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DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR YOUNG PEOPLE

10 November 2020

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

**PERFORMANCE AND BUDGET MONITORING/FORECAST OUTTURN
2020/2021 AS AT QUARTER 2**

(Young People)

1 Purpose of the Report

To provide the Cabinet Member with an update of the Council Plan performance position and the revenue budget position of the Young People portfolio for 2020/2021 up to the end of September 2020 (Quarter 2).

To note the request being made to Cabinet for approval for the creation of an earmarked reserve to cover the expected costs of temporary additional staff within the Quality Assurance team that will fall into financial year 2021-22.

2 Information and Analysis

2.1 Integrated Reporting

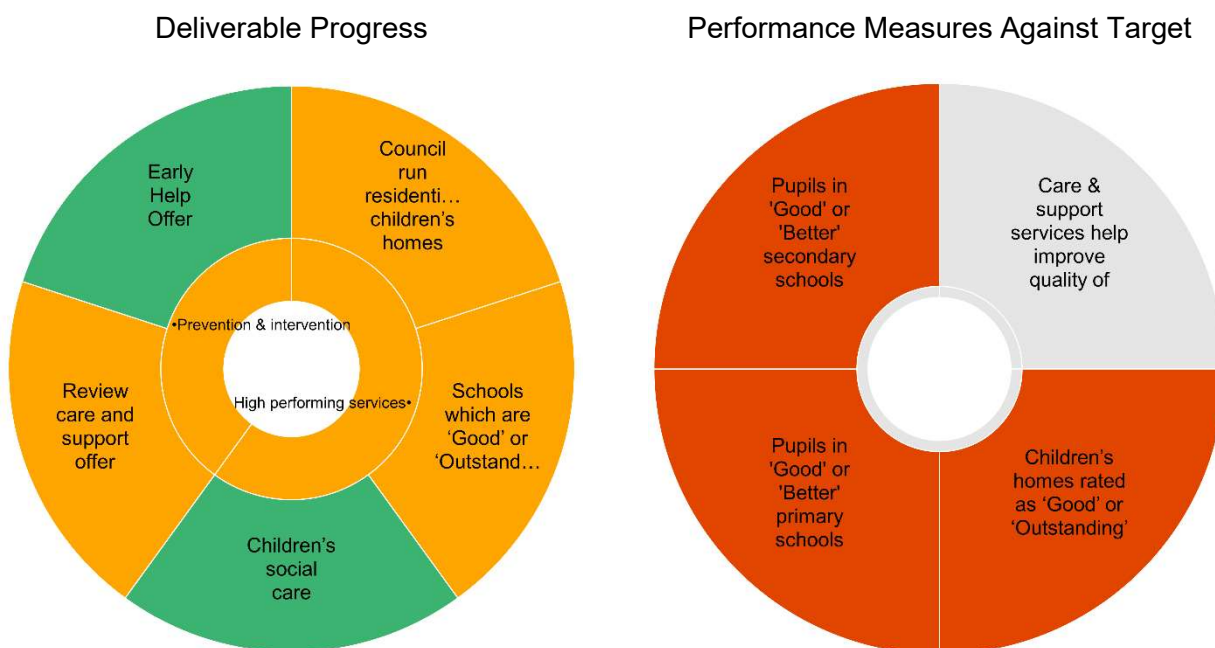
This report presents both financial and Council Plan performance data. The performance summary sets out progress on the Council Plan deliverables and measures led by the Young People portfolio. The remainder of the report gives a summary and detail on the revenue budget position for the portfolio.

As an overview, the report shows that progress is "good" for 2 out of the 5 Council Plan deliverables led by portfolio, however the deliverables to ensure that all Council run children's homes are 'Good' or 'Outstanding' and to increase the percentage of children in schools which are 'Good' or 'Outstanding' have been flagged as "requiring review". After the use of additional Covid-19 funding, the budget forecast position for 2020/2021 is an overspend of £6.461m. It is forecast that £1.126m of savings will have been achieved by the year end. This compares to target savings of

£2.350m and the value of savings initiatives, which have been identified for implementation in the current year, of £2.350m.

