



# Budget Monitoring Report Period 9

For decision

For discussion

For information

## SUMMARY

The purpose of this report is to provide the budget monitoring position at Period 9.

## OWNER

Report Author:

BFC Finance Team

## DRAFT

V5.0

## DATE

18<sup>th</sup> January 2023

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## 1. Purpose of report

1.1 The purpose of this report is to provide the latest budget monitoring position as at Period 9 (December 2023).

## 2 Executive Summary - Revised

2.1 The overall position at Period 9 is a forecast out-turn of **£53.801m**, which against a Contract Sum of **£43.933m** represents an overspend of **£8.869m**. This represents an adverse movement of **£0.568m** from the position reported at Period 8.

2.2 The table below summarises the overall position for Period 9 and the change by directorate.

DIRECTORATE SUMMARY	23/24 Annual Budget £000	23/24 Forecast Outturn P9 £000	23/24 Forecast Variance P9 £000	Movement from Previous Month (P8) £000
Education	43,167	43,965	798	53
Early Help and Preventative Services	3,691	3,270	(421)	(1)
Childrens Social Care	30,801	39,797	8,996	472
Finance & Resources	3,727	3,393	(334)	47
Corporate Services	1,045	875	(170)	(3)
Dedicated Schools Grant	(37,498)	(37,498)	0	0
Contract sum	(44,933)	(44,933)	0	0
<b>Total</b>	<b>0</b>	<b>8,869</b>	<b>8,869</b>	<b>567</b>

### Overall Position

2.3 The main reasons for the forecast overspend of **£8.869m** at Period 9 are:

- **Education** – overspend of **£0.798m** is mainly due on an overspend on Transport which accounts for **£0.668m** of the overspend alongside overspends on the SEN team and nursery staffing in Early Years due to increased cost of agency staff.
- **Early Help** – underspend of **(£0.421m)**, which is mainly due to staffing underspends due to vacancies in Children Centres and the Youth Service, which account for **(£0.358m)** of the underspend.
- **Childrens Social Care** – the overspend of **£8.996m** is the most significant element of the overspend in Brighter Futures and is mainly due overspends of **£8.610m** on children’s placements and placement related costs and an overspend of **£0.348m** on Child in Need / Section 17 expenses and expenditure on families who have No Recourse to Public Funds (NRPF).
- **Finance & Resources** – underspend of **(£0.334m)** which is mainly due to staffing underspends due to vacancies in Commissioning, Marketing and Business Support.
- **Corporate Services** – underspend of **(£0.170m)**, which is mainly due to additional banking interest income, due to increased interest rates.

### Movement from Period 8

2.4 The main reasons for the adverse movement of **£0.568m** from Period 8 are:

- **Childrens Social Care** – adverse movement of **£0.472m**, due mainly to additional placement costs part offset by staffing forecast reductions and reduced forecast spend on Special Guardianship Orders and CIN/s17 expenses. Further information on the Children Social Care cost and placement movements is set out below.
- **Education** – adverse movement of **£0.053m** due to the additional costs of new transport routes, part offset by savings from other route changes.
- **Finance & Resources** – adverse movement of **£0.053m**, mainly due to the additional cost of interim Head of HR post and a conversion fee for an interim agency finance business partner who has taken on a permanent role in Brighter Futures.

## Children Social Care Movement

2.5 In terms of the movement in placements from Period 8 to Period 9 the main changes are summarised below:

- There was a net increase in Children Looked After (CLA) of one in December (10 new children looked after and 9 ceasing to be looked after). However, the forecast includes another 13 children (4 families) in legal proceedings, with estimated placement costs of **£0.235m** in 2023/24. There was a net increase of 1 Unaccompanied Asylum-Seeking Child (UASC), no net change in the number of disabled children.
- The ten children who became looked after comprised:
  - 2 x Unaccompanied Asylum-Seeking Children (UASC)
  - 5 children required immediate safeguarding and were subject to either an Interim Care Order (ICO) or an Emergency Protection Order (EPO).
  - 2 siblings – parental illness.
  - 1 remanded to LA accommodation

2.6 In relation to the adverse movement of **£0.472m** on Children’s social care, the main factors leading to this movement are:

Item	£m
Increase in the forecast cost of mainstream external placements in Corporate Parenting is £0.596m and an increase of £0.222m for Children and Young People Disability Team (CYPDT) placements. The increase in the cost of CYPDT placements includes one off costs such as respite care, additional payments to providers and service user travel.	0.819
Additional remand placement	0.059
CIN / Section 17 expenses – reduced forecast spend following detailed review	(0.144)
Special Guardianship Orders – reduced forecast spend	(0.125)
Staffing cost forecast reductions within Children Social Care in the Children’s Single Point of Access (CSPOA), CLA and CYPDT teams	(0.134)
Other movements	(0.003)
<b>Total</b>	<b>0.472</b>

## MTFS Impact 2024/25

2.7 In the context of the increased forecast cost of placements which has taken place in Period 9, there has been an assessment of the full year impact which this will have in 2024/25 for MTFS purposes. The pressure which had previously been reported based on Period 8 was a potential pressure of **£8.792m**. Following the increased placement costs which have been reported at Period 9, the potential placement pressure for MTFS purposes has increased by **£1.957m** to **£10.749m**. This is based on an extrapolation of the placements who are currently Children Looked After in external residential and external fostering placements or in the legal gateway process and likely to become CLA placements in the near future (13 placements). An adjustment has also been made for CLA who are reaching the age of 18 in 2023/24 and 2024/25.

### 3 Income and Expenditure Summary

3.1 The table below shows the forecast position by income and expenditure variance and the movement from the previous month.

