

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER

5 August 2015

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

REVENUE OUTTURN 2014/15 ADULT CARE

ADULT SOCIAL CARE

1 Purpose of the Report

To report the final revenue outturn position for 2014/15 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 2014/15 outturn on future years and any action proposed.

To approve the transfers to/from reserves.

2. Information and Analysis

2.1 Summary

Attached as Appendix 1 to this report is a statement setting out the final outturn position for 2014/15. Net controllable expenditure was £216.954m compared to a budget (adjusted for transfers to/from reserves) of £217.526m resulting in a controllable underspend of £0.573m.

However, a number of one-off items reduced the final overspend and the underlying overspend for 2014/15 is as follows:

	£m
Final Underspend	0.573
Additional PCT Funding for Winter Pressures	1.000
One-Off Funding for Demographic Growth	4.000
Return of contribution to Debt Charges	2.171
Underlying Overspend	6.598

A summary of controllable expenditure variances is in paragraph 2.2.

2.2 Variances

There was an underspend of £0.573m 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.	8.172	Combination of demographic pressure and cost of complex cases
Integrated Community Equipment Service	1.405	45% contribution towards the overspend on the ICES Pooled Budget
Information and Early Intervention	(0.670)	General savings achieved on Grants Welfare Rights, Prevention and the Learning Disability Development Fund
Commissioning and Service Delivery	(0.992)	Holding vacancies and efficiency measures
Derbyshire Discretionary Fund	(0.450)	The scheme continues to be developed and the eligibility criteria is being reviewed to ensure the best use of the fund.
Accommodation and Support	(2.067)	A number of services have ceased or been re-commissioned at a lower cost
Unallocated Budgets	(5.527)	Budgets held at the centre to offset the anticipated overspend in Purchased Services

2.3 Growth Items

The following items were included in the 2014/15 budget as a growth item:

Demographic Growth £5.400m + £4.000m 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 £1.750m

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

Living Wage Increase £0.152m

To fund the additional costs of moving lower paid staff towards the living wage.

Housing Related Support £0.450m

To reduce the overall level of cuts proposed in Housing Related Support services.

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	8.000	0.000	(6.725)	1.275
IT System Replacement	2.000	0.000	(1.750)	0.250
Derbyshire Discretionary Fund	0.000	0.790	(0.790)	0.000
	10.000	0.790	(9.265)	1.525

Both earmarked reserves have been reviewed and are required to meet commitments already agreed for 2015/16.

2.5 Savings achieved in 2014/15

Savings were achieved in 2014/15 in the following areas:-

	£m
Non-Allocation of Inflation	1.195
Reduced Consumables Spend	0.569
Re-commissioning of Learning Disabilities Day Services	0.173
Reduction in the Training Offer	0.479
Savings on the Frozen Meals and Laundry Services	0.149
Re-Modelling of Services for Low and Moderate Needs	0.812
Funding of Grants to Vol Orgs by Public Health	1.348
Saving on Housing Related Support	2.596
Funding of Housing Related Support by Public Health	0.512
Consolidate Block Contracts	0.812
Increase in Co-Funding Contributions	3.572
Revised Skill Mix and Management Structure	0.411
Consistent Application of the Resource Allocation System	3.650
Reduction in staffing costs	0.183
Impact on Home Care of the Re-ablement Service	0.102
Total Savings	16.563

2.6 Impact on the future

The start of year projection for the 2015/16 position is as follows:

	£m
Underlying Overspend from 2014/15	6.598
Efficiency Target 2015/16 inc Balance B/fwd	23.952
Less; Demographic Growth Budget Settlement 2015/16	(10.000)
Demographic Growth 2015/16	10.535
Return of contribution to Debt Charges	(1.922)
Total Budget Pressures	29.163
Actions already identified (see below)	(24.114)
Underlying Budget Position	5.049

2.7 Action to be taken to deal with the Budget Pressures for 2015/16

A number of actions are in progress. These are:

	£m
• Reduction in Supported Living Schemes	1.728
• FACS to Substantial	0.650
• Reduction in Housing Related Support	3.285
• Consolidate Block Contracts	0.300
• Integrated Community Equipment Service	0.290
• Increased Co-Funding Contributions	3.816
• Consistent Application of the Resource Allocation System	8.000
• Direct Care Trading Income	0.100
	18.169

