

## EDUCATION AND CHILDRENS SERVICES OVERVIEW AND SCRUTINY COMMITTEE

Agenda Item  
No.

DATE: 08 SEPTEMBER 2015

### CORPORATE FINANCIAL PERFORMANCE - REVENUE AND CAPITAL OUTTURN 2014/15 (PRE-AUDIT), AND UPDATE FOR 2015/16

Ward(s) All

#### Portfolio:

Councillor Cassidy – Children’s Services and Education (Portfolio holder until May 2015)

Councillor Towe - Learning Skills and Apprenticeships (Portfolio holder from June 2015)

Councillor Hughes – Care and Safeguarding (Portfolio Holder from June 2015)

#### Summary of report

This report summarises the pre-audit revenue and capital outturn position for the year ended 31 March 2015, subject to external audit, and provides an update on the financial position for 2015/16 (based on the performance for the 2 months to May 2015), for services within the remit of the Education and Children Services Overview and Scrutiny Committee.

#### Reason for scrutiny

To inform the committee of the pre-audit financial position for 2014/15 and provide a forecast for 2015/16 to allow the scrutiny of the financial performance of the services within the panel’s remit.

#### Recommendation

1. To note that the pre-audit 2014/15 year end financial position for services under the remit of the Education and Childrens Services Overview and Scrutiny Committee, is a revenue overspend against budget of **£2.692m** (net of use of earmarked reserves and carry forwards), and a capital under spend of **£0.011m** (net of approved carry forwards into 2015/16).
2. To note that the forecast 2015/16 year end financial position for services under the remit of the Education and Childrens Services Overview and Scrutiny Committee, is a revenue overspend against budget of **£3.110m** and a capital overspend of **£0.554m**.
3. To note actions being taken to address areas of overspend.

#### Background papers

Various financial working papers

Signed:



**Chief Finance Officer:** James T Walsh  
**Date:** 10<sup>th</sup> September 2015

## **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 were 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 its 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 Revenue Outturn 2014/15**

- 1.1 The pre-audit revenue outturn for 2014/15 for the services under the remit of the Education and Childrens Services Overview and Scrutiny Committee is an

overspend against budget of **£2.692m** (net of the use of earmarked reserves / carry forwards). This position is subject to external audit which will take place during July / August.

- 1.2 As reported throughout the year the key underlying pressures contributing to this overspend are the number of looked after children within Corporate Parenting services and the number of agency staff employed across social care to support vacancies. **Table 1** provides a summary of each services outturn position.
- 1.3 Included within the portfolio budget for 2014/15 were £5.109m of approved savings (details are available in the corporate budget book). Management Teams within the portfolio received updates throughout the year to enable action to be taken by senior officers as appropriate, including an update on the achievement of approved savings.
- 1.4 For the 2014/15 financial year £0.931m of the total savings of £5.109m has been identified as unachieved. £0.081m savings is undelivered due to a part year implementation; this will be delivered in full for 2015/16. The remaining undelivered saving of £0.850m relates to Looked after Children.
- 1.5 A total of £11.174m earmarked reserves were available for use in 2014/15 (inclusive of £1.240m corporate redundancy reserves), the majority remains ring fenced for DSG activities and Education services. Within the reported outturn position a total of £6.06m of earmarked reserves have been utilised and £8.16m has been transferred to reserves. These are summarised in **Table 2**.
- 1.6 Carry forwards are a means of recognising sound budget management by allowing the transfer of planned revenue under spends and / or achieved revenue savings, excluding the use of windfalls / unplanned under spends / savings from one year to the next. Approval for carry forward of under / overspend rests with Cabinet, based on the advice of the CFO, taking into consideration the corporate outturn position. One revenue carry forward of £0.025m was approved by Cabinet on 24 June 2015, relating to Walsall Safeguarding Board to support spend in 2015/16.