**Table 1: Summary of income and expenditure at Period 9**

<b>BUDGET SUMMARY</b>	<b>22/23 Outturn £000</b>	<b>22/23 Variance £000</b>	<b>23/24 Variance YTD £00</b>	<b>23/24 Annual Budget £000</b>	<b>23/24 Forecast Outturn £000</b>	<b>23/24 Forecast Variance P9 £000</b>	<b>Movement from Previous Month P8 £000</b>	<b>Key</b>
Employee Expenditure	25,778	(2,479)	(3,124)	31,591	28,338	(3,252)	(256)	
Agency Expenditure	4,962	4,944	2,275	2,222	5,356	3,134	117	
Other Employee Related Expenditure	736	(81)	(223)	849	559	(290)	30	
<b>Employee &amp; Agency Total</b>	<b>31,476</b>	<b>2,385</b>	<b>(1,071)</b>	<b>34,661</b>	<b>34,253</b>	<b>(408)</b>	<b>(109)</b>	
Premises Related Expenditure	304	126	(197)	133	130	(3)	0	
Transport Related Expenditure	3,632	813	(74)	3,666	4,316	650	48	
Supplies and Services Expenditure	11,516	(335)	217	11,526	11,324	(202)	(21)	
Contracted Expenditure	44,352	5,759	4,979	40,238	51,676	11,438	634	
Support Services & Recharges Expenditure	3,350	(2,599)	(234)	5,089	5,239	150	5	
<b>Other Expenditure Total</b>	<b>63,154</b>	<b>3,765</b>	<b>4,692</b>	<b>60,652</b>	<b>72,685</b>	<b>12,033</b>	<b>666</b>	
Government Grant Income	(2,205)	1,864	(2,098)	(4,505)	(7,062)	(2,557)	0	
Other Income	(9,186)	385	2,992	(8,378)	(8,576)	(198)	10	
Contract Sum Income	(45,043)	(3,477)	3,891	(44,933)	(44,933)	0	0	
Dedicated Schools Grant Income	(38,197)	(4,921)	3,124	(37,498)	(37,498)	0	0	
<b>Income Total</b>	<b>(94,630)</b>	<b>(6,149)</b>	<b>7,910</b>	<b>(95,313)</b>	<b>(98,069)</b>	<b>(2,755)</b>	<b>10</b>	
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>11,531</b>	<b>0</b>	<b>8,869</b>	<b>8,869</b>	<b>567</b>	

3.2 The explanation of variances which are reflected above are included in the Directorate sections of this report.

## 4 Children's Social Care (CSC) – Maria Young

4.1 The table below shows the forecast P9 position for Children Social Care and the movement from Period 8. The overall position is a forecast overspend of **£8.996m**, which is an adverse movement of **£0.472m** from Period 8.

**Table 2: Overview of 2023-2024 Children Social Care Budget as of Period 9**

Departmental & Income and Expenditure Summary (Children Social Care Services)	22/23 Outturn £000	22/23 Variance £000	23/24 Variance YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Variance P9 £000	Movement from Previous Month (P8) £000	Key
<b>By Directorate</b>	-	-						
Together for Families	7,453	1,137	292	6,792	7,384	592	(148)	
Corporate Parenting, Fostering, Special Guardianship & Adoption	17,502	1,004	4,621	17,125	23,418	6,293	423	
Childrens and Young People Disability Team	5,291	1,153	914	4,825	6,859	2,034	206	
CSC Senior Management Team	2,160	380	(128)	2,059	2,136	76	(9)	
<b>Total Childrens Social Care</b>	<b>32,406</b>	<b>3,675</b>	<b>5,699</b>	<b>30,801</b>	<b>39,796</b>	<b>8,996</b>	<b>472</b>	
<b>By Income and Expenditure</b>	-	-						
Employee Expenditure	10,532	(1,653)	(2,030)	13,866	11,334	(2,532)	(277)	
Agency Expenditure	3,558	3,540	2,021	18	3,152	3,134	117	
Other Staff-related Expenditure	167	(227)	(208)	414	94	(320)	0	
Premises Related	14	(22)	(25)	36	35	(1)	0	
Transport Related	87	9	0	87	69	(18)	0	
Supplies and Services Expenditure	978	(129)	219	1,043	839	(204)	(2)	
Contracted Expenditure	20,840	4,082	5,361	16,920	28,358	11,438	634	
Support Services & Recharges	(131)	89	2	(273)	(218)	55	0	
Government Grant Income	(2,996)	(1,775)	424	(1,211)	(3,753)	(2,542)	0	
Other Income	(645)	(240)	(62)	(100)	(113)	(13)	0	
<b>Total Children's Social Care</b>	<b>32,406</b>	<b>3,675</b>	<b>5,699</b>	<b>30,801</b>	<b>39,797</b>	<b>8,996</b>	<b>472</b>	

### Overall Position

#### 1. Together for Families (Overspend £0.592m)

The forecast overspend is mainly due to overspends on:

- Children in Need/s17 expenses – overspend of **£0.169m** due to increased numbers of Children in Need in 2023/24
- No Recourse to Public Funds (NRPF) - overspend of **£0.179m** due to increased cost of NRPF packages as a result of increased cost of housing and subsidising families.
- Together for Families teams – staffing overspend of **£0.357m** due to agency staff.
- Supporting Families – underspend of **(£0.115m)** due to staff vacancies.

## 2. Corporate Parenting (Overspend £6.293m) and Children and Young People Disability Team (Overspend (£2.034m)

The overspend in these areas largely relates to the placements and placement-related budgets, with a forecast gross overspend of **£11.438m**. This includes spend on UASC and other contracted services within Together for Families totaling **£2.826m**. The overspend on CLA Placements, excluding UASC costs which are largely funded by grant, is **£8.610m**, which is reflected in Appendix 3. Pressures are driven by the net increase of children looked after, complex needs and risks of children and their families and the lack of local placements. Our reliance on the external residential market to meet demand, along with inflationary pressures, have resulted in considerable additional costs.

Key points in relation to placement cost pressures are:

- The main external placements and CYPDT residential placements attributes **£8.421m** (98%) of the **£8.610m** overspend. We currently have 136 external placements (residential and foster care), of which 30 (19%) of those, costing more than £0.200m each, bring a total cost of £9.803m (52.4%) of the total spend on CLA of £18.688m.
- The forecast now includes estimated numbers and costs of future potential Children Looked After currently in legal proceedings. Of the total 19 new placements included in the forecast, 13 are those in the process of becoming looked after. Estimated costs in 2023/24 for these is £0.235m.
- The high reliance on external foster care is continuing, although the internal foster care placements (51 at 31 December including two UASC) and the external foster placements (93 at 31 December 2023) have remained fairly stable.
- To the end of Period 9 the deep dive and placement changes have generated **-£0.993** savings, which are factored into the forecast.

The income forecast reflects the estimated Home Office grant income in respect of asylum seekers. This will be updated in Period 10, subject to receiving the outcome of a review by the Home Office in respect of the January submission. It also includes forecast Continuing Health Care income.

