The remaining earmarked reserve has been reviewed and is required to meet commitment already agreed for 2016/17.

2.5 Savings achieved in 2015/16

Savings were achieved in 2015/16 in the following areas:-

	£m
Supported Living Schemes	2.324
Meals and Laundry	0.124
Transport	0.205
FACS to Substantial	0.852
Cut Grants to Vol Orgs (funded from Comm Safety and Public Health)	1.591
Housing Related Support	5.707
Consolidate Block Contracts	0.329
Community Equipment	0.337
Review "No AA/DLA" Clients	0.226
Increase Co-Funding Contributions	3.816
Consistent Application of the RAS	8.799
Reduce Business Services Staffing	0.107
Reduction in Leadership Job Family	0.088
Direct Care Trading Income	0.554
Total Savings	25.059

2.6 Impact on the future

The start of year projection for the 2016/17 position is as follows:

	£m
Underlying underspend from 2015/16	(0.045)
Cuts Target 2016/17 inc Balance b/f and Adult Care Precept Adj	17.043
Less; Demographic Growth Budget Settlement 2016/17	(10.000)
Projected Demographic Growth 2016/17	12.844
Total Budget Pressures	19.842
Actions already identified (see below)	(14.997)
Underlying Budget Position	4.845

2.7 Action to be taken to deal with the Budget Pressures for 2016/17

A number of actions are in progress. These are:

	£m
Supported Living Schemes	0.272
Cut Grants to Voluntary Organisations	1.134
Housing Related Support	5.092
Consolidate Block Contracts	0.400
Review "No AA/DLA" Clients	0.105
Increase Co-Funding Contributions	0.387
Close Springfield Avenue	0.147
Revise Skill Mix and Management Structure	0.253
Review S117 Cases	0.200
Address Double Handling	0.500
Savings on recent HOPs Closures	1.225
Reduction in Business Services Staffing	0.047
Reduction in Commissioning and Contracting Staffing	0.042
Increase Use of Assistive Technology	0.350
Reduction in Leadership Job Family	0.203
Demand Management	3.300
Review In-House Day Care Provision	0.600
Reduce Accommodation and Support Strategy Costs	0.290
Review Other Prevention Services	0.150
	14.697

Additional one-off funding has been agreed as follows:-

	£m
Phase introduction of Co-Funding increases	0.300
	0.300
Total Savings Identified	14.997

2.8 Action to be taken to deal with the Budget Pressures from 2017/18 onwards

Work is already being undertaken to identify further cuts for 2017/18 to 2019/20 with the aim that all budget cut targets will be fully met for those financial year onwards. Any new proposals will be the subject of future cabinet reports.

2.9 Proposal for the use of 2015/16 Underspends

Due to a number of factors, there is some slippage in the budget cuts for 2016/17. It is therefore proposed that the underspend of £5.338m be used as follows:

	£m
Use of the Care Act Grant to cover the slippage on 2016/17	
budget cut proposals	4.567
Funding of additional resources to ensure achievement of the cuts	0.771
Total Proposed Use of Underspends	5.338

3. Background Papers

Held in Room F1, Finance Section, Adult Care Department.

4. OFFICERS' RECOMMENDATIONS

- 4.1 That the report be noted
- 4.2 That the proposed use of 2015/16 underspends be approved.

