

Service: Children, Education and Families
 Subject: Finance Monitoring Report – October 2023
 Date: 13th November 2023

Agenda Item No. 5 – Appendix 1

Contents

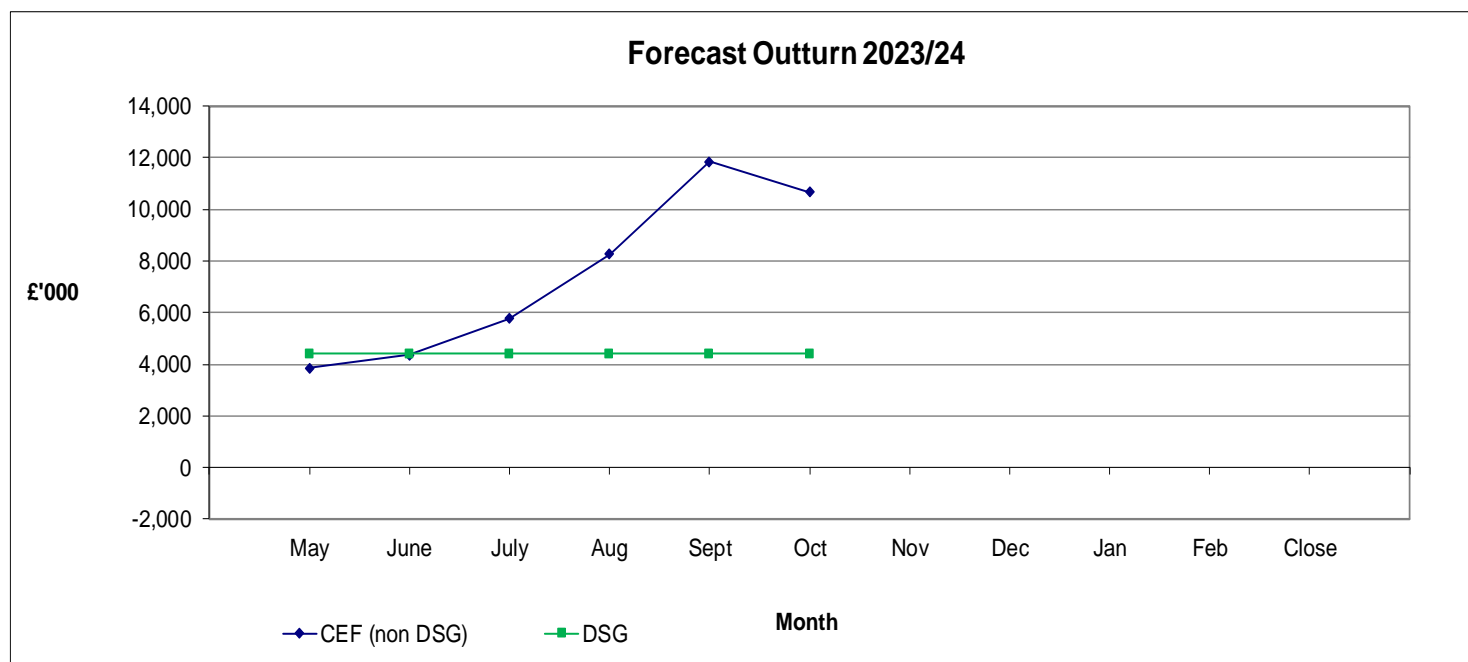
Section	Item	Description
1	Revenue Executive Summary	High level summary of information and narrative on key issues in revenue financial position
2	Capital Executive Summary	Summary of the position of the Capital programme within Children, Education and Families
3	Savings Tracker Summary	Summary of the latest position on delivery of savings
4	Technical Note	Explanation of technical items that are included in some reports
5	Key Activity Data	Performance information linking to financial position of main demand-led services
Appx 1a	Service Level Financial Information	Detailed financial tables for Children, Education and Families main budget headings
Appx 1b	Service Level Financial Information	Dedicated Schools Grant (DSG) financial tables for Children, Education and Families main budget headings
Appx 2	Service Commentaries	Detailed notes on revenue financial position of services that have a significant variance against budget
Appx 3	Capital Appendix	This contains more detailed information about the capital programme, including funding sources and variances from planned spend.
<i>The following appendices are included quarterly as the information does not change as regularly:</i>		
Appx 4	Savings Tracker	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the Business Plan.
Appx 5	Technical Appendix	Each quarter, this will contain technical financial information showing: Earmarked reserves Grant income received Budget virements

1. Revenue Executive Summary

1.1 Overall Position

At the end of October 2023, Children, Education and Families is projected to be £10.670m overspent on core funded activities and £4.418m overspend on Dedicated Schools Grant (DSG) activities.

1.2 Summary of Revenue position by Directorate



1.2.1 Childrens, Education and Families – Non DSG

Forecast Outturn Variance (Previous) £000	Directorate	Gross Budget £000	Income Budget £000	Net Budget £000	Actual £000	Forecast Outturn Variance £000	Forecast Outturn Variance %
6,002	Commissioning	29,236	-2,336	26,900	16,182	5,752	19.7%
1,542	Children & Safeguarding	69,323	-14,383	54,940	34,227	1,286	1.9%
4,311	Education	64,611	-18,225	46,387	20,275	4,265	6.6%
-0	Executive Director	619	0	619	370	-0	0.0%
0	Mitigations	0	0	0	0	-633	0.0%
11,855	Total Expenditure	163,788	-34,943	128,845	71,054	10,670	6.5%
0	Schools	0	0	0	-3,152	0	0.0%
11,855	Total	163,788	-34,943	128,845	67,902	10,670	6.5%

1.2.2 Children, Education and Families – DSG

Forecast Outturn Variance (Previous) £000	Directorate	Gross Budget £000	Income Budget £000	Net Budget £000	Actual £000	Forecast Outturn Variance £000	Forecast Outturn Variance %
0	Commissioning (DSG)	245	0	245	-184	0	0.0%
5,418	Education (DSG)	115,334	-1,716	113,617	61,361	5,418	4.7%
5,418	Total Expenditure (DSG)	115,579	-1,716	113,862	61,177	5,418	4.7%
-1,000	Schools (DSG)	490,248	-2,689	487,559	96,417	-1,000	-0.2%
0	Financing (DSG)	0	-601,421	-601,421	-162,117	0	0.0%
4,418	Total (DSG)	605,827	-605,827	0	-4,523	4,418	0.0%

1.3 Significant Issues

The overall position for Children, Education and Families non-DSG budgets to the end of October 2023 is a forecast overspend of £10.670m. The figures include budget rebaselining adjustments approved at Strategy and Resources Committee in July.

