

**EDUCATION AND CHILDRENS SERVICES
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item
No.**

19 APRIL 2016

**CORPORATE FINANCIAL PERFORMANCE - QUARTER 3 FINANCIAL
MONITORING POSITION FOR 2015/16**

Ward(s) All

Portfolio: Councillor Towe – Learning, Skills and Apprenticeships
Councillor Hughes – Care and Safeguarding

Summary of report

This report summarises the forecast revenue and capital outturn position for 2015/16, based on the financial performance for the first 9 months of the financial year (April 2015 to December 2015), for services within the remit of the Education and Childrens Services Scrutiny and Performance Panel.

As previously advised, Financial System closures and subsequent reporting processes do not always fall in line with Scrutiny Reporting date. As such the information reported in this report is the most up to date available at the time and any material variations to this will be updated to the panel verbally.

Reason for scrutiny

To inform the panel of the forecast financial position for 2015/16 for services within their areas of responsibility.

Recommendation

1. To note that the forecast 2015/16 year end financial position for services under the remit of the Education and Childrens Services Scrutiny and Performance Panel is a revenue variance of **nil**, (net of the use of earmarked reserves and assuming the full implementation of currently undelivered action plan items).

Without the use of service reserves of **£0.200m** (excl. those reserves being utilised in relation to the Dedicated Schools Grant of £1.456m), corporate reserves of **£4.439m** (as agreed by Cabinet at their meeting on 28 October 2015) and implementation of the remaining in year actions, the over spend would be **£6.686m**.

2. To note that the total capital programme for the directorate is **£12.204m** with resources currently forecast **£10.092m** to be utilised with **£2.112m** to be carried forward into 16/17 - relating mainly to Rushall/EDC, Devolved Formula Capital and Grace Academy. The Children's Services Forecast Capital outturn 2015/16 is summarised – table 2, page 8.
3. To note the actions being taken to address the areas of over spend.

Background papers

Various financial working papers.
2015/16 Budget Book on Council's Internet and Intranet

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Resource and legal considerations

The Council is required to set a balanced budget and requires services to operate within their approved budget allocation. Any variances are required to be managed as far as is reasonably possible. The revenue and capital financial monitoring is reported quarterly to overview and scrutiny committees along with corrective action plans when variances arise. All accounting entries are undertaken in line with the required corporate and statutory accounting guidance and standards.

Citizen impact

Resource allocation is aligned with service activity and is undertaken in accordance with the Council's corporate plan priorities.

Environmental impact

Services within the remit of this overview and scrutiny committee have a direct influence and impact on the environment.

Performance management

Financial performance is considered alongside service targets. Managers are required to deliver their service targets within budget, wherever possible. Corrective action plans are put in place to mitigate overspends where possible, with any remaining variances against budget identified in the report.

Equality Implications

Services consider equality issues in setting budgets and delivering services. Irrespective of budgetary pressures the Council must fulfil equal opportunities obligations.

Consultation

Consultation was undertaken as part of the budget setting process and throughout the financial year on the financial position and reporting thereof.

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1 Forecast Revenue Outturn 2015/16

- 1.1 The total pressures identified as at the end of December 2015 for Children's services, incorporating those relating to looked after children (LAC), agency staff and other areas, before any mitigating action and use of reserves is forecast at £6.686m. In year actions of £2.049m have been agreed to partly offset this, in conjunction with the utilisation of £4.439m of corporate reserves and £0.200m of earmarked reserves. Following these actions this would result in a final variance to budget of **nil**.

The outturn shown is based on actual information from the Oracle system and discussions with managers regarding year-end forecasts and achievement of approved savings. The Children's Services Directorate is also monitoring the financial position closely and seeking to identify any further actions that can be taken to reduce the pressure identified alongside the use of one off corporate funding that has been allocated.

