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PUBLIC

To: Members of Cabinet Member meeting - Young People

Friday, 21 February 2020

Dear Councillor,

Please attend a meeting of the **Cabinet Member meeting - Young People** to be held at **4.00 pm** on **Tuesday, 3 March 2020** in Committee Room 4, County Hall, Matlock, DE4 3AG, the agenda for which is set out below.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'S Hobbs', written over a light blue horizontal line.

Simon Hobbs
Director of Legal and Democratic Services

A G E N D A

PART I - NON-EXEMPT ITEMS

1. Declarations of Interest

To receive declarations of interest (if any)

2. Minutes (Pages 1 - 2)

To confirm the non-exempt minutes of the meeting of the Cabinet Member - Young People held on 4 February 2020

To consider the non-exempt reports of the Executive Director for Children's

Services on:

- 3 (a) Confirmation of Nominations of School Governors (Pages 3 - 4)
- 3 (b) Child Arrangement Orders (Pages 5 - 24)
- 4 (a) To consider the non-exempt Report of the Executive Director for Children's Services and the Director of Finance and ICT on Budget Monitoring 2019-20 - Period 9 (Pages 25 - 34)
- 4 (b) To consider the non-exempt Report of the Executive Director for Children's Services and the Director of Finance and ICT on Dedicated Schools Grant Monitoring 2019-20 - Period 9 (Pages 35 - 38)

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER – YOUNG PEOPLE** held on 4 February 2020 at County Hall, Matlock.

PRESENT

Cabinet Member - Councillor A Dale

Also in attendance – Councillor J Twigg

9/20 **MINUTES** **RESOLVED** that the minutes of the meeting of the Cabinet Member for Young People held on 7 January 2020 be confirmed as a correct record and signed by the Cabinet Member.

10/20 **CONFIRMATION OF NOMINATIONS OF SCHOOL GOVERNORS** **RESOLVED** to approve the nomination of the following persons to serve as Local Authority Governors:-

J Bate	-	Pottery Primary School
C Martin	-	Spire Nursery and Infant School

11/20 **EXCLUSION OF THE PUBLIC** **RESOLVED** that the public, including the press, be excluded from the meeting during consideration of the remaining item on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings:-

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC, INCLUDING THE PRESS, WERE EXCLUDED FROM THE MEETING

1. To confirm the exempt Minutes of the meeting of the Cabinet Member – Young People held on 7 January 2020.

12/20 **EXEMPT MINUTES** **RESOLVED** that the exempt Minutes of the meeting of the Cabinet Member for Young People held on 7 January 2020 be confirmed as a correct record and signed by the Cabinet Member.

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DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER FOR YOUNG PEOPLE

3rd March 2020

Report of Executive Director for Children's Services

CONFIRMATION OF NOMINATIONS OF SCHOOL GOVERNORS

1. Purpose of report

To ask the Cabinet member to confirm the nominations of persons to serve as local authority school governors.

2. Information and Analysis

Nominations to school governing boards are proposed as set out below.

The Cabinet member is asked to confirm the nominations of persons to serve on the governing boards of these schools.

Any appointments made by governing boards will be subject to the completion of a Declaration of Eligibility form, a proof of identity check and an enhanced DBS check.

3. Other considerations

In preparing this report the relevance of the following factors has been considered:- prevention of crime and disorder, equality of opportunity and health, legal, financial, personnel and property considerations.

4. Background Papers

Registration forms of applicants.

5. Key Decision?

No

6. Officer's Recommendation

That the nominations for persons to serve as local authority governors are confirmed.

**Jane Parfremment
Executive Director for Children's Services**

The Cabinet member is asked to confirm the **nominations** of the following persons to serve as local authority governors.

Name	School	Nominating Councillor	Appointment
Amber Valley D Wragg	The Unity Federation	S Marshall-Clarke	New Appointment
High Peak S Morgan P Roberts	Combs Infant School Simmondley Primary School	A Dale G Wharmby	New Appointment New Appointment
North East P Hughes	Dronfield Infant School	A Dale	New Appointment
South Derbyshire A Jones	Eureka Primary School	L Chilton	Re-appointment

Author: Karen Gurney (x38755)

Agenda Item 3b

**DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR YOUNG PEOPLE**

3 March 2020

Report of the Executive Director of Children's Services

CHILD ARRANGEMENT ORDERS

1. Purpose of the Report

To approve the policy for Child Arrangement Orders including the financial support payable under this policy.

To note the work undertaken to ascertain the adequacy of the current allowance rates payable to carers with Child Arrangement Orders who have requested assessment for financial support.

2. Information and Analysis

The existing policy covering Child Arrangement Orders (formerly Residence Orders) and Derbyshire Support Scheme was last revised in 2013/14.

A review has been undertaken of the existing policy and a number of changes are proposed as a result of that review. (See appendix 1 policy document). The proposed changes do not alter the categories of who may apply, the process and assessment of applicants, the eligibility for a financial allowance, the methodology for calculating the financial allowance payable or the payment processes. The changes ensure that the policy is clearer to carers and others that need to refer to the policy. No current recipients of financial support will experience a change to the level of support and there is no expectation that the changes will result in restricting or increasing the scope of the allowances in the future.

Under common law, a Council has a duty to consult where the Council proposes to take action that would adversely affect persons who have an interest of a kind that the courts have held to be sufficient to found an expectation of consultation or where the failure to consult would be

conspicuously unfair. The proposed changes do not alter the operation of the current policy in an adverse way for any persons currently affected by the policy and therefore there is no recommendation to consult on the proposed changes prior to implementation. Careful consideration will though be given to any comments during reviews of the policy.

In addition to the review of the wording of the policy, work has been undertaken to assess the appropriateness of the allowances currently being paid. The existing policy states that the maximum allowance payable to eligible carers is set at 66% of the Fostering Network recommended minimum fostering allowance and sets out the rationale for there being a differential between the allowance paid to foster carers and the allowance paid to carers who hold a child arrangements order and are financially supported by the Authority. These were set out in the report to Cabinet 10 September 2013 and are detailed below:

A *Child Arrangements Order* confers parental responsibility on the holder but this is shared and thus does not effectively place the ultimate decision making burden on any one individual. It is also a private law order, reflecting the family care arrangements often determined by the family members and arrangements which do not entail an obligation to work within the looked after children's system which is an onerous and specialised task requiring assessment and training. It is perhaps for these reasons that there is currently no obligation to meet the National Minimum Fostering Standards 2011 which mean carers under Child Arrangement Orders are not subject to on-going monitor and review. This is reflected in there being a differential with the Child Arrangements Order allowance being set at 66% of the equivalent fostering allowance within that age band. It also reflects the added burdens and responsibilities which are assumed by those who choose to be special guardians by virtue of a Special Guardianship Order (SGO) for children and the role they play. SGO allowances reflect the level of the allowance paid to foster carers which is based on the Fostering Network's calculation that it costs 50% more to raise a child in foster care than in their own home and in formulating this policy due consideration has been given to the responsibilities, roles and duties underpinning the respective orders and arrangements.

