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PUBLIC

To: Members of Cabinet Member meeting - Young People

Friday, 24 July 2020

Dear Councillor,

Please attend a meeting of the **Cabinet Member meeting - Young People** to be held at **11.00 am** on **Tuesday, 4 August 2020**

This meeting will be held virtually. As a member of the public you can view the virtual meeting via the County Council's website. The website will provide details of how to access the meeting, 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

AGENDA

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 7 July 2020

3. To consider the report of the Executive Director Children's Services on Music Education Hub Grant 2020-21 (Pages 3 - 12)
4. To consider the reports of the Executive Director Children's Services and Director of Finance and ICT on:-
 - 4 (a) Revenue Outturn 2019-20 (Pages 13 - 22)
 - 4 (b) Dedicated Schools Grant Outturn 2019-20 (Pages 23 - 26)
 - 4 (c) School Budgets: Deficit Balances and Recovery Plans Bringing Budgets into Balance over more than one Financial Year (Pages 27 - 30)
 - 4 (d) Budget Monitoring 2020-21 - Period 2 (as at 31 May 2020) (Pages 31 - 40)
 - 4 (e) Dedicated Schools Grant Monitoring 2020-21 – Period 2 (as at 31 May 2020) (Pages 41 - 44)

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Agenda Item No. 2

MINUTES of a meeting of the **CABINET MEMBER – YOUNG PEOPLE** held on 7 July 2020.

PRESENT

Cabinet Member - Councillor A Dale

Also in attendance – Councillors J Coyle and J Patten

31/20 **MINUTES** **RESOLVED** that the minutes of the meetings of the Cabinet Member for Young People held on 2 June 2020 be confirmed as a correct record and signed by the Cabinet Member.

32/20 **CONFIRMATION OF NOMINATIONS OF SCHOOL GOVERNORS**
RESOLVED to approve the nomination of the following person to serve as Local Authority Governors:-

S Flint	-	Herbert Strutt Primary School
T Holmes	-	Lons Infant School
C Furness	-	Bradwell Infant School
L Killer	-	Wirksworth Junior School

33/20 **ESSENTIAL HAMPERS FOR FOSTER CARERS** There were more pressures on Derbyshire County Council foster carers due to the Covid 19 pandemic. In order to recognise the contribution foster carers were making, the County Council wanted to make as a good will gesture by providing essential hampers. It was hoped this project would maintain good relations amongst the County Council's foster carers.

The hampers were produced by the school catering service and included donations from community partners, Operation Orphan and Excel Printing. Economy, Transport and Environment staff members spoke to taxi companies contracted to the County Council for school transport who were not being utilised and planned the logistics of 219 individual drops-offs. Input on Data and Risk assessment was provided by the Fostering Team and Commissioning, Communities and Policy department.

The feedback has been overwhelming. And a selection of comments were detailed in Appendix 1 to the report.

Members thanked staff for all their efforts and working together to achieve this project.

RESOLVED to note the positive impact the project has had on relations with Derbyshire County Council foster carers, the feedback received in Appendix 1 to the report and the example of cross council working.

Author: Jayne Briggs (VOIP 32871)

Agenda Item No: 3

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR YOUNG PEOPLE

4 August 2020

Executive Director for Children's Services

MUSIC EDUCATION HUB GRANT 2020-21

1. Purpose of Report

To inform the Cabinet Member of the Derby & Derbyshire Music Partnership's role in administering the Music Education Hub grant to encourage collaborations between key local and regional music organisations in order to deliver high quality music education provision in and out of Derbyshire and Derby City schools.

To seek authority for the Derby & Derbyshire Music Partnership to devolve funds of up to £30,000 per approved delivery partner organisation in order that each may fulfil its role in the local delivery of the National Plan for Music Education as mandated in the grant terms administered by the Arts Council England.

2. Information and Analysis

Music Education Hubs are groups of organisations working together to create joined-up music education provision, responsive to local need and fulfil objectives set out in the National Plan for Music Education (NPME) which are to:

- A. ensure that every child aged 5 – 18 has the opportunity to learn a musical instrument (other than voice) through whole-class ensemble teaching programmes for ideally a year (but for a minimum of a term) of weekly tuition on the same instrument;
- B. provide opportunities to play in ensembles and to perform from an early stage;

- C. ensure that clear progression routes are available and affordable to all young people;
- D. develop a singing strategy to ensure that every pupil sings regularly and that choirs and other vocal ensembles are available in the area;
- E. offer professional development to school staff, particularly in supporting schools to deliver music in the curriculum;
- F. Provide an instrument loan service, with discounts or free provision for those on low incomes;
- G. Provide access to large scale and/or high-quality music experiences for pupils, working with professional musicians and/or venues.

Since their formation in 2012, Music Education Hubs have been co-ordinated by a Hub 'lead organisation'; locally this being the Derby & Derbyshire Music Partnership, which also takes responsibility for the finances and governance of the Hub. Delivery Partners are the organisations also involved in the frontline delivery of the NPME.

The total amount of Hub funding across the country from the Department for Education, via fund-holders Arts Council England, in 2020/21 is £79m. The Derby/Derbyshire allocation is £1.4m (see Appendix I Budget Plan). Derbyshire Music Education Hub's delivery partner organisations are established and working collaboratively. Various application processes and decision-making criteria are also well-established:

- Seven area music centres serve the various geographical areas across the city and county (working with approximately 1,500 pupils every week in normal term-time) contributing to the delivery of NPME objectives B, C, D and G. Each music centre is self-governing, has charitable status and enters into an annual Service Level Agreement relative to the grant for up to £20,000 per organisation.
- In addition to the area music centres, current Delivery Partner Organisations include Fleet Arts, High Peak Community Arts, DCAS, Chesterfield Studios, Charanga, Folk 3D, Pure Steel, Tribal Vibes, Sinfonia Viva, The Hallé Orchestra and Carrot Productions. Grants from £1,000 to £30,000 per organisation support this delivery partner work each year.

