

FINANCE AND PERFORMANCE REPORT – MARCH 2016

To: Children and Young People Committee

Meeting Date: 24 May 2016

From: Executive Director: Children, Families and Adults Services
Chief Finance Officer

Electoral division(s): All

Forward Plan ref: Not applicable **Key decision:** No

Purpose: To provide the Committee with the March 2016 Finance and Performance report for Children's, Families and Adults Services (CFA).

The report is presented to provide the Committee with the opportunity to comment on the financial and performance position as at the end of March 2016.

Recommendation: The Committee should review and comment on the finance and performance report and:

- a) Note the finance and performance position as at the end of March 2016
- b) Note the implications for 2016-17 budget setting
- c) Endorse the proposed service reserves for 2016-17 (listed in Appendix 1) and refer them to the General Purposes Committee for their approval

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1.0 BACKGROUND

- 1.1 A Finance & Performance Report for the Children, Families and Adults Directorates (CFA) is produced monthly and the most recent available report is presented to the Committee when it meets.
- 1.2 The report is presented to provide the Committee with the opportunity to comment on the financial and performance position of the services for which the Committee has responsibility.
- 1.3 This report is for the whole of the CFA Service, and as such, not all of the budgets contained within it are the responsibility of this Committee. Members are requested to restrict their attention to the budget lines for which this Committee is responsible, which are detailed in **Appendix 3**.

2.0 MAIN ISSUES IN THE DECEMBER CFA FINANCE & PERFORMANCE REPORT

- 2.1 The March 2016 Finance and Performance report (F&PR) is attached at **Appendix 2**. This is not the final report for 2015-16; this will be available at the next Committee meeting after the completion of the year-end 'closedown period'. The Committee did not meet in April to receive the February report, which was published on the Council's website. In February, a year-end underspend of £1,924k was forecast across CFA. At the end of March the forecast underspend was slightly improved at £1,940k.
- 2.2 Between January and March, the main revenue changes within the Children and Young People's services areas were as follows:
 - In Children's Social Care, a new overspend of £150k was reported against legal proceedings, reflecting costs from a case taken to judicial review and two other significant court cases.
 - In Children's Social Care, the forecast position for Children Looked After, (not to be confused with the LAC Placement budget), moved by £165k from an £80k underspend to an £85k overspend, reflecting pressure from increased numbers of Unaccompanied Asylum Seeking Children and the expected shortfall in Home Office grant.
 - In Strategy and Commissioning there is an increased underspend of £113k on Strategic Management reflecting an over recovery of vacancy saving and a saving on the legal budget.
 - In Learning, the forecast overspend on Home to School Transport (Mainstream) has decreased to £520k. Estimates were revised following further review of commitments and spending levels at this point in the year.
 - In Learning, there is an increased overspend of £239k in Children's Innovation & Development Service is being reported due to the underachievement of income targets.
 - In Learning, there is a new underspend of £115k reported against the Teachers' Pension and redundancies budget, reflecting the reduced cost of the scheme due to a greater membership turnover than originally predicted.
- 2.3 **Capital**

Since last Committee, the forecast underspend for 2015-16 has increased to £12,773k. This reflects changes in profiled spend across years, including the acceleration and slippage of individual schemes.

2.4 Performance

There are now eighteen CFA service performance indicators and six are shown as green, four as amber and seven are red.

Of the Children and Young People Performance Indicators, four are green, three are amber and four are red. The four red performance indicators are:

1. The proportion of pupils attending Cambridgeshire Secondary Schools judged good or outstanding by Ofsted;
2. The number of looked after children per 10,000 children;
3. The FSM/Non-FSM attainment gap % achieving level 4+ in reading, writing and maths at Key Stage 2.
4. The FSM/Non-FSM attainment gap % achieving 5+ A*-C including English and maths at GCSE.

2.5 CFA Portfolio

The major change programmes and projects underway across CFA are detailed in Appendix 8 of the detailed Finance and Performance report – none of these is currently assessed as red.

