Agenda Item No: 10

FINANCE AND PERFORMANCE REPORT – SEPTEMBER 2017

To:	**Children and Young People Committee**
Meeting Date:	**14 November 2017**
From:	**Executive Director: People and Communities** **Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** ***Key decision:*** **No**
Purpose:	**To provide the Committee with the September 2017 Finance and Performance report for People And Communities Services (P&C), formerly 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 September 2017.**
Recommendation:	**The Committee is asked to review and comment on the report**

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1.0 BACKGROUND

1.1 A Finance & Performance Report for People and Communities (P&C), formerly 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 P&C 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 1, whilst the table below provides a summary of the budget totals relating to CYP Committee:

Forecast Variance Outturn (Aug) £000	Directorate	Current Budget 2017/18 £000	Actual to end of Sept £000	Current Variance £000	Forecast Variance Outturn (Sept) £000
159	Children's Commissioning	24,388	11,015	248	873
0	Communities & Safety	2,117	528	-172	-90
3,418	Children & Safeguarding	93,311	46,415	1,973	3,818
104	Education	20,041	8,758	-34	0
3,681	**Total Expenditure**	**139,857**	**66,715**	**2,016**	**4,600**
-272	Grant Funding (including Dedicated Schools Grant etc.)	-45,240	-23,324	-331	-662
3,409	**Total**	**94,617**	**43,391**	**1,685**	**3,938**

Please note: Strategic Management – Commissioning, Executive Director and Central Financing budgets cover all of P&C and are therefore not included in the table above.

1.4 **Financial Context**
As previously discussed at CYP Committee the major savings agenda continues with £99.2m of savings required across the Council between 2017 and 2022.

The required savings for P&C in the 2017/18 financial year total £20,658k.

2.0 MAIN ISSUES IN THE SEPTEMBER 2017 P&C FINANCE & PERFORMANCE REPORT

2.1 The September 2017 Finance and Performance report is attached at Appendix 2. At the end of September, P&C forecast an overspend of £4,388k. This is a worsening position from the previous month when the forecast overspend was £3,739k.

2.2 **Revenue**

The main changes to the revenue forecast variances within CYP Committees areas of responsibility since the previous report are as follows:

- In Commissioning, the Special Educational Needs (SEN) Placements budget is forecasting a pressure of £500k, an increase of £400k since last month. There has been a further increase since the beginning of this academic year in the number of children and young people placed in 52 week residential placements. This budget pays for the educational element of those placements and is funded from the Dedicated Schools Grant (DSG). It is the aim that any pressures on DSG funded services will be managed from within the overall available DSG for 2017/18.
- In Commissioning, the Looked After Children (LAC) Transport budget is forecasting a pressure of £250k. Due to the overall increase in Looked After Children, this has meant more children are requiring Home to School Transport, with an average of 20 additional children being transported each month compared to this point in 16/17. In addition, the distances travelled to school have also increased with volunteer drivers covering an additional 37,500 miles compared to the same point last year.
- In Children & Safeguarding, the Strategic Management budget is forecasting a pressure of £686k, a favorable shift of -£200k from last month due to a recalculation of expected staffing savings based on vacancies held within the service to the end of the second quarter.
- In Children & Safeguarding, the Children in Care budget is forecasting a pressure of £71k, an increase of £199k since last month. This relates to increased contact requirements necessitating increased staff hours and use of external agencies (£136k) and an increase of in-house foster placements (£63k).
- In Children & Safeguarding, the Looked After Children (LAC) Placements budget is forecasting a pressure of £1,750k, an increase of £228k from last month. Of this increase, £100k relates to a reduction in the level of LAC savings expected to be made during 2017/18, with the remaining £128k being due to a combination of changes in placement fees (higher prices) and/or new placements (more placements). Overall there are 10 more looked after children at the end of September than at the end of the previous month, with 348 (a decrease of 20) of these children in external LAC placements. Additional management resource has been deployed to lead and add capacity to the Access to Resources function. Other mitigating actions are outlined Appendix 2, note number 12.
- In Children & Safeguarding, the Legal Proceedings budget is forecasting a pressure of £550k, an increase of £100k since last month. Whilst we have less ongoing sets of care proceedings (and less new applications being issued in Court) legacy cases and associated costs are still working through the system.