As the capital works at Cressingham Respite Home is not yet completed, this has had a negative impact on the planned opportunities to generate income. However, the Home has recently agreed to 'sell' a second bed to another local authority, resulting in an increase in income of about £0.045m this year.

Further information on Care Placement budgets and activity information is included in Appendix 3.

## 3. CSC Management Team (Overspend £0.076m)

The forecast overspend is mainly due to:

- Additional cost of agency Independent Reviewing Officer (IRO) covering the cost of staff sickness (**£0.080m**)

### Movement from Period 8

The overall movement from Period 8 is an adverse movement of **£0.472m**, which is mainly due to:

#### 1. Together for Families (Favourable movement (**£0.148m**))

- Reduction in overspend of CIN/s17 expenses following detailed review at Month 9 and identification and correction of mis-codings to CLA and NRPF expenditure (**£0.144m**)
- Reduction in CSPOA staffing (**£0.069m**)
- Other adverse movements account for **£0.065m**.

#### 2. Corporate Parenting, Fostering, Special Guardianship and Adoption (Adverse movement **£0.423m**)

- Increase in CLA external residential and fostering placements of **£0.596m** due to cost impact of new CLA placements in Period 9 and additional CLA in the legal gateway process who are expected to become placements before 31 March 2024.
- One additional remand placement **£0.059m**.

- Reduction in forecast cost of Special Guardianship Orders (SGOs) following a detailed review and correction of anomalies on the Mosaic system **(£0.125m)**
- CLA Staffing – reduction in forecast cost of team due to further vacancy savings **(£0.045m)**
- Fostering allowances – reduction in forecast fostering allowances following further review on Mosaic in Period 9 **(£0.033m)**
- Adoption Allowances – reduction in forecast allowances following Period 9 Mosaic review **(£0.028m)**

### **3. Children and Young People Disability team (Adverse movement £0.205m)**

- CYPDT Residential placements – increased cost of placements of **£0.221m** in Period 9, which includes additional respite care for two placements **£0.089m** and one new placement **£0.064m**. Other placement cost changes account for **£0.068m**.
- CYPDT staffing – reduction of **(£0.020m)** due to staff change.

### **Risks**

1. Placement and placement-related forecasts are based on current placements and forecast end dates as agreed with the service. As seen over the last month, we have seen both reducing costs as a result of the placement deep-dive, as well as increasing high-cost placements arising from new placements and escalations. The risk is mitigated by incorporating estimates of new CLA placements in legal proceedings that were not previously recorded.

## 5 Early Help and Preventative Services – Maria Young

5.1 The table below shows the forecast P9 position for Early Help and Preventative Services and the movement from Period 8. The overall position is a forecast underspend of **(£0.421m)**, which is in line with the position reported at Period 8.

**Table 3: Overview of 2023-2024 Early Help and Preventative Services Budget at period 9**

Departmental & Income and Expenditure Summary (Early Help and Preventative Services)	22/23 Outturn £000	22/23 Variance £000	23/24 Variance YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Variance P9 £000	Movement from Previous Month (P8) £000	Key
<b>By Directorate</b>	-	-						
Childrens Centres & Childcare Provision	1,223	(64)	(82)	1,413	1,231	(182)	(21)	
Youth Family Workers and Welfare	1,597	(43)	176	1,841	1,728	(113)	9	
Youth Offending Service	284	(121)	98	393	268	(125)	(3)	
Partnership and Preventions and Supporting Families	(147)	(147)	(289)	0	(15)	(15)	0	
Early Help Management	(17)	(132)	(1)	45	59	14	14	
<b>Total Early Help and Preventative Services</b>	<b>2,939</b>	<b>(507)</b>	<b>(97)</b>	<b>3,691</b>	<b>3,271</b>	<b>(421)</b>	<b>(1)</b>	
<b>By Income and Expenditure</b>	-	-						
Employee Expenditure	4,700	238	(46)	5,153	4,795	(358)	(11)	
Agency Expenditure	18	18	100	0	0		0	
Other Staff related Expenditure	8	8	37	0	0		0	
Premises Related	91	(40)	(26)	85	83	(2)	0	
Transport Related	17	(8)	6	14	14		0	
Supplies and Services Expenditure	984	585	302	233	224	(9)	0	
Contracted Expenditure	48	48	20	0	0		0	
Support Services & Recharges	(323)	(21)	(57)	(471)	(471)		0	
Government Grant Income	(2,293)	(1,145)	(477)	(1,215)	(1,230)	(15)	0	
Other Income	(311)	(190)	42	(108)	(145)	(37)	10	
<b>Total Early Help and Preventative Services</b>	<b>2,939</b>	<b>(507)</b>	<b>(97)</b>	<b>3,691</b>	<b>3,270</b>	<b>(421)</b>	<b>(1)</b>	

### Overall Position

- Children Centres and Childcare Provision (Underspend (£0.182m))**
  - Staffing underspend due to vacancies across Children Centres and Children Centre management **(0.182m)**.
- Youth Family Workers and Welfare (Underspend (£0.113m))**
  - Staffing underspend due to vacancies across the Youth and Family Workers teams **(£0.113m)**
- Youth Offending Service (Underspend (£0.125m))**
  - Staffing underspends due to vacancies **(£0.075m)** and additional Probation income **(£0.050m)**

**Movement from Period 8** – no material movement.

## 6 Education Services – Brian Grady

6.1 The table below shows the forecast P9 position for Education and the movement from Period 8. The overall position is a forecast overspend of **£0.798m**, which is an adverse movement of **£0.053m** from Period 8. Early Help areas that moved to Children Social Care have been excluded since Period 8.

