

OSC Finance and Performance Updates Finance Information Update

2021/22
Quarter 1

Context

- OSC tasked with scrutinising the Council's budget
- This session focusses on monitoring of the budget that has been set for Children's Services area, in conjunction with service performance information
- This provides members with an opportunity to understand high level financial performance for the service, and scrutinise how this meets organisational priorities
- Members will want to take a risk based approach, and focus on areas of significant variation from budget
- Embedded document provides further info, including suggested questions members may wish to consider



Microsoft Word
Document

Summary Revenue position

– Period 3

Children's Services is forecasting to spend £71.38m against an approved budget of £65.55m resulting in a projected overspend of £5.82m at Period 3. Covid-19 related activity makes up £3.05m of this.

Description	Revised 2021/22 Budget	Current Month Forecast	Projected Variance
Safeguarding and Social Care	40,842	44,997	4,155
Prevention and Early Intervention	10,627	12,154	1,527
Director of Children Services	1,764	1,764	0
Schools and Learning	3,124	3,062	(61)
Commissioning	3,192	3,396	203
Public Health	6,005	6,005	0
Total	65,553	71,377	5,824

Summary Revenue position

– Period 3

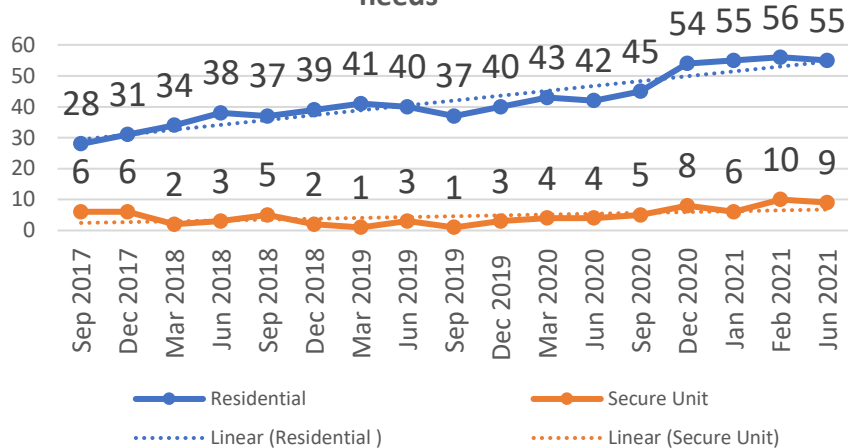


- £4.16m Safeguarding and Social Care pressure due to increased number of social care placements, increased placement complexity resulting in increased unit cost of care and increases in staffing and legal costs linked to increasing child protection cases
- £1.53m Early Help and Prevention service pressure due to SEN transport and anticipated income pressure in Nursery and Children's centres