2.3 The table below identifies the key areas of pressures and underspends within Children and Young People alongside potential mitigating actions:

SEN Placements Forecast year-end variance: **+£500k**	The key reason for the pressure in this area is: • An increase in the number of children and young people who are LAC, have an EHCP and have been placed in a 52 week placement. (increase of 14 young people from August to September)

DSG Funded	Mitigating actions include: • SEND Sufficiency plan to be implemented. This sets out what is needed, how and when; • New special schools to accommodate the rising demand over the next 10 years; • Delivery of the SEND Commissioning Strategy and action plan to maintain children with SEND in mainstream education; • Work on coordination of reviews for ISEPs to look at returning in to county; and • A full review of all High Needs spend due to the ongoing pressures and proposed changes to national funding arrangements.
Commissioning Services Forecast year-end variance: **+£100k** **DSG Funded**	The key reason for the pressure in this area is: • An increasing number of children with a Statement of Special Educational Needs / Education, Health and Care Plans (EHCP) out of school in receipt of alternative (tuition) packages. Mitigating actions include: • The introduction of a new process to ensure all allocations and packages are reviewed in a timely way and that there is oversight of moves back into full time school.
Looked After Children – Transport Forecast year-end variance: **+£250k**	The key reason for the pressure in this area is: • The overall increase in Looked after Children requiring Home to School Transport. An average of 20 additional LAC children being transported each month compared to this point in 16/17. Mitigating actions include: • Review of current transports arrangements to identify instances where costs could potentially be reduced.
Strategic Management – Children & Safeguarding Forecast year-end variance: **+£686k**	The key reasons for the pressure in this area are: • Historical unfunded pressures of £886k. These consist of £706k around the use of unfunded agency staffing and other unfunded posts totalling £180k. • This has been offset in part by £200k of additional vacancy savings. Mitigating actions include: • Pressures continue to be monitored and reviewed at the CCP work stream project meetings, by Senior Management Team and at the P&C Delivery Board with the intention of any residual pressures being managed as part of the 2018/19 Business Planning round.
Looked After Children Placements Forecast year-end variance: **+£1,750k**	The key reason for the pressure in this area is: • The continuing higher than budgeted number of LAC placements and forecast under-delivery of composition savings. The high number of IFA placements used. Mitigating actions include: • Weekly panel to review high-cost placements to ensure that the plans for children remain focussed and that resources are offering the best value for money. • Purchase placements reviews – scrutiny by placement officers and service/district managers to review emergency placements, changes of placements and return home from care planning to ensure that children are in the right placement for the right amount of time. • All new admissions to care have to be agreed at Assistant Director or Service Director level.

	• Development of a 'No Wrong Door' model to bring together the residential home, specialist fostering placements, supported lodgings and supported accommodation, with outreach services under one management arrangement. This will enable rapid de-escalation of crisis situations in families preventing admissions to care, and delivery of a holistic, creative team of support for young people with the most complex needs, improving outcomes for young people and preventing use of expensive externally-commissioned services. • A new Head of Service, with expertise in children's services commissioning, has been re-deployed from elsewhere in the P&C directorate to lead the Access to Resources function. This should result in more robust commissioning and a reduction in costs. • Increasing the number of in house foster carers.
Adoption Forecast year-end variance: **+£450k**	The key reasons for the pressure in this area are: • Requirement to purchase inter agency placements to manage this requirement and ensure our children receive the best possible outcomes. • Increased number of children being brought into care and needing permanency. • The continuation of historical adoption/SGO allowances and a lower than expected reduction from reviews of packages or delays in completing reviews of packages Mitigating actions include: • Ongoing dialogue with CCA to identify more cost effective medium term options to recruit more adoptive families to meet the needs of our children. • A programme of reviews of allowances continues which is resulting in some reduction of packages, which is currently off-setting any growth by way of new allowances.
Legal Forecast year-end variance: **+£550k**	The key reason for the pressure in this area is: • The increased number of Care Applications (52% between 2014/15 and 2016/17). Mitigating actions include: • Use of a legal tracker to more effectively manage controllable costs.
Children's Disability Service Forecast year-end variance: **+£168k**	The key reason for the pressure in this area is: • The increase both in the number of support hours, a high cost individual case and in the number of joint funded health packages. Mitigating actions include: • Reviewing the costs of current packages and in particular support levels for our young people. • Increase in direct payments • Introduction of a monthly multi-agency resource panel co-chaired by operations and commissioning to ensure all packages only address need and represent value for money.
Safeguarding – Hunts and Fenland Forecast year-end variance: **+£122k**	The key reason for the pressure in this area is: • The volume of cases within the Unit model and the need to provide accommodation whilst placements are being identified and the limited capacity of the Contact team to take on contact support.

	Mitigating actions include: • Proposed recruitment of bilingual practitioners and an internal pool of workers to interpret and translate as a way of reducing interpreter costs. • Liaison with the Home Office to manage our No Recourse to Public Finds (NRPF) cases as well as reviewing support arrangements for these families whilst in our care.