- 1.2 The forecast outturn includes use of reserves, where approval has been given by Cabinet for additional funds to be utilised for specific services, totalling £7.539m with £0.007m reported as being transferred to reserves, this relates to partnerships funding secured in 2015/16 which will be required in 2016/17 to fund the Child Sexual Exploitation post held within the WSCB.
- 1.3 The forecast outturn includes delivered in year actions of £1.074m. This comprises utilisation of one off funding to offset in year pressures, holding staff vacancies and a Directorate wide freeze on non-essential spend. The full action plan is detailed further in **Appendix 2**, which also sets out the actions which are still to be delivered that currently total £0.975m. A number of these actions (specifically those seeking to utilise one off funding) are subject to approval by Cabinet prior to being included as delivered within the outturn.
- 1.4 **Table 1** shows the forecast outturn for each service, and **Appendix 1** provides an analysis of the reasons for material forecast variances.
- 1.5 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/ over spends. Where a significant overspend is forecast or a new pressure identified the Directorates Management Teams, through their budget meetings, are responsible for identifying in year actions to mitigate this position and ensure, as far as is possible, that the budget is balanced at the end of the year.
- 1.6 Included within the approved budget for 2015/16 are £4.386m of approved savings relating to services within the remit of this panel (details are available in the corporate budget book). An update on the achievement of 2015/16 approved savings is reported monthly to CMT as part of the corporate performance report. Any savings that are not forecast to be achieved in year are required to have alternative savings identified and are managed closely

through the relevant service management teams and in liaison with the relevant portfolio holder.

- 1.7 Of the £4.386m savings, £2.084m have been delivered in full (RAG blue) with £2.083m expected to be delivered by 31 March 2016 (RAG Green), £0m not expected to be delivered with low risk (RAG amber), and £0.219m which are currently shown as high risk (RAG red).
- 1.8 Within the services associated with the panel there are a number of risks totalling £0.383m (impact assessment adjusted) which have not been included within the above forecast. At this stage the risks are not certainties and as such are not included in the monitoring as an under or over spend. If the risks become certainties then alternative action will need to be identified or included in the position as over spends. A summary of the risk assessment is attached as **Appendix 3**.

Table 1 – Childrens Services Forecast Revenue Outturn 2015/16

| Service | Annual Budget | Profiled Budget | Actual to Date | Variance to Date | Year End Forecast | Variance before Reserves | Undelivered Action Plan | Use of Reserves | Transfer to Reserves | Variance after reserves and action plan |
|---------------------------------------|----------------------|------------------------|-----------------------|-------------------------|--------------------------|---------------------------------|--------------------------------|------------------------|-----------------------------|--|
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Childrens Wide | | | | | | | | | | |
| Childrens Management | 0.491 | 0.368 | 0.395 | 0.027 | 0.349 | (0.143) | 0.000 | (0.051) | 0.000 | (0.194) |
| Administrative Services | 1.771 | 1.328 | 1.364 | 0.035 | 1.732 | (0.040) | 0.000 | 0.000 | 0.000 | (0.040) |
| Performance Services | 0.197 | 0.148 | 0.194 | 0.049 | 0.264 | 0.067 | 0.000 | 0.000 | 0.000 | 0.067 |
| Information Services | 0.435 | 0.326 | 0.236 | (0.090) | 0.386 | (0.049) | 0.000 | 0.000 | 0.000 | (0.049) |
| Total Childrens Wide | 2.894 | 2.171 | 2.189 | 0.018 | 2.730 | (0.164) | 0.000 | (0.051) | 0.000 | (0.216) |
| Access & Achievement | | | | | | | | | | |
| Access & Achievement Management | 0.237 | 0.178 | 0.289 | 0.111 | 0.512 | 0.275 | 0.000 | (0.275) | 0.000 | 0.000 |
| School Improvement | 0.714 | 0.535 | 0.754 | 0.219 | 0.923 | 0.209 | 0.000 | (0.181) | 0.000 | 0.028 |
| Access & Attendance | 0.455 | 0.342 | 0.204 | (0.137) | 0.425 | (0.030) | 0.000 | (0.100) | 0.030 | (0.130) |
| Early Years | 0.001 | 0.001 | 0.176 | 0.175 | 0.001 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Virtual School | 0.245 | 0.184 | 0.233 | 0.050 | 0.212 | (0.033) | 0.000 | (0.012) | 0.000 | (0.044) |
| Youth Support Services | 2.293 | 1.720 | 1.947 | 0.227 | 2.524 | 0.230 | 0.000 | (0.113) | 0.000 | 0.118 |
| Youth Justice Services | 0.269 | 0.202 | 0.299 | 0.097 | 0.269 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Targeted Youth Support | 0.518 | 0.389 | 0.435 | 0.047 | 0.419 | (0.100) | 0.000 | 0.000 | 0.000 | (0.100) |
| Education Funding – Accountable body | (3.170) | (2.378) | (2.378) | 0.000 | (1.638) | 1.533 | 0.000 | (1.463) | 0.000 | 0.070 |
| Education - Mainstream | 1.729 | 1.297 | 1.813 | 0.516 | 1.522 | (0.208) | 0.000 | (0.037) | 0.000 | (0.245) |
| Total Access & Achievement | 3.292 | 2.469 | 3.773 | 1.304 | 5.169 | 1.877 | 0.000 | (2.180) | 0.000 | (0.303) |
| Childrens Social Care | | | | | | | | | | |