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

	£m
• Public Health – Grants to Voluntary Organisations	1.168
• Public Health – Housing Related Support	2.701
• General Reserves – Housing Related Support	0.784
	4.653

Following the consolidating of all Domestic Violence services within Community Safety, the following commitments have been transferred:-

	£m
• Domestic Violence Grants	0.442
• Domestic Violence Housing Related Support	0.850
	1.292

Total Savings Identified	24.114
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2.8 Action to be taken to deal with the Budget Pressures from 2016/17 onwards

Work is already being undertaken to identify further cuts for 2016/17 onwards and any proposals will be the subject of future cabinet reports.

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 transfers to/from reserves outlined in the report be approved

Mary McElvaney
Strategic Director, Adult Care

Peter Handford
Director of Finance

County Hall
Matlock

Adult Care Department Outturn 2014/15

Appendix 1

	Budget £	Expenditure £	(Under)/ Over £	Tfr to/(from) Reserves £	Adjusted (Under)/ Over £
All Client Groups					
Purchased Services	168,721,462	181,591,017	12,869,556	(4,697,361)	8,172,195
	168,721,462	181,591,017	12,869,556	(4,697,361)	8,172,195
Equipment					
Pooled Equipment	1,935,839	3,340,944	1,405,105	0	1,405,105
Non-Pooled Equipment	759,189	650,185	(109,003)	0	(109,003)
Telecare	103,000	142,711	39,711	0	39,711
	2,798,028	4,133,840	1,335,813	0	1,335,813
Social Care Activity					
Assessment	15,914,529	15,637,060	(277,469)	0	(277,469)
Management & Support	2,053,398	2,091,283	37,884	0	37,884
	17,967,927	17,728,343	(239,585)	0	(239,585)
Information & Early Intervention					
Client Support	80,088	44,350	(35,739)	0	(35,739)
Grants	1,639,816	1,477,329	(162,487)	0	(162,487)
Welfare Rights	1,365,256	1,224,961	(140,295)	0	(140,295)
Prevention	814,027	555,834	(258,194)	0	(258,194)
Learning Disability Dev Fund	487,372	177,251	(310,121)	0	(310,121)
Supported Employment	315,538	290,045	(25,494)	0	(25,494)
Other Schemes	2,235,934	2,498,625	262,691	0	262,691
	6,938,031	6,268,395	(669,639)	0	(669,639)
Commissioning & Service Delivery					
General	665,624	834,564	168,939	0	168,939
Strategic Director	566,307	701,795	135,488	0	135,488
Strategy & Commissioning	2,095,193	1,987,801	(107,393)	0	(107,393)
Finance	2,569,850	2,497,322	(72,528)	0	(72,528)
Human Resources	2,200,604	1,705,560	(495,044)	0	(495,044)
Performance & Efficiency	1,315,638	1,245,250	(70,388)	0	(70,388)
Business Support	3,271,072	2,720,115	(550,958)	0	(550,958)
	12,684,288	11,692,407	(991,884)	0	(991,884)
External Funding					
External Funding	(17,884,695)	(16,520,216)	1,364,479	(1,500,000)	(135,521)
	(17,884,695)	(16,520,216)	1,364,479	(1,500,000)	(135,521)
Derbyshire Discretionary Fund					
Derbyshire Discretionary Fund	1,468,151	1,017,674	(450,477)	0	(450,477)
	1,468,151	1,017,674	(450,477)	0	(450,477)
Supporting People					
Young People	1,031,367	1,031,367	0	0	0
Older People	5,149,049	3,872,422	(1,276,627)	0	(1,276,627)
Physical Disability	32,843	31,765	(1,078)	0	(1,078)
Learning Disability	2,481,625	2,243,054	(238,571)	0	(238,571)
Mental Health	1,962,887	1,962,887	0	0	0
Generic Services	2,451,480	1,900,687	(550,793)	0	(550,793)
	13,109,251	11,042,182	(2,067,069)	0	(2,067,069)
Unallocated Budgets					
Unallocated Budgets	5,223,807	0	(5,223,807)	(302,731)	(5,526,538)
	5,223,807	0	(5,223,807)	(302,731)	(5,526,538)
Total Controllable Expenditure	211,026,250	216,953,642	5,927,387	(6,500,092)	(572,705)

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality of opportunity; and legal, financial, environmental, health, respect for human rights, human resources, property and transport considerations.

