

Children and Young People Overview and Scrutiny Committee – Supplementary agenda no.1

A meeting of the Children and Young People Overview and Scrutiny Committee will be held on:

Date: 5 December 2023

Time: 6.30pm

Venue: St George's Centre, Pembroke Road, Chatham Maritime, Chatham
ME4 4UH

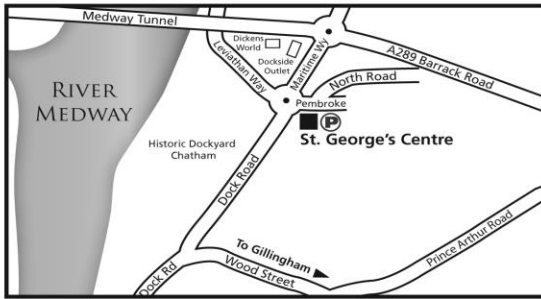
Items

10 Additional Information - Presentation

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3 - 28)

For further information please contact Stephanie Davis, Democratic Services Officer on Telephone: 01634 332104 or Email: democratic.services@medway.gov.uk

Date: 4 December 2023



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available on our website
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A summary of this information can be made available in other formats from **01634 333333**



Children & Young
People O&S
5 December 2023
Finance Theme



Session themes:

1. CYP services budget and funding summary
 - General Fund Vs School Grants
 - Schools Funding Formula
2. Current year revenue forecast position
3. Capital year capital forecast position
4. 2024/25 Draft Budget:
 - Approach to developing the Council's budget
 - Revenue pressures identified
 - Funding assumptions
 - Activity to balance the budget underway

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CYP O&S Finance responsibilities

The Terms of Reference of this Committee include:

Development of the Council's revenue and capital budgets insofar as they relate to the functions within the terms of reference of this Committee together with regular monitoring of budgets and the capital programme.



CYP O&S: Services

- Children's Social Care
- Children and Adolescent Mental Health Services
- Children's safeguarding including the Medway Children Safeguarding Board (MCSB) and the Independent Reviewing Officer Service
- School Effectiveness and Inclusion
- Opportunities for education, training and learning outside the school environment
- School Organisation and the School's Capital Programme
- School Admissions
- Home to School Transport
- Effectiveness of the Health and Wellbeing Board and the Joint Strategic Needs Assessment in relation to Children
- Integration of Health, Social Care and Public Health services in relation to Children
- Public Health Services for children and young people aged 0-18, including school nursing



School Grants Vs The General Fund

The Education, Departmental Management Team and Schools Retained Funding elements of the Children and Adults Directorate contain budgets which are both partly and wholly paid for by ring fenced grants and the Dedicated Schools Grant.

All other elements of the Directorate budget are funded wholly by the General Fund.

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School Grants Vs The General Fund

The General Fund picks up the following costs:

- Mainstream Transport
- Planning Review Team
- Music Hub
- High Needs Support Services Recharges
- SEND team
- Independent Advice School Services
- Legal Tribunal Support
- Ed Psychologists
- Inclusion Team

The DSG picks up the following costs:

- Early Years Funding
- Admissions & Medway Test
- School Reorganisation
- Cost of Education Health Care Plans (e.g. Element 3 & Top-Ups)
- Cost of Special School Places
- Alternative Provision
- School Improvement
- School Funding

CYP Services budget summary

| Education | General Fund 2023/24 £000s | DSG 2023/24 £000s | Grants 2023/24 £000s | Total 2023/24 £000s |
|--|----------------------------------|----------------------|----------------------------|------------------------|
| School Organisation & Student Services | 1,318 | 457 | 0 | 1,775 |
| Psychology & Special Educational Needs | 2,950 | 40,306 | 0 | 43,256 |
| School Improvement | 0 | 356 | 0 | 356 |
| Special Educational Needs & Disabilities Transport | 9,274 | 0 | 0 | 9,274 |
| Inclusions | 448 | 2,947 | 0 | 3,395 |
| School Online Services | 18 | 0 | 0 | 18 |
| Education Management Team | 320 | 244 | 0 | 564 |
| Early Years Sufficiency | 0 | 17,792 | 0 | 17,792 |
| Total | 14,329 | 62,102 | 0 | 76,431 |

