

Children and Culture Services

Cllr Danny Hassell, Cabinet Member for
Children & Schools

James Thomas, Corporate Director, Children &
Culture



Overall Financial Position – Children and Culture Services



- The general fund is projected to be overspent by a gross £7.8m before any relief for COVID-19 has been applied. This forecast includes the impact of Covid -19 estimated at a £5.3m pressure as at period 4, resulting, therefore, in a net position of a **£2.5m overspend**. This assumes that the full pressure from lost income is not fully reimbursed. The gross overspend is as follows:
- Children's Social Care £1.1m
- Education & Partnerships £1.7m
- Youth Services & Commissioning £2.1m
- Sports, Leisure and Culture £2.6m
- Children's Resources £0.3m
- Following last year's inspection, work has continued to strengthen the Divisions and ensure a more stable footing for finances and staffing structures. As part of the Continuous Improvement Plan, Children's Social Care are also working to reduce the current reliance on agency staff. Over the past year this has reduced steadily, although in recent months we have accelerated this process



Overall Financial Position – Children and Culture Services



Childrens and Culture Budget Monitoring as at Period 4

	Total Pressure	Non Covid Pressure	Covid Expenditure Pressure	Covid Income Pressure	Total Covid Pressure
Childrens Social Care	1,076,228	536,228	540,000		540,000
Sports Leisure and Culture	2,559,220	73,275	899,827	1,586,119	2,485,946
Youth Services and Commissioning	2,079,710	810,270		1,269,194	1,269,194
Education and Partnership	759,174	6,173		753,000	753,000
Children's Resources	340,503	98,451	242,052		242,052
Total General Fund	6,814,835	1,524,397	1,681,879	3,608,313	5,290,192

Education and Partnership Impact of School Closures and Amalgamations

	944,121	944,121			
Total Childrens and Culture	7,758,956	2,468,518	1,681,879	3,608,313	5,290,192



Areas of Pressure – Children's Social Care



- Staffing currently on budget.
- Placements, while currently on budget, is an area of volatility and the impact of Covid 19 is currently hard to predict. There is a Covid related placement pressure of £190k related to a young person shielding.
- S.17 (pressure of £500k) - £350k of this overspend relates to pressures related to Covid-19 and is linked to increased demand of No Recourse to Public funds. This is driven by many families that previously had income via the “off the books” hospitality/fast-food sector no longer having income due to lockdown.
- Direct payments (pressure of £590k) - demand for respite for children with disabilities may rise significantly in the latter half of the year as restriction on placements are eased.
- These pressures are mitigated by an underspend Leaving Care placements (£600k)



Areas of Pressure – Youth and Commissioning



- Contract Services – £1.1m of this reported pressure is as a result of lost income as a result of Covid -19 from school catering (£3.6m) for 6 months, netted off with estimated income £2.5m. Long-standing overspends being addressed through a programme of contract awards and reorganisation.
- Professional Development Centre – pressure of £0.2m mainly due to Covid -19 and income not being generated.
- Staffing pressure being mitigated through restructure proposals.



Areas of Pressure – Sports, Leisure and Culture



- Pressure of £2.6m almost entirely driven by loss of income (Covid related).
- Arts Parks and Events (£1.6m) Income for filming, Victoria Park Arts and Events are all severely affected by Covid-19. No income for filming has been forecast and the income forecast.
- Sports and Physical Activity (£0.715m) Mainly driven by the management fee support provided to the leisure provider GLL (£0.593m) There is also a pressure from Poplar Baths driven by Covid-19.
- A pressure of £0.233m has arisen as the full year saving of £0.350m will not be met due to the delay in the implementation of the Community Language Services restructure



Areas of Pressure – Education and Partnerships



General Fund

- Loss of Income from School SLAs (£0.753m)
 - This is made up of Support for Learning Service (£0.2m), Parental Engagement and Support (£0.185m), School Governance (£0.8m), Arts and Music Service (£0.046m), Safeguarding Services (£0.112m) and Schools Library Services (£0.123m)
- General Fund pressure from the closure of Raines School and the amalgamation of Guardian Angels and St Anne's schools, resulting in a one-off pressure of **£0.95m** due to inherited deficits.
- SEND transport has been an ongoing area of pressure, which reported an overspend of £2.8m in 2019/20 resulting from an historic misalignment of budget against demand. Growth of £2.5m was allocated for 2020/21 which will support the pressure in 2020/21. Currently showing a balanced budget – under tight review.



Areas of Pressure – Education and Partnerships



Dedicated Schools Grant

- DSG – High Needs Block – £0.7m plus £11.782m accumulated deficit from previous years
- The Council have met with the DfE and presented the recovery plan to manage the overspend on the High Needs Funding Block (HNFB) and how it will be addressed over the period 2019 – 2022. The actions include:
 - significantly reducing the funding retained by LBTH to deliver support services (SLS restructure),
 - reducing the demand for centrally retained funding for Alternative Provision,
 - reducing the rate of increase in EHC plan numbers,
 - a reduction across all school top-up payments
 - re-provisioning of primary SEMH support.
- The significant delay in restructuring of the Support for Learning service has resulted in a £0.3m staffing pressure within the Support for Learning Service
- The long term forecast for HNB and DSG is more positive with the overspend being eliminated and the accumulated deficit reduced



Priority Actions to mitigate overspends



- **Agency Staff:** Continued success in reducing use of locum Social Workers and freeze of other locum posts – monthly spend reduced by 318k by P5
- **Recruitment Freeze:** Holding vacancies where this can be managed without impact on core services.
- **Non-essential Spend:** All services have undertaken a review of non-essential expenditure and new controls are in place to reduce expenditure.
- **Staffing restructures:** Planned for where services can be maintained with fewer staff and required to manage within budget.
- **Targeted budget reviews:** Deep dive sessions – eg s17, CSC transport, review of top 25 high cost placements
- **Accuracy of forecasting:** Forecasting particularly difficult due to Covid, some forecasts may have been overly pessimistic – reviewing.



Priority Actions to mitigate overspends



- Loss of Income from School SLAs - Diversifying the way services are provided to encourage uptake by schools
- School budgets - Taking prompt action with finance colleagues when a school is identified as being at financial risk, particularly when this is due to falling rolls, programme of school closures underway

DSG

- An additional 120 special school places has reduced the need for pupils to travel out of borough
- School top up funding reduced by 2%, review of special school and resource base funding commencing in the autumn
- Detailed SEND guidance for mainstream schools and a focus on ensuring schools are meeting their statutory responsibilities is expected to reduce demand for EHCPs in the medium term – and restructure underway to improve timeliness of EHCPs
- Decision on new primary SEMH provider being made this week, consultation on the closure of Cherry Trees school has commenced

