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Budget update – overspend in 2018/19, more cuts planned for 2019/20

The first quarterly budget report has revealed a projected overspend of £8.6m on the 2018/19 budget, which equates to 1.7% of the overall budget. The key areas of pressure are within Adult and Community Services (net overspend of £1.5m), Children's Services (net overspend of £4.9m) and Corporate Services (net overspend of £1.8m).

Adult and Community Services

- Main area of concern is the Care Purchasing Budget, which is forecasting a £4.4m overspend. This is due to a 1% increase in the number of people receiving care, as well as increases in prices for residential care homes above the standard published rates.
- The overspend is currently being offset by underspends due to issues with recruitment and vacant posts.

Children's Services

- The base budget overspend is due to pressures within Corporate Parenting, Specialist Social Care Teams and SEN Home to School Transport budgets.
- The Dedicated Schools Grant budget overspend is due to increasing demand for special school places and alternative education provision.
- These overspends are partially offset by vacancies, savings and underspends in Directorate Management, the Education and Learning Help Service, and the Early Years Service.

Corporate Services

- There are pressures in achieving income targets in Corporate Property, Finance, IT, Strategy and Scrutiny & Monitoring. In particular, there is a reducing level of income from schools. Specific action is underway to promote services to schools through Schools Choice.
- The overspend is being mitigated by not recruiting to vacancies, leading to a £0.5m underspend on pay costs.

Furthermore, Cllr Richard Smith (Cabinet Member for Finance) has announced that there will be a further £25m of cuts in the 2019/20 budget. Although the details of the proposed budget will not be known until November, Cllr Smith has confirmed that no area will be immune from cuts.

Rise in schools rated inadequate or requires improvement

Data published by Suffolk County Council has revealed a sharp rise in the number of schools rated inadequate or requires improvement by Ofsted, to 1 in 5 Suffolk schools.

The Cabinet Member for Children's Services and Education has admitted that some academies in Suffolk are not improving as quickly as he would like, or have deteriorated further. This is reflected in the data, which showed that only 65% of academies achieved "good" or "outstanding" ratings, compared to 79% of maintained schools.

This has raised questions over the Council's "Raising the Bar" strategy, which was launched in 2012 with the express aim of ensuring all schools in Suffolk were rated "good" or "outstanding".

Urgent need for more specialist education placements in Suffolk recognised by Cabinet

Suffolk County Council's Cabinet has agreed a recommendation to introduce a new approach to the development of specialist education placements for children and young people between the ages of 5 and 25 in Suffolk.

In Suffolk, it is projected that there will be an 18% rise in the number of children with Special Educational Needs and Disabilities (SEND) between 2018 and 2020, compared to only a 4% rise in the overall population of children. These will mostly be moderate learning difficulties, ASD and speech/language needs.

Suffolk currently has insufficient specialist education placements and cannot meet current or future demand. Many children have long waits for specialist education or are placed far from home in out-of-county placements, which leads to expensive home-to-school transport costs for the Council. Furthermore, the Council currently commissions many placements in expensive independent provision across the country.

The report to Cabinet suggested that Suffolk will need to develop a further 300-400 places. Following a public consultation, it was decided that the best way to develop these places in Suffolk was through a combination of new specialist support centres (attached to mainstream schools) with some new special schools, using independent placements for a small number of very specialist needs.

A cross-party Policy Development Panel has been set up to develop the new policy, which is expected to be agreed by the Cabinet in January 2019.

Suffolk County Council abandons stake in Barley Homes

Suffolk County Council have agreed to pull out of the commercial housebuilding company established in partnership with West Suffolk Councils in 2015, Barley Homes.

Barley Homes was originally set up to deliver much-needed homes during a housing crisis as well as generate income for the councils involved. However, after three years the joint venture company has not secured planning permission or built any homes.

The Council will transfer its 50% shareholding to St Edmundsbury Borough Council and Forest Heath District Council. SCC has contributed £250,000 working capital to Barley Homes, but will be reimbursed in full (including interest) for the capital loan.