Joy Hollister
Strategic Director

Peter Handford
Director of Finance

County Hall
Matlock

Adult Care Department Outturn 2015/16

Appendix 1

	Budget £	Expenditure £	(Under)/ Over £	Tfr to/(from) Reserves £	Adjusted (Under)/ Over £
All Client Groups					
Purchased Services	150,753,864	162,402,700	11,648,836	(873,405)	10,775,431
	150,753,864	162,402,700	11,648,836	(873,405)	10,775,431
Equipment					
Pooled Equipment	935,565	0	(935,565)	0	(935,565)
Non-Pooled Equipment	726,843	701,165	(25,678)	0	(25,678)
Telecare	(158,919)	(39,357)	119,562	0	119,562
	1,503,489	661,808	(841,681)	0	(841,681)
Social Care Activity					
Assessment	11,383,496	9,979,504	(1,403,992)	0	(1,403,992)
Management & Support	1,781,362	1,886,093	104,731	0	104,731
	13,164,858	11,865,597	(1,299,261)	0	(1,299,261)
Information & Early Intervention					
Client Support	80,088	67,452	(12,636)	0	(12,636)
Grants	1,296,649	1,235,366	(61,283)	0	(61,283)
Welfare Rights	1,425,319	1,306,272	(119,047)	0	(119,047)
Prevention	612,045	491,974	(120,071)	0	(120,071)
Learning Disability Dev Fund	372,642	182,389	(190,253)	0	(190,253)
Supported Employment	176,682	137,766	(38,916)	0	(38,916)
Other Schemes	462,033	1,582,103	1,120,070	0	1,120,070
	4,425,458	5,003,322	577,864	0	577,864
Commissioning & Service Delivery					
General	604,674	644,037	39,363	0	39,363
Strategic Director	494,438	576,354	81,916	0	81,916
Strategy & Commissioning	3,390,260	3,376,966	(13,294)	0	(13,294)
Finance	2,875,906	2,635,385	(240,521)	0	(240,521)
Human Resources	1,954,245	1,351,204	(603,041)	0	(603,041)
Performance & Efficiency	1,253,866	1,213,772	(40,094)	0	(40,094)
Business Support	2,999,299	2,602,439	(396,860)	0	(396,860)
	13,572,688	12,400,157	(1,172,531)	0	(1,172,531)
External Funding					
External Funding	(241,695)	(158,975)	82,720	0	82,720
	(241,695)	(158,975)	82,720	0	82,720
Derbyshire Discretionary Fund					
Derbyshire Discretionary Fund	1,445,234	1,154,016	(291,218)	0	(291,218)
	1,445,234	1,154,016	(291,218)	0	(291,218)
Housing Related Support					
Young People	240,301	242,793	2,492	0	2,492
Older People	4,147,417	2,515,766	(1,631,651)	0	(1,631,651)
Physical Disability	32,786	20,825	(11,961)	0	(11,961)
Learning Disability	2,150,647	1,859,991	(290,656)	0	(290,656)
Mental Health	409,608	372,847	(36,761)	0	(36,761)
Generic Services	655,898	525,691	(130,207)	0	(130,207)
	7,636,657	5,537,913	(2,098,744)	0	(2,098,744)
Unallocated Budgets					
Unallocated Budgets	11,070,798	0	(11,070,798)	0	(11,070,798)
	11,070,798	0	(11,070,798)	0	(11,070,798)
Total Controllable Expenditure	203,331,351	198,866,538	(4,464,813)	(873,405)	(5,338,218)

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER FOR CHILDREN'S SERVICES

9 August 2016

Report of the Strategic Director for Children's Services

REVENUE OUT-TURN 2015/16 – CHILDREN'S SERVICES

1. Purpose of Report

To report the final revenue out-turn position for 2015/16 for the Children's Services department.

To identify significant variations of expenditure from the budget and assess the impact of growth items approved as part of the 2015/16 budget settlement.

To report on progress against achievement of budget reductions.

To note the transfers to and from reserves.

To note the expected impact of the 2015/16 out-turn on future years and any actions proposed.

To report the final out-turn of the 2015/16 Dedicated Schools Grant (DSG).

2. Information and Analysis

2.1 Summary

Attached as Appendix 1 to this report is a summary statement setting out the final controllable out-turn position for Children's Services (CS) for 2015/16.

Net controllable expenditure in 2015/16 was £105.254 million compared with a budget of £103.907 million after transfers to and from reserves, resulting in a controllable overspend of £1.347 million. The main variances on controllable expenditure are itemised below.

The spending on Schools' Budget financed by the Dedicated Schools Grant was £456.612 million compared with grant income of £459.823 million, a surplus of £3.211 million.

2.2 Explanation of Major Variances – Children's Services Budget

The table below provides more information on the variances from budget during 2015/16.

Appendix 1 provides the detail of actual spending and budget in year for each service.