**Table 4: Overview of 2023-2024 Education Budget at period 9**

Departmental & Income and Expenditure Summary (Education Services)	22/23 Outturn £000	22/23 Variance £000	23/24 Variance YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Variance P9 £000	Movement from Previous Month (P8) £000	Key
<b>By Directorate</b>	-	-						
Director of Education	77	(7)	(134)	103	103	0	0	
Education Access & Support	239	(183)	(407)	427	357	(70)	0	
Virtual School	(30)	(30)	475	0	0	0	0	
School Effectiveness	(0)	(0)	73	0	0	0	0	
SEND & School Travel	4,191	889	(82)	4,107	4,873	766	48	
Early Years	72	72	(115)	5	120	115	5	
Dedicated Schools Grant	38,194	4,917	264	37,507	37,507	0	0	
Education Psychology and Mental Health	809	(140)	(17)	1,018	1,004	(14)	0	
<b>Total Education Services</b>	<b>43,551</b>	<b>5,518</b>	<b>57</b>	<b>43,167</b>	<b>43,965</b>	<b>798</b>	<b>53</b>	
<b>By Income and Expenditure</b>	-	-						
Employee Expenditure	6,092	(586)	(455)	7,586	7,603	18	0	
Agency Expenditure	446	446	141	9	9		0	
Other Staff related Expenditure	87	85	28	4	4		0	
Premises Related	29	18	(5)	12	12		0	
Transport Related	3,529	823	(74)	3,557	4,225	668	48	
Supplies and Services Expenditure	9,032	(781)	187	9,886	9,883	(3)	0	
Contracted Expenditure	23,462	1,629	(422)	25,513	25,513		0	
Support Services & Recharges	4,556	4,278	(48)	(208)	(113)	95	5	
Government Grant Income	(1,874)	(174)	839	(1,981)	(1,981)		0	
Other Income	(1,808)	(218)	(132)	(1,211)	(1,191)	20	0	
<b>Total Education Services</b>	<b>43,551</b>	<b>5,518</b>	<b>57</b>	<b>43,167</b>	<b>43,965</b>	<b>798</b>	<b>53</b>	

### Overall Position

#### 1. Education Access and Support (Underspend (£0.070m))

- Education Welfare – underspend on staffing due to vacancies (£0.030m)
- Elevate – underspend of (£0.012m) due to additional income
- Other variations account for (£0.028m)

## 2. SEND and School Travel (Overspend £0.766m)

- **School Transport** - the projected overspend on the School Transport budget is **£0.668m**.

Pressures are driven by the increasing number of children with EHCPs, rising prices from fuel inflation and increasing eligibility for transport. Data shows that transport is required for 30% of pupils with an EHCP. These pressures are exacerbated by the lack of local specialist school places which impact the number and cost of transport routes and the distances required to transport pupils. The projection is based on the total current expenditure of transport extrapolated for current routes until the end of the financial year. The estimated overspend includes £10k in savings this period. Average daily costs to provide transport is currently £22.5k which is an increase of £1,400 (6.6%) since start of the year. The number of routes has increased from 208 to 220 since the start of the year, with an increasing number of children with EHCPs and longer journey routes due to the lack of more local SEND provision driving increased route costs. Cost avoidance is being secured for the longer routes through the implementation of drop off points and combined bus journeys replacing previously planned taxis. Travel training is now being brought in-house and should produce savings within the current financial year. The projection also allows for £0.318m of savings forecast or already delivered, predominantly through tightening of approval process for new transport requests and proactive review and cancellation of taxi routes. Further savings actions are underway but not yet included in the projections through the Savings Plan, including RBC funded transformation work which is expected to see impact before the end of the financial year.

## 3. Early Years (Overspend £0.115m)

- Lodge Nursery – staffing overspend due high number of vacancies and use of agency staff **£0.070m**.
- Surestart Whitley Nursery – staffing overspend due to increased agency costs as a result of sickness **£0.045m**.

## Movement from Period 8 (Adverse movement of £0.53m)

### 1. School Transport (Adverse movement £0.048m)

- Increased overspend due to additional cost of new routes (**£0.058m**) part offset by savings on route changes (**£0.010m**).

## 7 Finance and Resources – Kit Lam

7.1 The table below shows the forecast P9 position for Finance & Resources and the movement from Period 8. The overall position is a forecast underspend of **(£0.334m)**, which is an adverse movement of **£0.047m** from Period 8.

**Table 5: Overview of 2023-2024 Finance and Resources Budget at period 9**

Departmental & Income and Expenditure Summary (Finance & Resources)	22/23 Outturn £000	22/23 Variance £000	23/24 Variance YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Variance P9 £000	Movement from Previous Month (P8) £000	Key
<b>By Directorate</b>	-	-						
Human Resources	362	(54)	(100)	461	452	(9)	34	
Communications & Marketing	287	(80)	(82)	461	368	(93)	0	
Finance & Audit	416	25	(33)	398	472	74	17	
Information, Advice and Support Service	73	(54)	(23)	133	118	(15)	(5)	
Commissioning	433	(51)	(85)	504	361	(143)	0	
Finance & Resources	145	(22)	1	172	172	0	0	
Performance Management	259	(36)	39	355	367	12	12	
Business Support	966	(48)	(133)	1,243	1,083	(160)	(11)	
<b>Total Finance &amp; Resources</b>	<b>2,940</b>	<b>(320)</b>	<b>(415)</b>	<b>3,727</b>	<b>3,393</b>	<b>(334)</b>	<b>47</b>	
<b>By Income and Expenditure</b>	-	-						
Employee Expenditure	3,363	(330)	(477)	4,211	3,868	(343)	30	
Agency Expenditure	138	138	176	0	0		0	
Other Staff related Expenditure	115	34	(8)	101	131	30	30	
Premises Related	0	0	5	0	0		0	
Transport Related	(1)	(9)	(6)	6	6		0	
Supplies and Services Expenditure	242	(144)	(463)	331	310	(21)	(13)	
Contracted Expenditure	(5)	(5)	0	0	0		0	
Support Services & Recharges	(441)	42	(34)	(362)	(362)		0	
Government Grant Income	15	15	(39)	(98)	(98)		0	
Other Income	(486)	(62)	(36)	(462)	(462)		0	
<b>Total Finance &amp; Resources</b>	<b>2,940</b>	<b>(320)</b>	<b>(883)</b>	<b>3,727</b>	<b>3,393</b>	<b>(334)</b>	<b>47</b>	

### Overall Position

1. **Communication and Marketing (Underspend (£0.093m))**
  - Savings from vacancies in staffing **(£0.072m)** and supplies and services **(£0.021m)**
2. **Commissioning (Underspend (£0.143m))**
  - Savings from vacancy management and additional DSG income **(£0.143m)**
3. **Business Support (Underspend (£0.160m))**
  - Savings from vacancy management **(£0.160m)**

**Movement from Period 8 (Adverse movement of £0.047m)**

**1. Human Resources (adverse movement £0.034m)**

- Additional cost of Interim Head of HR **£0.034m**

**2. Finance & Audit (adverse movement £0.017m)**

- Conversion fee for an interim agency finance business partner who has taken on a permanent role in Brighter Futures

## 8 Corporate Services – Kit Lam & Lara Patel

8.1 The table below shows the forecast P9 position for Corporate Services and the movement from Period 8. The overall position is a forecast underspend of **(£0.170m)**, which is which is broadly in line with the position reported at Period 8.

