

APPENDIX 3: FINANCIAL MONITORING

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

Financial Overview

The current estimated out-turn position for the children's services part of the P&C Directorate after the use of earmarked reserves is a net over spend of £1,682k (6.3%). This is due to an increase in looked after children placements, some MTFP savings not being delivered at the pace previously anticipated and the cost of covering vacancies and absence, including maternity leave, in front line teams.

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

Placement costs - overall expenditure on placements depends on two main factors: the total number of children looked after and the mix of placement types. There are considerable differences in the unit costs of the three main categories of placement with in-house fostering being the most cost effective solution at approximately £21,500 per annum, Independent fostering costing 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.

There has been a national increase in the number of children looked after in recent years (12% between 2009 and 2013) reflecting heightened concern about child abuse and neglect. Locally, North Somerset has seen significant fluctuations. Numbers rose from 2005/6 onwards, peaking at 279 in December 2012 before falling steadily throughout 2013 to reach 204 at December 2013. Unfortunately this trend has reversed in 2014 with numbers climbing back up to 233 as at 30 September 2014. There has also been a small increase in the number of complex cases requiring higher cost placements.

Action to address these budget pressures has succeeded in controlling expenditure - actual spend on placements in 2013/14 was lower in cash terms than in 2009/10- but this has not been enough to match the reductions in the budget made under the current and previous Medium Term Financial Plans, which were based on ambitious targets. The combination of increasing numbers of children looked after, more high cost placements and a reduced budget has led to an increased overspend against the budget in the current year.

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	1,205
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			1,255
Other Variances over £50k			
			Anticipated Out-turn Variance £000
Vacancy Management			390
Use of reserves and Income			-129
Internal Legal Recharges			30
Transfer of Learning Partnerships West - delayed savings			145
Adoption Agency Fees			-28
Sub Total of Other Variances Over £50k			408
Other Minor Variances			19
Projected Total Directorate Variance			1,682

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

	2014/2015 Budget	Actual Spend 30/09/2014	Projected Spend to 31/03/2015	Projected Out-turn	Variance
	£	£	£	£	£
INDIVIDUAL SCHOOLS BUDGET					
Expenditure	77,549,448	37,969,841	38,767,507	76,737,348	(812,100)
Other Unviersal Provision	740,934	371,546	369,388	740,934	0
SUB TOTAL	78,290,382	38,341,387	39,136,895	77,478,282	(812,100)
DEDICATED SCHOOLS GRANT					
	(97,220,175)	(52,761,380)	(44,458,795)	(97,220,175)	0
EDUCATION OTHER THAN AT SCHOOL					
	15,936,402	10,363,793	6,155,464	16,519,257	582,855
VULNERABLE LEARNERS SERVICE					
	1,434,671	486,822	947,849	1,434,671	0
STRATEGIC MANAGEMENT AND CENTRAL SERVICES					
	1,558,720	871,587	692,133	1,563,720	5,000
D.S.G. Expenditure	97,220,175	50,063,589	46,932,341	96,995,930	(224,245)
D.S.G. Income	(97,220,175)	(52,761,380)	-44,458,795	(97,220,175)	0
NET D.S.G.	0	(2,697,791)	2,473,546	(224,245)	(224,245)
CHILDREN & YOUNG PEOPLES DIRECTORATE					
	2014/2015 Budget	Committed Spend 30/09/2014	Projected Spend to 31/03/2015	Projected Out-turn	Projected Variance
	£	£	£	£	£
STRATEGIC MANAGEMENT					
Expenditure	2,093,787	1,369,161	762,747	2,131,908	38,121
Income	-471,420	(308,102)	(163,318)	-471,420	0
NET SUB TOTAL	1,622,367	1,061,059	599,429	1,660,488	38,121
PENSION COSTS					
	1,740,220	813,725	996,495	1,810,220	70,000
SPECIAL EDUCATION					
Expenditure	879,387	477,570	401,817	879,387	0
Income	(46,500)	(23,214)	(23,286)	(46,500)	0
NET SUB TOTAL	832,887	454,356	378,531	832,887	0
ACHIEVEMENT BRANCH					
Expenditure	830,030	414,784	410,246	825,030	(5,000)
Income	(557,120)	(285,475)	(271,645)	(557,120)	0
NET SUB TOTAL	272,910	129,309	138,601	267,910	(5,000)
ACCESS					
Expenditure	3,513,422	1,342,559	2,247,863	3,590,422	77,000
Income	(209,200)	(139,467)	(169,733)	(309,200)	(100,000)
NET SUB TOTAL	3,304,222	1,203,092	2,078,130	3,281,222	(23,000)
NON-SCHOOLS EXPENDITURE					
Expenditure	967,909	465,757	501,152	966,909	(1,000)
Income	(69,050)	(27,546)	(41,504)	(69,050)	0
NET SUB TOTAL	898,859	438,211	459,648	897,859	(1,000)
CENTRAL SUPPORT RECHARGES					
	2,269,802	1,003,550	1,296,252	2,299,802	30,000
SUMMARY					
EXPENDITURE	12,294,557	5,887,106	6,616,572	12,503,678	209,121
INCOME	-1,353,290	(783,804)	(669,486)	(1,453,290)	(100,000)
SUB TOTAL	10,941,267	5,103,302	5,947,086	11,050,388	109,121