The main variances from budget are:

Item	(Under)/Overspend (£ million)
Residential provision – outside agencies The overspend is due to increased numbers of children placed in this type of provision. Typical costs per annum for a placement are £150,000. The department is working on both reducing the number of children in this type of placement and establishing its own provision if there is a compelling case for this.	2.477
Special Guardianship The overall number of children who have been placed with financial support provided by the Council has increased again this year. Additional budget to support this increasing cost pressure was approved by Council in February.	0.674
Catering The number of meals served in 2015/16 has increased above that in 2014/15 as it is the first full year of provision of free meals to all KS1 pupils and there were no snow days or strike days. There has also been an increase in take-up across primary and secondary sectors. More detail is provided in Appendix 1.	(0.955)
Youth Offending The underspend is on staffing which is being managed in anticipation of further reductions to grant funding from the Government and other partners supporting this service.	(0.469)

The expenditure for 2015/16 also includes £0.563 million for the deficit balance of a school which has converted to become an Academy.

2.3 Growth items

At its meeting on 4 February 2015, Council agreed the following ongoing increases to the 2015/16 budget (excluding inflation and pay award):

	£ million
Increase in Care Leavers	0.210

In addition, the following one year only increases to the 2015/16 budget were agreed by Council:

	£ million
Fostering	0.373
SEN Home to School transport	0.600
SEN Reform	0.418

Care Leavers

The cost of Aftercare placements was £3.859 million in 2015/16 compared to a budget of £3.601 million. The costs were broadly in line with 2014/15 but are £0.485 million above the expenditure incurred in 2013/14 due to increased numbers of youngsters eligible for aftercare services and the budget allocation above has helped to finance this gap.

Fostering

The investment was used to review the existing processes of recruiting and retaining foster carers. The investment has resulted in an increase in both enquiries and acceptances as foster carers and the number of foster carers and children cared for by in-house foster carers has been maintained during 2015/16. The expectation for 2016/17 is that the number of foster carers will increase as will the number of children placed with a Derbyshire foster carer which will reduce the need for more costly placements.

SEN Home to School Transport

The 2015/16 allocation towards SEN Home to School Transport was the second year that this allocation had been made. Expenditure in 2015/16 was marginally increased above the level seen in 2014/15, indicating that spend is being controlled and was £0.184 million below the allocated budget. A further one year-only allocation has been made for 2016/17 whilst options to reduce spend are developed and consulted on.

SEN Reform

This allocation was made to pass through resources received by the Authority as a non-ring-fenced grant towards the costs of implementing the reforms to the Authority's responsibilities towards children with SEN and disabilities. The project is continuing through 2016/17.

2.4 Progress against budget reductions

Since 2011-12, budget reductions of £42.009 million have been applied to the Children's Services budget. Budget reductions for 2015/16 totalled £9.609 million and progress on each item is reported below:

Title	Value £m	Progress update
Review and reduce back office and business services costs	1.802	Both reviews have been completed and the anticipated savings have been achieved. In September 2015, the revised senior management structure was implemented which combined the safeguarding and early help staff under a single management structure.
Reduce the number of children cared for by the Council	0.300	The number of children in care is below 590 at the end of March 2016 compared to 613 at the end of March 2015.
Education Improvement Consultants	0.250	Reduced spend and increased income generation during 2015/16 ensured that this budget reduction was achieved.
Careers Service	0.037	The service has not yet achieved this target due partly to the offer of a discount for the first years of operating as a traded service to establish it.
Adult Education	0.080	The service has absorbed a £0.154 million reduction in grant funding and achieved this budget reduction.
Transport Costs	0.534	Income from charges has increased by £0.080 million in year and the costs of denominational transport have reduced by £0.101 million. Costs of this provision are anticipated to reduce further in July 2016 when contracts are ended and the provision is no longer provided as a subsidised service on the grounds of faith alone.

