

## Finance Monitoring Report – May 2022

To: Children and Young People Committee

Meeting Date: 5 July 2022

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 May 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 May 2022.

Recommendation: The Committee are asked to:

- a) Review and comment on the report.
- b) Note the changes to the capital programme budgets from the Business Plan as summarised in Appendix C for approval by Strategy and Resources.

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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<br>Outturn<br>Variance<br>(Previous)<br>£000 | Directorate  | Budget<br>2022/23<br>£000 | Actual<br>May 2022<br>£000 | Forecast<br>Outturn<br>Variance<br>£000 |
|---|--|---------------------------|----------------------------|---|
| 0   | Children's Commissioning   | 25,057                    | 2,062                      | 0                                       |
| 0   | Communities & Safety - Central Integrated Youth Support Services | 390                       | -225                       | -0                                      |
| 0   | Children & Safeguarding  | 62,094                    | 5,067                      | 0                                       |
| 0   | Education – non DSG  | 44,093                    | -22                        | 26                                      |
| 0   | Public Health - Children's Health                                | 9,466                     | -53                        | 0                                       |
| 0   | <b>Total Expenditure</b>   | <b>141,100</b>            | <b>6,829</b>               | <b>26</b>                               |
| 0   | Grant Funding (excluding Dedicated Schools Grant etc.)           | -21,923                   | -1,419                     | 0                                       |
| 0   | <b>Total Non-DSG</b>   | <b>119,177</b>            | <b>5,409</b>               | <b>26</b>                               |
| 0   | Commissioning – DSG  | 245                       | 0                          | 0                                       |
| 0   | Education – DSG (incl. contribution to combined budgets)         | 102,463                   | 17,423                     | 11,800                                  |
| 0   | <b>Total DSG (Ringfenced Grant)</b>                              | <b>102,708</b>            | <b>17,423</b>              | <b>11,800</b>                           |

**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 May 2022, the overall P&C and PH position shows a forecast overspend of £26k. The budgets within the remit of CYP are currently forecasting an over/underspend of £26k (excluding the Dedicated Schools Grant).

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

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.

### 2.3 Capital

2.3.1 The P&C Capital Plan for 2022/23 has reduced by £36.634m since the Business Plan was published, resulting in a revised budget of £68.644m. This reduction is due the combination of schemes being removed or added, delayed into future years and changes to carry forward positions from 2021/22. A summary of these changes can be seen in Appendix C to this covering report.

2.3.2 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:

| <b>Service</b> | <b>Capital Programme Variations Budget £000</b> | <b>Outturn Variance (May 22) £000</b> | <b>Capital Programme Variations Budget Used £000</b> | <b>Capital Programme Variations Budget Used %</b> | <b>Revised Outturn Variance (May 22) £000</b> |
|----------------|---|---------------------------------------|--|---|---|
| P&C            | -9,502  | -9,502                                | 0  | 0   | 0   |
| Total Spending | -9,502  | -9,502                                | 0  | 0   | 0   |

## 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/>