

## Report

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Date: 4 April 2018

To the Chair and Members of the  
**OVERVIEW & SCRUTINY MANAGEMENT COMMITTEE**

### **DONCASTER CHILDREN'S SERVICES TRUST: FINANCIAL OVERVIEW REPORT**

<b>Relevant Cabinet Member(s)</b>	<b>Wards Affected</b>	<b>Key Decision</b>
Cllr Nuala Fennelly	All	No

#### **EXECUTIVE SUMMARY**

1. Doncaster Children's Services Trust (DCST) was set up in 2014 by the Council and Department for Education (DfE) and since that time has worked closely with the Council to help deliver improvements in children's services. The recent OSFTED announcement in January 2018 that the Trust is now a "good" provider was a critical milestone in this improvement journey.
2. In liaison with the Council the Trust's budget for 2017-18 was originally set at £46.3m and has continued to be monitored throughout the year. The Trust's own corporate governance arrangements are such that monthly management accounts are provided to its Finance & Infrastructure Committee or full Trust Board on a timely basis. The existing contract monitoring arrangements also require the Trust to provide quarterly performance and financial reports to the Council.
3. The Trust has now established a Medium Term Financial Strategy (MTFS) for the period 2018-21 together with a capital strategy, and agreed funding with the Council for a capital programme to invest in operational assets and ICT systems and equipment.
4. The number and level of complexity of children in care cases has continued to rise during 2017-18 and is now 555 at March 2018. As a result the forecast outturn for 2017-18 is an overspend of £2.9m. This has been the subject of both an Extraordinary Monitoring Meeting held on 30 January 2018 and a series of Strategic Group meetings between officers of the Council and the Trust. A series of additional monitoring measures have been agreed between the Council and the Trust as a result.
5. The Trust is not alone in this and it has been widely reported that local authorities up and down the country are struggling to cope with the demand pressures in children's services. A recent survey by the Core Cities and coordinated by Sheffield City Council revealed that the level of overspend in Doncaster is comparable to other Yorkshire and metropolitan areas.

## EXEMPT REPORT

6. Financial Information presented in Appendix 1 to the report is not for publication as it refers to information which is exempt as defined within paragraph 3, (information relating to the financial and business affairs or any particular person, including the authority holding that information) of Part 1 of Schedule 12A of the Local Government Act, 1972, as amended. Contains commercially sensitive information.

## RECOMMENDATIONS

7. The Committee are asked to note the report and the actions which have been taken in respect of the demand pressures and impact on the forecast outturn for the Trust in 2017-18 and the impact this will have on the MTFs for the period 2018-21.

## WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. The Trust is responsible for ensuring the welfare and safeguarding of the children in Doncaster.

## BACKGROUND

9. The Trust was created under a legal directive from the DfE in 2014 which resulted in the transfer of children's welfare services from the Council to the Trust.
10. The contract period of the Trust is ten years.

## OPTIONS CONSIDERED

11. Not applicable.

## REASONS FOR RECOMMENDED OPTION

12. Not applicable.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

- 13.

Outcomes	Implications
<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future:</p> <ul style="list-style-type: none"><li>• Better access to good fulfilling work</li><li>• Doncaster businesses are supported to flourish</li><li>• Inward Investment</li></ul>	
<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time:</p> <ul style="list-style-type: none"><li>• The town centres are the beating heart of Doncaster</li><li>• More people can live in a good quality, affordable home</li></ul>	

<ul style="list-style-type: none"> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	
<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling:</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	
<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents:</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	<p>The Council's contract with the Trust relates to the delivery of services to children in need of help and protection.</p> <p>The work of the Trust specifically targets vulnerable children, young people and families.</p>
<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	<p>The Council's contract includes a budget for delivering services and therefore an expectation that the Trust will deliver value for money. The variation from the contract as detailed in the report reflects additional activity being undertaken by the Trust.</p> <p>The Trust is working with key partners to deliver innovative approaches to care – for example, working with the Council and St Leger Homes on the provision of supported accommodation for care leavers.</p>

## RISKS AND ASSUMPTIONS

14. There are a number of risks and sensitivities which could impact on the total of the current forecast:
- **Placements** – assumptions about growth have been built into the forecasts however a single high cost placement could significantly alter the level of expenditure.
  - **Regular review of other costs** – including non-pay costs – will continue to ensure that potential issues are addressed as soon as possible.
  - **Income** – the Trust continues to pursue appropriate income generation and funding opportunities.

**LEGAL IMPLICATIONS [Officer: LYH            Date: 19.03.18]**

15.    There are no legal implications associated with this report.

**FINANCIAL IMPLICATIONS [Officer: LYH    Date: 19.03.18]**

16.    The financial implications are detailed within the report.

**HUMAN RESOURCES IMPLICATIONS [Officer: LE Date: 19.03.18]**

17.    There are no specific human resource implications associated with this report.

**TECHNOLOGY IMPLICATIONS [Officer: JT            Date: 19.03.18]**

18.    There are no specific technology implications associated with this report.

**HEALTH IMPLICATIONS [Officer: LE Date: 19.03.18]**

19.    There are no significant health implications associated with this report.

**EQUALITY IMPLICATIONS [Officer: LE        Date: 19.03.18]**

20.    The ethnic and gender mix of the workforce and the children and young people that the Trust works with is monitored.

**CONSULTATION**

21.    Not applicable.

**BACKGROUND PAPERS**

22.    Quarterly Performance and Finance Reports 2017-18 presented to the Council and minutes of the Extraordinary Monitoring Meeting held on 30 January 2018.

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