Financial Pressures

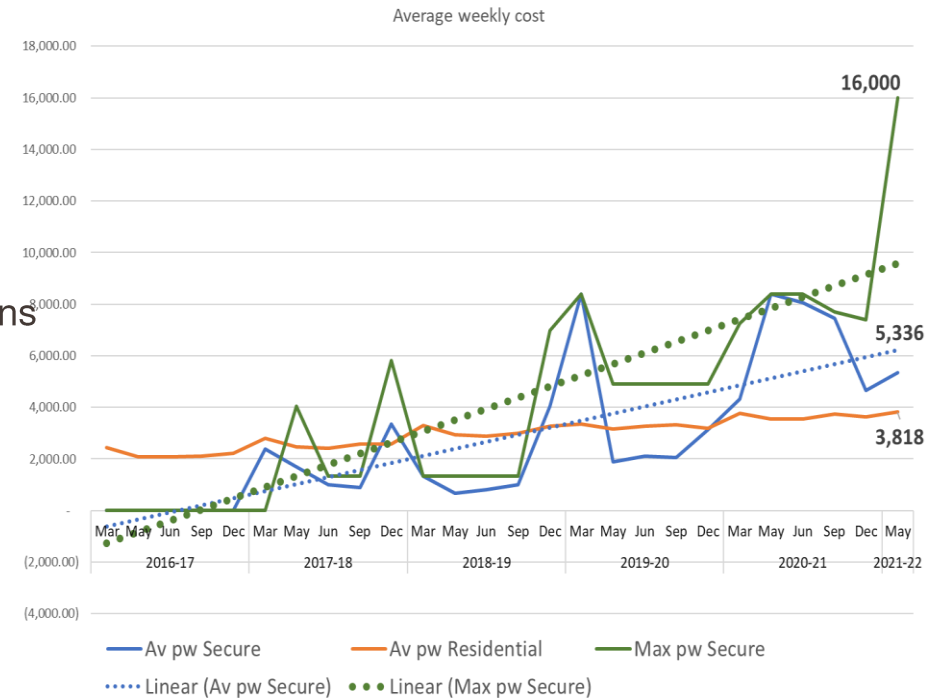
Safeguarding and Social Care

High cost placements for children with complex needs



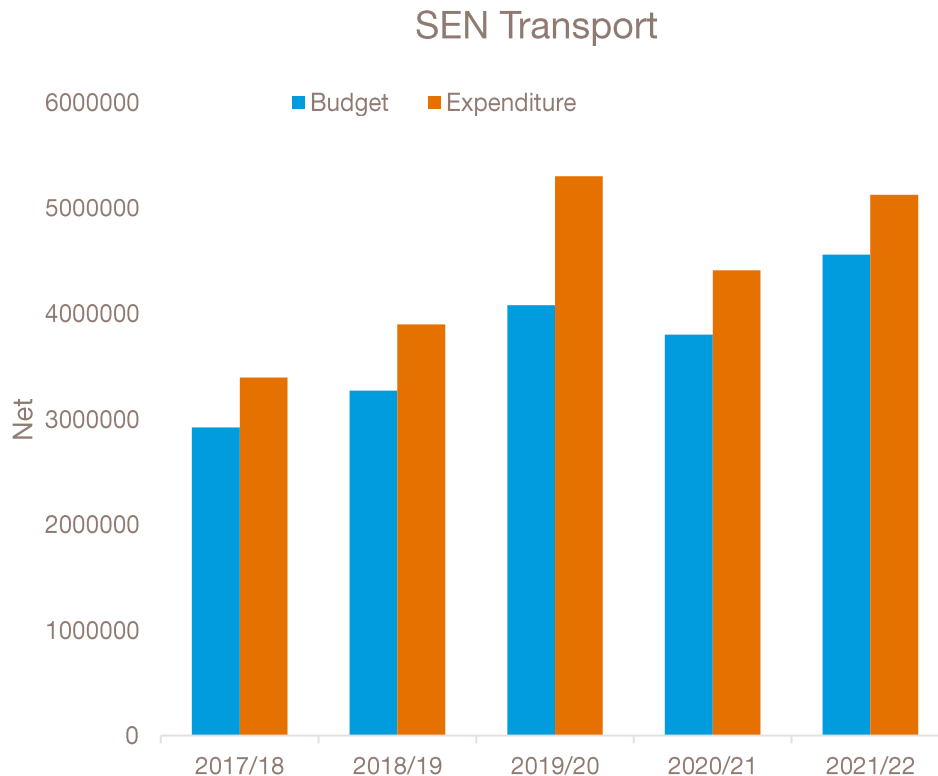
- Sustained rise in complexity of needs which means more children in more costly placements, even though children in care numbers remain stable at around 390-400
- Work with commissioning is ongoing to mitigate the rising costs of placements which reflects a national supply and demand issue. Our focus includes developing relationships with new providers and working to increase the capacity in the brokerage service through the budget setting process to secure and negotiate placements at the best possible price.

Increasing average unit cost of the complex placements



Financial Pressures

Early Help and Prevention



- ❖ Continued increase in demand with numbers up by 10% in 2021/22.
- ✓ Route reprocurement expected to reduce cost of current routes by 10%.
- ✓ New Route Mapping software to ensure the routes are as efficient as possible.
- ✓ Focus in the emerging SEN strategy for reducing Out of Borough (OOB) placements will help to reduce transport costs.

Period 3: MTFS savings tracker

Children's Services forecasts to deliver 100% of the approved programme

MTFS Savings Ref	Cabinet Decision Date	Saving proposal	2021/22 £'000s	2021/22 Projected Full Year Savings £'000s	2021/22 Savings (surplus)/ shortfall £'000s	RAG Status (Delivery of 2020/21 Saving)
People - Children						
20/25-PE03	11-Feb-20	Invest to Save - Edge of Care	(491)	(491)	0	Amber
20/25-PE04	11-Feb-20	Invest to Save proposal - In-House Fostering	11	11	0	Green
20/25-PE05	11-Feb-20	Invest to Save - SEND Transport	(216)	(216)	0	Green
20/25-PE06	11-Feb-20	Invest to Save - Pause Project	(1)	(1)	0	Green
20/25-PE08	11-Feb-20	Invest to Save - Foster Carer Room Extension	0	0	0	Green
20/25-PE09	11-Feb-20	0-19 year old public health commissioned services - a new integrated commissioned service delivery model	125	125	0	Green
20/25-PE10	11-Feb-20	Reducing placement costs through effective management of the market		0	0	Green
20/25-PE12	11-Feb-20	Reduce operational costs in Schools and Learning and Commissioning	25	25	0	Green
CH102	01-Mar-21	Maya Angelou Assessment and Contact Centre Traded Service	82	82	0	Amber
CH103	01-Mar-21	Delivering residential mother and baby assessments	239	239	0	Amber
Total: People (Childrens)			(226)	(226)	0	

