

APPENDIX 2

COMMENTARY FROM THE DIRECTOR OF PEOPLE & COMMUNITIES IN RELATION TO CHILDREN'S SERVICES AS AT 31 OCTOBER 2014

Financial Overview

The current estimated out-turn position for the Directorate after the use of earmarked reserves is a net over spend of £1,682k (6.3%). 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 £1,195k.

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	804
Ex - Children in care	High		401
Home to School transport reductions	Medium	0 - 200	0
Use of agency staff within Children's Social Care	Low	0 - 200	0
Budget Reduction Savings	Medium	0 - 500	0
Transfer of Learning Partnership West - delayed savings			145
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			1,400
Other Variances over £50k			
			Anticipated Out-turn Variance £000
Vacancy Management			503
Use of reserves and Income			-129
Internal Legal Recharges			30
Adoption Agency Fees			-108
Sub Total of Other Variances Over £50k			296
Other Minor Variances			-14
Projected Total Directorate Variance			1,682

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

	2014/2015 Budget	Actual Spend 31/10/2014	Projected Spend to 31/03/2015	Projected Out-turn	Variance
	£	£	£	£	£
INDIVIDUAL SCHOOLS BUDGET					
Expenditure	77,549,448	45,118,618	31,618,730	76,737,348	(812,100)
Other Unversal Provision	740,934	432,639	308,295	740,934	0
SUB TOTAL	78,290,382	45,551,257	31,927,025	77,478,282	(812,100)
DEDICATED SCHOOLS GRANT					
	(97,220,175)	(61,769,280)	(35,450,895)	(97,220,175)	0
EDUCATION OTHER THAN AT SCHOOL					
	15,936,402	11,410,521	5,108,736	16,519,257	582,855
VULNERABLE LEARNERS SERVICE					
	1,434,671	582,061	852,610	1,434,671	0
STRATEGIC MANAGEMENT AND CENTRAL SERVICES					
	1,558,720	1,026,955	536,765	1,563,720	5,000
D.S.G. Expenditure	97,220,175	58,570,794	38,425,136	96,995,930	(224,245)
D.S.G. Income	(97,220,175)	(61,769,280)	-35,450,895	(97,220,175)	0
NET D.S.G.	0	(3,198,486)	2,974,241	(224,245)	(224,245)
CHILDREN & YOUNG PEOPLES DIRECTORATE					
	2014/2015 Budget	Committed Spend 31/10/2014	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	1,070,206	740,014	1,810,220	70,000
SPECIAL EDUCATION					
Expenditure	879,387	528,401	350,986	879,387	0
Income	(46,500)	(23,214)	(23,286)	(46,500)	0
NET SUB TOTAL	832,887	505,187	327,700	832,887	0
ACHIEVEMENT BRANCH					
Expenditure	830,030	484,854	340,176	825,030	(5,000)
Income	(557,120)	(386,549)	(170,571)	(557,120)	0
NET SUB TOTAL	272,910	98,305	169,605	267,910	(5,000)
ACCESS					
Expenditure	3,513,422	1,626,782	1,963,640	3,590,422	77,000
Income	(209,200)	(139,467)	(169,733)	(309,200)	(100,000)
NET SUB TOTAL	3,304,222	1,487,315	1,793,907	3,281,222	(23,000)
NON-SCHOOLS EXPENDITURE					
Expenditure	967,909	551,615	415,294	966,909	(1,000)
Income	(69,050)	(27,546)	(41,504)	(69,050)	0
NET SUB TOTAL	898,859	524,069	373,790	897,859	(1,000)
CENTRAL SUPPORT RECHARGES					
	2,269,802	1,406,170	893,632	2,299,802	30,000
SUMMARY					
EXPENDITURE	12,294,557	7,037,189	5,466,489	12,503,678	209,121
INCOME	-1,353,290	(884,878)	(568,412)	(1,453,290)	(100,000)
SUB TOTAL	10,941,267	6,152,311	4,898,077	11,050,388	109,121