<b>Table 1 – Pre-Audit Revenue Outturn 2014/15</b>
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<b>Service</b>	<b>Annual Budget £</b>	<b>Year End Actual £</b>	<b>Year End Variance £</b>	<b>(Use of) Reserves / Transfer to Reserves £</b>	<b>Variance Net of Reserves (Under)/Overspend £</b>
<b>Access &amp; Achievement</b>					
Education (inc Schools)	1.189	(2.147)	(3.336)	3.112	(0.224)
Education Management & Support	6.647	6.476	(0.170)	0.116	(0.054)
Access & Achievement Management	1.146	1.004	(0.142)	(0.021)	(0.163)
Youth Support Services	5.626	5.598	(0.028)	(0.202)	(0.230)
<b>Total Access &amp; Achievement</b>	<b>14.607</b>	<b>10.932</b>	<b>(3.676)</b>	<b>3.005</b>	<b>(0.671)</b>
<b>Childrens Social Care</b>					
Childrens Social Care Management	2.467	2.939	0.471	(0.382)	0.089
Children with Disabilities	1.910	1.986	0.076	0.000	0.076
Corporate Parenting Mgmt	0.162	0.102	(0.060)	0.000	(0.060)
Family Placements	3.570	4.367	0.797	(0.027)	0.770
Internal Residential	4.429	4.303	(0.126)	(0.031)	(0.157)
LAC	14.204	16.558	2.354	0.000	2.354
Transition & leaving Care	1.184	1.264	0.080	0.000	0.080
Safeguarding	1.852	2.126	0.273	(0.020)	0.253
Vulnerable Children	6.753	8.582	1.829	(0.054)	1.775
<b>Total Childrens Social Care</b>	<b>36.533</b>	<b>42.228</b>	<b>5.695</b>	<b>(0.514)</b>	<b>5.181</b>
<b>Early Help &amp; Commissioning</b>					
Prevention and Partnerships	2.118	1.503	(0.616)	(0.333)	(0.949)
Childrens Centres	5.632	5.039	(0.592)	(0.087)	(0.679)
Commissioning	0.341	0.329	(0.012)	0.000	(0.012)
<b>Total Early Help &amp; Commissioning</b>	<b>8.091</b>	<b>6.871</b>	<b>(1.220)</b>	<b>(0.421)</b>	<b>(1.641)</b>
<b>Performance &amp; Outcomes</b>	<b>0.834</b>	<b>0.639</b>	<b>(0.195)</b>	<b>(0.009)</b>	<b>(0.204)</b>
<b>WACC</b>	<b>0.097</b>	<b>0.134</b>	<b>0.037</b>	<b>(0.037)</b>	<b>0.000</b>
<b>TOTAL</b>	<b>60.162</b>	<b>60.803</b>	<b>0.641</b>	<b>2.025</b>	<b>2.666</b>
Approved carry forwards from 2014/15 to 2015/16					0.025
<b>TOTAL NET OF CARRY FORWARDS</b>					<b>2.692</b>

**Table 2 - Analysis of 2014/15 Earmarked Reserves**

<b>Service</b>	<b>Amount (£)</b>	<b>Explanation</b>
<b>Use of Reserves</b>		
Childrens Social Care Management	(0.204)	Interim Appointments of ED and AD expenses part funded through vacant ED and AD salary budgets, remainder £204k funded through earmarked reserve.
Childrens Social Care Management	(0.060)	Newly Qualified Social Worker salary costs and student development expenses funded through reserve carried forward.
Childrens Social Care Management	(0.101)	Social Worker Improvement team salary expenses funded through reserve.
Childrens Social Care Management	(0.016)	Assessed and Supported Year expenses in connection to newly qualified social workers funded through grant income and reserve carried forward.
Childrens Social Care Management	(0.151)	Redundancy and related pension costs
Children's Centres	(0.123)	Redundancy and related pension costs
Children's Centres	(0.354)	Early Intervention Grant
Education (Inc Schools)	(0.006)	Education Transition
Education (Inc Schools)	(0.253)	Redundancy and related pension costs
Education (Inc Schools)	(0.066)	Pupil Premium
Education (Inc Schools)	(3.549)	DSG
Education Management & Support	(0.092)	Redundancy and related pension costs
Youth Support Services	(0.314)	Redundancy and related pension costs
Youth Support Services	(0.126)	My Place Project
Youth Support Services	(0.083)	Youth - Youth Justice
Youth Support Services	(0.005)	16-19 Bursary
Prevention and Partnerships	(0.025)	Early Intervention (parenting Team)
Prevention and Partnerships	(0.276)	Redundancy and related pension costs
Prevention and Partnerships	(0.020)	Local Area Coordinator Reserve (Transferred from Neighbourhoods)
Prevention and Partnerships	(0.208)	Troubled Families - Use of Reserves
Access and Achievement Management	(0.021)	Redundancy and related pension costs
Performance & Outcomes	(0.009)	Redundancy and related pension

