

Gloucestershire County Council

2018/19 Revenue Budget Monitoring Report Commissioner Director: Children & Families Net Budget Analysis Year-End Forecast input in December 2018

1. Purpose

To provide the budget forecast outturn figures for the 2018/19 revenue budgets.

The structure of the report reflects the commissioning view of children and families services. Services are grouped by Service 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 £442 million. Of this total, £346 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 current forecast of the year end revenue position as at December 2018 for non-DSG funded services is an over-spend position of £7.97 million (7.5% of budget). The underlying over-spend is £10.57 million, £6.23 million being external placement costs, which reduces to £7.97 million when offset by £2.6 million of Business Rates Retention pilot income. Dedicated Schools Grant (DSG) funded services are forecast to be over-spent by £5.7 million in-year. The announcement in December 2018 by the DFE of additional funds to support children with special educational needs has reduced the over-spend by £1.35 million and balances brought forward of £2.3 million reduce the net over-spend to £2.05 million against the ring-fenced grant.

At the end of November 2018 children in care numbers had risen to 686 from 549 at the end of March 2016 and although nationally the trend is increasing (circa 3% p.a.) other factors will include the improvement in social work practice through catching up on drift and delay in casework. The ongoing rise in children coming into care continues to cause significant pressures on children's services and in particular against the external placement and safeguarding staff budgets resulting in the over-spend.

This position is analysed in the monitoring spreadsheet provided at attachment 1 to this report, based on actual expenditure to the end of November 2018 and forecasts input in December 2018.

2.2 Variance Summary

Significant non-DSG variances are as follows:-

- **Children in Care** – over-spend against the external placement budget of £6.23 million (36.1% of budget) is the significant part of the total over-spend of £6.38 million.
- **Safeguarding** – staffing budgets are forecasting to be £2.87 million over-spent. Recruitment and retention of social workers continues to be challenging with a significant number of agency staff continuing to cover staff vacancies or where caseloads remain high. Section 17 and Children in Care payment budgets are forecasting a £0.83 million over-spend.
- **Quality** – additional Conference Chairs are resulting in a forecast over-spend of £0.25 million.
- **Young People Support** – are forecasting a £0.88 million over-spend due to the cost of supporting a number of complex cases and the additional cost of agency staff.
- **Regulated Services** – an over-spend of £0.21 million includes the cost of in-house fostering and adoption placements offset by lower allowance payments.
- **Disabled Children & Young People** – forecast under-spend of £0.34 million reflecting lower staffing costs.
- **Commissioning Function** - £2.6 million reflects the business rate retention rate pilot income and £0.19 million from the release of contingencies.
- **Other variances** – under-spends totalling £0.24 million across a number of areas.

Significant DSG variances are as follows:-

- **Schools DSG balances** brought forward from 2017/18 which are uncommitted total £2.3 million. Dedicated Schools Grant (DSG) funded services are forecast to over-spend by £5.7 million in-year, and after allowing for the additional funding announced by the DFE of £1.35 million in 2018/19 and balances the DSG over-spend reduces to £2.05 million against the ring-fenced grant.
- Education, Health and Care Plan (EHCP) top ups are over-spending by £2.25 million mostly within primary schools. Special school places are forecasting to over-spend by £1 million.
- **Services for CYP with Additional Needs** – Independent Special Schools are forecasting to over-spend by £1.15 million due to increased activity.
- **Education Outcomes and Intervention** – EHCP top ups are over-spending by £1.36 million within alternative provision schools as a result of the high levels of exclusions from mainstream schools and DSG balances of £0.5 are being used to fund known in-year commitments.
- **Other variances** – there are a number of other smaller under-spends totalling £0.56 million across a range of services.

2.3 Underlying Financial Considerations

The outturn forecast summarised above includes the following financial information:

- The MTC targets for 2018/19 total £0.35 million and are forecasting to underachieve by £0.06 million due to pensions savings where commitments have not reduced as expected.