Financial Performance for DSG

As at Period 3, the DSG budget is forecasting an in year overspend of £6.58m as highlighted in the table below, showing the pressure within the High Needs Block (HNB).

	Budget £'000	Forecast £'000	Variance £'000
Central Block	2,912	2,912	0
Early Years Block	21,036	21,036	0
High Needs Block	42,865	49,443	6,579
Schools Block	136,263	136,263	0
Grand Total	203,076	209,654	6,579

Financial Performance for DSG

- The main driver for the pressure in the High Needs block remains the increasing number of Education, Health and Care Plans (EHCP)
- Approximately 25% of our children who are looked after have an EHCP.
- The Council is producing a DSG Management Plan which will be coproduced with various stakeholders, and shared with the DFE, which will detail the various actions to manage the level of DSG overspend
- The plan will be a live document which will continue to be shared periodically with the DFE
- Whilst Council actions will mitigate the level of overspend, it will not bring annual spend within allocated budgets, given the significant difference between government funding, and demand for services within the High Needs Block

Capital

- Children's Services capital programme of £41.3m is forecast to spend £37.1m, 90% delivery
- The Children's Services capital programme has reprofiled resources of £5.138m into future years including primary and secondary school modernisation and enhancement budgets and the Pendarren project
- The quarter 1 forecast outturn is showing an under budget position of £4.2m which is largely due to the Primary School repairs & maintenance budget and the Secondary School modernisation & enhancement budgets. These budgets have not been reprofiled as the spend in these areas are unpredictable and it would not be prudent to reduce the budget.
- The 2021/22 Q1 Capital Monitoring for Children's Services is detailed in Appendix A

Appendix A

2021/22 Capital Monitoring, @ Quarter One (June 2021)		Scheme Description	21/22	21/22	21/22	2021/22 Full year Forecast Outturn	Budget Variance (Underspend) / Overspend
Projection Sheet			Full year Revised Budget	Budget Virement (Future Years)	Full year Revised Budget (after Framework Budget adjustment)		
SCHEM E REF	SCHEME NAME		£,000	£,000	£,000		
101	Primary Sch - repairs & maintenance	A range of repairs to various schools covering boiler replacement, rewiring and other items.	6,845		6,845	5,753	(1,091)
102	Primary Sch - mod & enhance (Inc SEN)	A range of larger, substantial repairs to schools such as re roofing works, new windows, and major fabric replacement	26,753	(2,627)	24,126	24,075	(51)
103	Primary Sch - new places	To fund expansion of schools if required	362		362	51	(311)
104	Early years	To provide funding to increase/secure early years places	205		205	0	(205)
109	Youth Services	This budget is provision for the borough's Youth Services projects.	229		229	57	(172)
110	Devolved Sch Capital	This is passed 100% to schools	531		531	531	0
114	Secondary Sch - mod & enhance (Inc SEN)	A range of larger, substantial repairs to schools such as re roofing works, new windows, and major fabric replacement	5,997	(968)	5,029	3,110	(1,919)
117	Children Safeguarding & Social Care	This scheme is designed to increase the capacity to retain LAC in-borough	495		495	(15)	(510)
118	Special Educational Needs Fund (New Provision Fund)	This scheme is to fund the SEND programme and the budget has been transferred scheme 102.	0		0	0	0
121	Pendarren House	Works to the facility to bring it to a high standard of repair	2,276	(1,418)	858	857	(1)
122	Alternative Provision Strategy	To fund capital works that increase the number of AP places in the borough	1,300		1,300	1,300	0
123	Wood Green Youth Hub	This budget is provision for the new W.G Youth Hub	1,263		1,263	1,263	0
199	P1 Other (inc Con't & Social care)	This is a small programme contingency budget.	223	(125)	98	125	27
People - Children's			46,478	(5,138)	41,340	37,107	(4,233)