CHILDRENS SOCIAL CARE	2014/2015 Budget	Committed Spend 30/09/2014	Projected Spend to 31/03/2015	Projected Out-turn	Projected Variance
	£	£	£	£	£
COMMISSION & SOCIAL WORK					
Expenditure	3,127,194	1,880,689	1,368,505	3,249,194	122,000
Income	(52,270)	(63,547)	11,277	(52,270)	0
NET SUB TOTAL	3,074,924	1,817,142	1,379,782	3,196,924	122,000
COMMUNITY FAMILY TEAMS & CHILDRENS CENTRES					
Expenditure	6,404,884	3,327,076	3,176,808	6,503,884	99,000
Income	(530,442)	(239,875)	(290,567)	(530,442)	0
NET SUB TOTAL	5,874,442	3,087,201	2,886,241	5,973,442	99,000
CHILDREN LOOKED AFTER					
Expenditure	6,785,660	4,034,993	3,992,917	8,027,910	1,242,250
Income	0	0	0	0	0
NET SUB TOTAL	6,785,660	4,034,993	3,992,917	8,027,910	1,242,250
FAMILY SUPPORT SERVICES					
Expenditure	2,310,344	1,326,924	1,111,670	2,438,594	128,250
Income	(475,403)	(387,000)	(88,403)	(475,403)	0
NET SUB TOTAL	1,834,941	939,924	1,023,267	1,963,191	128,250
YOUTH JUSTICE					
Expenditure	735,684	499,655	236,029	735,684	0
Income	(387,414)	(396,841)	9,427	(387,414)	0
NET SUB TOTAL	348,270	102,814	245,456	348,270	0
MANAGEMENT & SUPPORT					
Expenditure	456,935	270,686	140,469	411,155	(45,780)
Income	(84,480)	(8,546)	(75,934)	(84,480)	0
NET SUB TOTAL	372,455	262,140	64,535	326,675	(45,780)
FUNDING FROM RESERVES	0	0	(54,811)	(54,811)	(54,811)
ADOPTION REFORM GRANT	0	0	0	0	0
EDUCATION SERVICES GRANT	(2,577,250)	(1,300,123)	(1,277,127)	(2,577,250)	0
CHILDRENS SERVICES SUMMARY					
EXPENDITURE	19,820,701	11,340,023	10,026,398	21,366,421	1,545,720
INCOME	-4,107,259	-2,395,932	-1,766,138	(4,162,070)	(54,811)
TOTAL	15,713,442	8,944,091	8,260,260	17,204,351	1,490,909
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	32,155,883	17,264,689	16,646,035	33,910,724	1,754,841
INCOME	(5,460,549)	(3,179,736)	(2,435,624)	(5,615,360)	(154,811)
TOTAL	26,695,334	14,084,953	14,210,411	28,295,364	1,600,030