Children in Care Placements – A reduced forecast of £5.737m is now being reported against Children in Care Placements, this reduction is a result of step-downs in high-cost placements to bring young people into sustainable placements that are at a more manageable cost. We still currently have a small number of young people in very high-cost placements which is causing a significant weekly pressure against the budget. If forecast to year-end, these placements would leave us in a significant overspend position, and whilst the service is working hard with relevant agencies to secure placements at more manageable costs, it is proving extremely difficult to secure appropriate regulated placements for these young people, due to a combination of complexity of need and a saturated external market. This has led to an increase in the length of some of the very high-cost placements being forecast, which has worsened the forecast overspend position. This position is being carefully monitored and the service is working hard to control cost where possible, including the weekly complex placement meeting to track all unregulated and high-cost placements and ensure all agencies are working towards more suitable, stable and cost-effective placements for these children. We are also continuing our market engagement with our providers to develop more cost-effective arrangements for current and future children needing placements.

Children and Safeguarding – A revised net forecast overspend of £1.286m is now being reported across Children and Safeguarding. Continuing high levels of agency staffing covering vacancies, along with additional agency project teams are being offset by unallocated budget and unused Social Care Grant reserves from previous financial years, as well as underspends on fostering and adoption allowances.

Additional pressures within the Children’s Disability Service as a result of increasing numbers and complexity of need are now also being reported.

Education – A net forecast overspend of £756k is now being reported across Education (excluding Home to School Transport). As a result of delays in implementing a new ICT service, the proposed efficiency savings of £223k are now unlikely to be delivered until the 2025/26 financial year. The ICT

Service is now also reporting an increased pressure of £126k due to reduced income from schools. SEND Specialist Services are reporting a forecast of £500k across the Education Psychology (EP) service and SEND Head of Service. The EP service is experiencing a continuing increase in demand for Education Health and Care Needs Assessments (EHCNA) which cannot be met from within the substantive team and is therefore being met through use of locum Education Psychologists. We have seen a 24% increase in the number of requests for assessments for SEND. The SEND Head of Service pressure is a result of additional speech and language therapy costs and back care training costs. Both service areas are in discussion with relevant health organisations around performance and responsibility for payment.

Home to School Transport – A revised forecast of £3.508m is now being reported across the Home to School Transport budget lines.

There are increasing concerns around the home to school transport budget areas following the summer procurement rounds, which, due to lack of supply in the market, saw between 7% and 8% uplifts on the same route previously. This inflationary impact continues to be a live issue for the delivery of home to school transport. Alongside this, recent admissions data shows that growth of children and young people with SEND will continue to rise above what is forecast, therefore creating a higher demand for more complex routes, such as solo travel.

Work is underway to determine the financial impact of the unprecedented levels of in-year applications into the county which will not have been factored into the budget setting last year given the timing of the applications. Equally, the summer Year 7 secondary school place allocation round saw 5% higher retention of pupils from Primary into Secondary on previous years transfer rates. The impact of this has meant pressure on secondary school places and consequently more young people are being placed in schools over 3 miles from their home address and therefore eligible for transport. This information has been built into business planning to ensure budget setting is appropriate in the context of current demand.

Various cost saving exercises are currently taking place, such as optimising the use of our fleet and working with other external providers, to minimise overspends and create a more sustainable market.

Dedicated Schools Grant (DSG) – Appendix 1b provides a detailed breakdown of all DSG spend within Children, Education & Families Services. The budget figures are net of recoupment for academies and High Needs place funding.

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 overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. At the end of 2022/23 there was a net DSG overspend of £11.94m, which when added to the existing DSG deficit of £39.32m resulted in a revised cumulative deficit of £51.262m.

As a result of the Safety Valve Agreement with the Secretary of State for Education the local authority received an initial payment of £19.6m in March 2023 which will support the reduction of the overall DSG deficit. Alongside this, a local authority contribution of £2.5m has been applied, resulting in a reduced cumulative deficit of £29.16m brought forward into 2023/24.

To the end of October the reported net DSG forecast remains at £4.418m. However, overall numbers and complexity of need continue to exceed previous forecasts, and as such forecasts will be updated to reflect the revised position once pupil data relating to the start of the new academic year becomes available.

2. Capital Executive Summary

At the end of October 2023, the capital programme forecast underspend is zero. The level of slippage and underspend in 2023/24 is currently anticipated to be £8,389k and as such has not yet exceeded the Capital Variation Budget. A forecast outturn will not be reported unless this happens.

Details of the currently forecasted capital variances can be found in Appendix 3.

3. Savings Tracker Summary

The savings trackers are produced quarterly to monitor delivery of savings against agreed plans. The first quarterly savings tracker for 2023/24 can be found in Appendix 4.

4. Technical note

On a quarterly basis, a technical financial appendix is included as Appendix 5. This appendix covers:

- Grants that have been received by the service, and where these have been more or less than expected.
- Budget movements (virements) into or out of the directorate from other services, to show why the budget might be different from that agreed by Full Council.
- Service earmarked reserves – funds held for specific purposes that may be drawn down in-year or carried-forward – including use of funds and forecast draw-down.