- A formal proposal process has been established and is widely used by delivery partner organisations or individuals requesting funding contributions from £100 to £3,500 to support one-off initiatives. All proposals are scrutinised at Music Partnership Leadership Group meetings (consisting of Children’s Services officers) to ensure justification for the spending and any agreed financial support is released on submission of project evaluation and pupil engagement data.
- Each organisation’s delivery is observed by members of the Music Partnership Quality Assurance Working Group.
- The Council provides grants to external organisations and Cabinet Members can approve individual grants up to £100,000.
- The payments will be made through the Council’s SAP/Orderpoint providing an efficient and auditable process.

3. Financial Considerations

Arts Council England request quarterly management accounts detailing grant spending, from which an annual retrospective report can be created for the Cabinet member and/or Cabinet in order to provide updates on funding allocation and outcomes.

4. Legal and Human Rights Considerations

Derbyshire Music Education Hub is governed by a Music Panel, which includes Elected Member representation. Terms of Reference for the Music Panel, the Hub structure and descriptions of other Leadership and Working Groups are in Appendices II to IV.

5. Human Resources Considerations

Benefits of the Derbyshire Music Education Hub approach include the commissioning and procurement of music services from delivery partner organisations and a largely self-employed workforce to provide additional curriculum opportunities for Derbyshire children and young people.

6. Equality of Opportunity Considerations

The Derbyshire Music Education Hub website www.derbyshiremusichub.org.uk provides an ongoing platform for potential delivery partner organisations to contribute to the local delivery of the NPME by detailing their track record in providing music education

activities, particularly in relation to diversity of activity and/or working with specific vulnerable groups.

7. Other Considerations

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

8. Background Papers

More information is available by visiting:

<https://derbyshiremusicclub.org.uk/home.aspx> and/or
<https://www.artscouncil.org.uk/music-education/music-education-hubs>

9. Key Decision?

No

10. Is it necessary to waive the call-in period?

Is it required that the Call-in period be waived in respect of the decisions being proposed within this report? No.

11. Executive Director's Recommendation

That the Cabinet Member for Young People:

- i. note the work of the Derby & Derbyshire Music Partnership.
- ii. approve the Derbyshire & Derbyshire Music Partnership to devolve funds of up to £30,000 per approved delivery partner organisation in order that each may continue to fulfil its role in the local delivery of the National Plan for Music Education.

Jane Parfremment
Executive Director for Children's Services

Appendix I

Financial year end
date

Derbyshire Music Hub
Budget Plan 2020 - 2021

31.03.2021

Detail		Quarter 1 apr-jun 20	Quarter 2 jul-sept 20	Quarter 3 oct - dec 20	Quarter 4 jan-mar 21	Total Year	Grant % exps
Income							
ACE DfE Grant		354,743	354,743	354,743	354,743	1,418,970	
Earned /Generated Income		25,000	55,000	70,000	50,000	200,000	
Other Income		2,500	2,500	2,500	2,500	10,000	
Total Income		382,243	412,243	427,243	407,243	1,628,970	
Expenditure							
Front Line Delivery							
First Access/WCET		90,000	70,000	190,000	30,000	380,000	
Progression and Ensembles		55,000	105,000	40,000	120,000	320,000	
Singing		20,000	20,000	25,000	25,000	90,000	
Continued Professional Development		38,000	37,000	45,000	40,000	160,000	
Instrument Loan Scheme		16,000	24,000	18,000	62,000	120,000	
Concerts/Performances		8,000	18,000	60,000	14,000	100,000	
Other Special Projects		17,000	30,000	36,000	20,634	103,634	
Total Front Line Delivery		244,000	304,000	414,000	311,634	1,273,634	89.76%
Back Office Costs							
Music Service and Hub Management	Including recharges for DCC overheads & Business Serv staff	84,959	84,959	84,959	84,959	339,836	
Overheads							
Stationery		875	875	875	875	3,500	
Transport/Travel		3,000	3,000	3,000	3,000	12,000	
Total Back Office Costs		88,834	88,834	88,834	88,834	355,336	10.24%
Total Expenditure		332,834	392,834	502,834	400,468	1,628,970	100.00%

APPENDIX II Working and Reference Groups

Various **Working Groups** have the task of overseeing specific DMEH activities. They report, review and develop the Hub offer. Current Working Groups are as follows:

The Quality Assurance Working Group

This team of experienced educators exists to deliver quality assurance in all aspects of the DMEH's work with children and young people. All delivery is observed by a member of this team who provide quality written and verbal feedback. The group meets twice each year (September and March) to standardise judgments and determine appropriate CPD provision. This group comprises:

- The Leadership Group
- A former Head of primary school
- A former secondary school Head of Music
- An instrumental teacher and wider opportunities deliverer
- (six members of this team also carry extensive experience in the non-formal sector, having worked with teenage pop, rock, hip hop and grunge musicians, including GCSE, A level and BTEC assessment and moderation)

The Curriculum Development Working Group

This team exists to respond to new initiatives and Ofsted findings, and to develop resource materials for re-energising schemes of work. The group meets at least once each term and comprises:

- The Music Partnership Curriculum Consultant
- A Music Partnership Area Leader
- Six secondary school Heads of Music

The Wider Opportunities/WCET Working Group

This group reviews progress with initiative rollout, recommends future developments and ensures that provision and professional development support identified need. The group meets each half term and comprises:

- The Curriculum Consultant
- A Music Task Manager
- A wider opportunities deliverer
- A Music Support Practitioner
- A primary school class teacher/headteacher

The Music Centres' Working Group

This team share good practice regarding encouraging progression pathways through ensemble provision, share successful administrative and communication strategies, and discuss areas for future development in centre activity. This group meets once each year (February) and comprises:

- Chairs of all Music Centre Trusts
- Music Centre Co-ordinators (or administrators)
- Music Partnership Area Leaders
- Pupil Reps

The Singing Strategy Team

This team has responsibility for developing all aspects of the Derby and Derbyshire Singing Strategy. The group meets each term and comprises:

- The Music Partnership Vocal Leader
- The Music Partnership Curriculum Consultant
- 3 Singing Support Team members
- A Musical Gems (EYFS) deliverer

- A primary school Headteacher

Reference Groups

Reference Groups are drawn together whenever possible to aid provision development. They consist of like-minded professionals or volunteers who share ideas and from whom opinion can be sought. This includes a Youth Voice Team.

