

FINANCE AND PERFORMANCE REPORT – MAY 2019

To: Children and Young People Committee

Meeting Date: 9 July 2019

From: Executive Director: People and Communities
Chief Finance Officer

Electoral division(s): All

Forward Plan ref: Not applicable **Key decision:** No

Purpose: To provide the Committee with the May 2019 Finance and Performance report for People And Communities Services (P&C).

The report is presented to provide the Committee with the opportunity to comment on the financial and performance position as at the end of May 2019.

Recommendations: The Committee is recommended to:

- a) Review and comment on the report;
- b) Recommend the changes to the capital programme budgets from the Business Plan as summarised in Appendix 3 to the General Purposes Committee for approval:
 - 1. Rephasing (including roll-forwards from 2018-19 totalling £2,624k)
 - 2. Scheme additions/reductions
 - 3. Additions/reductions in funding

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1.0 BACKGROUND

- 1.1 A Finance & Performance Report for People and Communities (P&C) is produced monthly and the most recent available report is presented to the Committee when it meets.
- 1.2 The report is presented to provide the Committee with the opportunity to comment on the financial and performance position of the services for which the Committee has responsibility.
- 1.3 This report is for the whole of the P&C 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 1, whilst the table below provides a summary of the budget totals relating to the Children and Young People (CYP) Committee:

Directorate	Budget 2019/20	Actual May 2019	Forecast Outturn Variance
	£000	£000	£000
Children's Commissioning	38,780	3,228	650
Communities & Safety - Youth Offending Service	1,777	957	0
Communities & Safety - Central Integrated Youth Support Services	1,364	-932	0
Children & Safeguarding	58,094	10,030	350
Education	87,429	11,325	300
Executive Director and Central Financing	4,599	109	0
Total Expenditure	192,043	24,717	1,300
Grant Funding (including Dedicated Schools Grant etc.)	-81,748	-13,855	0
Total	110,295	10,862	1,300

Please note: Strategic Management – Commissioning covers all of P&C and is therefore not included in the table above.

1.4 Financial Context

As previously discussed at CYP Committee the major savings agenda continues with £99.2m of savings required across the Council between 2017 and 2022.

Although significant savings have been made across the directorate the service continues to face demand pressures, particularly in relation to the rising number of looked after children, and those related to Special Educational Needs and Disabilities (SEND).

The continuing increase in the number of pupils with SEND and the overall complexity of need has resulted in significant pressures on both the High Needs Block element of the Dedicated Schools Grant (DSG), and core Local Authority budget. Work is ongoing with key stakeholders, including Schools Forum, to reduce costs and deliver a recovery plan of the current deficit.

2.0 MAIN ISSUES IN THE MAY 2019 P&C FINANCE & PERFORMANCE REPORT

2.1 The May 2019 Finance and Performance report is attached at Appendix 2. This is the first available report for the 2019/20 financial year and at the end of May there is a forecast overspend of £3,719k.

2.2 Revenue

At the end of May the core funded budgets relating to Children's and Education services have a total overspend of £1.3m. The key areas of overspend contributing to this total are:

Children's

Children in Care is anticipating a pressure of c£350k across Staying Put (£125k) and Unaccompanied Asylum Seeking Children (Over 18) budgets (£225k). In both areas the central government grant does not match anticipated expenditure.

Looked After Children Placements is forecasting a year end overspend of £350k. Recent activity in relation to gang related crime has resulted in additional high cost secure placements being required. In addition, the numbers of children in care are yet to decrease to budgeted levels; though this is still expected in-year. To mitigate this the new Family Safeguarding programme fund will be used to offset the additional cost if required. Work is still ongoing across a number of initiatives resulting in a net increase in in house foster carers which is contributing towards planned savings. Alongside this the commissioning service has continued to work to reduce the unit costs of some of the higher cost placements.

Education

Home to School Transport – Special is forecasting an overspend of £300k. We are continuing to see significant increases in pupils with Education Health Care Plans (EHCPs) and those attending special schools, leading to a corresponding increase in transport costs.

SEND Specialist Services has a forecast over spend of £300k within the Statutory Assessment Team due to the ceasing of a grant that has funded additional capacity in previous years, which is still required to meet demand for statutory deadlines for EHCP assessments and reviews.

Dedicated Schools Grant

Whilst not currently included in the figures, a significant pressure is expected on the High Needs Block of the Dedicated Schools Grant (DSG). This is a ring-fenced grant and as such overspends do not affect the Council's bottom line but are carried forward as a deficit balance into the next year. In 2018/19 we saw a total DSG overspend across SEND services of £8.7m which, combined with underspends on other DSG budgets, led to a deficit of £7.2m carried forward into 2019/20. Given the ongoing increase in numbers of pupils with EHCPs it is likely that a similar overspend will occur in 2019/20, however this will become clearer as we move towards the start of the new academic year.

2.4 Capital

The Capital Programme Board recommended that services include a variation 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 adjustments has been calculated as follows, shown against the slippage position for 2019/20:

2019/20					
Service	Capital Programme Variations Budget £000	Forecast Outturn Variance (May 2019) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Outturn Variance (May 2019) £000
P&C	-12,776	0	0	0%	12,776
Total Spending	-12,776	0	0	0%	12,776

The People and Communities (P&C) Capital Plan for 2019/20 has reduced by £29.5m since the Business Plan was published, resulting in a revised budget of £96.6m. This significant reduction is due the combination of an unusually high number of schemes being delayed into future years, and savings made on the overall value of projects. Alongside this reduction there have been a number of changes to sources of capital funding. Details of these changes can be seen in Appendix 3 to this covering report or sections 3.2 and Appendix 6 of the full Finance & Performance report.

2.5 Performance

Of the Children and Young People Performance Indicators detailed in Appendix 7 of the full Finance & Performance report, four are green, seven are amber and five are red. Three have no target and were therefore not RAG-rated. The five red performance indicators are:

1. % children whose referral to social care occurred within 12 months of a previous referral
2. Number of children with a Child Protection Plan per 10,000 population under 18.
3. Proportion of children subject to a Child Protection Plan for the second or subsequent time (within 2 years).
4. The number of looked after children per 10,000 population under 18.
5. Ofsted – Pupils attending schools that are judged as Good or Outstanding (Special Schools).

3.0 2019-20 SAVINGS TRACKER

- 3.1 As previously reported the “tracker” report – a tool for summarising delivery of savings – will be made available for Members on a quarterly basis. The savings tracker for 2019-20 contains savings of approximately £10.8m within P&C, of which £3.4m relate to budgets for which this Committee is responsible.

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 A good quality of life for everyone

- 4.1.1 There are no significant implications for this priority.

4.2 Thriving places for people to live

- 4.2.1 There are no significant implications for this priority

4.3 The best start for Cambridgeshire’s Children

4.3.1 There are no significant implications for this priority

5.0 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

5.1.1 This report sets out details of the overall financial position of the P&C Service.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

5.2.1 There are no significant implications within this category.

5.3 Statutory, Legal and Risk Implications

5.3.1 There are no significant implications within this category.

5.4 Equality and Diversity Implications

5.4.1 There are no significant implications within this category.

5.5 Engagement and Communications Implications

5.5.1 There are no significant implications within this category.

5.6 Localism and Local Member Involvement

5.6.1 There are no significant implications within this category.

5.7 Public Health Implications

6.7.1 There are no significant implications within this category.

Source Documents	Location
As well as presentation of the F&PR to the Committee when it meets, the report is made available online each month.	https://www.cambridgeshire.gov.uk/council/finance-and-budget/finance-&-performance-reports/