3. Detailed Analysis

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

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

The detailed analysis is set out under service areas:-

3.1 Education and Additional Needs

- **Schools** - balances brought forward from 2017/18 total £2.3 million and additional funding for 2018/19 of £1.35 million was announced by the DFE in December. DSG funded services are forecast to over-spend by £5.7 million in-year, but this reduces to £2.05 million after the use of balances and the additional funding. Top ups are over-spending by £1.8 million within mainstream primary schools due to the increase in the number of children with education, health and care plans. This is likely to increase as the year progresses. Special school places are forecasting to over-spend by £1 million.
- **Services for CYP with Additional Needs** – Independent Special Schools are forecasting to over-spend by £1.15 million due to increased activity.
- **Education Outcomes and Intervention** - top ups are over-spending by £1.36 million within alternative provision schools due to the number of exclusions. A pilot project to seek to reduce exclusions will address some of the additional costs. DSG balances of £0.5 million are being used to fund known in-year commitments within high needs services.
- **Disabled Children & Young People** – forecast under-spend of £0.34 million reflecting lower staffing costs in fieldwork and residential provision.

The High Needs Programme is focussing on addressing this financial pressure and the additional funding announced by the DFE for 2018/19 and 2019/20 will ease some of the pressure but not all if expenditure continues at this level in 2019/20. Changes to funding arrangements are currently being discussed with the Schools Forum to bring the DSG back into balance. Any potential over-spend in future years which could not be addressed through the DSG ring-fenced grant may result in a future financial risk to the Council.

3.2 Children and 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** – as part of the 2018/19 budget, additional investment of £7.6 million was approved for external placements. This investment was based on a maximum number of 280 external placements with a unit cost of £61,600 per annum using an 80:20 fostering to residential weighting. The current forecast over-spend against the external placement budget of £6.23 million (36.1% above budget) is due to a higher number of external placements than anticipated, within which the number of residential placements has increased in both absolute and proportionate terms. Many of the residential placements are required to meet the needs of highly complex children resulting in a current average unit cost of £86,700 per annum. There are currently 295 external placements, of which 75 are residential. The forecast includes contingencies of £1.2 million for new cases in-year to allow for additional placements to replace existing care commitments or allow for high number of placements.
- The Director of Children's Service's is leading a review of all high cost placements on a regular basis as part of the wider improvement work on permanence planning. The aim is to reduce the cost of external placements where appropriate, given the higher unit costs outlined above, ensure decisions around placement change and permanence are executed in timely child centred manner, and ultimately bring down the forecast over-spend. It is estimated that these reviews will result in approximately £1 million of cost avoidance in 2018/19, which has been built into the forecast. To date the reviews have

resulted in estimated cost avoidance of £0.77 million in the current financial year. Improving social care practice to divert children from care at an earlier point and achieve permanence at the earliest opportunity will reduce costs in the longer term. Activity information for the last few years is presented in attachment 3.

- **Safeguarding** - Safeguarding staffing budgets have received £4.01 million of investment in 2018/19 to reduce caseloads and improve practice within teams. Recruitment of social workers especially experienced staff continues to be a challenge and agency staff have continued to cover staff vacancies or where caseloads remain high. Due to the number of agency staff, budgets are forecasted to be £2.87 million over-spent. To address the issue of recruitment and retention it has been agreed that a number of changes are to be made to social work pay scales and allowances in year to make Gloucestershire competitive with neighbouring authorities. Section 17 and Children in Care payment budgets are forecasting a £0.83 million over-spend due to the higher level of activity. Procedures are being put in place to review all significant payments to ensure consistency across teams.
- **Quality** - The increase in child protection cases has resulted in additional Child Protection Chairs being employed on a temporarily basis resulting in a £0.24 million over-spend.
- **Regulated services** – a net over-spend of £0.25 million includes adoption, child arrangement and special guardianship orders forecast under-spend of £0.22 million due to lower than expected number of orders/allowances being made. This is offset by the in-house fostering service which is forecasting to over-spend by £0.17 million and adoption placements of £0.19 million.

3.3 Commissioned Children's Services

- **Young People Support** – young people's expenses are forecasting a £0.88 million over-spend due to the cost of supporting a number of complex cases and the additional cost of agency staff covering staff vacancies.

