

# Children's Services Committee

<b>Report title:</b>	<b>Children's Services Finance Outturn Report Year End 2017-18</b>
<b>Date of meeting:</b>	<b>22 May 2018</b>
<b>Responsible Chief Officer:</b>	<b>Sara Tough Executive Director of Children's Services</b>
<b>Strategic impact</b> <p>This report provides an update on the performance and financial forecast outturn information for the 2017-18 financial year to Children's Services committee.</p> <p>The report sets out the financial outturn data for the period ending 31 March 2018.</p> <p>The report sets out the variations between the approved budget for 2017-18 and the forecast spending during the year, as well as the variations between the outturn information compared to the forecast position as at period 10. These are described in paragraphs 2.1 and 2.2 below. The overall financial position covers the Revenue Budget, School Balances, Reserves and Provisions, and the Capital Budget for Children's Services.</p>	

## **Executive summary**

The main financial points within the paper are:

- The Children's Services revenue budget shows an overspend of £4.538m for the 2017-18 financial year. This includes the use of £2.591m of reserves, approved by the Policy and Resources committee, as set out in section 2.41;
- The Schools' revenue budget shows an overspend of £5.509m for the 2017-18 financial year;
- The level of Locally Maintained School balances as at 31 March 2018 is £14.355m;
- The level of unused reserves and provisions as at 31 March 2018 is £7.895m, which is a combination of £4.142m for Schools and £3.753m for Children's Services;
- The Children's Services capital budget is £50.194m, following re-profiling to future years and other changes;
- Management action is being taken to reduce the on-going level of spend against both the Children's Services revenue budget and the Schools' revenue budget to ensure that an overspend doesn't occur in the 2018-19 financial year;
- The overspend against the Schools' revenue budget is funded through a loan from Locally Maintained Schools balances. This loan will need to be repaid in future years, with proposals discussed at the Schools Forum.

## **Recommendations:**

**Members are invited to consider the contents of this report to agree:**

- a) the outturn position for the 2017-18 Revenue Budget for both the Local Authority Budget and Schools Budget**
- b) The outturn position for the 2017-18 Capital Programme**

## **1. Introduction**

- 1.1 The children's Services Committee has a key role in overseeing the financial positions of the department including reviewing the revenue budget, reserves and capital programme
- 1.2 The financial outturn forecast for 2017-18 as at the end of January 2018 (period 10) was provided to Children's Services committee in March. This report showed an overspend of £4.983m against the Children's Services revenue budget and an overspend of £10.206m against the Schools' revenue budget.
- 1.3 In addition, it was reported that it was anticipated that the following additional in-year costs would be offset through the utilisation of one-off monies.
  - Two Children's services savings that have been rated as RED in respect of 2017-18, representing a savings shortfall of £1.182m. Delivery of savings from changes in the Education Service have been delayed due to the extended general election purdah period, and the Troubled Families grant from Government is forecast to be lower than originally expected.
  - There is an expected overspend relating to the contract costs of specialist intervention and support for children with behavioural and mental health needs, and their families. A change in commissioning strategy has meant we are continuing with the contract and need to identify new funding.
- 1.4 At the November meeting of the Policy and Resources committee it was approved that the use of revenue receipts, previously applied for capital purposes can be used to mitigate these overspends, up to a maximum of £2.100m.

## **2. Detailed Information**

### **2.1 Revenue Local Authority budget**

- 2.1.1 The following summary table shows, by type of budget, the spend for the year where there is a variance to the 2017-18 budget. The table shows the variance both in terms of a cash sum and as a percentage of the approved budget, and the main reasons for the variances.

