

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER – YOUNG PEOPLE** held on 4 August 2020.

PRESENT

Cabinet Member - Councillor A Dale

Also in attendance – Councillor J Patten

34/20 **MINUTES** **RESOLVED** that the minutes of the meetings of the Cabinet Member for Young People held on 7 July 2020 be confirmed as a correct record.

35/20 **MUSIC EDUCATION HUB GRANT 2020-21** Music
Education Hubs were 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). Since their formation in 2012, the Hubs have been co-ordinated by a ‘lead organisation’; locally this being the Derby & Derbyshire Music Partnership, which also takes responsibility for the finances and governance of the Hub.

The total amount of Hub funding across the country from the Department for Education, via fund-holders Arts Council England, in 2020/21 was £79m and the Derby/Derbyshire allocation was £1.4m. Derbyshire Music Education Hub’s delivery partner organisations were established and working collaboratively, with various application processes and decision-making criteria, which was detailed in the report.

Authority was sought for the Derby & Derbyshire Music Partnership to devolve funds of up to £30,000 per approved delivery partner organisation in order that each could 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.

RESOLVED (1) note the work of the Derby & Derbyshire Music Partnership; and

(2) to 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.

36/20 **REVENUE OUTTURN 2019-20** The Cabinet Member was informed of the revenue out-turn of the Young People’s portfolio for 2019/20.

The net controllable budget for the portfolio was £109.318m and the outturn statement for 2019/20 showed 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 was an overspend of £6.854m.

The outturn position included £6.756 million of Dedicated Schools Grant income transferred to contribute to costs incurred within Children's Services supporting Early Help services and children with additional needs. This income might not continue at the same level in future years.

The significant areas which make up the outturn were detailed in the report.

Key variances included Placements for Children in Care/Unable to remain at home (overspend £7.410m); Support for children with disabilities (overspend £0.733m); Children's Safeguarding services (overspend £1.917m); Early Help and Preventative services (breakeven); Home to School Transport (overspend £1.698m); Education Support services (overspend £0.834m); Pensions payable to former teachers and other staff (overspend £0.193m); Redundancies (breakeven); Other Grant Income (underspend £0.360m); and Unallocated budget, underspend £4.051m.

The value of the savings initiatives which have been identified for implementation in the current year was £3.013m and these were detailed in the report.

Growth items and one off funding in the 2019-20 budget included Social Worker recruitment (£1.300m ongoing, £2.600m one-off); Placement demand pressures (£3.000m ongoing, £5.000m one-off); Home to School Transport SEN (£1.450m ongoing); SEND assessment and planning (£0.275m ongoing); Increase in Special Guardianship placements (£1.097m ongoing); Children's Homes (£0.450m ongoing); Foster Carers (£0.060m ongoing); Care Leavers (£0.402m one-off); Children's Participation (£0.080m one-off); Child Protection (£0.105m one-off); Complex Case pooled budget (£0.250m one-off); Mobile Working (£0.260m one-off); and Children in Care Legal Proceedings (£1.050m one-off).

Details of the earmarked reserves totalling £8.025m and the debt position were also reported.

RESOLVED to note the report.

37/20 **DEDICATED SCHOOLS GRANT OUTTURN 2019-20** The Cabinet Member received a report on the Revenue Budget outturn of the Dedicated Schools Grant (Young People portfolio) for 2019-20. The significant areas of expenditure were detailed in the report.

The Dedicated Schools Grant (DSG) and 6th form grant income received by the Authority in 2019-20 was £365.845m. This, together with the use of reserves for 2019-20 of £2.278m covering planned expenditure, totalled income available to fund expenditure of £368.123m. Full year expenditure amounted to £371.260m

and compared with the income there was an overspend of £3.137m. However, this included an underspend of £0.291m which was 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 was therefore £4.430m.

Uncommitted DSG earmarked reserves of £1.290m were available to support this overspend meaning that the Authority would 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 and the reported DSG position was a net surplus reserve of £0.187m.

Following a recent consultation with Local Authorities (LA) and other stakeholders, the Department for Education have amended the School and Early Years Finance (England) Regulations 2020 and 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. Steps, agreed by the Schools Forum, were being taken to recover the deficit in Derbyshire.

RESOLVED to note the report.

38/20 SCHOOL BUDGETS: DEFICIT BALANCES AND RECOVERY PLANS BRINGING BUDGETS INTO BALANCE OVER MORE THAN ONE FINANCIAL YEAR

The report detailed Governing bodies of schools with budget deficits who have requested approval to implement budget plans in order to repay the deficits over more than one year and schools which have still to agree a deficit recovery plan.

