

# Gloucestershire County Council

## 2021/22 Revenue Budget Monitoring Report Children & Families Services Net Budget Analysis Forecast Outturn Position September 2021

### **1. Purpose**

To provide the forecast outturn figures for the 2021/22 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 £524 million. Of this total, £413 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 for the year end revenue position as at September 2021 for non-DSG funded services is an over-spend of £17.159 million (13.56% of budget). Included within these figures is the forecast additional cost of the impact of COVID-19 on budgets which totals £9.186 million giving an underlying over-spend of £7.973 million. Significant over-spends include the external placements budget due to increasing numbers of children in care partly linked to the pandemic but also the number and cost of placements, social care staffing and home to school transport.

Additional forecast expenditure for the impact of COVID-19 covers three key areas which are external placement costs including the additional cost of accommodation for care leavers, cost of social care staff and support to vulnerable pupils. A significant part of this forecast includes the continuing impact on social care and education services even though lockdown measures have eased.

Activity levels within social care continue to cause significant budgetary pressures on children's services and in particular against the external placement resulting in the over-spend. At the end of September 2021 children in care numbers were 827 compared to 754 at the end of April 2020. Gloucestershire's number and rate of children in care is above statistical neighbours, but remains below England average.

Dedicated Schools Grant (DSG) funded services are forecast to be over-spent by £18.283 million in 2021/22, which includes the deficit carry forward of £13.67 million and the deficit budget which was set for High Needs of £4.093 million including recent adjustments between Local Authorities. The deficit budget results from setting realistic budgets within

high needs services considering growth trends and existing activity demands on special school and independent provision and top up budgets. High needs top-up budgets for colleges, primary and secondary schools are forecasting a £1.25 million overspend due to increased demand.

This position is analysed in the monitoring spreadsheet provided at attachment 1 to this report, based on actual expenditure to the end of August 2021 and forecasts input in September 2021.

## **2.2 Variance Summary**

The major variances for non-DSG, with summary explanations are:

- **Children in Care** – the current forecast over-spend against the external placement budget is £12.787 million (41.1% above budget) and includes a contingency of £3.1 million for new cases in-year to allow for additional placements to replace existing care commitments or for higher number of placements due to increased activity. The forecast also includes the current and future impact of COVID-19 on placement numbers which totals £7.047 million resulting in an underlying over-spend of £5.74 million. The current forecast average unit cost of a placement is £114,700 per annum, (residential/supported living average unit cost of £187,900). There are currently 459 external placements, of which 121 are residential and 123 supported living placements.
- **Safeguarding** – Against safeguarding staffing budgets there is a forecast over-spend of £1.232 million (6.4% above budget) with an underlying position net of COVID of £936k. Effective management of the workforce, improved processes for recruitment, more effective advertising and the support and training provided by the social work academy should address the current cost pressure. Turnover of staff is rising and has been between 16.5% and 20.3% over the last six months and at the end of August there were 85 agency workers in post.
- **Regulated Services** - in-house fostering and adoption services are under-spent by £521k due to activity at the start of the year being below budgeted assumptions.
- **Commissioning for learning** - Home to School transport is reported as £1 million overspent and is due to the number and cost of the transport for SEN pupils, increased cost of procuring new routes and the number of solo journeys required.
- **Services for CYP with Additional Needs** - The increase in the number of Education, Health and Social Care plans (EHCPs) is causing a budgetary pressure in SEN budgets with a reported over-spend of £288k net of COVID-19 expenditure.

The major variances for DSG include:

- **Schools** – the deficit carry forward is £13.67 million and relates to the high needs block.
- **Education Outcomes and Intervention** – the deficit budget that was set for the high needs block totals £4.093 million and is included under this heading. The deficit budget results from setting realistic budgets within high needs services considering growth trends and existing activity demands on special school and independent provision and top up budgets.
- **High Needs Top-up Budgets** – forecasting a £1.25 million overspend due to increased demand.

## **2.3 Other Key Financial Information**

To address this position the strategy is to bring the child in care population more in line with statistical neighbours over the coming years. This will involve a range of measures, aimed to impact on both numbers and associated costs, including

- further developing our edge of care offer to support children at home and to prevent their escalation and entry into care;
- increasing the number and proportion of children placed with in house foster care;
- continuing to develop our own placement provision with providers to exert a greater influence on the market and control costs;
- continuing to develop our permanence planning to reduce drift and delay and ensure children can leave our care in a timely manner by achieving permanence or reunification as appropriate.

### **3. Detailed Analysis**

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

- Attachment 1 – Net Budget (Forecast Outturn) Children & Families – SLA format
- Attachment 2 – Net Budget (Forecast Outturn) – High Risk Analysis
- Attachment 3 – Activity Analysis – External Placements
- Attachment 4 – Net Covid-19 Analysis