

# Supplementary Estimates

## for the year ending 31 March 2024

Date of Request: **03/01/2024**

Date of Mayor / Cabinet endorsement: **23/01/2024**

Director: Reena Bhogal – Welsh, Education and Skills

Director: Fiona Tudge, Children and Families

Cabinet Member: Asher Craig, Councillor St George West

### **DECISION REQUIRED:**

**The approval of a supplementary estimate of up to £18.503 million for the Children & Education Directorate to maintain existing services and financial commitments.**

#### **1. Directorate Original Budget Build Up**

- 1.1. The Children & Education Directorate has a current revised budget of £112.230m as detailed below and is seeking supplementary estimates up to £18.503m.
- 1.2. Children and Family Services has a current revised budget at Period 8 of £90.053m against which it is forecasting pressures of £13.957m This includes growth this year of £14.0m made up of £10.5m of recurring pressures identified and included in the 2023/24 budget (supplementary estimates) and £3.5m of emerging risks identified and included in the 2023-28 Budget. Further pressures have been identified in-year and the service is seeking a supplementary estimate up to £14.0m
- 1.3. Education Improvement has a current revised budget at Period 8 of £22.655m against which it is forecasting pressures of £4.546m. This includes growth of £4.5m made up of £4.0m of recurring pressures identified and included in the 2023/24 budget (supplementary estimates) and £0.5m of emerging risks identified and included in the 2023-28 MTFP. Further pressures have been identified in-year and the service is seeking a supplementary estimate up to £4.5m.
- 1.4. Full Council has previously (31 October 2023) approved a supplementary estimate of £11.521m. For the avoidance of doubt this estimate incorporates the previous estimate as an overall variance and is not in addition to it.
- 1.5. The 2023/24 Budget as approved by Full Council (21 February 2023) included corporately held budget for contract inflation within the Children and Education Directorate of £1.652m.
- 1.6. The directorate now requests further supplementary estimate of £5.330m (see Table 1). This can be funded (per Table 2) by:
  - £1.034m previously moved to and held in abeyance within corporate earmarked reserve at Q2/P5 2023/24.
  - A further £4.296m one-off to be transferred from corporately held budget for contract inflation to corporate earmarked reserve following Q3/P8 2023/24 and held in abeyance.

**Table 1**

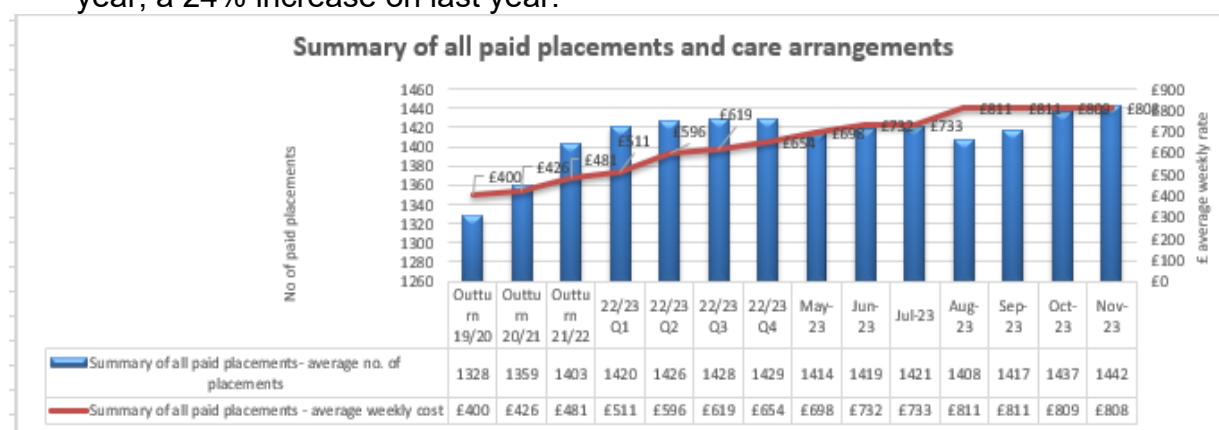
				Total variance Q3/P8 to be funded through: additional budget revisions		
	Revised Budget	Q3/P8 Forecast	Total Variance Q3/P8	Previously approved supplementary estimate (FC 31/10/23)	Corporately held budget for inflation (FC 21/2/23)	New request for supplementary estimate
	£'000	£'000	£'000	£'000	£'000	£'000
<b>9 - Children &amp; Education</b>						
15 - Children and Families Services	90,053	104,010	13,957	7,531	1,256	5,170
16 - Educational Improvement	22,655	27,201	4,546	3,990	396	160
1B - Transformation – Our Families Programme	0	1	0	0	0	0
<b>Total 9 - Children &amp; Education</b>	<b>112,709</b>	<b>131,212</b>	<b>18,503</b>	<b>11,521</b>	<b>1,652</b>	<b>5,330</b>