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|---|---------------|---------------|---------------|--------------|---------------|--------------|----------------|----------------|--------------|--------------|
| Childrens Social Care Management | 1.302 | 0.976 | 0.694 | (0.282) | 1.303 | 0.001 | 0.000 | 0.000 | 0.000 | 0.001 |
| Safeguarding Board | 0.111 | 0.083 | 0.067 | (0.016) | 0.127 | 0.016 | 0.000 | (0.023) | 0.007 | 0.000 |
| Practice Development | 0.089 | 0.067 | 0.015 | (0.052) | 0.063 | (0.025) | 0.000 | 0.000 | 0.000 | (0.025) |
| Safeguarding – Review & Child Protection | 1.311 | 0.983 | 0.860 | (0.123) | 1.498 | 0.187 | 0.000 | 0.000 | 0.000 | 0.187 |
| Initial Response Service | 1.984 | 1.488 | 2.070 | 0.582 | 2.752 | 0.768 | 0.000 | 0.000 | 0.000 | 0.768 |
| Permanence – Safeguarding & Family Support | 2.705 | 2.029 | 2.481 | 0.452 | 3.606 | 0.901 | 0.000 | 0.000 | 0.000 | 0.901 |
| Corporate Parenting – Looked After Children | 13.623 | 10.217 | 12.185 | 1.968 | 17.567 | 3.944 | (0.077) | (3.979) | 0.000 | (0.112) |
| Corporate Parenting – Transition & leaving Care | 0.801 | 0.601 | 0.574 | (0.027) | 0.852 | 0.050 | 0.000 | 0.000 | 0.000 | 0.050 |
| Provider Services – Fostering & Adoption | 2.935 | 2.201 | 2.479 | 0.278 | 3.451 | 0.516 | (0.054) | (0.007) | 0.000 | 0.455 |
| Provider Services – Residential Services | 3.932 | 2.949 | 2.563 | (0.386) | 3.739 | (0.193) | 0.000 | 0.000 | 0.000 | (0.193) |
| SEN Transport | 1.862 | 1.397 | 1.598 | 0.202 | 2.146 | 0.283 | 0.000 | (0.279) | 0.000 | 0.004 |
| Children with Disabilities | 2.246 | 1.684 | 1.317 | (0.368) | 2.252 | 0.006 | 0.000 | 0.000 | 0.000 | 0.006 |
| Special Education Needs | 0.917 | 0.688 | 1.677 | 0.989 | 1.148 | 0.230 | 0.000 | (0.202) | 0.000 | 0.028 |
| Total Social Care | 33.817 | 25.363 | 28.579 | 3.216 | 40.503 | 6.686 | (0.131) | (4.491) | 0.007 | 2.071 |
| Early Help | | | | | | | | | | |
| Early Help Management | 0.331 | 0.248 | 0.266 | 0.018 | 0.333 | 0.003 | 0.000 | 0.000 | 0.000 | 0.003 |
| Children Centres | 3.332 | 2.499 | 2.337 | (0.162) | 3.379 | 0.046 | (0.844) | (0.390) | 0.000 | (1.188) |
| Early Help 0-9 | 0.399 | 0.299 | 0.362 | 0.063 | 0.262 | (0.137) | 0.000 | (0.031) | 0.000 | (0.168) |
| Early Help 9-19 (25) | 0.657 | 0.493 | 0.532 | 0.039 | 0.683 | 0.026 | 0.000 | (0.067) | 0.000 | (0.041) |
| Edge of Care | 0.000 | 0.000 | (0.065) | (0.065) | (0.076) | (0.076) | 0.000 | 0.000 | 0.000 | (0.076) |
| Troubled Families | 0.001 | 0.001 | 0.128 | 0.127 | 0.273 | 0.272 | 0.000 | (0.319) | 0.000 | (0.047) |