**Table 6: Overview of 2023-2024 Corporate Budget at period 9**

Departmental & Income and Expenditure Summary (Corporate Services)	22/23 Outturn £000	22/23 Variance £000	23/24 Variance YTD £00	23/24 Annual Budget £000	23/24 Forecast Outturn £000	23/24 Forecast Variance P9 £000	Movement from Previous (P8) Month £000	Key
<b>By Directorate</b>	-	-						
Chair and Non-Executive Directors	207	6	2	201	194	(7)	3	
Operational Directors	634	36	(127)	473	453	(20)	0	
Support Services SLAs	393	(68)	(33)	371	228	(143)	(6)	
Holding Codes and Old Codes	69	(43)	(103)	0	0	0	0	
<b>Total Corporate Services</b>	<b>1,302</b>	<b>(69)</b>	<b>(261)</b>	<b>1,045</b>	<b>875</b>	<b>(170)</b>	<b>(3)</b>	
<b>By Income and Expenditure</b>	-	-						
Employee Expenditure	1,091	(148)	(115)	775	738	(37)	3	
Agency Expenditure	802	802	(162)	0	0		0	
Other Staff related Expenditure	359	19	(72)	330	330		0	
Premises Related	170	170	(146)	0	0		0	
Transport Related	1	(2)	1	1	1		0	
Supplies and Services Expenditure	277	132	(27)	33	68	35	(6)	
Contracted Expenditure	6	6	20	0	0		0	
Support Services & Recharges	5,063	(1,637)	(96)	6,403	6,403		0	
Government Grant Income	415	415	(2,845)	0	0		0	
Other Income	(6,882)	174	3,181	(6,497)	(6,665)	(168)	0	
<b>Total Corporate Services</b>	<b>1,302</b>	<b>(69)</b>	<b>(261)</b>	<b>1,045</b>	<b>875</b>	<b>(170)</b>	<b>(3)</b>	

### Overall position (Underspend **(£0.170m)**)

- Non-executive and Operational directors (Underspend **(£0.027m)**)**
  - Changes to non-executive and operational director roles.
- Support Services SLA's (Underspend **(£0.143m)**)**
  - Additional banking interest due to higher interest rates **(£0.168m)**
  - Additional legal costs **£0.027m**

### Movement from Period 8

There has been no significant movement in the forecast since Period 8.

## Appendix 1 – Dedicated Schools Grant Budget Monitoring – Period 9

1. Table 1 contains the original 2023/24 budget as agreed. This is split between the four funding blocks and broken down by the main reporting lines for the DSG. The overall overspend forecast for the year is **£5.571m**.
2. The high needs budget has been set above the allocation by £2.119m from the start of the financial year due to known increased costs arising from additional top-up expenses and increased pupils in February 2023.

**Table 1: Summary Budget per Block 2023/24**

	<b>Current Budget (£m)</b>	<b>Forecast (£m)</b>	<b>In Year Variance (£m)</b>
Schools Block	51.473	50.634	<b>(0.840)</b>
Central Schools Block	1.133	1.140	0.007
Early Years Block	13.277	12.969	<b>(0.308)</b>
High Needs Block	28.458	33.050	4.592
<b>Sub Total – Net Expenditure</b>	<b>94.342</b>	<b>97.794</b>	<b>3.451</b>
<b>DSG Allocation - Income</b>	<b>(92.223)</b>	<b>(92.223)</b>	<b>0.000</b>
<b>Balance Over/(Under) Allocated</b>	<b>2.119</b>	<b>5.571</b>	<b>3.451</b>

### 3. Schools Block (SB)

- There would only be a variance on maintained primary and secondary school delegated budget allocations from having a school convert to an academy.
- Falling Rolls funding was re-introduced in June 2022 and a revised policy was agreed at Schools’ Forum in March 2023. Any funding required in year will also be met from the Growth fund.
- Any surplus from the Growth Fund at the end of the financial year will be required for future year requirements as set out in the plan brought to Schools’ Forum in January 2023. Further details on Growth Funding will be shared at January 2024 Schools Forum. BFFC will propose to continue with Falling Roles funding within 2024-2025.
- De-delegations are contributions to central services and unlikely to have any variance.

### 4. Central Schools Services Block (CSSB)

- Most of the central school services budgets are contributions and the majority will not therefore have a variance. There is a small variance on copyright licenses, as this is a national contract agreed in advance. The small surplus brought forward from 2022/23 will offset this variance.

### 5. Early Years Block (EYB)

- Over 95% of Early Years Funding is relating to the free early year’s entitlement for 2, 3 and 4 -year-olds. The budget for 2023/24 is based on the draft Spring 2023 census hours at the set hourly rates laid out in March 2023 Schools Forum paper. The DSG funding due to be received this year is based on an average of January 2023 and January 2024.
- Funding and expenditure is based on actual future take up of places. . In the event of a budget overspend, this would impact the funding rate to providers in the following financial year.
- There is £289k contingency carried forward from 2022/23, noting that the contingency can only be used to fund providers through the Early Years’ formula as already set and cannot be used to increase the hourly rates or to change the formula after these have been set for the year.

Nationally, there are significant changes within the early years sector. This includes the increase in unit rates for current 2- to 4-year-olds (the DfE did not increase the DSG block for this in year change but instead created a supplementary fund to all Local Authorities, totaling £971k of additional funding onto of the DSG block). As the additional allocation were not based on current census data, it cannot be confirmed at this stage in terms of future year adjustments. This is the main reason for the Early Years Block showing a underspend of £0.308m.

- Other budgets that fund central spend are mainly contributions as agreed at the budget setting and will not have a variance.