3.4 Commissioning Function

- The July 2018 Cabinet approved that £2.6 million of business rates pilot income should be allocated to demand pressures within Children's services. The allocation is set against this heading. Unallocated one off monies totalling £0.19 million have been released to help offset the over-spend.

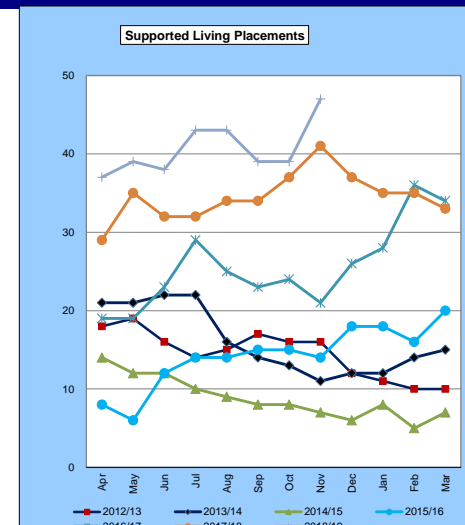
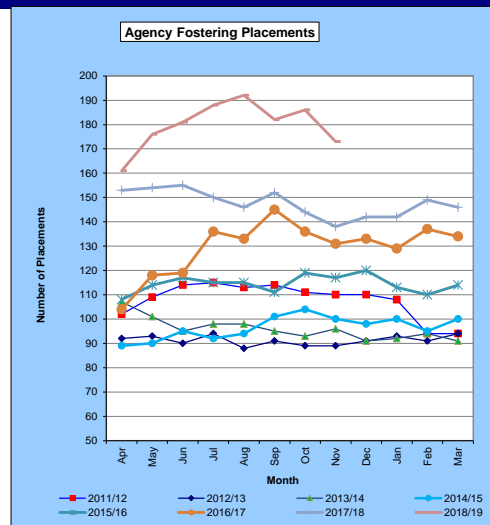
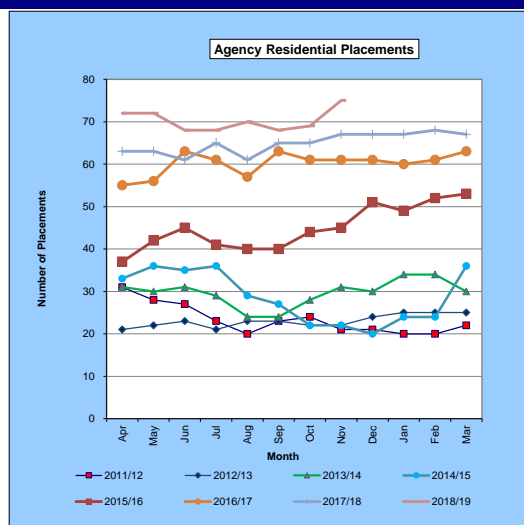
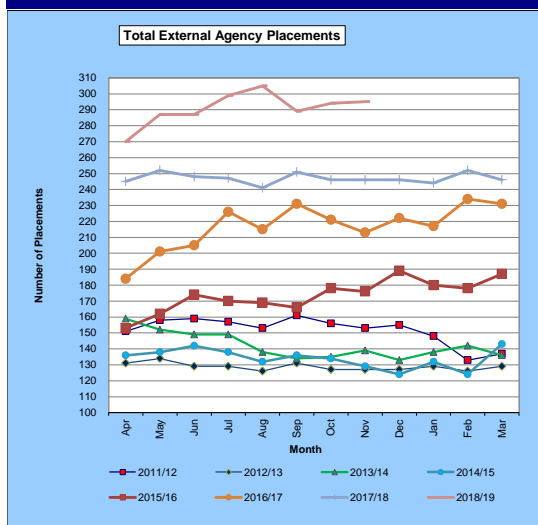
2018/19 Revenue Budget Monitoring Report - ATTACHMENT 1
Commissioning Director : Children & Families
Net Budget Analysis
Year-End Forecast input in December 2018