Agenda Item No:

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER FOR CHILDREN AND YOUNG PEOPLE

14 July 2015

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

REVENUE OUT-TURN 2014/15 - CHILDREN & YOUNGER ADULTS

1. Purpose of Report

To report the final revenue out-turn position for 2014/15 for the Children & Younger Adults department.

To identify significant variations of expenditure from the budget and assess the impact of growth items approved as part of the 2014/15 budget settlement.

To report on progress against achievement of budget reductions.

To make proposals for the use of any underspends and approve the transfers to and from reserves.

To identify the impact of the 2014/15 out-turn on future years and any actions proposed.

To report the final out-turn of the 2014/15 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 and Younger Adults (CAYA) for 2014/15.

Net controllable expenditure in 2014/15 was £110.372 million compared with a budget of £109.114 million after transfers to and from reserves, resulting in a controllable overspend of £1.258 million. The main variances on controllable expenditure are itemised below.

In addition, there were one-off beneficial items during the year of £3.122 million making the final reported figure an underspend of £1.864 million.

The spending on Schools' Budget financed by the Dedicated Schools Grant was £447.338 million compared with grant income of £454.483 million, a surplus of £7.145 million of which £2.563 million has already been agreed to be earmarked for capital schemes.

2.2 Explanation of Major Variances - CAYA Budget

Although the headline figure is an underspend of £1.864 million, this includes the benefit of a number of items that are non-recurring and were not anticipated at the start of 2014/15.

These items are:

Item	Benefit to CAYA in 2014/15 (£ million)
Transfer of 2013/14 costs of children requiring high cost placements due to their complex needs to the pooled budget arrangement. At the end of 2013/14, formal agreement for the pooled budget had not been finalised with the CCGs and a prudent approach was taken to charging costs for some children to the Council budget although they met the criteria for the pooled budget. The pooled budget has reimbursed the Council budget in 2014/15.	2.139
Release of earmarked reserves in year The reserve released related to accumulated funds designated to Children's Services from the pooling arrangements initiated within the Local Area Agreement.	0.659
Connexions – return of cash advance following company closure	0.324

Item	Benefit to CAYA in 2014/15 (£ million)
TOTAL	3.122

Excluding these items, the underlying position for CAYA is an overspend against controllable budget in the year of £1.258 million.

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)
Unallocated budget reductions The 2013/14 budget reductions included £4.284 million to be covered from previous years' underspends. No ongoing reductions have yet been identified leaving to an overspend that, as it stands, will continue to be funded by a drawdown from reserves unless specific reductions to budgets are identified and delivered.	4.506
Allocations from Dedicated Schools Grant The contribution from the central DSG to the Early Help services provided by multi-agency teams and children's centres was able to be increased for 2014/15 only due to a reduced level of spend by the Advisory and Improvement service of their centrally allocated funding	(0.713)
Added Years for Teachers' Pensions The cost of the added years' payments for teachers and other local government staff who retired mainly in the 1980s and 1990s was below the allocated budget. The 2015/16 budget has now been reduced to reflect current levels of spend.	(0.437)
Agency Residential The overspend is due to higher numbers and costs than the budget can support.	0.778
Internal Fostering The costs are lower than budget due to fewer children placed in internal foster care placements.	(0.306)