5. Key Activity Data

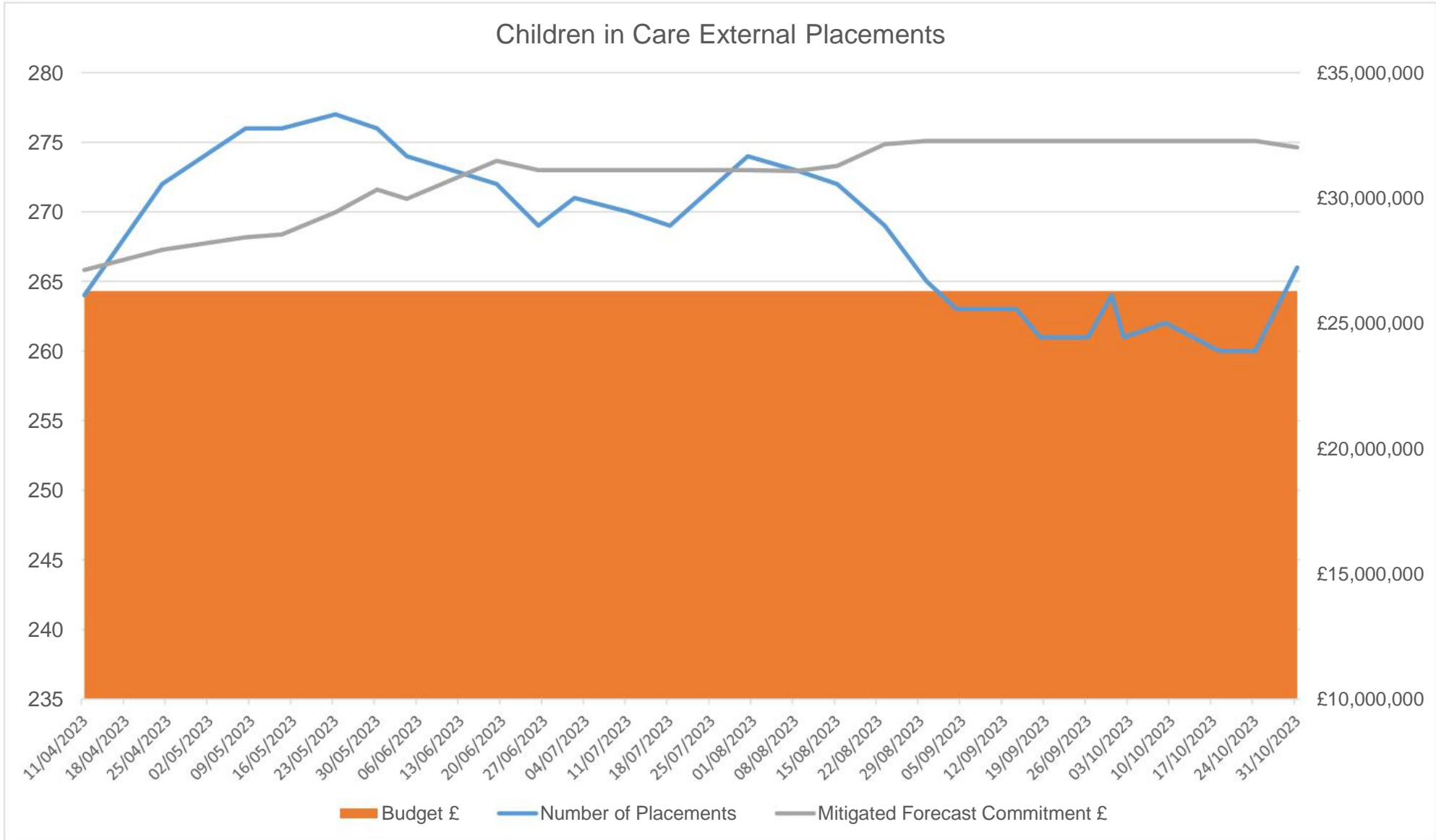
5.1 Key activity data to the end of October **2023** for **Children in Care Placements** is shown below:

Service Type	BUDGET				ACTUAL (October 2023)				FORECAST OUTTURN		
	No of placements Budgeted	Annual Budget	No. of weeks funded	Average weekly cost per head	Snapshot of No. of placements October 2023	Yearly Average	Outturn	Average weekly cost per head	Yearly Average budgeted no. of placements	Net Variance to Budget	Average weekly cost diff +/-
Residential – disability	4	£874k	52	£3,277	4	4.01	£764k	£3,654	0.01	-£110k	£377
Residential - secure accommodation	2	£1,449k	52	£8,538	2	2.43	£3,498k	£30,622	0.43	£2,050k	£22,084
Residential schools	6	£509k	52	£1,632	6	5.79	£513k	£1,680	-0.21	£3k	£47
Residential homes	51	£10,922k	52	£4,118	44	46.34	£11,641k	£5,636	-4.66	£719k	£1,517
Independent Fostering	174	£8,153k	52	£901	169	166.84	£8,091k	£989	-7.16	-£62k	£88
Tier 4 Step down	2	£449k	52	£4,318	0	0.23	£31k	£2,232	-1.77	-£419k	-£2,087
Supported Accommodation	18	£2,264k	52	£6,302	32	28.85	£7,796k	£8,899	10.85	£5,532k	£2,597
16+	5	£81k	52	£310	7	5.23	£103k	£326	0.23	£22k	£17
Supported Living	2	£373k	52	£3,588	2	1.76	£571k	£13,483	-0.24	£198k	£9,895
Mitigations required	0	£k	0	£0	0	0.00	-£986k	£0	-	-£986k	£0
TOTAL	265	£26,285k			266	261.48	£32,022k		-2.52	£5,737k	
In-house Fostering	163	£4,119k	56	£450	163	147.25	£3,705k	£448	-16.04	-£414k	-£2
In-house fostering - Reg 24	31	£334k	56	£190	31	34.09	£345k	£186	2.66	£11k	-£4
Family & Friends Foster Carers	18	£341k	52	£364	13	12.12	£400k	£588	-5.87	£59k	£224
Supported Lodgings	0	£k	0	£0	0	0.00	£19k	£0	0.00	£980k	£0
Growth/Replacement							£73k		0.00	£73k	£0
TOTAL	217	£4,832k			209	194.66	£4,542k		-23.93	-£275k	

