

Finance Monitoring Report – January 2023

To: Children and Young People Committee

Meeting Date: 8 March 2023

From: Interim Executive Director: Children's Services
Director of Public Health
Service Director: Finance and Procurement

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: To provide the Committee with the January 2023 Finance Monitoring Report for People Services 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 January 2023.

Recommendation: Committee are asked to:

- a) to review and comment on the report.
- b) to request Strategy & Resources Committee allocate £1,070k of additional funding, in order to enable the strengthening services activities set out in appendix C, delegating authority to the section 151 officer to agree drawdown of those funds.

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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 Services (PS) and Public Health (PH) is attached at Appendix B. This report covers the whole of the PS, 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 wherever possible.
- 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 2022 £000	Forecast Outturn Variance £000
650	Children's Commissioning	25,008	18,587	1,200
0	Communities & Safety - Central Integrated Youth Support Services	0	0	0
-335	Children & Safeguarding	61,796	47,737	-390
3,375	Education – non DSG	46,585	15,151	3,133
-0	Public Health - Children's Health	9,393	8,043	-1
3,690	Total Expenditure	142,781	89,518	3,943
0	Grant Funding (excluding Dedicated Schools Grant etc.)	-23,008	-18,853	1
3,690	Total Non-DSG	119,773	70,665	3,944
0	Commissioning – DSG	245	0	0
11,800	Education – DSG (incl. contribution to combined budgets)	102,680	97,995	11,800
11,800	Total DSG (Ringfenced Grant)	102,925	97,995	11,800

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

2. Main Issues – Revenue

- 2.1 At the end of January 2023, the overall PS position shows a forecast overspend of £3,204k, and the overall PH position an underspend of -£353k. The budgets within the remit of CYP are currently forecasting a net overspend of £3,944k (excluding the Dedicated Schools Grant).

2.1.2 The main significant issues as highlighted in the FMR are listed below (Previous months forecast in brackets):

Children's Commissioning	
Children in Care Placement +£1,200k pressure. (+£650k)	The CiC placements budget is experiencing a significant increase in the cost of placements as a result of complexity of need and continuing market pressures.
Children and Safeguarding	
Fostering and Supervised Contact -£200k forecast underspend. (-£200k)	Underspend within Professional and Link Foster Carers primarily due to the continuing reduction of the Children in Care (CiC) population accessing this provision. Whilst better utilisation of vacant beds has resulted in a more positive placement mix (54% of Cambridgeshire children with in-house carers versus 46% external), it is considered unlikely that the full 190 placements budgeted for will be utilised within the year.
Integrated Front Door +200k forecast overspend. (+£200k)	Additional costs as a result of agency staff costs, additional hours and allowances within the Emergency Duty Team (EDT).
Children's Disability Service +£95k forecast overspend. (+£150k)	Following the decision to bring the three residential children's homes in-house in September 2020, the harmonisation of staff to CCC terms and conditions in October 2022 results in a forecast pressure.
Adoption -£300k forecast underspend. (-£300k)	Underspend against Special Guardianship Orders, which is the continuation of savings realised from changes made to allowances following the introduction of a new means testing tool, in line with DfE recommendations.
Safeguarding East -£185k forecast underspend (-£185k)	Current forecast underspend as a result of expenditure in relation no families under no recourse to public funds (NRPF) families. There is also reduced Section 17 expenditure due to the service utilising charitable support and/or other avenues of support to assist children and families where needed.