Service Area	Budget Manager	Full Year Budget	Forecast Outturn	Variance				Prev. Mth's Forecast Variance			
				DSG £000	Non DSG £000	Total £000	%	DSG £000	Non DSG £000	Total £000	Change £000
Services for CYP		£000	£000								
<u>Education & Additional Needs</u>	Tim Browne										
Schools		-51,443	-50,752	631	60	691	-1.3%	-372	60	-312	1,003
Services for CYP with Additional Needs		16,254	17,363	1,209	-100	1,109	6.8%	1,282	-74	1,208	-99
Disabled Children & Young People		4,338	3,995	0	-343	-343	-7.9%	0	-317	-317	-26
Education Outcomes and Intervention		7,915	8,170	393	-138	255	3.2%	998	-116	882	-627
Commissioning for Learning		13,331	13,198	21	-154	-133	-1.0%	24	-146	-122	-11
Early Years Education		30,885	30,678	-189	-18	-207	-0.7%	-6	-18	-24	-183
Other Education Services		828	868	0	40	40	4.8%	-1	19	18	22
Total Education & Skills		22,108	23,520	2,065	-653	1,412	6.4%	1,925	-592	1,333	79
<u>Children & Families</u>	Julie Rzezniczek										
Safeguarding		14,920	18,611	0	3,691	3,691	24.7%	0	3,316	3,316	375
Children in Care		20,303	26,680	0	6,377	6,377	31.4%	0	6,107	6,107	270
Regulated Services		15,133	15,341	0	208	208	1.4%	0	65	65	143
Quality		1,927	2,177	0	250	250	13.0%	0	424	424	-174
CF Management & Business Support		2,784	2,760	0	-24	-24	-0.9%	0	14	14	-38
Localities Coordination & Support		3,080	3,105	0	25	25	0.8%	0	6	6	19
Total Children & Families		58,147	68,674	0	10,527	10,527	18.1%	0	9,932	9,932	595
<u>Commissioned Children's Services</u>	Wendy Williams										
Young People Support		9,349	10,229	0	880	880	9.4%	0	747	747	133
Localities Early Intervention		881	881	0	0	0	0.0%	0	0	0	0
Health Contracts		704	704	0	0	0	0.0%	0	0	0	0
Commissioned Early Years Services		4,850	4,869	0	19	19	0.4%	0	1	1	18
Other Commissioned Children's Services		15,784	16,683	0	899	899	5.7%	0	748	748	151
Commissioning Function	Sue Hall	10,049	7,233	-10	-2,806	-2,816	-28.0%	-6	-2,861	-2,867	51
Roundings		0	-2	0	-2	-2		0	0	0	-2
Total		106,088	116,108	2,055	7,965	10,020	9.4%	1,919	7,227	9,146	874

2018/19 Revenue Budget Monitoring Report - ATTACHMENT 2
Commissioning Director : Children & Families Services
High Risk Analysis
Year-End Forecast input in December 2018

Service Area	Budget Manager	Full Year Budget	Forecast Outturn	Variance				Prev. Mth's Forecast Variance			
				£000	£000	DSG £000	Non DSG £000	Total £000	%	DSG £000	Non DSG £000
External Agency Placements	Wendy Williams	17,255	23,485	0	6,230	6,230	36.1%	0	5,980	5,980	250
Independent Special Schools	Charlotte Jones	9,291	10,441	1,150	0	1,150	12.4%	1,150	0	1,150	0
Fostering	Tammy Wheatley	9,658	9,831	0	173	173	1.8%	0	195	195	-22
Adoption	Tammy Wheatley	2,482	2,671	0	189	189	7.6%	0	44	44	145
Special Guard & Res Orders	Tammy Wheatley	2,993	2,839	0	-154	-154	-5.1%	0	-175	-175	21
Safeguarding Staff	Julie Rzezniczek	13,291	16,161	0	2,870	2,870	21.6%	0	2,605	2,605	265
Section 17 & Discretionary Payments	Various	1,284	2,116	0	832	832	64.8%	0	705	705	127
High Needs Top-up Budgets	Charlotte Jones	25,482	29,097	3,615	0	3,615	14.2%	1,925	0	1,925	1,690
Pensions	Stewart King	3,812	3,872	0	60	60	1.6%	0	60	60	0
Youth Support - Leaving Care / After Care	Mark Bone/Francis Gobey	4,170	5,050	0	880	880	21.1%	0	748	748	132
<i>Staffing</i>		2,699	3,081	0	382	382	14.2%	0	337	337	45
<i>Payments</i>		1,471	1,969	0	498	498	33.9%	0	411	411	87
Transport	Charlotte Jones/Clare Medland	11,425	11,325	0	-100	-100	-0.9%	0	-100	-100	0
Nursery Education Fees	Sarah Hylton	30,603	30,415	-189	0	-189	-0.6%	-6	0	-6	-183
Roundings		1	0	0	0	0		0	0	0	0
Total		131,747	147,303	4,576	10,980	15,556	11.8%	3,069	10,062	13,131	2,425