Service Type	BUDGET				ACTUAL (October 2023)				FORECAST OUTTURN		
	No of placements Budgeted	Annual Budget	No. of weeks funded	Average weekly cost per head	Snapshot of No. of placements October 2023	Yearly Average	Outturn	Average weekly cost per head	Yearly Average budgeted no. of placements	Net Variance to Budget	Average weekly cost diff +/-
Adoption Allowances	87	£1,113k	52	£246	74	75.65	£851k	£216	-11.20	£-262k	£-31
Special Guardianship Orders	298	£2,319k	52	£150	283	281.42	£2,076k	£141	-16.74	£-244k	£-8
Child Arrangement Orders	52	£422k	52	£156	41	42.36	£314k	£142	-9.73	£-107k	£-13
Concurrent Adoption	2	£22k	52	£210	0	0.00	£k	£0	-2.05	£-22k	£-210
Growth/Replacement							£336k	£0	0.00	£336k	£0
TOTAL	439	£3,876k			398	399.43	£3,576k		-39.72	£-300k	
OVERALL TOTAL	921	£34,993k			873	855.57	£40,141k		-66.17	£5,162k	

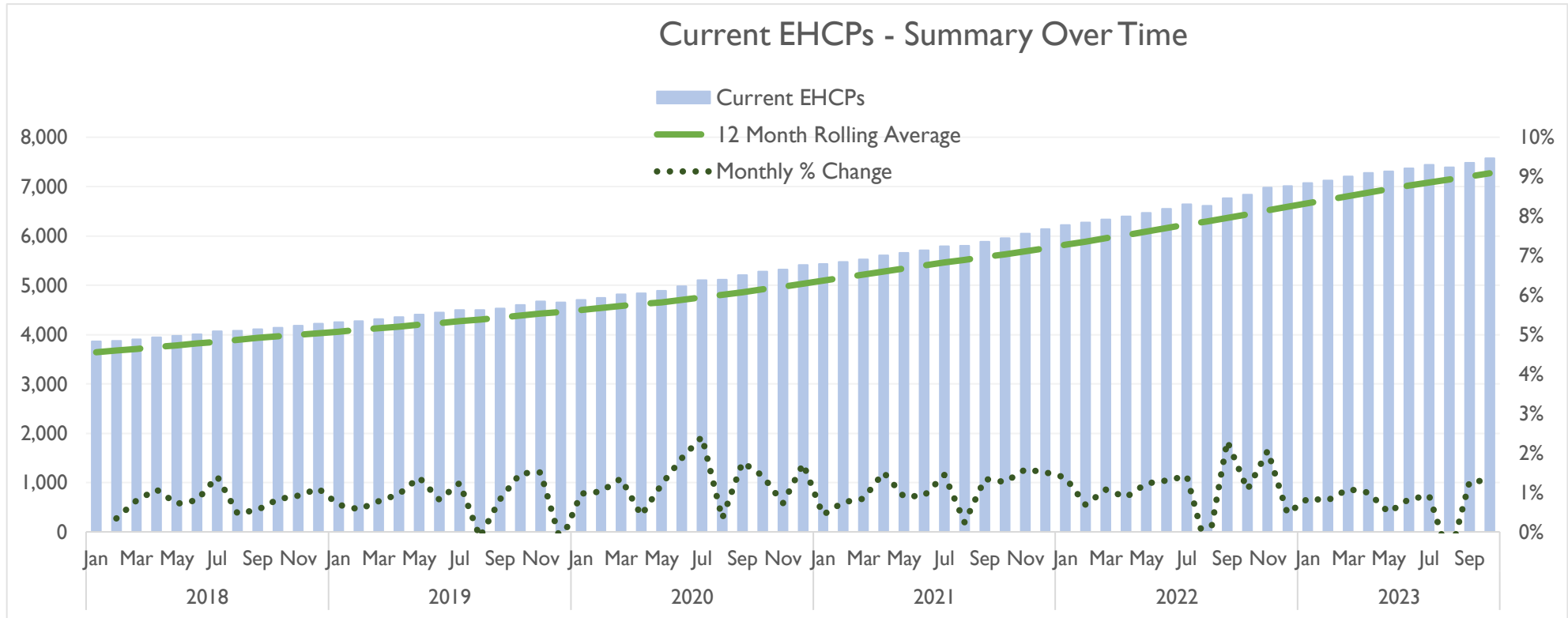
NOTES: In house fostering payments fund 56 weeks as carers receive two additional weeks payment during the summer holidays and one additional week each for Christmas and birthday.

Children in Care External Placements



5.2 Key activity data for **SEN** is currently being updated for 2023/24 to reflect the latest position and Safety Valve monitoring.

The graph below shows the increase in the number of EHCPs over time.



Appendix 1a – Children, Education and Families Detailed Financial Information (non DSG)

Forecast Outturn Variance (Previous)	Committee		Gross Budget	Income Budget	Net Budget	Actual	Forecast Outturn Variance	Forecast Outturn Variance
£000			£000	£000	£000	£000	£000	%
Director of Commissioning								
5,987	CYP	Children in Care Placements	28,601	-2,316	26,285	16,302	5,737	22%
15	CYP	Commissioning Services	635	-20	615	-120	15	2%
6,002		Director of Commissioning Total	29,236	-2,336	26,900	16,182	5,752	21%
Director of Children & Safeguarding								
-520	CYP	Strategic Management - Children & Safeguarding	2,707	0	2,707	1,827	-520	-19%
0	CYP	Safeguarding and Quality Assurance	3,801	-540	3,260	1,831	-0	0%
0	CYP	Fostering and Supervised Contact Services	10,197	-327	9,870	5,702	-275	-3%
-0	CYP	Corporate Parenting	10,304	-7,014	3,290	4,731	0	0%
1,637	CYP	Integrated Front Door	4,833	-345	4,488	4,217	1,956	44%
340	CYP	Children's Disability Service	9,077	-832	8,245	5,885	340	4%
-0	CYP	Support to Parents	2,191	-2,019	172	-1,667	-0	0%
0	CYP	Adoption	6,104	-668	5,435	2,674	-300	-6%
85	CYP	Legal Proceedings	2,050	0	2,050	1,185	85	4%
-0	CYP	Youth Offending Service	2,822	-1,381	1,441	922	-0	0%
-0	CYP	Family Safeguarding	5,351	-173	5,178	1,901	-0	0%
-0	CYP	Targeted Support Service	9,886	-1,083	8,803	5,019	-0	0%
1,542		Director of Children & Safeguarding Total	69,323	-14,383	54,940	34,227	1,286	2%