Item	(Under)/Overspend (£ million)
<p>Children's Homes</p> <p>The overspend is mainly on staffing costs and is due to higher absences from sickness and vacancies which have been covered by increased overtime and payments to relief staff. Back-dated costs of £0.078 million relating to bank holiday adjustments for part-time and relief staff were also paid in 2014/15 adding to the overspend.</p>	0.375
<p>Legal Charges</p> <p>The underspend is due to lower spend on court and solicitors' fees due to fewer court proceedings in the year. This is partially offset by an overspend on barristers' fees.</p>	(0.262)
<p>Special Guardianship</p> <p>The overspend is due to an increased number of arrangements in place during 2014/15.</p>	0.247
<p>Social Work teams (excluding South Derbyshire)</p> <p>Across the five areas, excluding South Derbyshire, budgets were underspent with the main area of underspend being on additional expenses paid for children in care due to the fall in numbers of children in care and those cared for by internal foster carers.</p>	(0.595)
<p>Social Work teams – South Derbyshire</p> <p>Staffing in the district has been increased to ensure safe case load levels due to rapid population growth in recent times. Numbers of children coming in to care in this district have also increased.</p>	0.532
<p>Advisory Service</p> <p>The underspend is due higher than budgeted income from traded services such as courses and conferences.</p>	(0.231)
<p>Home to School Transport</p> <p>Approximately one third of the underspend was on mainstream transport to secondary sector with the remainder relating to lower than budgeted costs for transport for children with Special Educational Needs.</p>	(0.657)
<p>0-19 Locality teams</p> <p>The largest element of underspend was on resources for working with families and young people and other supplies which was £0.279 million underspent. Further underspends on staffing (£0.235 million) and premises including maintenance (£0.247 million) and above budget income (£0.148 million) were the other significant elements.</p>	(0.928)

Item	(Under)/Overspend (£ million)
Youth Service The underspend on staffing due to vacancies during the year was £0.375 million and the service also benefitted from a £0.113 million contribution towards costs from Public Health	(0.565)

2.3 Growth items

At its meeting on 5 February 2014, Council agreed the following major increases to the 2014/15 budget (excluding inflation and adjustments arising later in the year for pay award and changes in employer pension contribution rate):

	£ million
Increase in aftercare placements	0.150
Increase in disability grants	0.150

In addition, the following increases to the 2014/15 budget only were agreed by Council:

	£ million
Adoption Reform Grant	0.604*
SEN Home to School transport	0.650
Home to School transport	0.440

*Agreed at £0.440 million but increased to £0.604 million when the grant was announced at this value.

The cost of Aftercare placements increased from £3.374 million in 2013/14 to £3.840 million in 2014/15 due partly to increased numbers of care leavers. Although the number of children in care has continued to fall during 2014/15, the proportion of children taken into care in their mid to late teens and therefore becoming entitled to post-care support remains an area of concern. A recent bid to the DfE resulted in Derbyshire being allocated grant funding to pursue alternative strategies for this age group with the aim of providing both a more appropriate service and contributing budget reductions.

The value of direct payments to families and children and young people with disabilities increased from £0.808 million in 2013/14 to £0.963 million in 2014/15 due to an increase in the number of people aware and making a claim.

The adoption reform grant has been used to increase the number of staff within the adoption team in order to increase the rate at which children are adopted once a decision that adoption is in the child's best interest has been

made. This has resulted in a reduction in the number of children waiting to be adopted.

Home to School transport is being closely examined as it is a significant (13%) element of spend from the CAYA budget and much of the spend is driven by precise statutory entitlements. Considerable progress has been made in recent years in ensuring that Derbyshire uses its resources in an equitable way. Spend for 2014/15 was £0.649 million lower than in 2013/14 and increased attention is now being paid to the interpretation of the transport policies to secure best and most equitable use of resources.

2.4 Progress against budget reductions

Since 2011-12, budget reductions of £32.400 million have been applied to the CAYA budget. Budget reductions for 2014/15 totalled £6.033 million and progress on each item is reported below:

Title	Value £m	Progress update
Review and reduce back office and business services costs	1.900	Both reviews have been completed and the anticipated savings are on track to be delivered. The revised Business Services structure, reducing costs by £1.000 million p.a. was implemented in October 2014. The other changes to management structures including Senior Management are to be implemented from September 2015.
Reduce safeguarding costs by increased use of internal foster care and reduced admissions into care	0.850	Children in care numbers have reduced from 626 at the end of January 2014 to just above 600 at the end of March 2015. Although numbers have reduced, the total spend on placements has increased due to the greater number of children in residential placements which have the highest average cost.
Staffing restructures and appropriate recharging to the DSG	0.026	Achieved
Savings in staff travel	0.125	Not yet achieved, staff travel costs increased by £0.195 million from 2013/14 to 2014/15
Reductions in management information service	0.325	A revised structure was approved by Cabinet in early 2015 and has now been appointed to. Schools will be asked to pay for the new Management Information System for schools.

