

# Children and Young People's Overview and Scrutiny Committee



11<sup>th</sup> January 2021

## Children and Young Peoples Services – Quarter 2 : Forecast of Revenue and Capital Outturn 2020/21

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### Report of Paul Darby, Corporate Director of Resources

John Pearce, Corporate Director Children and Young People's Service

Jeff Garfoot, Head of Corporate Finance and Commercial Services

Councillor Olwyn Gunn, Cabinet Portfolio Holder for Children and Young Peoples Services

**Electoral division(s) affected: Countywide**

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#### Purpose of the Report

1. To provide details of the forecast outturn budget position for Children and Young Peoples Services service grouping, highlighting major variances in comparison with the budget for the year, based on the position at the end of September.

#### Executive Summary

2. The Children and Young Peoples Services service is reporting a cash limit overspend of £1.544 million against a revised budget of £125.218 million which represents a 1.23% overspend.
3. In arriving at the cash limit position, Covid-19 related expenditure of £6.624 million, offset by Covid-19 related savings of £1.558 million within CYPS have been excluded from the cash limit forecasts. Covid-19 related costs are being treated corporately and offset by Government funding so far as is possible, though forecast costs and income loss currently exceed the grant that has been made available.
4. There is an overall anticipated net use of earmarked reserves including DSG and School reserves of £17.144 million leading to a revised balance of £9.125 million at the year end, of which £0.920 million are schools related.
5. The projected capital outturn is nil variance against a revised budget of £25.845 million

## **Recommendations**

- 6.** Members of Children and Young People's Overview and Scrutiny committee are requested to:
  - a) note the updated forecast of revenue and capital outturn for CYPS for 2020/21

## Background

7. The County Council approved the Revenue and Capital budgets for 2020/21 at its meeting on 26 February 2020. Budgets have subsequently been revised to take account of transfers to and from reserves, grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for:
- a) Children and Young Peoples Services Revenue Budget - £125.218 million (original £123.876 million)
  - b) CYPS - Capital Programme - £25.845 million (original £31.945 million)
8. The original Children and Young Peoples Services revenue budget has been revised to incorporate a number of budget adjustments as summarised in the table below:

	<b>£000s</b>
Original Budget	123,876
<b>Adjustments</b>	
Transfer from Contingencies (pay award)	1,124
Use of (+)/contribution to Children and Young Peoples Services reserves (-)	121
Use of (+)/contribution to Corporate reserves (ERVR) (-)	-
Use of (+)/contribution to Other Service reserves (ERVR) (-)	100
Transfer from Other Services	-
Transfer to Other Services	(3)
<b>Revised Budget</b>	<b>125,218</b>

9. The use of / contribution to Children and Young Peoples Services reserves consists of:

<b>Reserve</b>	<b>£000s</b>
Tackling Troubled Families Reserve	71
Extended Personal Advisor Reserve	58
Emotional Well Being Reserve	114
Secure Services Reserve	(365)
Early Years Sustainability Reserve	58
Durham Music Reserve	185
<b>Total</b>	<b>121</b>

10. The summary financial statements contained in the report cover the financial year 2020/21 and highlight the following: -
- a. Approved annual budget;

- b. Actual income and expenditure as recorded in the Council's financial management system;
- c. Variance between the annual budget and the forecast outturn;
- d. For the Children and Young Peoples Services revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

### **Revenue Outturn (£000)**

- 11. The Children and Young Peoples Services service is reporting a cash limit overspend of £1.544 million against a revised budget of £125.218 million which represents a 1.23% overspend.
- 12. The tables below show the revised annual budget, actual expenditure to Qtr 2 and the updated forecast of outturn to the year end, including the variance forecast at year end. The first table is analysed by Subjective Analysis (i.e. type of expense) and shows the combined position for Children and Young Peoples Services, and the second table is by Head of Service.