Forecast Outturn Variance (Previous)	Committee		Gross Budget	Income Budget	Net Budget	Actual	Forecast Outturn Variance	Forecast Outturn Variance
£000			£000	£000	£000	£000	£000	%
Director of Education								
223	CYP	Strategic Management - Education	1,277	-119	1,158	2,205	223	19%
-31	CYP	Early Years Service	3,270	-2,383	887	971	-1	0%
-22	CYP	School Improvement Service	2,298	-1,371	927	397	-43	-5%
0	CYP	Virtual School	2,077	-1,618	459	516	0	0%
59	CYP	Outdoor Education (includes Grafham Water)	2,335	-2,411	-77	-183	42	54%
-0	CYP	Cambridgeshire Music	1,709	-1,734	-25	373	-0	0%
98	CYP	ICT Service (Education)	5,645	-5,945	-300	-405	126	42%
-71	CYP	Redundancy & Teachers Pensions	4,596	-605	3,991	3,045	-71	-2%
<u>SEND Specialist Services (0 - 25 years)</u>								
500	CYP	SEND Specialist Services	4,718	-173	4,545	2,587	500	11%
0	CYP	High Needs Top Up Funding	0	0	0	0	0	0%
19	CYP	Alternative Provision and Inclusion	-13	0	-13	183	-0	0%
519		SEND Specialist Services (0 - 25 years) Total	4,704	-173	4,532	2,771	500	11%
<u>0-19 Place Planning & Organisation Service</u>								
-80	CYP	0-19 Organisation & Planning	1,724	-1,019	705	403	-58	-8%
0	CYP	Education Capital	287	-103	184	-4,353	37	20%
2,305	CYP	Home to School Transport - Special	21,381	-580	20,801	9,126	2,202	11%
46	CYP	Children in Care Transport	1,951	-5	1,946	748	46	2%
1,264	CYP	Home to School Transport - Mainstream	11,357	-160	11,197	4,660	1,260	11%
3,535		0-19 Place Planning & Organisation Service Total	36,700	-1,866	34,834	10,584	3,488	10%
4,311		Director of Education Total	64,611	-18,225	46,387	20,275	4,265	9%

Forecast Outturn Variance (Previous)	Committee		Gross Budget	Income Budget	Net Budget	Actual	Forecast Outturn Variance	Forecast Outturn Variance
£000			£000	£000	£000	£000	£000	%
Executive Director								
0	CYP	Executive Director	618	0	618	370	-0	0%
0	CYP	Central Financing	1	0	1	0	0	0%
0		Executive Director Total	619	0	619	370	-0	0%
Mitigations								
0	CYP	Additional Social Care Grant	0	0	0	0	-633	0%
0		Mitigations Total	0	0	0	0	-633	0%
11,855		Total	163,788	-34,943	128,845	71,054	10,670	8%
Schools								
0	CYP	Schools Financing	0	0	0	-3,148	0	0%
0	CYP	Pools and Contingencies	0	0	0	-4	0	0%
0		Schools Total	0	0	0	-3,152	0	0%
11,855		Overall Total	163,788	-34,943	128,845	67,902	10,670	8%

Appendix 1b – Children, Education and Families Detailed Financial Information (DSG)

Forecast Outturn Variance (Previous)	Committee		Gross Budget	Income Budget	Net Budget	Actual	Forecast Outturn Variance	Forecast Outturn Variance
£000			£000	£000	£000	£000	£000	%
Director of Commissioning								
0	CYP	Commissioning Services	245	0	245	-184	0	0%
0		Director of Commissioning Total	245	0	245	-184	0	0%
Director of Education								
0	CYP	Early Years Service	2,225	0	2,225	973	-0	0%
0	CYP	Virtual School	150	0	150	0	0	0%
<u>SEND Specialist Services (0 - 25 years)</u>								
0	CYP	SEND Specialist Services	7,412	-309	7,103	4,396	0	0%
0	CYP	Funding to Special Schools and Units	43,362	0	43,362	17,821	0	0%
0	CYP	High Needs Top Up Funding	35,739	0	35,739	17,438	0	0%
0	CYP	SEN Placements	16,877	-1,175	15,702	11,310	0	0%
0	CYP	Out of School Tuition	5,035	0	5,035	2,457	0	0%
0	CYP	Alternative Provision and Inclusion	7,538	-117	7,421	4,485	0	0%
5,418	CYP	SEND Financing – DSG	-5,619	0	-5,619	303	5,418	96%
5,418		SEND Specialist Services (0 - 25 years) Total	110,345	-1,601	108,743	58,210	5,418	5%
<u>0-19 Place Planning & Organisation Service</u>								
0	CYP	0-19 Organisation & Planning	2,214	-115	2,099	2,177	-0	0%
0	CYP	Home to School Transport - Special	400	0	400	0	0	0%
0		0-19 Place Planning & Organisation Service Total	2,614	-115	2,499	2,177	-0	0%
5,418		Director of Education Total	115,334	-1,716	113,617	61,361	5,418	5%
5,418		Total	115,579	-1,716	113,862	61,177	5,418	5%

Forecast Outturn Variance (Previous)	Committee		Gross Budget	Income Budget	Net Budget	Actual	Forecast Outturn Variance	Forecast Outturn Variance
£000			£000	£000	£000	£000	£000	%
Schools								
0	CYP	Primary and Secondary Schools	446,592	0	446,592	76,310	0	0%
-1,000	CYP	Nursery Schools and PVI	41,165	-2,689	38,475	20,147	-1,000	-3%
0	CYP	Schools Financing	2,492	0	2,492	-40	0	0%
0	CYP	Pools and Contingencies	0	0	0	0	0	0%
-1,000		Schools Total	490,248	-2,689	487,559	96,417	-1,000	0%
Financing								
0	CYP	Financing DSG	1,951	-603,372	-601,421	-162,117	0	0%
0		Financing Total	1,951	-603,372	-601,421	-162,117	0	0%
4,418		Overall Total	607,777	-607,777	0	-4,523	4,418	0%

Appendix 2 – Service Commentaries on Forecast Outturn Position

Narrative is given below where there is an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater for a service area.

