

Finance Monitoring Report – July 2021

- To: Children and Young People Committee
- Meeting Date: 14 September 2021
- From: Executive Director: People and Communities
Director of Public Health
Chief Finance Officer
- Electoral division(s): All
- Key decision: No
- Forward Plan ref: Not applicable
- Outcome: To provide the Committee with the July 2021 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 July 2021.
- Recommendation: The Committee is recommended to:
- a. Review and comment on the report.
 - b. Note the Section 256 arrangement in respect of the Special Educational Needs & Disabilities (SEND) Information, Advice & Support Service (IASS).
 - c. Note the Section 76 agreement in respect of Speech and Language Therapy (SaLT).
 - d. Note the Section 75 agreement in respect of Occupational Therapy (OT).

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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 2021/22 £000	Actual July 21 £000	Forecast Outturn Variance £000
-0	Children's Commissioning	22,414	5,668	1,250
0	Communities & Safety - Central Integrated Youth Support Services	382	-25	-16
-0	Children & Safeguarding	59,375	13,035	-1,259
796	Education – non DSG	37,242	10,364	791
0	Public Health - Children's Health	9,317	2,267	0
796	Total Expenditure	128,729	31,308	767
0	Grant Funding (excluding Dedicated Schools Grant etc.)	-17,777	-2,904	0
796	Total Non-DSG	110,952	28,404	767
0	Commissioning – DSG	245	0	0
11,244	Education – DSG (incl. contribution to combined budgets)	90,528	27,622	11,244
11,244	Total DSG (Ringfenced Grant)	90,773	27,622	11,244

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 July 2021, the overall P&C position shows a forecast underspend of £426k; around 0.1% of budget, whilst Public Health is reporting an underspend of £1,027k; 2.1% of budget. The budgets within the remit of CYP are currently forecasting an overspend of £782k (excluding the Dedicated Schools Grant).

2.1.2 The significant issues relating to CYP, as highlighted in the main FMR are:

Children's - Despite a relatively stable position in the number of Children in Care (CiC) we are seeing increasing cost pressures due to changes in complexity of need, and continuing cost inflation within the sector resulting in an in year forecast pressure of £1.25m. Since April we have seen a rise of 7 young people in residential homes, representing a 20% increase in numbers, and a 33% increase in overall financial commitment. Weekly cost for this type of provision is significantly higher than foster care, so any shift towards residential will have significant impact on the budgetary position. Higher cost placements are reviewed regularly to ensure they are the correct level and step downs can be initiated appropriately; however we are continuing to see an increase in demand for this placement type. We are also seeing the impact of Tier 4 step-downs which can lead to high placement costs, and demand for this placement type is also expected to rise.

Despite further pressures within the Children's Disability Service (£400k), the current forecast overspend across Children's (including the CiC placement budget held in Commissioning) has been offset by underspends in the Fostering and Supervised Contact Service (-£884k), Corporate Parenting (-£400k) and Adoption Allowances (-£375k).

Outdoor Education is forecasting a revised in-year overspend of £681k due to school residential visits not being allowed until mid-May and a reduction in numbers in order to adhere to Covid-19 guidance.

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.

This is a ring-fenced grant and, as such, overspends do not currently affect the Council's bottom line. We are working with the Department for Education (DfE) to manage the deficit and evidence plans to reduce spend.

2.1.3 Other information:

Special Educational Needs & Disabilities (SEND) Information, Advice & Support Service (IASS) - A Section 256 agreement (which allows Clinical Commissioning Groups (CCGs) to enter into arrangements with local authorities to carry out activities with health benefits) is now in place with the Cambridgeshire and Peterborough CCG in relation to the receipt of funding towards CCC's Special Educational Needs & Disabilities (SEND) Information, Advice & Support Service (IASS).

The SENDIAS Service provides impartial information, advice and support to parents carers and young people with special educational needs & disabilities. The Section 256 agreement with the C&P CCG therefore ensures, as per statutory obligation, that CCC's SENDIASS Service is jointly funded by the C&P CCG alongside the Local Authority. The C&P CCG approved their funding contribution, of £41,500, to CCC's SENDIASS Service in 2021; to commence for the 2021-22 financial year.

As the C&P CCG are contributing to both Peterborough City Council and CCC's SENDIAS Services, therefore the Section 256 itself relates to both Peterborough & Cambridgeshire's SENDIAS Services; the combined contribution from the C&P CCG is therefore £83,000 for the 2021-22 financial year. Both services operate on an in-house basis (within the respective Local Authorities) but serve a vital impartial function for children & young people with SEND and their families. The Section 256 relates to both Peterborough and Cambridgeshire's services due to the strategic direction for there to be a joint SENDIAS Service across Peterborough & Cambridgeshire.

Speech and Language Therapy (SaLT) – Section 76 of the NHS Act 2006 enables joint health and social care funding, and allows local authorities to make payments, as in this case for service contributions, to NHS bodies to support specific additional NHS services, where this ensures a more efficient use of resources.

An extension of the S76 agreement in Peterborough and Cambridgeshire with NHS Cambridgeshire and Peterborough Clinical Commissioning Group (CPCCG) to deliver an integrated SaLT service to children and young people in Cambridgeshire and Peterborough has been produced. The agreement covers the initial period from 1st April 2021 to March 2022 and thereafter, subject to annual review, until 31 March 2024. The annual cost for each LA is £236,794.

Occupational Therapy (OT) - As presented at the June CYP committee the Section 75 OT agreement with Cambridgeshire Community Services NHS Trust (CCS) will primarily fund the SEND provision [namely education, health and care plan (EHCP) assessment, advice and tribunal] and the additional funding supporting the social care elements [namely housing adaptations, disabled facilities grants and assessments]. The annual value for 2021/22 is £506k and is funded from a combination of existing funding and reserves. Ongoing funding of £741k per annum is required from 2022/23 with CYP committee previously supporting the requirement for additional permanent funding of £496,000 from 2022/23 onwards. This will be taken forward through the business planning process.

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 2021/22 as below.

Service	Capital Programme Variations Budget £000	Forecast Outturn Variance (July 21) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Outturn Variance (July 21) £000
P&C	-5,805	-5,805	3,492	60.2%	0
Total Spending	-5,805	-5,805	3,492	60.2%	0

3. Alignment with corporate priorities

- 3.1 Communities at the heart of everything we do
There are no significant implications for this priority.
- 3.2 A good quality of life for everyone
There are no significant implications for this priority.
- 3.3 Helping our children learn, develop and live life to the full
There are no significant implications for this priority.
- 3.4 Cambridgeshire: a well-connected, safe, clean, green environment
There are no significant implications for this priority.
- 3.5 Protecting and caring for those who need us
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

6. Appendices

6.1 An accessible copy of Appendix B - People and Communities and Public Health Finance Monitoring Report July 2021 is available on request from martin.wade@cambridgehire.gov.uk