## Subjective Analysis (Type of Expenditure)

	Revised Annual Budget £000	YTD Actual £000	Forecast Outturn £000	Variance £000	Items Outside Cash Limit £000	Covid 19 related Costs £000	Cash Limit Variance £000
Employees	72,512	35,011	71,077	(1,435)	-	(586)	(2,021)
Premises	3,968	1,264	3,866	(102)	-	(4)	(107)
Transport	20,696	5,457	20,482	(214)	-	466	252
Supplies and Services	9,505	6,403	9,657	152	-	67	219
Third Party Payments	33,219	17,704	38,827	5,608	-	(1,984)	3,624
Transfer Payments	2,118	487	1,687	(431)	-	(8)	(439)
Capital	24,460	-	24,460	-	-	-	-
Central Support and Other Recharges	26,032	1,490	26,428	396	-	-	396
Income	( 67,292)	( 31,899)	( 64,657)	2,635	-	( 3,016)	( 381)
<b>TOTAL</b>	<b>125,218</b>	<b>35,917</b>	<b>131,827</b>	<b>6,609</b>	<b>-</b>	<b>(5,065)</b>	<b>1,544</b>

## Analysis by Head of Service Area

	Revised Annual Budget £000	YTD Actual £000	Forecast Outturn £000	Variance £000	Items Outside Cash Limit £000	Covid 19 related Costs £000	Cash Limit Variance £000
COVID19 - Children and Young Peoples Services	-	3	-	-	-	-	-
<b>COVID19 - Children and Young Peoples Services</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Youth Justice Service	1,268	507	1,109	(159)	-	21	(138)
One Point & Think Family Service	2,680	(3,177)	2,090	(590)	-	31	(559)
Head of Early Help Inclusion and Vulnerable Children	519	104	460	(59)	-	-	(59)
Aycliffe Site and Price Training	686	177	685	(1)	-	-	(1)
Secure Services	(2,131)	225	(706)	1,425	-	(1,425)	-
SEND Strategy & Assessment & Provision EHIVC	1,485	504	1,435	(50)	-	(17)	(67)
SEND Inclusion Support EHIVC	1,598	866	1,435	(163)	-	(48)	(211)
<b>Head of Early Help Inclusion &amp; Vulnerable Children.</b>	<b>6,105</b>	<b>(794)</b>	<b>6,508</b>	<b>403</b>	<b>-</b>	<b>(1,438)</b>	<b>(1,035)</b>
CYPS Operational Support Service	1,499	600	1,558	59	-	(30)	29
<b>Childrens Services Operational Support</b>	<b>1,499</b>	<b>600</b>	<b>1,558</b>	<b>59</b>	<b>-</b>	<b>(30)</b>	<b>29</b>
Looked After Children and Permanence	5,162	2,486	4,985	(177)	-	16	(161)
Looked After Children Resources	34,900	19,868	41,560	6,660	-	(2,082)	4,578
Families First North	5,539	2,081	4,736	(803)	-	24	(779)
Families First East DG1520	6,928	2,749	5,945	(982)	-	24	(958)

	Revised Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Covid 19 related Costs	Cash Limit Variance
First Contact and Specialist Services	3,914	1,417	3,844	(70)	-	24	(46)
Strategic Manager Families First South	4,275	2,033	4,093	(182)	-	-	(182)
Head of Childrens Services	7,651	659	7,698	47	-	(428)	(381)
Safeguarding and Professional Practice	1,776	938	1,759	(18)	-	2	(16)
<b>Head of Childrens Social Care</b>	70,145	32,231	74,620	4,475	-	(2,420)	2,055
Other Services	8,103	(1,907)	8,103	-	-	-	-
<b>Central Charges (CYPS)</b>	8,103	(1,907)	8,103	-	-	-	-
Build Schools For The Future-Summ	(1,059)	(998)	(1,059)	-	-	-	-
Support and Development	669	87	1,867	1,198	-	(865)	333
Progression and Learning	800	1,042	876	76	-	(77)	(1)
School Places and Admissions	38,455	5,121	39,498	1,043	-	(260)	783
Head of Education	(123)	48	(923)	(800)	-	-	(800)
Performance and Standards DG2850	624	484	779	155	-	25	180
<b>Head of Education and Skills</b>	39,366	5,784	41,038	1,672	-	(1,177)	495
<b>TOTAL</b>	<b>125,218</b>	<b>35,917</b>	<b>131,827</b>	<b>6,609</b>	<b>-</b>	<b>(5,065)</b>	<b>1,544</b>