<b>Total use of Reserves</b>	<b>(6.062)</b>	costs
<b>Transfer to reserves</b>		
Education (Inc Schools)	0.100	Penalty Notice Income
Education (Inc Schools)	0.155	St Thomas More PFI
Education (Inc Schools)	0.607	Education Grants
Education (Inc Schools)	6.008	DSG 2014/15 surplus
Education (Inc Schools)	0.115	Pupil Premium 14/15
Education Management & Support	0.208	SEN Reform Grant/SEND New Burdens
Youth Support Services	0.010	Parent Partnership Grant (PPS)
Youth Support Services	0.014	16-19 Bursary
Youth Support Services	0.302	Education Business Partnership (EBP)
Prevention &Partnerships	0.165	Troubled Families Phase 2
Prevention &Partnerships	0.030	Early Years Grant
Prevention &Partnerships	0.390	External Childcare income
Family Placements	0.007	Adoption Reform Grant
Childrens Social Care Management	0.011	Assessed Supported Year Funding Grant
WACC	0.037	Skills Funding Agency
<b>Total Transfer to Reserves</b>	<b>8.159</b>	

## **2 Capital Outturn 2014/15**

- 2.1 The capital outturn for 2014/15 for the schemes within the remit of the committee is an under spend of £3.300m against a budget of £13.296m. The budget includes £2.822m mainstream (council funded) budget and £10.474m externally funded budget via the Education Funding Agency EFA). Of the total under spend for 2015/15, £3.289m has been approved for carry forward into 2015/16, resulting in a net under spend of £0.011m. A full summary of the capital programme is shown in **Appendix 1**.

### 3 Forecast Revenue Outturn 2015/16

- 3.1 The forecast revenue outturn for 2015/16 for the services under the remit of the Education and Childrens Services Overview and Scrutiny Committee (as at the end of May 2015) is an overspend of £3.110m net of the use of and transfer to earmarked reserves, and after corrective action planning. The predicted revenue outturn shown is based on actual information from the Oracle system, and discussions with managers regarding year end forecast and achievement of approved savings.
- 3.2 The predicted outturn includes use of reserves of £7.518m (where approval has been given by Cabinet for additional funds for specific services) less transfers to reserves of £0.290m. **Appendix 2** provides an analysis of the reasons for the forecast material variances.
- 3.3 There are a number of financial pressures within Children services however the two most significant areas continue to be on Children's Social Care budgets. These are the number and mix of care of looked after children (LAC), with a forecast pressure of c£3.0m, and the number and cost of agency staff with a forecast pressure of c£2.2m.
- 3.4 Table 3 shows the forecast outturn for each service:

<b>Table 3 – Forecast Revenue Outturn 2015/16</b>						
<b>Service</b>	<b>Annual Budget £</b>	<b>Year End Actual £</b>	<b>Year End Variance £</b>	<b>(Use of) Reserve / Trfer to Reserve £</b>	<b>Action Plan £</b>	<b>Variance Net of Reserves (Under)/ Overspend £</b>
<b>Childrens Wide</b>						
Childrens Management	0.449	0.478	0.029	(0.086)	0.000	(0.057)
Administrative Services	2.125	2.084	(0.041)	0.000	0.000	(0.041)
Performance Services	0.193	0.238	0.045	0.000	0.000	0.045
Information Services	0.439	0.358	(0.081)	0.000	0.000	(0.081)
<b>Access &amp; Achievement</b>						
Access & Achievement Management	0.237	0.844	0.607	(0.607)	0.000	0.000
School Improvement	0.712	0.837	0.125	0.000	(0.125)	0.000
Access & Attendance	0.471	0.441	(0.030)	0.030	(0.101)	(0.101)
Early Years	0.000	0.000	0.000	0.000	0.000	0.000
Virtual School	0.507	0.538	0.031	0.000	(0.031)	0.000
Youth Support Services	2.215	2.244	0.029	(0.059)	0.000	(0.030)
Youth Justice Services	0.789	0.726	(0.063)	(0.042)	0.000	(0.105)
Education Funding – Accountable body	(5.308)	0.708	6.016	(5.921)	0.000	0.095
Education - Mainstream	2.288	2.042	(0.246)	0.000	0.000	(0.246)
<b>Children's</b>						