1) Children in Care Placements

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
28,601	-2,316	26,285	16,302	5,737	22%

Revised overspend primarily due to a small number of young people in very high-cost placements. If forecast to year-end, these placements would result in a more significant overspend position, however, the service is working hard with relevant agencies to secure placements at more manageable costs and therefore we do not expect these to continue for the full year.

2) Strategic Management – Children & Safeguarding

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
2,707	0	2,707	1,827	-520	-19%

Forecasted underspend due to unallocated budget in the Strategic Management budget, and unused Social Care Grant reserves from previous financial years.

3) Fostering and Supervised Contact Services

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
10,197	-327	9,870	5,702	-275	-3%

We are now forecasting an under spend of £275k against foster carer allowances for in-house carers. This is predominantly due to a lower number of children placed with in-house carers than was anticipated when the budget was set.

4) Integrated Front Door

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
4,833	-345	4,488	4,217	1,956	44%

54% of vacancies within the assessment services are currently filled by agency workers and talks to the budget pressures. We anticipate mitigating these costs with the recruitment of International Social Workers and AYSE's (Assessed and Supported Year in Employment). The previous service structure was not sufficient to meet the demand, and in January 2023, the assessment service had over 270 out of date assessments, and caseloads over 35. To address these issues 2 project teams were agreed initially for 13 weeks then extended for a further 13 weeks to support the service to address the backlog. The additional capacity provided by the project teams, (at enhanced rates), ceased in August and September. Additional agency staff have been recruited at normal rates until November within East and Hunts team to replace the project teams whilst the current service structure is reviewed. The initial mapping work in the Multi Agency Safeguarding Hub (MASH) is complete and subject to change to reflect the demand in the system. The current data can't be validated as the system process doesn't support the practice; this is being reviewed. The volume of work within MASH continues to be high and further solutions are being considered to manage demand. Once data is confirmed as accurate, we can determine the workflow to inform the size of the assessment service.

5) Children's Disability

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
9,077	-832	8,245	5,885	340	4%

The Disability Social Care 0-25 Service is currently forecasting a year-end overspend of £340k. This has been caused by an accumulation of factors, including a significant increase in new demand (with over 100 new Direct Payments being set up in the past 4 months), and a continued increase in behavioural complexity resulting in 2:1 staffing being required more frequently at our community support services and residential children's homes. In addition, we have had to amend the terms and conditions of our Community Support Service staff to pay them enhancements for weekend work, which has brought them in line with other commensurate council services but has increased our salary costs. The service has also taken steps which, whilst preventing costs to the Children's Placement Budget, have increased the Disability Social Care in-year pressure, such as by utilising the third unfunded bed at our residential children's home (London Road) and funding the Disabled Facilities Grant (DFG) top-ups to enable children and young people with complex needs to remain living within their family homes. These actions have significantly improved outcomes for the complex children and young people we support, whilst maintaining their right to family life.

6) Adoption

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
6,104	-668	5,435	2,674	-300	-6%

We are forecasting an under spend of £300k against adoption allowances and SGO allowances, this is due to a lower number of children in these placement types than anticipated at the time the budget was set.

7) Legal Proceedings

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
2,050	0	2,050	1,185	85	4%

There is a forecast overspend in the legal budget of £85k. There has been a noticeable increase within the last four months in the Adolescent, Safeguarding and CIC service. This is due to a significant increase of young teenagers with increasing mental health needs requiring High Court attendance, frequent need to attend court and applications for Deprivation of Liberty Safeguards (DoLs) and a breakdown of adoption. All threshold decisions for legal are scrutinised by Service Directors. A review of the recent increase in spend is being cross referenced with legal to determine where any savings can be made.

8) Strategic Management – Education

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
1,277	-119	1,158	2,205	223	19%

The £223k forecast overspend is due to delays in the implementation of the new ICT system and resulting impact on the delivery of budgeted efficiency savings.

9) ICT Service (Education)

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
5,645	-5,945	-300	-405	126	42%

Summer work, which usually represents a significant proportion of yearly income, has significantly dropped from last year as schools hold back on their spending due to external economic conditions. Also, school build projects have been put on hold or delayed, which has affected the services ability to generate income. Various strategies and marketing exercises are being explored to reduce this under-recovery.

10) SEND Specialist Services

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
4,718	-173	4,545	2,587	500	11%

The Education Psychology service is forecasting a pressure of £338k. The 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 Education Health and Care Needs Assessments (EHCNA) that is impacted SEND services generally. The SEND Head of Service budget is also reporting a forecast pressure as a result of additional speech and language therapy, and back care training costs.

11) Home to School Transport – Special

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
21,381	-580	20,801	9,126	2,202	11%

See below.

12) Home to School Transport – Mainstream

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
11,357	-160	11,197	4,660	1,260	11%

There are increasing concerns around the home to school transport budget areas following the summer procurement rounds, which, due to lack of supply in the market, saw between 7% and 8% uplifts on the same route previously. This inflationary impact continues to be a live issue for the delivery of home to school transport. Alongside this, recent admissions data shows that growth of children and young people with SEND will continue to rise above what is forecast, therefore creating a higher demand for more complex routes, such as solo travel.

Work is underway to determine the financial impact of the unprecedented levels of in-year applications into the county which will not have been factored into the budget setting last year given the timing of the applications. Equally, the summer Year 7 secondary school place allocation round saw 5% higher retention of pupils from Primary into Secondary on previous years transfer rates. The impact of this has meant pressure on secondary school places and consequently more young people are being placed in schools over 3 miles from their home address and therefore eligible for transport. This information has been built into business planning to ensure budget setting is appropriate in the context of current demand.

Various cost saving exercises are currently taking place, such as optimising the use of our fleet and working with other external providers, to minimise overspends and create a more sustainable market.

13) Mitigations

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
0	0	0	0	-633	0%

Additional Social Care Grant to be transferred from Adults. Subject to approval.

14) SEND Financing – DSG

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
-5,619	0	-5,619	303	5,418	96%

Budgeted deficit reflective of continuing pressures and increasing demand within the High Needs Block as per Safety Valve management plan. Net of forecast underspends on Central Schools Services Block (CSSB).