Division of service	Approved budget £m	Outturn £m	+Over/- Underspend £m	+Over/ - Underspend as % of budget	Movement since last report £m	Reasons for significant variance from budget	Reasons for significant movement in variance compared to previous report
<b>Forecast Overspends</b>							
Looked After Children - Agency Fostering	15.091	16.895	1.804	12	+0.088	There has been a significant increase in number of children currently supported compared to the 2016-17 average and since the start of 2017-18 financial year. The costs have increased as a result of both the full year effect of a contract changes during 2016-17 and the additional numbers of children. Part of the £9m investment was allocated alongside the inflationary increase in the budget, but the allocation was based upon the assumption that Independent Fostering Agency usage would remain at 2016-17 levels	Increased number of placements
Looked After Children - Agency Residential	11.456	13.448	1.992	17	+0.360	There has been an increase in the number of children currently supported in high cost residential accommodation compared to the 2016-17 average and since the start of the financial year. Part of the £9m investment was allocated alongside the inflationary increase in the budget	Increased number of placements

Division of service	Approved budget £m	Outturn £m	+Over/- Underspend £m	+Over/ - Underspend as % of budget	Movement since last report £m	Reasons for significant variance from budget	Reasons for significant movement in variance compared to previous report
Looked After Children - In-house Fostering	8.767	9.703	0.936	11	+0.003	The forecast is higher than last year's outturn due to supporting additional children fostered in-house. This shift is in line with management action during 2017-18 that aims to alter the placement mix towards in-house fostering.	
Looked After Children - In-house Residential	4.980	5.071	0.091	2	-0.050	Additional costs due to high level of maternity and sickness	Reduced sickness levels of staff
Client costs: Social Care Looked After Children	1.764	2.782	1.018	58	+0.348	The overspend is primarily due to the additional number of Looked After Children and their accommodation costs, arising as a result of market conditions	As per the budget variance explanation
Client costs: Social Care Non-Looked After Children	0.468	0.954	0.486	104	+0.271	Additional therapy costs for Children in Need to prevent them becoming Looked After	As per the budget variance explanation
Client costs: Leaving Care	1.991	2.948	0.957	48	+0.422	The overspend is primarily due to additional accommodation costs arising as a result of market conditions	As per the budget variance explanation

Division of service	Approved budget £m	Outturn £m	+Over/- Underspend £m	+Over/ - Underspend as % of budget	Movement since last report £m	Reasons for significant variance from budget	Reasons for significant movement in variance compared to previous report
Staying-put fostering	0.000	0.272	0.272	n/a	-0.001	Additional net cost over and above the government grant received of £0.371m. This level of forecast spend is similar to last year for a similar number of young people supported	
Adoption allowances	1.414	1.642	0.228	16	-0.008	The overall number of adopters receiving allowances has dropped compared to 2016-17, though this year has the full year impact of some allowances and some allowances have been extended	
Fostering and Adoption staff costs	2.955	3.075	0.120	4		Additional staff costs due to the use of agency staff to cover vacancies	
Independent Reviewing Officers	1.609	1.894	0.285	18	-0.011	Additional posts have been required over and above the agreed establishment due to the increased number of Looked After Children. Some additional posts were funded as part of the £9m investment.	
Children with Disabilities client costs	1.412	2.151	0.739	52	+0.019	Additional costs for extensive nursing support (less health contribution) that were not anticipated when the budget was set	

Division of service	Approved budget £m	Outturn £m	+Over/- Underspend £m	+Over/ - Underspend as % of budget	Movement since last report £m	Reasons for significant variance from budget	Reasons for significant movement in variance compared to previous report
Advocacy Services	0.302	0.390	0.088	29	+0.013	Expansion of the advocacy service contract	
Social Care legal costs	3.454	4.167	0.713	21	+0.320	Additional legal costs due to the additional number of Looked After Children and referral cases	As per the budget variance explanation
Front line social work staff	17.029	17.517	0.488	3	+0.188	Additional cost of front line social work staff due to staff sickness and enhancing the Multi agency Safeguarding Hub (MASH)	As per the budget variance explanation
School Psychology Service	1.001	1.156	0.155	15	-0.059	Additional staffing costs and reduced trading income	As per the budget variance explanation
Home to school / college transport	28.427	29.244	0.817	3	+0.091	Increased cost of special education needs transport due to transporting pupils at the new Wherry school and the increased unit cost of individual journeys.	
Sub Total of Forecast Overspends			11.189		+1.994		
Forecast Underspends							
Children's Centres	10.150	9.820	-0.330	-3	-0.070	Forecast in line with current contractual obligations to all providers, which has resulted in a small under-spend expected in-year due to the phasing of spend over the whole life of the contracts	