**Table 2**

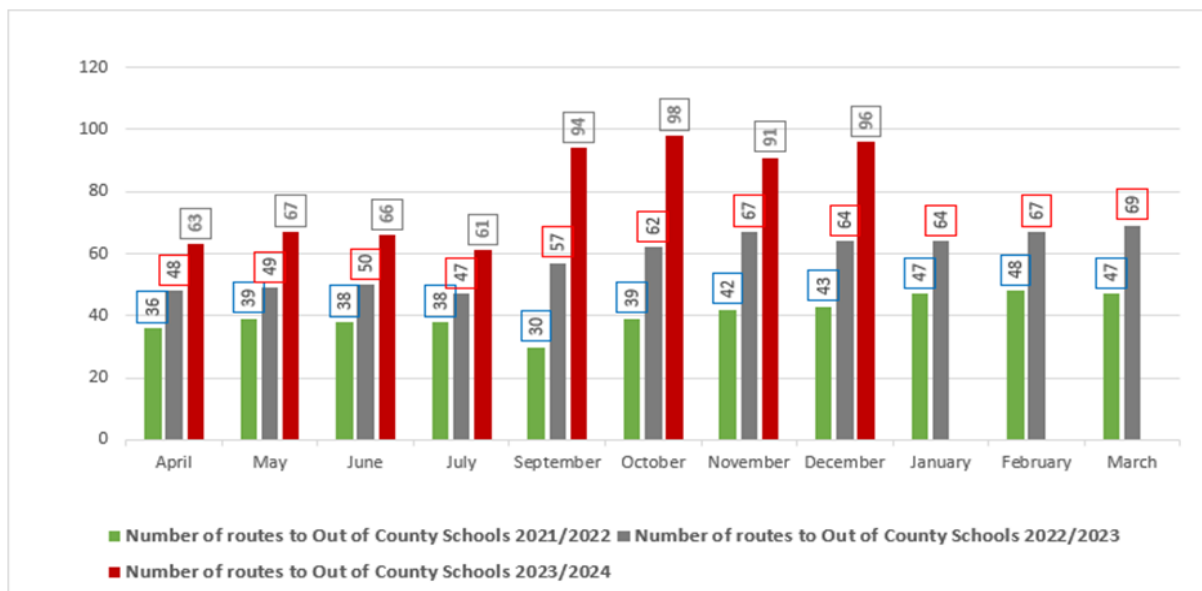
New request for supplementary estimate	To be funded from balance remaining in earmarked reserve	To be funded from corporately held budget for contract inflation
£'000	£'000	£'000
5,170	874	4,296
160	160	0
0		
<b>5,330</b>	<b>1,034</b>	<b>4,296</b>

**2. Justification**

- 2.1. The Children & Education budgets have experienced significant cost pressures in Children and Family Services and Educational Improvement as follows:
- 2.2. There has been a significant increase in the number of supported placements this year as represented in the chart below. This cost of provision is estimated to be £56m this year, a 24% increase on last year.



- 2.3. The Home to School Travel service saw a 44% increase in the number of routes to schools outside the local area to December 2023, compared to the same period last year, which itself was a 45% increase on 2021/22.



### 3. In-Year Controls

- 3.1. Savings and recovery actions are being implemented across the Children & Education Directorate in terms of scrutinising all areas of spend and increased levels of management oversight and sign off. For example, in Children detailed work is ongoing to ensure that, where it is safe and appropriate to do so, placements are stepped down to the most cost effective level.

### 4. Impact Description

Costs	Funding Source
£18.503m Revenue	Earmarked Reserves: Recovery mitigations held in abeyance
Impact if not Approved	
If the supplementary estimate is not approved, then the service will overspend and will not be able to maintain statutory service provision.	

### 5. Learning Points

- 5.1. Lack of local sufficiency in provision is pushing an increasing number of children with EHCPs and other social care placements to provision further away from the city resulting in increasing need for transport out of the city and reliance on independent provision at a higher cost.
- 5.2. Further planning around local provision and better linking with the ECHP process, together with the ongoing work on the transformation programme, including changes to the travel policy and offering should help manage these pressures in the future.
- 5.3. When setting the budget before the start of each year, the council considers the robustness of the estimates and assumptions, as well as plans and strategies that could be used to deliver a balanced budget should unexpected pressures or events materialise. This has been a particularly challenging financial year in terms of inflationary and other cost pressures, some of which could not have been predicted. Improved service planning to forecast future levels of capacity and demand and how that can be commissioned within a finite budget envelope will continue to be an area of focus.

## 6. Previously Approved Supplementary Estimates

- 6.1. Full Council has previously approved a supplementary estimate of £11.521m (at 31 October 2023), now incorporated within this supplementary estimate.

## 7. Supplementary Estimate - Sign Off

<b>The following people have signed off this Supplementary Estimate</b>	<b>Evidence of Sign-off (email/121)</b>	<b>Date</b>
Director – Reena Bhogal-Welsh	Email	10 <sup>th</sup> January 2024
Director – Fiona Tudge	Email	10 <sup>th</sup> January 2024
Cabinet Member – Asher Craig	Email	15 <sup>th</sup> January 2024
Section 151 Officer – Denise Murray	Email	15 <sup>th</sup> January 2024