

Finance Monitoring Report – August 2022

To: Children and Young People Committee

Meeting Date: 11 October 2022

From: Executive Director: People and Communities
Director of Public Health
Chief Finance Officer

Electoral division(s): All

Key decision: No

Forward Plan ref: n/a

Outcome: To provide the Committee with the August 2022 Finance Monitoring Report for People and Communities and Public Health.

The report is presented to provide the Committee with the opportunity to comment on the financial position as at the end of August 2022.

Recommendation: Committee are asked to review and comment on the report.

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1. Background

- 1.1 Finance Monitoring Reports (FMR) are produced monthly, except for April, by all services. They report on a range of financial information to enable a view of each service's financial position to be taken.
- 1.2 Budgets for services are agreed by Full Council in the business plan in February of each year and can be amended by budget virements. In particular, the FMR provides a revenue budget forecast showing the current projection of whether services will be over or underspent for the year against those budgets.
- 1.3 The detailed FMR for People and Communities (P&C) and Public Health (PH) is attached at Appendix B. This report covers the whole of the P&C, and PH 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 A. Sections of the main FMR which do not apply to CYP Committee have been highlighted in grey.
- 1.4 The table below provides a summary of the budget totals relating to CYP Committee:

Forecast Outturn Variance (Previous) £000	Directorate	Budget 2022/23 £000	Actual August 2022 £000	Forecast Outturn Variance £000
0	Children's Commissioning	25,024	8,085	0
0	Communities & Safety - Central Integrated Youth Support Services	390	-126	0
0	Children & Safeguarding	60,773	21,442	0
284	Education – non DSG	54,729	5,210	271
0	Public Health - Children's Health	9,393	1,689	10
284	Total Expenditure	150,309	36,300	281
0	Grant Funding (excluding Dedicated Schools Grant etc.)	-31,581	-15,497	-10
284	Total Non-DSG	118,728	20,802	271
0	Commissioning – DSG	245	0	0
11,800	Education – DSG (incl. contribution to combined budgets)	102,686	54,054	11,800
11,800	Total DSG (Ringfenced Grant)	102,931	54,054	11,800

Please note: Strategic Management – Commissioning and the Executive Director policy lines cover all of P&C and is therefore not included in the table above.

2. Main Issues – Revenue

- 2.1 At the end of August 2022, the overall P&C position shows a forecast overspend of £44k, and the overall PH position an underspend of £176k. The budgets within the remit of CYP are currently forecasting a net overspend of £271k (excluding the Dedicated Schools Grant).

2.1.2 The main significant issue as highlighted in the FMR is:

Children in Care Transport - Children in Care transport is forecasting a revised £200k pressure. There has been an increase in transport demand arising from an increasing shortage in local placements, requiring children to be transported further. In addition, transport requests for CIC pupils as part of their care package have increased due to carers feeling unable to meet the increased fuel costs.

There continues to be a national issue of driver and operator availability due to a shortage of taxi drivers choosing to move to other more favourable types of driving jobs and an increase in fuel and vehicle costs. This has led to an increase in contract hand backs and lack of interest in tendering for LA transport work and this results in higher contract costs.

Dedicated Schools Grant (DSG) - Due to the continuing increase in the number of children and young people with an Education, Health and Care Plan (EHCP), and the complexity of need of these young people the overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. At the end of 2020/21 the High Needs Block overspent by approximately £12.5m, which was in line with previous forecasts. However, there were a number of one-off underspends in other areas of the DSG which resulted in a net DSG overspend of £9.7m to the end of the year.

When added to the existing DSG deficit of £16.6m brought forward from previous years and allowing for required prior-year technical adjustments this totals a cumulative deficit of £26.4m to be carried forward into 2021/22. Based on initial budget requirements for 2021/22 there is an underlying forecast pressure of £11.2m relating to High Needs.

2.3 Capital

2.3.1 The Capital Programme Board recommended that services include a variations budget to account for likely slippage in the capital programme, as it is sometimes difficult to allocate this to individual schemes in advance. The allocation for P&C's negative budget has been revised and calculated using the revised budget for 2022/23 as below:

Service	Capital Programme Variations Budget £000	Forecast - Outturn (August 22) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Forecast Variance - Outturn (August 22) £000
P&C	-9,502	-9,502	-9,502	100	9,502
Total Spending	-9,502	-9,502	-9,502	100	9,502

2.3.2 In the current environment, contractors and sub-contractors only hold prices for a limited time period, often just a couple of weeks. We are seeing schemes increasing in overall cost as a result of delays in getting final approval from the point at which a quote is given to us. Strategy and Resources Committee will therefore be asked to give a delegated approval to the s151 officer for a limited 12-month period to be able to authorise a 5% variation on cost changes on schemes within the capital programme upon reaching Milestone 4 to allow for

quicker decision making. This would allow schemes costs to be finalised during this volatile period without the delay in coming back to seek committee approval for additional budget that could result in even further additional costs.

3. Alignment with corporate priorities

- 3.1 Environment and Sustainability
There are no significant implications for this priority.
- 3.2 Health and Care
There are no significant implications for this priority.
- 3.3 Places and Communities
There are no significant implications for this priority.
- 3.4 Children and Young People
There are no significant implications for this priority.
- 3.5 Transport
There are no significant implications for this priority.

4. Significant Implications

- 4.1 Resource Implications
This report sets out details of the overall financial position of the P&C Service.
- 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications
There are no significant implications within this category.
- 4.3 Statutory, Legal and Risk Implications
There are no significant implications within this category.
- 4.4 Equality and Diversity Implications
There are no significant implications within this category.
- 4.5 Engagement and Communications Implications
There are no significant implications within this category.
- 4.6 Localism and Local Member Involvement
There are no significant implications within this category.
- 4.7 Public Health Implications
There are no significant implications within this category.
- 4.8 Environment and Climate Change Implications on Priority Areas
There are no significant implications within this category.

5. Source documents

5.1 None