CHILDRENS SOCIAL CARE	2014/2015 Budget £	Committed Spend 31/10/2014 £	Projected Spend to 31/03/2015 £	Projected Out-turn £	Projected Variance £
COMMISSION & SOCIAL WORK					
Expenditure	3,127,194	2,221,408	1,109,786	3,331,194	204,000
Income	(52,270)	(63,547)	11,277	(52,270)	0
NET SUB TOTAL	3,074,924	2,157,861	1,121,063	3,278,924	204,000
COMMUNITY FAMILY TEAMS & CHILDRENS CENTRES					
Expenditure	6,404,884	3,987,789	2,516,095	6,503,884	99,000
Income	(530,442)	(239,875)	(290,567)	(530,442)	0
NET SUB TOTAL	5,874,442	3,747,914	2,225,528	5,973,442	99,000
CHILDREN LOOKED AFTER					
Expenditure	6,785,660	4,842,811	3,185,099	8,027,910	1,242,250
Income	0	0	0	0	0
NET SUB TOTAL	6,785,660	4,842,811	3,185,099	8,027,910	1,242,250
FAMILY SUPPORT SERVICES					
Expenditure	2,310,344	1,495,236	945,858	2,441,094	130,750
Income	(475,403)	(387,000)	(88,403)	(475,403)	0
NET SUB TOTAL	1,834,941	1,108,236	857,455	1,965,691	130,750
YOUTH JUSTICE					
Expenditure	735,684	529,310	206,374	735,684	0
Income	(387,414)	(396,841)	9,427	(387,414)	0
NET SUB TOTAL	348,270	132,469	215,801	348,270	0
MANAGEMENT & SUPPORT					
Expenditure	456,935	306,689	101,966	408,655	(48,280)
Income	(84,480)	(8,546)	(75,934)	(84,480)	0
NET SUB TOTAL	372,455	298,143	26,032	324,175	(48,280)
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	13,383,243	8,065,178	21,448,421	1,627,720
INCOME	-4,107,259	-2,395,932	-1,766,138	(4,162,070)	(54,811)
TOTAL	15,713,442	10,987,311	6,299,040	17,286,351	1,572,909
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	20,457,992	13,534,732	33,992,724	1,836,841
INCOME	(5,460,549)	(3,280,810)	(2,334,550)	(5,615,360)	(154,811)
TOTAL	26,695,334	17,177,182	11,200,182	28,377,364	1,682,030

Schedule of Projected Variances

SUMMARY				
	Variance £000			Notes / Comments
Key Risk in MTFP	1400			
Variances >£25k / £50k	1039			
Other Minor Variances	-212			
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	Looked After Children	804		804		CIC200, CKC562
Children In Care	Ex - Looked After Children	401		401		CIC204-7
Children In Care	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	503		503		
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
Non-Schools Expenditure	Direct Payments - Disabled Children	50		50		CIC410
	Early Years Strategic Costs	0	0	0		CBZ*
	Adoption Agency Fees	-108	-108			
		1039				

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	-46		
	Other minor variances	-43		
	Other minor variances	-41		
		-212		

