

# APPENDIX E

**Children, Families & Education Revenue Budget (GF)** Revised Approved GF Budget for 2020/21: £57.831 million Period 3 Forecast: **Net over spend of £1.305 million**

## **The position to date:**

1. The department is currently forecasting an over spend of £1.305 million against the revised emergency budget for 2020/21. The variations reported at Quarter 1 are explained below, with a summary position for each Service Directorate. This includes any changes in the impacts from the corona virus, from what was originally initially estimated within the revised emergency budget approved in July 2020.

Total Department	Variations at Quarter 1 £'000		Change to date £'000
	Expenditure Changes	Income Changes	
+ = overspend or income shortfall - = saving or income increase			
Education	80		80
Operations, Statutory Social Work, Early Help & Prevention	2,136		2,136
Quality, Improvement & Practice Innovation	-21		-21
Corporate Director, Children, Families & Education	-890		43
Total Variations	1,305		1,305

## **Education Service Directorate – Summary & Context**

2. Over £0.5m savings and efficiencies are planned to be delivered in this directorate during the financial year which is part of the emergency budget. The main budget pressures reported in Q1 for the service relates to an unachievable in-year staff saving due to delay in an OCA and some other minor variations. An under spend is reported in mainstream home to school transport due to reduced spend on bus tickets. This underspend is being re-invested in the SEN improvement plan. The high level breakdown includes:

Service Area(s) & Activity	Variations at Quarter 1 £'000		Change to date £'000	Reason(s) for Variation
	Expenditure Changes	Income Changes		
Home to School transport	-135		-135	Underspend on mainstream Home to School transport due to significantly reduced spend on bus tickets
Home to School Transport	135		135	SEN improvement team funded by ongoing underspends in home to school transport

# APPENDIX E

Staffing	40		40	Shortfall in staff saving due to delay in OCA
Other variations across the directorate	40		40	Minor variations across service
<b>Total Variations</b>	<b>80</b>		<b>80</b>	<b>Net over spend reported at Q1</b>

## Operations, Statutory Social Work, Early Help & Prevention Service Directorate – Summary & Context

3. The recently approved emergency budget includes over £2m savings and efficiencies planned to be delivered in this financial year within this service area. The main budget pressures reported for the service relate to children's placement costs and staffing budgets due to use of expensive agency staffing. However the children's placement model completed for Q1 is currently showing a net reduction of 2% in the number of children support nights (FTE) and an 8% reduction in weekly placement cost projected for this financial year compared to the end of March 2020 position. This is a very encouraging financial position as previously reported for a number of years as the budget for children's placements and staffing has been under severe pressure due to the high levels of care and support needed by children and families in the town. Also it is to be noted, this is a very volatile budget and spend projections can change on month on month basis based on the placement numbers. There is also an indication that number of referrals could increase by 22% by Q3 in this financial year, further work is on-going to understand the full in-year cost implications of this increase and also Covid-19 related cost pressures. The main variations across this service are:

	<b>Variations at Quarter 1 £'000</b>			
<b>Service Area(s) &amp; Activity</b>	<b>Expenditure Changes</b>	<b>Income Changes</b>	<b>Change to date £'000</b>	<b>Reason(s) for Variation</b>
Staffing	646		646	Over spend on staffing across social care teams due to use of agency staffing.
Children's Placements Cost	2,063		2,063	Net over spend on Children's placements costs
Other variations across the directorate	-573		-573	Utilisation of one off grant to offset current spend
<b>Total Variations</b>	<b>2,136</b>		<b>2,136</b>	<b>Net over spend reported in Q1</b>

## Quality, Improvement & Practice Innovation Service Directorate – Summary & Context

4. Like other directorates within this Department, this service area has had to identify savings for the emergency budget and it is anticipated these will be delivered in year. Minor variations reported in Q1 are primarily down to staff vacancies:

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# APPENDIX E

Service Area(s) & Activity	Variations at Quarter 1 £'000		Change to date £'000	Reason(s) for Variation
	Expenditure Changes	Income Changes		
Other variations across the directorate	-21		-21	Minor variations across the directorate
<b>Total Variations</b>	<b>-21</b>		<b>-21</b>	<b>Net underspend reported in Q1</b>

## Corporate Director CF&E Service Directorate – Summary & Context

5. Minor variations are reported in Q1 include:

Service Area(s) & Activity	Variations at Quarter 1 £'000		Change to date £'000	Reason(s) for Variation
	Expenditure Changes	Income Changes		
IT Software	92		92	Recurrent overspend on IT software - Early Help module and additions to LCS licences
Savings Contingency 19/20	-933		-933	Use of 19/20 amber savings contingency at Q1 forecast
Other variations across the directorate	-49		-49	Various minor variations reported.
<b>Total Variations</b>	<b>-890</b>		<b>-890</b>	<b>Net over spend reported in Q1</b>

## Recovery Actions or Mitigation for the Department:

6. The Luton Families Change & Improvement Programme continues to work towards reducing the use of agency social workers and ensure support provided to children in care is appropriate to need and delivers value for money. An invest to save bid to create a Social Work Academy has recently been approved and this will help the service develop their own social work staff and reduce the use of costly external agency staff and improve retention of existing staff. There has been a significant improvement in increasing the level of staff in permanent senior management positions compared to 2019-20, with a number of temporary to permanent staff conversions currently in progress. Further work is on-going to review all the work streams under the Luton Families Change & Improvement Programme which includes Placements & Commissioning, Fostering, Edge of Care and Work Force which will further help to reduce the over spend reported in this area and also help in cost avoidance. Future tendering exercises for 16+ accommodation and agency fostering are in the pipeline and these should help deliver further cost reductions.

## APPENDIX E

# APPENDIX E

**Children, Families & Education Revenue Budget (DSG)** Revised Approved DSG Budget for 2020/21: £28.2million Period 3 Forecast: **Net Under spend of £0.215 million**

## **The position to date:**

7. The Schools and Central Education services are funded by the ring-fenced specific grant separate from the General Funding of local authorities known as Dedicated Schools Grant (DSG). The DSG is currently forecasting an under spend of £0.215 million against the revised emergency budget for 2020/21. The variations reported at Quarter 1 are explained below. This includes any changes in the impacts from the corona virus, from what was originally estimated within the revised emergency budget approved in July 2020.

## **Education Service Directorate – Summary & Context**

8. Schools related DSG is national funding formula driven and are allocated directly to the schools by the Local authority. Any in-year surpluses or deficits are retained within the schools and reported at the financial year-end accordingly. The Central DSG fund include High Needs Block, Early Years Block and Central Provisions Block and any variations are reported on monthly/quarterly basis with the consultation of the Schools Forum. At the end of Q1, £215k underspend is forecasted, as follows:

Service Area(s) & Activity	Variations at Quarter 1 £'000		Change to date £'000	Reason(s) for Variation
	Expenditure Changes	Income Changes		
High Needs Block	-31		-31	Projected underspend within HNB mainly in Hospital Tuition
Early Years Block	21		21	Increased allocation in Early Years Support & Intervention as agreed by the Schools Forum
Central Provisions Block	-205		-205	Unallocated amount due to of timing of final DSG confirmation.
<b>Total Variations</b>	<b>-215</b>		<b>-215</b>	<b>Net DSG Underspend reported at Q1</b>