Childrens Social Care Management	1.283	1.343	0.060	0.000	0.000	0.060
Safeguarding Board	0.111	0.136	0.025	0.000	0.000	0.025
Practice Development	0.089	0.082	(0.007)	0.000	0.000	(0.007)
Safeguarding – Review & Child Protection	1.247	1.470	0.223	0.000	0.000	0.223
Initial Response Service	1.891	2.854	0.963	0.000	(0.467)	0.496
Safeguarding & Family Support	2.635	3.306	0.671	0.000	0.000	0.671
				<b>(Use of)</b>		<b>Variance</b>
				<b>Reserve</b>		<b>Net of</b>
				<b>/ Trfer</b>		<b>Reserves</b>
				<b>to</b>		<b>(Under)/</b>
				<b>Reserve</b>		<b>Overspend</b>
				<b>£m</b>		<b>£m</b>
<b>Service</b>	<b>Annual Budget</b>	<b>Year End Actual</b>	<b>Year End Variance</b>		<b>Action Plan</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>		<b>£m</b>	
Corporate Parenting – Looked After Children	13.556	16.835	3.279	0.000	0.000	3.279
Corporate Parenting – Transition & leaving Care	0.805	0.826	0.021	0.000	0.000	0.021
Provider Services – Fostering & Adoption	2.886	3.368	0.482	(0.007)	0.000	0.475
Provider Services – Residential Services	3.876	3.800	(0.076)	0.000	0.000	(0.076)
SEN Transport	1.883	2.174	0.291	0.000	0.000	0.291
Children with Disabilities	2.283	2.306	0.023	0.000	0.000	0.023
Special Education Needs	2.055	2.277	0.222	(0.252)	0.000	(0.030)
<b>Early Help</b>						
Early Help Management	0.313	0.335	0.022	0.000	0.000	0.022
Children Centres	3.704	3.370	(0.334)	0.000	(1.100)	(1.434)
Early Help 0-9	0.385	0.304	(0.081)	(0.045)	0.000	(0.126)
Early Help 9-19 (25)	0.657	0.668	0.011	(0.089)	0.000	(0.078)
Edge of Care	0.000	0.000	0.000	0.000	0.000	0.000
Troubled Families	0.000	0.124	0.124	(0.316)	0.000	(0.192)
Commissioning & Transport	0.302	0.310	0.008	0.000	0.000	0.008
Workforce Development	0.028	0.127	0.099	(0.093)	0.000	0.006
<b>WACC</b>	<b>0.014</b>	<b>(0.247)</b>	<b>(0.260)</b>	<b>0.260</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL</b>	<b>45.120</b>	<b>57.306</b>	<b>12.186</b>	<b>(7.227)</b>	<b>(1.824)</b>	<b>3.135</b>
Approved carry forwards from 2014/15 to 2015/16						(0025)
<b>TOTAL NET OF CARRY FORWARDS</b>						<b>3.110</b>

- 3.5 The Directorate has established a programme management approach to seek to address the number and cost of LAC. This is chaired by the AD for Children's Social Care and has work streams which are managed through formalised project management arrangements. The focus of the regular "LAC reduction" has also changed from reviewing individual assessments and discharges to seeking to understand the underlying issues and developing strategic and preventative responses to them.
- 3.6 The Directorate has agreed an action plan totaling £2.22m, which includes the use of some one-off Children's reserves. A number of actions have already been implemented (£357k) with a further £1.865m still to be implemented by the end of the year. If all actions are delivered in full, the directorates forecast overspend will reduce to c £3.1m. The action plan is summarised in **Appendix 3**, Progress on delivering actions will continue to be monitored and reported on a regular basis.
- 3.7 **Appendix 4** details the risks associated with this forecast and the total financial exposure to risk has been calculated as £1.158m. Risks are items that are uncertain at present and therefore not included in the overall forecast. If circumstances change and any of these risks become a certainty, it will then form part of the overall forecast, and actions will need to be identified and implemented to offset any resulting pressure.

## 5 Capital Outturn 2015/16

5.1 The forecast capital outturn for 2015/16 for the schemes under the remit of this panel (as at the end of May 2015) is an overspend of **£0.554m**, as shown in table 4 below.

