

Title of meeting: Cabinet Member for Children, Families and Education

Date of meeting: 15th July 2021

Subject: Children, Families and Education Portfolio Budget
Monitoring Report for the Financial Year End 2020/21

Report by: Chris Ward, Director of Finance and Resources, Section
151 Officer and Alison Jeffery, Director of Children,
Families and Education

Wards affected: All

Key decision: No

Full Council decision: No

1 Purpose of report

- 1.1. To inform the Cabinet Member of the revenue outturn position in respect of the portfolio cash limit and capital programme for the financial year 2020/21. This report sets out the budget position and contributing factors to the final portfolio cash limit underspend at the end of the year.

2 Summary

- 2.1 The revenue outturn position for the portfolio was an underspend of £355,000 under the budget provision. This consists of an overspend as a result of COVID-19 pressures of £664,000 and a 'non COVID-19' underspend of £1,019,000.
- 2.2 The financial impact of the COVID-19 pandemic across the whole of the portfolio is still being realised. The effect on children, their families and their education from the pandemic is ongoing and will be felt over a long period of time. The financial impact of this will continue to be reviewed and updated as appropriate.
- 2.3 Following a realignment of budgets as part of the approval of the 2020-21 Capital Programme in February 2020, and subsequent revisions in February 2021, both the Education and Children and Families capital programmes resulted in a breakeven position at the end of the financial year 2020-21.

3 Recommendations

3.1 It is recommended that the Cabinet Member:

3.1.1 Notes the Children, Families and Education Portfolio revenue and capital outturn positions, as at the end of March 2021, together with the variance explanations.

4 Background

4.1 Pressure on the previously separate Children and Families and Education Portfolios along with an agreed Medium Term Financial Strategy (MTFS) resulted in an additional budget allocation (on top of inflation) for 2020/21 of £3m to Children and Families and £0.4m to Education.

4.2 The Medium Term Financial Strategy identified the future demand and cost pressures facing the service, along with strategies to improve outcomes and manage within budget.

4.3 The strategy to reduce the number of children needing to be looked after is known as the "Stronger Futures" strategy. It is wide ranging and is overseen closely by the Director of Children, Families and Education. The first phase of the strategy, from 2016-2018, saw the establishment of a much stronger, targeted whole family early help service, integrated with a refocused health visiting service. This enabled a better line of sight on need in the city but also a more effective earlier response which is now keeping down the total number of children requiring a statutory children's social care intervention. The second phase of the strategy while maintaining appropriate focus on early intervention has two new strands:

- (i) reshaping statutory work to provide stronger whole family support with new adult service posts co-located with children's social workers (family safeguarding)
- (ii) remodelling our in-house foster care service to strengthen support to carers and provide a more collective approach to meeting children's needs (implementing the Mockingbird Family Model of Care).

4.4 Since the Medium Term Financial Strategy was agreed and the 2020/21 budgets were set, the financial impact of the COVID-19 pandemic has started to be realised.

There has also been an increase in the grant from the Home Office in relation to Unaccompanied Asylum Seeking Children (UASC) from the levels that were included in the MTFS that has helped in the short term to offset the additional financial pressures from the COVID-19 pandemic.

5 Summary Position against Cash Limited Budget at the end of March 2021

5.1 The portfolio ended the financial year with an underspend of £355,000 as shown in the table below.

Service Area	Current Budget £000	Final Outturn £000	Final Outturn Variance* £000	COVID-19 Variance £000	Non COVID-19 Variance £000
Management, Sufficiency & Resources	66	22	-44	0	-44
Inclusion Services	4,620	4,185	-435	-152	-283
School Improvement	294	239	-55	45	-100
Community Learning	-2	-16	-14	0	-14
PCMI	155	152	-3	0	-3
Youth & Play Shared Services with the HRA	433	433	0	0	0
Total Education Services	5,566	5,015	-551	-107	-444
Family Safeguarding Service	6,357	6,402	45	85	-40
Commissioning & Performance	-479	-486	-7	42	-49
Looked After Children	21,966	22,525	559	571	-12
Safeguarding & Monitoring	848	912	64	2	62
Support Activities	2,998	2,775	-223	11	-234
Edge of Care	1,206	1,003	-203	0	-203
Early Help and Prevention	17	-23	-40	60	-100
Total Children and Families	32,912	33,108	196	771	-575
Total Children, Families and Education Portfolio	38,478	38,123	-355	664	-1019