Fostering allowances are paid to carers who have undergone the most rigorous assessment process and who meet the National Minimum Standards 2011 and remain subject to monitoring and review. Foster carers are generally not known to the children and there is the added complexity of providing care to a child who is a stranger in the foster family. Whilst they do not have parental responsibility for the children in their care, they are required to act in accordance with fostering procedures and as directed by the Local Authority.

Whilst the previous report to Cabinet in 2013 set out the rationale for a differential between the rates payable to carers with a child arrangements

order and foster carers, the Authority has still received challenges to the level at which the child arrangements order allowances have been set and has therefore also undertaken a review to consider the adequacy of the allowances currently payable to carers with child arrangements orders.

Review of adequacy of allowances payable to carers with Child Arrangement Orders

Officers have looked at the usual cost of looking after children of different ages and how means testing will apply in Derbyshire to see if they remain reasonable and fair. Derbyshire County Council is consistent with the Department for Education (DfE) recommended approach which is to apply a means test when assessing eligibility for allowances payable as a contribution towards the additional costs expected to be incurred following the confirmation of a child arrangements order. The means test approach means that the rate of allowance is withdrawn on a proportionate basis as the net disposable income available to the household in which the child resides increases.

In calculating the net disposable income available to a household, the Authority follows the recommended DfE process however the Authority's calculation of net disposable income excludes 20% of the income available to the household for the purposes of calculating entitlement to the allowances. In addition, a further 50% of the net disposable income remaining after allowing for normal household expenditure and the allowances for expenditure for each household occupant is disregarded for the purposes of calculating entitlement. This approach ensures that there is some capacity for a household to absorb unforeseen or increased expenditure between when it might arise and when the allowances can be next reviewed

The calculation reflects normal household expenditure as advised by each household at the time of application and also makes an allowance for the anticipated normal expenditure for each occupant of the household, including the children who are joining the household as a result of the child arrangements order.

The resultant remaining disposable income, net of the 50% disregard as described above, is then compared to the rate payable for each child. Income is topped up by child arrangement order allowance payments if it is below the rate payable for the child/children.

In order to review the current arrangements, figures published in "The Cost of a Child in 2019"¹ by Donald Hirsch have been consulted. This is the latest in a series of assessments published by the Child Poverty Action Group (CPAG). The report provides detailed information on two estimates of the costs of a child – one based on the incremental costs of a child being added to an

¹ <https://cpag.org.uk/policy-and-campaigns/report/cost-child-2019>

existing household, the other based on the overall costs of a child being added to a household, including housing costs. The report provides information on the variation in these values based on whether the household comprises a couple or a lone parent, the age of the additional child and whether that child is the first, second or third addition to the household.

To assess this, the existing Derbyshire means-testing process outlined above was applied to establish the disposable income point at which the maximum weekly allowance payable per child (before deduction for Child Benefit payable) was triggered and the disposable income point at which no allowance was payable. This used a set of assumptions about typical household expenditure and income. Finally, the total annual allowance payable, based on entitlement to the full rate for that age group, was compared to the estimated incremental costs of a child as contained in the CPAG report. As the information in the CPAG report was provided for children by age in individual years and by position in the family, this was grouped and averaged to provide a comparative figure against the current Derbyshire allowance rates which are shown in the table below.

Age of Child (years)	Maximum weekly allowance payable per child (before deduction of applicable child benefit)	Maximum weekly allowance payable per child (net of deduction of applicable child benefit)
0-4	£87.12	£66.42
5-10	£96.36	£75.66
11-15	£110.22	£89.52
16+	£128.04	£107.34

As the key value for establishing the ‘trigger’ points for the maximum and minimum allowance is a household’s disposable income, assumptions were made on reasonable levels of household expenditure. This was based on:

£540 per month for rent/mortgage/mortgage protection/endowment policies
 £1,500 per year for council tax
 £200 per year for buildings insurance
 TOTAL £8,180 per year.

For couples where at least one individual is at least 60 (a trigger point because the DWP assumed core expenditure rate increases), household expenditure is assumed to be £1,700 in the calculations as the rent/mortgage costs are assumed to be zero on the assumption that any mortgage would be paid off.

If the assumed level of household expenditure was increased to a higher value, the derived income figures in the table below would also increase.

Two calculations have been carried out using the calculation methodology and the assumed household expenditure described above. The calculations were to establish the 'household income' point for which the maximum allowance would be payable and the household income point at which no additional allowance beyond child benefit would be payable.

The calculations assumed 1 child being placed at each of the four age ranges to reflect the variations in weekly allowance and to three categories of household – couple both below 60, couple at least one aged 60 or above and a lone parent (assumed to be 25+).

The calculations are summarised in the table below:

Table 1

Category of Household	Assumed Age of Child placed under a CAO (years)	Household Income up to which maximum allowance payable (annual)	Household Income above which no allowance is payable (entitlement to Child Benefit remains)	Assumed Household expenditure – housing etc as defined above (annual)
Couple <60	0-4	£26,410	£35,045	£8,180
Couple <60	5-10	£26,410	£36,246	£8,180
Couple <60	11-15	£26,410	£38,047	£8,180
Couple <60	16+	£26,410	£40,364	£8,180
Couple, 1 60+	0-4	£29,718	£38,352	£1,700
Couple, 1 60+	5-10	£29,718	£39,553	£1,700
Couple, 1 60+	11-15	£29,718	£41,355	£1,700
Couple, 1 60+	16+	£29,718	£43,672	£1,700
Lone parent 25+	0-4	£23,017	£31,652	£8,180
Lone parent 25+	5-10	£23,017	£32,853	£8,180
Lone parent 25+	11-15	£23,017	£34,655	£8,180
Lone parent 25+	16+	£23,017	£36,972	£8,180

The maximum allowances payable by Derbyshire per year, per child (including child benefit at £20.70 for first child) and the estimated incremental cost of a child per annum from the Child Poverty Action Group report (averaged for age and position) are as follows:

Table 2

Age of Child (years)	Maximum allowance payable (including child benefit received from DWP)	Estimated Incremental Cost per child per year (couple) [CPAG}	Estimated Incremental Cost per child per year (lone parent) [CPAG}
0-4	£4,530	£2,979	£3,728
5-10	£5,011	£3,776	£4,424
11-15	£5,731	£5,916	£7,093
16+	£6,658	£5,838	£8,471

Table 2 shows that for a couple, the maximum allowance receivable (including the additional child benefit) is very close to or exceeds the estimated incremental cost of a child. Table 1 shows the income points at which the allowance starts to be withdrawn and the income point beyond which it is completely withdrawn except for the child benefit allowance (Note: entitlement to child benefit is currently withdrawn on a sliding scale once individual earnings exceed £50,000). Median average income in the East Midlands is estimated at £23,868 (House of Commons Briefing Paper, household incomes by region published April 2018) therefore the table demonstrates that any household with income below the median income for East Midlands and with household expenditure in line with that assumed or greater would be entitled to receive the full allowance.

Using this information, it can be seen that the greatest difference in Table 2 between the allowance payable at full rates and the estimated costs per child from the CPAG report is for older children (age 11+) with lone parents. The reason that the CPAG give for the higher incremental costs associated with a child for a single parent is because for those areas where parents have lower spending requirements than adults without children, this offsetting benefit is only felt once for a single adult rather than twice for a couple.

The CAPG report figures show an increasing incremental costs as the child gets older because of the need for more expenditure on leisure and transport. This increase is calculated by CPAG to be highest for lone parent households with children aged 15 and above.

The Fostering Networks recommended rates, on which our allowances are based, do take into account the increasing costs of caring for older children but apply the same age related increase to all households.

The policy includes the provision of additional financial support by exception and this would be available where there is a demonstrable need for financial support above that of standard recommended rates. This can be applied to, but is not limited to, lone parent households, and gives the flexibility to

respond appropriately to both short-term and longer term additional support needs.

It is important to note that the CPAG report does not include estimates for the cost of childcare which can be a significant cost. Each request from carers with a Child Arrangements Order is assessed individually and there may be circumstances where additional financial support is required in the best interests of the child. In mitigation of these circumstances, up to 15 hours childcare per week (term-time) is provided free to eligible two year olds with up to 30 hours childcare per week (term-time) provided to 3 and 4 year olds. Further, the revised policy now specifically includes discretion for additional financial support to be provided in exceptional circumstances.

Table 1 shows the income levels of single person households where entitlement to any support above the statutory child benefit allowance is withdrawn is lower than that of couples. The reason that income levels are lower for a single person household category in this calculation is because the core expenditure of maintaining a single person is estimated to be half that of maintaining a couple therefore although income trigger points are lower, the underlying net disposable income trigger point for withdrawal of the allowance remains the same or similar.

Officers have taken into account the CPAG figures and the national minimum fostering allowances; the extra duties undertaken by foster carers; the absence of any clear justification for the national minimum fostering allowances referring to the actual cost of looking after children; their own experience and expertise as to the usual cost of looking after children; the need to treat the best interests of the child as primary, to safeguard and promote the welfare of children, to advance the equality of opportunity of children who need additional help and to eliminate any discrimination against them; and the discretion that the policy gives for allowances to be paid in cases that do not fall within the usual criteria and for allowances to be paid at rates higher than the usual rates and are satisfied that the policy as to when allowances will usually be paid and as to the rates at which allowances will usually be paid is reasonable and fair in all the circumstances.

An adequacy review will be undertaken each year on the allowance rates for child arrangement orders using the CPAG reports or other similar sources.

The proposed policy is attached as Appendix 1.

3. Financial Considerations

No changes to the current level of payments are expected as a result of the update to the policy.

4. Other Considerations

The Council is under a duty to take into account the need to safeguard and promote the welfare of children and to treat the best interests of the child as a primary consideration. This Report has been prepared on that basis and decision-makers are under a duty to reach a decision on that basis.

This Report has also been prepared in a way that discharges the Council's public sector equality duty, which also applies to decision-makers, and which in this context, in practical terms, requires decision-makers to give very careful consideration to the need to eliminate discrimination against vulnerable children who need local authority help, to advance their equality of opportunity and to foster good relations between them and others.

In preparing this report the following factors also have been considered: legal, prevention of crime and disorder, equality of opportunity, environmental, health, human resources, property, social value and transport considerations.

5. Key Decision

No

6. Call-in

No

7. Background Papers

Held on file within Children's Services Department. Officer contact details – Karen Gurney, extension 38755.

8. Officer Recommendations

That the Cabinet Member:

approves the policy for Child Arrangement Orders including the financial support payable under this policy.

notes the work undertaken to ascertain the adequacy of the current allowance rates payable to carers with Child Arrangement Orders who have requested assessment for financial support.

Jane Parfremment
Executive Director - Children's Services

Residence Order/Child Arrangements Order Policy

Note: from April 2014, Residence Orders and Contact Orders were replaced by Child Arrangements Orders. Prior to April 2014, a Residence Order was a Court Order made under section 8 of the Children Act 1989, settling the arrangements as to the person with whom a child was to live.

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1. Introduction

Residence Allowances were introduced as part of the Children Act 1989 and the purpose of them was to enable a child to be legally cared for by another family where otherwise financial constraints would prevent this. From April 2014, Residence Orders and Contact Orders have been replaced by Child Arrangements Orders

Criteria for payment of an allowance

Derbyshire County Council will only pay Residence Order/Child Arrangements Order allowances in respect of children:

- Who immediately prior to the Residence Order / Child Arrangements Order being made, were **Looked After** by Derbyshire County Council;

and/or
- Where a child is subject to a **Residence Order / Child Arrangements Order** as part of a disposal of **Care Proceedings**;

and/or
- Where a child would otherwise have to be **Accommodated** by Derbyshire County Council; and
- Derbyshire County Council supports the placement of the child with the person(s) taking the Residence Order / Child Arrangements Order;

In all situations where Derbyshire County Council is involved in care proceedings, consideration should be given as to whether the child could more appropriately be placed with a relative or friend as an alternative to being placed with foster carers, pending the final hearing. If permanency is agreed as the **Care Plan** consideration should be given to placing the child with a relative or friend under a Child Arrangements Order or **Special Guardianship Order** as an alternative to placing the child in care or for adoption.