APPENDIX III Terms of Reference of the Derby and Derbyshire Music Panel

Introduction

The County and City Councils have entered into a Statement of Understanding demonstrating commitment to each other to work together as a partnership to promote all aspects of the work of the Derby & Derbyshire Music Partnership and the Derbyshire Music Education Hub.

The Statement refers to the Music Panel (Panel) which provides a strategic overview, including financial monitoring, of the work of Derby & Derbyshire Music Partnership and the Derbyshire Music Education Hub.

Overall Aim

The Derbyshire Music Education Hub's overall aim is to work together in partnership to help protect, maintain and enhance musical education in Derby and Derbyshire. The Panel's overall aim is to take strategic responsibility for ensuring implementation of the Music Education Hub's Business Plan, to deliver the National Plan for Music Education (NMPE) locally and to ensure that funding requirements are complied with, in line with Arts Council Guidance.

Membership

13 Members:

Derbyshire County Councillors (3)

Derby City Council (2)

Derbyshire Headteacher Primary (1)

Derby City Headteacher Primary (1)

Head of Music Secondary (1)

Youth Voice (1)

Delivery partner organiser representatives (2)

Derbyshire County Council Officer (1)

Derby City Council Officer (1)

Councils may nominate such of their Elected Members as they, in their sole discretion, consider fit and shall be able to amend their nominations at any time. Any alternate will also be an Elected Member of the same Council as the primary Panel Member. Any Member of the Panel may appoint an alternate to act in their stead.

A Chair shall be nominated and selected from amongst the membership. The Chair shall serve for a period of 1 year after which the nomination and election process shall be repeated.

Each Councillor shall be able to nominate any officers to attend Panel meetings as advisors and/or observers as they, in their sole discretion, consider fit.

The schools and delivery partner representatives shall serve for a period of 2 year after which the nomination and election process shall be repeated.

Decision Making Arrangements

The principles of adding value and mutuality underpin the work of the Panel. The Panel's decisions will be based on the principles of consensus and consultation. Where it is not possible for a decision to be made unanimously a vote shall occur. In the event of a vote, this will be decided upon a show of hands and by a majority of Panel members present.

Panel meetings shall require fifty per cent of Panel Members to be present in order to form a quorum. In taking its decisions, the Panel will, at all times, conduct its business openly and transparently. It will make rational decisions, based upon the principles of consultation, consensus and sustainability.

Panel Meetings

The Panel shall provide strategic advice and guidance to the participating Councils and to the Derby & Derbyshire Music Partnership and the Music Education Hub, maintaining an oversight of the budget and monitoring performance targets and progress.

Financial Monitoring Framework

A key role of the Panel is to ensure the strategic and effective use of available resources. To this end, Derbyshire County Council financial teams will prepare a budget for the year of funding and management accounts in advance of each Panel meeting (at least quarterly) with, if appropriate, accompanying variance notes.

Nature and Frequency of Panel Meetings

The Panel shall nominally meet quarterly but shall meet more often as required by Music Education Hub progress. Either participating Council shall be entitled to call a Panel meeting to discuss urgent matters upon providing notice of at least 7 working days.

Administration and Support to the Panel

An officer or officers from the County Council shall act as minute taker to the Panel. Panel meetings shall be hosted in such places and at such times as Panel members agree is most convenient to the majority of Panel members. At least one meeting each year will be held in Derby City. Agendas and supporting documents will be issued at least one working week before the meeting. Minutes will be produced and circulated within ten working days of a Panel meeting. The minutes will be public documents and will be posted on the County Council's web site or otherwise as deemed appropriate by the Panel.