| | | | | | | | | | | |
|--------------------------------|---------------|---------------|---------------|--------------|---------------|--------------|----------------|----------------|--------------|----------------|
| Commissioning & Transport | 0.328 | 0.246 | 0.261 | 0.015 | 0.330 | 0.002 | 0.000 | 0.000 | 0.000 | 0.002 |
| Workforce Development | 0.029 | 0.022 | 0.018 | (0.004) | 0.002 | (0.027) | 0.000 | (0.009) | 0.000 | (0.035) |
| Total Early Help | 5.077 | 3.808 | 3.840 | 0.032 | 5.186 | 0.109 | (0.844) | (0.817) | 0.000 | (1.552) |
| Walsall Adult CC | 0.062 | 0.047 | 1.191 | 1.145 | 0.062 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total ChildrensServices | 45.143 | 33.858 | 39.573 | 5.715 | 53.650 | 8.507 | (0.975) | (7.539) | 0.007 | 0.000 |

2 Education Funding Per Pupil

- 2.1 During the recent Ofsted inspection of the School Improvement service a question was raised by inspectors regarding the level of per pupil funding within Walsall and how this has changed over the last 3 years, with key question being why Walsall funding per pupil has reduced when national overall for education has increased.
- 2.2 In response to this question, and to provide assurance to the Scrutiny panel, table 2 below sets out the education funding received by Walsall for 2014/15, 2015/16 and 2016/17, along with changes in funded pupil numbers for each of those years:
- 2.3 The table shows that the total DSG funding (including Schools Block, Early Years Block, and High Needs block – prior to any academy deductions) has increased by 3.93% over the period 2014/15 – 2016/17.

However, taking account of changes in pupil numbers the total equivalent per pupil funding received has actually decreased by (2.95%) over the period 2014/15 – 2016/17.

This shows that increases in pupil numbers have outstripped increases in funding allocated to Walsall via the DSG. As such the total per pupil funding amount has reduced.

- 2.4 However looking at the amount of funding actually allocated to Walsall schools (as opposed to funding received from DfE by Walsall), via the local funding formula, and focussing purely on AWPU (which will be applicable to all children in mainstream schools) the per pupil rates have provided to schools have actually increased by 1.16% over the period 2014/15 – 2016/17 for primary AWPU rates, and by 1.10% for secondary AWPU rates.

Table 2 – Walsall Education Funding 2014/15 – 2016/17

| | 2014/15 (£) | 2015/16 (£) | 2016/17 (£) | Change 2014/15 - 2015/16 (%) | Change 2015/16 - 2016/17 (%) | Cumulative Change (%) | Source |
|--|------------------------|------------------------|------------------------|---|---|--------------------------------------|---|
| Funding Received - Total DSG (Prior to Academy Deductions) | 228,379,141 | 232,989,142 | 237,360,000 | 2.02% | 1.88% | 3.93% | DSG Allocation tables (GOV.UK website) |
| Pupil Numbers Set out on DSG Allocation Tables: | | | | | | | |
| Schools Block | 39,504 | 41,197 | 41,817 | 4.29% | 1.50% | 5.86% | |
| Early Years | 2,842 | 3,564 | 3,533 | 25.40% | (0.87%) | 24.31% | |
| Total Pupils | 42,346 | 44,761 | 45,350 | 5.70% | 1.32% | 7.09% | DSG Allocation tables (GOV.UK website) |
| Funding Received - Total Indicative Funding Per Pupil Based on Total DSG (taking account of changes in pupil numbers) | 5,393.17 | 5,205.17 | 5,233.96 | (3.49%) | 0.55% | (2.95%) | |
| Funding Allocated to Schools - Local Funding Formula AWPU Rate: | | | | | | | |
| Primary | 2,879.74 | 2,884.60 | 2,913.09 | 0.17% | 0.99% | 1.16% | Walsall Local Funding Formula reported to and agreed by Schools Forum |
| Secondary | 4,339.94 | 4,344.79 | 4,387.70 | 0.11% | 0.99% | 1.10% | Walsall Local Funding Formula reported to and agreed by Schools Forum |