Title	Value £m	Progress update
Teaching and Learning consultants to be funded by contributions from school budgets	0.825	For 2014/15, a voluntary buyback operated and approximately 60% of schools contributed their funding back to the Authority. For 2015/16, the buy-back of these staff from schools budgets will come from a central allocation of the DSG and the services provided by these staff will then be freely available to all schools and academies that require them.
Increased trading income for careers support in schools	0.163	Income increased by £0.150 million from 2013/14 and covered all but 10% of the direct costs of the service.
Adult Education	0.042	The Adult Ed service absorbed a £0.400 million reduction in grant funding from 2013/14 to 2014/15 but the ability to further reduce spending beyond this target will be partially dependent on the scope to reduce expenditure on buildings operated by the service to minimise the impact on provision of classes.
Charging for denominational transport, post-16 and pre-school pupils with SEN	0.154	Income from charging for transport increased by £0.111 million between 2013/14 and 2014/15. It was decided not to proceed with charging for transport of pre-school pupils with SEN.
Review of complex needs placements	0.150	The budget has been underspent, contributing towards delivering the savings.
Savings on use of external training providers and venues	0.125	There has been increased generation of income from training and conferences provided by the Advisory service
Accommodation review	0.180	The CAYA budget has not yet benefitted by savings from office moves.
Review of Children's Centres	0.500	The review has been undertaken and some centres will close early in 2015/16 however a decision on other centres has been deferred. £0.200 million of savings are anticipated for 2015/16..

Title	Value £m	Progress update
Increased external revenue	0.548	Approximately 50% of this has been achieved within the 14-19 team by a combination of reducing costs and increasing income generation. Although plans are well-developed for income generation within sport and outdoor services, savings have not yet been delivered in 2014/15 as they are dependent on suitable premises being acquired.
Review of Troubled Families workstream	0.120	Delivered via staffing reductions and use of Troubled Families funding.

The estimated amount of savings achieved at 31/03/2015 in 2014/15 is £2.421 million with a further £1.350 million arising in 2015/16 and a further £0.500 million in 2016/17 – a total of £4.271 million with decisions pending on a further £0.800 million of savings.

For 2015/16, a further £9.609 million cut has been allocated leaving the budget for 2015/16 at £95.283 million. Budget reductions of £4.390 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 2016/17 to 2018/19.

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 CAYA underspend currently held within an earmarked reserve. It is for this reason that it is recommended that £1.212 million of the 2014/15 underspend is retained by CAYA within an earmarked reserve to help manage the effects of budget reductions in 2015/16 and 2016/17 and the balance of £0.652 million is returned to the General Reserve.

2.5 Transfers to/from Reserves and Provisions

Provisions

As at 1/4/2014	£0.884 million
As at 31/3/2015	£0.300 million
Decrease	£0.584 million

An analysis of the provisions and the movements is contained at Appendix 2.

Reserves (excluding Dedicated Schools Grant and School Balances)

As at 1/4/2014	£28.288 million
As at 31/3/2015	£26.849 million
Decrease	£ 1.439 million

An analysis of the reserves and the movements is contained at Appendix 2.

2.6 Outlook for future years

The budget for CAYA for 2015/16 has reduced by £9.6 million or just over 9% of the 2014/15 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.

There are a number of schools actively looking at converting to academy status. The impact on the Authority is that there is a loss of Education Services Grant for each academy that converts, not all of which can be recovered by trading services previously provided for free to schools. Further, the number of schools supported by the Authority reduces which affects the ability of those services to respond flexibly to schools' needs.

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 2014/15 Schools Budget funding which was unspent in 2014/15, was £7.145 million of which £2.563 million has already been earmarked for capital investment in additional places for two year olds at a number of schools across the county. 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.

	Allocated Resources (£ million)	Expenditure/ (Income) (£ million)	(Under)/over spend in year (£ million)
High Needs Block	49.873	48.848	(1.025)
Central Early Years	1.537	1.266	(0.271)
Other central budgets	5.735	5.737	0.002
Schools' pooled budgets	3.782	3.104	(0.678)
Rates	6.695	6.695	0
Schools' Individual School Budgets	364.897	364.897	0
2 year old provision	8.274	4.368	(3.906)
3 & 4 year olds in Private Voluntary and Independent (PVI) settings	12.289	12.423	0.134
DSG + post 16 grant	(453.082)	(453.604)	(0.522)
2013/14 grant adjustment	0	(0.879)	(0.879)
Total	0	(7.145)	(7.145)

2.7.1 High Needs Block

The underspend on central DSG budgets was £1.025 million of which £0.577 million was lower spend against the allocation for post-16 top-ups. Although the numbers of young people supported has increased, the average top-up payable has reduced.

