

FINANCE AND PERFORMANCE REPORT – JULY 2015

To: **Children and Young People Committee**

Meeting Date: **8th September 2015**

From: **Adrian Loades, Executive Director: Children, Families and Adults Services
Chris Malyon, Chief Finance Officer**

Electoral division(s): **All**

Forward Plan ref: **N/a** *Key decision:* **No**

Purpose: **To provide the Committee with the July 2015 Finance and Performance report for Children's, Families and Adults (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 July 2015.**

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 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 2.

2.0 MAIN ISSUES IN THE JULY CFA FINANCE & PERFORMANCE REPORT

- 2.1 The July 2015 Finance and Performance report is attached at Appendix 1. The previous report presented to Committee (the May Finance & Performance Report) identified a forecast overspend at year end of £3,979K across CFA. The latest position (as at the end of July) is a forecast overspend of £3,056K.

2.2 Revenue

Since the last Finance & Performance Report was presented to Children and Young People Committee there have been the following revenue changes:-

- The Looked After Commissioning Board has agreed to use £874K of the LAC placement budget to rebalance the budgets across the in-house placements and agency placements. This is net neutral and will not affect the bottom line position, but aligns the budget with planned activity. However, the Looked After Placement Budget is facing significant pressure as numbers are much higher than planned. Currently no forecast overspend is posted pending a refresh of the LAC Placement Strategy, and the updated position will be reported in the August Finance and Performance Report.
- In the Learning Directorate, the Home to School Transport – Mainstream budget is forecasting a £930K overspend, an increase of £290K since last Committee. This is due to savings from contract re-tendering now forecast to be 20% of the original savings target and a reduction in the savings achievable from safer route reviews.

2.3 **Capital**

Since last Committee, a forecast underspend of £1,099K has been identified for 2015-16. This reflects changes in profiled spend across years, including the acceleration and slippage of individual schemes.

- 2.4 At last Committee an explanation was requested to be provided to Members as to why the four new capital schemes (Hardwick 2nd Campus, Fourfields Primary, Grove Primary and Huntingdon Primary Phase 2) had only just been identified. The requested information is detailed below.

Fourfields Primary, Yaxley.

There have been pressures in Yaxley for the past three academic years. Expansion of places in Yaxley had been previously identified in the capital plan but was removed as a permanent solution had not been agreed. To date, the demand for places has been met through agreements reached with the local schools to admit above their published admission numbers and run bulge classes. Following feasibility study work to determine the most cost effective solution, review of forecast and preference data, and further consultation with all the local schools, who made alternative suggestions which needed to be considered, agreement was only reached with Fourfields to expand provision on their site after 2015-16 business plan was agreed.

Huntingdon Primary.

Temporary capacity at the school has been provided to cater for an increase in pupil numbers in Huntingdon. The demographics indicate the need to provide permanent increased capacity at the School to provide 630 places (3 forms of entry (FE)). It had been anticipated that this increase could be accommodated within existing school footprint. However, following the commissioning of a feasibility work, the results of which were not available until after business plan was agreed, it became evident that further accommodation was required and capital investment would be necessary, therefore. The inclusion for the project has since been further justified as Huntingdon Primary school have been asked to over admit once again in 2015 which will put further pressure on existing space.

Grove Primary, Cambridge.

In recent years, the School has had spare capacity and was able to accommodate the on-site pre-school within its permanent accommodation. Over the last three academic years, demand for places in the north of the City has resulted in the school admitting up to 60 children (2FE) into Reception. It became clear part way through the year that the demand for places at the Grove was increasing ahead of the forecast rate, in part driven by continued housing development in the school's catchment area and those of neighbouring schools. The capital investment will provide for the higher numbers being admitted to the school without the need for interim temporary accommodation or to relocate the pre-school.

Cambourne, Hardwick Primary second campus.

The school is currently in temporary provision on land owned by the Parish Council. It will move to its permanent accommodation adjacent to Cambourne Village College in September 2015. A second phase capital project is required to provide the school's total planned capacity of 420 places (2FE). It is now evident from the most recent forecast data and admissions information, combined with the projected trajectory for completion of the remaining 400 new homes in Upper Cambourne, that the second phase of building work is needed earlier than originally anticipated. Keeping the construction team on site and completing the project in a single phase rather than two will save around £1m. To achieve this and the added benefit of minimising the disruption to children's learning and for the school in general, the scheme needs to be advanced to 2015-16.

