

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

Date of meeting: 29 July 2022

Subject: Children, Families and Education Portfolio Budget
Monitoring Report for the Financial Year End 2021/22

Report by: Chris Ward, Director of Finance and Resources, Section
151 Officer and Sarah Daly, 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 2021/22. This report sets out the budget position and contributing factors to the final Portfolio cash limit overspend at the end of the year.

2 Summary

- 2.1 The revenue outturn position for the portfolio was an overspend of £4,406,000 in excess of the budget provision. This consists of an overspend as a result of COVID-19 pressures of £1,963,000 and £2,443,000 due to other factors.
- 2.2 The financial impact of the COVID-19 pandemic across the whole of the Portfolio is still being realised and was greater in 2021/22 than in the previous year. 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 2021-22 Capital Programme in February 2021, both the Education and Children and Families capital programmes resulted in a breakeven position at the end of the financial year 2021-22.

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 for the financial year 2021/22, together with the variance explanations.

4 Background

4.1 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. However the financial impact of the Covid-19 pandemic has started to be realised, and further actions have been identified during the year to reduce the pressure on the budgets.

4.2 Whilst some the impact of Covid-19 is easy to identify, has been reported separately and will be provided for centrally, some of the impact has resulted in increased needs, and increased costs of placements which forms part of the 'non COVID-19 Variance'.

5 Summary Position against Cash Limited Budget at the end of March 2022

5.1 The portfolio ended the financial year with an overspend of £4,406,000 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 and Resources	2,787	2,989	201	217	-16
Inclusion Services	2,381	2,304	-77	72	-149
School Improvement	187	67	-120	32	-152
Community Learning	-14	-14	0	0	0
PCMI	141	149	8	8	0
Youth & Play Shared Services with the HRA	442	442	0	0	0
Total Education Services	5,924	5,937	13	329	-316
Family Safeguarding Service	6,678	7,307	629	301	328
Commissioning & Performance	763	114	-649	29	-678
Looked After Children	21,040	25,099	4,059	1,238	2,821
Safeguarding & Monitoring	822	930	108	1	107
Support Activities	2,957	3,154	197	25	172
Edge of Care	1,192	1,167	-25	0	-25
Early Help and Prevention	179	253	74	40	34
Total Children and Families	33,631	38,024	4,393	1,634	2,759
Total Children, Families and Education Portfolio	39,555	43,961	4,406	1,963	2,443

*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 **Non COVID-19 Variations (£2,443,000 overspend)** The main reasons for the non COVID-19 variations are detailed in the paragraphs below.

5.2.1 Education Service (£316,000 underspend)

Management, Sufficiency and Resources. Home to school transport saw above inflation increases towards the end of the financial year due to the increases in the price of fuel, but the service had a small underspend of £16,000 due to lower pupil numbers than budgeted.

Inclusion. The service maximised the income it received and had short term vacancies which created a non-Covid underspend of £149,000.

School Improvement. There was a £152,000 underspend due to reduced spend on supplies and services across the service.

5.2.2 Children and Families (£2,759,000 overspend)

Looked After Children. The overspend of £2,821,000 is due to pressures within Unaccompanied Asylum Seeker Children, External Residential placements and care leaver placements.

The Unaccompanied Asylum Seeker Children (UASC) and UASC Care Leaver budgets ended the year with a overspend of £845,000. The income from the Home Office does not cover the costs of the UASC Care Leaver placements.

The final outturn position on indigenous Looked After Children Placements is a non COVID-19 overspend of £1,338,000. There was a significant overspend of the budget for external residential placements with seven more children needing these placements than budgeted for, with a higher average cost.