3.0 CARRYFORWARD PROPOSALS: CFA EARMARKED RESERVES IN 2016-17

- 3.1 The Scheme of Financial Management permits Service Management Teams to propose “carry-forwards” from year-end underspends, which can be held in reserve to provide one-off funding for specific earmarked purposes. These amounts can be used to provide investment funding for projects or to support savings, to enable pilot schemes or to respond to short term pressures.
- 3.2 Plans for the use of such reserves are reviewed by Service Committees at the beginning of the year, and additionally in 2016, GPC will also confirm use of service reserves. Once approved, the earmarked reserves are reported on each month in Appendix 5 of the F&PR.
- 3.2 The tables in Appendix 1 of this report set out the range of proposals for either new or continuing funding from earmarked reserves within the purview of this Committee. Several of the current earmarked reserves shown in Appendix 5 of the F&PR do not need to continue and will be re-allocated as part of this process. The table describes the amount intended for investment and the anticipated benefit in terms of savings or improved outcomes.
- 3.4 Service earmarked reserves are separate from the larger strategic transformation fund which has been discussed through Members seminars. Officers are working on the basis that the use of in-directorate reserves should support smaller scale and more ‘tactical’ investments, including those needed to secure the savings planned for this financial year (2016-17) whereas the transformation fund is intended for larger scale and longer term change which will support savings for the later years of the business plan (2017-18 and beyond).

4.0 UPDATE ON 2016-17 BUDGETS

- 4.1 The majority of the 2015-16 underspend in CFA is non-recurrent. This is described where applicable in Appendix 2 of the F&PR and is largely attributable to funding/grants which will not continue in the same form after 2015-16, to temporary underspends on staffing due to vacancies or has already been reduced through the application of savings in 2016-17.

- 4.2 However there are some areas where we can identify a recurrent or structural underspend which has been confirmed since the Business Plan was developed. Consideration has been given to transferring this budget away from the underspent service area to alleviate pressures arising in other areas. In this way we can ensure we move resources to where they are needed and avoid the existence of any significant pressures at the outset of the financial year.
- 4.3 This review of year-end variances forms part of the “finance and budget” theme within the Corporate Transformation Programme. At this stage, close to the conclusion of 2015-16 year-end process, the following budget transfers within the CFA service block, and above the Executive Director’s delegated approval limits, appear advisable and will be proposed to the General Purposes Committee meeting in July, which can authorise the virements required:

| Area | Budget increase | Budget decrease | Brief Reasoning |
|--|-----------------|-----------------|---|
| Older People’s Services | | -£950k | Care spending and client contribution levels are significantly ahead of the target as at April 2016, due to forecast improvements in the final quarter of 2015/16 |
| Looked After Children Placements | £950k | | Starting position in April 2016 reflects higher demand than anticipated when the budget was set |
| ASC Practice & Safeguarding: Mental Capacity Act – Deprivation of Liberty Safeguards | | -£200k | Commitments following budget build suggest there is surplus budget in 2016-17, ahead of planned timing of reduction. |
| Learning Disability Partnership | £200k | | Anticipated pressure against delivery of care plan savings level, which cannot be met through alternative measures within the LDP |
| Home to School Transport Mainstream | | -£310k | Starting position in April 2016 reflects lower demand than anticipated when the budget was set |
| Children’s Social Care, SENDIAS and Youth Offending | £310k | | New services pressures confirmed after the Business Plan was set. |
| Subtotal | £1460k | -£1460k | |

5.0 ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

- 5.1.1 There are no significant implications for this priority.

5.2 Helping people live healthy and independent lives

- 5.2.1 There are no significant implications for this priority

5.3 Supporting and protecting vulnerable people

5.3.1 There are no significant implications for this priority

6.0 SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

4.1.1 This report sets out details of the overall financial position of the CFA Service.

6.2 Statutory, Risk and Legal Implications

6.2.1 There are no significant implications within this category.

6.3 Equality and Diversity Implications

6.3.1 There are no significant implications within this category.

6.4 Engagement and Consultation Implications

6.4.1 There are no significant implications within this category.

6.5 Localism and Local Member Involvement

6.5.1 There are no significant implications within this category.

6.6 Public Health Implications

6.6.1 There are no significant implications within this category.

| Source Documents | Location |
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| As well as presentation of the F&PR to the Committee when it meets, the report is made available online each month. | http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/147/finance_and_performance_reports |

Appendix 1: CFA Earmarked Reserves

Final CFA reserves to be reported at the June Committee meeting as part of closedown Finance & Performance Report.

Proposed allocation to continuing CFA earmarked schemes

£3,474k - CYP schemes within this detailed in List 1 below.

Proposed allocation to new CFA earmarked schemes

£2,403k - CYP schemes within this detailed in List 2 below.