Title	Value £m	Progress update
Review of Children's Homes	0.520	A children's home was closed during the year, however some of the achieved saving has been re-invested in services for teenage children to prevent them being taken into care in the first instance.
Staff Training	0.173	Achieved – net spend on teams involved in training has reduced by the target amount.
Children's Centres	0.944	Achieved – although timing of the final decisions meant that there was not a full year to deliver this saving, the service reduced expenditure where it could during the year and the final out-turn for 2015/16 was £5.707 million, an underspend against budget of £0.185 million
Outdoor Education	0.200	Achieved - net spend on this service has reduced by £0.439 million compared to 2014/15 due to increased income generation and reduced costs.
Education Psychology	0.039	Achieved – the service has increased income by £0.139 million compared to 2014/15 to deliver against this target.
Early Intervention Support	3.000	Achieved – the Secretary of State for Education approved the request to use Dedicated Schools Grant funding for one year to help support children and families. For 2016/17, this funding has been delegated to all schools, academies and PRUs in Derbyshire and each school is being asked individually to re-pool this funding.
Senior Management Team	0.055	Achieved from September 2015
Troubled Families Work	1.100	Achieved – success in turning round the required number of families has meant that grant funding has been awarded. This, in turn, secures those services for Derbyshire families whilst the Government continues with the initiative.
Disability/Special Educational Needs	0.575	Proposals for a revised structure were presented to Cabinet in January 2016, which are the first stages towards delivery of the reduction in budget.

For 2016/17, a further £9.846 million cut has been allocated to Children's Services leaving the budget for 2016/17 at £89.775 million before any drawdowns from reserves. Budget reductions of £2.807 million remain to be applied to services and the department is now working on proposals to put to Members for the reductions anticipated in the period 2017/18 to 2019/20.

Some of the proposals carry a degree of risk as to their achievement at the value intended. Shortfalls and timing differences on achieving budget reductions have been, and will continue to be met by, a combination of underspends arising from actions such as vacancy controls and one-off cash such as using the Children's Services underspend currently held within an earmarked reserve.

2.5 Transfers to/from Reserves and Provisions

Provisions

As at 1/4/2015	£0.300 million
As at 31/3/2016	£1.103 million
Increase	£0.803 million

An analysis of the provisions and the movements is contained at Appendix 2. A significant element of the increase is related to an employment liability which, at the end of the 2015/16 financial year, had not concluded.

Reserves (excluding Dedicated Schools Grant and School Balances)

As at 1/4/2015	£26.849 million
As at 31/3/2016	£25.828 million

Decrease	£ 1.021 million
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An analysis of the reserves and the movements is contained at Appendix 2. In addition to this, £1.347 million will be transferred from the Prior Year underspend earmarked reserve to the General reserve to cover the departmental controllable overspend for 2015/16 as reported to Cabinet.

2.6 Outlook for future years

The budget for Children's Services for 2016/17 has reduced by £9.846 million or just over 10% of the 2015/16 base budget. Re-shaping services to continue to best align need against resources presents considerable challenge to manage the required changes.

In addition to the pressures of reducing resources, the number of children in Derbyshire is increasing in common with many other areas in England and, if early help services are reduced, the pressure and demand for more costly specialist services is likely to increase, further increasing the likelihood of increased costs of supporting children and families if they reach a crisis point. The department is exploring ways in which these services, which make a significant difference to how children achieve in school, can continue to be supported by increased collaboration and co-funding from grant streams available to schools.

The Government has recently consulted on changes to school funding and has committed to bring in a national funding formula in this Parliament. The consultation proposes changes to the duties of local authorities and the way in which they are funded for those duties. Further, the white paper recently published by the Department for Education set out its aspiration that all schools should be or should be on the way to being Academies by 2020. The potential loss of funding to the Authority is around £6 million over this period and all departments that provide services to schools will be affected. There is likely to be an increased emphasis on trading and on building relationships with individual multi-academy trusts as well as with individual school head teachers.

Over the same period, schools are likely to experience turbulence in their funding streams due to the transition to the national funding formula as well as dealing with increased costs such as pay rises, increases to NI rates for employers, introduction of the apprenticeship levy for which they may not

have received any additional funding. This means that local authority services that might be sold to schools need to be efficient, effective and competitively priced to ensure the best chance of successfully trading with schools.

2.7 Dedicated Schools Grant

The DSG is a ring-fenced grant which is allocated either for the direct expenditure of schools (the Individual Schools' Budget – ISB) or for other educational expenditure under the control of the LA (the Central Budget). Any underspend or overspend on the grant is carried forward to future years.