2.1 Performance Summary

The following shows an overview for Quarter 2 of progress on the Council Plan deliverables and measures relating directly to Young People.



Performance Measures Against Target

	2018/2019	2019/2020	2020/2021	Target	Performance
Percentage of Clients agreeing that care and support services help improve their quality of life	94.1%				
Percentage of Council run children's homes rated as 'Good' or 'Outstanding' by Ofsted	100.0%	81.8%	81.8%	100.0%	🔴
Percentage of pupils in good or better primary schools	77.7%	80.7%	80.7%	91.0%	🔴
Percentage of pupils in good or better secondary schools	59.9%	54.9%	54.9%	81.0%	🔴

Key ★ Strong ✅ Good 🟡 Review 🔴 Action 🟡 Data not available/Target not set

Progress is "good" for 2 out of the 5 Council Plan deliverables led by the portfolio. Key areas of success are:

- Improvements in children's social care – services continue to respond and adapt effectively to Covid-19 challenges. The workforce remains strong, dedicated and resilient. Performance against statutory duties is strong and regular risk assessments ensure children are kept safe.
- Embedding our newly designed Early help offer – this continues to progress well with teams developing and using creative approaches for engaging with individual children and families, for group work and for advice and support.

Key areas for consideration are:

- Reviewing the Council's care and support offer for children with special educational needs and disabilities and adults – The Achieving Great Futures (AGF) workstream has been impacted by Covid-19. Delays to the workstream have been mitigated in the overall delivery plan but there remains a risk to the project plan.

Key areas to note are:

- The “requiring review” rating for Council run children’s homes being ‘Good’ or ‘Outstanding’ and for increasing the percentage of children in schools which are ‘Good’ or ‘Outstanding’ are both reflecting the position back in March 2020. The suspension of Ofsted inspections means that these will not change until graded inspections re-start.

Further information on the portfolio’s Council Plan performance are included at Appendix A.

2.2 Budget Forecast Summary

The net controllable budget for the Young People portfolio is £119.205m.

The Revenue Budget Monitoring Statement prepared for quarter 2 indicates that there is a projected year-end overspend of £14.737m. This overspend will be supported by the use of £8.276m of Covid-19 funding allocated to the Council to support the costs incurred by the pandemic. After the use of this funding the forecast position is an overspend of £6.461m.

Projected outturn against target budget



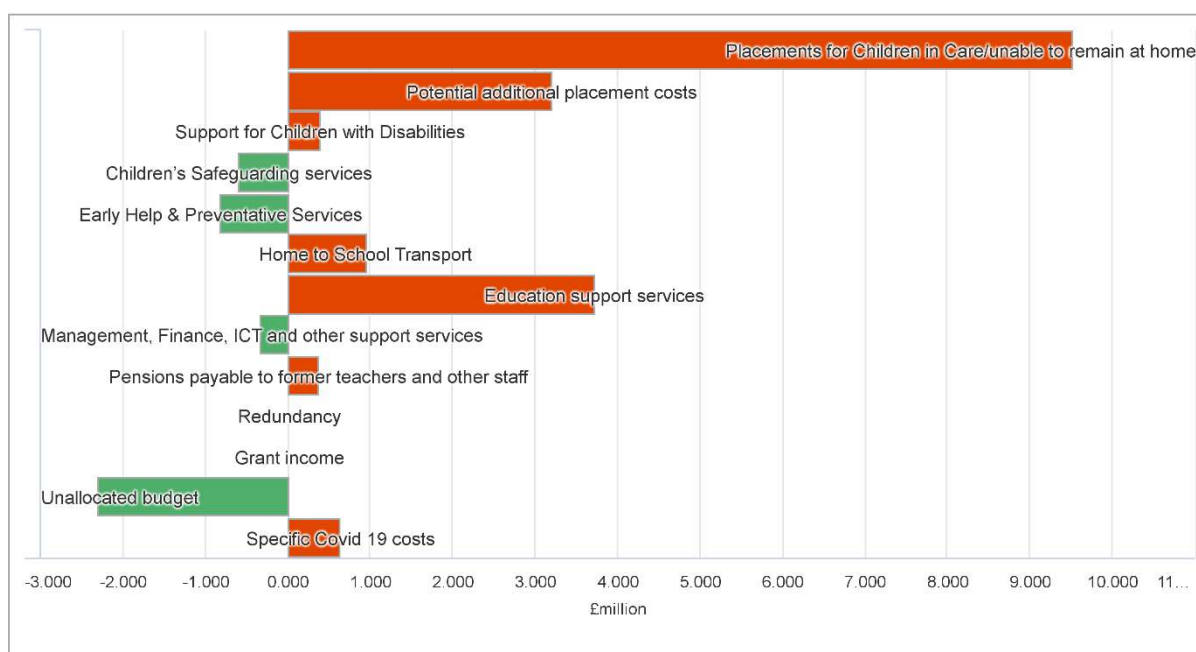
In addition to any use of earmarked reserves, the forecast outturn position includes one-off income of £1.390m. This relates to Dedicated Schools Grant income transferred to contribute to costs incurred within Children’s Services supporting Early Help services and children with additional needs.