	<b>Annual Budget</b>	<b>Actual to Date</b>	<b>Year End Forecast</b>	<b>Variance before carry forward</b>	<b>Carry Forward to 2016/17</b>
<b>Mainstream</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
WACC	0.030	-	0.030	-	-
Mosaic	0.329	-	0.883	0.554	-
Rushall JMI Improvements	1.815	-	1.815	-	-
Contact centre	0.925	-	0.925	-	-
<b>Total Mainstream / Council funded</b>	<b>3.099</b>	<b>-</b>	<b>3.653</b>	<b>0.554</b>	<b>-</b>
<b>Non Mainstream - Grant</b>					
Devolved Formula Capital	2.280	-	2.280	-	-
Capital Maintenance	3.970	-	3.970	-	-
Basic Need	8.774	-	8.774	-	-
Universal Infant Free School Meals Phase 1	0.108	-	0.108	-	-
Universal Infant Free School Meals Phase 2	0.159	-	0.159	-	-
Targeted Capital bids - BARCROFT PRIMARY NEW BUILD	0.052	-	0.052	-	-
14-19 diplomas, SEN and disabilities - Alumwell Bec Health Tech	0.107	-	0.107	-	-
Academies - Darlaston	0.364	-	0.364	-	-
Academies - Shelfield	0.634	-	0.634	-	-
Youth capital funding	0.018	-	0.018	-	-
2 yr old capital funding	0.183	-	0.183	-	-
<b>Total Non Mainstream</b>	<b>16.649</b>	<b>-</b>	<b>16.649</b>	<b>-</b>	<b>-</b>
<b>Total Capital</b>	<b>19.748</b>	<b>-</b>	<b>20.302</b>	<b>0.554</b>	<b>-</b>

5.2 The yearend variance of £0.554m is due to the implementation costs for the new Children's Social Care IT system (Mosaic) where forecast costs for 2015/16 are expected to be £0.554m more than the allocated funding. The overspend is as a result of a revised implementation and resource plan for Childrens required due to the extension of the original timetable for completion and identification of additional resource requirements to support a successful implementation.

## APPENDIX 1

Appendix 1 – Education & Children’s services capital schemes (2014/15)							
Scheme name	Scheme name	Annual Budget (£m)	Actual to Date (£m)	Variance before Carry Forward (£m)	Carry Forward to 2015-16 (£m)	Year End Variance (Under) / Over (£m)	Explanation of Variance
Mainstream	Refurbishment & upgrade of college facilities & premises	0.071	0.071	0	0	0	
Mainstream	Refurbishment & Upgrade of IT	0.063	0.063	0	0	0	
Mainstream	Barcroft Primary additional classroom	0.035	0.035	0	0	0	
Mainstream	Barcroft Primary Toilet Block	0.003	0.003	0	0	0	
Mainstream	Rushall Primary/EDC alterations	1.622	1.185	(0.437)	0.437	0	Remaining carry forward identified to support Rushall Mews JMI and EDC alternations.
Mainstream	Targeted Capital bids – Barcroft	0.19	0.139	(0.052)	0.052	0	Remaining carry forward identified to fund retention fees
Mainstream	Integrated children’s system	0.067	0.056	(0.011)	0	(0.011)	Project under spend
Mainstream	Social IT Systems Review & Enhancement	0.771	0.771	0	0	0	Mosaic Project
<b>Total Mainstream (Council Funded)</b>		<b>2.822</b>	<b>2.323</b>	<b>(0.500)</b>	<b>0.489</b>	<b>(0.011)</b>	
Externally Funded DCSF	Pathfinder short breaks	0.022	0.022	0	0	0	
Externally Funded - EFA	14-19 diplomas, SEN and disabilities	0.118	0.01	(0.107)	0.107	0	Remaining carry forward identified to fund retention fees