### Explanation of Reported Variance

13. The table below provides a more detailed commentary of the forecast cash limit variances against the revised budget, analysed by Head of Service. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. central repairs and maintenance) and technical accounting adjustments (e.g. capital charges):

<b>Service Area</b>	<b>Description</b>	<b>Cash Limit Variance £000</b>
<b>Head of Early Help Inclusion &amp; Vulnerable Children.</b>		
Youth Justice Service	The forecast underspend in CDYJS mainly relates to less forecasted remand beds nights in the current financial year.	(139)
One Point & Think Family Service	The One Point Service is forecasting an underspend of (£0.138 million) on employees mainly from savings on vacant posts. There are also forecast underspends on building costs (c£81,000) including minor improvements and utilities, savings on transportation (c£64,000) mainly related to car allowances and supplies and services (£0.210 million) as a result of less activities and additional income (£65,000) from Public Health for holiday activities with food for children.	(558)
Head of Early Help Inclusion and Vulnerable Children	The forecast underspend mainly relates to savings on employees (c£22,000). There are also forecast underspends of (c£7,000) on car allowances, (c£15,000) on minor building improvements and (c£15,000) forecast savings on professional fees.	(59)
Redundant Early Help and Childrens Services	There is no forecast under or overspend attributable to redundant cost centres.	-
Aycliffe Site and Price Training	There is no forecast under or overspend attributable to the Aycliffe site and Price Training.	-
Secure Services	Secure Services are forecasting to breakeven at Q2 following a forecast transfer of £0.365 million to the earmarked reserve. The forecast at Q2 assumes the estimated shortfall in income (£1.412 million) from the sale of beds (April to November) to other local authorities and delays in opening the new Transition Unit will be classed as outside the cash limit as Covid 19 related.	-
Childrens and Central Support Recharges	There is no forecast under or overspend attributable to central support recharges.	-
SEND Strategy & Assessment & Provision EHIVC	The forecast underspend relates to savings from vacancies and car allowances.	(67)
SEND Inclusion Support EHIVC	The forecast underspend mainly relates to savings on employee costs (£0.164 million) as a result of vacancies in the Psychology Team, the balance of the saving (c £48,000) is mainly from savings on staff travelling and supplies and services.	(212)
		<b>(1,035)</b>
<b>Childrens Services Operational Support</b>		
CYPS Operational Support Service	The forecast net underspend mainly relates to a shortfall in recharges income of £78,000 partially offset by savings on employee costs (£49,000) as a result of vacancies	29
		<b>29</b>
<b>Head of Childrens Social Care</b>		
Looked After Children and Permanence	The forecast net underspend mainly relates to an overspend of £0.400 million on supported lodgings for young people offset by savings on transportation costs (£0.359 million) for staff and children and young people, savings on leaving care and accommodation costs (c96,000) and surplus income (£0.106 million) from UASC grant and Housing benefit.	(161)

Service Area	Description	Cash Limit Variance £000
Looked After Children Resources	<p>The forecast overspend mainly relates to an overspend of £4.515 million on LAC placements net of Covid 19 forecast expenditure.</p> <p>In addition there is a forecast overspend of £0.961 million on care and support for children and young people who are already in placements and need some additional support or for children and young people on the edge of care whose families require outreach support during the day.</p> <p>The forecast overspends above are being offset by savings (£0.634 million) from a reduced contract with an external provider for the provision of solo placement childrens homes and savings (£0.264 million) on children placed under Special Guardianship and Child Arrangement Orders .</p>	4,578
Families First North	The forecast underspend mainly relates to forecast savings on Direct Payments (£0.344 million), legal costs (£0.264 million) and transportation costs (£0.171 million) for staff, children and young people .	(779)
Families First East	The forecast underspend relates to reduced expenditure on inter agency adoption fees as a result of less children being placed under inter agency arrangements in the current financial year	(958)
First Contact and Specialist Services	The forecast underspend mainly relates to forecast savings on car allowances .	(46)
Families First South	The forecast underspend mainly relates to forecast savings on car allowances and transportation costs for children and young people.	(182)
Head of Childrens Services	The forecast has been reduced at Q2 to take account of Covid 19 costs being treated as outside the cash limit . The costs concerned relate to the fast tracking of student social workers as family workers and additional workers to assist with caseloads related to Covid 19. The costs of the additional staff are coded to individual social work teams.	(381)
Safeguarding and Professional Practice	The forecast underspend mainly relates to forecast savings on staff travelling .	(16)
		<b>2,055</b>
<b>Central Charges (CYPS)</b>		
Other Services	There is no forecast under or overspend attributable to Other Services.	-
		-
<b>Head of Education and Skills</b>		
Build Schools For The Future-Summ	There is no forecast under or overspend attributable to Building Schools for the Future.	-



