

	<p style="text-align: center;">Children, Education and Safeguarding Committee</p> <p style="text-align: center;">17 November 2022</p>
<p>Title</p>	<p>Children, Education and Safeguarding Forecast Financial Outturn at Month 6 (September 2022)</p>
<p>Report of</p>	<p>Chair of the Children, Education & Safeguarding Committee Executive Director of Strategy & Resources (Section 151 Officer)</p>
<p>Wards</p>	<p>All</p>
<p>Status</p>	<p>Public</p>
<p>Urgent</p>	<p>No</p>
<p>Key</p>	<p>Yes</p>
<p>Enclosures</p>	<p>None</p>
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<p style="text-align: center;">Summary</p>	
<p>This report contains a summary of the Committee's revenue and capital forecast outturn for the financial year 2022/23 as at Month 6 (30 September 2022).</p>	
<p style="text-align: center;">Recommendations</p>	
<p>That the committee notes:</p> <ol style="list-style-type: none"> 1. the current forecast financial outturn for 2022/23; 2. the projected use of reserves. 	

1 Summary

1.0 This report sets out the forecast outturn position for the 2022/23 financial year as at 30th September 2022 for the services which fall within the Children, Education and Safeguarding Committee.

1.1 At month 6, the forecast financial outturn is:

- a reported overspend of £0.230m or 0.3% against the budget of £71.201m, after forecasting net use of reserves of £0.524m.

2 Forecast Position at Month 6

Overview

1.0 The forecast outturn is comprised of a reported underspend of £0.360m in Early Intervention & Prevention, offset by overspends in Children Social Care and Family Services Management, £0.482m and £0.106m, respectively.

Table 1: Forecast Revenue Outturn at Month 6

Children, Education & Safeguarding (CES)	2022-23 Budget	Month 6 (Forecast outturn before reserves)	Reserves applied	Month 6 Forecast outturn after reserves	Month 6 variance after reserves
	£m	£m	£m	£m	£m
Children Social Care (CSC)	55.748	56.483	(0.253)	56.230	0.482
Early Intervention & Prevention	9.779	9.690	(0.271)	9.419	(0.360)
Family Services Management	(0.903)	(0.797)	-	(0.797)	0.106
Education and Skills	6.578	6.579	-	6.579	0.001
Total Children, Education & Safeguarding (CES) - General Fund	71.201	71.956	(0.524)	71.431	0.230

1.1 Table 2 provides a breakdown of the variances as at Month 6 and underlying budget position.

Table 2: Month 6 variance detailed commentary

Service Area	Month 6 variance after reserves £m	Commentary
Children Social Care (CSC)	0.482	£0.358m reported overspend in CSC 18-25 high placement costs, particularly within Supported Living and Residential Care. £0.321m reported overspend in Children with Disabilities driven by high Respite and Home Support provider costs. £0.132m reported underspend in Clinical Services due to staffing vacancies.
Early Intervention & Prevention	(0.360)	£0.127m reported underspend in Early Help 0-19 due to staffing vacancies in the locality hubs. £0.119m reported underspend in Commissioning due to staffing vacancies and IT contract rebates. £0.115m reported underspend in Performance Improvement & Customer Engagement due to staffing vacancies.
Family Services Management	0.106	£0.106m reported overspend due to provider sustainability issues as outlined in Newton Europe reports to the Association of Directors of Children's Services (ADCS) (increases of 60%+ over last few years) coupled with challenges sector wide in securing suitable, safe placements for children and young people which has led to

		additional costs in the system placing MTFS savings from rate negotiations at risk of non- delivery.
Education and Skills	0.001	
TOTAL	0.230	

Application of Reserves

- 1.2 The council holds reserves to deal with future pressures where the value or the timing of the pressure is uncertain, or where the funding can only be spent on specific objectives (e.g. grant funding). Reserves are divided into ‘earmarked’ reserves, where the spending objective is known with some clarity, and ‘general’ reserves, intended to mitigate the impact of wholly unforeseeable costs. The levels of reserves are set out under Section 25 of the Local Government Act and prudent levels are determined by the Chief Financial Officer. Earmarked reserves are usually held by specific services, while general reserves are held corporately.
- 1.3 The use of reserves is not intended to replace savings or income generation opportunities as part of the Medium Term Financial Strategy (MTFS). Reserves can only be used once and then they are gone. Any use of reserves to replace savings or income generation opportunities is a delaying action, storing up pressures into future years. This could be part of investing in transformational service delivery and is the ultimate last resort during budget setting when a gap cannot be bridged despite best efforts.
- 1.4 This report sets out anticipated use of or top up of earmarked service reserves within the service. Table 3 below provides further detail.