Schedule of Projected Variances

SUMMARY				
	Variance £000			Notes / Comments
Key Risk in MTFP	1400			
Variances >£25k / £50k	1006			
Other Minor Variances	-179			
Use of Earmarked Reserves	-545			
Directorate Total	1682			

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	1,205		1,205		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		
		1400				

Financial Variance >£25k / £50k						
Service Area	Reason for Variance	Variance £000	Income £000	Expenditure £000	Notes / Comments	ABW Code(s)
Social Work Commissioning	Vacancy Management	390		390		
Corporate Recharges	Internal Legal Costs	30		30		CKB450
	Youth Grants	55	0	55	Financed by earmarked reserve - see below	
Family Support Services	Adoption Reform	59		59		
	High Impact Families Team	287		287		CEN217
	Transformation Team	133		133		CEN205
	Childrens IT Systems	30		30		CKB301
	Direct Payments - Disabled Children	50		50		CIC410
Non-Schools Expenditure	Early Years Strategic Costs	0	0	0		CBZ*
	Adoption Agency Fees	-28	-28			
		1006				

Other Minor Variances						
Service Area		Variance £000			Notes / Comments	
Family Support Services	Adoption Reform - Additional Grant	-59				
	Ext.Rights to Free Transport - addtl grant	0				
	School Crossings	-23				
	Clevedon Walk - empty property	-46				
	Other minor variances	-43				
	Other minor variances	-8				
		-179				

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					Sub Total	Grant / Reserves Income	TOTAL COSTS TO 31/08/2014	ANNUAL BUDGET	PHASED BUDGET	VARIANCE TO PHASED	PROJECTED YEAR END VARIANCE
		April to June	July	August	September	July to Sep							
		£	£	£	£	£							
Children & Young People's Services													
Dedicated Schools Grant:													
Early Years and Virtual Schools funding	8.44	65,496	24,993	23,813	22,932	71,738	137,234	0	137,234	335,902	154,271	(17,037)	(34,075)
Education Other than at School	12.58	138,943	59,190	48,413	42,902	150,505	289,448	0	289,448	565,831	289,086	362	723
Behaviour Improvement	15.74	134,915	46,235	45,617	46,476	138,328	273,243	0	273,243	525,032	262,891	10,352	20,704
SUB TOTAL DSG	36.76	339,354	130,418	117,843	112,310	360,571	699,925	0	699,925	1,426,765	706,249	(6,324)	(12,647)
LEA:													
Directorate	7.00	111,002	41,963	43,345	42,858	128,166	239,168	0	239,168	524,560	252,157	(12,989)	(25,978)
Strategy	21.38	191,975	92,772	71,202	71,215	235,189	427,164	(22,000)	405,164	793,784	392,923	12,241	24,482
Pupil & Community Services	37.40	406,728	129,089	122,216	121,331	372,636	779,364	(18,000)	761,364	1,504,413	743,684	17,680	35,359
Traded Services *	37.29	445,553	131,954	145,371	122,529	399,854	845,407	(39,996)	805,411	1,605,610	805,347	64	128
Childrens Centres & Early Years	82.81	641,403	212,950	209,359	212,549	634,858	1,276,261	0	1,276,261	2,620,394	1,277,095	(834)	(1,668)
SUB TOTAL LEA	185.88	1,796,661	608,728	591,493	570,482	1,770,703	3,567,364	(79,996)	3,487,368	7,048,761	3,471,207	16,161	32,323
Children's Social Services:													
Commissioning & Social Work	78.86	801,798	293,458	290,917	279,894	864,269	1,666,067	0	1,666,067	2,961,422	1,530,904	135,163	270,326
Community Family Support Teams	123.82	1,079,784	389,622	373,309	361,393	1,124,324	2,204,108	0	2,204,108	4,159,276	2,106,842	97,267	194,533
Family Support Services	4.63	51,694	16,085	12,439	10,733	39,257	90,951	0	90,951	160,622	79,508	11,443	22,886
Youth Justice & High Impact	27.60	238,640	77,910	72,410	73,828	224,148	462,788	0	462,788	999,351	472,679	(9,891)	(19,782)
SUB TOTAL CHILDREN'S SOC SERV	234.91	2,171,915	777,075	749,075	725,849	2,251,999	4,423,914	0	4,423,914	8,280,671	4,189,932	233,982	467,964
CHILDREN & YOUNG PEOPLE'S TOTAL	457.55	4,307,930	1,516,221	1,458,411	1,408,641	4,383,273	8,691,203	(79,996)	8,611,207	16,756,197	8,367,388	243,819	487,639
To be incorporated within General Fund									7,911,282	15,329,432	7,661,139	250,143	500,158
To be retained in DSG									699,925	1,426,765	706,249	(6,324)	(12,647)
PUBLIC HEALTH SALARIES													
SEXUAL HEALTH	1.49	21,470	7,486	7,379	7,379	22,244	43,713	0	43,713	78,054	38,637	5,077	10,153
PUBLIC HEALTH ADVICE (MATERNITY)	1.00	12,739	4,225	4,225	4,212	12,662	25,401	0	25,401	44,313	21,935	3,466	6,933
STOP SMOKING	5.19	41,671	10,563	15,629	11,671	37,863	79,534	0	79,534	187,638	84,881	(5,347)	(10,694)
CHILDREN PUBLIC HEALTH PROGRAMME	3.10	21,338	7,113	7,113	7,113	21,338	42,675	0	42,675	108,492	50,704	(8,029)	(16,057)
PH MANAGEMENT & SUPERVISION	17.80	165,324	54,510	54,457	52,446	161,413	326,737	0	326,737	798,902	368,456	(41,719)	(83,439)
	28.58	262,541	83,897	88,803	82,820	255,519	518,061	0	518,061	1,217,399	564,613	(46,552)	(93,103)

