

**CHILDREN and LEARNING****1. Financial Outturn**

The budget for Children and Learning Services is split between the Local Authority budget and ring-fenced funding from Government through the Dedicated Schools Grant,

Funding decisions relating to the Dedicated Schools Grant are taken in consultation with the Schools Forum.

Service	Total Budget approval	2016/17 Outturn	Variance Saving (-) / Overspend	Earmarked Reserves	Under (-) / Overspend)	Schools Variance Under (-) / Overspend	Local Authority Variance Saving (-) / Overspend
	£m	£m	£m	£m	£m	£m	£m
<b>Children and Families – Operations</b>	54.786	58.452	3.666	0.000	3.666	0.000	3.666
<b>Children and Learning Commissioning Central</b>	22.341	26.820	4.479	-4.275	0.204	0.000	0.204
<b>Key Service Total</b>	<b>77.127</b>	<b>85.272</b>	<b>8.145</b>	<b>-4.275</b>	<b>3.870</b>	<b>0.000</b>	<b>3.870</b>
<b>Individual Schools (ISB) &amp; Early Years Providers</b>	23.111	3.839	-19.272	-0.255	-19.527	-19.527	0.000
<b>Total</b>	<b>100.238</b>	<b>89.111</b>	<b>-11.127</b>	<b>-4.530</b>	<b>-15.657</b>	<b>-19.527</b>	<b>3.870</b>

**Local Authority Budget: £3.870m Overspend**

Significant variances on local authority budgets are explained in detail below.

A write off against general reserves of £4.736m is requested and a number of grant and partnership balances amounting to £0.866m are requested to be carried forward, as detailed in the narrative below. The outturn position was supported in year by the use of one off funding of £5.975m from contingency, the true underlying pressure across the service is therefore £9.641m.

- **Children and Families - Operations: £3.666m Overspend**

An overspend of £2.174m is reported against the external placements budget for looked after children. Both the At Risk of Care and Permanence panels have continued to consider and implement alternative and appropriate solutions, however demand continues to exceed budget availability. The shortfall in income received from the Clinical Commissioning Group (CCG) for Child and Adolescent Mental Health Services (CAMHS) has contributed towards this, although the main factor is the number of high cost residential placements.

The increase in cases within the Assessment and Safeguarding areas, (from 1,800 in April 2016 to 2,300 in March 2017), has resulted in an overspend in the salaries budget of £0.880m, with locum costs for the year totalling £6.246m in this area.

Transport costs, associated with contact and school attendance for Children Looked After, has contributed a further £0.246m overspend. The service continues to look to increase foster placements which would reduce spend in this area.

Within the Disabilities budgets a greater take up by families of Direct Payments, together with the increased fee rates, has created an overspend of £0.339m.

Additional posts agreed by Childrens Senior Management Team to meet statutory Data Subject Access Requests (DSAR), together with slippage in anticipated savings from the business support review, have led to an overspend of £0.275m. A review of this area is underway in order to consider how this budget pressure can be mitigated.

An underspend of £0.226m is reported in respect of the implementation of the Family Group Conferencing initiative and Youth Offending Team service. £0.040m of this is being requested to be carried forward as part of a pooled budget and has been agreed by the Somerset Youth Justice Partnership Board.

- **Children & Learning Central Commissioning: £0.204 Overspend**

There is an overspend of £1.045m across transport budgets. Home to School transport overspent by £0.151m, primarily due to the timing of Easter. The overspend of £0.894m within Special Educational Needs (SEN) transport is predominantly due to the cost of transporting an increased number of SEN placements. There were also additional route costs of £0.115m, following the opening of the new Mendip Free School.

Overspends of £0.455m are reported in respect of posts across Safeguarding and Care (put in place to strengthen safeguarding and quality assurance) and Commissioning and School improvement..

The underspend within Early Help totalled £0.444m due to vacancy savings of £0.267m, plus efficiencies across buildings costs of £0.157m.

Carry forward of underspends and grant balances of £0.826m are requested in relation to Troubled Families, Special Educational Needs and Disability (SEND) and early years. Please refer to the carry forward business cases for further details.

### **Individual Schools and Early Years Providers: £19.527m Revenue balance**

A full report on school balances will be considered by the Schools Forum in May. Copies of this report can be made available on request.

## **Requests to Write off Overspends**

### **Children and Families Operations £3.706m**

The service would be unable to achieve the priorities within the Children and Young Peoples Plan (CYPP) if the overspend had to be carried forward. Please refer to text above for details.

### **Children and Learning Commissioning £1.026m**

The service has managed some of the over spend through underspends elsewhere, but a balance remains that cannot be carried forward without a tangible impact on the delivery of services to children and families in Somerset.

## **Requests for Carry Forwards**

### **Troubled Families Grant £0.564m**

The Department for Communities and Local Government (DCLG) allocates funding to support Troubled Families. Part of this funding is paid in advance, while the remainder is paid as 'success money' when Somerset can demonstrate that families have achieved positive outcomes. The DCLG awards success money on a quarterly basis in arrears.

It is essential to carry this funding forward to continue to work with families with complex needs as part of our priority to provide help early and effectively.

### **Early Years £0.045m**

A carry forward is requested to support the implementation of 30 hours free childcare. This includes the 30 Hours Digital Accelerate grant received from the Department for Education (DfE). The funding is required to purchase an essential software upgrade and the interim staffing and resources needed to support the additional work involved in implementing this statutory requirement. Without this carry forward it will create a pressure on the 2017/18 budget.

### **Strategic High Needs Grant £0.217m**

This grant was allocated by the DfE late in the financial year to contribute towards the strategic review of high needs provision.

### **Youth Justice Board £0.040m**

External partner multi-agency income to support the reduction of partner agency contributions anticipated in 2017/18. Request for carry forward was agreed at the Somerset Youth Justice Partnership Board meeting held in December.

## **Debts**

Debts owed to Children and Learning Services at 31 March 2017 are summarised below:

Aged debt analysis:

<b>31 March 2016 £m</b>	<b>Age of Debt</b>	<b>31 March 2017 £m</b>
0.129	Not Overdue	0.133
0.458	0-30 days	0.466
0.024	1-3 months	0.113
0.055	3-12 months	0.481
0.024	Over 12 months	0.025
<b>0.689</b>	<b>Total</b>	<b>1.218</b>
(0.039)	Unassigned Cash	(0.025)
<b>0.650</b>		<b>1.193</b>

The majority of invoices are raised on a termly basis and settled within acceptable timescales. The exception to this has been invoices raised to partner health authorities for agreed contributions to supporting children in specialist provision providing therapeutic and health related support. These form 76% of debts aged between 1 and 12 months and their potential settlement is awaiting clarification from the Complex Cases panel.

All debts over 12 months old have agreed repayment plans in place or have been referred to the debt recovery officer.

Debt impairments of £428,717 have been made and 78 debts to the value of £11,338 have been written-off during the year, of which 2 were greater than £1,000.

For further information please contact:

Martin Young, Strategic Manager, Adults and Childrens Finance, Finance and Performance.

<mailto:MJYoung@somerset.gov.uk>