<b>Scheme name</b>	<b>Scheme name</b>	<b>Annual Budget £</b>	<b>Actual to Date £</b>	<b>Variance before Carry Forward £</b>	<b>Carry Forward to 2015-16 £</b>	<b>Year End Variance (Under) / Over (£m)</b>	<b>Explanation of Variance</b>
Externally Funded - EFA	Academies	1.411	0.743	(0.668)	0.668	0	Remaining carry forward identified to fund retention fees
Externally Funded -S106	Barr Beacon language college	0.001	0.001	0	0	0	
Externally Funded - EFA	Basic need	1.853	0.698	(1.155)	1.155	0	Carry forward identified to support completion of School Enlargement Programme
Externally Funded - EFA	Black Country UTC	0.07	0.07	0	0	0	
Externally Funded - EFA	Capital maintenance	4.804	4.698	(0.106)	0.106	0	Remaining carry forward identified to support completion of Capital Programme
Externally Funded - EFA	Devolved formula capital	0.87	0.415	(0.455)	0.455	0	
Externally Funded - EFA	Two year old capital funding	0.667	0.484	(0.183)	0.183	0	Remaining carry forward identified to support completion of programme
Externally Funded - EFA	Universal infant free school meals	0.591	0.482	(0.108)	0.108	0	Remaining carry forward identified to support completion of programme
Externally Funded - EFA	West Midlands UTC	0.03	0.03	0	0	0	
Externally Funded - YJB	Youth capital funding	0.037	0.019	(0.018)	0.018	0	C/fwd due to delay in securing additional funding for the project
<b>Total Externally Funded</b>		<b>10.474</b>	<b>7.672</b>	<b>(2.800)</b>	<b>2.800</b>	<b>0.000</b>	
<b>Total</b>		<b>13.296</b>	<b>9.995</b>	<b>(3.300)</b>	<b>3.289</b>	<b>(0.011)</b>	

**APPENDIX 2**

<b>Appendix 2 - Reasons for Revenue forecast Variances (2015/16)</b>		
<b>Service</b>	<b>Forecast Variance £m</b>	<b>Explanation of Forecast Variance</b>
Childrens Management	(0.058)	Variance before use of reserves of £0.029m. (£0.086m) reserve used to offset cost of interim AD. Variance after use of reserves of (£0.058m). £0.032m as a result of agency premium on interim AD. (£0.090m) Realignment of expenditure budget following increase in grant income for the school admissions team.
Administrative Services	(0.041)	Variance before & after use of reserves (£0.041m) as a result of delay in recruiting to number of admin posts after completion of restructure
Performance Services	0.044	Variance before & after use of reserves £0.044m. £0.033m due to salary budget shortfall & £0.011m pressure due to 2 x PARIS employee costs transferred from adult social care
Information Services	(0.081)	Variance before & after use of reserves (£0.081m) due to additional traded income from schools
Access & Achievement Management	0.000	Variance before use of reserves £0.607m. Use of reserves (£0.607m) which is utilisation of education grants for various school Improvement projects.
School Improvement	0.000	Variance before use of reserves £0.125m due to 3 x new school improvement posts. Action Plan item of (£0.125m).
Access & Attendance	(0.101)	Variance before reserves (£0.030m) due to excess income from truancy fines. Transfer to reserves £0.030m. Action Plan item (£0.101m).
Early Years	0.000	No Variance forecast
Virtual School	0.000	Variance before use of reserves & Action Plan items £0.031m. Variance due to salary budget shortfall. Action Plan item (£0.031m).
Youth Support Services	(0.030)	Variance before use of reserves & Action Plan items £0.040m (Prospects) due to delay in restructure, £0.059m (My Place) due to delay in restructure, (£0.070m) surplus Youth Support due to restructure of youth work = Total £0.029. Use of reserves (£0.059m) (My Place). Variance after use of reserves and Action Plan items (£0.030m).
Youth Justice Services	(0.105)	Variance before use of reserves £0.042m (Youth Justice Service) due to additional costs for responsible adult, (£0.104m) Targeted Youth Support due to surplus on salary budgets as vacancies within team. Use of reserves (£0.042m) (Youth Justice Service