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

Young People Budget Items

	Controllable Budget £m	Full Year Forecast £m	Forecast (Under)/Over Spend £m	Percentage (Under)/Over Spend	Budget Performance
Placements for Children in Care/unable to remain at home	37.767	47.280	9.513	25.2%	🔴
Potential additional placement costs	0.000	3.200	3.200	100.0%	🔴
Support for Children with Disabilities	5.757	6.143	0.386	6.7%	🔴
Children's Safeguarding services	37.010	36.413	-0.597	-1.6%	🟢
Early Help & Preventative Services	8.144	7.334	-0.810	-9.9%	🟢
Home to School Transport	15.492	16.446	0.954	6.2%	🔴
Education support services	4.388	8.108	3.720	84.8%	🔴
Management, Finance, ICT and other support services	5.833	5.495	-0.338	-5.8%	🟢
Pensions payable to former teachers and other staff	4.538	4.910	0.372	8.2%	🔴
Redundancy	0.033	0.033	0.000	0.0%	🟢
Grant income	-3.621	-3.622	-0.001	0.0%	🟢
Unallocated budget	2.349	0.055	-2.294	-97.7%	🟢
Specific Covid 19 costs	1.515	2.147	0.632	41.7%	🔴
Total	119.205	133.942	14.737	12.4%	🔴
Covid-19 Funding	8.276				
Total after use of additional funding	127.481	133.942	6.461	5.1%	🔴

Forecast Under/Overspend



2.3 Key Variances

2.3.1 Placements for Children in Care/Unable to remain at home, overspend £12.713m

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 and the rate of increase has been greater since May/June of this year. There has been a net increase of 20 in the number of external residential placements since May/June 2020 bringing the total as at the end of September to 94. This is a greater rate of increase than that seen in recent years with placement numbers 5 higher than would have been expected on pre-covid trends. There has been a net increase of 45 in external fostering placements which were 297 as at the end of September. This is also a slightly higher rate of increase than has been experienced in the last two years and is also 5 placements higher than would have been expected on pre-covid trends. 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 Covid-19 pandemic, resulting in no tenders to provide this service.

2.3.2 Support for children with disabilities, overspend £0.386m

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

2.3.3 Children's Safeguarding services, underspend £0.597m

The department is underspending on admin and clerical support to social workers and within internal fostering and child protection teams where there have been reductions in travel expenditure due to staff working from home and undertaking many aspects of their roles virtually. Spend to support families in need and to prevent children coming into care is showing a reduction in the first half of the financial year compared to the previous year. In addition, expenditure on legal expenses associated with care proceedings is lower compared to the previous year. Offsetting this, there is an overspend on Starting Point where the service is operating with 2 to 3 additional Social Workers as well as a number of Business Services posts which are above the approved establishment budget in response to service pressures.