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 an underspend on the allocation for contingency.

2.7.3 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. In 2012/13, an earmarked reserve was created for maternity claims in secondary schools which were incurred but not reimbursed at the end of that financial year. This was due to the changing regulations on school funding. £0.304 million of that reserve was not required and has been released to the pooled budget in 2014/15, contributing to the in-year underspend.

2.7.4 2 year old provision

Resources were allocated by the DfE within the DSG to fund the provision of free early years education to the most deprived 20% of two year olds and from September 2014, this rose to cover the most deprived 40% of two year olds. The funding also included trajectory funding to create provision for two year olds and it was agreed earlier in 2014/15 that £2.563 million of this underspend would be set aside in an earmarked reserve to fund capital projects at schools which would increase the provision for two year olds.

2.7.5 Dedicated Schools Grant and post 16 grant

Grant income receivable was higher than estimated at the time the budgets were set. This is due to an adjustment to Derbyshire's High Needs Block to correct an error by the EFA and also changes in year which occurs each time a school converts to become an academy.

2.7.6 2013/14 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 2014/15.

2. 8 Dedicated Schools Grant (DSG) Reserve

At the start of 2014/15, the balance of the DSG and other DSG originated earmarked reserves was £30.560 million of which £29.179 million was DSG brought forward. During 2014/15, £8.730 million was used to support schools' budgets as well as providing additional funding for Teaching and Learning consultants and help with the increased costs arising from Single Status.

An underspend of £7.145 million was generated in year and, together with other smaller movements, the total balance at the end of 2014/15 including DSG originated earmarked reserves was £28.645 million, Appendix 2 provides a breakdown of this figure.

2. 9 Proposals for underspend Dedicated Schools Grant (DSG)

The accumulated DSG underspend continues to be discussed with Schools Forum and is currently being used for several development projects that have the support of Forum, Cabinet and the Secretary of State for Education plus also increasing mainstream school formula factors.

The 2015/16 budget for the DSG has already been set and is reliant on £13.655 million of DSG underspend from prior years leaving a balance of £11.376 million to be carried forward for future years.

A large element of this residual sum will be required to provide continued support to schools' delegated budgets which are currently reliant on DSG cash. The national school funding framework largely inhibits in year changes to central spend, other than the high needs block, hence the further allocation of DSG underspends will be a matter for discussion with the Schools Forum and Cabinet in the autumn as part of the 2016/17 budget setting process.

2.10 Individual Schools' Balances (excludes schools becoming an academy before 31/3/2015)

Collectively, school budgets underspent in-year by a total of £1.475 million. The following table shows an analysis of schools' balances as at 31 March 2015 compared with the position at 31 March 2014.

	Nurs (£ million)	Prim (£ million)	Sec (£ million)	Spec (£ million)	PRU (£ million)	Total (£ million)
Balance as at 31 March 2015	0.448	24.769	9.688	1.754	0.286	36.945
Balance as at 31 March 2014 – schools remaining maintained	0.398	20.871	11.820	1.163	0.268	34.519
Balance as at 31 March 2014 – schools converted to academy in 2014/15	0	0.606	0.345	0	0	0.951
Net Increase/(Decrease) (£ million)	0.050	3.898	(2.131)	0.591	0.018	2.426
March 2015 surplus balances (£ million)	0.448	24.904	10.226	1.754	0.404	37.736
March 2014 surplus balances (£ million)	0.398	21.194	12.262	1.226	0.314	35.393
March 2015 deficit balances (£ million)	0	0.135	0.538	0	0.118	0.791
March 2014 deficit balances (£ million)	0	0.323	0.442	0.063	0.046	0.874

	Nurs	Prim	Sec	Spec	PRU	Total
March 2015 number of schools with surplus	8	328	26	10	9	381
March 2014 number of schools with surplus	8	321	27	8	9	373
March 2015 number of schools with deficit	0	10	3	0	2	15
March 2014 number of schools with deficit	0	17	2	2	2	23

In addition to the £36.945 million held by schools, £1.744 million was held in the Schools' Capital Reserve account (down from £2.132 million at 31 March 2014). 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 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.