## 6. High Needs Block (HNB)

- Annual expenditure in the HNB is resulting in an increase to the deficit due to the increasing number of the EHCPs and the increasing need of pupils.
- As top-up/placement fees represent 89.5% of the high needs budget this will be closely monitored throughout the year, including comparing actual number and average cost of placements by each type to the original budget set.
- The Inclusion Fund provides additional funding to mainstream schools with a high percentage of pupils with EHCPs compared to our statistical neighbor average. £484k has been transferred from the Schools Block to the High Needs block to fund this. This budget will not be overspent as the funding to schools ceases once the budget is spent. If a surplus, then for the Spring term we will increase funding to allocate 100% of the fund.
- Table 2 shows the High Needs budget compared to actuals per year. The government has increased the High Needs Budget by 44% since 2019-2020. The expenditure for the majority of LAs has increased and for Reading has equated to 82% increase since 2019-2020. This is a national issue, which is recognized by the DfE through the implementation of the Delivering Better Value projects.

Table 2: High Needs Block Allocations

Year	Spending Power (£m)	Actual (£m)	In year (£m)	High Needs Deficit (£m)
2019-2020	18.322	18.167	(0.155)	2.091
2020-2021	18.916	18.957	0.041	2.132
2021-2022	20.947	22.227	1.280	3.412
2022-2023	23.877	25.772	1.894	5.307
2023-2024 (est)	26.340	33.050	6.710	12.017
<b>Increase since 19-20</b>	<b>44%</b>	<b>82%</b>		

- Table 3 below shows the numbers of EHCPs (with top-ups) and the cost associated from March 2022 to December 2023 (20 months). The increase in EHCPs with Top-ups has increased by 28.6% with the overall costs of Top-ups increasing by 55.9%.

Current reasons on increases relate to inflation, average of higher needs per EHCP.

Table 3: Compared spend and pupils with EHCPs from March 2022 to December 2023

Type	Mar-22 (£m)	Dec-23 (£m)	Variance (£m)	Mar-22	Dec-23	+/-
Mainstream	2.586	4.883	2.296	481	652	172
Special	9.221	11.772	2.552	462	506	44
Resources	0.961	0.867	-0.095	107	90	(17)
Nursery	0.063	0.140	0.078	6	19	13
Independent	2.388	6.000	3.612	52	104	52
Post 16	1.274	1.584	0.309	156	211	54
Alternative	0.491	1.231	0.740	21	70	49
<b>TOTAL</b>	<b>16.984</b>	<b>26.477</b>	<b>9.493</b>	<b>1,284</b>	<b>1,652</b>	<b>367</b>

- These significant increases is core to an increasing DSG deficit at unsustainable levels.

## Appendix 2 – Dedicated Schools Grant Deficit Management Plan

1. The approach being taken to manage the deficit has been informed by
  - Reading partnership SEND Strategy
  - June 2022 DfE research: High needs budgets: effective management in local authorities, by Peter Gray, Penny Richardson & Paul Tanton
  - July 2021 DfE published Sustainable high needs systems: case studies.
  - Delivering Better Value Project 2023
2. A review of Reading practice against the DfE published research and case studies identifies strong areas of current practice for us to build on in our High Needs Block Deficit Recovery Plan, and areas which will be monitored through our internal governance, throughout the year.
  - Understanding and engaging with parental expectations
  - Promoting more inclusive practice
  - Linking SEND and school improvement
  - Effective commissioning and monitoring of specialist provision and holding providers to account:
  - Improved quality of local specialist provision:
  - Identification of additional needs in early years leading to reduced requirement for EHCPs:
  - Development of outreach and specialist staffing support for mainstream schools:
3. BfFC with Reading Borough Council will be updating a CIPFA template every quarter to reflect the latest position of the DSG with emphasis on the High Needs Block. This will include actual and forecasted EHCP data, financial top-ups, and other associated costs to support ongoing review and monitoring on the investment of SEN support within Reading Schools.
4. The management plan indicates that by 2029-2030, the difference between an unmitigated pressure (£98m) compared to (£52m).
5. There are many factors that could impact the forecasts, including but not limit to:
  - Changes in EHCPs numbers
  - Changes in total EHCPs within types of provisions (less independent, more resources units)
  - General inflation costs (payroll and other expenditure)
  - The level of need of each EHCP
  - Resources from BfFC, Reading, Health and other organisations supporting schools.
  - Changes in top-up Bandings (nationally and/or locally)
  - Increased funding allocation from government (additional to forecast)
  - Changes to funding or SEND policies.

## Appendix 2 Continued: Summary of end of year positions (Un-Mitigated and Mitigated)

All Figures are in £ms

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
<b>DSG position (surplus)/deficit</b>	1.768	1.356	2.164	3.463	10.173	18.204	25.585	32.411	39.476	45.680	52.074
<b>In year net position deficit / (surplus)</b>											
Schools block	0.817	(0.719)	(0.447)	(0.477)	0	0	0	0	0	0	0
Central schools services block	(0.039)	0.039	(0.006)	(0.001)	0	0	0	0	0	0	0
Early years block	(0.160)	0.226	(0.018)	(0.117)	0	0	0	0	0	0	0
High needs block	(0.455)	0.041	1.280	1.895	6.710	8.031	7.382	6.825	7.065	6.203	6.394
<b>Total net</b>	<b>0.163</b>	<b>(0.412)</b>	<b>0.809</b>	<b>1.299</b>	<b>6.710</b>	<b>8.031</b>	<b>7.382</b>	<b>6.825</b>	<b>7.065</b>	<b>6.203</b>	<b>6.394</b>
Add brought forward deficit / (surplus) (net)	1.605	1.768	1.356	2.164	3.463	10.173	18.203	25.585	32.411	39.476	45.680
<b>Planned year end position (mitigated)</b>	<b>1.768</b>	<b>1.356</b>	<b>2.164</b>	<b>3.463</b>	<b>10.173</b>	<b>18.204</b>	<b>25.585</b>	<b>32.411</b>	<b>39.476</b>	<b>45.680</b>	<b>52.074</b>
<b>Planned year end position (un-mitigated)</b>	<b>1.768</b>	<b>1.356</b>	<b>2.164</b>	<b>3.463</b>	<b>10.173</b>	<b>18.892</b>	<b>29.885</b>	<b>43.168</b>	<b>59.090</b>	<b>77.450</b>	<b>98.110</b>