The amount of Schools Budget funding allocated to 2015/16 which was unspent in 2015/16, was £3.211 million. The table below shows the areas in which this underspend arose and the later paragraphs provide a brief narrative on the reasons for the key variances. There was a further underspend of £0.263 million on re-pooled school funding which is ring-fenced for use by schools.

	Allocated Resources (£ million)	Expenditure/ (Income) (£ million)	(Under)/over spend in year (£ million)
High Needs Block	55.748	56.436	0.688
Central Early Years	2.813	2.318	(0.495)
Other central budgets	10.299	9.351	(0.948)
School KS1 class size fund	2.111	1.372	(0.739)
Schools' pooled budgets	3.645	3.645	-
Rates	6.458	6.458	-
Schools' Individual School Budgets	357.594	357.594	-
2 year old provision	4.750	4.890	0.140
3 & 4 year olds in Private Voluntary and Independent (PVI) settings	15.355	14.548	(0.807)
Unallocated DSG	0.711	0	(0.711)
DSG + post 16 grant inc. drawdown from reserves	(459.484)	(459.501)	(0.017)
2014/15 grant adjustment	0	(0.322)	(0.322)
Total	0	(3.211)	(3.211)

2.7.1 High Needs Block

The overspend on High Needs block DSG budgets was £0.688 million of which £0.320 million was higher spend against the allocation for placements in non-maintained and independent special schools. A further overspend was £0.151 million on additional payments to support children in nursery schools and units with additional needs. A third significant overspend (£0.255 million) was increased spend on top-ups to support children in secondary schools.

2.7.2 Central Early Years

The underspend is mainly due to lower staffing costs than anticipated when the budget was set due to vacancies not being filled and a recovery of budgets from nursery schools and units due to updated information on headcounts.

2.7.3 Other Central Budgets

The underspends are an £0.500 million allocation for an endowment fund for children in care which was agreed to be supported by Schools Forum, however the department did not proceed with this plan as originally envisaged and therefore the allocation was not required. In addition, £0.500 million was set aside for the settlement of equal pay claims and £0.130 million was required.

2.7.4 School KS1 Class Size fund

Schools Forum supported a proposal to alter the criteria under which additional revenue budget is allocated to a school because of KS1 class size requirements, however they wished the budget to be retained at the previous level until they could assess what impact this had on the level of allocations.

2.7.5 Schools' pooled budgets

The budget is resourced by contributions from maintained schools for items which the Schools Forum has determined shall be paid for centrally, such as maternity cover and insurance. The pooled budgets underspent by £0.263 million in 2015/16 and that has been added to the ring-fenced pooled budgets reserve which now stands at £1.482 million.

2.7.6 3 & 4 year olds in PVI settings

The budget was allocated in line with the number of 3 and 4 year olds that the DfE provided funding for within the DSG. The DfE operate a lagged adjustment to the grant and it will not be until July 2016 that any increase or clawback would be announced.

2.7.7 Unallocated DSG

This has arisen from differences between the anticipated requirement from reserves to support the in year DSG allocation and the actual requirement once estimates have been finalised. In addition, rates budget is released during the year as schools convert to academy status.

2.7.8 2014/15 grant adjustment

The final allocation for Early Years within the DSG is not finalised until the following financial year, and this amount is the additional grant funding paid to the Authority in 2015/16.

2. 8 Dedicated Schools Grant (DSG) Reserve

At the start of 2015/16, the balance of the DSG and other DSG originated earmarked reserves was £28.708 million of which £25.031 million was DSG brought forward. During 2015/16, £14.655 million was used to support the in year DSG by maintaining the previous year's increase to formula factors, hourly rates and top-up rates as well as providing funding for proposals supported by Schools Forum and Cabinet.

An underspend of £3.211 million was generated in year and, together with other smaller movements, the total balance at the end of 2015/16 including DSG originated earmarked reserves was £20.080 million, Appendix 2 provides a breakdown of this figure.