15) Nursery Schools and PVI

Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
41,165	-2,689	38,475	20,147	-1,000	-3%

Forecast underspend as per Safety Valve management plan.

Appendix 3 – Capital Position

4.1 Capital Expenditure

Original 2023/24 Budget as per Business Plan £000	Committee	Scheme Category	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000	Budget Carried- forward 2023/24 £000	Budget Re- phasing 2023/24 £000	Revised Budget for 2023/24 £000	Actual Spend (October) £000	Forecast Outturn Variance (October) £000
44,312	CYP	Basic Need - Primary	130,160	0	805	-35,805	9,312	966	-1,410
104,100	CYP	Basic Need - Secondary	211,776	-1,500	-140	-19,291	84,669	32,916	-5,674
1,904	CYP	Basic Need - Early Years	7,367	0	548	-1,772	680	307	0
3,855	CYP	Adaptations	10,024	0	-183	-1,117	2,555	1,492	-338
3,250	CYP	Conditions Maintenance	27,304	0	805	54	4,109	999	-1,572
780	CYP	Devolved Formula Capital	7,793	0	2,474	-7	3,247	0	0
13,915	CYP	Specialist Provision	46,396	0	2,592	-4,891	11,616	7,411	605
1,050	CYP	Site Acquisition and Development	1,050	0	0	0	1,050	10	0
750	CYP	Temporary Accommodation	9,250	0	0	0	750	533	0
850	CYP	Children Support Services	7,500	0	0	0	850	0	0
-22,448	CYP	Capital Variation	-54,565	0	0	4,622	-17,826	0	8,389
1,425	CYP	Capitalised Interest	6,958	0	0	-182	1,243	0	0
-1,729	CYP	Environment fund Transfer	-3,499	0	0	0	-1,729	0	0
152,014			407,514	-1,500	6,901	-58,389	100,526	44,635	0

There are ten schemes with significant variances (>£250k) either due to changes in phasing or changes in overall scheme costs to be reported this month.

Ref	Service / Committee	Commentary vs previous month	Scheme	Scheme Budget £m	Budget for 2023/24 £m	Forecast Outturn Variance £m	Cause	Commentary
1			Basic Need - Primary					
1a	CEF CYP	Prev Month	Kennett Primary School	10.12	5.8	-0.80	Phasing	Slippage due to later start on site than expected due to skylarks still nesting. Ecologists to confirm birds have left. Delay to start on site from 14.08.23 to 04.09.23 and completion 30.08.24 to 20.09.24.
1b	CEF CYP	New	Ermine Street Primary, Alconbury, Phase 2	4.08	1.5	-0.50	Phasing	Scheme estimated to start on site January 2024. Project will now be a steel frame rather than CLT (cross laminated timber panels). Steel has a longer construction period and expected costs incurred this financial year will be reduced.
2			Basic Need - Secondary					
2a	CEF CYP	New	Darwin Green (North West Fringe) secondary	34.7	0.33	-0.28	Phasing	Scheme delayed due to planning application appeal for the housing on phase 2 and 3 of the development. Appeal not likely to be heard until January 2024. Work will continue on MS1 and discussions ongoing with developer to work around planning delay to maintain school programme and 2026 opening
2b	CEF CYP	New	Alconbury Weald secondary and Special	74.8	29.0	-0.5	Phasing	Slippage on the Secondary school element. £1m was budgeted for design work this financial year. Design work delayed as work is ongoing to confirm who will undertake the delivery of the project
2c	CEF CYP	New	Northstowe secondary, phase 2	53.45	22.50	-3.50	Underspend Slippage	The receipt of milestone 4 report shows £1.5m saving on original estimate due to risk contingencies including those built in for price volatility. £2.1m slippage as groundworks and superstructure works appear to be slower than originally expected.
2d	CEF CYP	Prev Month	Witchford Village College	1.38	1.33	-1.29	Phasing	Slippage due to planning application progressing slower than anticipated. Planning expected in December with works not starting until 2024/25
4			Adaptations:					
4a	CEF CYP	Prev Month	William Westley Primary	0.35	0.34	-0.34	Phasing	This project is being reviewed to establish whether it can be delivered in an alternative way to meet the need for places across the wider area, including whether it can be combined with other planned capital projects in the wider Sawston, Duxford and Hinxtton (Genome Campus) area. Revised delivery expected to be 2027.

Ref	Service / Committee	Commentary vs previous month	Scheme	Scheme Budget £m	Budget for 2023/24 £m	Forecast Outturn Variance £m	Cause	Commentary
5			Conditions					
5a			Conditions, suitability & Maintenance	4.14	4.14	-1.572	Slippage	Number of schemes delayed due to contractors being unavailable, and discussion on scope of work needed. £500k committed to match fund energy schemes and heat decarbonisation plans but which will not be taken forward this year as bids for de-carbonisation grants were not successful.
			Specialist Provision					
8a			Samuel Pepys Special School	10.72	5.00	1.00	Slippage	Expected £1m additional spend, due to land purchase, furniture and fittings and IT expenditure occurring ahead of original schedule.
8b			Enhanced Resources Bases	2.29	0.675	-0.375	Slippage	Initial progress on suitable schemes is slower than originally expected. One scheme stopped due to school withdrawing.

4.2 Capital Variations Budget

Variation budgets are set annually and reflect an estimate of the average variation experienced across all capital schemes, and reduce the overall borrowing required to finance our capital programme. There are typically delays in some form across the capital programme due to unforeseen events, but we cannot project this for each individual scheme. We therefore budget centrally for some level of delay. Any known delays are budgeted for and reported at scheme level. If forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget.