March 2022	Budget			Outturn				
Placement Type	Average	Av Unit Cost	Budget	Current placement	Average	Av Unit Cost	Final Outturn	Budget Pressure
	Nos	£	£	Nos	Nos	£	£	£
External Residential	14.90	258,686	3,853,800	21	21.90	246,624	5,401,069	1,547,269
Semi Independent	5.21	51,086	266,400	4	3.95	119,867	473,475	207,075
Independent Fostering Agency (IFA)	28.26	47,623	1,345,700	21	21.01	45,374	953,308	-392,392
In-House Foster care	237.92	25,033	5,955,800	234	249.00	24,997	6,302,877	347,077
Sub-total	286.29	39,895	11,421,700	280	295.86	44,382	13,130,729	1,709,029
Sub-total Outturn 2020/21	317.81	39,337	12,501,700		298.29	45,529	13,580,732	1,079,032
Adoption	54.29	8,960	486,500	47	51.22	9,565	489,920	3,420
Child Arrangement Orders	12.67	5,945	75,300	7	8.90	5,235	46,611	-28,689
Special Guardianship	143.33	5,801	831,500	136	133.97	6,310	845,335	13,835
Grand Total Outturn 2021/22	496.58	25,806	12,815,000	470	489.95	29,620	14,512,595	1,697,595
Grand Total Outturn 2020/21	537.63	25,892	13,920,100		495.94	30,048	14,901,616	981,516

The above table includes COVID-19 variations and variations not related to COVID-19

The above table only includes placements which PCC are financially supporting.

Care leaver placements overspent by £936,000 due to a small number of high-cost placements and an increase in numbers.



Residential homes had a non-Covid overspend of £231,000 due to staffing pressures and higher than budgeted spend on operational costs.

Support Activities. This overspent by £172,000 due to agency staff being used in strategic positions until permanent appointments could be made.

Edge of Care. The underspend of £25,000 relates to unbudgeted income from Domestic Violence as a contribution towards staffing costs.

Early Help and Prevention. The overspend of £34,000 related to additional in year costs on occupational therapy.

5.3 **COVID-19 Variations (£1,963,000 overspend)** The main reasons for the COVID-19 variations are detailed in the paragraphs below.

5.3.1 **Education (£329,000 overspend)**

Management, Sufficiency and Resources. Home to school transport incurred additional costs of £217,000 during the year where covid precautions were implemented.

Inclusion. The school attendance team had reduced income of £72,000 due to the changes in school attendance with the pandemic.

School Improvement. £32,000 was spent on a partnership to develop the availability of digital learning in schools in relation to the COVID-19 pandemic.

5.3.2 **Children and Families (£1,634,000 overspend)**

Family Safeguarding. COVID-19 has meant that more additional staff costing £301,000 have been recruited to meet the spike in referrals and an increase in more children being subject to a child protection plan.

Commissioning and Performance. Additional staffing costs of £29,000 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 the Family Safeguarding Service (£800,000).

External residential placements incurred £360,000 worth of costs due to delays in reunification caused by the pandemic.

The residential homes incurred additional staffing costs of £78,000 due to additional hours carried forward from last year and staff absence because of COVID-19.



Early Help and Prevention. The final position includes £40,000 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 9 February 2021.
- 6.2 Current spending at £55.7m is some £15.3m 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 £71.0m. 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 the current economic climate is increasing the cost of capital works and recent tenders have indicated that costs are approximately 50% higher than expected. The Education Service is working closely with the Design Service, Architects, contractors, and schools to manage costs down. It is also reviewing current and planned schemes to re-prioritise and identify funding to ensure that critical sufficiency works are completed.
- 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 9 February 2021.

Children and Families capital programme 2021-22	Current approved Funding	Actual Expenditure to March 2022	Forecast Spend
Scheme	£	£	£
Adaptations to Foster Carer properties	108,300	108,300	180,300
Children's Case Management software replacement	2,707,000	2,410,500	2,707,000
Tangier Road Children's Home	503,900	503,900	503,900
Beechside Children's Home	50,100	62,200	62,200
Capital Grant - Housing for Looked after child	210,200	210,200	210,200
EC Roberts Centre Refurbishment Loan	250,000	7,200	250,000
Adaptations to Carers Home	476,700	102,400	464,700
Total	4,306,200	3,404,700	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:



Outturn - Education Capital Budget forecast 2021-22

Appendix 1

Education - Sufficiency Schemes

Number	Scheme	Current Approved Budget	Actual spend to date	Manager Forecast Spend	Forecast Variance	Explanation
		£	£	£	£	
8	Sufficiency Programme Phase Two 2015- 2017	11,089,488	10,701,847	11,089,488	0	
9	Vanguard Centre	3,308,023	3,308,023	3,308,023	0	
10	King Richard School Rebuild 900-1000 places	1,562,304	1,412,653	1,562,304	0	
14	Secondary School Places Expansion Phase (1)	1,728,700	1,617,662	1,728,700	0	
15	Special Education Needs - Building Alterations	2,841,560	2,611,814	2,841,560	0	
17	Sufficiency of Secondary School Places	5,517,500	4,915,824	5,517,500	0	
18	Future Secondary School Places	158,248	60,000	158,248	0	
22	Sufficiency of School Places 2018-19	11,343,507	10,405,644	11,343,507	0	
23	Sufficiency of Special School Places - Redwood Park Academy	2,805,921	2,777,568	2,805,921	0	
24	Sufficiency of Special School Places - The Willows Centre	586,100	516,472	586,100	0	
25	Milton Childcare Sufficiency	69,784	69,784	69,784	0	
26	Forest School at Foxes Forest - Community Accessible Education Centre	30,000	0	30,000	0	
27	Early Year Places Provision	10,798	10,798	10,798	0	
29	Additional Special School Places - The Lantern	1,147,048	1,148,668	1,148,668	1,620	Additional Works
30	Additional School Places in Mainstream Schools - Design	250,000	62,460	248,380	-1,620	overspend.
31	Additional Secondary School Places - St Edmunds Catholic School	650,148	650,148	650,148	0	
32	Additional School Places - 2020/21	2,200,000	228,157	1,833,580	-366,420	scheme 39, Budget will transfer to scheme 39 in 2022-23
33	Sufficiency at Wymering Site improvement	220,000	245,254	245,254	25,254	Overspend related to costs associated with land covenant and legal fees
35	School Places - SEND Phase 1 & Phase 2	1,360,647	1,287,610	3,356,076	1,995,429	due to current market conditions, expenditure will move to scheme 39 in 2022-23
39	Accommodation for Special Education Needs (additional School Places)	7,875,634	1,408,351	6,220,032	-1,655,602	Net underspend offsets overspend on scheme 35, expenditure for Flying Bull and Budget for Trafalgar Inclusion centre will transfer to scheme 39 in 2022-23
TOTALS		54,755,410	43,438,736	54,754,071	-1,339	

Education - Condition Schemes

Number	Scheme	Current Approved Budget	Actual spend to date	Manager Forecast Spend	Forecast Variance	Explanation
12	Schools Conditions Projects - Modernisation	1,422,623	1,422,623	1,422,623	0	
13	School Conditions Project 2016-17	869,455	871,955	871,955	2,500	
19	School Conditions Project 2017-18	853,214	747,746	850,714	-2,500	
20	Beacon View Primary School - Kitchen Block	41,698	41,698	41,698	0	
21	Schools Conditions Project 2018-19	1,577,390	1,554,542	1,577,390	0	
28	Maintained Schools - Urgent Conditions Projects	1,754,619	1,390,524	1,754,619	0	
34	Wimbourne Amalgamation	87,000	88,339	88,339	1,339	
36	Northern Parade Family Hub	25,000	19,627	25,000	0	
38	Urgent Conditions Projects (2 year Planned Progr)	1,596,841	39,024	1,596,841	0	
TOTALS		8,227,840	6,176,078	8,229,179	1,339	

Education - Other Schemes

Number	Scheme	Current Approved Budget	Actual spend to date	Manager Forecast Spend	Forecast Variance	Explanation
11	Universal Infant Free School Meal Works	889,342	889,342	889,342	0	
16	Schools DFC Balances and devolved 2016-17	5,837,079	5,394,929	5,837,079	0	
37	Replacement Education Case Mngt System	1,250,000	15,240	1,250,000	0	
TOTALS		7,976,421	6,299,510	7,976,421	0	
TOTALS		70,959,671	55,914,324	70,959,671	0	