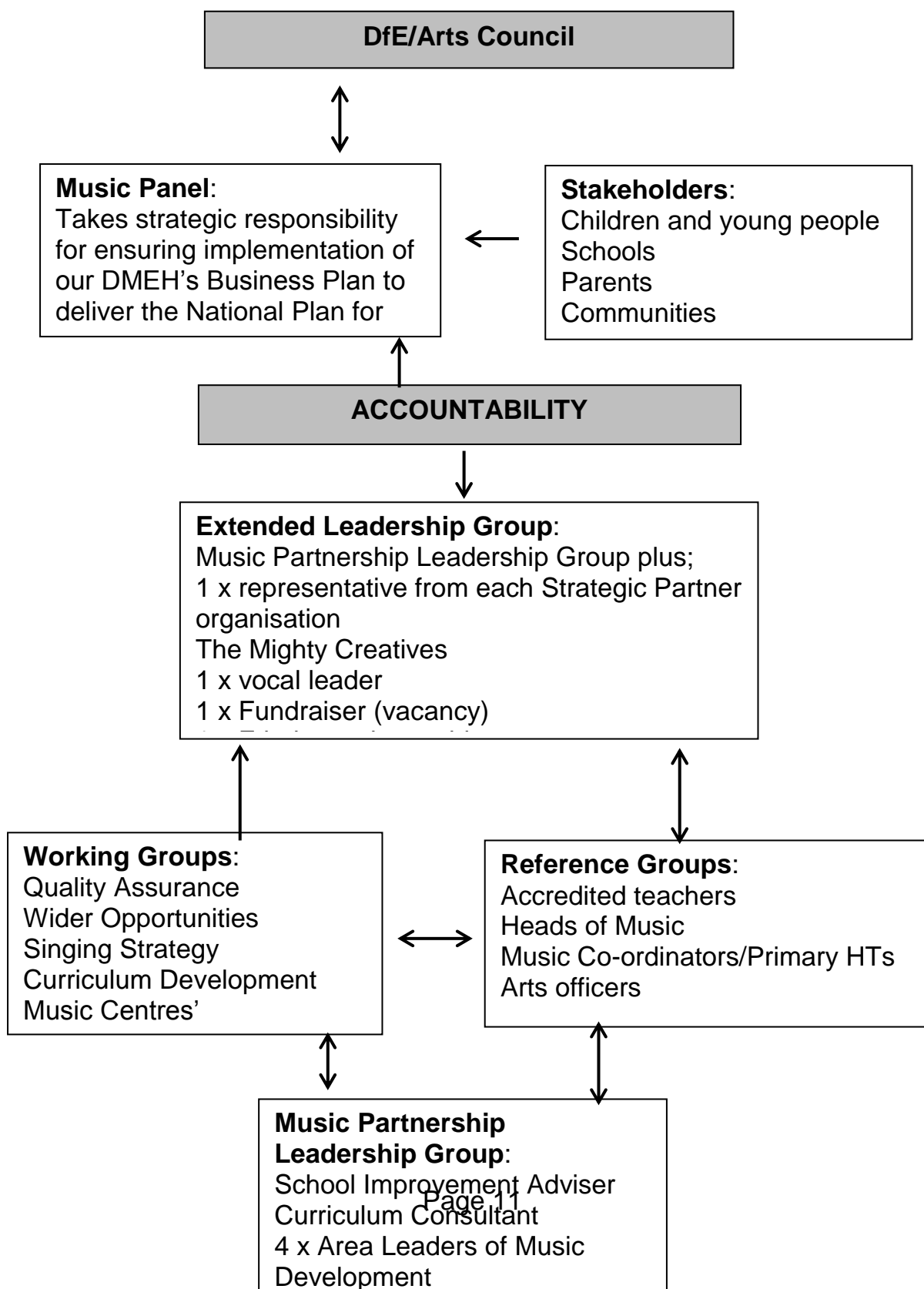
Accountability

The Panel will at all times seek to ensure that it is representative of and understands the priorities of the region and its people and is responding to their views and interests. The Panel will be fully informed of outcomes of Working Group meetings (see Music Education Hub Structure) via quarterly Progress Reports and any observers or visitors able to offer information on specific issues may be invited to contribute to meetings as appropriate and if agreed in advance. Panel meetings will not be public meetings.

March 2020

APPENDIX IV Derbyshire Music Education Hub Governance

Lead Partner: Derby & Derbyshire Music Partnership



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Author: Karen Gurney (x38755)

Agenda Item No. 4 (a)

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR YOUNG PEOPLE

4 August 2020

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

REVENUE OUTTURN 2019-20
(YOUNG PEOPLE)

1. Purpose of the Report

To provide the Cabinet Member with a report of the Revenue Outturn of the Young People portfolio for 2019-20.

2. Information and Analysis

2.1 Outturn Summary

The net controllable budget for the Young People portfolio is £109.318m.

The Revenue Outturn Statement for 2019-20 shows that there is a year-end overspend of £8.236m.

The Council had earmarked £1.382m within the budget management reserve to contribute to this overspend. After the application of this reserve the revenue outturn is an overspend of £6.854m.

The 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 the outturn are shown in the table below:

	Controllable Budget £m	Actual Expenditure £m	Over/(Under) Spend £m
Placements for Children in Care/unable to remain at home	31.763	39.173	7.410
Support for Children with Disabilities	5.560	6.293	0.733
Children's Safeguarding services	35.087	37.004	1.917
Early Help & Preventative Services	7.450	7.450	-
Home to School Transport	13.679	15.377	1.698
Education support services	3.905	4.739	0.834
Management, Finance, ICT and other support services	4.785	4.647	(0.138)
Pensions payable to former teachers and other staff	4.781	4.974	0.193
Redundancy	1.861	1.861	-
Other grant income	(3.604)	(3.964)	(0.360)
Unallocated budget	4.051	-	(4.051)
Total	109.318	117.554	8.236
Use of reserve – budget management	1.382	0.000	(1.382)
Total after use of reserves	110.700	117.554	6.854

2.2 Key Variances

2.2.1 Placements for Children in Care/Unable to remain at home, overspend £7.410m.

The overspend is due to a greater number of placements required than can be met 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. The needs of individual children and the availability of placements has also meant that there are an increased number of children placed in both more expensive fostering arrangements and more expensive residential provision

2.2.2 Support for children with disabilities, overspend £0.733m
The increased demand for support and the complex needs of some individual children has led to the costs exceeding the allocated budget.

2.2.3 Children's Safeguarding services, overspend £1.917m

The department has recruited during the year 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 have been temporarily filled by social workers from staffing agencies where suitably experienced permanent appointments could not be made. The cost of a social worker supplied by an agency is greater per worker 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 locality based children's social workers exceeded budget by £1.100m due to the cost of agency workers and the market supplement to employed staff. This was offset by savings in purchases, travel and other expenditure of £0.300m Child protection team staff costs exceeded budget by £0.414m due to the support required for the number of children with protection plans. In addition, payments for non-placement support costs for children in care and preventative support for children and families in need exceeded the budget by £1.094m. The causes of this rise in costs include increases in the number of children in care, costs of accommodating children whilst court proceedings are concluded and short-term financial support to families and carers pending commencement of Universal Credit support payments. These overspends are partly offset by vacancies within administrative staff supporting the social care teams.

2.2.4 Early Help and Preventative services, breakeven

The reconfiguration of Early Help and Preventative Services was completed during 2019-20.

2.2.5 Home to School Transport, overspend £1.698m

The overspend is principally 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 average cost of such journeys. The increase in cost is due to both economic factors affecting contractors and an increased need for more specialised vehicles to transport individual children.

2.2.6 Education Support services, overspend £0.834m

There are several areas that are overspent. The educational psychology and planning and assessment teams for children and young people with SEN are overspent by £0.621m due to increased numbers of children with SEN requiring assessment. 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 has exceeded the allocated budget by £0.105m.

The School Catering Service has reported a deficit of £0.137m which is attributable a greater spend on repairs and maintenance during the year than estimated in the budget.

2.2.7 Pensions payable to former teachers and other staff, overspend £0.193m

These costs represent pension obligations payable to teachers and other staff previously employed by the Authority. 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 employees including school staff whose roles were made redundant during 2019-20. The costs above represent the termination of employment costs due to the reconfiguration of the Early Help services. The costs of school based staff redundancies are funded by contributions from Authority schools on a shared risk basis.