		2014/15 c/fwd). Variance after use of reserves (£0.105m)
<b>Service</b>	<b>Forecast Variance £m</b>	<b>Explanation of Forecast Variance</b>
Education Funding – Accountable body	0.095	Variance before use of reserves £6.016m due to utilisation of DSG surplus from previous years, £0.095m due to reduction in Education Services Grant. Use of reserves (£5.921m) DSG surplus. Variance after use of reserves £0.095m.
Education - Mainstream	(0.246)	Variance before & after use of reserves & Action Plan items (£0.246m). (£0.278m) Premature Retirements due to surplus budget, £0.053m CRB costs based on previous year costs, (£0.021m) Pension Gratuities due to surplus budget.
Childrens Social Care Management	0.060	Forecasted variance before & after use of reserves £0.060m. £0.049m un-budgeted Mosaic revenue expenditure, £0.024m Interpretation costs, £0.033m Legal fees, (£0.055m) Housing Extension budget forecasted to be not utilised & £0.009m other non staffing pressures.
Safeguarding Board	(0.000)	Forecast variance before use of reserves £0.025m relates to overall expected board costs including salaries utilising under spend from previous year carried forward. Use of reserves £0.025m.
Practice Development	(0.007)	Variance before & after use of reserves (£0.007m) due to an un-filled vacant post.
Safeguarding – Review & Child Protection	0.223	Forecasted variance before & after use of reserves £0.223m. £0.064m 2 additional IRO posts agreed for 6 months, £0.158m 2 agency workers, 1 covering vacancy, 1 covering maternity leave.
Initial Response Service	0.496	Forecasted variance before use of reserves and action plan items £0.963m, action plan item £0.467m. Variance after action plan item £0.496m, £0.447m 25 agency staff in team covering a number of vacancies, £0.049m market supplement forecasted for current staff from July 15.
Permanence – Safeguarding & Family Support	0.671	Forecasted variance before & after use of reserves £0.671m. 15 agency staff in team covering 7 vacancies, 4 maternity leave cover, 3 secondment cover and 1 additional to increase capacity within the service.
Corporate Parenting – Looked After Children	3.279	Forecasted variance before use of reserves £3.279m, £3.026m overspend on LAC placements, 621 LAC as at May '15 forecasted to continue throughout the financial year. £0.098m LAC Social Worker Team agency cover. Contacts expected overspend of £0.097m matching 2014/15 outturn.

Corporate Parenting – Transition & leaving Care	0.020	Forecasted variance before and after use of reserves £0.020m due to agency worker.
<b>Service</b>	<b>Forecast Variance £m</b>	<b>Explanation of Forecast Variance</b>
Provider Services – Fostering & Adoption	0.475	Variance before use of reserves £0.482m. Reserves used for Adoption Reform carry forward expenditure (£0.007m). Overspend after use of reserve £0.475m. Forecasted over spends £0.281m Special Guardianship Orders, £0.020m Inter agency Adoption fees, £0.021m Panel Members, £0.150m Agency cover.
Provider Services – Residential Services	(0.076)	Forecasted variance before & after use of reserves (£0.076m). (£0.060m) underspends forecasted on staffing & sessional worker budgets across the 5 homes, (£0.016m) on Client related expenditure.
SEN Transport	0.292	Variance before & after use of reserves £0.292m as a result of overspends of £0.303m on SEN School Transport partly offset by forecast underspends on salaries of (£0.011m).
Children with Disabilities	0.023	Variance before & after use of reserves £0.023m as a result of forecast overspend of £0.065m on Short Break packages and £0.033m on CWD Team, partly offset by (£0.075m) underspend on Direct Payments.
Special Education Needs	(0.031)	Variance before reserves of £0.221m. Reserve used for SEN Reform of (£0.077m) and SEND New Burdens (£0.175m). Underspend after the use of reserves as a result of current vacancies, (£0.010m) Education Psychology, (£0.005m) SEN Advisory Team and (£0.016m) SEN Assessment Team.
Early Help Management	0.022	Variance before & after use of reserves £0.022m as a result of £0.017m salaries overspend and £0.005m overspend on Youth of Walsall Survey
Children Centres	(1.435)	Variance before use of reserves & Action Plan Items (£0.335m) as a result of service re-design to meet 15/16 savings proposals for Children’s Centres being implemented. Action Plan item (£1.100m). Variance after Reserves & Action Plan items (£1.435m)
Early Help 0-9	(0.126)	Variance before use of reserve of (£0.081m). Reserves used to support Parenting Team activity of (£0.045m). Underspend after the use for reserves of (£0.126m). (£0.120m) Early Years projects and (£0.006m) underspend on Early Years Development.
Early Help 9-19 (25)	(0.079)	Variance before use of reserves and action plan items of £0.010m. Reserve of (£0.089m) used to fund Local Area Coordinators. Under spend after use of reserves of (£0.079m). (£0.040m) To support Action Plan, (£0.028m) on Early Help Resource Panel and (£0.011m) under spend on salaries in Intensive Family