| Schools Retained Funding & Grants | General Fund 2023/24 £000s | DSG 2023/24 £000s | Grants 2023/24 £000s | Total 2023/24 £000s |
|-----------------------------------|----------------------------------|----------------------|----------------------------|------------------------|
| Finance Provisions | 0 | 693 | 0 | 693 |
| Hr Provisions | 409 | 304 | 0 | 713 |
| School Grants | 0 | 44,318 | (3,958) | 40,360 |
| Total | 409 | 45,315 | (3,958) | 41,766 |

| Directorate Management Team | General Fund 2023/24 £000s | DSG 2023/24 £000s | Grants 2023/24 £000s | Total 2023/24 £000s |
|-----------------------------|----------------------------------|----------------------|----------------------------|------------------------|
| Directorate Management Team | 315 | 241 | 0 | 556 |
| Total | 315 | 241 | 0 | 556 |

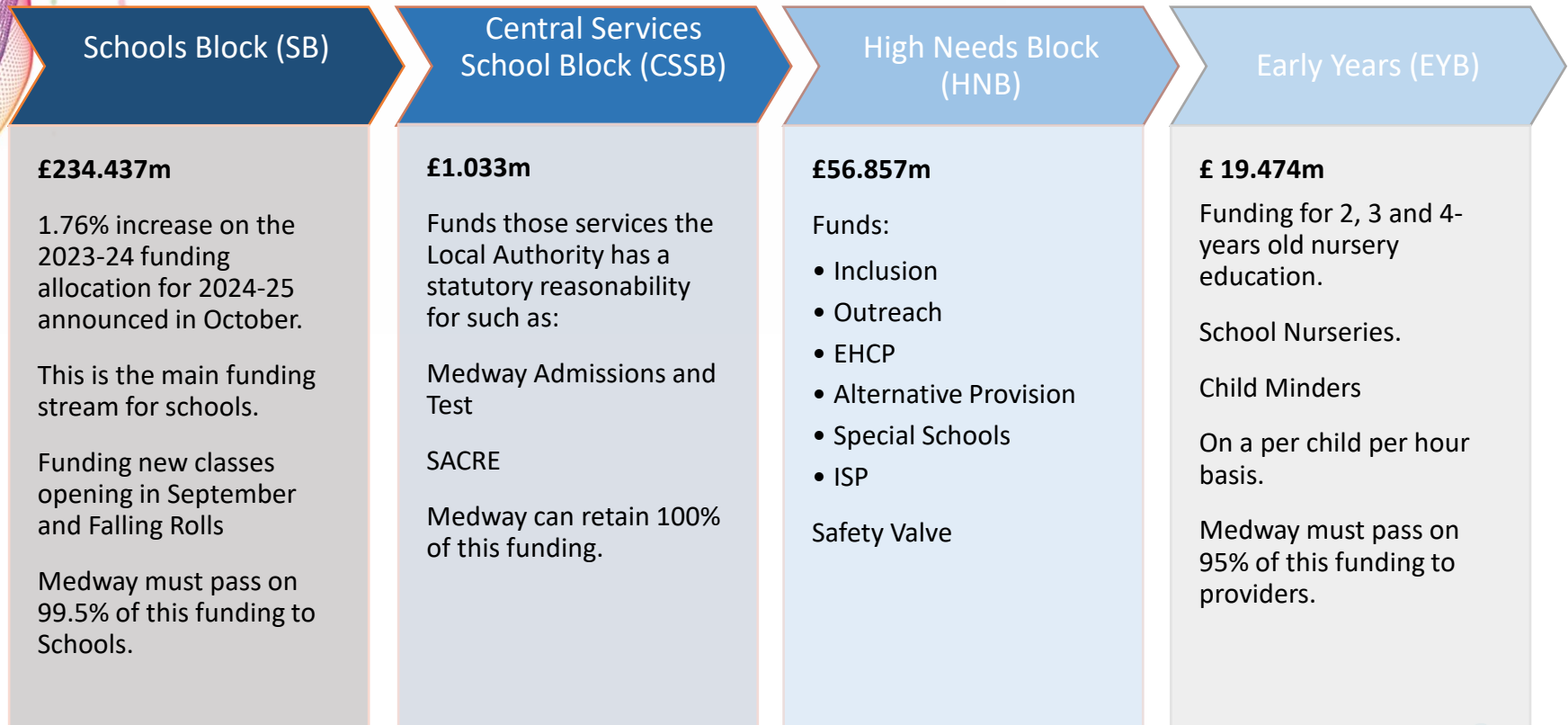
CYP Services budget summary

| Children's Services | General Fund 2023/24 £000s | DSG 2023/24 £000s | Grants 2023/24 £000s | Total 2023/24 £000s |
|--|---|------------------------------|-------------------------------------|--------------------------------|
| Head Of Safeguarding & Quality Assurance | 2,966 | 0 | 0 | 2,966 |
| Childrens Care Improvement | 393 | 0 | 0 | 393 |
| Childrens Social Work Team | 6,813 | 0 | 0 | 6,813 |
| Business Support | 1,691 | 0 | 0 | 1,691 |
| Family SOL, Youth, MASH & ADOL | 6,883 | 0 | 0 | 6,883 |
| Childrens Legal | 2,033 | 0 | 0 | 2,033 |
| Childrens Social Care Management | 1,361 | 0 | 0 | 1,361 |
| Client Support Packages | 4,528 | 0 | 0 | 4,528 |
| Corporate Parenting | 4,936 | 0 | 0 | 4,936 |
| Placements | 32,716 | 0 | 0 | 32,716 |
| Provider Services | 6,528 | 0 | 0 | 6,528 |
| Total | 70,848 | 0 | 0 | 70,848 |

CYP Services budget summary

| Partnership Commissioning | General Fund 2023/24 £000s | DSG 2023/24 £000s | Grants 2023/24 £000s | Total 2023/24 £000s |
|-------------------------------|----------------------------------|----------------------|-------------------------|------------------------|
| Children's Commissioning | 1,600 | 0 | 0 | 1,600 |