2.2.9 Other Grant Income, underspend £0.360m

The majority of the underspend relates to a grant received from the Department for Education shortly before end March 2020. The grant has been awarded to the Authority to participate in a pilot scheme to encourage wider family involvement in providing support to children who are in need. The programme has been paused due to Covid-19 and it has been requested that the underspend of £0.302m be carried forward to 2020-21 to fund this programme when it restarts. Cabinet has also been requested to permit creation of an earmarked reserve for this grant.

2.2.10 Unallocated budget, underspend £4.051m

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 would be withdrawn in stages from 2020-21. The allocation for 2020-21 has been reduced by £0.353m. In addition, this budget will be used in future to offset the

reduction in contribution to the department's expenditure from the Troubled Families Grant which has been £1.900m per year. It remains uncommitted in the interim to mitigate the department's overspend against its current budget.

Also included is a release of £0.819m from the Troubled Families reserve. The remaining balance of this reserve is now earmarked to fund the Early Help transition team until its cessation in 2022.

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 calculated that £m of savings have been achieved by the year-end. The table below shows performance against the target.

Identified Savings Initiatives	Budget Reduction Amount £m	Achieved by the end of 2019-20 £m	(Shortfall)/ Additional Savings Achieved £m
Catering	0.208	0	(0.208) ¹
Ed Psychology	0.115	0	(0.115)
Children's Centres	1.000	1.241	0.241
Donut Centre	0.075	0	0.075
Sport, Outdoor and Residential Education (SORE)	0.180	0	(0.180)
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	0.498	(0.197)
In-year temporary reductions	0.170	1.604 ²	1.434
Total of Identified Savings Initiatives	3.013	3.747	(0.734)
Shortfall/(Surplus) of Identified Savings	0		
Total Savings Target	3.013		

¹ Catering was affected by the closure of schools as part of the response to the Covid-19 pandemic. The service had a net shortfall of £0.469m income

due to reduced trading days resulting from school closures, offset by savings on food costs.

² Comprises vacancies during the year, additional grant funding received from DfE and use of reserves.

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. Costs have continued to increase during 2019-20 and further allocations have been approved for 2020-21.

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 was allocated 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 closed 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 covered 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 was temporary whilst the service looked 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 was 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 Earmarked Reserves

Earmarked reserves totalling £8.025m are currently held to support future expenditure. Details of these reserves are as follows:

Reserve Description	Amount £m
Troubled Families	3.894
Standards Fund (Schools)	0.726
Children's Services ICT Improvements	0.706
Rates refunds (schools)	0.721
Other (below £0.5m individually)	1.978
Total Earmarked Reserves	8.025

2.6 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
1.076	0.565	0.058	0.036	0.009	0.009	0.009	1.761
61.06%	32.09%	3.27%	2.03%	0.51%	0.53%	0.49%	100%

In the 12 months up to the end of March 2020 the value of debt that has been written off totals £0.042m.

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, karen.gurney@derbyshire.gov.uk

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: Karen Gurney (x38755)

Agenda Item No. 4 (b)

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR YOUNG PEOPLE

4 August 2020

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

DEDICATED SCHOOLS GRANT OUTTURN 2019-20

(YOUNG PEOPLE)

1. Purpose of the Report

To provide the Cabinet Member with a report of the Revenue Budget outturn of the Dedicated Schools Grant (Young People portfolio) for 2019-20.

2 Information and Analysis

2.1 Outturn Summary

The Dedicated Schools Grant (DSG) and 6th form grant income received by the Authority in 2019-20 was £365.845m. This, plus the use of reserves for 2019-20 of £2.278m covering planned expenditure, totalled income available to fund expenditure of £368.123m.

The Revenue Budget Outturn Statement showed full year expenditure of £371.260m. The overspend compared to income is £3.137m however this includes an underspend of £0.291m which is ring-fenced to schools and a further £1.520m underspend of school growth funding, £1.002m of which has been earmarked to contribute to pre and post opening grants to planned new schools. The overspend falling to the Authority is therefore £4.430m.

Uncommitted DSG earmarked reserves of £1.290m are available to support this overspend meaning that the Authority will report a DSG deficit reserve at the end of 2019-20 estimated at £3.140m. Other DSG committed reserves totalling £3.327m offset this deficit reserve

within the Authority's accounts meaning that the reported DSG position is a net surplus reserve of £0.187m.

Following a recent consultation with LAs and other stakeholders, the DfE have amended the School and Early Years Finance (England) Regulations 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 2020-21 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	Actuals £m	Forecast Over/(Under) Spend £m
Expenditure			
Central School Services Block	6.000	6.012	0.012
Schools Growth funding incl KS1	2.341	0.821	(1.520)
Re-pooled school funding	3.542	3.251	(0.291)
Early Years Block – Central LA expenditure	1.849	1.705	(0.144)
Early Years Block - Schools/PVI	39.527	39.670	0.143
High Needs Block – LA expenditure	56.344	61.682	5.338
High Needs Block – Allocated LA School budgets	4.898	4.898	0.000
Schools Block – LA mainstream Primary and Secondary schools	253.221	253.221	0.000
Total Expenditure	367.722	371.260	3.538
Dedicated Schools Grant Income	(360.897)	(361.298)	(0.401)

6th Form Grant	(6.825)	(6.825)	0.000
Total Income	(367.722)	(368.123)	(0.401)
(Surplus)/Deficit	0.000	3.137	3.137

2.2 Key Variances

2.2.1 Schools Growth funding, underspend £1.520m. £1.002m of pupil growth funding received in 2019-20 has been earmarked with the approval of School Forum for future pre and post opening grants for new schools. The balance of 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, underspend £0.291m. The net underspend is ring-fenced to schools and has arisen mainly because contingency payments to primary schools were lower than expected, partially offset by support to secondary schools which was greater than anticipated.

2.2.3 High Needs Block, overspend £5.338m. £0.892m of the overspend is due to higher 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 sums paid to primary schools for pupils with high needs is also above the allocated budget by £2.279m reflecting the increased number of pupils being supported over the past 3 years. Funding to support pupils with special needs in other local authorities and independent and non-maintained schools is overspent by £2.368m, reflecting the increase in numbers and costs of placements.