*The final outturn variance includes COVID-19 variations and variations not related to COVID-19

Numbers may not exactly add up due to rounding

5.2 The main reasons for the non COVID-19 variations are detailed in the paragraphs below.

5.2.1 Education Service (£444,000 underspend)

Inclusion. Home to school transport underspent by £101,000 as a result of reduced average costs of children transported. Also within the Inclusion Service there was £99,000 more income/recharges for services which includes the Teachers Pension grant and from the Education Psychologists service,

and an underspend on other budgets of £70,000 across staff and non-staffing budgets.

School Improvement. The service had an increase in net income of £56,000, and in other areas it reduced staffing and other operational spend to give a further underspend of £44,000.

5.2.2 Children and Families (£575,000 underspend)

Looked After Children. The Unaccompanied Asylum Seeker Children (UASC) budgets ended the year with a non COVID-19 underspend of £666,000. The Home Office grant for under 18s was increased, and this resulted in an additional £1,103,000 of income reflecting the high numbers of Unaccompanied Asylum Seeking Minors in our care in the first eight months of 2020/21. However whilst the grant for under 18s covers the care costs, the grant for over 18s does not, and council budget is required to support the care costs.

There were no secure accommodation placements made in 2020/21 resulting in an underspend of £147,000.

The final outturn position on indigenous Looked After Children Placements is a non COVID-19 overspend of £582,000. Savings were made as planned through fewer children needing alternative care, which is a significant success compared with the position in many areas of the country. At the same time however there was a significant overspend of the budget for external residential placements with five more children needing these placements than budgeted for, and increased average cost. The delay in the implementation of the Mockingbird Family care model as a result of the pandemic was unfortunate but with this very small cohort of children, individual circumstances are what drive costs. Our plans for innovative joint commissioning of placements with Kent and West Sussex should help to contain costs as should our continuing work to reunify children with families wherever possible. Strategic care and savings plans were delayed in 2020/21 due to the pandemic, with a pressure of £400,000 (see 5.3.2 below), resulting in a total overspend of £982,000 as detailed in the table below.

March 2021 Placement Type	Budget			Final Outturn			
	Average	Av Unit Cost	Budget	Average	Av Unit Cost	Final Outturn	Budget Pressure
	Nos	£	£	Nos	£	£	£
External Residential	17.58	234,602	4,123,400	22.20	258,686	5,742,821	1,619,421
Semi Independent	6.51	40,918	266,400	9.00	51,086	459,775	193,375
Independent Fostering Agency (IFA)	34.14	49,381	1,685,900	30.64	47,623	1,459,166	-226,734
In-House Fostercare	259.58	24,755	6,426,000	236.45	25,033	5,918,970	-507,030
Adoption	54.00	9,009	486,500	54.73	8,960	490,383	3,883
Residence Orders	19.80	5,071	100,400	9.75	5,945	57,961	-42,439
Special Guardianship	146.01	5,695	831,500	133.17	5,801	772,540	-58,960
2020/21 Final Outturn Position	537.63	25,892	13,920,100	495.94	30,048	14,901,616	981,516
2019/20 Final Outturn Position	513.50	22,708	11,660,800	517.63	27,723	14,350,203	2,689,403

The above table only includes placements which PCC are financially supporting



Care leaver placements overspent by £123,000 due to a small number of high cost placements and an increase in numbers.

Residential homes overspent by £61,000 due to staffing pressures.

Support Activities. This underspent by £234,000 due to vacancies within the service and reduced training and legal costs.

Edge of Care. The underspend of £203,000 related to staffing vacancies and agency staff spend which is less than budgeted within the Edge of Care and Youth Offending teams, alongside reduced operational costs. In addition there has been lower than anticipated spend on remand costs.

