

CHILDREN, EDUCATION & COMMUNITIES – 2018/19 FINANCIAL PROGRESS BACKGROUND INFORMATION

Summary

- 1 This paper provides Members with further information on the financial position of the CEC directorate in 2018/19 and the mitigating actions taken.

In Year Projections

- 2 During the year the following projections of the likely outturn position were made:

- Quarter 1 = +£1.255m
- Quarter 2 = +£0.869m
- Quarter 3 = +£0.943m
- Outturn = +£0.898m

This shows an improvement in the projections from Q1 to final outturn of £0.357m.

- 3 It should also be noted that, as part of the budget preparation process, the directorate identified underlying budget pressures totalling £1.2m that were expected to materialise during 2018/19. In the event, due to the pressures across the whole council budget, Members agreed to allocate £0.3m of growth funding to CEC.

Major Expenditure Variations

- 4 The major variations that have been previously reported and contributed to the final general fund outturn overspend of £0.898m were:

- | | |
|--|----------|
| • LAC placement costs | +£0.961m |
| • The Glen and disability short breaks | +£0.449m |
| • Home to school transport (mainly SEND) | +£0.247m |
| • Education & Skills staffing | -£0.228m |
| • Local Area Teams staffing | -£0.101m |
| • Contributions from grants and reserves | -£0.400m |

- 5 In addition there are also significant pressures within the Dedicated Schools Grant (DSG) budgets, mainly in respect of SEND and Alternative Provision, that result in a net deficit carry forward of DSG of £0.827m into 2019/20.

Mitigating Actions

- 6 In response to the quarter 1 projection the directorate immediately implemented a series of mitigations to try and reduce the projected overspend as far as possible by the year end, including:
 - Consideration of whether any of the existing efficiency savings proposals could be stretched or implemented early to deliver additional short term and on-going savings.

- Introduced restrictions on all discretionary expenditure and held recruitment to vacant posts wherever possible and safe to do so. All requests to fill vacancies now require approval by the directorate management team.
- Reviewed the level of expenditure to be committed from specific unbudgeted in year grants and reserves to generate one-off savings.
- Considered the extent to which the increased SEN transport costs could be accounted for within the DSG.

Expenditure Reviews

- 7 As well as the immediate mitigations above, the directorate has also implemented reviews into a number of the more the significant expenditure areas.
- 8 The Children's Services Placement Review aims to deliver better outcomes for Children in Care by reducing the number of Independent Fostering Agencies and Out of Area placements through increased local foster care and residential provision. Over time this approach should result in a reduction in the overall cost of supporting any future cohort of LAC.
- 9 The High Needs Inclusion Review is designed to ensure that the Local Authority and school community work together to maximise the opportunity for early intervention and prevention and to support the achievement and progress of children with special educational needs and/or disabilities (SEND). The steering group (consisting of LA and school representatives) is examining the current configuration of services and the use of funding to support SEND to ensure that there is greater clarity and accountability around the use and impact of resources.
- 10 The directorate management team is undertaking a series of deep dives into specific areas of the CEC budget, with the aim of holding budget managers to account for the levels of expenditure and to challenge to ensure resources are used in the most efficient way possible.

Richard Hartle

Head of Finance: Adults, Children & Education

6 June 2019