2.2.4 Dedicated Schools Grant income, underspend £0.401m. The underspend is due to additional funding drawn from reserves to cover a shortfall in the grant receivable compared to that estimated when the budgets were set plus an additional small grant receipt in respect of Early Years 2018-19 received during 2019-20.

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**

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR YOUNG PEOPLE

4 August 2020

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

**SCHOOL BUDGETS: DEFICIT BALANCES AND RECOVERY PLANS
BRINGING BUDGETS INTO BALANCE OVER MORE THAN ONE
FINANCIAL YEAR**

1. Purpose of Report

To seek approval to requests from governing bodies of schools with budget deficits to implement budget plans in order to repay the deficits over more than one year, and to report on the schools which have still to agree a deficit recovery plan.

2. Information and Analysis

Section 4.9 of "The Derbyshire Scheme for Financing Schools" provides that a governing body unable to prepare a balanced budget may make a formal request to the Cabinet Member for Young People to implement a plan to bring school's budget into balance over more than one year. Cabinet Member approval is required where a school plans to operate a deficit exceeding:

- Nursery/primary/special schools
BOTH 3% of the budget share AND £10,000
- Secondary schools
EITHER 3% of the budget share OR £150,000

Before making such a request, the school must demonstrate to officers from Children's Services and Corporate Finance that all other options have been exhausted. Approval to repay a deficit is normally only allowed over a maximum of three years. However, additional years may be granted if, in the opinion of the Executive Director for Children's Services, the school's ability to deliver the national curriculum would

otherwise be seriously jeopardised and that no other reasonable course of action is available.

The estimated balances and pupil numbers of the schools included in this report are included in Appendix 1.

2.1 Requests to balance the budget over more than one year

Two-year budget plan:

- Arkwright Primary School
- Ashbourne Hill Top Primary School
- Ripley Junior School

Three-year budget plans:

- Charlesworth Primary School
- Glossopdale Community School
- William Allitt School

2.2 Plans beyond three years

Fairmeadows Primary School operates its own bank account and has an external payroll provider, thus the Authority holds less detailed transactional data than for most other schools. At the end of 2019-20 the school had an accumulated deficit of £0.141m and this is expected to have reduced to £0.017m by the end of 2022-23, with the balance being recovered in 2023-24.

New Mills School has not been able to produce a plan to bring their budget back into balance within the next three years. The deficit is, however, planned to reduce from £0.714m at 31 March 2021 to £0.498m by 31 March 2024.

The school continues to work closely with the Local Authority to address its deficit position and is being supported by the Authority's Team Around The School (TATS) processes. Further meetings of senior LA officers are planned with the school's governors and senior leadership teams to identify further measures to recover the deficit.

3. Financial Considerations

The problems faced by the small number of schools above have to be seen in context. At 31st March 2020, the Authority was responsible for 298 schools, of which, 32 reported a deficit at the end of 2019-20, ~10.7% of the total, and of these, only the one listed in section 2.2 does not yet have an agreed recovery plan.

Against this broadly positive picture, the current school funding arrangements now present a greater financial risk to the Authority. If a school with a deficit is required to convert to academy status then that deficit is likely to remain with the Authority.

Extensive work takes place to help schools to avoid getting into deficit. Where a school does have financial difficulties, the need to manage these problems, and the associated risks to the LA, have to be balanced against the needs of the children currently in the school and the impact on teaching and learning of potential savings strategies.

4. Other Considerations

In preparing this report, the relevance of the following factors has been considered; prevention of crime and disorder, equality and diversity, environmental, health, human resources, legal and human rights, property and transport considerations.

5. Background Papers

Held in School Support Finance.

6. Key Decision?

No

7. Officers' Recommendations

That the Cabinet Member considers the report and

- (i) Allows the schools detailed in section 2.1 to recover their budget deficits over more than one financial year;
- (ii) Notes the position of the two schools in section 2.2 that are currently unable to submit a balanced budget recovery plan within three years; and
- (iii) Requires the governing body of New Mills to agree and submit plans to the Authority by the end of the current financial year that eliminate the accumulated deficit within a timeframe acceptable to the Authority.

Jane Parfremment – Executive Director for Children's Services
Peter Handford – Director of Finance & ICT

Requests to balance the budget over more than one financial year:

School	Pupil Numbers		2020-21		2021-22		2022-23		2023-24	
	Oct 2019	Oct 2020 est	Estimated Balance £	% of budget	Estimated Balance £	% of budget	Estimated Balance £	% of budget	Estimated Balance £	% of budget
Arkwright Primary School	83	101	-19,743	-4.80	3,371	0.70				
Ashbourne Hill Top Primary School	118	125	-21,522	-3.92	11,636	1.99				
Ripley Junior School	305	340	-53,588	-4.38	36,322	2.63				
Charlesworth Primary School	111	101	-57,782	-11.40	-4,874	-1.00	76,412	14.73		
Glossopdale Community School	1108	1158	-724,647	-12.90	-373,683	-6.12	108,470	1.67		
William Allitt School	629	607	-148,774	-4.47	-22,014	-0.67	49,828	1.52		
Fairmeadows Primary	207	206	-141,464	-12.23	-54,259	-6.22	-17,462	-1.90	19,420	2.19

Schools without agreed balanced budget plans:

School	Pupil Numbers		2020-21		2021-22		2022-23		2023-24	
	Oct 2019	Oct 2020 est	Estimated Balance £	% of budget	Estimated Balance £	% of budget	Estimated Balance £	% of budget	Estimated Balance £	% of budget
New Mills	575	608	-714,181	-24.2	-675,112	-21.4	-675,480	-20.6	-498,440	-14.2

Author: Karen Gurney (x38755)

Agenda Item No. 4 (d)

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR YOUNG PEOPLE

4 August 2020

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

**BUDGET MONITORING 2020-21 – PERIOD 2 (as at 31 May 2020)
(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 2020-21 up to the end of May 2020 (Period 2).