Early Help and Prevention. The underspend of £100,000 related to staffing vacancies within the service.

5.3 **COVID-19 Variations (£664,000 overspend)** The main reasons for the COVID-19 variations are detailed in the paragraphs below.

5.3.1 **Education (£107,000 underspend)**

Inclusion. For the period April to July 2020 home to school transport costs were reduced by £331,000 following the reduction of the services provided due to the lockdown. There was additional spend when schools returned in September, however the costs of this were all covered by a specific grant.

There was a loss of income of £126,000 as the school absence fine system was suspended. Traded Services income was reduced by £28,000 as schools were purchasing less pay as you use services.

School Improvement. A shared funding arrangement with one of our major academy trusts costing £21,000 was agreed for supporting remote learning in relation to the COVID-19 pandemic. Traded Services income was reduced by £24,000 as schools were purchasing less pay as you use services.

5.3.2 **Children and Families (£771,000 overspend)**

Family Safeguarding. COVID-19 has meant that more additional staff costing £85,000 have been recruited to meet the spike in referrals leading to more children being subject to a child protection plan.

Commissioning and Performance. Additional staffing costs of £42,000 were incurred to provide more support to schools and children during the pandemic.



Looked After Children. The overspend was largely a result of the delay to the achievement of savings due to the impact of COVID-19 on the introduction of Mockingbird and the Family Safeguarding Service (£400,000). These costs are shown in the placement table in paragraph 5.2.2.

There were £34,000 of net costs on quarantine arrangements and additional support for UASC which were outside the timescales for the additional grant available.

The residential homes incurred additional staffing costs of £137,000 due to the requirement to work in bubbles and covering self isolating requirements.

Early Help and Prevention. The final position includes £60,000 for additional staff to provide support to help families during the COVID-19 pandemic.

6 Capital Programme

- 6.1 Attached at Appendix 1 is the current capital budget monitoring position in respect of all schemes in the capital programme for Education, which was approved by Council 11 February 2020 and subsequently revised in February 2021.
- 6.2 Current spending at £76.8m is some £13.1m below approved funding for the schemes identified, reflecting the longer term nature of capital spending. However, at this stage, a breakeven position is forecast against the total approved funding of £89.9m. Any underspending arising from the Capital Programme which was funded from Corporate Capital Resources will be returned and be allocated through the Budget Process, ensuring that the Council are able to allocate capital funding through a competitive basis to the Council's highest priorities.
- 6.3 It should be noted that Council approved 2 years of funding for condition projects in February 2019, the forecast out turn includes committed projects of £0.931m for 2019-20 and £0.809m for 2020-21.
- 6.4 Comments related to the variations are noted on Appendix 1.
- 6.5 The table shown below is the current approved capital programme for Children and Families, including payments made to date. Funding for all schemes was approved by Council 11 February 2020 and subsequently revised in February 2021.

Children and Families capital programme 2020-21	Current approved Funding	Actual Expenditure to March 2021	Forecast Spend
Scheme	£	£	£
Adaptations to Foster Carer properties	185,000	108,266	185,000
Children's Case Management software replacement	2,707,000	2,371,190	2,707,000
Tangier Road Children's Home	503,900	503,859	503,900
Beechside Children's Home	50,100	50,123	50,100
Capital Grant - Housing for Looked after child	210,200	210,195	210,200
EC Roberts Centre Refurbishment Loan	250,000	7,200	250,000
Adaptations to Carers Home	400,000	0	400,000
Total	4,306,200	3,250,833	4,306,200

6.6 The Children's Case Management system went live in March 2020 with post implementation work continuing, but the project remains on budget.