| Total | 1,600 | 0 | 0 | 1,600 |
| Public Health | General Fund 2023/24 £000s | DSG 2023/24 £000s | Grants 2023/24 £000s | Total 2023/24 £000s |
| Public Health Management | 1,404 | 0 | 0 | 1,404 |
| Health Improvement Programmes | 3,902 | 0 | 0 | 3,902 |
| Stop Smoking Services | 824 | 0 | 0 | 824 |
| Supporting Healthy Weight | 1,465 | 0 | 0 | 1,465 |
| Substance Misuse | 2,133 | 0 | 0 | 2,133 |
| Child Health | 5,314 | 0 | 0 | 5,314 |
| Total | 15,041 | 0 | 0 | 15,041 |
| Additional Government Grants | General Fund 2023/24 £000s | DSG 2023/24 £000s | Grants 2023/24 £000s | Total 2023/24 £000s |
| Start 4 Life Funding | 1,514 | 0 | 0 | 1,514 |
| Holiday Activity Fund | 1,187 | 0 | 0 | 1,187 |
| Total | 2,701 | 0 | 0 | 2,701 |

Dedicated Schools Grant (DSG)





Other specific grants

Medway Council is responsible for simply passporting this funding to maintained schools on behalf of the ESFA:

TPAG Teachers Pay Additional Grants:

- Mainstream out in late October/Early November.
- Special and AP Schools – a mid has been arranged for early to mid-November to discuss.
- Rolled into the formula for 2024/25

TPPG

Teachers Pay and Pension Grant

- Now in the funding formula
- Special and AP Schools – a mid has been arranged for early to mid-November to discuss.

Other Grants

- Pupil Primum.
- 6th Form funding
- PE & Sports Grant
- UIFSM
- Increase in Early Years Funding.

Schools Funding Formula



Funding for schools and academies is provided by central government in the form of the Dedicated Schools Grant (DSG)



The funding formula is used to distribute the Schools Block Funding c£234m of the DSG in a fair and transparent way.



The Schools Forum after consultation with its schools, will ask the Cabinet to implement their recommendations relating to the funding formula. Two reports are sent to cabinet one in November/December and one in February.



The final DSG allocations are issued in mid-December and the final formula APT return must be submitted to the ESFA in mid-January. Call-in is generally waved to enable offers to meet this deadline