3 Forecast Capital Outturn 2015/16

3.1 The total capital programme for the directorate is £12.204m with costs of £10.092m (As at the end of December 2015) currently forecast to be utilised, with the remaining balance of £2.112m to be carried forward into 2016/17, as detailed in Table 2.

| Table 2 – Childrens Services Forecast Capital Outturn 2015/16 | | | | | |
|--|----------------------|-----------------------|--------------------------|--------------------------|---|
| Service | Annual Budget | Actual to Date | Year End Forecast | Year End Variance | Requested Carry Forward to 2015/16 |
| | £m | £m | £m | £m | £m |
| <u>Council Funded</u> | | | | | |
| Mosaic | 1.079 | 0.443 | 1.079 | 0.000 | 0.000 |
| Rushall JMI Improvements | 1.831 | 0.559 | 0.575 | (1.256) | 1.256 |
| Total Council Funded | 2.909 | 1.002 | 1.654 | -1.256 | 1.256 |
| | | | | | |
| <u>Externally Funded</u> | | | | | |
| Devolved Formula Capital | 0.780 | 0.132 | 0.314 | (0.466) | 0.466 |
| Capital Maintenance | 4.013 | 2.179 | 3.948 | (0.064) | 0.064 |
| Basic Need: Unallocated | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Basic Need: Christchurch Summer works for Reception Intake | 0.052 | 0.000 | 0.052 | 0.000 | 0.000 |
| Basic Need Hillary Primary Internal Remodelling KS2 | 0.138 | 0.004 | 0.138 | 0.000 | 0.000 |
| Basic Need: Christ Church Enlargement | 0.828 | 0.798 | 0.828 | 0.000 | 0.000 |
| Basic Need: King Charles Enlargement | 0.550 | 0.547 | 0.550 | 0.000 | 0.000 |
| Basic Need: Fibbersley Enlargement | 0.240 | 0.239 | 0.240 | 0.000 | 0.000 |

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|--|---------------|--------------|---------------|----------------|--------------|
| Universal Infant Free School Meals Phase 1 | 0.023 | 0.010 | 0.023 | 0.000 | 0.000 |
| Universal Infant Free School Meals Phase 2 | 0.159 | 0.045 | 0.159 | 0.000 | 0.000 |
| Universal Infant Free School Meals Phase 3 | 0.085 | 0.000 | 0.039 | (0.046) | 0.046 |
| Targeted Capital bids - Barcroft - CFR 497 BARCROFT PRIMARY NEW BUILD CONSTRUCTION COSTS | 0.052 | 0.007 | 0.052 | 0.000 | 0.000 |
| 14-19 diplomas, SEN and disabilities - Alumwell Bec Health Tech | 0.107 | 0.015 | 0.107 | 0.000 | 0.000 |
| Academies - Darlaston | 0.664 | 0.289 | 0.404 | (0.260) | 0.260 |
| Academies - Sheffield | 0.334 | 0.264 | 0.314 | (0.020) | 0.020 |
| Youth capital funding | 0.018 | 0.002 | 0.018 | 0.000 | 0.000 |
| 2 yr old capital funding | 1.250 | 0.729 | 1.250 | 0.000 | 0.000 |
| | | | | | |
| Total Externally Funded | 9.295 | 5.261 | 8.438 | (0.857) | 0.857 |
| | | | | | |
| Total Capital | 12.204 | 6.263 | 10.092 | (2.112) | 2.112 |