Service Area	Description	Cash Limit Variance £000
Support and Development	The forecast overspend relates mainly to a shortfall in SLA income of £0.432m, a shortfall of contributions from schools income of £0.243m for other services and consultancy work, a shortfall of income of £21,000 relating to external SLA's with academies, partially offset with savings on employee costs (mainly relating to the Swim and Sport partnerships) of (£0.135m), an underspend of (£0.113m) on supplies and services including venue hire / conferences for CPD, DLR and EDC, an underspend of (£64,000) on venue hire relating to the Swim SLA, saving of (£38,000) relating to business support recharges and an underspend of (£13,000) relating to utility charges at EDC and Stanley Teacher Centre.	333
Progression and Learning	There is no forecast under or overspend attributable to Progression and Learning.	(1)
School Places and Admissions	The forecast overspend is largely attributable to the forecast overspend position for Home to School Transport of £0.951m (net of Covid 19 expenditure), a £14,000 overspend on various small supplies and service accounts offset partially by a projected saving on Pension Liabilities of (£0.182m).	783
Head of Education	This forecast underspend is primarily related to the early achievement of 2021/22 MTFP savings.	(800)
Performance and Standards DG2850	This forecast overspend relates mainly to a shortfall in courses income of £0.120m, a shortfall of SLA income of £80,000, a shortfall of contributions from schools income of £44,000, a shortfall of income of £27,000 relating to external SLA's with academies partially offset by savings of (£44,000) on venue hire / hotels / conferences for Inspections, a saving of (£28,000) relating to business support recharges and savings on employee costs (mainly relating to School Governors and Support Service) of (£19,000).	180
		<b>495</b>
<b>Total</b>		<b>1,544</b>

14. The council has faced significant additional costs in relation to the Covid-19 outbreak and significant loss of income. In many areas the costs and loss of income for the first two quarters are known. The likely impact over the remainder of the year however is much more uncertain. All additional costs and loss of income, net of Covid-19 related underspending, is being managed corporately and is therefore excluded from the cash limit.
15. The areas of forecast additional cost and loss of income in respect of CYPS are as follows:
- (a) Secure Services – it is forecast that there will be a shortfall in income of £1.412 million from the sale of bed nights to other local authorities and from delays in opening the new Step Down facility. In addition the Secure Centre has incurred additional staffing and cleaning costs of c£12,000.

- (b) Additional staffing costs £0.553 million in Childrens Social Care in order to recruit newly qualified social workers earlier than planned plus the cost of additional social work staff to assist with caseloads and the extra costs of cover arrangements for absences in residential childrens homes.
- (c) Additional care costs £1.992 million in Childrens Social Care as a result of a slowing down in legal proceedings and delays in children leaving placements, additional care costs relating to specific children and an increase in the number of children in care.
- (d) Shortfall in income of £58,000 from delays in programmes and the sale of courses provided to schools by the Educational Psychology Service.
- (e) Additional cost of £7,000 for a software package to deal with SEND tribunal cases.
- (f) Additional costs relating to the provision of Home to School Transport amounting to £1.010 million as a result of additional cleaning of vehicles, splitting of contracts for multiple school journeys, contracts for vulnerable children and the payment of parental milage.
- (g) Additional costs associated with the Liquid Logic system of £30,000.
- (h) Additional costs associated with the printing of COVID-19 related leaflets amounting to £3,000.
- (i) Home to School Transport – it is forecast that there will be a shortfall in income of £0.460 million relating to council Concessionary Fare income and School Scheme Concessionary Fare income.
- (j) Daycare Nurseries – it is forecast that there will be a shortfall in income of £0.414 million as a result of less parental income due to parents working from home etc during the pandemic.
- (k) Durham Leadership Centre – it is forecast that there will be a shortfall of £0.306 million in lettings income at DLC due to employees / other organisations working from home during the pandemic.
- (l) Cirriculum and Professional Development – it is forecast that there will be a shortfall of £0.199 million in courses and lettings income due to face to face courses not taking place during the pandemic.

