Children and Families

11 September 2019

Financial Update
Period 3 - 2019/20

Period 3 Forecast– Children and Families Revenue

Dir.	Service	2019/20 Net Budget	2019/20 Forecast	19/20 Draft Variance Before Adj's	Transfer to Capital	Variance After Adj's	Variance After Adj's
		£000	£000	£000	£000	£000	%
CFC	CSC Safeguarding Locality Teams	**12,886**	12,687	**(199)**		(199)	-1.5%
CFC	CSC Through Care Locality based Hubs	**4,580**	4,526	**(54)**		(54)	-1.2%
CFC	CSC Family Front Door	**5,049**	5,043	**(6)**		(6)	-0.1%
CFC	CSC Targeted Family Support	**1,664**	1,664	**0**		0	0.0%
CFC	CSC Safeguarding and Quality Assurance	**1,928**	1,941	**13**		13	0.7%
CFC	CSC Placements & Provision	**46,203**	46,807	**604**	(210)	394	0.9%
CFC	Worcestershire Safeguarding Children Board	**168**	253	**85**	(135)	(50)	-29.8%
CFC	Education & Skills	**5,687**	5,687	**0**		0	0.0%
CFC	Home to School & College Transport	**14,419**	15,419	**1,000**		1,000	6.9%
CFC	Early Help & Partnerships	**5,323**	5,351	**28**		28	0.5%
CFC	WCC Contribution to West Mercia Youth Offending Service	**514**	514	**0**		0	0.0%
CFC	Finance & Resources	**971**	1,800	**829**	(498)	331	34.1%
CFC	**Children, Families and Communities (Excl DSG)**	**99,392**	**101,692**	**2,300**	**(843)**	**1,457**	**1.5%**

Key Headlines – Children and Families Revenue

The revenue budget is predicting a £1.45M forecast overspend for 2019/20, mainly due to :

- £0.394M overspend in Placements and Provision. External placement numbers are higher than anticipated at budget setting, however this has been partially offset by underspends in internal placements
- £0.296M staffing underspend in other areas of Social Care which are small underspends in individual teams as vacancies are taking time to become filled
- £1.0M overspend in Home to School and College Transport
- £0.331M overspend in Finance & Resources as contributions towards a savings target for 'tailspend' (i.e. non-staffing expenditure) are being identified through the year.

Note that where appropriate, any expenditure relating to transformational work has been capitalised

Period 3 Forecast – Children and Families - DSG

- As at Period 3 (end of June) the forecast expenditure on Dedicated School Grant budgets is £220.7M – an overspend of £8.8M
- This is partially mitigated by the £2.3M additional grant allocation expected
- Net overspend on DSG budgets is forecast to be £6.5M for 2019/20

Service	2019/20 Net Budget	2019/20 Forecast	19/20 Draft Variance Before Adj's	Proposed C/Fwds	Variance After Adj's	Variance After Adj's
	£000	£000	£000	£000	£000	%
DSG - School Formula Budgets	**131,833**	131,833	**0**		0	0.0%
DSG - High Needs Pupils	**43,929**	52,670	**8,741**	(8,741)	0	0.0%
DSG - Early Years	**32,433**	32,433	**0**		0	0.0%
DSG - Statutory Duties / Historic Commitments	**3,213**	3,228	**15**	(15)	0	0.0%
DSG - De-Delegated Services	**580**	580	**0**		0	0.0%
DSG - Sub Total	**211,988**	**220,744**	**8,756**	**(8,756)**	**0**	**0.0%**
DSG - Dedicated Schools Grant	**(211,988)**	(214,264)	**(2,276)**	2,276	0	0.0%
Dedicated Schools Grant (DSG)	**0**	**6,480**	**6,480**	**(6,480)**	**0**	**-**

Key Headlines – Children and Families DSG

- DSG - overall a £6.5M overspend position due to pressures in High Needs budget, particularly in Out of County provision, and Post 16 provision
- Overspend would be 'carried forward', essentially increasing the deficit balance on the DSG reserve, which at some point needs to be paid back. The deficit balance at the start of the year was £0.633M
- Worcestershire High Needs pressures are in line with known national picture, as other LAs, particularly County Councils, are facing similar pressures
- DfE recently confirmed that any authority that ends the year in a deficit of more than 1% of the gross DSG budget will need to submit a formal recovery proposal to the DfE. At the current forecast overspend, Worcestershire will pass the 1% threshold at the close of 2019/20