

APPENDIX 5: FINANCIAL MONITORING

COMMENTARY FROM THE DIRECTOR OF PEOPLE & COMMUNITIES IN RELATION TO CHILDREN'S SERVICES AS AT 30 JUNE 2014

Financial Overview

The current estimated out-turn position for the Directorate after the use of earmarked reserves is a net over spend of £1,528k (5.72%). This is due to increases in the Cost of Looked after children Placements and MTFP savings not being delivered at the pace previously anticipated.

This overspend in relation to the cost of placements for children looked after is detailed below.

Placement costs. There are essentially three categories of placement setting - in house foster care provision, Independent Fostering Agencies (IFAs) and 'residential care' placements. The cost differences between these settings can be considerable, with in-house provision being the most cost effective solution (approximately £21,500 per annum), IFAs approximately £48,500 per annum and 'residential care' costs varying widely dependent upon the needs of the individual child, but in exceptional cases, being in excess of £250,000 per annum.

Unfortunately over the past year or two we saw the number of Looked after Children rise to over 270 and a small number of these very complicated and difficult cases have led to placements in residential care. Whilst the number of children in care has reduced the level of expenditure has not reduced in line with the reductions to the budget.

Various measures have been put in place over the past 24 to 36 months with most recent action seeing the number of children looked after falling below 220. Our average placement costs remain favourable when benchmarked against other LA's. The projected spend on placements is just over £7.7m. This is a reduction of over £500k when compared to the spend in 2012-13. However despite these improvements, and partly due to further reductions in the placements budget, the spend remains above the budget set by £1,076k.

Major Financial Variances

The major financial variances for the year are shown in the tables below, and are split between variances that relate to key risks identified within the Medium Term Financial Forecast, and any other variances over £50k that have occurred in the year.

Key Risk Identified in MTFF			
	Likelihood of Occurrence	Potential Impact £000	Anticipated Out-turn Variance £000
Children in care	High	0 - 1,250	1,184
Home to School transport reductions	Medium	0 - 200	0
Use of agency staff within Children's Social Care	Low	0 - 200	0
Change management re Machinery of Government	Medium	0 - 350	0
Budget Reduction Savings	Medium	0 - 500	0
Future Funding changes	Low	0 - 200	0
Loss of funding re Academies	Medium	0 - 300	0
Impact of school deficit budgets	Low	0 - 200	0
External Legal costs re Child Protection			50
Sub Total of Key Risk Variances			1,234
Other Variances over £50k			
			Anticipated Out-turn Variance £000
Vacancy Management			330
Use of reserves and Income			-120
Internal Legal Recharges			30
Transfer of Learning Partnership West - delayed savings			145
Adoption Agency Fees			-28
Sub Total of Other Variances Over £50k			357
Other Minor Variances			-63
Projected Total Directorate Variance			1,528