Division of service	Approved budget £m	Outturn £m	+Over/- Underspend £m	+Over/ - Underspend as % of budget	Movement since last report £m	Reasons for significant variance from budget	Reasons for significant movement in variance compared to previous report
Early Help Support	10.837	10.214	-0.623	-6	-0.363	Savings on staff vacancies were held in the teams in readiness for the New Direction service under the remit of Barnardos	Additional staff vacancies
CWD short term breaks and personal budgets	4.235	3.872	-0.363	-9	-0.153	Reduced take up of short term breaks and use of personal budgets for children with disabilities	Additional take up of short term breaks
Special Guardianship Orders (SGOs)	3.849	3.842	-0.007	-0	+0.035	Reduced number and cost of Special Guardianship Orders	Lower reduced number and cost of Special Guardianship Orders
School / College redundancy and on-going pension costs	4.473	3.899	-0.574	-13	-0.125	Reduced school redundancy costs and reduced number of pension beneficiaries. Budget has been historically reduced on a yearly basis, and will be reviewed to identify further ongoing reductions (which can differ from in-year impact)	As per the budget variance explanation
Norfolk Assisted Boarding Partnership	0.302	0.078	-0.224	-74	-0.224	Reduced number of young people taking up places on the boarding partnership scheme	As per the budget variance explanation

Division of service	Approved budget £m	Outturn £m	+Over/- Underspend £m	+Over/ - Underspend as % of budget	Movement since last report £m	Reasons for significant variance from budget	Reasons for significant movement in variance compared to previous report
Joint protocol with Adult Services for parents with disabilities	0.409	0.000	-0.409	-100	-0.409	Adult services are funding 100% of the cost of care packages for parents with disabilities for one-year only	As per the budget variance explanation
Norwich schools PFI scheme	0.000	-0.079	-0.079	n/a	-0.079	Contribution to PFI reserve no longer required as annual budget now in place for the remaining years of the scheme	As per the budget variance explanation
Early Years training and sustainability	0.737	0.496	-0.241	-33	-0.241	Reduced net cost of training for early years providers and less demand for the early years sustainability fund	As per the budget variance explanation
Early years running costs	1.510	1.245	-0.265	-18	-0.265	Savings on staff vacancies and reduced running costs of the Early Years Hub	As per the budget variance explanation
Other education traded income	n/a	-0.278	-0.278	n/a	-0.278	Additional traded income from schools for services provided by the education function of Children's Services	As per the budget variance explanation
Other minor variances	n/a	-0.267	-0.267	n/a	-0.267	Minor underspends against a variety of budgets	As per the budget variance explanation
<b>Sub Total of Forecast Underspends</b>			<b>-3.660</b>		<b>-2.439</b>		



Division of service	Approved budget £m	Outturn £m	+Over/- Underspend £m	+Over/ - Underspend as % of budget	Movement since last report £m	Reasons for significant variance from budget	Reasons for significant movement in variance compared to previous report
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<b>One-off savings</b>							
Maximising the use of grants	n/a	-0.400	-0.400	n/a		Utilisation of grants to partially offset the Children's projected overspend	
Use of reserves	n/a	-2.591	-2.591	n/a		Use of one-off PFI Sinking Fund reserve (£2.418m), School Sickness Insurance scheme reserve (£0.052m) and unrequired Unconditional Grants and Contributions reserve (£0.121m) as approved by Policy and Resources Committee	
<b>Subtotal of one-off savings</b>			<b>-2.991</b>		<b>0.000</b>		

<b>Total NCC funded Services</b>			<b>+4.538</b>		<b>-0.445</b>		
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- 2.1.2 It remains a top priority of the local authority to reduce the numbers and cost of children in its care. However, it is recognised that this is not something that will happen quickly and we need to give new initiatives time to have a positive impact. Officers have identified a number of actions being taken with the intention of reducing spend and the expected impact. These actions are summarised in the table below:

Action to be taken	Expected Impact
Strengthen management arrangements in social work teams through (i) creation of locality panels; (ii) introducing different approaches to challenging practice; (iii) introducing a different approach to placements and channels into care proceedings; and (iv) looking to reduce unit cost as well as volumes	Reduce the volume of LAC placements increased scrutiny of practice and planning; reduced staff turnover resulting in improved retention of skills, knowledge and expertise; increase in effective casework that, in turn, should reduce the volume of LAC
Recruitment campaign to increase the number of local authority foster carers (including specialist foster carers)	Additional local authority foster carers will facilitate a shift in the placement mix for Looked After Children from residential to fostering, and from Independent Fostering Agencies to in-house fostering; improved matching that should reduce breakdowns and improve outcomes for children, which will result in reduced work associated with dealing with breakdowns and identifying alternative placements
Review of commissioning and placement arrangements to ensure appropriate resources and management oversight in place	Pro-active action to increase sufficiency in the market place to ensure that the right placements are available to meet the needs of the presenting children and young people
Review commissioned contracts and partnership arrangements	Identification of any in-year or ongoing reductions that can be agreed and / or clawbacks that are due
Engagement of support and scrutiny from the Local Government Association	'Critical friend' approach to provide support, advice and constructive challenge to the leadership team to identify potential areas to reduce spend
Following agreement by both Children's Services and Policy and Resources committees, a transformational demand management programme is being developed (to begin in earnest from 2018) as part of the County Council's priorities.	Utilisation of one-off investment to achieve improved outcomes for Children and Young People and recurring cost savings

## 2.2 Revenue – Schools Budget

- 2.2.1 The Dedicated Schools Grant is a ring-fenced grant, made up of three blocks: the Schools Block, the High Needs Block and the Early Years Block that must be used in support of the Schools Budget. The Schools Budget has two main elements, the amounts delegated to schools and the amounts held centrally for pupil related spending.
- 2.2.2 The Dedicated Schools Grant must be accounted for separately to the other Children's Services spending and funding.

2.2.3 The following summary table shows by type of budget, the spend for the year where there is a variance to the 2017-18 budget. The table shows the variance both in terms of a cash sum and as a percentage of the approved budget, and the main reasons for the variances.

Division of service	Approved budget £m	Outturn £m	+Over/- Underspend £m	+Over/ - Underspend as % of budget	Movement since last report £m	Reasons for significant variance from budget	Reasons for significant movement in variance compared to previous report
<b>Forecast Overspends</b>							
Post 16 Further Education High Needs top up funding	2.400	3.026	0.626	26	-0.138	New additional responsibility for the local authority from April 2017 compounded by additional responsibilities from previous years. However, insufficient funding has been provided to match demand.	As per the budget variance explanation
Special Schools places	27.655	28.228	0.573	2	-0.136	Costs of additional places that have opened during this financial year	As per the budget variance explanation
Special Education non-maintained school placements	17.553	22.881	5.328	30	-0.060	Additional places in excess of budgeted provision due to the level of demand and the cost of placements, partially offset by an estimate for released DSG funding following the Education Services Review	
Short Stay School for Norfolk	1.791	2.700	0.909	51	+0.017	Review of the forecast following the purchase of additional places to meet need and an increase in the top-up funding agreed	
Alternative Education provision contracts	2.820	5.815	2.995	106	-0.047	Additional contracts with alternative education providers to fund the increase in placements for children with complex needs.	

Division of service	Approved budget £m	Outturn £m	+Over/- Underspend £m	+Over/ - Underspend as % of budget	Movement since last report £m	Reasons for significant variance from budget	Reasons for significant movement in variance compared to previous report
Early Years High Needs EHCP plans	0.000	0.000	0.000	n/a	-0.135	Additional funding to early years providers, for children subject to an Education Health and Care Plan (EHCP)	Now funded by the Early Years block of the Dedicated Schools Grant
Permanent Exclusions Charges	-0.500	-0.375	0.125	25	+0.027	Reduced funding removed from schools due to the reduced number of excluded pupils	
Sub Total of Forecast Overspends			10.556		-0.472		
Forecast Underspends							
Out of county recoupment	0.750	0.604	-0.146	-19	-0.006	Lower than budgeted net expenditure relating to NCC children placed out of county in other Local Authority's maintained special schools, offset by income from other Local Authorities that have children placed in NCC maintained special schools	
School growth contingency	0.950	0.838	-0.112	-12		Lower than planned pupil number growth	
School contingency funds	0.500	-0.047	-0.547	-109	-0.247	Lower than budgeted call on contingency funds expected and local authority schools' rates refunds	As per the budget variance explanation