Table 3 Use of or top-up of reserves at Month 6

Service Area	Forecast (drawdown)/ top-up to reserves	Commentary
	£m	
Children Social Care (CSC)	(0.253)	£0.166m Clinical Services drawdown on COVID funding £0.087m for Foster Carer Recruitment Strategy
Early Intervention & Prevention	(0.271)	£0.252m Early Help draw down from Supporting Families grant reserve. £0.012m Comms, Complaints, Customer Support from transformation reserve. £0.007m Partnership & Voice of Child (VofC) drawdown from Barnet Safeguarding Children Partnership (BSCP) reserve to cover forecast overspend.
TOTAL	(0.524)	

Savings

- 1.5 The committee’s budget for 2022/23 includes planned savings of £1.483m; of which £1.122m or 76% is currently forecast to be achieved.
- 1.6 £0.106m at risk of non-delivery due to provider sustainability placing increase pressure on costs and adversely mitigating rate savings negotiations.
- 1.7 Placements: £0.255m at risk of underachievement due to a combination of factors, including low fostering placement sufficiency, increasing provider costs across Placements and risks to obtaining funding agreements from Tripartite partners.

Table 4 Savings Delivery 2022/23

Savings Reference	Opportunity By Area	Description of saving	2022/23 Savings	Forecast Achievable	Unachievable	RAG Rating
			£m	£m	£m	
CES1	Family Services Management	Inflationary increases to third party contracts are built into the budget. These savings would be achieved by improving contract management and negotiating better rates across contracts including secure accommodation, fostering support, and short breaks	(0.334)	(0.228)	0.106	Red
CES8	Placements	Remodelling of placements to reduce number of children in high-cost placements. Range of measures from increased recruitment of internal foster carers and supported lodgings hosts, developing in-house therapeutic provision to expanding lower cost internal semi-independent options.	(0.392)	(0.137)	0.255	Red
CFS01 (New)	Unaccompanied Asylum Seeking Children (UASC)	UASC additional income due to meeting threshold- not included at full value	(0.410)	(0.410)	0	Green
CES31	Education Skills	Savings on the provision of Passenger Assistants for Special Education Needs (SEN) transport through closer alignment with the SEN team and management efficiencies.	(0.020)	(0.020)	0	Green
CES14	Assessment, Intervention & Planning	Savings delivered through reducing the number of agency workers by increasing Newly Qualified Social Work capacity for one year alongside a targeted international recruitment campaign to increase the number of permanent social work staff	(0.227)	(0.227)	0	Green
CFS03	Assessment, Intervention & Planning	Managing the demand on the Section 17 budget by reducing the number of families facing homelessness.	(0.100)	(0.100)	0	Green
			(1.483)	(1.122)	0.255	

Risks and opportunities

1.8 In preparing the report for month 6, a number of key service-specific risks and opportunities have been identified. These are set out below.

Table 5 Risks and Opportunities

Area	Description	Finance Probability Estimate	Risk / Opportunity	Value M6
Placements	£0.255m of planned savings at risk of underachievement due to a combination of factors, including low fostering placement sufficiency, increasing provider costs across Placements and risks to obtaining funding agreements from Tripartite partners.	High	Risk	0.255m
Clinical Services	There is an opportunity on staffing within the clinical service, which is dependent on both additional recruitment plans, and the conditions attached to the £1.2m funding from National Health Service England (NHSE).	Medium	Opportunity	(0.100m)

Area	Description	Finance Probability Estimate	Risk / Opportunity	Value M6
Early Help	Across the Hubs and the Parenting Service there is a potential opportunity of a staffing underspend, this includes an assumed contingency for agency expenditure which may possibly occur during 22/23. £0.128m underspend now being reporting in M4, which was previously held as opportunity.	Medium	Opportunity	(0.150m)

3 Capital Programme

3.1 The capital forecast outturn at month 6 for 2022/23 is £15.963m.

Table 6 Capital Forecast Outturn at Month 6

Service Area	2022/23 Revised Budget	Additions/ (Deletions)	Re-profiled (to)/from Future Years	M6 2022/23 Forecast	Variance from Approved Budget	Expenditure to date
	£m	£m	£m	£m	£m	£m
Education	12.363		(0.876)	11.488	(0.876)	6.634
Social Care	1.674		(0.028)	1.646	(0.028)	0.190
Secure Accom	2.478		0.240	2.718	0.240	(0.067)
Children's Family Services Sub total	16.516		(0.665)	15.852	(0.665)	6.757
Libraries	0.111			0.111		0.048
Children's Family Services Total	16.627		(0.665)	15.963	(0.665)	6.805

3.2 The Children's Family Service capital budget of £16.627m was formally agreed at Policy & Resources Committee in September 2022

3.3 Education Projects

3.4 At M6 Education Projects is reporting £0.876m of re-profiling against the agreed in-year budget of £12.363m

3.5 0.700m re-profiled for the Grammar School Project due to a delay in construction. Revised scheme was re-tendered and the reprofiling is based on a new start date.

