

## **Children & Young People Select Committee Portfolio Position Statement Month 2 (2016-17)**

**APPENDIX 5**

### **CYP DIRECTOR'S COMMENTARY**

The Directorate's Month 2 position is a forecasted overspend of £416,000, which we are anticipating will fall as we progress through the year. The Youth Service remains a volatile area having been subject to a £200,000 saving mandate in 2015/16 and additional reductions in external grants this year. The ALN budget is also under significant pressure due to the requirement to support more of our pupils with complex needs.

### **SCH DIRECTOR'S COMMENTARY**

At this early stage of the year the overall budget position for the directorate is exhibiting a £1.12m overspend.

In terms of Children's Services, this division has a forecast overspend of £690K. As this is very early in the year being month 2, we need to exercise some caution as we know the external placement budget, which for some years has seen large overspends, has reduced demand from 2015/16. As placements in this area are very expensive, one or two placements during the year can see a rapid increase in spend.

We are currently embarking on a new Children's Services strategy which will allow us to deal with future demand more effectively, not only from the budget but the outcomes of the child. Another strand is the workforce plan and once in full operation, will see a spend reduction with the withdrawal from the use of agency staffing.

## 1. Revenue Outturn Forecast

1.1 The combined budget and outturn forecast for this portfolio is

Service Area	Original Budget £000's	Budget Virements £000's	Budget at Month 2 £000's	Forecast Outturn £000's	Variance at Month 2 £000's
21st Century Schools	0	0	0	0	0
Individual School Budget	43,298	49	43,347	43,347	0
Resources	1,507	0	1,507	1,507	0
Standards	5,066	0	5,066	5,275	209
Youth	600	0	600	807	207
<b>CYP Directorate</b>	<b>50,471</b>	<b>49</b>	<b>50,520</b>	<b>50,936</b>	<b>416</b>
Children's Services	10,034	0	10,034	10,724	690
<b>Total C&amp;YP Select</b>	<b>60,505</b>	<b>49</b>	<b>60,554</b>	<b>61,660</b>	<b>1,106</b>

1.2 The most significant over and underspends are

Service Heading	Overspend Predicted £000's	Underspend Predicted £000's	Commentary on forecasted outturn
<b>STANDARDS</b>			
Psychology Service	<b>21</b>		High levels of sickness have resulted in the requirement to bring in additional staff in order to deliver the service. In addition, new test equipment will need to be purchased for which no budget was originally set.

Additional Learning needs	<b>188</b>		The contingency budget is forecasted to overspend by £260,000. This has been offset by a projected saving of £72,000 against Independents and Other LA's. The Recoupment budget is currently on target.
<b>RESOURCES</b>			
			All cost centres on target within Resources.
<b>YOUTH</b>			
Community Education Youth General	<b>207</b>		Significant reduction in external grants has resulted in a sizeable projected overspend position. Service manager is reviewing all options in order to reduce this current forecast.
<b>CYP Directorate Total</b>	<b>416</b>	<b>0</b>	<b>Net CYP overspend 416</b>
<b>CHILDRENS SERVICES</b>			
Fostering Allowances and Payments For Skills	<b>153</b>		Based on financial support to current fostering children and SGO placements.
Younger People's Accommodation	<b>124</b>		Three new younger people requiring supported housing has led to the overspend
Counsel Costs	<b>111</b>		Based on previous financial year
External Placements - LAC	<b>72</b>		Reduction in placement days used and overall placements being supported but this budget is extremely volatile and placements are very expensive.
External Placement - Non-LAC		<b>150</b>	Considered in conjunction with External Placements LAC
SCYP - Placement & Support Team	<b>131</b>		Professional assessment and contact costs
SCYP - Supporting Children & Young People Team	<b>222</b>		Continued use of agency staff and increased conveyance costs
FRS – Family Support Team		<b>29</b>	Reduced section 17 and conveyance costs
Children's Services Safeguarding Unit		<b>35</b>	Vacant team manager post
Bus Cases / Temp Funding - Cabinet 06/05/15	<b>71</b>		Posts are occupied for the full year, some via use of agency staff

Other small variances	4	24	See Appendix 6
<b>Children's Services</b>	<b>888</b>	<b>238</b>	<b>Net Children's Services overspend 690</b>

1.3 Further analysis of the Service Areas contained within CYP Select can be found in Appendix 6 for Children's Services and Appendix 7

## 2. 2016-17 Savings Progress

The savings required by the 2016-17 Budget Mandates have been secured.

Children & Young People's budgeted savings were £600,000 and at month 2 £600,000 have been identified.