2.3.4 Early Help and Preventative services, underspend £0.810m

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

2.3.5 Home to School Transport, overspend £0.954m

The forecast includes the supplier relief support grants paid to providers covering the period between March and July when schools were closed. There have been increases in the costs associated with transporting SEN pupils to school as a result of Covid-19 requirements and the Department for Education have provided grant funding to contribute to this increased cost. The amount of funding for the financial year to March 2021 has not been announced however the allocation for the first 6 weeks to cover costs up to mid-October will cover these costs so a neutral financial position has been assumed for this projection with expected costs being met by expected income. This additional cost is included within the row 'Specific Covid-19 costs'.

2.3.6 Education Support services, overspend £3.720m

The projected overspend has increased by £2.184m since that reported in the quarter 1 projection. This deterioration is almost entirely due to a change in the forecast outturn position of the Catering service providing meals to school pupils. The assumption made for the quarter 1 projection was that meals provided would revert to planned levels from September. Although schools have re-opened, the number of children taking meals provided by the Catering Service has reduced by around 19% compared to plan. This forecast has been prepared with only the first week of September sales available and the assumption has been made that this reduction in sales persists for the rest of the financial year.

The Sport and Outdoor Education service has also been adversely affected by Covid-19 and has been unable to provide outdoor experiences and adventure activities since March. This has resulted in loss of income to the service and the net overspend is projected to be £1.330m for this financial year.

The Education Improvement Service has adapted its traded services to operate virtually and the projected overspend of £0.220m primarily reflects the loss of income for the period March 2020 to July 2020.

2.3.7 Pensions payable to former teachers and other staff, overspend £0.372m

These costs represent pension obligations payable to teachers and other staff previously employed by the Authority. Most 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.

2.3.8 Unallocated budget, underspend £2.294m

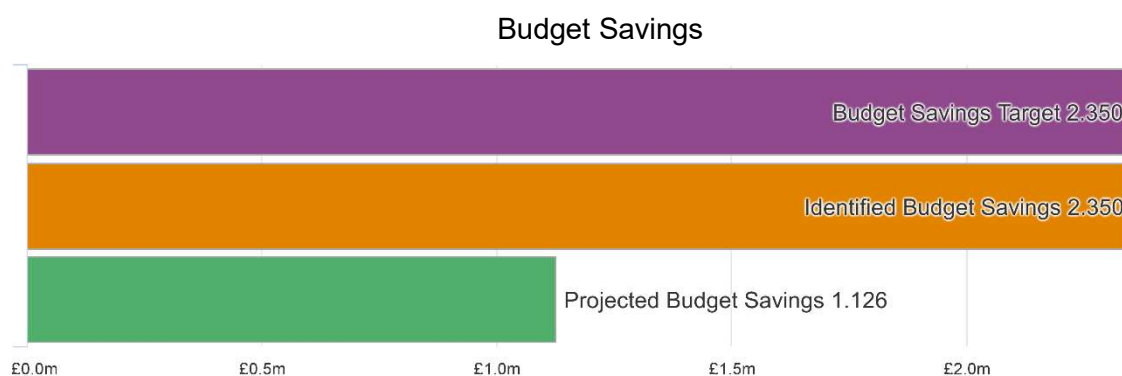
This underspend comprises £0.282m of budget pressures funding which has not yet been allocated because projected spend is lower than the existing allocated budget. Finally, there is £2.282m of grant funding of which the largest item is the allocation from the Dedicated Schools Grant of £1.390m. No announcements have been made about the continuation of these funding streams beyond 31 March 2021 so these are being used to mitigate against current levels of spend including covering £0.205m of budget reductions which have not yet been applied to a specific service.

2.4 Budget Savings

Budget reductions totalling £2.350m were allocated for the year.

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

The surplus between the total reductions expected to be achieved and the identified savings initiatives is £0.000m.