**REVENUE MONITORING 2014/2015
CHILDREN & YOUNG PEOPLE**

	2014/2015 Budget £	Actual Spend 30/06/2014 £	Projected Spend to 31/03/2015 £	Projected Out-turn £	Variance £
INDIVIDUAL SCHOOLS BUDGET					
Expenditure	80,013,542	78,842,576	0	78,842,576	(1,170,966)
Other Unversal Provision	740,934	740,934	0	740,934	0
SUB TOTAL	80,754,476	79,583,510	0	79,583,510	(1,170,966)
DEDICATED SCHOOLS GRANT					
	(98,715,483)	(98,715,483)	0	(98,715,483)	0
EDUCATION OTHER THAN AT SCHOOLS					
	14,798,698	15,299,865	0	15,299,865	501,167
VULNERABLE LEARNERS SERVICE					
	1,435,953	1,359,447	0	1,359,447	(76,506)
STRATEGIC MANAGEMENT AND CENTRAL SERVICES					
	1,726,356	1,582,880	0	1,582,880	(143,476)
D.S.G. Expenditure	98,715,483	97,825,702	0	97,825,702	(889,781)
D.S.G. Income	(98,715,483)	(98,715,483)	0	(98,715,483)	0
NET D.S.G.	0	(889,781)	0	(889,781)	(889,781)
CHILDREN & YOUNG PEOPLES DIRECTORATE					
	2014/2015 Budget £	Committed Spend 30/06/2014 £	Projected Spend to 31/03/2015 £	Projected Out-turn £	Projected Variance £
STRATEGIC MANAGEMENT					
Expenditure	2,093,787	959,043	1,179,304	2,138,347	44,560
Income	-471,420	(108,102)	(363,318)	-471,420	0
NET SUB TOTAL	1,622,367	850,941	815,986	1,666,927	44,560
PENSION COSTS					
	1,740,220	355,058	1,455,162	1,810,220	70,000
SPECIAL EDUCATION					
Expenditure	879,387	296,221	583,166	879,387	0
Income	(46,500)	(34,875)	(11,625)	(46,500)	0
NET SUB TOTAL	832,887	261,346	571,541	832,887	0
ACHIEVEMENT BRANCH					
Expenditure	430,030	228,732	196,298	425,030	(5,000)
Income	(157,120)	(52,410)	(104,710)	(157,120)	0
NET SUB TOTAL	272,910	176,322	91,588	267,910	(5,000)
ACCESS					
Expenditure	3,513,422	588,325	3,002,097	3,590,422	77,000
Income	(209,200)	(47,851)	(261,349)	(309,200)	(100,000)
NET SUB TOTAL	3,304,222	540,474	2,740,748	3,281,222	(23,000)
NON-SCHOOLS EXPENDITURE					
Expenditure	967,909	235,225	732,684	967,909	0
Income	(69,050)	0	(69,050)	(69,050)	0
NET SUB TOTAL	898,859	235,225	663,634	898,859	0
CENTRAL SUPPORT RECHARGES					
	2,269,802	2,562,203	(262,401)	2,299,802	30,000
SUMMARY					
EXPENDITURE	11,894,557	5,224,807	6,886,310	12,111,117	216,560
INCOME	-953,290	(243,238)	(810,052)	(1,053,290)	(100,000)
SUB TOTAL	10,941,267	4,981,569	6,076,258	11,057,827	116,560

CHILDRENS SOCIAL CARE	2014/2015 Budget £	Committed Spend 30/06/2014 £	Projected Spend to 31/03/2015 £	Projected Out-turn £	Projected Variance £
COMMISSION & SOCIAL WORK					
Expenditure	3,127,194	923,349	2,255,845	3,179,194	52,000
Income	(52,270)	(3,547)	(48,723)	(52,270)	0
NET SUB TOTAL	3,074,924	919,802	2,207,122	3,126,924	52,000
COMMUNITY FAMILY TEAMS & CHILDRENS CENTRES					
Expenditure	6,404,884	1,788,609	4,715,275	6,503,884	99,000
Income	(530,442)	(199,875)	(330,567)	(530,442)	0
NET SUB TOTAL	5,874,442	1,588,734	4,384,708	5,973,442	99,000
CHILDREN LOOKED AFTER					
Expenditure	6,785,660	2,004,171	5,937,489	7,941,660	1,156,000
Income	0	0	0	0	0
NET SUB TOTAL	6,785,660	2,004,171	5,937,489	7,941,660	1,156,000
FAMILY SUPPORT SERVICES					
Expenditure	2,310,344	333,723	2,161,871	2,495,594	185,250
Income	(475,403)	(387,000)	(88,403)	(475,403)	0
NET SUB TOTAL	1,834,941	(53,277)	2,073,468	2,020,191	185,250
YOUTH JUSTICE					
Expenditure	735,684	572,834	162,850	735,684	0
Income	(387,414)	(115,210)	(272,204)	(387,414)	0
NET SUB TOTAL	348,270	457,624	(109,354)	348,270	0
MANAGEMENT & SUPPORT					
Expenditure	456,935	184,388	246,547	430,935	(26,000)
Income	(84,480)	0	(84,480)	(84,480)	0
NET SUB TOTAL	372,455	184,388	162,067	346,455	(26,000)
FUNDING FROM RESERVES	0	0	(54,810)	(54,810)	(54,810)
ADOPTION REFORM GRANT	0	0	0	0	0
EARLY INTERVENTION GRANT	(2,577,250)	(644,313)	(1,932,937)	(2,577,250)	0
CHILDRENS SERVICES SUMMARY					
EXPENDITURE	19,820,701	5,807,074	15,479,877	21,286,951	1,466,250
INCOME	-4,107,259	-1,349,945	-2,812,124	(4,162,069)	(54,810)
TOTAL	15,713,442	4,457,129	12,667,753	17,124,882	1,411,440
YOUTH SERVICES SUMMARY					
EXPENDITURE	40,625	37,560	3,065	40,625	0
INCOME	0	0	0	0	0
TOTAL	40,625	37,560	3,065	40,625	0
C.Y.P.S. OVERALL SUMMARY					
EXPENDITURE	31,755,883	11,069,441	22,369,252	33,438,693	1,682,810
INCOME	(5,060,549)	(1,593,183)	(3,622,176)	(5,215,359)	(154,810)
TOTAL	26,695,334	9,476,258	18,747,076	28,223,334	1,528,000