2.5 Performance

There are fifteen CFA service performance indicators and six are shown as green, four as amber and five are red. As requested by Committee, the proportion of pupils attending Cambridgeshire Schools judged good or outstanding by Ofsted have been split between primary; secondary and special schools. Of the Children and Young People Performance Indicators, 4 are green, 3 are amber and 2 are red. The two red performance indicators are (1) the proportion of pupils attending Cambridgeshire Secondary Schools judged good or outstanding by Ofsted, and (2) the number of income deprived 2-year olds receiving free childcare.

2.6 CFA Portfolio

The major change programmes and projects underway across CFA are detailed in the Finance and Performance Report.

3.0 ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

3.1.1 There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

3.2.1 There are no significant implications for this priority

3.3 Supporting and protecting vulnerable people

3.3.1 There are no significant implications for this priority

4.0 SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

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

4.2 Statutory, Risk and Legal Implications

4.2.1 There are no significant implications within this category.

4.3 Equality and Diversity Implications

4.3.1 There are no significant implications within this category.

4.4 Engagement and Consultation Implications

4.4.1 There are no significant implications within this category.

4.5 Localism and Local Member Involvement

4.5.1 There are no significant implications within this category.

4.6 Public Health Implications

4.6.1 There are no significant implications within this category.

SOURCE DOCUMENTS GUIDANCE

| Source Documents | Location |
|-------------------------|-----------------|
| None | |

A Guide to the FPR Finance Tables

This column shows the previous month's Forecast Variance Outturn. If you compare this column with Column 8 (which is the latest month's forecast variance outturn) –you can see how the forecast position has changed during the last month.

Budgets are grouped together into "Policy Lines", which is the level of detail at which budgets are reported within each CFA Directorate.

The "Current Budget" is the budget as agreed within the Business Plan with any virements (changes to budget). Virements to / from CFA as a whole are detailed in Appendix 4.

When a budget is uploaded to the financial system a "profile" is allocated, and this profile reflects the assumptions on the likely timing of expenditure / income. If it is a salary budget it will assume that one-twelfth of the budget will be required each month. This column shows what level of expenditure or income one would expect to have occurred by this time in the financial year. It is a helpful prompt but in many cases actual expenditure and income does not occur as profiles would suggest.

APPENDIX 1 – CFA Service Level Budgetary Control Report

| Forecast Variance Outturn (Apr) £'000 | Service | Current Budget for 2015/16 £'000 | Expected to end of May £'000 | Actual to end of May £'000 | Current Variance £'000 | % | Forecast Variance Outturn (May) £'000 | % |
|---------------------------------------|-----------------------------------|----------------------------------|------------------------------|----------------------------|------------------------|-------|---------------------------------------|------|
| Adult Social Care Directorate | | | | | | | | |
| 0 | 1 Strategic Management – ASC | 4,742 | 731 | 294 | -437 | -60% | -1,200 | -25% |
| 0 | 0 Procurement | 577 | 103 | 298 | 195 | 189% | 0 | 0% |
| 0 | 0 ASC Strategy & Transformation | 1,710 | 367 | 352 | -15 | -4% | 0 | 0% |
| 0 | 0 ASC Practice & Safeguarding | 2,158 | 158 | 21 | -138 | -87% | 0 | 0% |
| 0 | 0 Local Assistance Scheme | 386 | 67 | 79 | 13 | 19% | 0 | 0% |
| Learning Disability Services | | | | | | | | |
| 0 | 2 LD Head of Services | 250 | 22 | 860 | 838 | 3840% | 11 | 4% |
| 0 | 2 LD Young Adults | 660 | 231 | 40 | -191 | -83% | 29 | 4% |
| 0 | 2 City, South and East Localities | 30,991 | 5,806 | 5,381 | -425 | -7% | 1,378 | 4% |
| 0 | 2 Hunts & Fenland Localities | 21,640 | 4,001 | 5,037 | 1,036 | 26% | 962 | 4% |

This refers to the commentary in Appendix 2.

This column shows actual expenditure and income to date.

This column is the difference between Column 4 and Column 5 (col 5 less col 4) – and highlights where expenditure is higher or lower than is planned / profiled.

It is expressed in hundreds of thousands and as a percentage difference.

This is the most important column of the table – it shows what the budget holder is forecasting as an over- or –underspend at year-end (the variance compared to budget). The budget holder may have detailed commitment records or local knowledge which suggests that the year-end position is similar or different to the current variance (Column 6). This column shows the Budget Holder's best estimate of what the overspend (+) or underspend (-) or balanced position (0) will be at year-end.

It is expressed in both hundreds of thousands and as a percentage of total budget.