3.6 0.400m re-profiled for Oakleigh SEN Phase two: This is in line with revised approach to pool replacement and associated design and delivery time scales. Based on latest proposal to relocate school to Dollis site.

3.7 £0.356m accelerated for Alternative Provision project. This is due to confirmation of costs expected this financial year.

3.8 £0.122m re-profiled within the SEN programme. This is due to confirmation that one of the SEN schemes (Friern Barnet) construction will commence next financial year. Also, there was a delay in procuring contractors, who are now expected on site next financial year

3.9 Social Care projects

3.10 £0.028m re-profiled for loft conversions. No new applications were received for loft conversions, however if new applications are received and approved funds will be accelerated to funds these applications.

3.11 Secure Accommodation

3.12 Based on latest projections for this financial year the expected is spend £2.7m. A detailed analysis is taking place on this year's forecast which will be updated in M7. The current in year budget is £2.4m (approved at Sept 22 P&R) current forecast reports an accelerated spend of £0.240m.

4. REASONS FOR RECOMMENDATIONS

- 4.1 This report contains a summary of the Council's forecast revenue and capital outturn for the financial year 2022/23 as at Month 6 (September 2022).

5. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 5.1 None

6. POST DECISION IMPLEMENTATION

- 6.1 None

7. IMPLICATIONS OF DECISION

7.1 Corporate Priorities and Performance

- 7.1.1 This supports the council's corporate priorities as expressed through the Barnet Plan for 2020-25 which sets out our vision and strategy for the next five years. This includes the outcomes we want to achieve for the borough, the priorities we will focus limited resources on, and our approach for how we will deliver this.
- 7.1.2 The current corporate plan (Barnet Plan 2021-2025) was adopted in March 2021. Following the May 2022 elections, the council now has a new administration and a new corporate plan, consistent with the new administration's priorities will be brought forward shortly. The current position with the Corporate Plan is as reported to P&R in September 2022.

8.1 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 8.1.1 This report considers the forecast position of the Council at the end of the financial year.

8.2 Legal and Constitutional References

- 8.2.1 Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities to take actions which are calculated to facilitate, or are conducive or incidental to, the discharge of any of their functions.
- 8.2.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority's financial position is set out in sub-section 28(4) of the Act.
- 8.2.3 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:
- The overall financial performance of the council
 - The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
 - The council's major strategic contracts including (but not limited to):

- o Analysis of performance
 - o Contract variations
 - o Undertaking deep dives to review specific issues
 - o Monitoring the trading position and financial stability of external providers
 - o Making recommendations to the Policy & Resources Committee and/or
 - o theme committees on issues arising from the scrutiny of external providers at the request of the Policy & Resources Committee and/or theme committees
 - o consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

8.2.4 In Article 7 of the Constitution, the Terms of Reference of the Committee include:

- (2) To submit to the Policy & Resources Committee proposals relating to the Committee's budget (including fees and charges) for the following year in accordance with the budget timetable

8.3 Insight

8.3.1 Whilst not specifically applicable to this report, insight is used to support the financial position forecasted in this report through activity drivers and place-based understanding.

8.4 Social Value

8.4.1 None applicable in the context of this report.

8.5 Risk Management

8.5.1 Regular monitoring of financial performance is a key part of the overall risk management approach of the Council.

8.6 Equalities and Diversity

8.6.1 Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties, they are not duties to secure a particular outcome. Consideration of these duties should precede the decision. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

- A public authority must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;

(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

(c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

- The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

- Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- Tackle prejudice and promote understanding.

- Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

(a) Age

(b) Disability

(c) Gender reassignment

(d) Pregnancy and maternity

(e) Race

(f) Religion or belief

(g) Sex

(h) Sexual orientation

(i) Marriage and Civil partnership

8.6.2 This is set out in the council's Equalities Policy together with our strategic Equalities Objective - as set out in the Corporate Plan - that citizens will be treated equally with understanding and respect; have equal opportunities and receive quality services provided to best value principles.

8.6.3 Progress against the performance measures we use is published on our website at: www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity

8.6.4 Measures undertaken as part of the Council's response to the Covid-19 pandemic have been undertaken in full awareness of the Council's commitment and responsibility to act in accordance with its own Equalities Policy and wider legislation. It is notable that the virus does appear to affect some parts of the community more than others, and the Council's actions have been informed by its commitment to mitigate impacts in all areas, and to appropriately protect or shield especially vulnerable individuals, in accordance with national guidelines.

8.7 Corporate Parenting

8.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

8.8 Consultation and Engagement

8.8.1 None in the context of this report

8.9 Environmental Impact

8.9.1 None in the context of this report

9. BACKGROUND PAPERS

9.1 Council's Financial Regulations can be found at:

<https://barnet.moderngov.co.uk/ecSDDisplay.aspx?NAME=SD349&ID=349&RPID=638294>

9.2 [Progress on the Implementation of Council's Priorities.](#)