Schedule of Projected Variances

SUMMARY				
	Variance £000			Notes / Comments
Key Risk in MTFP	1379			
Variances >£25k / £50k	936			
Other Minor Variances	-242			
Use of Earmarked Reserves	-545			
Directorate Total	1528			

Key Risk Identified in MTFP						
Service Area	Key Risk Item	Variance £000	Income £000	Expenditure £000	Notes / Comments	ABW Code(s)
Children In Care Children In Care	Looked After Children	1,184		1,184		CIC204-7, CKC562
	External Legal Costs	50		50		CKD402
	Home to School transport reductions	0		0		CET3*
	Transfer of Learning Partnership West - delay	145		145		
		1379				

Financial Variance >£25k / £50k						
Service Area	Reason for Variance	Variance £000	Income £000	Expenditure £000	Notes / Comments	ABW Code(s)
Social Work Commissioning Corporate Recharges	Vacancy Management	330		330		
	Internal Legal Costs	30		30		CKB450
Family Support Services	Youth Grants	55	0	55	Financed by earmarked reserve - see below	
	Adoption Reform	59		59		
	High Impact Families Team	287		287		CEN217
Non-Schools Expenditure	Transformation Team	133		133		CEN205
	Childrens IT Systems	30		30		CKB301
	Direct Payments - Disabled Children	40		40		CIC410
	Early Years Strategic Costs	0	0	0		CBZ*
	Adoption Agency Fees	-28	-28			
			936			

Other Minor Variances				
Service Area		Variance £000		Notes / Comments
Family Support Services	Adoption Reform - Additional Grant	-59		
	Ext.Rights to Free Transport - add'l grant	0		
	School Crossings	-23		
	Clevedon Walk - empty property	-26		
	Other minor variances	-93		
	Other minor variances	-41		
		-242		

Transfers to / from Earmarked Reserves					
Service Area	Earmarked Reserve	Variance £000		Notes / Comments / Purpose	ABW Code(s)
	Transformation Reserve	-153			CEN205
	CWDC training for Social Workers	-10			CKV900
	High Impact Families Grant	-287			CEN217
	Youth Grants	-55			CYF705
	Traded Services	-10			CEP350
	Childrens IT Reserve	-30			CKB301
		-545			