2. 9 Proposals for use of unspent Dedicated Schools Grant (DSG)

The DfE has announced proposals for a national funding formula for schools to be introduced initially from April 2017 with local authority flexibility until April 2019 when schools will be funded directly from the Education Funding Agency using the national formula. Alongside this, the DfE have proposed changes to the way in which local authorities are funded to support pupils with high needs, changes to the ways in which local authorities and school forums can agree to use funds for combined services and changes to the way in which local authorities are funded to carry out their statutory duties for maintained schools. Further, the Government has published a white paper which proposes that all schools should convert to become academies or be on track to convert by 2020. A consultation on changes to Early Years funding is also expected.

Given the degree of uncertainty that exists and the likelihood of turbulence in funding levels, no firm proposals are being put forward for the use of unspent

DSG. Potential uses include managing transitions as grant funding changes for high needs and school improvement services, providing additional support for schools that may be adversely affected by the move to a national funding formula and investment in provision for high needs if required.

2.10 Individual Schools' Balances (excludes schools becoming an academy before 31/3/2016)

Collectively, school and PRU budgets underspent in-year by a total of £3.982 million. The following table shows an analysis of schools' balances as at 31 March 2016 compared with the position at 31 March 2015.

	Nurs (£ million)	Prim (£ million)	Sec (£ million)	Spec (£ million)	PRU (£ million)	Total (£ million)
Balance as at 31 March 2016	0.545	27.480	9.635	2.490	0.777	40.927
Balance as at 31 March 2015 – schools remaining maintained	0.448	24.551	9.974	1.754	0.286	37.013
Balance as at 31 March 2015 – schools converted to academy in 2015/16	0	0.218	(0.286)	0	0	(0.068)
Net Increase/(Decrease) (£ million)	0.098	2.929	(0.339)	0.736	0.490	3.913
March 2016 surplus balances (£ million)	0.562	27.688	10.261	2.567	0.888	41.965
March 2015 surplus balances (£ million)	0.448	24.904	10.226	1.754	0.404	37.736
March 2016 deficit balances (£ million)	0.017	0.208	0.626	0.077	0.112	1.039
March 2015 deficit balances (£ million)	0	0.135	0.252	0	0.118	0.505

	Nurs	Prim	Sec	Spec	PRU	Total
March 2016 number of schools with surplus	7	323	26	9	10	375
March 2015 number of schools with surplus	8	325	26	10	9	378
March 2016 number of schools with deficit	1	12	2	1	1	17
March 2015 number of schools with deficit	0	10	2	0	2	14

In addition to the £40.927 million held by schools, £1.416 million was held in the Schools' Capital Reserve account (down from £1.744 million at 31 March

2015). This reserve holds earmarked funds for future capital developments at individual schools in order to minimise the distorting effect of holding these funds within their own school balances.

A number of secondary schools have seen their school budgets drop due to the fall in pupil numbers at secondary age range that Derbyshire is experiencing. The Authority is ensuring that those schools affected have access to curriculum planning, HR and finance advice to help with their planning and the 2016/17 budget included a one-off increase of £3.500 million to formula factors to assist further with the pressures.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered – legal and human rights, human resources, equality and diversity, health, environmental, social value, transport, property and prevention of crime and disorder.

4. Background Papers

Files held in Children's Services Finance - Accountancy section.

5. Key Decision

Yes

6. Is it necessary to waive the call-in period?

No

7. OFFICER RECOMMENDATIONS

- 7.1 That the out-turn position, variations of expenditure from budget, impact of 2015/16 growth allocations and progress in achieving budget reductions be noted;
- 7.2 To note the transfers to and from reserves outlined in the report.
- 7.3 To note the expected impact of the 2015/16 outturn on future years and planned actions.
- 7.4 To note the final outturn of the 2015/16 Dedicated Schools Grant.

JANE PARFREMENT
Strategic Director for Children's Services

County Hall
MATLOCK

Appendix 1.