Man. No.	Description	Target Savings £'s	Forecast Savings Identified £'s	Delayed In year £'s	Unachievable £'s
	<b>Children &amp; Young People</b>				
A 20	School Music Service	50,000	50,000	0	0
B 20	Phase 3 of Additional Learning Needs Review	550,000	550,000	0	0
	<b>TOTAL C&amp;YP</b>	<b>600,000</b>	<b>600,000</b>	<b>0</b>	<b>0</b>

### Mandate Reference Key

A – Mandates that originated in the financial year 2015/16 or earlier but also impact in the current financial year, 2016/17.

B – New mandates for the financial year 2016/17

Mandate Number	Mandate Summary	RAG Month 2	RAG Month 6	RAG Month 9	RAG Outturn
A 20	Gwent Music				
B 20	Phase 3 of Additional Learning Needs review				

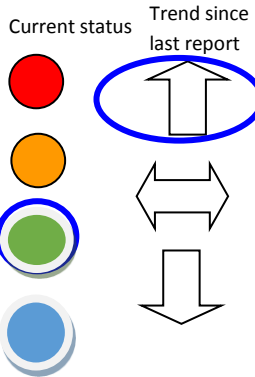
## Budget Mandates

Progress and Next Steps at Month 2 (31<sup>st</sup> May 2016)

Mandate RAG	Progress up to month 2	Next Steps	Type	Year-end target	Forecasted to achieve	Variance	Owner
<p><b>Mandate A20</b></p> <p><b>Gwent Music</b></p> <p>Current status</p> <p style="font-size: small;">Trend since last report</p>	<p><b>Gwent Music is a joint service hosted by Newport. The plan is to refocus the service to make them more efficient.</b></p> <p>Following consultation with Schools it was agreed to maintain the Gwent Music subsidy with the funding reduction to come via the Individuals School's Budget (ISB)</p> <p>The £50k was removed from the ISB for delegated funds to schools for the financial year 2016/17.</p> <p>An Access fund continues to operate and administered through the service.</p>	<p>To continue to work with Gwent music to develop the music provision for Monmouthshire schools in light of the current financial climate.</p> <p>Gwent music continues to work closely with MCC to ensure the funding is used to support the need of Monmouthshire's pupils.</p> <p>Gwent music to continue to work on any potential income generation opportunities</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>50,000</p> <p>50,000</p>	<p>0</p> <p>50,000</p> <p>50,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Nikki Wellington</p>

**Mandate B20**

**Phase 3 of Additional Learning Needs review**



**Deri View SNRB (£50k)**

Cabinet considered a report on the 13<sup>th</sup> April 2016 regarding the SNRB at Deri View with a decision to consider the place of the SNRB within a much wider review that is currently underway, including the provision for Additional Learning Needs and Inclusion Services across the Authority and South East Wales region. There has been a significant reduction in the pupils being educated in the SNRB resulting in a reduction in the staffing requirements and savings achievable for the financial year amounting to £50k

**Placement costs for External pupils attending Mounton House (£250k).**

Placement costs were increased from January 2016. Current projected numbers from external placements for this term and the Autumn term will result in income target being achieved within the financial year.

**Implementation of new funding formula from April 2016. (£250k).**

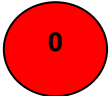
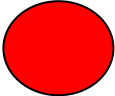
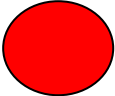
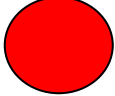
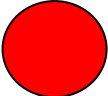



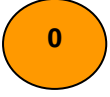
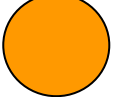
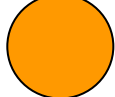
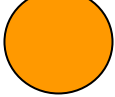








Statutory process to introduce the change in the funding formula for delegation rates to Mounton House School has been completed and came into effect from April 2016, resulting in savings identified in the mandate being achieved within the financial year.

Continue the wider review to include Additional Learning Needs and Inclusion Services across the Authority and the South East Wales region as agreed by Cabinet on the 13<sup>th</sup> April 2016.

Continue to monitor external pupil placements numbers.

Income	250,000	250,000	0
Savings	300,000	300,000	0
Total	550,000	550,000	0

Sharon Randall-Smith

Status Summary Month 2	Status Summary Month 6	Status Summary Month 9	Status Summary Outturn	Key
				 Not on target. Concerns identified with delivery of mandate.  Monitoring required. Current status indicates partial delivery on mandate targets for the financial year.  On target to deliver all savings within the financial year.2016/17 
				
				
				

2.1 Further analysis of the Savings mandates can be found in Appendix SM.

3. SCHOOLS

- 3.1 Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing the school's finances. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the outturn forecast Schools' balances position based on month 2 projections.