It is forecast that £1.126m of savings will have been achieved by the year-end. The table below shows performance against the target.

Budget Savings Initiatives

	Note	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	0.000	✓
Donut Centre		0.081	0.000	-0.081	✗
Early Help		0.167	0.167	0.000	✓
Local Children's Safeguarding Board		0.025	0.000	-0.025	✗
Remote & Mobile working		0.235	0.235	0.000	✓
Home to School Transport (3 initiatives)		0.160	0.000	-0.160	✗
Pensions		0.236	0.236	0.000	✓
Accommodation of Children in care		0.450	0.000	-0.450	✗
Finance		0.037	0.033	-0.004	✗
Business Services Support		0.150	0.150	0.000	✓
Outdoor Education	1	0.130	0.000	-0.130	✗
Education Psychology	1	0.039	0.000	-0.039	✗
PAUSE contract	2	0.143	0.143	0.000	✓
Information & ICT	1	0.035	0.000	-0.035	✗
Disability – Step Down	3	0.300	0.000	-0.300	✗
Total Position		2.350	1.126	-1.224	✗
Shortfall/(Surplus) of Identified Savings		0.000			
Budget Savings Target		2.350			
Prior Year B/f		0.000			
Current Year		2.350			

Notes

- 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.

2.5 Growth Items and One-Off Funding

The portfolio received the following additional budget allocations in 2020/2021:

2.5.1 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.

2.5.2 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 continued 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.

2.5.3 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.

2.5.4 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.

2.5.5 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.

2.5.6 Foster Carers - £0.100m ongoing

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

2.5.7 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.

2.5.8 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.

2.5.9 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.

2.5.10 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.

2.5.11 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.

2.5.12 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.

2.5.13 Service Transformation - £0.438m one-off

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

2.5.14 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.

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 of £122,000 to hold the resources required to fund the costs of the newly recruited staff where their contracts extend into 2021-22.

2.6 Financial 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:

Financial Risks

Service	Risk	Sensitivity* £m	Likelihood 1 = Low, 5 = High
Placements	Increased number of children requiring placements.	3.200	4
Management, Finance, ICT and other support services	Ex gratia or other payments to close disputes.	0.020	1
All	Data security breach resulting in fine.	0.500	3

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

2.7 Earmarked Reserves

Earmarked reserves totalling £6.471m are currently held to support future expenditure. Details of these reserves are as follows:

Reserves

		£m
Troubled Families	▼	3.436
Standards Fund (Schools)	=	0.726
Rates refunds (schools)	=	0.721
Children's Services ICT Improvements	▼	0.500
Other reserves	↑	1.088
Total Reserves	▼	6.471

Key

- ↑ Reserve has increased over the quarter
- = Reserve is unchanged over the quarter
- ▼ Reserved has decreased over the quarter