Total proposed CFA earmarked reserves in 2016-17

£5,877k

List 1

| Proposal Title | Investment Amount £'000 | Notes |
|--|----------------------------|---|
| Continuing CFA Reserves (Including Trading Unit Replacement Reserves and Equalisation Reserves) | | |
| Changing the cycle (SPACE/repeat referrals) | £67 | Project working with mothers who have children taken into care - to ensure that the remaining personal or family needs or issues are resolved before the mother becomes pregnant again. This project continues into 2016/17. |
| IT for Looked After Children (LAC) | £178 | Replacement reserve for IT for Looked After Children (2 years remaining at current rate of spend). |
| Independent Reviewing Officers (IRO) and Care Planning (CP) Chairperson | £28 | Increase in IRO capacity to provide effective assessment which will safeguard the YP as per statutory guidance under the Care Planning Regulations Children Act 1989 – (Remaining balance will support for 1 post for 6 month period) |
| Adaptations to respite carer homes | £14 | Committed for adaptations to respite carer homes. |

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| Building Schools for the Future (BSF) | £141 | Reserve to support ongoing IT risk associated to BSF schools which continue into 2016/17. Current contracts end in August 2016. |
| Statutory Assessment and Resources Team (START) | £10 | Previously agreed fixed term staff – contracts due to end in 2016/17 |
| Home to School Transport Equalisation reserve | £253 | Reserve to amend the budget for number of days in the school year. There are 197 days (7 more than the average) in 2016/17. |
| Time Credits | £74 | 2016/17 is the third (and final) year of the ongoing Time Credits commitment. |
| Disabled Facilities | £127 | Funding to support housing adaptations for disabled children. To be reviewed in-year. |
| Commissioning Services – Children's Placements | £13 | Previously agreed fixed term Resource Officer posts – contracts due to end in 2016/17. |
| Multi-Systemic Therapy (MST) Standard | £182 | 2-year investment in the MST service (£182k in 2015/16 & 2016/17) to support a transition period whilst the service moves to an external model, offering services to CCC and other organisations on a traded basis. |
| MST Child Abuse & Neglect | £78 | Whilst the MST CAN project ended in 2015/16, the posts of MST Program Manager and Business Support Manager who support all of the MST teams have been retained and will transfer to the MST Mutual CIC. Funding is required until the MST Mutual commences. |
| Youth Offending Team (YOT) Remand (Equalisation Reserve) | £250 | Equalisation reserve for remand costs for young people in custody in Youth Offending Institutions and other secure accommodation. There is now no other revenue funding for remands as the remand budget is funding shortfall in Youth Justice Board grant. Rebalanced to £250k. |

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| All Age Lead Professional | £40 | Trialling an all age locality lead professionals. Ongoing trial into 2016/17. |
| Equipment Replacement Reserve | £604 | Replacement reserve to support ongoing equipment replacement within the (Education) ICT Service. |
| Cambridgeshire Culture/Art Collection | £87 | Ongoing reducing reserve to support cultural activities for children and young people. (Created from ring-fenced Trust Fund) |
| Discretionary support for LAC education | £182 | Additional support for LAC. Final balance increased by £48k to reflect grant substitution. |
| ESLAC Support for children on edge of care | £50 | Children in Need Support Worker continuing into 2016/17 and 2017/18. |
| CCS (Cambridgeshire Catering and Cleaning Services) | £119 | CCS Reserve to make additional investment in branding, marketing, serveries and dining areas to increase sales and maintain contracts. Also includes bad debt provision following closure of Groomfields Grounds Maintenance Service. |
| Information Advice and Guidance | £20 | Reserves were used to delay the saving from the Information Advice and Guidance teams by one year (from 15/16 to 16/17). £240k of an existing £320k reserve were used in 15/16 and £20K will be used in 16/17 to cover the salaries of 6 remaining post holders who will leave by redundancy on 11 th May 2016. |
| Subtotal | £2,517 | Continuing earmarked reserves |

List 2

| Proposal Title | Investment Amount £'000 | Description | Associated Saving / Benefits |
|---------------------------|----------------------------|--|---|
| | | New proposed schemes funded from earmarked CFA reserves | |
| Develop 'traded' services | £57 | <p>£30k for Early Years and Childcare Provider Staff Development:</p> <p>To buy additional functionality into the Child Assessment System for Early Years. This will be a package that early Years providers can buy which will support them with managing their staff training, supervision and development</p> | <p>This will deliver an additional part-year saving from 2017/18 of approximately £15k per annum</p> |
| | | <p>£27k for the transition to fully traded Youth Development Coordinators:</p> <p>Two 0.5 fte Youth Development Co-ordinators were retained in the Early Help Review (phase1) and it is proposed these posts become fully traded. This funding will support the transition to a fully funded offer.</p> | <p>This investment enables us to support the youth element of the Community Resilience Strategy which will become self-sustaining financially</p> |

