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DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER FOR CHILDREN'S SERVICES AND SAFEGUARDING

8 June 2021

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

**REVENUE OUTTURN 2020-21
(CHILDREN'S SERVICES AND SAFEGUARDING)**

1. Purpose of the Report

To provide the Cabinet Member with a report of the Revenue Outturn of the Young People portfolio for 2020-21.

2. Information and Analysis

2.1. Outturn Summary

The net controllable budget for the Young People portfolio is £129.322m including additional allocations of £7.223m to fund the impacts of Covid-19.

After the use of additional Covid-19 funding, the Revenue Outturn Statement for 2020-21 shows that there is a year-end overspend of £3.592m.

Reserves of £0.204m which have no further commitments against them have been released during 2020-21 to offset this overspend. After the application of these reserves the revenue outturn is an overspend of £3.388m.

The 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 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	40.884	48.759	7.875
Support for Children with Disabilities	5.106	5.084	(0.022)
Children's Safeguarding services	34.371	34.357	(0.014)
Early Help & Preventative Services	7.264	4.928	(2.336)
Home to School Transport	15.651	17.358	1.707
Education support services	7.589	6.934	(0.655)
Business Services support, Management, Finance, ICT and other support services	12.950	12.843	(0.107)
Pensions payable to former teachers and other staff	4.538	4.859	0.321
Redundancy	0.107	0.107	-
Other grant income	(4.023)	(4.011)	0.012
Unallocated budget	3.551	0.362	(3.189)
Specific CV-19 costs	1.334	1.334	-
Total	129.322	132.914	3.592
Release of reserves – no further commitments	0.204	0.000	(0.204)
Total after use of reserves	129.526	132.914	3.388

2.2. Key Variances

2.2.1. Placements for Children in Care/Unable to remain at home, overspend £7.875m.

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. Although

placements can rarely be identified as specifically due to the pandemic, Derbyshire has seen an increase in placements coinciding with the return of the wider population of children to school, a trend that is in common with many other councils across England.

2.2.2. Children's Safeguarding services, underspend £0.014m

An overspend of £0.465m on court fees, solicitors and specialist witnesses has been offset by lower expenditure on preventative support provided to families in need.

2.2.3. Early Help and Preventative services, underspend £2.336m

Additional contributions of £1.500m were provided from the Public Health grant in support of the work undertaken by and within Children's Centres. Following the introduction of the new Early Help service in 2019-20, there were a number of vacancies still at the start of 2020-21 which is the main reason for the remainder of the underspend. Vacancy levels have now returned to levels consistent with normal staff turnover.

2.2.4. Home to School Transport, overspend £1.707m

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.

2.2.5. Education Support services, underspend £0.655m

There are several areas that are underspent. Although provision of Adult Education was affected by the pandemic during 2020-21 leading to a reduction of both grant income and sales income, the fall in income was more than offset by a reduction in expenditure associated with course delivery and the service had a net underspend of £0.175m. Assessment of Education Health and Care plans was also underspent due to vacancies during the year, staff have been recruited during the year producing an underspend of £0.201m.

2.2.6. Pensions payable to former teachers and other staff, overspend £0.321m

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.

2.2.7. Unallocated budget, underspend £3.189m

This underspend comprises in-year grant funding of which the largest item is the allocation from the Dedicated Schools Grant of £1.390m. At the time of writing, no announcements had 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.

Covid Funding

The above figures include all additional costs incurred due to Covid-19 and the funding provided to cover those costs. The table below provides a summary of identified Covid-19 costs and their funding sources.

Description	Additional Costs £m	Savings Slippage £m	Loss of Income £m	Offsetting Income £m	Total Funded by Corporate Covid Grant £m
Placements for Children in Care/Unable to remain at home	2.274	0.450	-	-	2.724
Support for Children with Disabilities	-	0.300	-	-	0.300
Early Help & Preventative Services	-	0.096	0.036	-	0.132
Home to School Transport	-	0.160	-	-	0.160
Education support services	-	0.169	2.369	-	2.538
Business Services support, Management, Finance, ICT and other support services	-	0.035	-	-	0.035

Description	Additional Costs £m	Savings Slippage £m	Loss of Income £m	Offsetting Income £m	Total Funded by Corporate Covid Grant £m
Specific Covid 19 costs – Home to School Transport	0.866	-	-	(0.866)	-
Specific Covid 19 costs – other	0.468	-	-	-	0.468
Total	3.608	1.210	2.405	(0.866)	6.357

2.3. 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 £3.013m.

It is calculated that £1.215m 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 2020-21 £m	(Shortfall)/ Additional Savings Achieved £m
Care Leavers Employment project	0.162	0.162	0.000
Donut Centre	0.081	0.081	0.000
Early Help	0.167	0.167	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
Local Children's Safeguarding Board	0.025	0.004	-0.021
Remote & Mobile working	0.235	0.235	0.000
Home to School Transport (3 initiatives)	0.160	0.000	-0.160
Information & ICT ¹	0.035	0.000	-0.035
Pensions	0.236	0.236	0.000
Disability – Step Down ³	0.300	0.000	-0.300

Identified Savings Initiatives	Budget Reduction Amount £m	Achieved by the end of 2020-21 £m	(Shortfall)/ Additional Savings Achieved £m
Accommodation of Children in care	0.450	0.000	-0.450
Finance	0.037	0.037	0.000
Business Services Support	0.150	0.150	0.000
Total of Identified Savings Initiatives	2.350	1.215	-1.135
Shortfall/(Surplus) of Identified Savings	0.829		
Budget Savings Target	3.179		
Prior year B/f	0.829		
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. New start date 1 April 2021.

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 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 lockdowns 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. This funding has not been fully spent in 2020-21 due to delays in recruitment.

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. This allocation was fully spent during 2020-21.

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. This funding was not spent in 2020-21 as the associated staffing costs are being met by the Adult Care portfolio following deployment of staff to the wider Better Lives programme. This funding is offsetting other overspending budgets in the portfolio.

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.

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. This funding was not fully spent in 2020-21 due to delays in recruitment.

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. This funding was not fully spent in 2020-21 due to delays in recruitment, however approval has been given to contribute any remaining funding to an earmarked reserve at the end of the year to cover the continuation of expenditure in 2021-22.

2.5 Earmarked Reserves

Earmarked reserves totalling £6.912m are currently held to support future expenditure. Details of these reserves are as follows:

Reserve Description	Amount £m
Supporting Families	3.818
Children's Services ICT Improvements	0.657
Late claims - self-insurance sickness scheme for schools	0.653
Other (below £0.5m individually)	1.784

Total Earmarked Reserves	6.912
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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
2.398	0.135	0.108	0.020	0.012	0.003	0.009	2.685
89.30%	5.04%	4.01%	0.73%	0.45%	0.13%	0.34%	100%

In the 12 months up to the end of March 2021 the value of debt that has been written off totals £0.019m.

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.

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