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				0.00
ZXB362 CYPS Education Traded Services	-59,621.00					-59,621.00	45,000.00				-14,621.00
ZXB371 CYPS Troubled Families	-408,904.39					-408,904.39	55,000.00				-353,904.39
ZXB370 CYPS CWDC Funds for Social Workers	-100,222.34					-100,222.34	58,000.00				-42,222.34
ZXB375 CYPS Transformation Prog Reserve	-277,087.50	186,000.00				-91,087.50					-91,087.50
ZXB366 CYPS Harnessing Technology	-129,190.30					-129,190.30	87,190.00				-42,000.30
ZXB376 Public Health Reserve	-531,957.48					-531,957.48	82,000.00				-449,957.48
CYPS Reserves	-1,028,830.97	186,000.00	0.00	0.00	0.00	-842,830.97	298,995.44	0.00	0.00	0.00	-543,835.53
Public Health Reserves	-531,957.48	0.00	0.00	0.00	0.00	-531,957.48	82,000.00	0.00	0.00	0.00	-449,957.48
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	6,237,138.58	0.00	0.00	0.00	-842,830.97	298,995.44	0.00	0.00	0.00	-543,835.53

MONITORING OF EARMARKED RESERVES

	Approved use of reserve					Notes / Comments / Further Details	2014/15	2015/16	2016/17	2017 +
	Unconditional Grant	Statutory / Legal Reserve	To cover key service risk	To finance approved project	Other		£000	£000	£000	£000
	Y / N	Y / N	Y / N	Y / N	Y / N					
ZXB200 Earmarked Reserves - Schools		0.00				This money is Schools and unfortunately we as in the Local Authority can't touch it.	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				0.00		Most grants agreed in 13/14 but some won't be finalised until 14/15	54	0	0	0
ZXB362 CYPS Education Traded Services					-14,621.00		59	0	0	0
ZXB371 CYPS Troubled Families	-353,904.39					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					-42,222.34	Some statutory training and implementation of Munro recommendations in both years	61	39	0	0
ZXB375 CYPS Transformation Prog Reserve				-91,087.50		Staffing Commitments	221	57	0	0
ZXB366 CYPS Harnessing Technology	-42,000.30					Most of the upgrades to networks should be completed in 13/14 but likley to be some residual costs in 14/15	129	0	0	0
ZXB376 Public Health Reserve					-449,957.48					
CYPS Reserves										
Public Health Reserves										
DSG/School Reserves										
TOTAL Of all Reserves	-395,904.69	0.00	0.00	-91,087.50	-506,800.82					