2018/19 Revenue Budget Monitoring Report Children & Young People's Services Activity Analysis - External Placements



Total Agency Placements								
Month	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Apr	151	131	159	136	153	184	245	270
May	158	134	152	138	162	201	252	287
Jun	159	129	149	142	174	205	248	287
Jul	157	129	149	138	170	226	247	299
Aug	153	126	138	132	169	215	241	305
Sep	161	131	134	136	166	231	251	289
Oct	156	127	135	134	178	221	246	294
Nov	153	127	139	129	176	213	246	295
Dec	155	127	133	124	189	222	246	
Jan	148	129	138	132	180	217	244	
Feb	133	126	142	124	178	234	252	
Mar	137	129	136	143	187	231	246	
Average	152	129	142	134	174	217	247	291

Total Residential Agency Placements								
Month	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Apr	31	21	31	33	37	55	63	72
May	28	22	30	36	42	56	63	72
Jun	27	23	31	35	45	63	61	68
Jul	23	21	29	36	41	61	65	68
Aug	20	23	24	29	40	57	61	70
Sep	23	23	24	27	40	63	65	68
Oct	24	22	28	22	44	61	65	69
Nov	21	22	31	22	45	61	67	75
Dec	21	24	30	20	51	61	67	
Jan	20	25	34	24	49	60	67	
Feb	20	25	34	24	52	61	68	
Mar	22	25	30	36	53	63	67	
Average	23	23	30	29	45	60	65	70

Total Fostering Agency Placements								
Month	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Apr	102	92	107	89	108	104	153	161
May	109	93	101	90	114	118	154	176
Jun	114	90	95	95	117	119	155	181
Jul	115	94	98	92	115	136	150	188
Aug	113	88	98	94	115	133	146	192
Sep	114	91	95	101	111	145	152	182
Oct	111	89	93	104	119	136	144	186
Nov	110	89	96	100	117	131	138	173
Dec	110	91	91	98	120	133	142	
Jan	108	93	92	100	113	129	142	
Feb	94	91	94	95	110	137	149	
Mar	94	94	91	100	114	134	146	
Average	108	91	96	97	114	130	148	180

Supported Living Placements							
Month	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Apr	18	21	14	8	19	29	37
May	19	21	12	6	19	35	39
Jun	16	22	12	12	23	32	38
Jul	14	22	10	14	29	32	43
Aug	15	16	9	14	25	34	43
Sep	17	14	8	15	23	34	39
Oct	16	13	8	15	24	37	39
Nov	16	11	7	14	21	41	47
Dec	12	12	6	18	26	37	
Jan	11	12	8	18	28	35	
Feb	10	14	5	16	36	35	
Mar	10	15	7	20	34	33	
Average	15	16	9	14	26	35	41

- Notes**
- Youth Offending placements account for the difference between the number of residential and fostering placements and the total.
 - Activity includes unaccompanied asylum seekers
 - The numbers are based on placements in the database at the end of a month. Previous months figures are updated as information becomes available
 - Prior to 2011/12 supported living placements were included within the fostering figures
 - There were a significant number of placements which came in during March 2013 which were only identified from April