Derbyshire County Council will only provide financial assistance for legal advice for a Child Arrangement Order once it has been assessed that the child **cannot** be cared for by parents/Parental Responsibility holders because it would be unsafe to do so. In cases where the Child Arrangement Order is the better option for the child and/or the carers/parents preferred option but not the only option then support will be progressed via a private family arrangement. Whether or not legal advice is funded it will be clearly documented that this is a family choice that the Local Authority are facilitating and that the child would not otherwise be in care and therefore not eligible for other support

2. Who May Apply

Applications for Child Arrangements Order may be individual or joint. Joint applicants do not need to be married. Applicants must be 18 or over.

The following people may apply:

- a. A parent or guardian;
- b. A step-parent who has treated the child as 'a child of the family';
- c. Any other person who has obtained the consent of all those with parental responsibility;
- d. Any person who, if the child is in care, has the consent of the local authority;
- e. Any person who has obtained the permission of those who already have a Residence Order/Child Arrangements Order for the child;
- f. Anyone who the child has lived with for at least 3 years;
- g. A local authority foster parent if the child has lived with them for at least 1 year immediately preceding the application to court.

The following people may apply with the leave of the court:

- a. The child him/herself if the court is satisfied that he/she has sufficient understanding to make the application;
- b. Any person with a genuine interest in the child's welfare.

3. Parental Responsibility

The holder of a Residence Order/Child Arrangements Order has **Parental Responsibility** for the child and will have clear responsibility for the day-to-day decisions about caring for the child.

The child's parents continue to hold Parental Responsibility. The parents retain the right to consent or not to the child's adoption or placement for adoption.

In addition there are certain steps in a child's life which require the consent of everyone with Parental Responsibility, for example:

- Change of the child's name;
- The removal of the child from the United Kingdom for longer than three months;
- The sterilisation of a child.

4. The Circumstances in which a Child Arrangements Order may be Made

The Court may make a Child Arrangements Order in any family proceedings concerning the welfare of the child. This applies even where no application has been made and includes adoption proceedings.

5. Approval of Child Arrangements Order for Looked After Children

Where a child is a **Looked After Child**, Derbyshire County Council will consider whether to support the making of a Child Arrangements Order at the Looked After Child Review. The child's social worker and the child's independent reviewing officer (IRO) will be responsible for determining who should attend the Looked After Child Review. This decision whether to approve the Child Arrangements Order option will be taken by a social work team manager. If supported, this will be endorsed as part of the child's permanence plan. If the child is the subject of on-going legal proceedings, the child's social worker will reflect the review decisions in the child's **Care Plan** and in the recommendation to the Court. The applicant(s) will be advised by the child's social worker whether Derbyshire County Council supports the application.

If the child is looked after under **Section 20** of the Children Act 1989, and a plan for an application for a Child Arrangements Order has been agreed at the Looked After Children Review, the child's social worker will support the applicant in making the application for a Child Arrangements Order. The Local Authority cannot apply for a Child Arrangements Order.

Where there are child protection concerns and the child is not yet a Looked After Child, Derbyshire County Council will consider whether the application for a Child Arrangements Order by a relative or friend will avoid the child being a Looked After Child. In this instance, the intending applicant will need to make the application to court, but if Derbyshire County Council supports the plan, the child's social worker will provide information and guidance to assist with the application.

6. Process for assessing and approving applicants

Processes for assessing and approving applicants who seek Child Arrangements Order in respect of children who are LAC or who are at risk of becoming a Looked After Child are as rigorous as arrangements made for assessing and approving other alternative carers.

In reaching the decision to approve and support a person applying for a Child Arrangements Order, the authority will have due regard to research findings relating to the placement of children with relatives, the proven benefits and desirability of continuity for children and the other potential gains that may accrue from placement within the extended family, with a known carer or within the child's wider community network.

If the application is being made in support of a child who is a Looked After Child and Derbyshire County Council supports the application, financial assistance may be granted to pay for the application. The decision on whether to approve financial support is the responsibility of the Head of Service Locality. Applications for financial support should be submitted to the child's social worker who will then arrange for these to be considered.

When an application for a Child Arrangements Order is requested or considered for a Looked After Child, the child's social worker will:-

- Have regard to the need to safeguard and promote the welfare of the child and to treat the child's best interests as paramount;

- Provide full information in writing to the prospective applicants which will explain the effects a Child Arrangements Order will have with regard to the applicants relationship with the child, the birth parents and the local authority;
- Consider any special needs of the applicant that require information to be shared in another format, e.g. large print, different language, use of an interpreter;
- Obtain the views of people who hold parental responsibility for the child including birth fathers who do not hold parental responsibility, of the intention of the foster carers or other persons, to apply for a Child Arrangements Order;
- Ascertain the child's wishes and feelings regarding the proposed application and consider the child's need for support and /or counselling;
- Undertake an assessment of the proposed applicants to determine whether the placement will meet the child's long term needs;
- Consider if Section 17 support may apply if the child is deemed a Child in Need
- Advise the prospective applicants that they can seek independent legal advice;
- Arrange for an assessment of financial/on-going support, by the Financial Team (financial support does not apply if the child is to live with a parent or step-parent);
- Ensure information is given in a way that takes into account any special needs of those people being interviewed, e.g. use of interpreter, large print.
- Clarify and communicate the Court timescales
- Commence a Social Care Assessment (see below)

All of the above information will be recorded by the child's social worker on the child's electronic record.

In all cases, there will need to be an assessment of the needs of the child, the suitability of the applicant(s), the proposed contact arrangements and the support needs of the child, parents and the applicant. The information gathered will form a Social Care Assessment.

The assessment of the applicants will include their medical history, the references received and the **Disclosure and Barring Service (DBS)** of all adults in the house over the age of 18 years, and other statutory checks undertaken for the assessment.

The applicants will be advised of the personal information which will be required for the Court report.

The applicants will be visited at home both jointly and separately. The child will also be visited in the company of the applicants to enable an assessment of the interaction and relationships. Any other members of the household will also be interviewed. If assessed as required, appropriate counselling will be provided.

The child will be visited and invited to express their wishes and feelings.

The child needs to know and have an understanding of his/her birth origins as well as to be aware of the implications of Residence Order/Child Arrangements Order. She /he will be seen alone if the child is old enough (e.g. over 5

years) and it is important to note that even young children can understand the difference between a 'parenting' parent and a 'birth' parent. It is essential that the child's views are recorded and taken into account. Where a child has strong bonds with the birth parents it is crucial that this matter is given careful consideration and contact issues addressed.