Children's Services Department Out-turn 2015/16

[Excluding expenditure funded by Dedicated Schools Grant]

	Controllable outturn (£ million)	Controllable budget (£ million)	variance - (under) /overspend (£ million)
Strategic Director			
Senior Management Team	0.715	0.610	0.105
Allocations from Grants	(10.678)	(10.688)	0.010
Unallocated budget reductions	(0.109)	(0.763)	0.654
Grant Income	(8.309)	(8.076)	(0.233)
Finance	1.322	1.335	(0.013)
HR & Workforce Dev	1.887	2.334	(0.447)
Added years pensions, redundancy payments and pension shortfalls	5.824	5.923	(0.099)
Early Help & Safeguarding			
Management team	0.779	1.175	(0.396)
Aftercare	3.857	3.575	0.282
Residential provision – outside agencies	4.953	2.476	2.477
Children's Homes	4.794	4.332	0.462
Contract Care	1.636	1.533	0.103
Special Guardianship	2.788	2.114	0.674
Child Protection	1.454	1.240	0.214
Disabled Children Services	6.843	6.373	0.470
Fostering & Adoption	5.453	5.284	0.169
Preventing Family Breakdown	0.416	0.341	0.075
Other including Legal Charges	1.708	1.957	(0.249)
Asylum Seeking Children	0.254	0	0.254
Youth Offending	1.865	2.334	(0.469)
Services for Teenagers	0.854	0.882	(0.028)
Supporting Families	0.416	0.537	(0.121)
Starting Point	0.850	1.004	(0.154)
Fostering by DCC carers	3.325	3.589	(0.264)
Fostering by outside agencies	4.633	4.381	0.252
Youth Service	2.244	2.538	(0.294)
Unallocated budgets	0	1.591	(1.591)

	Controllable outturn (£ million)	Controllable budget (£ million)	variance - (under) /overspend (£ million)
Early Help to Safeguarding District Teams	30.084	28.725	1.359
Schools & Learning			
Advisory Service	1.889	1.915	(0.026)
Music Partnership	(0.046)	0	(0.046)
Inclusion & DIAS	0.467	0.474	(0.007)
Adult Education	6.344	6.421	(0.077)
Catering (see table below)	(0.955)	-	(0.955)
Early Years & Childcare	0.790	0.890	(0.100)
Ed Psychologists	1.689	1.722	(0.033)
Home to School Transport – Mainstream	4.824	4.840	(0.016)
Home to School Transport – SEN	7.385	7.569	(0.184)
Development	0.614	0.459	0.155
Virtual School (not funded by DSG)	0.102	0.107	(0.005)
Special Educational Needs (not funded by Dedicated Schools Grant)	1.809	1.842	(0.033)
Sport and Outdoor	0.742	0.789	(0.047)
Joint Projects	0.034	0.034	0
School Related	0.046	0	0.046
Performance & Quality			
Child & Adolescent Mental Health	0.707	0.728	(0.021)
Pooled Budget for children with Complex needs	1.565	1.565	0
Quality Assurance	1.636	1.706	(0.070)
Business Services	1.973	2.101	(0.128)
Information & ICT	1.880	2.144	(0.264)
Commissioning Team	0.847	0.881	(0.034)
Preventative Services	0.491	0.501	(0.010)
Deficit balances of schools	0.563	0.563	0
Total – Children’s Services	105.254	103.907	1.347

Catering - Monitoring Report

	Year End 2015/16 £ million	Budget 2015/16 £ million	Year End 2014/15 £ million
Primary			
Income	(17.764)	(17.675)	(16.083)
Expenditure	17.025	17.567	15.805
Balance	(0.739)	(0.108)	(0.278)
Special			
Income	(0.349)	(0.356)	(0.341)
Expenditure	0.381	0.387	0.359
Balance	0.032	0.031	0.018
Nursery			
Income	(0.097)	(0.086)	(0.084)
DSG Grant	(0.047)	(0.065)	(0.056)
Expenditure	0.144	0.151	0.139
Balance	0.000	(0.000)	0.000
Primary Net Total	(0.708)	(0.077)	(0.260)
Secondary			
Income	(5.292)	(5.376)	(5.521)
Expenditure	5.032	5.449	5.357
Secondary Net Total	(0.260)	0.073	(0.164)
Other Services including Café Browser and County Hall Service			
Income	(0.172)	(0.167)	(0.170)
Expenditure	0.187	0.172	0.178
Other Net Total	0.015	0.005	0.008
Overall (Surplus) / Loss	(0.953)	(0.000)	(0.416)