7 Integrated impact assessment

7.1 An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

8 Legal implications

8.1 There are no legal implications arising directly from the recommendations set out in paragraph 3.1 of this report.

9 Director of Finance's comments

9.1 Financial comments are contained within the body of the report.

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Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location



The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

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Signed by:



Children and Education Capital Budgets

APPENDIX 1

Number	Scheme	Current Approved Budget £	Actual spend to date £	Manager Forecast Spend £	Forecast Variance £	Explanation
1	Primary Capital Programme	15,826,300	15,827,000	15,828,400	2,100	
2	Sufficiency Programme Phase One 2013- 2015	6,289,100	6,289,100	6,289,200	100	
3	Sufficiency Programme Phase Two 2015- 2017	11,089,500	10,998,300	11,101,300	11,800	
4	Secondary School Feasibility Study	97,600	97,600	97,600	0	
5	Vanguard Centre	3,325,500	3,308,000	3,327,400	1,900	
6	King Richard School Rebuild 900-1000 places	1,562,300	1,420,200	1,553,400	-8,900	
7	Portsmouth College Sufficiency Post 16	263,500	263,500	263,600	100	
8	Universal Infant Free School Meal Works	889,300	889,300	889,600	300	
9	Universal Infant Free School Meal Provision	593,600	593,600	593,600	0	
10	Salix	115,500	115,500	115,700	200	
11	Schools Conditions Projects - Modernisation	1,427,500	1,422,600	1,427,500	0	
12	School Condition Projects 2014-2016	2,726,500	2,726,500	2,728,200	1,700	
13	School Conditions Project 2016 - 17	878,000	869,500	878,000	0	
14	Secondary School Places Expansion Phase (1)	1,728,700	1,719,300	1,738,500	9,800	
15	Special Education Needs - Building Alterations	2,841,600	2,651,800	3,221,600	380,000	
16	Schools Devolved Formula Capital 2016-17	5,232,400	4,825,000	5,232,400	0	
17	Sufficiency of Secondary School Places	5,517,500	4,935,900	5,262,100	-255,400	Final tender came in lower than expected
18	Future Secondary School Places Feasibility	158,200	60,000	158,200	0	Expected to undertake 4 feasibility projects, 2 completed to date, currently reviewing requirements
19	School Condition 2017-18	853,200	714,800	853,200	0	
20	Beacon View - Kitchen Block	41,700	41,700	42,400	700	
21	School Condition 2018-19	1,577,400	1,119,100	1,577,400	0	
22	Sufficiency of School Places 2018-19	11,343,500	10,059,800	11,483,700	140,200	Number of small overspend on 4 Secondary sufficiency projects
23	Special School Places - Redwood Park	2,805,900	2,762,300	3,053,700	247,800	Increased temporary accommodation costs
24	Special School Places - Willows	520,000	543,100	523,900	3,900	
25	Milton Childcare Sufficiency	69,800	69,800	72,900	3,100	
26	Forest School - Community Accessible Education Centre	30,000	0	30,000	0	
27	30 Hours Delivery Support EY	10,800	10,800	10,900	100	
28	Maintained Schools Urgent Condition Work	1,754,600	459,900	1,754,600	0	Two years of condition funding, £931,000 allocated in 2019-20 and £809,000 held for use in 2020-21
29	Additional School Places - The Lantern	1,134,300	1,133,900	1,148,300	14,000	
30	Additional School Places in Mainstream Schools - Design	250,000	62,500	250,000	0	
31	Additional Secondary Schools Places - St Edmunds Catholic School (GRANT)	650,100	650,100	650,100	0	
32	Additional School Places 2020/2021	3,393,000	46,000	2,882,100	-510,900	Redistribution of funding to support overspend on school places 2018-19 and Redwood Park
33	Additional School Places 2020/2021 Wymering Site	220,000	45,300	175,000	-45,000	
34	Wimborne Amalgamation	87,000	9,300	87,400	400	
35	School Places SEND Phases 1 & 2	4,591,900	8,500	2,968,500	-1,623,400	Funding to be combined with Scheme 39 in 2021-22 to support the provision of SEND places
36	Northern Parade Family Hub	25,000	19,600	25,400	400	
39	Accommodation for Special Education Needs (Additional Schools Places)	0	100	1,625,000	1,625,000	2021-22 SEND projects started in 2020-21, funding to be combined with School Places SEND Phases 1& 2 in 2020-21
TOTALS		89,920,800	76,769,300	89,920,800	0	