Revenue budget monitoring 2023/24

| Children's Services | R1 Forecast Over/(Under) £000s | Budget 2023/24 £000s | R2 Forecast £000s | R2 Forecast Over/(Under) £000s |
|--|--------------------------------|----------------------|-------------------|--------------------------------|
| Head Of Safeguarding & Quality Assurance | 20 | 2,966 | 3,703 | 737 |
| Childrens Care Improvement | 225 | 393 | 894 | 501 |
| Childrens Social Work Team | (581) | 6,813 | 6,041 | (772) |
| Business Support | (40) | 1,691 | 1,628 | (63) |
| Family SOL, Youth, MASH & ADOL | 182 | 6,883 | 7,100 | 217 |
| Childrens Legal | 253 | 2,033 | 2,463 | 430 |
| Childrens Social Care Management | (300) | 1,361 | 1,256 | (105) |
| Client Support Packages | 1,332 | 4,528 | 5,956 | 1,428 |
| Corporate Parenting | (69) | 4,936 | 4,730 | (206) |
| Placements | 2,382 | 32,716 | 32,641 | (76) |
| Provider Services | (30) | 6,528 | 6,302 | (226) |
| Total | 3,375 | 70,848 | 72,714 | 1,866 |

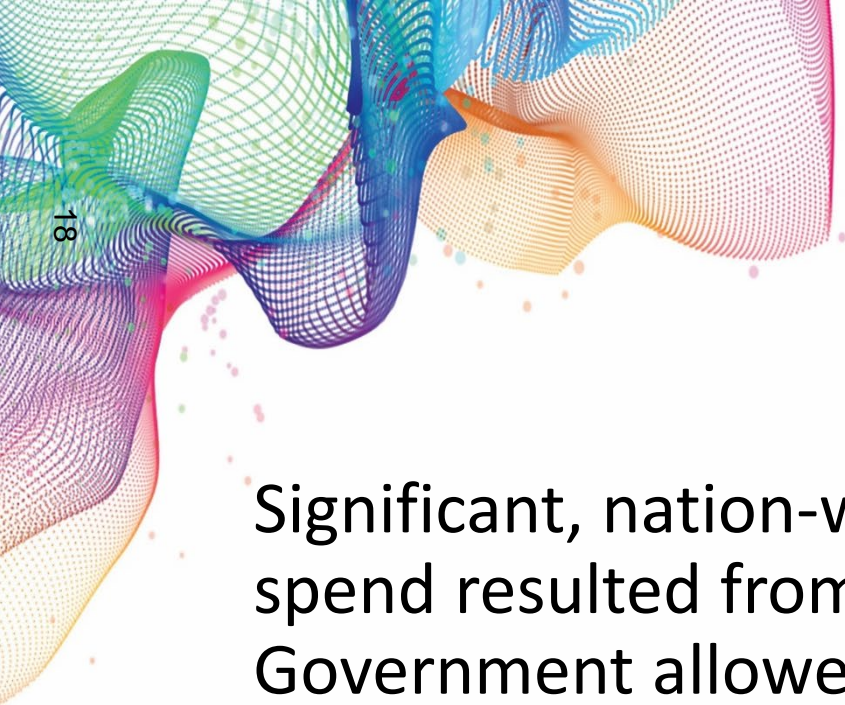
Revenue budget monitoring 2023/24

Placements

| | Budgeted Numbers | Budgeted Average Unit Costs | Budget £000's | Round 2 Numbers | Round 2 Average Unit Cost | Round 2 Forecast £000 | Variance £000 |
|-------------------|------------------|-----------------------------|---------------|-----------------|---------------------------|-----------------------|---------------|
| Fostering Fees | 192 | 421 | 3,928 | 118 | 487 | 4,180 | 252 |
| IFA | 204 | 1,193 | 12,591 | 197 | 1,226 | 12,171 | (420) |
| UASC | 0 | 0 | 0 | 65 | 355 | 1,199 | 1,199 |
| Secure Placements | 0 | 0 | (164) | 0 | 0 | (316) | (152) |
| Residential | 59 | 4,197 | 9,562 | 56 | 5,655 | 9,642 | 80 |
| Care Leavers | | | | 40 | 1,318 | 2,167 | |
| Unregulated | 103 | 1,449 | 6,799 | 12 | 7,280 | 3,598 | (1,034) |
| Total | 558 | 1,210 | 32,716 | 488 | 2,332 | 32,641 | (76) |

Revenue budget monitoring 2023/24

| Education | R1 Forecast Over/(Under) £000s | Budget 2023/24 £000s | R2 Forecast £000s | R2 Forecast Over/(Under) £000s |
|--|--------------------------------|----------------------|-------------------|--------------------------------|
| School Organisation & Student Services | 194 | 1,776 | 2,148 | 372 |
| Psychology & Special Educational Needs | 1,348 | 43,256 | 44,619 | 1,364 |
| School Improvement | (84) | 356 | 271 | (84) |
| Special Educational Needs & Disabilities Transport | 1,455 | 9,274 | 10,729 | 1,454 |
| Inclusions | (765) | 3,395 | 2,362 | (1,034) |
| School Online Services | (7) | 19 | 14 | (5) |
| Education Management Team | (341) | 564 | 482 | (82) |
| Early Years Sufficiency | (148) | 17,792 | 17,520 | (272) |
| Total | 1,652 | 76,431 | 78,144 | 1,713 |



Revenue budget monitoring 2023/24

Significant, nation-wide pressures on Education spend resulted from the SEND reforms, and the Government allowed councils to reflect overspends in a deficit reserve.