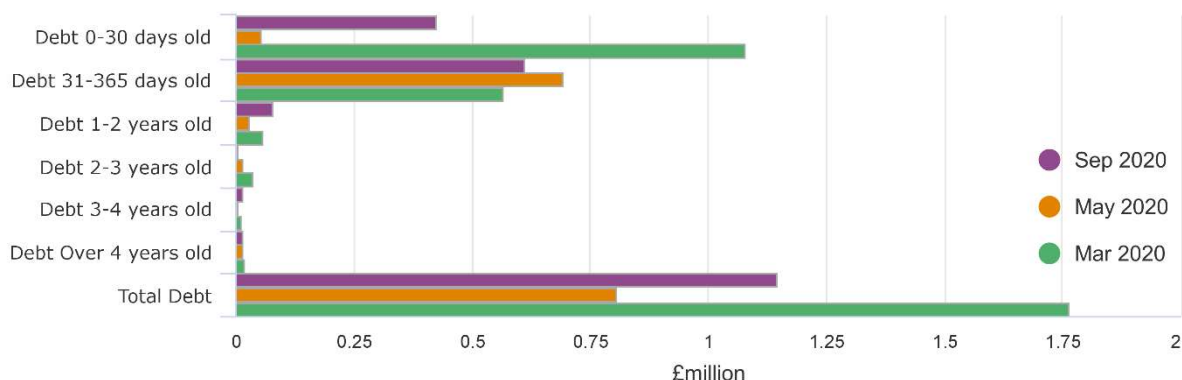
2.8 Debt Position

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

Debt Position

0-30 days £m	31-365 days £m	1-2 years £m	2-3 years £m	3-4 years £m	Over 4 years £m	Total £m
0.423	0.611	0.078	0.004	0.015	0.013	1.144
↑	▼	↑	▼	↑	=	↑
37.0%	53.4%	6.8%	0.3%	1.3%	1.1%	100.0%
↑	▼	↑	▼	↑	▼	↑

Aged Debt over Time



In the year up to 30 September 2020 the value of debt that has been written off totals £0.034m.

3 Financial Considerations

As detailed in the report.

4 Other Considerations

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

5 Key Decision

No.

6 Call-In

Is it required that call-in be waived in respect of the decisions proposed in the report? No.

7 Background Papers

Held on file within the Children's Services Department. Officer contacts – Karen Gurney (finance), Sara Lewis (performance).

8 Officer Recommendations

That the Cabinet Member notes the report and considers whether there are any further actions that should be undertaken to improve the budget position moving forwards or to address performance, where it has not met the desired level.

That the Cabinet Member notes the request to be made to Cabinet to approve the creation of an earmarked reserve to cover the employment costs of additional Quality Assurance staff which are expected to be partially incurred in 2021-22.

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

**Peter Handford
Director
Finance & ICT**

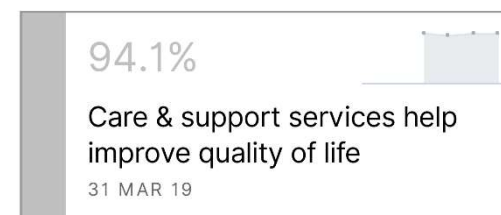
Young People Quarter 2 Performance Report 2020/2021

Progress on Council Plan deliverables and key measures

A focus on prevention and early intervention

 Reviewed the Council's care and support offer for children with special educational needs and disabilities and adults to improve efficiency, value for money and customer outcomes

- The achieving great futures (AGF) workstream has been impacted by Covid-19. Delays to the workstream have been mitigated in the overall delivery plan. Learning from AGF has been used in the Children's Diagnostic and there are opportunities for greater impact working across the whole life pathway. In addition there is a Special Educational Needs and Disabilities (SEND) action plan which is currently being led by the Local Area SEND Board.
- Rating set at 'Review' as there is still a risk to the timetable which is dependent on timing of the restart of this programme.
- In the previous two years over 94% of clients responding to our Adult Care survey have agreed that care and support services help improve their quality of life. Results of the survey in 2019/20 will be published later in 2020.



 Embedded our newly redesigned Early Help Offer for Children, Young People and Families

- The work of the Early Help service has predominately been on-line during the Covid-19 period although in recent weeks the face to face visiting has increased. The workforce has been eager to be able to see families in person to get a true picture of the well being of the children and the resilience in the families. Children's Centres have been working closely with health colleagues around the engagement with children under 5 years of age and developing methods of support to help children in their speech and language development preschool. The teams continue to work on creative methods to enable group work on-

line and the ability to share advice and support. An outline of the scope of the evaluation of the early help service has commenced.