Counselling the birth parent or anyone who has Parental Responsibility for the child is essential. The social worker for the child is responsible for undertaking this. In addition the birth parent will be advised of the availability of independent support arrangements and how to access these. Any birth parent not agreeing to the application will be advised to engage a solicitor as soon as possible.

6.1 Contact

Issues of any on-going contact will be discussed fully with all parties. Such arrangements may be made informally if all parties are in agreement. However there may be child protection concerns and consideration may need to be given to on-going supervisory arrangements, how able the applicants are to supervise contact and ensure the child's safety. A recommendation regarding contact may be made to the Court.

7. Report to the Court

If the child is a Looked After Child, or known to the Local Authority, the Court will order a report from the local authority.

The social worker or social workers preparing the Court report will be suitably qualified and experienced. If the applicant is an existing foster carer, the supervising social worker will complete the sections on the carers and the child's social worker will complete the sections on the child and birth family.

In cases where the child is already subject to Court proceedings, the social worker will need to reflect the plan for a **Child Arrangements Order** in the **Care Plan** and in the recommendation of the final court report.

If the child is not already subject to on-going court proceedings and an application for a Child Arrangements Order is made, the Court will request a **Section 7** or a **Section 37** report from the Local Authority. If the child is already known to Derbyshire County Council, the report will be completed by the child's social worker. The author of the report must attend the court with the applicants.

8. Discharge or Variation of Residence Order / Child Arrangements Order

A Residence Order / Child Arrangements Order can be varied or discharged on the application of:

- Holder of the Residence Order / Child Arrangements Order;
- The local authority in whose name a **Care Order** was in force before the Residence Order / Child Arrangements Order was made;
- Anyone with a Residence Order / Child Arrangements Order in respect of the child before the current Residence Order / Child Arrangements Order was made; or
- With the leave of the court:
 - The child's parents or guardians;

- Any step parent who has **Parental Responsibility**;
- Anyone who had Parental Responsibility immediately before the current Residence Order / Child Arrangements Order was made;
- The child (if the court is satisfied that the child has sufficient understanding).

Where the applicant is not the child and the leave of the court is required, the court may only grant leave if there has been a significant change in circumstances since the Residence Order / Child Arrangements Order was made.

The court may during any family proceedings in which a question arises about the welfare of a child who is subject to a Residence Order / Child Arrangements Order, vary or discharge the Order in the absence of an application.

9. Residence Order/Child Arrangements Order Allowances

9.1 General Principles

Residence Order Allowances were introduced as part of the Children Act 1989 and the purpose of them was to enable a child to be legally cared for by another family where otherwise financial constraints would prevent this. They were superseded in April 2014 by the Children and Families Act 2014 which introduced Child Arrangements Order Allowances. The Order comes to an end when a child reaches 18 unless the Court specifies that it should end earlier or another order is made that discharges it. (This is an amendment by Section 37 of The Children and Young Person's Act 2008 to the Children Act 1989 (Section 9(6) - duration of Residence Orders where this type of Order is in force).

Residence Order / Child Arrangements Order allowances are considered where there are financial or support needs in respect of a child which will be recognised through the payment of an allowance. Financial support from Local Authorities must complement and not duplicate financial support available through benefits and tax credits systems.

9.2 Residence Order / Child Arrangements Order Allowances

Unless there are exceptional circumstances, Derbyshire County Council will only pay such allowances in respect of children:

- Who immediately prior to the Residence Order / Child Arrangements Order being made, were **Looked After** by Derbyshire County Council;
- and/or
- Where a child is subject to a **Residence Order / Child Arrangements Order** as part of a disposal of **Care Proceedings**;
- and/or
- Where a child would otherwise have to be **Accommodated** by Derbyshire County Council; and
 - Derbyshire County Council supports the placement of the child with the person(s) taking the Residence Order / Child Arrangements Order;

The general principle is that where a person/s is seeking to make a permanent and substantial commitment towards a child by means of a Child Arrangements Order, this commitment should be taken to include a willingness to meet costs associated with such a commitment, subject to the ability to do so and means testing. **Payments are subject to discretion and a degree of professional judgment.**

Derbyshire's usual current payment rates per child are as detailed in the table below. Entitlement to the full rate is subject to a means test to take into account the individual circumstances of each household. Derbyshire reviews its rates annually to ensure that they are normally sufficient to contribute to the costs of raising a child.

Age of Child (years)	Maximum weekly allowance payable per child (before deduction of applicable child benefit)	Maximum weekly allowance payable per child (net of deduction of applicable child benefit)
0-4	£87.12	£66.42
5-10	£96.36	£75.66
11-15	£110.22	£89.52
16+	£128.04	£107.34

The amount of the Residence Order allowance / Child Arrangements Order allowance will:

Be calculated individually;

- Taking into account the need to safeguard and promote the child's welfare and treat the child's best interests as a primary (particularly important) consideration;
- Be assessed by completing a 'Residence Order / Child Arrangements Order Financial Support Means Test';
- This is assessed via the DfE calculation methodology;
- Not include any reward element;
- Take into account the financial resources of the Residence Order / Child Arrangements Order holder including any financial benefit arising from the placement of the child i.e. Child Benefit, Tax credit;
- Take into account the financial needs /resources of the child, if any, excluding mobility/attendance allowance;
- Take into account any special needs or expenditure that may justify a higher rate than one based on the usual full rates in the table above (e.g. childcare) (such decision to be made by the Head of Service Locality)

The payment of a Residence Order / Child Arrangements Order allowance may affect receipt of benefits and advice should be sought from HMRC.

It is not the function of the Derbyshire County Council to accept responsibility for income maintenance.

There are no leaving care services available to young people who are subject to a Residence Order / Child Arrangements Order, unless they are Looked After beyond 16 years of age

9.3 If an Allowance is Payable

Once a decision has been made that an allowance is payable, the carer will be informed in writing of the details:

- How the decision was reached;
- The amount of the allowance;
- The date of the first payment;
- The method and frequency of the payment;
- The arrangements for review, variation and termination of the allowance and the requirement for full financial detail to be provided;
- The carer's responsibility to notify us of any changes in your circumstances or those of the child.

The allowance will be fixed at the calculated rate at the point of the order being made. It will be paid 52 weeks of the year and is intended to contribute to related costs of caring for the particular child.

9.4 Payment and Review

Payment commences as from the date of the Residence Order / Child Arrangements Order, or if the child is placed after this date, from date of placement.

The allowance is reviewed annually and this is to determine that the allowance is still appropriate. If information is not shared with Derbyshire County Council in a reasonable timeframe by carers then any resulting overpayments will be recovered by the Authority.