SALARY MONITORING 2014/15

	Budgeted FTE's	ACTUAL COSTS INCURRED				Grant / Reserves Income	TOTAL COSTS TO 31/03/2015	ANNUAL BUDGET	PHASED BUDGET	VARIANCE TO PHASED	PROJECTED YEAR END VARIANCE
		April	May	June	April to June						
		£	£	£	£	£	£	£	£	£	
Children & Young People's Services											
Dedicated Schools Grant:											
Early Years and Virtual Schools funding	8.44	23,121	21,373	21,002	65,496	0	65,496	335,902	73,136	(7,640)	(30,559)
Education Other than at School	12.58	44,978	45,055	48,910	138,943	0	138,943	565,831	140,043	(1,100)	(4,401)
Behaviour Improvement	15.74	44,441	45,232	45,242	134,915	0	134,915	525,032	129,945	4,970	19,878
SUB TOTAL DSG	36.76	112,540	111,660	115,154	339,354	0	339,354	1,426,765	343,124	(3,770)	(15,081)
LEA:											
Directorate	7.00	37,331	37,331	36,340	111,002	0	111,002	524,560	120,329	(9,327)	(37,306)
Strategy	20.38	63,651	63,977	64,347	191,975	0	191,975	717,247	187,519	4,456	17,825
Pupil & Community Services	37.97	132,257	132,679	141,792	406,728	0	406,728	1,571,428	400,928	5,800	23,198
Traded Services *	37.29	151,751	152,584	141,218	445,553	(22,003)	423,550	1,630,504	423,550	0	1
Childrens Centres & Early Years	82.81	211,899	214,663	214,841	641,403	0	641,403	2,579,021	638,308	3,095	12,381
SUB TOTAL LEA	185.45	596,889	601,234	598,538	1,796,661	(22,003)	1,774,658	7,022,760	1,770,633	4,025	16,100
Children's Social Services:											
Commissioning & Social Work	78.86	260,371	263,196	278,231	801,798	0	801,798	2,961,422	754,952	46,846	187,382
Community Family Support Teams	123.82	341,851	348,468	389,465	1,079,784	0	1,079,784	4,159,276	1,035,421	44,363	177,453
Family Support Services	4.63	15,249	16,503	19,942	51,694	0	51,694	160,622	39,754	11,940	47,760
Youth Justice & High Impact	27.60	79,569	80,214	78,857	238,640	0	238,640	999,351	227,339	11,300	45,201
SUB TOTAL CHILDREN'S SOC SERV	234.91	697,040	708,381	766,494	2,171,915	0	2,171,915	8,280,671	2,057,466	114,449	457,796
CHILDREN & YOUNG PEOPLE'S TOTAL	457.12	1,406,469	1,421,275	1,480,186	4,307,930	(22,003)	4,285,927	16,730,196	4,171,224	114,704	458,814

To be incorporated within General Fund
To be retained in DSG

3,946,573 15,303,431 3,828,099 118,474 473,895
339,354 1,426,765 343,124 (3,770) (15,081)

PUBLIC HEALTH SALARIES

SEXUAL HEALTH	1.49	5,782	8,288	7,400	21,470	0	21,470	78,054	19,318	2,151	8,606
PUBLIC HEALTH ADVICE (MATERNITY)	1.00	3,521	3,486	5,732	12,739	0	12,739	44,313	10,967	1,772	7,086
STOP SMOKING	5.19	15,093	14,982	11,595	41,671	0	41,671	187,638	43,440	(1,770)	(7,078)
CHILDREN PUBLIC HEALTH PROGRAMMES	3.10	7,113	7,113	7,113	21,338	0	21,338	108,492	23,852	(2,514)	(10,057)
PH MANAGEMENT & SUPERVISION	17.80	54,566	57,027	53,731	165,324	0	165,324	798,902	189,728	(24,404)	(97,616)
	28.58	86,075	90,896	85,571	262,541	0	262,541	1,217,399	287,306	(24,765)	(99,059)