		Support Team.
Edge of Care	0.000	No Variance Forecasted
<b>Service</b>	<b>Forecast Variance £m</b>	<b>Explanation of Forecast Variance</b>
Troubled Families	(0.192)	Variance before use of reserves and action plan of £0.124m. Reserve use of (£0.124m) to support Troubled Families Team, additional use of (£0.192m) reserve to support Action Plan.
Commissioning & Transport	0.008	Variance before & after use of reserves £0.008m on Commissioning Team salaries due to historic budget shortfall.
Workforce Development	0.006	Variance before use of reserves of £0.100m. Reserves totalling (£0.093m) used to support Workforce Team activities. Overspend after use of reserves of £0.027m on salaries part offset by (£0.021m) additional Traded income.
<b>Total Education and Children's Services</b>	<b>3.110</b>	

**APPENDIX 3**

Service	2015/16 Actions Being Taken				Assumptions
	Action Identified	Use of Reserves (Action Plan) (£m)	In Year Actions (£m)	Total Actions (£m)	
<b>Children's Wide</b>	Additional Corporate reserve to offset interim Management Costs	(0.040)	0.000	(0.040)	Usage based on forecast full year costs incurred for interim AD of Social Care. If forecast reduces then use of reserve will also be reduced.
<b>Access &amp; Achievement</b>	School Improvement Corporate Reserve to offset one off priority costs within School improvement	(0.125)	0.000	(0.125)	Investment in 3 x Schools Improvement Partners
	Utilisation of historical Truancy Fine income. Mainstream underspend to support Action Plan.	0.000	(0.101)	(0.101)	Forecast income of £0.101m for 2015/16 assuming same level of income as was achieved in 2014/15.
	Explore options to utilise Pupil premium to offset Virtual school pressure	0.000	(0.031)	(0.031)	Action plan assumes 50% of the costs associated with 2 x Specialist Teacher posts are funded via income received for Pupil Premium.
<b>Children's Social Care</b>	Remove of 29 agency Social workers as a result of successful recruitment drives	0.000	(0.467)	(0.467)	Action Plan assumes a further 2 successful recruitment drives (Sept and Dec) with 10 social workers recruited at each and the current agency officers leaving as permanent replacements arrive.

	Children Centres External Bank Accounts	(0.390)	(0.710)	(1.100)	Assumes the balance of external children's centre bank account funding is utilised in full in year to offset costs which are currently funded through revenue.
<b>Early Help</b>	Forecast underspend in staffing project costs	0.000	(0.126)	(0.126)	Assumes the current unallocated balance of the staffing project costs budget within Early Help (0-9) is not utilised in 2015/16.
	Balance of Local Area Co-ordinator Reserve	(0.040)	0.000	(0.040)	Assumes current vacant local area co-ordinator post is not recruited to and balance of reserve is used to offset other revenue costs in year.
	Use of uncommitted remaining phase 1 and phase 2 TF reserves	(0.192)	0.000	(0.192)	Assumes the current unallocated balance of the payment by results income received for the Troubled Families programme during 2014/15 is not allocated and is utilised to offset costs currently funded from revenue in year.
<b>Total</b>		<b>(0.787)</b>	<b>(1.435)</b>	<b>(2.222)</b>	

## Appendix 4 – Risks associated with this forecast and the total financial exposure to risk

Service	Potential Risk	Lowest Cost £M	Highest Cost £M	Impact Assessment	Total Financial Exposure to Risk £M
<b>Childrens Services</b>					
Education - Mainstream	EDC and Pupil Support Centre Field Road Premises cost can no longer be funded from DSG.	0.000	0.297	High	0.238
Corporate Parenting – Looked After Children	LAC numbers increase throughout the year due to an unavoidable increase in need for the service.	0.000	0.500	High	0.400
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	0.040	0.400	High	0.320

Corporate Parenting - Various	Agency Numbers Increase due to the need to for business continuity following additional unforeseen circumstances which would see the service relying on additional agency staff to support the service, therefore incurring additional premiums on staffing costs.	0.000	0.250	High	0.200
<b>Total Education and Children's Services</b>		<b>0.040</b>	<b>1.447</b>		<b>1.158</b>