2.4 **Capital**

The Capital Programme Board recommended that services include a variation budget to account for likely slippage in the capital programme, as it is sometimes difficult to allocate this to individual schemes in advance. As forecast underspends start to be reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up until the point where slippage exceeds this budget. The allocation for P&C's negative budget adjustments has been calculated as follows, shown against the slippage forecast to date:

2017/18					
Service	**Capital Programme Variations Budget £000**	**Forecast Variance - Outturn (Sept) £000**	**Capital Programme Variations Budget Used £000**	**Capital Programme Variations Budget Used %**	**Revised Forecast Variance - Outturn (Sept) £000**
P&C	-10,305	-759	759	7.4%	-
Total Spending	-10,305	-759	759	7.4%	-

2.5 **Performance**

Of the twenty-three P&C service performance indicators twelve are shown as green, four as amber and seven are red.

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

1. Number of children with a Child Protection Plan per 10,000 population under 18
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.

2.6 **P&C Portfolio**

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

3.0 2017-18 SAVINGS TRACKER

3.1 As previously reported the "tracker" report – a tool for summarising delivery of savings – will be made available for Members on a quarterly basis. The tracker as at mid-October is included as Appendix 3 to this report.

3.2 Within the tracker the forecast is shown against the original saving approved as part of the 2017-18 Business Planning process. Based on current forecasts the overall position for CFA is a £3,882k shortfall against plan. However, the stretched targets for existing savings and additional savings identified within the funnel are supporting delivery of a further £2,348k towards the overall £20,658k CFA savings target. For several proposals, due to delays or difficulties in recruiting, the delivery of savings may slip into the latter part of the year and in some cases into 2018/19.

Where a shortfall is currently forecast this is being reflected in the overall bottom line, but it is also important to note the relationship with the reported pressures within the detailed F&PR.

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

4.1.1 There are no significant implications for this priority.

4.2 Helping people live healthy and independent lives

4.2.1 There are no significant implications for this priority

4.3 Supporting and protecting vulnerable people

4.3.1 There are no significant implications for this priority

5.0 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

5.1.1 This report sets out details of the overall financial position of the P&C Service.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

5.2.1 There are no significant implications within this category.

5.3 Statutory, Risk and Legal Implications

5.3.1 There are no significant implications within this category.

5.4 Equality and Diversity Implications

5.4.1 There are no significant implications within this category.

5.5 Engagement and Consultation Implications

5.5.1 There are no significant implications within this category.

5.6 Localism and Local Member Involvement

5.6.1 There are no significant implications within this category.

5.7 Public Health Implications

5.7.1 There are no significant implications within this category.

Source Documents	**Location**
As well as presentation of the F&PR to the Committee when it meets, the report is made available online each month.	https://www.cambridgeshire.gov.uk/council/finance-and-budget/finance-&-performance-reports/

<u>Appendix 1</u>

Children & Young People Committee Revenue Budgets within the Finance & Performance report

Commissioning Directorate
Strategic Management – Commissioning – *covers all of P&C*
Access to Resource & Quality

<u>Children's Commissioning</u>
Special Educational Needs Placements
Commissioning Services
Early Years Specialist Support
Home to School Transport – Special
LAC Transport

Community & Safety Directorate
Youth Offending Service
Central Integrated Youth Support Services
Safer Communities Partnership

Children & Safeguarding Directorate
Strategic Management – Children & Safeguarding
Partnerships and Quality Assurance
Children in Care
Integrated Front Door
Children's Centre Strategy
Support to Parents

Looked After Children Placements
Adoption Allowances
Legal Proceedings

<u>SEND Specialist Services (0-25 years)</u>
SEND Specialist Services
Children's Disability Service
High Needs Top Up Funding

<u>District Delivery Service</u>
Safeguarding Hunts and Fenland
Safeguarding East & South Cambs and Cambridge
Early Help District Delivery Service –North
Early Help District Delivery Service – South

Education Directorate
Strategic Management - Education
Early Years Service
Schools Curriculum Service
Schools Intervention Service
Schools Partnership Service
Children's Innovation & Development Service
Teachers' Pensions & Redundancy

Infrastructure
0-19 Organisation & Planning

Early Years Policy, Funding & Operations
Education Capital
Home to School/College Transport – Mainstream

Executive Director
Executive Director - *covers all of P&C*
Central Financing - *covers all of P&C*

Grant Funding
Financing DSG
Non Baselined Grants - *covers all of P&C*