Division of service	Approved budget £m	Outturn £m	+Over/- Underspend £m	+Over/ - Underspend as % of budget	Movement since last report £m	Reasons for significant variance from budget	Reasons for significant movement in variance compared to previous report
School academy conversions	0.000	-0.363	-0.363	n/a	-0.363	Lower recoupment rates of funding resulting from schools converting to academy status, mainly as a result of reduced rates costs	As per the budget variance explanation
School staff suspensions	0.267	0.038	-0.229	-86	-0.029	Costs of school staff suspensions expected to be lower than anticipated when the budget was set	
School staff maternity costs	0.972	0.928	-0.044	-5	-0.044	Reduced number and cost of school staff maternity costs	
School Supply Special Circumstances	0.156	0.062	-0.094	-60	-0.024	Reduced requests from schools to fund replacement teacher costs for special approved circumstances e.g. jury service etc	
Early Years 2-year-old places	6.156	5.899	-0.257	-4	-0.257	Lower take up of 2-year-old early places by parents	As per the budget variance explanation
Early years 3 & 4-year-old places	27.296	24.041	-3.255	-12	-3.255	Lower take up of 3 and 4-year-old standard early places by parents (£1.8m) and lower take up of the new 30 hours offer available from September 2017 (£1.4m)	As per the budget variance explanation
<b>Sub Total of Forecast Underspends</b>			<b>-5.047</b>		<b>-4.225</b>		

Division of service	Approved budget £m	Outturn £m	+Over/- Underspend £m	+Over/ - Underspend as % of budget	Movement since last report £m	Reasons for significant variance from budget	Reasons for significant movement in variance compared to previous report
Total DSG funded Services			+5.509		-4.697		

2.2.4 Commitments against the Dedicated Schools Grant can vary as changing trends become apparent and available provision changes.

The overspend in 2017-18 has been funded from a loan from Locally Maintained Schools balances, that will be repaid in future years. A plan to reduce the under-lying overspend and to repay the loan, whilst meeting the needs of Children and Young People, has been developed and proposals have been discussed and agreed at the Schools' Forum, following a consultation with schools. The outcome of this work was included within the "*Dedicated Schools Grant 2018-19*" committee paper that was discussed at the January Children's Services Committee meeting.

## 2.3 School Balances as at 31 March 2018

2.3.1 The Scheme for Financing Schools in Norfolk sets out the local framework within which delegated financial management is undertaken. In respect of budget plans the expectation is that schools submit budget plans at the end of the summer term, taking account of the actual level of balances held at the end of the previous financial year.

2.3.2 Schools are able to hold revenue balances for:-

- School contingency funding, not exceeding 8% of the final budget share or £20,000, whichever is the greater,
- An exception based on school by school justification,
- Surpluses derived from sources other than the budget share e.g. YPLA sixth form funding, contributions from parents from school trips, where expenditure will not be incurred until the following financial year or surpluses arising from providing community facilities,
- Unspent cluster fund activities,
- In exceptional circumstances, with authority of the Assistant Director – Education, where an individual allocation, amounting to no more than 1% of the final budget share was allocated after 1<sup>st</sup> February,
- Voluntary Aided Schools are allowed to hold revenue monies to fund governors' liabilities towards DFE grant aided capital work.

2.3.3 Total school balances are £14.355m as at 31<sup>st</sup> March 2018. This is a decrease of £3.190m when compared with the £17.545m balances as at 31<sup>st</sup> March 2017. The reduction includes 41 school's balances that have converted to an academy and 9 schools that have either closed, amalgamated or federated.