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 was normally only allowed over a maximum of three years. Additional years might 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 was available.

The estimated balances and pupil numbers of the schools included in the report were provided in Appendix 1 attached to the report.

In relation to requests to balance the budget over more than one year there were six schools, namely Arkwright Primary School (2 year plan); Ashbourne Hill Top Primary School (2 year plan); Ripley Junior School (2 year plan); Charlesworth Primary School (3 year plan); Glossopdale Community School (3 year plan); and William Allitt School (3 year plan). A number of schools had plans beyond three years.

The Authority held less detailed transactional data for Fairmeadows Primary School as it operated its own bank account and has an external payroll provider. At

the end of 2019-20 the school had an accumulated deficit of £0.141m and this was 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 was planned to reduce from £0.714m at 31 March 2021 to £0.498m by 31 March 2024. The school continued to work closely with the Local Authority to address its deficit position and was being supported by the Authority's Team Around The School (TATS) processes. Further meetings of senior Local Authority officers were planned with the school's governors and senior leadership teams to identify further measures to recover the deficit.

RESOLVED (1) to allow the schools detailed in section 2.1 of the report to recover their budget deficits over more than one financial year;

(2) to note the position of the two schools in section 2.2 of the report that are currently unable to submit a balanced budget recovery plan within three years; and

(3) to require 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.

39/20 BUDGET MONITORING 2020-21 – PERIOD 2 (as at 31 May 2020)

The Cabinet Member was informed of the Revenue budget position of the Young People portfolio for 2020-21 up to the end of May 2020 (Period 2), budget savings, growth and one-off funding, risks and earmarked reserves.

The net controllable budget for the Young People portfolio is £116.912m and the Revenue Budget Monitoring Statement prepared at period 2 indicated that there was 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 continued the trajectory seen over the past twelve months.

This included the impact of Covid-19 which was estimated at £2.059m and comprised mainly loss of income from services supported by trading. This would be supported by use of £2.059m additional Covid-19 funding and after the use of this funding the forecast position was an overspend of £0.519m.

The key variances included Placements for Children in Care/Unable to remain at home (overspend £2.661m), Support for children with disabilities (overspend £0.479m), Children's Safeguarding services (underspend £0.194m), Early Help and Preventative services (underspend £0.603m), Home to School Transport (overspend £0.235m), Education Support services (overspend £1.612m), Pensions payable to former staff (overspend £0.413m), and Unallocated budget (underspend £2.124m).

The value of the savings initiatives originally identified for implementation in the current year was £2.350m and it was forecast that £1.207m of savings will have been achieved by the year-end.

The portfolio received additional budget allocations in 2019-20 for Social Worker recruitment (£1.300m ongoing, £1.300m one-off), Placement demand pressures (£11.000m ongoing), Home to School Transport SEN (£1.000m ongoing, £0.971m one-off), SEND assessment and planning (£0.600m ongoing), Increase in Special Guardianship placements (£0.336m ongoing), Foster Carers (£0.100m ongoing), Care Leavers (£0.498m one-off), Child Protection (£0.500m ongoing), Children in Care Legal Proceedings (£1.100m one-off), Support to Achieving Great Futures (£0.108m one-off), Preventative Support to Families (£1.000m one-off), Elective Home Education (£0.207m one-off), Service Transformation (£0.438m one-off), and Quality Assurance SEND and Fostering (£0.214m one-off).

The number of children who were 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. Recruitment of the additional assessors required has commenced. Contracts would be for one year but would span across the 2020-21 and 2021-22 financial years, approval was therefore 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 extended into 2021-22.

The report also detailed the services that could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary, the earmarked reserves totalling £7.926m that were currently held to support future expenditure and the profile of the debt position.

RESOLVED to (1) note the report; and

(2) approve 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.

40/20 DEDICATED SCHOOLS GRANT MONITORING 2020-21 – PERIOD 2
(as at 31 May 2020)

The Cabinet Member was provided 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).

The expected Dedicated Schools Grant (DSG) and 6th form grant income in 2020-21 was £375.222m. The Revenue Budget Monitoring Statement prepared at period 2 indicated a projected year-end expenditure of £373.864m. The expected underspend compared to income was £1.358m, however this included an underspend of £0.373m which was ring-fenced to schools. The underspend falling to the Authority was therefore £0.985m.

The underspend included 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 was £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 key variances were Central School Services Block (underspend £1.534m), Re-pooled school funding (underspend £0.373m), and High Needs Block (overspend £0.747m).

There was a risk that the High needs block placements and top-ups could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary.

RESOLVED to note the report.