At 31 March 2023 Medway's deficit was £21.4m

Medway Council engaged in the Safety Valve Intervention Programme, will receive £14.3m

Deficit Recovery Plan to bring expenditure within projected grant and clear deficit by March 26.

Capital budget monitoring 2023/24

| Service | Total Approved Cost £000s | Total Exp to 31/03/23 £000s | Remaining Budget £000s | Forecast Spend 2023/24 £000s | Forecast Spend in Future Years £000s | Total Scheme Variance £000s |
|---|------------------------------|-----------------------------------|---------------------------|------------------------------------|--|--------------------------------|
| Basic Needs - Primary | 6,851 | 2,237 | 4,292 | 2,846 | 1,446 | 0 |
| Basic Needs - Secondary | 21,060 | 3,822 | 17,238 | 4,402 | 12,836 | 0 |
| Commissioning | 824 | 824 | 0 | 0 | 0 | 0 |
| School Condition Programme | 6,475 | 5,700 | 775 | 775 | 0 | 0 |
| Schools Devolved Capital | 1,740 | 1,604 | 136 | 136 | 0 | 0 |
| Basic Needs - SEND | 37,399 | 18,589 | 18,810 | 7,677 | 11,129 | (5) |
| Children's Social Care (Incl. Family Hubs and Start For Life) | 1,834 | 102 | 1,352 | 380 | 1,352 | 0 |
| Children and Young People Total | 76,182 | 32,877 | 42,983 | 16,216 | 26,762 | (5) |

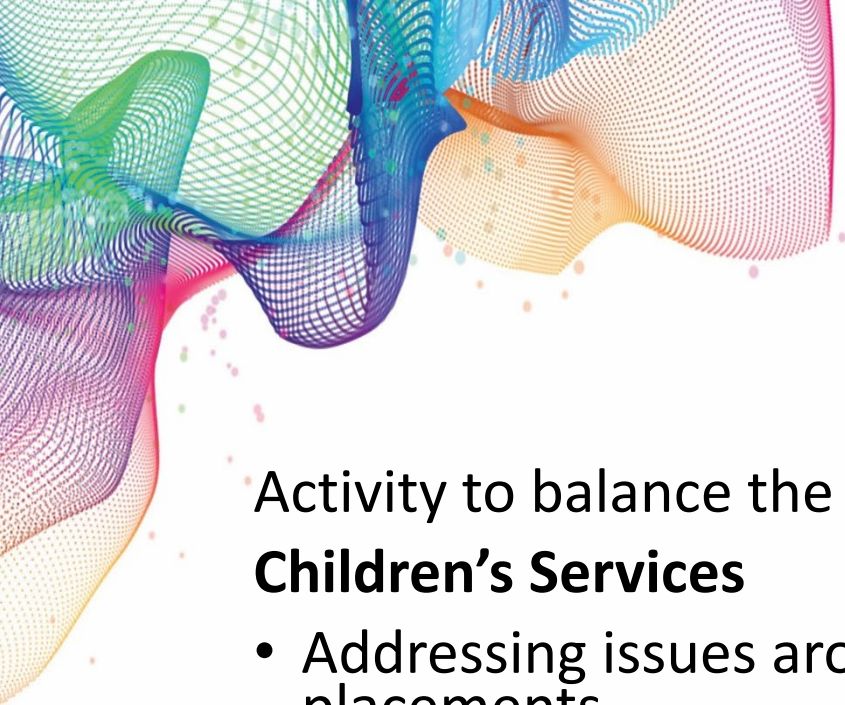


2024/25 Draft Budget

Local Authorities have a statutory duty to balance their budgets ahead of setting the Council Tax by 11 March every year

Medium Term Financial Outlook and Capital Strategy inform the budget proposals

Medway's Cabinet required to formulate budget proposals and consult O&S at least three months ahead of finalising the budget