The Authority will contact the carers with the Residence Order Allowance / Child Arrangements Order to confirm that the arrangement is still in existence.

Derbyshire County Council will review allowances payable and in order for allowances to continue up to 18 years of age and in certain circumstances, we will need to confirm that the young person:

- Continues to reside full time in your care - up to 18 years;
- Is not in receipt of any benefits other than EMA (or equivalent) for training/education in their own right.

And in addition that the financial circumstances of the carers in receipt of the allowance remain unchanged.

Payment of the Residence Order Allowance / Child Arrangements Order Allowance will automatically end when:

- The child ceases to live with the family with the Residence Order / Child Arrangements Order;
- Reaches 18 years of age. For young people in employment a contribution to the residence order allowance will be considered as part of the annual review of the allowances.

9.5 Notifications

The Residence / Child Arrangements Order allowance is payable in respect of the child who is subject to a Residence Order / Child Arrangements Order who is resident with you. If your circumstances alter so that this is no longer the case you must notify Derbyshire County Council of any significant changes in the family:

- The child ceases to have a home with you;
- The child ceases full time education or training and commences employment;
- The child qualifies for welfare benefits in his/her own right;
- The child attains the age of 18 and is not in education or training;
- Change of address;
- The child dies;
- There is a change in financial circumstances or the financial needs or resources of the child which may affect the amount of financial support payable to the carer.

9.6 Foster Carers Applying for a Child Arrangements Order

Where foster carers are applying for a Child Arrangements Order, in respect of a child they have been fostering, and Derbyshire County Council supports this plan, the carers will receive a Means Tested Residence Order / Child Arrangements Order allowance until the child is 18, minus Child Benefit and Child Tax Credits that become payable to the foster carer on obtaining a Child Arrangements Order.

9.7 Child Arrangements Order Allowances to Prevent a Child Becoming a Looked After Child (LAC)

Derbyshire County Council has discretion under paragraph 15 of Schedule 1 to The Children Act 1989 to make payments, to support a placement which prevents a child becoming a LAC. Child Arrangements Order may be sought by a member of the child's family or anyone the child has lived with normally for a period of one year before the order is made.

In cases where the child is not a LAC and a prospective applicant for a Child Arrangements Order makes an enquiry about support services, this will be the subject of a Social Care Assessment. If it is felt that without financial assistance, the child would be likely to become a Looked After Child, a request to undertake a financial assessment can be made to the Locality Head of Service.

9.8 Residence Order / Child Arrangements Order Allowances where Applicant is not a Former Foster Carer of the Child

Payment of a Child Arrangements Order Allowance is at the discretion of Derbyshire County Council and paid in line with the criteria laid out in [Section 9.2, Residence Order Allowances / Child Arrangements Order](#). The allowance is paid upon the making of an Interim Order or Child Arrangements Order following an assessment.

10. Matters to be Considered in Determining Eligibility for a Residence Order Allowance/Child Arrangements Order Allowance

The decision whether applicants for a Residence Order/Child Arrangements Order and the payment of an allowance is required in order to maintain the placement will be based on the following criteria:-

- The criteria in paragraph 9.2 above;
- Needs of the child/ren, including age, number of children placed, assessed cost of caring for the child/ren, the need to safeguard and promote the welfare of the child and the best interests of the child;
- Information that all State Benefits have been explored and applied for where appropriate;
- All legal steps to obtain parental contribution have been explored.

Applicants for Residence Order/Child Arrangements Order should be helped to access any benefits to which they are entitled; this includes Child Benefit and Child Tax Credit which has been or can be claimed for that child.

The Local Authority must also take account of any other grant, benefit, allowance or resource available to the person in respect of his needs as a result of being granted a Residence Order/Child Arrangements Order in respect of a child. Financial support cannot duplicate any other payment available to the holder of the Residence Order/Child Arrangements Order.

The Local Authority will consider discretionary payments for all carers with a Residence Order / Child Arrangements Order who are experiencing financial problems or where the child is assessed as having additional needs that require financial support...Decisions on discretionary payments will be made by Head of Service Locality.

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Author: Eddie Grant (x38748)

Agenda Item 4a

**DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR YOUNG PEOPLE**

3rd March 2020

**Joint Report of the Executive Director of Children's Services and the
Director of Finance & ICT**

**BUDGET MONITORING 2019-20 – PERIOD 9 (as at 31 December 2019)
(YOUNG PEOPLE)**

1. Purpose of the Report

To provide the Cabinet Member with an update of the Revenue Budget position of the Young People portfolio for 2019-20 up to the end of December 2019 (Period 9).

2. Information and Analysis

2.1. Forecast Summary

The net controllable budget for the Young People portfolio is £108.745m.

The Revenue Budget Monitoring Statement prepared at period 9 indicates that there is a projected year-end overspend of between £8.178m to £8.349m depending on whether the rate of placements for children in care for the remainder of the financial year levels off or continues the trajectory seen over the past six months. Based on known placements to end of December, the projected overspend is £8.077m.

The Council has earmarked £1.382m within the budget management reserve to contribute to this overspend.

The forecast outturn position includes the following significant items of income which may not continue at the same level in future years.

£6.756 million – Dedicated Schools Grant income transferred to contribute to costs incurred within Children’s Services supporting Early Help services and children with additional needs.

The significant areas which make up this projection are shown in the table below:

	Controllable Budget £m	Projected Actuals £m	Forecast Over/(Under) Spend £m
Placements for Children in Care/unable to remain at home	32.264	38.836	6.572
Support for Children with Disabilities	5.560	6.544	0.984
Children’s Safeguarding services	35.096	36.626	1.530
Early Help & Preventative Services	6.471	7.098	0.627
Home to School Transport	13.679	14.996	1.317
Education support services	3.939	4.911	0.972
Management, Finance, ICT and other support services	4.880	4.741	(0.138)
Pensions payable to former staff	4.818	5.006	0.187
Redundancy	1.764	1.764	0.000
Other grant income	(3.373)	(3.371)	0.002
Unallocated budget	3.647	(0.329)	(3.976)
Total	108.745	116.822	8.077
Use of reserve – budget management	1.382	0.000	(1.382)
Total after use of reserves	110.127	116.822	6.695

2.2. Key Variances

2.2.1. Placements for Children in Care/Unable to remain at home, overspend £6.572m.

The overspend has increased since that reported for October due to new placements and is due to a greater number of placements required than can be funded from the current allocated budget.

Placement numbers have continued to rise steadily during the year in line with increases in the number of children in care.

