

# Gloucestershire County Council

## 2016/17 Revenue Budget Monitoring Report Commissioner Director: Children & Families Net Budget Analysis Year-End Position 2016/17

### **1. Purpose**

To provide the budget outturn figures for the 2016/17 revenue budgets.

The structure of the report reflects the commissioning view of children and families services. Services are grouped by Service Level Agreements (SLAs), contracts or specific areas with DSG (Dedicated Schools Grant) and non-DSG variances identified.

DSG is the grant allocated by the Department for Education to fund all education services including schools and the total for Gloucestershire is over £412 million. Of this total, £330 million is delegated to schools and academies with the remainder relating to early years, high needs and a small number of central support services which are the responsibility of the Local Authority. High needs includes the funding for special schools, pupil referral service, additional SEN support for pupils in mainstream schools and post 16 support to colleges.

### **2. Executive Summary**

#### **2.1 Overall Position**

The year end revenue position as at March 2017 for non-DSG funded services is an over-spend position of £3,833,000 (3.88% of budget). Dedicated Schools Grant (DSG) funded services are under-spent by £4,542,000 which includes uncommitted balances brought forward from 2015/16.

Over the last three years there has been a sustained increase in demand for social care including children coming into care (March 2017 613 cases compared to April 2014 479). This has caused considerable pressures on children's services and in particular against the external agency placement and fostering allowances budgets resulting in the over-spend. Senior managers have been reviewing all admissions to care as part of a process of understanding and challenging practice. In addition robust scrutiny of high cost placements has been carried out by senior managers to ensure appropriate provision has been in place but the underlying issue has been the volume of placements required.

This position is analysed in the monitoring spreadsheet provided at attachment 1 to this report, based on actual expenditure to March 2017

#### **2.2 Variance Summary**

Significant non-DSG variances are as follows:-

- **Children in Care** – over-spend against the external placement budget of £4,483,000 (47.9% of budget) is the significant part of the total over-spend of £4,564,000.
- **Regulated Services** – the forecast over-spend of £794,000 is due to the budget pressure against in-house fostering and special guardianship allowances relating to the

number of allowances being paid which is partly offset by income in the adoption services from GCC assessed families adopting children from other authorities.

- **Safeguarding** – staffing budgets received £2,000,000 investment in 2016/17. The staffing budgets are £233,000 over-spent due to the use of agency staff while the new structure embeds. Section 17 and discretionary payments for children in care over-spent by £546,000 (121.7% of the budget).
- **SEN services** - budgets have over-spent by £704,000 mainly due to staff restructuring costs within the SEN Casework Team and additional staff to meet demands within Educational Psychology.
- **Quality** – over-spend of £144,000 at the year end due to the costs of supporting the number of child protection conferences required.
- **Supporting People** – budgets are £630,000 under-spent due to additional savings being achieved above target.
- **Home to School Transport** – an underspend of £732,000 has been achieved due to staff vacancies and lower expenditure against transport contracts.
- **Improved Outcomes – Schools & Academies** - under-spent by £190,000 mainly due to vacancies within staffing budgets and traded income not previously forecast.
- **Children with disability** budgets are under-spent by £169,000 due to lower expenditure at the residential units, against contracts and care packages.
- **Commissioning Function** – the under-spend is due to unallocated budgets for inflation and activity contingencies being released as approved by COMT (£1,139,000).

Significant DSG variances are as follows:-

- **DSG funded services** are under-spent by £4,542,000 which includes uncommitted balances brought forward from 2015/16. The uncommitted balances are offsetting the budget pressures at Coln House special school in this financial year. These include associated costs within the Independent special school fees and recoupment budgets that are over-spent by £1,137,000 and a provision for Coln House redundancies.
- **High Needs top up budgets** are reporting an increase in spend above budget of £399,000 due to increased numbers of pupils being supported within primary and secondary schools.
- **Early Years** are £675,000 under-spent due to lower nursery payments and further support for capacity building for additional nursery places now to occur in 2017/18.