Appendix 1 – Explanation of Significant Revenue Variations after action plan and use of reserves

| Service | Forecast Variance £m | Explanation of Forecast Variance |
|---------------------------------|---------------------------------|---|
| Childrens Management | (0.194) | Variance before use of reserves of (£0.143m). (£0.051m) reserve used to offset premium cost of interim AD. Variance after use of reserves of (£0.194m). Comprising of (£0.126m) budget realignment of Non Essential Spend, (£0.090m) Realignment of expenditure budget following increase in grant income for the school admissions team, part offset by £0.022m overspend in Management Team Salaries. |
| Administrative Services | (0.040) | Variance before and after use of reserves (£0.040m) as a result of delay in recruiting to number of admin posts after completion of restructure |
| Performance Services | 0.067 | Variance before and after use of reserves £0.067m. £0.015m due to salary budget shortfall, £0.027m due to 2 x PARIS employees transferred from Adult SC & £0.025 new consultant due to start Dec 15. |
| Information Services | (0.049) | Variance before reserves and after use of reserves (£0.048m) due to additional traded income from schools. £0 reserves. Variance after reserves (£0.048m). |
| Access & Achievement Management | 0.000 | Variance before reserves £0.275m. Use of reserves (£0.275m) which is utilisation of historic education grants for various School Improvement projects. Variance after reserves £0m. |
| School Improvement | 0.028 | Variance before reserves and action plan items £0.209m due to 3 x new SIP posts £0.125m & additional consultancy/agency costs £0.084m. (£0.181m) use of reserves. Variance after reserves and action plan £0.028m. |
| Access & Attendance | (0.130) | Variance before reserves and action plan items (£0.030m) due to excess income from truancy fixed penalty notices. Utilisation of reserves (£0.100m) to support action plan. Variance after reserves and action plan item (£0.130m). |
| Early Years | 0.000 | No Variance forecast |
| Virtual School | (0.044) | Variance before reserves £0.017m due to redundancy costs and pressures on salary budgets. Use of reserves (£0.011m) for redundancy costs. Action Plan item - use of Pupil Premium grant (£0.050m). Variance after reserves (£0.044m). |

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| Youth Support Services | 0.118 | Variance before reserves and action plan items £0.230m which is due to £0.004m redundancy costs, £0.109m Education Business Partnership net expenditure, £0.154m pressure for Targeted Youth Work restructure model, (£0.037m) surplus mainstream budget Admissions. Use of reserves (£0.109m) Education Business Partnership and (£0.004) redundancy reserve. Variance after reserves £0.118m. |
| Youth Justice Services | (0.000) | No Variance forecast |
| Targeted Youth Support | (0.100) | Variance before reserves (£0.100m) due to surplus on salary budgets as vacancies within team. Variance after use of reserves (£0.100m) |
| Education Funding – Accountable body | 0.070 | Variance before use of reserves and action plan £1.463m due to utilisation of DSG surplus from previous years (Walsall Governors Association £0.003m, School Readiness £0.048m & 2 year old place creation £1.412m), £0.095m due to reduction in Education Services Grant & £0.006m claw back of prior year unspent PE & Sports grant, (£0.030m) surplus Behaviour Support. Use of reserves (£1.456m) DSG surplus & (£0.006m) PE & Sports grant. Variance after use of reserves and action plan £0.070m. |
| Education - Mainstream | (0.245) | Variance before and after use of reserves and Action Plan items (£0.245m). (£0.290m) Premature Retirements due to budget underspends, £0.053m CRB costs based on previous year costs, (£0.021m) Pension Gratuities due to surplus budget. £0.013m cost of postal courier service to schools and printing of ES order pads for schools. |
| Childrens Social Care Management | 0.001 | Variance before use of reserves and action plan items £0.001m. £0.049m un-budgeted Mosaic revenue expenditure, £0.035m Interpretation costs, £0.028m File archiving, (£0.077m) Legal fees, (£0.055m) Housing Extension budget forecast to be unutilised and £0.020m other non staffing pressures. Variance after reserves and action plan items £0.001m. |
| Safeguarding Board | (0.000) | Forecast variance before use of reserves £0.016m relates to overall expected board costs including salaries utilising under spend from previous year carried forward. Use of reserves (£0.016m). Transfer to reserves of £0.006 for CSE post funded by Partnerships. Variance after use of reserves £0.000. |
| Practice Development | (0.025) | Variance before use of reserves (£0.025m) due to an un-filled vacant post. |
| Safeguarding – Review & Child Protection | 0.187 | Variance before use of reserves £0.187m. £0.185m 3 agency workers as at 15.11.15. £0.005m postage and premises, (£0.002m) transport costs |
| Initial Response | 0.768 | Variance before use of reserves £0.768m. £0.719m 19 agency staff in team covering a number of vacancies within the service, £0.065m sessional workers, £0.011m Other employees, (£0.020) Section |