To request approval for the creation of an earmarked reserve to cover the expected costs of additional staff within Elective Home Education.

2. Information and Analysis

2.1 Forecast Summary

The net controllable budget for the Young People portfolio is £116.912m.

The Revenue Budget Monitoring Statement prepared at period 2 indicates that there is a projected year-end overspend of £2.578m plus a further £1.400m to £3.000m depending on whether the current provision of placements for children in care levels off or continues the trajectory seen over the past 12 months.

This includes the impact of Covid-19 which is estimated at £2.059m and comprises mainly loss of income from services supported by trading. This will be supported by use of £2.059m additional Covid-19 funding. After the use of this funding the forecast position is an overspend of £0.519m.

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

£1.390 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	37.998	40.659	2.661
Support for Children with Disabilities	5.573	6.052	0.479
Children’s Safeguarding services	36.008	35.814	(0.194)
Early Help & Preventative Services	7.858	7.255	(0.603)
Home to School Transport	15.490	15.724	0.235
Education support services	4.392	6.004	1.612
Management, Finance, ICT and other support services	4.876	4.698	(0.179)
Pensions payable to former teachers and other staff	4.538	4.951	0.413
Redundancy	0.033	0.033	0.000
Other grant income	(2.057)	(2.066)	(0.009)
Unallocated budget	2.204	0.080	(2.124)
Specific Covid 19 costs	0.000	0.287	0.287
Total	116.912	119.490	2.578
Use of Covid-19 Funding	2.059	0.000	(2.059)
Total after use of reserves	118.971	119.490	0.519

2.2 Key Variances

2.2.1 Placements for Children in Care/Unable to remain at home, overspend £2.661m.

The overspend is due to a greater number of placements required than can be met 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. The needs of individual children and the availability of placements has also meant that there are an increased number of children placed in both more expensive fostering arrangements and more expensive residential provision. A planned introduction of a specialist fostering service for children with disabilities has been deferred for one year due to the tender closing date coinciding with the Covid19 pandemic, resulting in no tenders to provide this service.

2.2.2 Support for children with disabilities, overspend £0.479m

The increased demand for support and the complex needs of some individual children has led to the costs exceeding the allocated budget.

2.2.3 Children's Safeguarding services, underspend £0.194m

The department is underspending on admin and clerical support to social workers and overspending on social workers where some posts remain filled by agency workers to ensure an appropriate mix of experience in each locality. The cost of a social worker supplied by an agency is greater per worker than employed staff

2.2.4 Early Help and Preventative services, underspend £0.603m

The underspend is due to vacant posts in Multi-Agency Teams, Children's Centres, Youth support and Youth Offending Support.

2.2.5 Home to School Transport, overspend £0.235m

The projections include the supplier relief support grants being paid to providers who would normally provide transport of pupils to school. There is considerable uncertainty about future costs as both schools and transport contractors consider how to meet the government's objective of all children returning to school from September. This projection is based on the current contracts in place only.

2.2.6 Education Support services, overspend £1.612m

The largest element of this overspend is a projected overspend of £1.552m for Sport and Outdoor Residential education. Scheduled programmes have

ceased and staff at residential centres are providing respite accommodation and activities to children in care.

The School Catering Service has also been providing a much reduced service but has requested that schools continue to pass through funding that they receive from DfE for provision of Free School Meals. This projection assumes that schools accede to this request.

2.2.7 Pensions payable to former teachers and other staff, overspend £0.413m

These costs represent pension obligations payable to teachers and other staff previously employed by the Authority. The majority of the cost relates to staff who left under efficiency programmes during the early 1990s. Although the numbers of pensions being paid reduces year to year, the cost of the annual increase in respect of those pensions still in payment leads to this divergence from the allocated budget.

2.2.8 Unallocated budget, underspend £2.124m

This underspend comprises £0.425m of budget pressures funding which has not yet been allocated because either projected spend is lower than the existing allocated budget (legal fees) or because staff have not yet been appointed. There is a further £0.282m which has been allocated to the department due to increases in NI and Employer pension contributions which has not yet been allocated to services. Finally, there is £1.658m of grant funding of which the largest item is the allocation from the Dedicated Schools Grant of £1.390m. No announcements have been made about the continuation of these funding streams beyond 31 March 2021.

2.3 Budget Savings

Budget reductions totalling £2.350m were allocated to Children's Services for the year.

The value of the savings initiatives which were originally identified for implementation in the current year is £2.350m.

It is forecast that £1.207m 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 2020-21 £m	(Shortfall)/ Additional Savings Achieved £m
Care Leavers Employment project	0.162	0.162	0
Donut Centre	0.081	0.081	0
Early Help	0.167	0.167	0
Outdoor Education ¹	0.130	0	(0.130)
Education Psychology ¹	0.039	0	(0.039)
PAUSE contract ²	0.143	0.143	0
Local Children's Safeguarding Board	0.025	0	(0.025)
Remote & Mobile working	0.235	0.235	0
Home to School Transport (3 initiatives)	0.160	0	(0.160)
Information & ICT ¹	0.035	0	(0.035)
Pensions	0.236	0.236	0
Disability – Step Down ³	0.300	0	(0.300)
Accommodation of Children in care	0.450	0	(0.450)
Finance	0.037	0.033	(0.004)
Business Services Support	0.150	0.150	0
Total of Identified Savings Initiatives	2.350	1.207	(1.143)
Shortfall/(Surplus) of Identified Savings	0		
Total Savings Target	2.350		

¹ Originally intended to be achieved by generating additional income from sales to schools and Academies, plans affected by Covid-19.

² The PAUSE contract will avoid future costs.

³ Tender deadline coincided with restrictions to prevent spread of Covid-19 and no responses achieved.

Budget Reductions	£m
Prior Year B/f	0.000
Current Year	2.350
Total Savings Target	2.350

2.4 Growth Items and One-off Funding

The portfolio received the following additional budget allocations in 2020-21:

2.4.1 Social Worker recruitment - £1.300m ongoing, £1.300m 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 - £11.000m ongoing

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. Costs have continue to increase during 2020-21 and there is concern over the wellbeing of children who have been less visible to school professionals during the first part of 2020-21.