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| Reduce the risk of deterioration in school inspection outcomes | £60 | <p>Adviser for Accelerating Achievement of Vulnerable Groups: A fixed term post to support the development and implementation of the revised 'Narrowing the Gap' strategy</p> | Narrowing the gap is our key school improvement priority. This investment will reduce the risk of savings leading to an increase in schools being judged as 'requires improvement' |
| Improve the recruitment and retention of Social Workers (these bids are cross-cutting for adults, older people and children and young people) | £85 | <p>£40k for a fixed term post to implement the virtual College of Social Work:</p> <p>A fixed term post to improve the recruitment and retention of social workers</p> | This dedicated capacity will deliver on reducing recruitment costs and will reduce payments for agency workers to meet the business planning savings target of -£502k in 2016/17 |
| | | <p>£45k for recruitment and retention capacity (Social Work):</p> <p>Additional recruitment and retention capacity in LGSS for one year to help coordinate the Recruitment and Retention Strategy and manage two recently recruited Recruitment Support Officers via LGSS People.</p> | |

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| Maximise resources through joint commissioning with partners | £14 | This post seeks to coordinate the Area Partnership's work, ensuring that local needs are identified and met in relation to children's services by bringing together senior managers of local organisations in order to identify and develop priorities and commission local services. Work will continue in 2016/17 to seek sustainable solution to the shortfall in funding on a permanent basis. | |
| Independent Domestic Violence Advisors | £24 | To continue to provide a high level of support to partner agencies via the Multi-agency safeguarding hub, and through the multi-agency risk assessment conference process, by supporting high-risk victims of domestic abuse. | |
| Reduce the cost of home to school transport | £60 | <p>Independent travel training for children with SEND:</p> <p>An independent travel training scheme to work with young people with SEND so they can develop skills to travel independently post-16. Funding is for a centrally based ITT co-ordinator post and a bank of travel trainers on zero hours contracts to either directly deliver travel training to young people or support schools</p> | 11% (24) of young people 16+ with SEND will be successfully travel trained in the first full year, achieving a saving of £128k in one year. This will become a permanent saving and is likely to increase year on year as independent travel training becomes a standardised approach to post-16 transport for SEND young people. Young people will develop life skills that will support them to prepare for adulthood and enable greater independence. |

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| Prevent children and young people becoming Looked After | £57 | <p>£25k for re-tendering of Supporting People contracts:</p> <p>A part-time post on a fixed term contract for one year to support and undertake the activities to review all Supporting People contracts across the Council and retender them.</p> | Without this review, we may suffer reduction in resources and capacity or face incidences of supported housing provider failure and an increase in homelessness (increasing the number of Looked After Children), along with significant risks to the Council's reputation if services for homeless young people and adults are not provided. |
| | | <p>£32k to extend the SPACE programme pilot:</p> <p>Extend the SPACE Programme pilot for post-October to 2016/17 year-end to enable a full year of direct work to be evaluated for impact</p> | Avoid 7 babies being taken into the care system per year, resulting in a 6 month investment saving of £155k. |
| | | Looked After Children Commissioning Strategy - £60k for adaptation and refurbishment of a number of Council owned properties: | 15 extra in-county placements resulting in a saving of £1,679k per year compared to placements currently being funded for these young people |

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| Reduce the cost of placements for Looked After Children | £184 | Three properties owned by Cambridgeshire County Council have become vacant, or are becoming vacant over the coming months. Funding some adaptations and refurbishment of these properties presents an opportunity to increase the in-county accommodation capacity for children who are looked after. | |
| | | <p>Looked After Children Commissioning Strategy - £50k to adapt Havilland Way:</p> <p>A one off investment of £50k to adapt an annex at Havilland Way to make it suitable for use as an emergency placements for children and young people with learning disabilities</p> | Based on recent numbers of young people requiring emergency placements (4 per year), there would be an annual saving of £243k for an investment of £50k, plus savings from young people being placed in Cambridgeshire rather than out of county as is the case now |
| | | <p>Looked After Children Commissioning Strategy - £74k to increase the capacity of in-house foster caring:</p> <p>An investment to support the implementation of the in-house fostering action plan. Targets are extremely challenging, particularly the early years. Dedicated resource to drive forward the action plan and to increase the resources available for marketing and recruitment activities is needed to establish momentum.</p> | Increase number of 52 week in-house foster care placements by 56.92 in 2016/17, resulting in a saving of -£1,976k |

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| Child Sexual Exploitation (CSE) Service | £250 | Voluntary sector support to undertake missing interviews and to provide an intensive support service for young people at greatest risk of CSE. |
| Subtotal | £791 | New proposed schemes funded from earmarked CFA reserves |