<b>Draft Council Fund Outturn 2016/17– Schools Summary outturn position at Month 2 (Period1)</b>	<b>(A) Opening Reserves (Surplus) / Deficit Position 2016/17 £'000</b>	<b>(B) Budgeted Draw on School Balances 2016-17 £'000</b>	<b>(C) Variance on Budgeted Reserve Draw £'000</b>	<b>(D) Draw Forecasted on School Balances @ Month2 £'000</b>	<b>Forecasted Reserve Balances at 2016-17 Outturn (A+D) £'000</b>
<b>Clusters</b>					
Abergavenny	(594)	508	56	564	<b>(30)</b>
Caldicot	(590)	498	31	529	<b>(61)</b>
Chepstow	218	(162)	52	(110)	<b>108</b>
Monmouth	(299)	181	(34)	147	<b>(152)</b>
Special	109	(50)	0	(50)	<b>59</b>
	<b>(1,156)</b>	<b>975</b>	<b>105</b>	<b>1,080</b>	<b>(76)</b>

- 3.1.2 School balances at the beginning of the financial year amount to £1,156,000. The Schools budgeted draw upon balances is forecasted to be £975,000 for 2016/17, therefore leaving £181,000 as forecasted closing reserve balances. We are, however, still awaiting a small number of signed budgets which may result in a change to this budgeted amount.
- 3.1.3 Within these summary figures, of particular note, is the deficit reserve position brought into 2016/17 for the Chepstow Cluster, although Chepstow Comprehensive School are budgeted to significantly reduce their own school deficit balance through their school recovery plan. A budgeted reduction in school balances is forecasted for the majority of the total 37 Monmouthshire Schools, with 11 schools budgeting to be in a deficit position by the end of the financial year.
- 3.1.4 6 schools exhibited a deficit position at the start of 2016/17; Chepstow Comprehensive School, Mounton House and Llanvihangel Crucorney were the only schools that showed an increased deficit reserve balance during 2015/16 and these schools are forecasted to remain in deficit at the end of 2016/17. Castle Park and Llandogo reduced their deficit reserve balances during 2015/16 but have both



budgeted to remain in deficit at the end of 2016/17. Overmonnow moved into a deficit position at the end of 2015/16, but has budgeted to return to a surplus position by the end of 2016/17.

- 3.1.5. Schools balances are exhibiting a fluctuating trend with some schools showing a continuing reduction in schools balances which is of concern and others a more balanced trend.

<b>Financial Year-end</b>	<b>Net level of School Balances</b>
2011-12	(965)
2012-13	(1,240)
2013-14	(988)
2014-15	(1,140)
2015-16	(1,156)
2016-17 Forecast	(76)

- 3.1.6 There has been a significant reliance on reserve balances to supplement school spending plans in the last 4 years across individual schools with a certain amount of replenishment. As a rough guide, prior to 2010, Welsh Government advocated that school balance levels equated to no more than £50,000 for a primary school and £100,000 for a secondary school. Members may wish to seek a comfort that balances aren't being used to subsidise and sustain core costs such as staffing.

- 3.1.7 Individual School Balances are available in Appendix A at the end of this report

#### **4. Capital Outturn Forecast**

The total budget for Capital Schemes within the Children & Young People portfolio is £43,227.336 comprising an original budget of £3,495,961 together with authorised capital slippage from 2015/16 of £39,731,375. The budget is separated under the following headings

<b>CHILDREN &amp; YOUNG PEOPLE</b>	<b>Annual Forecast</b>	<b>Original Budget</b>	<b>Slippage from 2015/16</b>	<b>Total Approved Budget</b>	<b>Slippage to 2017/18</b>	<b>Adjusted Budget</b>	<b>Annual Overspend / (Underspend) Month 2</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Development Schemes Over £250k	40	40	0	40	0	0	0
Education Strategic Review	31,360	2,531	38,895	41,426	10,066	31,360	0
IT Schemes – infrastructure Hardware	827	0	827	827	0	827	0
Maintenance Schemes Property	934	925	9	934	0	934	0
<b>Grand Total</b>	<b>33,161</b>	<b>3,496</b>	<b>39,731</b>	<b>43,227</b>	<b>10,066</b>	<b>33,161</b>	<b>0</b>

Further details of all the schemes are contained in the appendix 5C. Currently no variation has been reported and so the budgets are presented here for information only.