- (m) Durham Music Service – it is forecast that there will be a shortfall in income of £90,000 relating to reduced parental income during the pandemic.
  - (n) Apprenticeship Income – it is forecast that there will be a shortfall of income relating to apprentices of £77,000 due to the programme not going ahead during the pandemic.
16. The major areas of forecast Covid-19 related savings in respect of CYPS are as follows:
- (a) £0.266 million in respect of staff travelling.
  - (b) Home to School Transport – it is forecast that there will be a saving of £1.210 million on the provision of Home to School Transport due little or no provision of transport during the first term of the financial year where supplier relief was granted to our transport providers.
  - (c) Savings relating to catering costs of £41,000 for Durham Leadership Centre due to less/no lettings taking place during the pandemic.
  - (d) Additional savings of c. £41,000 relating to savings on advertising of staff, stationery, postages and printing.
17. In summary the Children and Young Peoples Services service is reporting a cash limit overspend of £1.544 million against a revised budget of £125.218 million which represents a 1.23% overspend.
18. The outturn position incorporates the MTFP savings built into the 2020/21 budgets, which for Children and Young Peoples Services in total amount to £50,000.

### **Dedicated Schools Grant and Schools**

19. The council currently maintains 213 schools, including nursery, primary, secondary, special schools and a single Alternative Provision (AP) school. The one AP school is for pupils who have been permanently excluded from other schools, or who are at risk of permanent exclusion.
20. The current budget for 2020/21 for these 213 maintained schools is £292 million, funded by income of £73 million, formula funding budget shares of £210 million (from central government funding), and a budgeted £9 million use of accumulated schools' balances. The table below summarises the schools' initial budgets.

	Nursery (£ million)	Alternative Provision (£ million)	Primary (£ million)	Secondary (£ million)	Special (£ million)	Original Annual Budget (£ million)
Employees	4.459	3.387	161.229	37.436	25.839	232.349
Premises	0.273	0.169	9.993	2.753	1.077	14.265
Transport	0.002	0.843	0.426	0.620	0.297	2.188
Supplies and Services	0.515	2.051	31.078	7.166	2.838	43.648
Income	(3.859)	(0.673)	(48.969)	(14.939)	(4.919)	(73.360)
Net expenditure	1.389	5.776	153.758	33.035	25.133	219.091
Budget share	(1.064)	(5.776)	(148.032)	(32.301)	(22.848)	(210.021)
Contribution to/from reserves	(0.325)	-	(5.726)	(0.734)	(2.285)	(9.070)
Balance at 31 Mar 20	0.937	-	18.163	(3.826)	2.772	18.046
<b>Balance at 31 Mar 21</b>	<b>0.612</b>	<b>-</b>	<b>12.437</b>	<b>(4.560)</b>	<b>0.487</b>	<b>8.976</b>

21. Historically, school budget plans overstate the use of reserves, usually by a considerable amount. The council's current forecast for the use of reserves is that only £3.0 million of reserves will be used. The table below summarises the council's current forecast.

	Nursery (£ million)	Alternative Provision (£ million)	Primary (£ million)	Secondary (£ million)	Special (£ million)	Original Annual Budget (£ million)
Employees	4.434	3.333	158.910	36.461	24.178	227.316
Premises	0.286	0.199	10.187	2.759	1.064	14.495
Transport	0.002	0.706	0.367	0.531	0.264	1.870
Supplies and Services	0.496	1.589	28.160	6.663	2.682	39.590
Income	(3.850)	(0.293)	(45.428)	(16.243)	(4.270)	(70.083)
Net expenditure	1.368	5.533	152.196	30.171	23.919	213.186
Budget share	(1.064)	(5.776)	(148.156)	(32.325)	(22.848)	(210.169)
Contribution to/from reserves	(0.304)	0.243	(4.040)	2.154	(1.071)	(3.017)
Balance at 31 Mar 20	0.937	-	18.163	(3.826)	2.772	18.046
<b>Balance at 31 Mar 21</b>	<b>0.633</b>	<b>0.243</b>	<b>14.123</b>	<b>(1.671)</b>	<b>1.701</b>	<b>15.029</b>