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2024/25 Draft Budget

New approach agreed to balancing the budget this year: Directorate Budget Allocations

Directorate Budget Allocations reflected in the draft budget assumes that initial projections will be revised, or additional income or savings will be identified that are equal to the potential budget gap, which currently stands at £35.798m

Table 1: Draft Budget Summary 2024/25

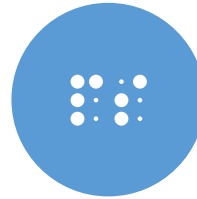
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| Directorate | 2023/24 Adjusted base budget excluding recharges £000 | 2024/25 Projected pressures/ additional resources £000 | 2024/25 Budget Requirement £000 | 2024/25 Savings Requirement £000 | 2024/25 Budget Allocation £000 |
|--|--|---|--|---|---|
| Children and Adult Services | 284,796 | 36,567 | 321,363 | (22,676) | 298,687 |
| Regeneration, Culture & Environment | 61,808 | 10,433 | 72,241 | (7,621) | 64,620 |
| Business Support Department | 22,264 | 4,406 | 26,670 | 0 | 26,670 |
| Interest & Financing | 15,300 | 5,502 | 20,802 | (5,502) | 15,300 |
| Corporate Management | 2,203 | 225 | 2,428 | 0 | 2,428 |
| Additional Government Support Expenditure | 4,525 | 0 | 4,525 | 0 | 4,525 |
| Budget Requirement | 390,895 | 57,133 | 448,028 | (35,798) | 412,230 |
| Council Tax | (148,883) | (9,718) | (158,601) | 0 | (158,601) |
| Retained Business Rates | (53,255) | (2,575) | (55,830) | 0 | (55,830) |
| Non ringfenced Government Grants | (20,442) | (6,903) | (27,345) | 0 | (27,345) |
| New Homes Bonus | (1,998) | 0 | (1,998) | 0 | (1,998) |
| Education Related Grants | (112,400) | 0 | (112,400) | 0 | (112,400) |
| Children Social Care Related Grants | (70) | 0 | (70) | 0 | (70) |
| Adult Social Care Related Grants | (24,998) | (4,751) | (29,749) | 0 | (29,749) |
| Public Health Grant | (18,665) | (373) | (19,038) | 0 | (19,038) |
| Budgeted Use of Reserves | (2,985) | 2,985 | 0 | 0 | 0 |
| Additional Government Support | (7,200) | 0 | (7,200) | 0 | (7,200) |
| Estimated Available Funding | (390,895) | (21,335) | (412,230) | 0 | (412,230) |
| Budget Gap - General Fund | 0 | 35,798 | 35,798 | (35,798) | 0 |

2024/25 Draft Budget Funding Assumptions



5.4% has been built in for provider uplifts



A net increase of 46 CIC numbers have been included for new pupils and 65 USAC placements.



A provision for uplifts has been included for those contracts that require them.



School Funding was expected to increase by a min of 3% and a max of 5%. There was an expectation of a 5% increase in the SB and a 3% increase on the HNB.



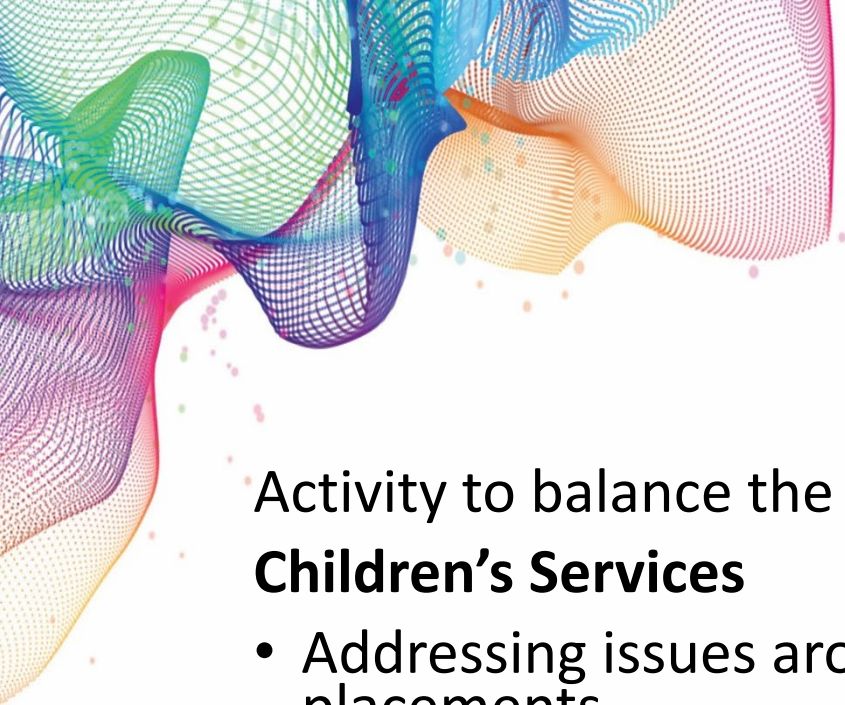
SEN Transport numbers are expected to increase by 259 (13.3%) to 2,203 across all transport types.