- 2.2.2. Support for children with disabilities, overspend £0.984m
The projected overspend has broadly remained in line with that previously reported. The increased demand for support and the complex needs of some individuals have led to the costs exceeding the allocated budget.
- 2.2.3. Children's Safeguarding services, overspend £1.530m
The department is recruiting to increase the number of social workers to respond to the increased numbers of cases that require the involvement of the Authority. Some of these posts are being filled by social workers from staffing agencies at a greater cost than employed staff. The authority has taken measures to increase its attractiveness as an employer to social workers so that it can reduce its reliance on agency staff and now pays a market supplement for social workers. Spend on social workers is expected to exceed budget by £0.892m due to the cost of agency workers being employed but no longer being offset by savings from vacant posts. Child protection team staff costs are also projected to exceed budget by £0.475m due to the number of children currently with child protection plans. In addition, payments for non-placement support costs for children in care and preventative support for children and families in need are expected to exceed the budget by £0.959m. Contributing to rising costs are increases in the number of children in care, costs of accommodating children whilst court proceedings are concluded and short-term support connected with Universal Credit. These overspends are partly offset by vacancies within administrative staff supporting the social care teams.
- 2.2.4. Early Help and Preventative services, overspend £0.627m
The overspend is because of a shortfall compared to budget in the contributions from schools towards the Early Help Offer.
- 2.2.5. Home to School Transport, overspend £1.317m
There is increasing projected spend on transport for children with special educational needs (SEN) due to both an increase in the number of journeys that are being provided and in the cost of each journey. The increase in cost is due to by both economic factors affecting contractors and an increased need for more specialised vehicles.
- 2.2.6. Education Support services, overspend £0.972m
There are several areas that are overspent. The educational psychology and planning and assessment teams for children and young people with SEN are projected to be overspent by £0.632m due

to increased numbers of children with SEN. In addition, there are an increased number of children who are electively home educated and expenditure carrying out the Authority's statutory duties in respect of these children is projected to exceed the allocated budget by £0.101m.

2.2.7. Pensions payable to former staff, overspend £0.187m

These costs represent pensions obligations payable to staff previously employed. The majority of the cost relates to staff who left under efficiency programmes during the early 1990s.

2.2.8. Redundancies, break even

These costs include payments to school staff and other employees whose roles are expected to be redundant during 2019-20. Schools make a contribution to the expected costs of school staff redundancies from their individual school budgets.

2.2.9. Unallocated budget, underspend £3.976m

This represents the budget released as a result of the changes to the early help offer. It is being held to cover the anticipated loss of £1.767m of grant income that the government has signalled will be withdrawn in stages from 2020-21. It remains uncommitted in the interim to mitigate the department's overspend against its current budget. Also included is £0.776m relating to the Troubled Families reserve which is anticipated to be released in this financial year.

2.3. Budget Savings

Budget reductions totalling £3.013m were allocated for the year.

The value of the savings initiatives which have been identified for implementation in the current year is £3.013m.

It is forecast that £2.323m of savings will have been achieved by the year-end. The table below shows performance against the target.

Identified Savings Initiatives	Budget Reduction Amount £m	Forecast to be Achieved by the end of 2019-20 £m	(Shortfall)/ Additional Savings Achieved £m
Catering	0.208	0.011	(0.197)
Ed Psychology	0.115	0	(0.115)
Children's Centres	1.000	1.215	0.215
Donut Centre	0.075	0	0.075

Sport, Outdoor and Residential Education (SORE)	0.180	0.056	(0.124)
Home to School transport	0.090	0	(0.090)
Care Leavers Employment Programme	0.162	0.086	(0.076)
Early Help	0.318	0.318	0
Business support functions	0.695	0.508	(0.187)
In-year temporary reductions	0.170	0.170	0
Total of Identified Savings Initiatives	3.013	2.363	(0.650)
Shortfall/(Surplus) of Identified Savings	0		
Total Savings Target	3.013		

Budget Reductions	£m
Prior Year B/f	0.000
Current Year	3.013
Total Savings Target	3.013

2.4 Growth Items and One-off Funding

The portfolio received the following additional budget allocations in 2019-20:

2.4.1 Social Worker recruitment - £1.300m ongoing, £2.600m one-off

This growth is part of a total allocation of £5.200m which is being added to Children's Services budgets over 4 years. The investment is being deployed to increase the number of social workers to ensure that caseloads for individual workers are at manageable levels for their experience.

2.4.2 Placement demand pressures - £3.000m ongoing, £5.000m one-off

This allocation recognised the increase in costs experienced within children's social care as a result of both an increase in the quantity of placements required and the increased cost due to an increase in the complexity of the needs of children and young people.

2.4.3 Home to School Transport SEN - £1.450m ongoing

The allocation recognised both the increased pressures of greater numbers of children and young people with SEN and an increased cost of journeys and an additional pressure of transporting children and young people to pupil resource units or alternative provision when

they have been permanently or temporarily excluded from mainstream schools.

2.4.4 SEND assessment and planning - £0.275m ongoing

The increase is to cover the staffing to assess and plan provision for children and young people with SEN.

2.4.5 Increase in Special Guardianship placements - £1.097m ongoing

This increase has ensured that the budget is in line with the current level of costs payable to family members and others who have taken parental responsibility for children under a special guardianship order.

2.4.6 Children's Homes - £0.450m ongoing

The increase is to close the gap that had emerged between the budget allocated for children's homes and the increased staffing necessary to meet the needs of children and young people placed in those homes.

2.4.7 Foster Carers - £0.060m ongoing

The allocation is to cover the cost of the inflation increase applied to foster care allowances from April 2019.

2.4.8 Care Leavers - £0.402m one-off

Legislation has been enacted which places additional statutory duties on the Authority for care leavers. There is a shortfall between the additional funding currently being received from central government and the costs being incurred by the Authority in meeting these additional duties.

2.4.9 Children's Participation - £0.080m one-off

The budget allocation is to cover a reduction applied to Children's Services in 2018-19. A review was conducted of the support provided to children and young people to participate in decision-making and consultation and there was a shortfall between the budget reduction applied and the savings that could be achieved. This allocation is temporary whilst the service looks to identify other options for consideration.

2.4.10 Child Protection - £0.105m one-off

The allocation is towards the costs of staff that are currently required to respond to the increased number of children on child protection plans. Staffing will be reduced if the number of children on plans reduces.

2.4.11 Complex Case pooled budget - £0.250m one-off

The budget has been allocated as a contingency for the Authority's contribution to the pooled budget, recognising the increasing levels of spend that have been incurred in recent years.