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 31/10/2014	ANNUAL BUDGET	PHASED BUDGET	VARIANCE TO PHASED	PROJECTED YEAR END VARIANCE
		April to June	September	July to Sep	Oct							
		£	£	£	£							
Children & Young People's Services												
Dedicated Schools Grant:												
Early Years and Virtual Schools funding	8.44	65,496	22,932	71,738	23,516	160,750	0	160,750	335,902	181,983	(21,233)	(36,400)
Education Other than at School	12.58	138,943	42,902	150,505	40,906	330,354	0	330,354	565,831	329,767	587	1,006
Behaviour Improvement	15.74	134,915	46,476	138,328	46,717	319,960	0	319,960	525,032	305,206	14,754	25,293
SUB TOTAL DSG	36.76	339,354	112,310	360,571	111,139	811,064	0	811,064	1,426,765	816,957	(5,893)	(10,102)
LEA:												
Directorate	7.00	111,002	42,858	128,166	43,877	283,045	0	283,045	524,560	295,433	(12,388)	(21,237)
Strategy	21.38	191,975	71,215	235,189	74,484	501,648	(28,000)	473,648	793,784	458,410	15,238	26,122
Pupil & Community Services	37.40	406,728	121,331	372,636	140,928	920,292	(30,000)	890,292	1,504,413	867,799	22,493	38,560
Traded Services *	37.29	445,553	122,529	399,854	138,900	984,307	(46,500)	937,807	1,605,610	937,810	(3)	(5)
Childrens Centres & Early Years	82.81	641,403	212,549	634,858	209,750	1,486,011	0	1,486,011	2,620,394	1,491,278	(5,267)	(9,028)
SUB TOTAL LEA	185.88	1,796,661	570,482	1,770,703	607,939	4,175,303	(104,500)	4,070,803	7,048,761	4,050,729	20,074	34,412
Children's Social Services:												
Commissioning & Social Work	78.86	801,798	279,894	864,269	301,347	1,967,414	0	1,967,414	2,961,422	1,805,221	162,193	278,045
Community Family Support Teams	123.82	1,079,784	361,393	1,124,324	368,321	2,572,429	0	2,572,429	4,159,276	2,466,982	105,447	180,767
Family Support Services	4.63	51,694	10,733	39,257	19,361	110,312	0	110,312	160,622	92,759	17,553	30,091
Youth Justice & High Impact	27.60	238,640	73,828	224,148	77,898	540,686	0	540,686	999,351	552,125	(11,439)	(19,610)
SUB TOTAL CHILDREN'S SOC SERV	234.91	2,171,915	725,849	2,251,999	766,927	5,190,841	0	5,190,841	8,280,671	4,917,088	273,753	469,292
CHILDREN & YOUNG PEOPLE'S TOTAL	457.55	4,307,930	1,408,641	4,383,273	1,486,005	10,177,208	(104,500)	10,072,708	16,756,197	9,784,774	287,934	493,601

To be incorporated within General Fund
To be retained in DSG

9,261,644 15,329,432 8,967,817 293,827 503,708
811,064 1,426,765 816,957 (5,893) (10,102)

PUBLIC HEALTH SALARIES

SEXUAL HEALTH	1.49	21,470	7,379	22,244	7,379	51,092	0	51,092	78,054	45,076	6,016	10,313
PUBLIC HEALTH ADVICE (MATERNITY)	1.00	12,739	4,212	12,662	739	26,140	0	26,140	44,313	25,591	550	942
STOP SMOKING	5.19	41,671	11,671	37,863	16,755	96,289	0	96,289	187,638	100,361	(4,072)	(6,981)
CHILDREN PUBLIC HEALTH PROGRAMMES	3.10	21,338	7,113	21,338	7,113	49,788	0	49,788	108,492	59,654	(9,866)	(16,913)
PH MANAGEMENT & SUPERVISION	17.80	165,324	52,446	161,413	54,224	380,961	0	380,961	798,902	434,366	(53,405)	(91,551)
	28.58	262,541	82,820	255,519	86,210	604,271	0	604,271	1,217,399	665,048	(60,777)	(104,189)

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	10,000.00				-49,621.00
ZXB371 CYPS Troubled Families	-408,904.39					-408,904.39	287,000.00				-121,904.39
ZXB370 CYPS CWDC Funds for Social Workers	-100,222.34					-100,222.34	10,000.00				-90,222.34
ZXB375 CYPS Transformation Prog Reserve	-277,087.50	153,000.00				-124,087.50					-124,087.50
ZXB366 CYPS Harnessing Technology	-129,190.30					-129,190.30	30,000.00				-99,190.30
ZXB376 Public Health Reserve	-531,957.48					-531,957.48	82,000.00				-449,957.48
CYPS Reserves	-1,028,830.97	153,000.00	0.00	0.00	0.00	-875,830.97	390,805.44	0.00	0.00	0.00	-485,025.53
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	6,204,138.58	0.00	0.00	0.00	-875,830.97	390,805.44	0.00	0.00	0.00	-485,025.53

MONITORING OF EARMARKED RESERVES

(Table continued)

	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					-49,621.00		59	0	0	0
ZXB371 CYPS Troubled Families	-121,904.39					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					-90,222.34	Some statutory training and implementation of Munro recommendations in both years Staffing Commitments	61	39	0	0
ZXB375 CYPS Transformation Prog Reserve				-124,087.50			221	57	0	0
ZXB366 CYPS Harnessing Technology	-99,190.30					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	-221,094.69	0.00	0.00	-124,087.50	-589,800.82					