MONITORING OF EARMARKED RESERVES

	Opening Balance 1/4/14 £	Actual Movements Journalled in ABW				Current Balance in ABW £	Other Proposed Movements				Projected Final Balance @ 31/3/15 £
		Use of Reserve - Revenue £	Use of Reserve - Capital £	Transfer into Reserve from Revenue £	Transfers between Reserves £		Use of Reserve - Revenue £	Use of Reserve - Capital £	Transfer into Reserve from Revenue £	Transfers between Reserves £	
ZXB200 Earmarked Reserves - Schools	-4,971,840.10	4,971,840.10		0.00		0.00					0.00
ZXB201 Earmarked Reserves - DSG	-1,079,298.48	1,079,298.48		0.00		0.00					0.00
ZXB372 CYPS Sickness Pooling Reserve	-102,331.73	102,331.73				0.00					0.00
ZXB361 CYPS Youth Services Reserves	-53,805.44					-53,805.44					-53,805.44
ZXB362 CYPS Education Traded Services	-59,621.00					-59,621.00					-59,621.00
ZXB371 CYPS Troubled Families	-408,904.39					-408,904.39					-408,904.39
ZXB370 CYPS CWDC Funds for Social Workers	-100,222.34					-100,222.34					-100,222.34
ZXB375 CYPS Transformation Prog Reserve	-277,087.50					-277,087.50					-277,087.50
ZXB366 CYPS Harnessing Technology	-129,190.30					-129,190.30					-129,190.30
ZXB376 Public Health Reserve	-531,957.48					-531,957.48					-531,957.48
CYPS Reserves	-1,028,830.97	0.00	0.00	0.00	0.00	-1,028,830.97	0.00	0.00	0.00	0.00	-1,028,830.97
Public Health Reserves	-531,957.48	0.00	0.00	0.00	0.00	-531,957.48	0.00	0.00	0.00	0.00	-531,957.48
DSG/School Reserves	-6,153,470.31	6,153,470.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL Of all Reserves	-7,714,258.76	6,051,138.58	0.00	0.00	0.00	-1,028,830.97	0.00	0.00	0.00	0.00	-1,028,830.97

MONITORING OF EARMARKED RESERVES

	Approved use of reserve					Notes / Comments / Further Details	2014/15	2015/16	2016/17	2017 +
	Unconditional Grant Y / N	Statutory / Legal Reserve Y / N	To cover key service risk Y / N	To finance approved project Y / N	Other Y / N		£000	£000	£000	£000
ZXB200 Earmarked Reserves - Schools		0.00					0	0	0	0
ZXB201 Earmarked Reserves - DSG		0.00					0	0	0	0
ZXB372 CYPS Sickness Pooling Reserve					0.00	Sickness pooling scheme for Schools so DSG funded	102	0	0	0
ZXB361 CYPS Youth Services Reserves				-53,805.44		Most grants agreed in 13/14 but some won't be finalised until 14/15	54	0	0	0
ZXB362 CYPS Education Traded Services					-59,621.00		59	0	0	0
ZXB371 CYPS Troubled Families	-408,904.39					Potential to receive more grant than spending plans in 13/14 due to delayed full implementation.	310	98	0	0
ZXB370 CYPS CWDC Funds for Social Workers					-100,222.34	Some statutory training and implementation of Munro recommendations in both years Staffing Commitments	61	39	0	0
ZXB375 CYPS Transformation Prog Reserve				-277,087.50			221	57	0	0
ZXB366 CYPS Harnessing Technology	-129,190.30					Most of the upgrades to networks should be completed in 13/14 but likely to be some residual costs in 14/15	129	0	0	0
ZXB376 Public Health Reserve					-531,957.48					
CYPS Reserves										
Public Health Reserves										
DSG/School Reserves										
TOTAL Of all Reserves	-538,094.69	0.00	0.00	-330,892.94	-691,800.82					