4.3 Capital Funding

Original 2023/24 Funding Allocation as per Business Plan £000	Source of Funding	Budget Carried- forward 2023/24 £000	Budget Revisions 2023/24 £000	Revised Budget for 2023/24 £000	Forecast Spend - Outturn (October) £000	Forecast Variance - Outturn (October) £000
2,259	Basic Need	2,627	0	4,886	4,886	0
3,800	Capital maintenance	805	55	4,659	4,659	0
780	Devolved Formula Capital	2,474	-7	3,246	3,246	0
0	Schools Capital	0	0	0	0	0
62,275	S106 contributions	0	-13,160	49,115	48,046	-1,069
16,588	Other Specific Grants	-1,467	0	15,121	15,121	0
0	Other Contributions	0	0	0	0	0
0	Other Revenue Contributions	0	0	0	0	0
67,338	Prudential Borrowing	2,463	-45,053	24,748	25,817	1,069
-1,026	Prudential Borrowing (Repayable)	0	-224	-1,250	-1,250	0
152,014	Total Funding	6,901	-58,389	100,526	100,526	0

APPENDIX 5 – Technical Note

5.1 The table below outlines the additional Children, Education and Families grant income, which is not built into base budgets.

Grant	Awarding Body	Amount £'000
Grants as per Business Plan		
Public Health	Department of Health and Social Care (DHSC)	454
Unaccompanied Asylum Seekers	Home Office	6,581
Holiday Activity Fund (HAF)	Department for Education (DfE) / Education & Skills Funding Agency (ESFA)	1,875
Supporting Families	Department for Levelling Up, Housing & Communities (DLUHC)	1,881
Pupil Premium - Virtual School	DfE / ESFA	1,358
RSS Therapeutic Hub	DfE / ESFA	1,000
Cambridgeshire Music Hub	Arts Council	942
Youth Offending Good Practice Grant	Youth Justice Board	699
Staying Put	DfE / ESFA	285
Personal Advisor Support to Care Leavers & Homelessness	DfE / ESFA	163
Recovery Premium - Virtual School	DfE / ESFA	159
Crime and Disorder Reduction Grant	Police & Crime Commissioner	127
Local Authority (LA) Delivery Support Funding	DfE / ESFA	112
Turnaround Programme 2022-2025	Youth Justice Board	109
Non-material grants (+/- £160k)	Various	412
Total Non-Baselined Grants 23/24		16,157
Financing DSG	DfE / ESFA	113,784
Total Grant Funding 23/24		129,941

The non-baselined grants are allocated across the Children, Education and Families directorates as follows:

Directorate	Grant Total £'000
Children & Safeguarding	11,515
Education	4,642
TOTAL	16,157

5.2 Virements and Budget Reconciliation (Children, Education and Families)

(Virements between Children, Education and Families and other service blocks)

	Period	£'000	Notes
Budget as per Business Plan		344,317	
Multiple Directorates (all)	Apr	-249,866	People Services restructuring into Children, Education & Families (CEF) and Adults, Health & Commissioning (AHC)
Multiple Directorates (all)	Apr	-915	Post BP, pre initial budget load adjustments
Commissioning Services	Apr	860	Commissioning Services (shown within CEF rather than AHC)
Children's Disability Service	Apr	8,245	Children's Disability Service (shown within CEF rather than AHC)
LAC Placements	Apr	25,724	LAC Placements (shown within CEF rather than AHC)
Schools Financing	Apr	-20	Transfer final postage budget to centralised postal cost centre
SEND Specialist Services	Apr	-26	Transfer funds for place planning business analyst post to Business Intelligence
Youth Offending Service	May	12	Budget Correction 2023-24 - Pay award element
Strategic Management - Education	May	115	Redistributing central funding for Childrens decoupling
Executive Director CEF	May	334	Splitting Executive Director Budget for Childrens & Adults decoupling
LAC Transport - Home to School	June	240	23/24 Budget resetting PV approved by S&R at July 2023 meeting
LAC Placements	June	561	LAC Placements (shown within CEF rather than AHC) - Budget resetting PV impact
Safeguarding; Children's Centres Strategy; and PSHE	June	-254	Adjust PH income budget to match amounts to be transferred under PH MoU
Children's Centres Strategy and Executive Director CEF	June	-285	Budget for 23/24 funding from PH reserves
Home to School Transport	July	4	Staffing Budget Corrections - Adults and Childrens Transport
Executive Director CEF	Aug	-15	Moving Budget for ADASS Regional costs to Adults from Childrens- Association of Directors of Adult Social Services (ADASS)
Multiple Directorates (all)	Aug	-185	Executive Assistant and Personal Assistant restructure
Budget 23/24		128,845	

5.3 Children, Education and Families Earmarked Reserve Schedule

Budget Heading	Opening Balance 2023/24 £'000	Movements 2023/24 £'000	Q2 Balance £'000	Year End Forecasted Balance £'000	Reserve Description
Adoption	763	0	763	663	Funding to cover CCC legacy adoption costs following transition to a Regional Adoption Agency.
Early Help District Delivery Service – North & South	141	0	141	0	Historical project funding for youth projects to be applied in 2023-24.
Strategic Management - Children & Safeguarding	465	0	465	0	Residual Social Care Grants
Safeguarding and Quality Assurance	308	0	308	108	Local Safeguarding carry forward amount. Annual contributions from internal and external bodies.
Support to Parents	42	0	42	0	Family Hub – Historical project Funding
Youth Offending Service	153	0	137	0	Funding to provide ongoing support to the SAFE Team
0-19 Organisation & Planning	65	0	65	55	Art Collection Restoration Fund. Providing cultural experiences for children and young people in Cambridgeshire
Home to School Transport	426	0	426	283	To cover cost of programme of work to deliver savings in Social and Education Transport
Cambridgeshire Music	94	0	94	0	Reserve to support required works to former School building to make suitable for service
Outdoor Education	47	0	47	0	Reserve to support replacement of equipment

Budget Heading	Opening Balance 2023/24 £'000	Movements 2023/24 £'000	Q2 Balance £'000	Year End Forecasted Balance £'000	Reserve Description
Virtual School	12	-12	0	0	Reserve to support identified redundancy cost.
Strategic Management - Education	174	0	174	117	Reserve to support identified redundancy and costs associated with an employment issue.
Pools and Contingencies	256	0	256	59	Schools absence and contingency schemes
Schools Financing	64	0	64	0	Residual school facing grants
Schools	2,694	0	2,694	2,591	Thomas Clarkson Building Schools for the Future PFI and Pilgrim Pathways carryforward
TOTAL EARMARKED RESERVES	5,704	-12	5,692	3,876	

(+) positive figures represent surplus funds.

(-) negative figures represent deficit funds.