Education	
Outdoor Education +£99k forecast overspend. (+117k)	This is as a result of an underlying staffing pressure at Stibbington exacerbated by bookings remaining low and not recovering as expected following easing of Covid restrictions
Cambridgeshire Music +£94k forecast pressure (£0k)	Demand for services has reduced through the Autumn Term affected in part by the national economic picture, as a result it has taken longer to build newly appointed staff up to their correct level of work mid-year.
Redundancy and Teachers Pensions - £254k forecast underspend (£0k)	Current forecast underspend due to a significant reduction in the number of individuals receiving pension payments. There has also been lower than anticipated activity in redundancies.
SEND Specialist Services +£251k forecast overspend. (+250k)	The Education Psychology service is experiencing increasing demand which cannot be met from within the substantive team and is therefore being met through use of locum Education Psychologists. This pressure is due to the significant increase in requests for assessments that continued over the summer.
0-19 Organisation and Planning -£131k forecast underspend (-£38k)	The majority of the forecast under spend is within the Safeguarding team following a review of their offer which resulted in delivering a wider range of courses and increasing their marketing. The remainder is being generated by Welfare Benefits.
Home to School Transport Special +£2,130k forecast overspend. (+£2,130k)	Growth in numbers of EHCPs being agreed has led to the forecasted increase in numbers of children with SEND being transported. The lack of special school places available locally has necessitated longer and less efficient transport routes. 330 numbers of SEND transport contracts have been re-procured this summer and this has occurred in a time of extremely uncertain market conditions. Average transport costs per contract have gone up by 18.5% from 2021.
Children in Care (CIC) Transport +300k forecast overspend. (+£300k)	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.
Home to School Transport Mainstream +£711k forecast overspend. (+£711k)	As with all the transport budgets, driver shortages and inflation have increased contract costs. In addition, several areas in the county have a lack of local places meaning that pupils must be transported further at higher cost.

2.1.3 Alongside the core funded budgets the High Needs Block element of the Dedicated Schools Grant (DSG) continues to face significant pressures due to the continuing increase in the number of children and young people with an EHCP, and the complexity of need of these young people. The in-year forecast overspend remains at £11.8m, which when added to the cumulative deficit brought forward from previous years will result in a deficit of £50m+ being carried forward into 2023/24.

2.2 Capital

2.2.1 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. As of January 2023, the Capital Variation budget has been fully utilised.

Service	Capital Programme Variations Budget £000	Forecast – Outturn (Jan 23) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (Jan 23) £000
People Services	-9,114	-22,129	-9,114	100	-13,015
Total Spending	-9,114	-22,129	-9,114	100	-13,015

2.3 Other Considerations

2.3.1 Appendix C to this report sets out identified resource requirements to support the first stages of the work in respect of Strengthening Services.

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 Source documents

As well as presentation of the FMR to the Committee the report is made available online each month.

5.2 Location

<https://www.cambridgeshire.gov.uk/council/finance-and-budget/finance-&-performance-reports/>

Appendix A

Children & Young People Committee Revenue Budgets within the PS, and PH Finance Monitoring report

Children's Commissioning

Children in Care Placements
Commissioning Services

Children & Safeguarding Directorate

Strategic Management – Children & Safeguarding
Safeguarding and Quality Assurance
Fostering and Supervised Contact Services
Corporate Parenting
Integrated Front Door
Children's Disability Service
Support to Parents
Adoption
Legal Proceedings
Youth Offending Service

District Delivery Service

Children's Centres Strategy
Safeguarding West
Safeguarding East
Early Help District Delivery Service –North
Early Help District Delivery Service – South

Education Directorate

Strategic Management - Education
Early Years' Service
School Improvement Service
Virtual School
Outdoor Education
Cambridgeshire Music
ICT Service
Redundancy & Teachers Pensions

SEND Specialist Services (0-25 years)

SEND Specialist Services
Funding for Special Schools and Units
High Needs Top Up Funding
Special Educational Needs Placements
Out of School Tuition
Alternative Provision and Inclusion
SEND Financing - DSG

Infrastructure

0-19 Organisation & Planning

Education Capital
Home to School Transport – Special
Children in Care Transport
Home to School Transport – Mainstream

Executive Director

Executive Director - covers all of PS
Lost Sales, Fees & Charges Compensation – covers all of PS
Central Financing - covers all of PS

Grant Funding

Financing DSG
Non Baselined Grants - covers all of PS

Public Health – Children Health

Children 0-5 PH Programme
Children 5-19 PH Programme - Non Prescribed
Children Mental Health