Children's Services – Provisions 2015/16

	Opening Balance (£ million)	Increase / (Decrease) (£ million)	Closing Balance (£ million)
Clawback of Skills Funding Agency grant for Adult Education	0.115	0.056	0.171
Post-16 element 3 (High Needs) payments to general FE colleges	0.155	0.147	0.302
Saltergate office	0.030	0	0.030
Non recovery of funds from PCT	0	0.100	0.100
Employment Tribunal	0	0.500	0.500
	0.300	0.803	1.103

**Children's Services Reserves 2015/16
(excluding Dedicated Schools Grant)**

	Opening Balance (£ million)	Increase / (Decrease) (£ million)	Closing Balance (£ million)
Complex Case Pooled Budget	0.864	(0.744)	0.120
IT Equipment – Foster Carers	0.137	(0.107)	0.030
Special Schools Sickness Pool Premium Reserve	0.057	(0.057)	0
Primary Teachers Sickness Pooled Premium Reserve	0.580	0.146	0.726
Primary Non Teachers Sickness Pooled Premium Reserve	0.021	0.018	0.039
Primary SEN Teaching Assistant Sickness Pooled Premium Reserve	0.057	(0.057)	0
Foster Carer Home Adaptations	0.681	0.020	0.701
Children's Casework System	1.353	(0.500)	0.853
Income in advance – Lea Green/White Hall	0.131	(0.131)	0
YPLA threshold funding	0.690	(0.690)	0
Education funding for children in care	0.010	(0.005)	0.005
Social Worker Systemic Training	0.250	(0.250)	0
Higher Education of Children in Care	0.122	0.033	0.155
Catering – urgent Health & Safety issues	0.163	(0.163)	0

	Opening Balance (£ million)	Increase / (Decrease) (£ million)	Closing Balance (£ million)
Multi-Systemic therapy pilot	0.384	(0.283)	0.101
Family Literacy	0.066	(0.066)	0
Unifi project – children in care	0.741	(0.186)	0.555
Virtual School staffing	0.202	(0.056)	0.146
Gamesley Community Manager	0.015	(0.015)	0
PC/Laptop replacement	0.132	0	0.132
Single Status in schools team	0.110	(0.110)	0
Breakfast Clubs	0.065	(0.065)	0
Catering – online payments	0.100	(0.100)	0
CAB in children's centres	0	0.239	0.239
Troubled Families	4.217	0.143	4.360
SEND Reforms project	1.608	(0.900)	0.708
Prior Year underspend	9.951	(2.338)	7.613
Supporting various music grant bids	0.012	(0.002)	0.010
Every Child a Talker – training	0.056	(0.056)	0
Schools Extranet development	0.082	(0.012)	0.070
Staying put Grant	0.070	(0.070)	0
Hardship fund – denominational transport	0.100	(0.100)	0
Amenity & Youth Club funds	0.075	(0.007)	0.068
Eckington Youth Club capital grant	0.070	0	0.070
Staffing – SAP in Schools	0	0.149	0.149
School Improvement Service	0	0.666	0.666
Children's Centre shortfall	0	0.800	0.800
Transition in Early Help to Safeguarding	0	0.742	0.742
DfE Innovations grant	0	0.348	0.348
Preparation for Employment grant	0	0.039	0.039
Safe Families for Children	0	0.120	0.120
Enterprise Advisor match funding	0	0.018	0.018
Standards Fund	2.075	0	2.075
	25.247	(3.589)	21.658

Dedicated Schools Grant reserves

	Opening Balance (£ million)	Increase / (Decrease) (£ million)	Closing Balance (£ million)
Teaching Assistant funding pre statement	0.063	(0.025)	0.038
Capital maintenance	1.051	(1.051)	0
2 year old places – capital projects	2.563	0	2.563
School MIS Implementation	0	1.000	1.000
Alternative Provision Pilot	0	0.500	0.500
School Performance	0	0.687	0.687
School Access Initiative – capital	0	1.457	1.457
Dedicated Schools Grant – re-pooled budgets	1.219	0.263	1.482
Dedicated Schools Grant	23.812	(11.459)	12.353
	28.708	(8.628)	20.080