### **2.3 Additional Information**

The MTC targets for 2016/17 total £6,675,000 and these have been achieved.

### **3. Detailed Analysis**

An analysis of the financial figures is contained in the following attachments:

- Attachment 1 – Net Budget (Outturn) Commissioning Director: Children & Families – SLA format
- Attachment 2 – Net Budget (Outturn) – High Risk Analysis
- Attachment 3 – Activity Analysis – External Agency Placements

The detailed analysis is set out under the lead commissioner areas:-

#### **3.1 Quality**

- The overspend of £144,000 is due to the cost of agency staffing to cover the need for additional Chairs for child protection conferences.

### 3.2 Lead Commissioner Education and Skills

- **Schools** - uncommitted balances brought forward including de-delegated balances total £5,694,000; £1,500,000 of the balances has been identified to offset spend relating to Coln House School and additional placement costs.
- **Improving outcomes for Vulnerable Children** - hospital education is overspent by £334,000 due to increased activity within the service and private hospital provision and alternative provision top up budgets are £219,000 over-spent. There is an over-recovery of contributions against the primary and secondary excluded pupil budget of £294,000 (DSG funded) and an unallocated high needs contingency is also offsetting the above position.
- **Improving outcomes for Schools & Academies** - under-spent by £265,000 mainly due to vacancies within staffing budgets and traded income not previously forecast.
- **SEN Services** – budgets are over-spending in total by £1,909,000 due to independent special school fees and recoupment budgets (£1,137,000) due to the additional costs of placements following the closure of Coln House. Overall these are offset by balances mentioned above. There is an in-year pressure in SEN services due to casework team demands and responding to increased activity in high needs cases.
- **School Places & Access services** – an under-spend of £819,000 has been reported due to staff vacancies across a number of teams and lower expenditure against transport contracts (£623,000).

### 3.3 Lead Commissioner Families

There are significant pressures on budgets related to operational social care services. This relates to the demand for child protection services and the number of children in care. Details include:-

- **Children in Care** - the external placement budget is £4,483,000 over-spent (47.9% above budget). The volume and cost of placements for both residential and fostering has caused the budget to over-spend. Compared with last year there are currently 231 external placements, compared with 187 at the same point. The financial recovery plan has been reviewed and updated to mitigate the volume increases wherever possible. The IRIS project is being developed to look at reducing residential costs by supporting young people to step down to foster care or to return home. Activity information for the last few years is presented in attachment 3.
- **Regulated services** - The in-house fostering service is over-spent by £602,000 which includes a fostering allowances over-spend of £639,000. The increase in the number of allowances, court ordered parent and baby placements and the complexity of some cases is causing substantial budget pressures against the allowance budget. Special Guardianship Orders are over-spent by £246,000 due to an increased number of orders that have been made but this is offset by adoption services receiving £257,000 of additional income due to GCC assessed families adopting children from other authorities.
- **Safeguarding** - staffing budgets received £2,000,000 investment in the financial year to reduce caseloads to nationally accepted levels. Social workers have been recruited to fill the additional posts but agency staff have continued to cover to provide experience where there are newly qualified workers or where caseloads remained high. Section 17 and discretionary payments for children in care are over-spent by £546,000. Changes in practice are being introduced replacing the use of ad hoc arrangements with a more coherent commissioning framework. Over time this should reduce some of the financial pressures in this area.

- **Early Years** have a £685,000 under-spend against payments for 3&4 year old nursery placements and capacity building for two year old places (DSG).

### **3.4 Lead Commissioner Children's Health**

- **Children with Disabilities** - budgets are under-spent by £169,000 due to lower expenditure at the residential units (£93,000) and against contracts and for care packages (£101,000).

### **3.5 Lead Commissioner Supporting People**

- **Supporting People** - budgets are £630,000 under-spent due to over achievement of savings and less commitments against the welfare grant.

### **3.6 Commissioning Function**

- The under-spend reported (£1,139,000) is due to unallocated budgets for inflation and activity contingencies not required this year being released as approved by COMT.