An analysis of school balances are shown in the four tables below:-

**Table 1 compares the level of school balances as at 31<sup>st</sup> March 2018 with 31<sup>st</sup> March 2017**

School type	As at 31/03/17					As at 31/03/18			Change between years	
	Balance	Overspend	Total			Balance	Overspend	Total	Balance	Overspend
	£000	£000	£000	Balances b/fwd for Academised schools during the year	Balances b/fwd for schools closed, amalgamated or federated during the year	£000	£000	£000	£000	£000
Nursery	62	8	54	0	0	77	84	-7	15	76



Primary	13,513	233	13,280	2,157	320	11,545	206	11,339	509	-27
Secondary	1,463	171	1,292	632	0	607	28	579	-224	-143
Special	1,225	0	1,225	138	0	1,214	0	1,214	126	0
Clusters	1,723	29	1,693	0	0	1,272	41	1,231	-451	12
<b>Total</b>	<b>17,986</b>	<b>442</b>	<b>17,545</b>	<b>2,926</b>	<b>320</b>	<b>14,715</b>	<b>359</b>	<b>14,355</b>	<b>-25</b>	<b>-82</b>

**Table 2 shows the average level of positive and negative balances held by Norfolk schools analysed by school type**

Type of school	Balance	Overspend	Total
	£000	£000	£000
Nursery	77	42	35
Primary	65	16	49
Secondary	101	28	73
Special	135	0	135
Clusters	28	14	14
<b>Total</b>	<b>61</b>	<b>19</b>	<b>55</b>

**Table 3 shows the level of balances compared with the overall budget, for each school type**

Type of school	Position at 31/03/18
	%
Nursery	-0.86
Primary	6.97
Secondary	2.47
Special	5.36
Clusters	12.84
<b>All schools</b>	<b>6.55</b>

**Table 4 compares the number of schools with surpluses and deficit balances as at 31<sup>st</sup> March 2017 compared with 31<sup>st</sup> March 2017**

	As at 31/03/17					As at 31/03/18			Change between years	
School type	Balance	Overspend	Total	Balances b/fwd for Academi sed schools during the year	Balances b/fwd for closed, amalgamat ed or federated schools during the year	Balance	Overspend	Total	Balance	Overspend
Nursery	2	1	3	0	0	1	2	3	-1	1
Primary	218	17	235	35	9	178	13	191	4	-4
Secondary	10	2	12	5	0	6	1	7	1	-1
Special	10	0	10	1	0	9	0	9	0	0
Clusters	44	5	49	0	0	46	3	49	2	-2
<b>Total</b>	<b>284</b>	<b>25</b>	<b>309</b>	<b>41</b>	<b>9</b>	<b>240</b>	<b>19</b>	<b>259</b>	<b>6</b>	<b>-6</b>

## 2.4 Reserves and Provisions

2.4.1 A number of Reserves and Provisions exist within Children's Services. The following table sets out the balances on the reserves and provisions in the Children's Services accounts at 1 April 2017 and the balances at 31 March 2018. The table has been divided between those reserves and provisions relating to Schools and those that are General Children's Services reserves and provisions.

Committee agreed to endorse and recommend to Policy and Resources Committee, to approve the allocation of £2.591m reserves to revenue, to partly offset the Children's Services projected overspend. This is made up of the £2.418m balance of the PFI sinking fund reserve, the £0.052m balance of the School Sickness Insurance Scheme reserve and £0.121m unrequired unconditional grants and contributions reserve. This was approved by the Policy and Resources Committee in January 2018.

Title/description	Balance at 01-04-17 £m	Balance at 31-03-18 £m	Variance £m	Approved by P&R £m	Reason for variance
Dedicated Schools Grant (DSG) reserve	0.000	0.000	+0.000	-0.000	There is no longer reserve balance
<b>Schools</b>					
Schools Non-Teaching Activities	0.733	0.730	-0.003	-0.000	These are school funds held on behalf of schools
Building Maintenance Partnership Pool (BMPP)	2.001	2.581	+0.580	-0.000	These are school funds held in relation to the BMPP, run on behalf of schools by Norfolk Property Services, for building maintenance activities
School Playing surface sinking fund	0.106	0.051	-0.055	-0.000	These are school funds held on behalf of schools for the replacement of playing surface astro turf
Non BMPP Building Maintenance Fund	0.903	0.780	-0.123	-0.000	These are school funds held on behalf of schools, who are not part of the BMPP scheme, for building maintenance activities
<b>Schools total</b>	<b>3.743</b>	<b>4.142</b>	<b>+0.399</b>	<b>-0.000</b>	
<b>Children's Services</b>					
Transport Days Equalisation Fund	0.101	0.494	+0.393	-0.000	Due to the timing of school holidays, there is a reduced number of transport days in the 2017-18 financial year and more says in the 2018-19 financial year
Education Provision for Holiday Pay	0.015	0.015	+0.000	-0.000	This reserve relates to holiday pay due to former Children's