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|---|---------|--|
| Service | | 17, (£0.027m) Travel, £0.005m premises, £0.011m Other Office costs. |
| Permanence – Safeguarding & Family Support | 0.901 | Variance before use of reserves £0.901m. 21 agency staff in team covering 8 vacancies, 3 maternity leave cover, 2 secondment cover and 8 additional to capacity within the service. |
| Corporate Parenting – Looked After Children | (0.112) | Variance before use of reserves and action plan items £3.984m, £3.802m overspend on LAC placements, 641 LAC as at Dec '15 forecast to continue throughout the financial year, £0.125m LAC Social Worker Team agency cover, Contact forecast overspend of £0.005m reflecting existing pressure based on 14/15 demand with the service under review for new model to deliver service. Action plan item (£0.037) for unaccompanied Asylum seekers children (UASC) and contact centre re-imburement (£0.040m). Corporate reserves utilised to offset ongoing pressure of (£3.979m). Variance after reserves and action plan items (£0.112m). |
| Corporate Parenting – Transition & leaving Care | 0.050 | Forecasted variance before use of reserves £0.050m. £0.025m agency cover and £0.024m Care Leaver Payments. |
| Provider Services – Fostering & Adoption | 0.455 | Variance before use of reserves and action plan items £0.516m. Reserve used for Adoption Reform carried forward expenditure (£0.007m)& Action plan item relating to inter agency re-imburements of (£0.054m). Overspend after use of reserve £0.455m, forecasted over spends £0.306m Special Guardianship Orders, £0.012m Inter agency Adoption fees, Residence Orders £0.029m, £0.012m Panel Members, £0.150m Agency cover. and inter-agency re-imburements (£0.049m). Variance after reserves and action plan item £0.455m |
| Provider Services – Residential Services | (0.193) | Forecasted variance before use of reserves and action plan items (£0.193m). (£0.121m) under spends forecast on staffing & sessional worker budgets across the 5 homes, net agency cost of 2 workers, one covering vacancy, one covering sickness. (£0.049m) on Child related expenditure. (£0.023m) other non-staffing. |
| SEN Transport | 0.004 | Forecasted variance £0.283m due to ongoing pressures for SEN transport costs; this is made up of £0.308m transport costs and (£0.025m) salaries/other costs. Use of corporate reserve (£0.279m) for SEN transport costs. Variance after reserves £0.004m. |