## Appendix 2 Continued: Key Mitigations from DSG Deficit Management Plan.

All Figures are in £ms

Key Mitigations/Savings & Pressures	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Reducing Independent placements	0	(1.791)	(3.936)	(6.461)	(8.155)	(10.684)	(12.112)
Less top-up funding due to ARPs funding to replace.	0	(2.000)	(2.000)	(2.000)	(2.000)	(2.000)	(2.000)
Reduction in EHCPs due to improvement in inclusion and support	0	0	(0.700)	(0.700)	(0.700)	(0.700)	(0.700)
Ceasing EHCPs which are not needed (reduces potential forecasts)	0	(0.697)	(0.802)	(0.756)	(0.928)	(1.194)	(1.571)
Commissioning frameworkers/contracts/discounts on bulk placements	0	(0.050)	(0.100)	(0.150)	(0.200)	(0.250)	(0.300)
Reduction in use of ALT Provision (Mainstream) compared to current (less top-ups and reduced provisions)	0	(0.350)	(0.350)	(0.350)	(0.350)	(0.350)	(0.350)
Reduction in ALT Provision (Independent)	0	(0.200)	(0.400)	(0.600)	(0.800)	(1.000)	(1.000)
Health Funding Contribution	0	(0.100)	(0.250)	(0.300)	(0.300)	(0.300)	(0.300)
<b>Total Key savings</b>	<b>0</b>	<b>(5.189)</b>	<b>(8.538)</b>	<b>(11.317)</b>	<b>(13.433)</b>	<b>(16.479)</b>	<b>(18.333)</b>
<b>Key Pressures/Investment</b>							
25-26 RISE to be funded from High Needs Block	0	0	0.650	0.650	0.650	0.650	0.650
Creation of additional resource units (ARPS)	0.780	4.450	4.450	4.450	4.450	4.450	4.450
<b>Total Key pressures</b>	<b>0.780</b>	<b>4.450</b>	<b>5.100</b>	<b>5.100</b>	<b>5.100</b>	<b>5.100</b>	<b>5.100</b>

## Appendix 3 - Social Care Placements Analysis

The summary below provides the current forecast as at the 3 January 2024 (Period 9) for placements and other support costs, compared with the Period 8 forecast.

Table 1. Placement and other placement-related costs

Element Type	Cost Code	Forecast Period 8	Budget v Forecast Variance P8	Forecast Period 9	Budget v Forecast Variance P9	Change Period 8 to Period 9
		£	£	£	£	£
<b>Children Looked After Placements</b>						
CYPDT Placements (Residential)	5087	3,335,394	1,920,794	3,557,001	2,142,401	221,607
External Placements:	5400					
- Residential		7,546,574		8,029,915		483,341
- Foster care	5400	4,846,934		4,960,193		113,260
<b>Total external placements</b>	<b>5400</b>	<b>12,393,507</b>	<b>5,682,107</b>	<b>12,990,108</b>	<b>6,278,708</b>	<b>596,601</b>
Remand	5412	2,952	2,952	62,566	62,566	59,614
Fostering Allowances	5451	1,622,737	-10,263	1,590,103	-42,897	-32,634
Connected Carers	5467	473,888	270,288	488,491	284,891	14,603
<b>Total Children Looked After (CLA)</b>		<b>17,828,479</b>	<b>7,865,879</b>	<b>18,688,268</b>	<b>8,725,668</b>	<b>859,790</b>
<b>Other placements</b>						
Staying Put Arrangements	5463	286,080	56,280	295,124	65,324	9,044
Supported Lodgings	5461	20,800	-20,000	20,800	-20,000	0
<b>Total Other placements</b>		<b>306,880</b>	<b>36,280</b>	<b>315,924</b>	<b>45,324</b>	<b>9,044</b>
<b>Total All Placements</b>		<b>18,135,359</b>	<b>7,902,159</b>	<b>19,004,192</b>	<b>8,770,992</b>	<b>868,833</b>
<b>Allowances (not CLA)</b>						
Adoption	5452	484,911	1,811	453,756	-29,344	-31,155
Child Arrangement Orders	5457	188,837	-30,763	190,283	-29,317	1,447
Special Guardianship	5460	2,043,108	-119,192	1,917,703	-244,597	-125,405
<b>Total Allowances</b>		<b>2,716,856</b>	<b>-148,144</b>	<b>2,561,742</b>	<b>-303,258</b>	<b>-155,113</b>
<b>Other support costs</b>						
Leaving Care Support	5455	1,072,930	-474,570	1,076,554	-470,946	3,624
CYPDT Packages and Short Breaks	5415	210,000	-239,100	210,000	-239,100	0
Direct Payments	5419	468,209	150,809	490,153	41,053	21,944
CLA Expenses	5426	800,000	320,800	810,000	330,800	10,000
CIN & S17 Expenses	5427	700,000	313,400	555,900	169,300	-144,100
No Recourse to Public Funds	5482	210,000	153,000	236,875	179,875	26,875
<b>Total other support</b>		<b>3,461,138</b>	<b>224,338</b>	<b>3,379,482</b>	<b>142,682</b>	<b>-81,656</b>
<b>Total (Not Including UASC)</b>		<b>24,313,353</b>	<b>7,978,353</b>	<b>24,945,416</b>	<b>8,610,416</b>	<b>632,063</b>

**Key data:**

- The table above includes costs of another 13 young people, not included in the CLA numbers at 31 December 2023, who are going through the legal gateway process with current planned/estimated dates of when they will become children looked after and in which type of placement they are likely to be accommodated. The estimated cost in 2023/24 for these is £235,000.
- The tables and graph below show the changes in CLA numbers from November 2022 to December 2023:

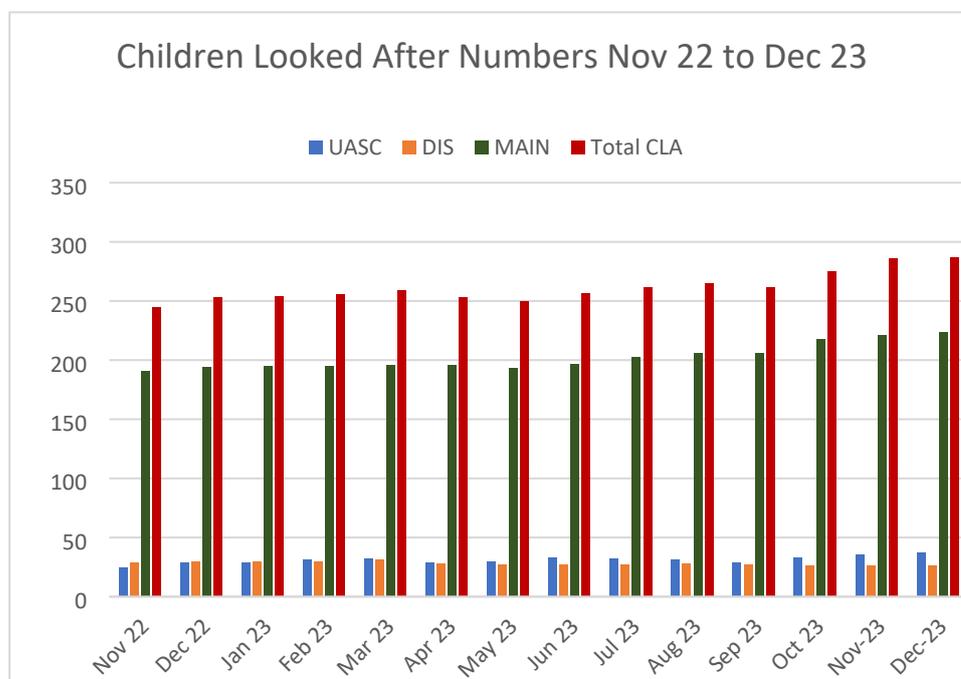
**Table 2. Summary of CLA numbers – month by month**

Date	MAIN	DIS	UASC	Total CLA
Nov 22	191	29	25	245
Dec 22	194	30	29	253
Jan 23	195	30	29	254
Feb 23	195	30	31	256
Mar 23	196	31	32	259
Apr 23	196	28	29	253
May 23	193	27	30	250
Jun 23	197	27	33	257
Jul 23	203	27	32	262
Aug 23	206	28	31	265
Sep 23	206	27	29	262
Oct 23	218	26	33	275
Nov-23	224	26	36	286
Dec-23	224	26	37	287

\* Backdated adjustment from 285 to 283 after November report but also includes 3 additional CLA with an end date of 30 Nov 23

\*\* Subject to confirmation

**Table 3. Graph of CLA numbers by month**



## Appendix 4 – Cashflow

Cashflow is being reviewed and updated frequently. The latest cashflow was reviewed on 18<sup>th</sup> Jan 24. BfFC have agreed with RBC on bringing forward £2m of the contract sum due in February to 24<sup>th</sup> January and are seeking a similar advance payment for February and a higher advance payment for March to maintain an appropriate level of cash balance. The position will be kept under review.

Cash Flow Analysis and Forecast 2023/24															
Date	Item	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24 Selected items	Total
		ACT	Forecast	Forecast	Forecast										
	Opening balance		-7,409,077	-7,586,650	-8,788,102	-3,790,140	-588,545	-1,973,447	-2,332,664	-8,016,452	-469,967	-1,312,300	-1,363,915		
8th	Contract Sum	-8,230,843				-8,230,843	-8,230,843	-8,230,843	-8,230,843		-6,230,843	-6,230,843	-6,230,843		-59,846,743
	Other income														0
	BACS	609,700	1,150,000	2,065,000	1,514,000	1,528,000	1,504,211	1,495,409	2,426,997	579,932	1,489,669	1,400,000	1,138,000		16,900,918
	Investment										-2,000,000	-1,000,000			-3,000,000
	Other income	-255,700	-164,000	-163,000	-352,000	-150,000	-96,089	-277,297	-575,888	-213,526	-235,000	-235,000	-235,000	-500,000	-3,452,500
14th	VAT monthly		251,613	251,613		251,613	251,613		251,613	251,613		251,613	251,613		2,012,904
15th	High needs payments	1,310,822	1,691,106	1,825,502	1,127,835	1,955,689	1,510,916	1,628,393	1,739,926	2,246,389	1,640,000	2,000,000	3,200,000	3,810,000	25,686,578
	Residential placement (cc 5087)	96,323	472,653	180,159	190,797	326,510	155,580	227,598	306,463	282,896	329,505	329,505	329,505	329,505	3,557,000
	External Placements (cc 5400)	135,483	1,075,634	1,253,803	775,271	1,014,363	938,480	878,452	1,466,589	719,585	1,183,110	1,183,110	1,183,110	1,183,110	12,990,100
	Additional Payment from RBC (Placement overspend)														0
19th	Grant 22/23 (outstanding)	-106,250		-234,300	-5,528,775			-996,605							-6,865,930
	Contract Sum - brought forward (Dec 23)									-2,000,000					-2,000,000
20th	Grant 23/24 (outstanding)			-1,084,887			-399,069	-82,314	-241,003		-768,774	-300,000		-3,513,000	-6,389,046
	BACS	1,987,503	620,939	373,076	2,521,142	1,757,188	394,080	1,570,839	2,213,394	135,111	1,300,000	1,300,000	1,000,000		15,173,273
	EY payments	1,000,000				1,000,000				2,549,601					4,549,601
24th	Contract Sum - brought forward (Jan 24- Mar 24)										-2,000,000	-2,000,000	-4,000,000		-8,000,000
25th	Payroll	2,148,169	2,227,724	2,235,425	2,182,580	2,135,075	2,113,918	2,134,603	2,532,859	2,677,084	2,400,000	2,400,000	2,400,000		27,587,437
															0
27th	VAT quarterly	847,799			2,044,112			410,619			1,200,000			1,200,000	5,702,530
30th															0
31st	Bank balance	-456,994	-83,407	-884,259	-4,313,140	-2,202,545	-2,445,747	-3,214,593	-442,557	-787,767	-2,162,300	-2,213,915	-2,327,529		
	Contract Sum paid 1 week earlier	-8,230,843	-8,230,843	-8,230,843					-8,230,843						-32,923,372
															0
4th	BACS	1,278,760	727,600	327,000	523,000	1,614,000	472,300	881,929	656,948	317,800	850,000	850,000	850,000		9,349,337
6th / 7th	balance on 6th / 7th	-7,409,077	-7,586,650	-8,788,102	-3,790,140	-588,545	-1,973,447	-2,332,664	-8,016,452	-469,967	-1,312,300	-1,363,915	-1,477,529		