Title/description	Balance at 01-04-17 £m	Balance at 31-03-18 £m	Variance £m	Approved by P&R £m	Reason for variance
					Services catering staff, now employed by Norse
Norfolk PFI Sinking Fund	2.418	0.000	+0.000	-2.418	This reserve was held to fund future years contractor unitary payments. From 2018-19 this is now funded by an annual budget allocation
School Sickness Insurance Scheme	0.102	0.000	-0.050	-0.052	Children's Services contribution to additional in-year savings requested to P&R committee and in-year use of reserves.
IT Earmarked Reserves	0.081	0.030	-0.051	-0.000	Funds held for future years replacement of IT equipment
Repairs and Renewals Fund	0.176	0.147	-0.029	-0.000	Funds held for future years replacement of equipment
Unconditional Grants and Contributions	1.746	3.063	+1.438	-0.121	Prior year and in year unconditional grants and contributions expected to be spent in 2017-18 financial year and 2018-19
Children's Services post Ofsted Improvement Fund	0.108	0.004	-0.104	-0.000	Funds held for the sustainable trading activities with schools to support school improvement
<b>Children's Services total</b>	<b>4.747</b>	<b>3.753</b>	<b>+1.597</b>	<b>-2.591</b>	
<b>Grand total</b>	<b>8.490</b>	<b>7.895</b>	<b>+1.996</b>	<b>-2.591</b>	

## 2.5 Capital

2.5.1 The approved Children's Services capital budget was £66.256m for 2017-18 and £74.727m for future years. Since the County Council set the budget in February, there have been some revisions to plans, with an element re-profiled to future years and some additional spend planned for 2017-18.

2.5.2 The table below shows the approved budget, amendments (updated for period 10) and the current capital budget for 2017-18 and future years.

### Capital Programme 2017-21

	Approved budget £m	Re-profiling £m	Other changes £m	Current Capital Budget £m
2017-18	66.256	-21.683	5.621	50.194
Future Years	74.727	21.683	36.778	133.188
<b>Total</b>	<b>140.983</b>	<b>0</b>	<b>42.399</b>	<b>183.382</b>

- 2.5.3 Funding for the capital programme comes primarily from grants and contributions provided by central government. These are augmented by capital receipts, developer contributions, prudential borrowing, and contributions from revenue budgets and reserves. The following table shows the expected financing for the 2017-21 Children's Services capital programme. The sources of financing may be amended as the year progresses to ensure the most advantageous usage of funds for NCC, i.e. realised capital receipts may be utilised to offset the need for prudential borrowing.

### **Financing 2017-21**

<b>Funding Stream</b>	<b>2017-18 Programme £m</b>	<b>Future Years' Forecast £m</b>
Prudential Borrowing	1.587	10.440
Revenue & Reserves	0.000	0.000
<b>Grants and Contributions</b>		
Department for Education	41.783	103.179
Developer Contributions	4.445	18.321
Other	2.380	1.248
<b>Total</b>	<b>50.194</b>	<b>133.189</b>

## **3. Financial Implications**

- 3.1 The outturn for Children's Services is set out within the paper

## **4. Issues, risks and innovation**

- 4.1 This report provides financial performance information on a wide range of services monitored by the Children's Services Committee. Many of these services have a potential impact on residents or staff from one or more protected groups. The Council pays due regard to the need to eliminate unlawful discrimination, promote equality of opportunity and foster good relations.
- 4.2 This report outlines a number of risks that impact on the ability of Children's Services to deliver services within the budget available. These risks include the following:
- a) Pressure on services from a needs led service where number of service users continues to increase
  - b) Impact of legislation
  - c) The ability to be able to commission the right placement at the right time at the right price due to sufficiency difficulties in the market

## **5. Recommendations**

Members are invited to consider the contents of this report and in particular to agree:

- a) The outturn position for the 2017-18 Revenue Budget for both the Local Authority Budget and Schools Budget;
- b) The outturn position for the 2017-18 Capital Programme

## Officer Contact

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