3. Background Papers

Files held in CAYA Finance - Accountancy section.

4. Key Decision

Yes

5. OFFICERS' RECOMMENDATIONS

- 5.1 That the out-turn position and other financial information in this report be noted;

Subject to Cabinet approval, that:

- 5.2 Transfers to/from reserves outlined in the report be approved, and;
5.3 That £1.212 million of the CAYA underspend be allocated to the earmarked reserve for CAYA prior year underspend to assist in meeting budget reductions in 2015/16 and 2016/17 and the balance of £0.652 million be returned to the General Reserve..

IAN JOHNSON
Strategic Director
(Children & Younger Adults)

PETER HANDFORD
Director of Finance

County Hall
MATLOCK

Appendix 1.

Children and Younger Adults Department Out-turn 2014/15

[Excluding expenditure funded by Dedicated Schools Grant]

	Controllable outturn (£ million)	Controllable budget (£ million)	variance - (under) /overspend (£ million)
Strategic Director			
SMT	0.804	0.669	0.135
Allocations from Grants	(7.799)	(7.086)	(0.713)
Unallocated budget reductions	(0.130)	(4.376)	4.506
Joint Projects	0.084	0.081	0.003
Grant Income	(7.815)	(7.836)	0.021
Finance	0.703	0.801	(0.098)
HR & Workforce Dev	1.672	1.782	(0.110)
School Related	0.016	0	0.016
Social Work projects	0.339	0.154	0.185
Transformation Projects	0.266	0.218	0.048
Added years pensions, redundancy payments and pension shortfalls	5.920	6.357	(0.437)
Safeguarding & Specialist Services			
Aftercare	3.840	3.852	(0.012)
Agency Fostering	4.635	4.448	0.187
Agency Residential	3.954	3.176	0.778
Internal Foster Care	3.375	3.681	(0.306)
Children's Homes	5.214	4.839	0.375
Contract Care	1.549	1.563	(0.014)
Special Guardianship	2.237	1.990	0.247
Child Protection	0.606	0.429	0.177
Disabled Children Services	7.243	7.225	0.018
Fostering & Adoption	4.887	4.802	0.085
Children in Care Health	0.145	0.147	(0.002)
Legal Charges & other	1.750	2.012	(0.262)
Safeguarding Children's Board	0.137	0.150	(0.013)
Asylum Seeking Children	0.123	0.011	0.112
Youth Offending	2.213	2.623	(0.410)
Safeguarding District Teams	11.504	11.567	(0.063)
Schools & Learning			

	Controllable outturn (£ million)	Controllable budget (£ million)	variance - (under) /overspend (£ million)
Advisory Service	1.647	1.878	(0.231)
Music Partnership	0.017	0	0.017
Access & Inclusion	0.205	0.195	0.010
Adult Education	6.455	6.658	(0.203)
Catering	(0.416)	(0.360)	(0.056)
Early Years & Childcare	1.005	1.126	(0.121)
Ed Psychologists	1.482	1.574	(0.092)
Home to School Transport	12.203	12.860	(0.657)
Development	0.489	0.518	(0.029)
Special Educational Needs (not funded by Dedicated Schools Grant)	0.715	0.754	(0.039)
Parent Partnership	0.209	0.237	(0.028)
Performance & Quality			
Child & Adolescent Mental Health	0.713	0.735	(0.022)
Pooled Budget for children with Complex needs	2.347	2.347	0
Information Unit	0.664	0.695	(0.031)
Quality Assurance	1.118	1.147	(0.029)
Business Services	8.716	8.726	(0.010)
E-Development	1.332	1.261	0.071
Commissioning Team	0.870	0.808	0.062
Preventative Services	0.573	0.662	(0.089)
Universal & Targeted Services			
0-19 Multi-Agency Teams & Children's Centres	18.297	19.225	(0.928)
14-19	0.801	0.794	0.007
Education Welfare	0.044	0.199	(0.155)
Family Intervention	0.013	0.014	(0.001)
Sport & Outdoor	0.765	0.841	(0.076)
Youth Service	2.376	2.941	(0.565)
Total – CAYA	110.372	109.114	1.258

Appendix 2.