High performing council services

Strived to ensure that all Council run children's homes are 'Good' or 'Outstanding'



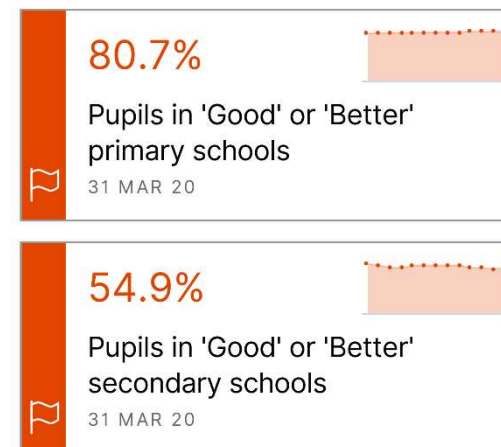
- Children's home inspections have been suspended since the end of March 2020 due to Covid-19. An interim inspection phase started from September 2020 and will last at least until December 2020 with the possibility of extension if measures for responding to and recovering from Covid-19 carry on into 2021. Inspections during this interim phase will be prioritised and will not include a graded judgement. The Council has 11 children's homes. At the point that inspections were suspended, nine homes (81.8%) were judged to be good or outstanding in their most recent inspection. There will be no opportunity to improve this performance position until full, graded-judgement inspections resume.
- Derbyshire has had its first assurance visit to Glenholme children's home. This commenced virtually on 15 September and inspectors visited the home in person on 16th. As the visit was largely virtual the inspector benefitted from other professionals views in the 'team around the home' and was also able to meet one of the young people who live at the home. The inspector confirmed that the home had tackled the issues identified in the last inspection and identified other ways in which the home could improve further. The staff team felt that the inspector was really approachable and understanding of the challenges that the home have been facing. This was a positive first assurance visit for Derbyshire.
- All of the children's homes have continued to provide high quality care to our children in care throughout the Covid-19 period. Staffing has remained very strong despite difficulties with recruitment in some homes and challenges with cover for the waking night shifts where there are staffing gaps.





Worked with schools to ensure they increased the percentage of children in schools which are 'Good' or 'Outstanding', so that Derbyshire is in line with the national average

- School inspections were suspended at the end of March due to Covid-19. Ofsted have started a phased return to inspection with an interim period of visits to schools and settings during the autumn term with an intention to resume full inspections in January 2021, although the exact timing of this is being kept under review. During this interim phase from September 2020, Ofsted will prioritise and visit all inadequate schools and a sample of schools across the other Ofsted grades (outstanding, good, requires improvement). Ofsted have been clear that these visits are not inspections, will not result in a graded judgement but will be based around a series of professional conversations with senior and middle leaders.
- At the point that school inspections were suspended, the percentage of pupils in Derbyshire attending primary schools that were judged to be good or outstanding was 80.7% with performance below the national average of 87.9%, with Derbyshire ranked 132 nationally. The percentage of secondary aged pupils attending schools judged to be good or better was 54.9% with performance significantly below the national average (79.5%) with Derbyshire ranked 138 nationally. There will be no opportunity to influence this indicator until full, graded inspections of schools resume which will not be before January 2021.



Continued to drive improvements in the delivery of children's social care

- Social care demand, which experienced a drop at the start of the Covid-19 national lockdown, has now recovered closer to pre-Covid-19 levels. To date, services have been able to respond effectively, triaging new cases which are moving through to the locality teams for an assessment to be undertaken. During the quarter social care has continued to have a full complement of staff which is to be commended as with all our workforce. Workers have continued to demonstrate a high level of performance against the statutory duties. Risk assessments continue to be regularly updated for all the children open to the service. These are signed off by a manager and determine the level of oversight needed regarding the welfare of the children. More face to face visiting has been undertaken (bespoke to the child and family's needs) by the social workers. In person visiting has been particularly necessary for newly referred cases where there has been no direct sight of the home circumstances.

- During the summer period workers took some leave which has been helpful to refresh colleagues. However, the morale of the workforce ebbs and flows and managers are working hard to maintain individual and group contact with their teams virtually. There are many creative methods being used to support staff, such as virtual break out rooms, virtual coffee mornings and lunch breaks, team meetings and training and development events. Gradually the numbers of workers spending time in the offices has increased, in line with risk assessments and PPE guidance. It is understood by workers that it is unsafe for everyone to return to office bases but many have expressed that they miss seeing and supporting their colleagues and being able to share reflections on social work practice which is so integral to the role.

Key  Strong  Good  Review  Action  Data not available/Target not set •