22. The council's forecast takes account of past experience and current information the most up to date information from ledgers. This year's outturn is likely to be affected by the effect of the COVID-19 lockdown on income and expenditure, and changes to ways of working when schools return in the autumn. Accordingly, there uncertainty about the final outturn. Schools can claim funding for exceptional lockdown costs, but the categories are tightly defined and there are likely to be significant net costs that cannot be claimed. Schools will not be able to claim for additional costs arising from new ways of working; these costs might include additional cleaning, hand sanitizers and signage ( for information, one-way systems etc.).
23. The School Finance Team will conduct autumn budget reviews with each school, to help schools determine the steps they need

to take if they if they need to make savings to balance their budgets in the coming financial year (2021/22).

24. With the exception of eight schools, all schools prepared budget plans that could be delivered within available funding. The council's S.151 officer gave approval to seven schools to set deficit budgets where planned expenditure during 2020/21 would result in a deficit balance at 31 March 2021 (known as a licensed deficit). Although Wellfield set a budget which would contribute £0.222 million to reserves at the year end it is forecast that the school will still have a deficit budget The position is summarised in the table below.

School Name	Phase	Type	Balance at 31 March 2020 (£ million)	Planned in-year use of reserves (£ million)	Licensed deficit (£ million)
Bluebell Meadow	Primary	Community	(0.078)	(0.141)	(0.219)
Ferryhill Station	Primary	Community	(0.023)	(0.009)	(0.032)
St. Thomas More RC	Primary	Aided – RC	(0.025)	(0.078)	(0.103)
Wolsingham	Secondary	Community	(1.709)	(0.112)	(1.821)
Wellfield	Secondary	Community	(3.406)	0.222	(3.184)
St. Bede's RC, Peterlee	Secondary	Aided - RC	(1.400)	(0.210)	(1.609)
The Durham Federation	Secondary	Community	(0.414)	(0.191)	(0.605)
Windlestone	Special	Community	0.326	(0.628)	(0.302)

25. Bluebell Meadow and Wolsingham, have now converted to academies and St Bede's RC is expected to convert on 1 December this year. For these schools the licensed deficits shown in the table are to the point of conversion only.

### Dedicated Schools Grant Centrally Retained block

26. The quarter two financial forecasts for the centrally retained DSG budgets show an overspend of £1.994 million against a total budget of £61.766 million to year end, which represents a 3% overspend.

DSG Block	Budget £ million	Outturn £ million	Over / (Under) Spend £ million
Schools de-delegated	0.562	0.665	0.103
High Needs	27.006	28.983	1.977
Early Years	31.489	31.403	(0.086)
Central Schools Services	2.709	2.709	0
<b>TOTAL</b>	<b>61.766</b>	<b>63.760</b>	<b>1.994</b>

27. The forecast overspend position relates to spending against the High Needs Block (HNB), which is forecast to overspend by £1.977 million.
28. There has been a significant increase in requests for top up funding across all education phases and the data relating to support plans beginning in September 2020 has been reflected in the SEND management system system. The forecast is based on this data.
29. It is difficult to project the future pattern of expenditure for top up funding following the impact of COVID-19, but there is potential for a further spike in requests for top up funding now most pupils have returned to schools. It is estimated this could increase costs by a further £0.500 million across the rest of this year, although this is not included in the forecast position at this stage.
30. There is a forecast underspend for placements for post-16 students across the FE and Independent sector. Expenditure in this area has increased from the previous year but at a lower rate than anticipated in the budgetplanning.
31. All areas of HNB expenditure will be kept under close review in light of COVID-19 issues, with particular attention on the impact of schools returning where it is possible we will see an upward trend in the volume of requests for additional support for high needs pupils.
32. The impact of the current forecast on the DSG reserves position is shown in the table below:

DSG Reserves	High Needs Block £ million	Early Years Block £ million	Schools Block £ million	Total DSG £ million
Balance as at 1 April 2019	(2.728)	1.370	1.009	(0.348)
Use [-] / Contribution [+] in 2019/20	(8.598)	(0.095)	(0.365)	(9.058)
Contribution from general reserves	5.600	0	0	5.600
<b>Balance as at 1 April 2020</b>	<b>(5.726)</b>	<b>1.275</b>	<b>0.644</b>	<b>(3.806)</b>
Early Years adjustment 2019/20	0	0.097	0	0.097
Forecast Use [-] / Contribution [+] in 2020/21	(1.977)	0.086	(0.103)	(1.994)
<b>Forecast balance as at 31 March 2021</b>	<b>(7.703)</b>	<b>1.458</b>	<b>0.541</b>	<b>(5.703)</b>

33. The overall DSG reserve was in deficit of £3.806 million at the start of the financial year as a result of the accumulated deficit position in relation to the high needs block and the deficit is set to increase further this year.

34. A five-year plan for high needs block funding and expenditure, including recovery of the accumulated deficit by the end of the five-year period, was approved by Cabinet in January 2020. An updated version of the plan was reported to Cabinet in July 2020.
35. Following a funding announcement from Government on 20 July 2020, further information is now available about HNB funding levels in 2021/22. The provisional position for Durham is better than forecast in the previous version of the five-year plan and the process of updating the plan to reflect this change, as well as the revised forecast outturn position for 20/21, is underway.

### Capital Programme

36. The capital programme has been revised to take into account budget reprofiled from 2019/20 following the final accounts for that year and to take account of any revisions in the current year.
37. The revised budget is presented below together with actual expenditure to date and the forecast outturn. The budget may be subsequently amended with approval from MOWG.
38. Summary financial performance to the end of Qtr 2 is shown below.

<b>CYPS - Summary Point</b>	<b>Original 2020-21 Budget £000</b>	<b>Revised 2020-21 Budget £000</b>	<b>Actual £000</b>	<b>Forecast Outturn £000</b>	<b>Variance £000</b>
CYPS - Education-SCP - LEP	692	227	129	227	-
CYPS - Childrens Services-Childrens Care	1,141	1,141	740	1,141	-
CYPS - Education-Early Years	110	110	37	110	-
CYPS - Education-School Devolved Capital	4,277	4,185	386	4,185	-
CYPS - Education-School Related	21,626	15,689	4,460	15,689	-
CYPS – Special Provision Capital Fund	2,087	2,087	14	2,087	-
CYPS - Childrens Services-Secure Services	104	104	17	104	-
CYPS - Childrens Services - Planning & Service Strategy DUZ0053	1,908	2,213	74	2,213	-
Early Help Inclusion and Vulnerable Children – One Point	-	90	8	90	-
<b>TOTAL</b>	<b>31,945</b>	<b>25,846</b>	<b>5,865</b>	<b>25,846</b>	<b>-</b>

### Background papers

None Children and Young People's Overview And Scrutiny Committee  
 Children and Young Peoples Services –Q1 : Forecast of Revenue and  
 Capital Outturn 2020-21 – (9th October 2020)

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Contact: Andrew Baldwin

Tel: 03000 263490

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## **Appendix 1: Implications**

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### **Finance**

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn position.

### **Staffing**

There are no implications associated with this report. Any over or under spending against the employee budgets are disclosed within the report.

### **Risk**

The management of risk is intrinsic to good budgetary control. This report forms an important part of the governance arrangements within Children and Young Peoples Services. Through routine / regular monitoring of budgets and continual re-forecasting to year end the service grouping can ensure that it manages its finances within the cash envelope allocated to it.

### **Equality and Diversity / Public Sector Equality Duty**

There are no implications associated with this report.

### **Accommodation**

There are no implications associated with this report.

### **Crime and Disorder**

There are no implications associated with this report.

### **Human Rights**

There are no implications associated with this report.

### **Consultation**

There are no implications associated with this report.

### **Procurement**

There are no implications associated with this report.

### **Disability Issues**

There are no implications associated with this report.

### **Legal Implications**

There are no implications associated with this report.