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|----------------------------|---------|--|
| Children with Disabilities | 0.006 | Forecasted variance before use of reserves £0.006m, which consists of (£0.022m) surplus Direct Payments, £0.148m pressure salary/agency costs, (£0.120m) surplus Short Breaks. Variance after reserves £0.006m. |
| Special Education Needs | 0.028 | Forecasted variance £0.230m, which consists of (£0.013m) surplus Education Psychology due to excess traded income, (£0.009m) surplus SEN Assessment due to in year changes to staffing, £0.252m SEN Reform expenditure. Use of reserve (£0.202m) SEN Reform Grant/New Burdens. Variance after reserves £0.028m. |
| Early Help Management | 0.003 | Variance before use of reserves and action plan of £0.003m as a result of (£0.005m) salaries underspend, £0.005m overspend on Youth of Walsall Survey, £0.002m on mobile phones and £0.001m on training. |
| Children Centres | (1.188) | Variance before use of reserves and Action Plan Items £0.046m as a result of service re-design to meet 15/16 savings proposals for Children's Centres being implemented. Action Plan item (£0.844m), Reserve of (£0.390m). Variance after Reserves and Action Plan items (£1.188m), this represents a £0.395m overspend against redesign model as a result of £0.200m childcare pressure and £0.195m one off costs relating to the transition process, this has been part offset by an increase in expected external bank accounts money of (£0.124m). |
| Early Help 0-9 | (0.168) | Variance before use of reserve of (£0.137m). Reserves used to support Parenting Team activity of (£0.031m). Underspend after the use for reserves of (£0.168m) split across Early Years projects, Early Years Development and Area Family Support Teams (£0.125m contribution to the action plan). |
| Early Help 9-19 (25) | (0.041) | Variance before use of reserves of £0.027m. Local Area Coordinators reserve of (£0.027m) used. (£0.002m) after use of reserves with overspends on Intensive Family Support Team of £0.016m offset by (£0.018m) underspend on Early Help Resource Panel. Further (£0.040m) of reserve utilised to support Children's action plan leaving Year End underspend of (£0.040m). |
| Edge of Care | (0.076) | Variance before & after use of reserves of (£0.076m) as a result of staffing underspend against the £0.200m of Troubled Families Grant allocated to Edge of Care Team |
| Troubled Families | (0.047) | Variance before use of reserves and action plan of £0.272m. Reserve use of (£0.246m) to support Troubled Families Team, additional use of (£0.073m) reserve to support Action Plan. Variance after the use of reserves and action plan of (£0.047m). |
| Commissioning & Transport | 0.002 | Variance before & after use of reserves £0.002m pressure on Commissioning Team salaries due to historic budget shortfall. |

| | | |
|---------------------------------|----------------|---|
| Workforce Development | (0.035) | Variance before use of reserves and action plan items (£0.026m). Reserves totalling (£0.009m) used to support Workforce Team activities in year. Variance after reserves and action plan items (£0.035m) |
| WACC | 0.000 | Walsall Adult & Community College has been included within Children Services financial reporting as it now falls within the Learning, Skills and Apprenticeships portfolio. Transfer of funds has been completed but there is still a budget tidy exercise that needs to be undertaken to remove in-year budget profiles. |
| Total Childrens Services | (0.000) | |

Appendix 2 – Action Plan

| Action | Value of Delivered Action Plan included in outturn £m | Value of action plan to be Delivered £m | BRAG |
|--|---|---|---------------|
| Additional Corporate reserve to offset interim Management Costs | 0.040 | 0.000 | BLUE |
| School improvement reserve to offset one off priority costs | 0.125 | 0.000 | BLUE |
| Utilisation of historical truancy fine income | 0.133 | 0.000 | BLUE |
| Explore options to utilise pupil premium to offset virtual school pressure | 0.081 | 0.000 | BLUE |
| Freeze on non-essential spend | 0.125 | 0.000 | BLUE |
| Children's centre external bank accounts | 0.390 | 0.844 | ORANGE |
| Balance of local area co-ordinator reserve | 0.040 | 0.000 | BLUE |
| Use of uncommitted remaining phase 1 & 2 TF reserve | 0.073 | 0.000 | BLUE |
| Inter Agency Reimbursements | 0.000 | 0.054 | GREEN |
| Unaccompanied Asylum Seeker Income | 0.000 | 0.037 | GREEN |
| Contact Centre Reimbursement | 0.000 | 0.040 | GREEN |
| Use of DSG surplus for Admissions team | 0.037 | 0.000 | BLUE |
| Use of DSG surplus for Behaviour support team | 0.030 | 0.000 | BLUE |
| Total Childrens Services | 1.074 | 0.975 | |

Appendix 3 – Risks associated with 2015/16 month 9 position

| Service | Reason/explanation of risk | Risk £m |
|---|--|--------------------|
| Corporate Parenting – Looked After Children | LAC numbers increase throughout the year due to an unavoidable increase in need for the service. | 0.167 |
| Corporate Parenting - Friends & Family Placements | No placement fees are paid to these carers at present, however this is subject to a legal challenge and therefore the authority is taking action to offer these carers a payment for the children they care for if they are prepared to undertake formal training | 0.133 |
| Corporate Parenting - Various | Agency Numbers increase due to the need for business continuity following additional demand for services and management of the current staffing position which would see the service relying on additional agency staff to support the service, therefore incurring additional premiums on staffing costs. | 0.083 |
| TOTAL RISK | | 0.383 |