Children & Younger Adults – Provisions 2014/15

	Opening Balance (£ million)	Increase / (Decrease) (£ million)	Closing Balance (£ million)
Clawback of Skills Funding Agency grant for Adult Education	0.110	0.005	0.115
Carbon Reduction Commitment (schools)	0.439	(0.439)	0
Post-16 element 3 (High Needs) payments to general FE colleges	0.335	(0.180)	0.155
Saltergate office	0	0.030	0.030
	0.884	(0.584)	0.300

Children & Younger Adults Reserves 2014/15 (excluding Dedicated Schools Grant)

	Opening Balance (£ million)	Increase / (Decrease) (£ million)	Closing Balance (£ million)
Schools Accounting System replacement	0.231	(0.231)	0
Complex Case Pooled Budget	1.823	(0.959)	0.864
Ring-fenced LAA grant 07/08	0.659	(0.659)	0
IT Equipment – Foster Carers	0.137	0	0.137
Special Schools Sickness Pool Premium Reserve	0.064	(0.007)	0.057
Primary Teachers Sickness Pooled Premium Reserve	0.300	0.280	0.580
Primary Non Teachers Sickness Pooled Premium Reserve	0.018	0.003	0.021
Primary SEN Teaching Assistant Sickness Pooled Premium Reserve	0.025	0.032	0.057
Foster Carer Adaptations	0.500	0.181	0.681
Single Children's System	1.353	0	1.353
Income in advance – Lea Green/White Hall	0.170	(0.039)	0.131
YPLA threshold funding	0.690	0	0.690
Teaching Assistant funding pre statement	0.072	(0.009)	0.063
Further education funding for children in care	0.017	(0.007)	0.010
Co-location Multi-Agency Teams	2.387	(2.387)	0

	Opening Balance (£ million)	Increase / (Decrease) (£ million)	Closing Balance (£ million)
Ozbox	0.161	(0.161)	0
Social Worker Training	0.500	(0.250)	0.250
Higher Education of Children in Care	0.034	0.088	0.122
Contact pilot	0.172	(0.172)	0
Catering equipment	0.140	(0.140)	0
Catering – urgent Health & Safety issues	0.200	(0.037)	0.163
Multi-Systemic therapy pilot	0.658	(0.274)	0.384
Transport Access	0.025	(0.025)	0
Family Literacy	0.066	0	0.066
Unifi	0.807	(0.066)	0.741
Virtual School staffing	0.233	(0.031)	0.202
Gamesley Community	0.064	(0.049)	0.015
PC/Laptop replacement	0.238	(0.106)	0.132
HR Single Status in schools team	0.255	(0.145)	0.110
Breakfast Clubs	0.065	0	0.065
Catering – online payments	0.100	0	0.100
Troubled Families	2.724	1.493	4.217
Citizens Advice	0.119	(0.119)	0
Tibshelf School – demolition	0.250	(0.250)	0
Schools Causing Concern	0.300	(0.300)	0
Support & Aspiration project	1.092	0.516	1.608
Prior Year underspend	10.146	(0.195)	9.951
Secondary School Improvement project	0.100	(0.100)	0
Supporting various music grant bids	0.034	(0.022)	0.012
Supporting Children in Care – education	0.117	(0.117)	0
Every Child a Talker – training	0.056	0	0.056
Schools Extranet development	0	0.082	0.082
Staying put Grant	0	0.070	0.070
Hardship fund – denominational transport	0	0.100	0.100
Amenity & Youth Club funds	0	0.075	0.075

	Opening Balance (£ million)	Increase / (Decrease) (£ million)	Closing Balance (£ million)
Eckington Youth Club capital grant	0	0.070	0.070
	27.102	(3.867)	23.235

Dedicated Schools Grant reserves

	Opening Balance (£ million)	Increase / (Decrease) (£ million)	Closing Balance (£ million)
Maternity Refunds	0.307	(0.307)	0
Capital maintenance	1.074	(0.023)	1.051
2 year old places – capital projects	0	2.563	2.563
Dedicated Schools Grant	29.179	(4.148)	25.031
	30.560	(1.915)	28.645