Mainstream transport numbers are expected to increase by 380 (21.3%) to 2,163 across all transport types

2024/25 Draft Budget Pressures

| Draft Budget Assumptions | 2024/25 Budget Pressures £000 |
|---|----------------------------------|
| Children's Services: | |
| - Cost of current service | 2,961 |
| - Demographic growth at 10% | 1,965 |
| - Provider uplift at 5.4% | 2,439 |
| - Unaccompanied Asylum Seeking Children | 1,691 |
| - Legal costs | 471 |
| Inflationary uplifts on contracts: | |
| - Regional Adoption Agency contract | 200 |
| - Family Time Contract - Sunlight | 110 |
| - Out of Hours contract | 123 |
| Total Children's Services | 9,961 |
| Education: | |
| - Mainstream Transport | 628 |
| - SEND Transport | 3,351 |
| - Tribunal Legal Costs (Education General Fund impact) | 155 |
| - School improvement costs | 191 |
| - Place planning costs | 150 |
| - Key Stage 2 assessments | 100 |
| - Inflationary uplifts on contracts: Information Advice (IASS Education) | 68 |
| - Salaries that can no longer be funded from capital resources from 2024/25 | 64 |
| Total Education | 4,707 |



2024/25 Draft Budget

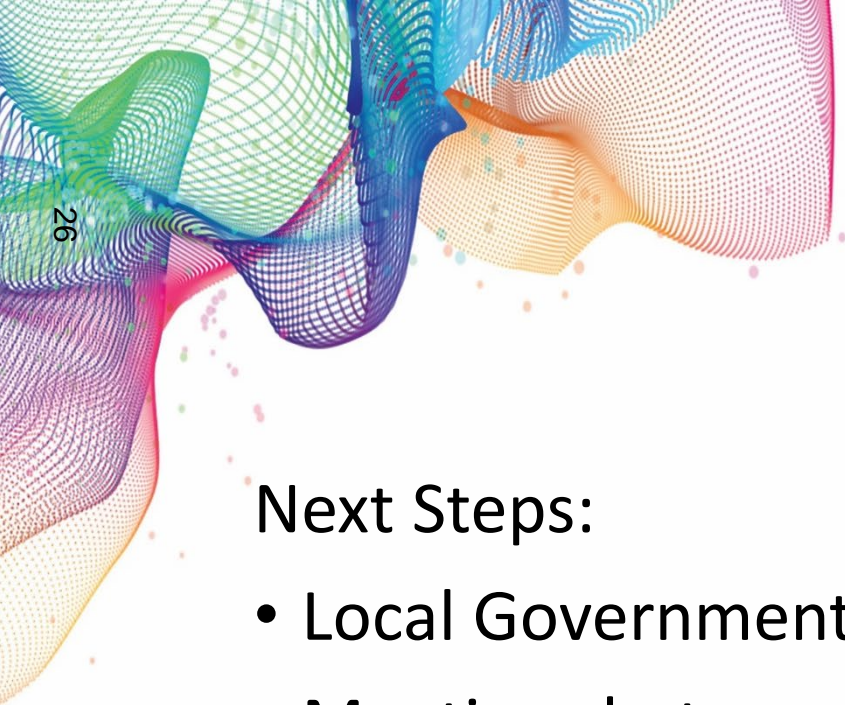
Activity to balance the budget underway:

Children's Services

- Addressing issues around the provider market for CSC placements
- Aiming to leverage regional partnerships to work on solutions
- Capitalising on the 'Good' rating from the latest Ofsted inspection to improve recruitment and retention
- Deliver further improvements in practice with increased permanence in the workforce