2.4.12 Mobile Working - £0.260m one-off

The allocation is to develop solutions that will enable more flexible working which is expected to result in cost benefits and improvements in up to date information.

2.4.13 Children in Care Legal Proceedings - £1.050m one-off

This allocation is for the costs of legal fees for court proceedings which have increased due to not only increased numbers of proceedings but also an increased use of external legal firms to present cases which has increased average costs per case.

2.5 Risks

There is a risk that the following issues could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary above:

Service	Risk	Sensitivity* £m	Likelihood 1=Low 5=High
Placements	Increased number of children requiring placements	Up to £0.5m	4
Social Care services	Increase in referrals meeting social care thresholds	Up to £0.1m	4
All	Data security breach resulting in fine	£0.500m	3
Social Care services	Inability to recruit and retain sufficient experienced workers	Up to £0.1m	5

*Sensitivity represents the potential negative impact on the outturn position should the event occur.

2.6 Earmarked Reserves

Earmarked reserves totalling £8.114m are currently held to support future expenditure. Details of these reserves are as follows:

Reserve Description	Amount £m
Troubled Families	3.856
Standards Fund (Schools)	0.707
Children's Services ICT Improvements	0.716
Rates refunds (schools)	0.686
Other (below £0.5m individually)	2.149
Total Earmarked Reserves	8.114

2.7 Debt Position

The profile of the debt raised, relating to income receivable by services within the Children's Services department, is as follows:

0-30 Days £m	31-365 Days £m	1-2 Years £m	2-3 Years £m	3-4 Years £m	4-5 Years £m	Over 5 Years £m	Total £m
0.406	0.771	0.068	0.035	0.006	0.013	0.007	1.305
31.1%	59.1%	5.2%	2.7%	0.5%	0.9%	0.5%	100%

In the 12 months up to the end of October 2019 the value of debt that has been written off totals £0.065m.

3. Financial Considerations

As detailed in the report.

4. Other Considerations

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

5. Key Decision

No

6. Call-in

No

7. Background Papers

Held on file within Children's Services Department. Officer contact details – Karen Gurney, extension 38755.

8. Officer Recommendations

That the Cabinet Member notes the report.

**Jane Parfremment
Executive Director
Children's Services**

**Peter Handford
Director of Finance
& ICT**

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Author: Eddie Grant (x38748)

Agenda Item 4b

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR YOUNG PEOPLE

3rd March 2020

**Joint Report of the Executive Director of Children's Services and the
Director of Finance & ICT**

**DEDICATED SCHOOLS GRANT MONITORING 2019-20 – PERIOD 9
(as at 31 December 2019)**

(YOUNG PEOPLE)

1. Purpose of the Report

To provide the Cabinet Member with an update of the Revenue Budget position of the Dedicated Schools Grant (Young People portfolio) for 2019-20 up to the end of December 2019 (Period 9).

2. Information and Analysis

2.1. Forecast Summary

The expected Dedicated Schools Grant (DSG) and 6th form grant income due to the Authority in 2019-20 is £367.935m. This, plus the expected use of reserves for 2019-20 of £2.042m covering planned expenditure, makes total income available to fund expenditure of £369.977m.

The Revenue Budget Monitoring Statement prepared at period 9 shows projected year-end expenditure of £374.948m. The expected overspend compared to income is £4.971m however this includes an overspend of £0.117m which is ring-fenced to schools, the overspend falling to the Authority is therefore £4.854m.

Uncommitted DSG earmarked reserves of £1.154m are available to support this overspend meaning that the Authority will report a DSG deficit at the end of 2019-20 estimated at £3.851m.

Following a recent consultation with LAs and other stakeholders, the DfE have confirmed their intention to include provisions in the School and Early Years Finance (England) Regulations 2020 - which come into force in February 2020 - that a DSG deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the LA not to do this.

As a first step to recovering the deficit in Derbyshire, the Schools Forum agreed in January 2020 to allocate only some of the Pupil Growth fund within the Schools Block. The Forum agreed to leave £1.325m of the £3.428m grant for 2020-21 unallocated as a positive contribution towards the shortfall. The Authority will seek further opportunities to make reductions in DSG spend in 2020-21 where possible, and it is expected that this will be supplemented in 2021-22 should Derbyshire receive another above-inflation increase in its DSG settlement.

The significant areas of expenditure and income are shown in the table below:

	Controllable Budget £m	Projected Actuals £m	Forecast Over/(Under) Spend £m
Expenditure			
Central School Services Block	6.890	6.709	(0.181)
Re-pooled school funding	4.967	5.084	0.117
Early Years Block	43.452	43.324	(0.128)
High Needs Block	61.208	66.638	5.430
Schools Block	253.194	253.194	0.000
Total Expenditure	369.710	374.948	5.238
Dedicated Schools Grant Income	(369.710)	(369.977)	(0.267)
(Surplus)/Deficit	0.000	4.971	4.971

2.2. Key Variances

2.2.1. Central School Services Block, underspend £0.181m

The underspend is primarily due to allocations to support schools to meet KS1 pupil/teacher ratios being lower than anticipated.

2.2.2. Re-pooled school funding, overspend £0.117m
 Estimates for school insurance have increased from the previous year due to one-off rebates that were applied in 2018-19

2.2.3. High Needs Block, overspend £5.430m

£0.892m of the overspend is due to the costs of the team supporting children and young people who have been permanently or temporarily excluded or are being supported as part of a preventative measure. This is due to increased numbers of children and young people being supported. The additional support paid to primary schools for pupils with high needs is also above the allocated budget by £1.364m reflecting the increased number of pupils being supported over the past 3 years. Additional support paid to support pupils with special needs in other Local Authorities and independent and non-maintained schools is overspent by £2.537m, reflecting the increase in placements.

2.3. Risks

There is a risk that the following issues could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary above:

Service	Risk	Sensitivity* £m	Likelihood 1=Low 5=High
High needs block placements and top-ups	Increased number of children requiring placements or support	£0.25m - £1m	4

*Sensitivity represents the potential negative impact on the outturn position should the event occur.

3. Financial Considerations

As detailed in the report.

4. Other Considerations

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

5. Key Decision

No

6. Call-in

No

7. Background Papers

Held on file within Children's Services Department. Officer contact details – Eddie Grant, extension 38748.

8. Officer Recommendations

That the Cabinet Member notes the report.

**Jane Parfremment
Executive Director
Children's Services**

**Peter Handford
Director of Finance
& ICT**