

REPORT OF THE STRATEGIC DIRECTOR FOR PEOPLE

TO LEAD MEMBER FOR CHILDREN'S SERVICES

ON 2 SEPTEMBER 2022

CHILDREN'S SERVICES REVENUE MONITORING 2022/23

RECOMMENDATIONS:

It is recommended that the Lead Member:-

- Note the current position and forecasted position to year end for the Service Group's revenue and capital budget.
 - Note further measures to bring forecast expenditure back in line with the budget.
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EXECUTIVE SUMMARY:

(a) Revenue budget

The service group's budget for 2022/23 is £102.431m. The forecast expenditure for the year is £106.816m giving a forecast adverse variation of £4.385m, of which £0.200m is the pressure outside the integrated fund.

(b) Dedicated Schools Grant (DSG)

The DSG allocation for central services in 2022/23 is £53.053m and the forecast expenditure for the year is £51.711m, a forecast positive variation of £1.342m.

BACKGROUND DOCUMENTS:

- SAP general ledger and BI reports
 - Various documents held on the accountancy team
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KEY COUNCIL POLICIES:

- Budget report 2022 to 2023 (<https://www.salford.gov.uk/media/397621/budget-report-2022-23.pdf>)
 - Medium Term Financial Strategy (MTFS) (<https://sccdemocracy.salford.gov.uk/documents/s21433/06ii%20Appx%20A%20MTFS%202020-23.pdf>)
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ASSESSMENT OF RISK: High

Key risks to budgetary control risk are identified in this report.

LEGAL IMPLICATIONS Supplied by: not applicable

FINANCIAL IMPLICATIONS Supplied by:

This report concerns key aspects of the Council's revenue finances and has been produced by the Finance division.

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WARDS TO WHICH REPORT RELATES: All

DETAILS:

1 Introduction

1.1 This report is set out in three main sections.

- Section 2 sets out the forecast year end position of the 2022/23 revenue budget and integrated fund, highlighting any risks/ sensitivities
- Section 3 sets out the forecast year end position of the Dedicated Schools Grant (DSG), highlighting any risks/ sensitivities.

2 Revenue budget 2022/23

2.1 The current position and year end forecast for the revenue budget (also referred to as core budget) is set out in Table A overleaf. Agreed savings have been built into the budget figures reported. Expenditure data reflects actual expenditure incurred up to 30 June 2022.

As previously reported, the majority of children's expenditure is incurred via joint commissioning arrangements through the integrated fund. A risk share agreement provides that any overspend at year-end will be shared by the partners in proportion to their contributions to the fund.

The adverse variance in table A therefore includes an estimate of the council's share of the financial pressures within the fund. These mainly relate to the cost of children looked after and SEN transport. Based upon the current forecast, the council's share of this budget pressure is estimated to be £2.845m.

Work is ongoing to manage these pressures within the service and this will continue to be closely monitored.

The remaining non-integrated fund element of the children's service group currently has a budget pressure of £0.200m, which is largely due to a forecast underachievement of external income.

2.2 The position reflects a reduction in the pressures in the Child Looked After budget based on the work undertaken by the service to reduce the number of children in outside placements from their in-year peak in 21/22 of 45 back down to 35 at the end of May 2022. The position also reflects the increasing pressures on the SEN Transport budget highlighted above. There remains a small underlying pressure on the integrated fund of available funding of circa £0.500m.

Table A – revenue budget forecast 2022/23

Service (core)	Annual budget	Forecast outturn	Forecast variance	Integrated fund (in)	Integrated fund (out)	Risk
	£m	£m	£m	£m	£m	
Leadership and Safeguarding	2.342	2.342	-	-	-	● Green
Specialist Services	42.865	44.365	(1.500)	(1.500)	-	● Red
SEN, Access, and Inclusion	28.833	31.333	(2.500)	(2.300)	(0.200)	● Red
Education and Helping Families	28.341	28.776	(0.385)	(0.385)	-	● Red
Total	102.381	106.816	(4.385)	(4.185)	(0.200)	● Red

3 Dedicated Schools Grant (DSG) 2022/23

- 3.1 The year-end forecast for the centrally held DSG budgets is set out in Table B below.
- 3.2 The current position within the Non Delegated Schools Budget for 2022/23 is a projected underspend of £1.342m. This is in line with management plan forecast submitted to the DfE as part of the Safety Valve funding agreement and will be used to reduce the current deficit balance brought forward from 2021/22 of £15.153m.

Table B – DSG forecast 2022/23

Funding block (DSG)	2022/23 allocation	Forecast outturn	Forecast variance	Risk
	£m	£m	£m	
High Needs	33.624	31.882	1.742	● Green
Early Years	14.008	14.008	-	● Green
Schools / Central	5.421	5.821	(0.400)	● Red
Total	53.053	51.711	1.342	● Green

4 Issues / risks

- 4.1 The cost pressures identified within this report, particularly around SEN Transport will continue to be closely monitored.

5 Recommendations

- 5.1 Lead Member is requested to note the current position and forecast position for 2022/23, for the service group's revenue budget (including the Children's element of the integrated fund), and the Dedicated Schools Grant budget.