Education

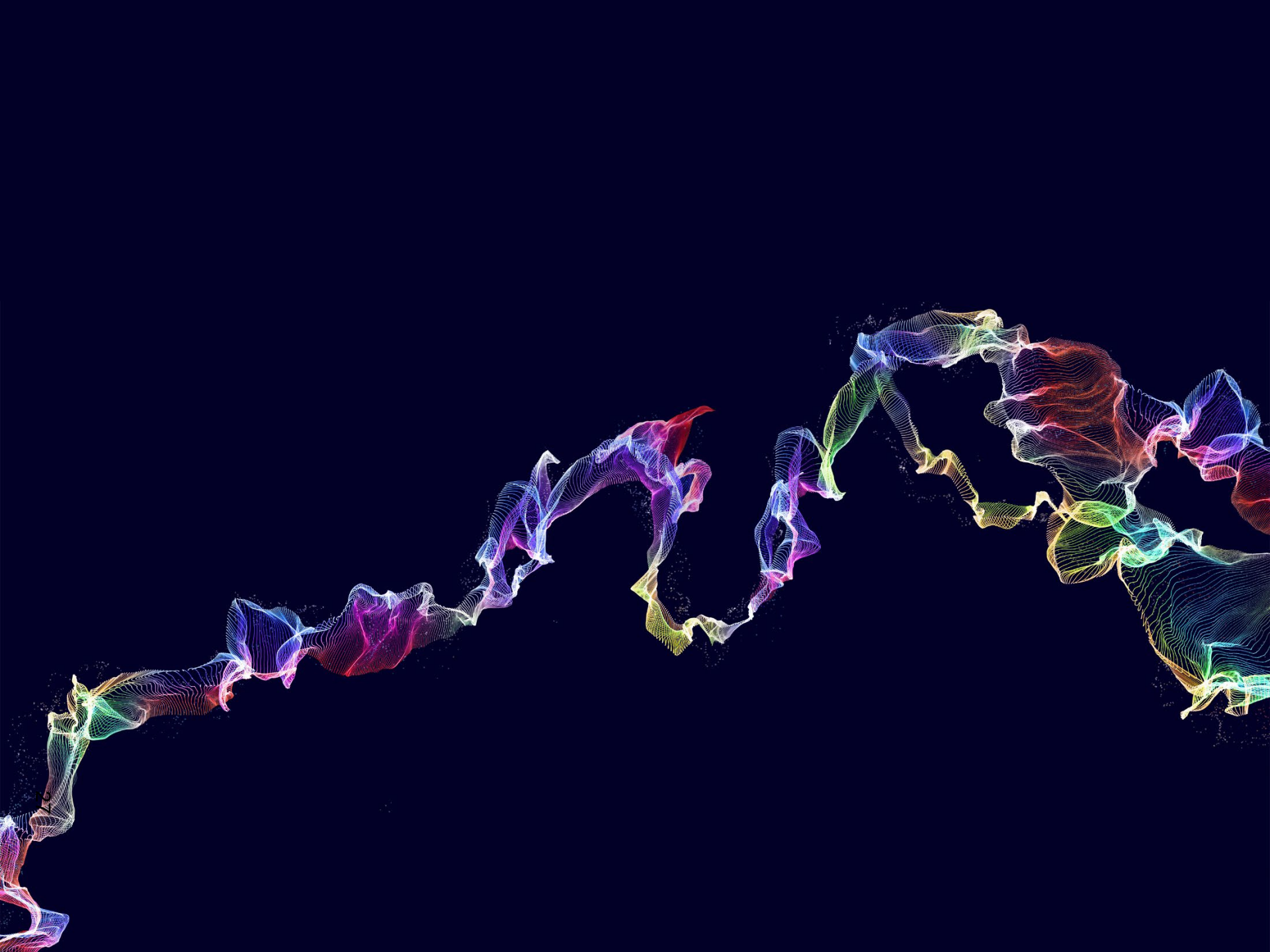
- Travel Assistance offer including the development of a Travel Training Scheme.



2024/25 Draft Budget

Next Steps:

- Local Government Finance Settlement
- Meetings between Corporate Management Team and Portfolio Holders to agree proposals
- CIPFA Resilience Review and Partners in Care & Health Review
- Proposed Budget to Cabinet 13 February 2024
- Final Budget to Council 29 February 2024



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