2.4.3 Home to School Transport SEN - £1.000m ongoing, £0.971m one-off

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 - £0.600m ongoing

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

2.4.5 Increase in Special Guardianship placements - £0.336m 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 Foster Carers - £0.100m ongoing

The allocation covered the cost of the inflation increase applied to foster care allowances from April 2020.

2.4.7 Care Leavers - £0.498m 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.

2.4.8 Child Protection - £0.500m ongoing

The allocation is towards the costs of staff that are currently required to respond to the increased number of children on child protection plans.

2.4.9 Children in Care Legal Proceedings - £1.100m one-off

This allocation is for the expenditure associated with 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.

2.4.10 Support to Achieving Great Futures - £0.108m one-off

To fund staff seconded to the project to review the pathways for people with disabilities and the services provided to them by the Authority.

2.4.11 Preventative Support to Families - £1.000m one-off

Expenditure supporting the children and families that the department works with has been increasing as the number of referrals and children identified as in need increases.

2.4.12 Elective Home Education - £0.207m one-off

The number of children who are educated at home by choice has been increasing leading to an increased need for staff to visit and assess the education provision to those children.

The service has commenced recruitment of the additional assessors required and these staff will be employed on one year contracts. The contracts will span across both the 2020-21 and 2021-22 financial years and therefore approval is requested to create an earmarked reserve up to £100,000 to hold the resources required to fund the costs of the newly recruited staff where their contracts extend into 2021-22.

2.4.13 Service Transformation - £0.438m one-off

To identify opportunities to improve service quality and efficiency and work with managers to bring this change about.

2.4.14 Quality Assurance SEND & Fostering - £0.214m one-off

To introduce new processes that will enable managers to analyse the performance of the Fostering and SEND services.

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 £3.000m depending should the trajectory of increase experienced in 2019-20 continue	4
Catering	The service is funded from income from schools and academies for pupils entitled to free meals as well as parental income for paid for meals. Schools and Academies have been asked to continue making payments to support the service.	Up to £3.000m depending on the response of schools and academies to this request	3
All	Data security breach resulting in fine	£0.500m	3
Home to School transport	Maintaining current recommended social distance guidelines could change how the LA transports children to school where it has a statutory duty to do so. There could be significant additional cost.	Up to £10.000m	4

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

2.6 Earmarked Reserves

Earmarked reserves totalling £7.926m are currently held to support future expenditure. Details of these reserves are as follows:

Reserve Description	Amount £m
Troubled Families	3.894
Standards Fund (Schools)	0.726
Children's Services ICT Improvements	0.706
Rates refunds (schools)	0.721
Other (below £0.5m individually)	1.879
Total Earmarked Reserves	7.926

2.6 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
0.053	0.691	0.030	0.013	0.005	0.008	0.005	0.806
6.56%	85.78%	3.77%	1.60%	0.62%	1.00%	0.66%	100%

There has been a significant reduction in the value of invoices raised by the department due to the closure of schools to most children and the cessation of the majority of services traded with schools.

In the 12 months up to the end of June 2020 the value of debt that has been written off totals £0.045m.

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, karen.gurney@derbyshire.gov.uk

8 Officer Recommendations

That the Cabinet Member notes the report.

That the Cabinet Member approves the creation of an earmarked reserve to cover the employment costs of additional Elective Home Education staff which are expected to be partially incurred in 2021-22.

Jane Parfremment
Executive Director
Children's Services

Peter Handford
Director of Finance
& ICT

PUBLIC

Author: Karen Gurney (x38755)

Agenda Item

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR YOUNG PEOPLE

4 August 2020

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

**DEDICATED SCHOOLS GRANT MONITORING 2020-21 – PERIOD 2
(as at 31 May 2020)**

(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 2020-21 up to the end of May 2020 (Period 2).

2. Information and Analysis

2.1. Forecast Summary

The expected Dedicated Schools Grant (DSG) and 6th form grant income due to the Authority in 2020-21 is £375.222m.

The Revenue Budget Monitoring Statement prepared at period 2 shows projected year-end expenditure of £373.864m. The expected underspend compared to income is £1.358m however this includes an underspend of £0.373m which is ring-fenced to schools, the underspend falling to the Authority is therefore £0.985m.

This underspend includes the benefit of £1.325m which Schools Forum agreed could remain uncommitted to assist with the pressures within the DSG therefore the underlying overspend against in-year grant is £0.340m.

The net total DSG reserves as at the end of 2019-20 were £0.188m surplus, within which the uncommitted DSG reserve stood at a deficit of £3.140m.

The DfE have included provisions in the School and Early Years Finance (England) Regulations 2020 - which came 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.

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	6.966	5.432	(1.534)
Re-pooled school funding	4.543	4.170	(0.373)
Early Years Block	41.165	41.185	0.020
High Needs Block	69.076	69.823	0.747
Schools Block	253.255	253.255	0.000
Total Expenditure	375.005	373.864	(1.142)
Dedicated Schools Grant Income	(375.005)	(375.222)	(0.217)
(Surplus)/Deficit	0.000	(1.358)	(1.358)

1.1. Key Variances

1.1.1. Central School Services Block, underspend £1.534m
The unallocated growth of £1.325m forms the majority of this underspend. The balance is primarily due to allocations to support schools to meet KS1 pupil/teacher ratios projected to be below the allocated budget.

1.1.2. Re-pooled school funding, underspend £0.373m
Projections for maternity costs and contingency payments for Primary schools are below allocated re-pooled amounts.

1.1.3. High Needs Block, overspend £0.747m

£0.200m 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 projected to be above the allocated budget by £0.188m. Additional places have been purchased at Derbyshire special schools leading to a projected overspend of £0.390m in this area.

1.2. 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	£1.000m - £2.000m	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 – Karen Gurney, karen.gurney@derbyshire.gov.uk

8. Officer Recommendations

That the Cabinet Member notes the report.

Jane Parfremment
Executive Director
Children's Services

Peter Handford
Director of Finance
& ICT