

FINANCE AND PERFORMANCE REPORT – SEPTEMBER 2018

To: Children and Young People Committee

Meeting Date: 13 November 2018

**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 August 2018 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 August 2018.

Recommendations: The Committee is asked to review and comment on the report.

Officer contact:		Member contacts:	
Name:	Martin Wade	Names:	Cllrs Simon Bywater/Samantha Hoy
Post:	Strategic Finance Business Partner	Post:	Chair/Vice-Chair
Email:	martin.wade@cambridgeshire.gov.uk	Email:	Simon.bywater@cambridgeshire.gov.uk Samantha.hoy@cambridgeshire.gov.uk
Tel:	01223 699733	Tel:	01223 706398

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 Children and Young People (CYP) Committee:

Forecast Variance Outturn (August) £000	Directorate	Budget 2018/19 £000	Actual September 2018 £000	Forecast Outturn Variance £000
3,750	Children's Commissioning	32,633	11,081	3,750
-50	Communities & Safety - Youth Offending Service & Central Integrated Youth Support Services	2,603	1,015	-50
1,615	Children & Safeguarding	51,285	24,960	1,615
2,367	Education	79,586	55,544	3,421
504	Executive Director and Central Financing	4,336	376	-2,909
8,219	Total Expenditure	170,442	95,526	5,827
-2,309	Grant Funding (including Dedicated Schools Grant etc.)	-67,088	-33,176	-3,362
5,910	Total	103,354	62,350	2,465

Please note: Strategic Management – Commissioning covers all of P&C and is therefore not included in the table above. The Executive Director and Central Financing budgets have now been included as contain significant spend relevant to CYP Committee.

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. The total planned savings for P&C in the 2018/19 financial year total £21,287k.

Although significant savings have been made across the directorate the service continues to face demand pressures, particularly in children's services related to the rising number of looked after children.

The Committee have previously received reports confirming the medium term approach to managing demand on the looked after children's placement budget as well as outlining the major change and restructuring programme underway in the service. The changes are evidence based and respond to a series of reviews over the past twelve months by Oxford

Brooks University, Office for Standards in Education (OFSTED), and Local Government Association (LGA) peers. The outcome of the changes will be easier referrals into the council's contact centre, social work teams based in districts led by non-case holding team managers who can provide more support and challenge, lower caseloads for social workers overall, with more resilience built in to larger teams, two dedicated teams focussed on adolescents, and more Child Practitioners focussed on working with children in need and able to undertake more sustained and in depth work.

It is acknowledged that these changes, and resulting budgetary improvements, will take time to embed and it is increasingly recognised that it will not be possible to fully address and reduce the pressures through offsetting savings and mitigating actions within P&C during 2018-19. General Purposes Committee have now approved the allocation of the £3.413m smoothing fund reserve to support Children's Services pressures, as recommended by CYP Committee, and as such this has now been reflected in the latest reported position.

2.0 MAIN ISSUES IN THE SEPTEMBER 2018 P&C FINANCE & PERFORMANCE REPORT

2.1 The September 2018 Finance and Performance report is attached at **Appendix 2**. At the end of September, following the allocation of the smoothing fund the P&C forecast overspend has reduced from £6,240k to £2,671k.

2.2 Revenue

The main changes to the revenue forecast variances within CYP Committees areas of responsibility since the previous report are as follows:

- The allocation of the £3.413m smoothing fund as referred to in 1.4 above.
- A £1m overspend is currently being forecast against the funding allocated to Special Schools and High Needs Units, which is now reported within Special Educational Needs and Disability (SEND) Specialist Services (0-25 years). This is a result of increasing numbers of young people with Education Health and Care Plans (EHCP), and a corresponding increase of young people taking up a place at Special Schools and Units. This budget is funded from the Dedicated Schools Grant (DSG) High Needs Block and will be managed within the overall available DSG resources. Work is being undertaken across SEND Services 0-25 to reduce the pressure on this budget. This will comprise both short-term mitigations such as reviewing high-cost provision to ensure that the additional support being provided is still required, and longer term structural review looking at the role of all schools and units within the county's overall SEN provision.

2.3 The table below identifies the key areas of over and underspends within CYP alongside potential mitigating actions:

<p>Looked After Children (LAC) Placements</p> <p>Forecast year-end variance: +£3,000k</p>	<p>The key reasons for the overspend in this area is:</p> <ul style="list-style-type: none"> • Underlying pressure brought forward from the previous year. • The continuing higher than budgeted number of LAC placements and forecast under-delivery of savings. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Reconstitution of panels to ensure greater scrutiny and supportive challenge. • Monthly budget and savings reconciliation meetings attended by senior managers accountable for each area of spend/practice.
---	---

	<ul style="list-style-type: none"> • Investment in children’s social care commissioning to support the development of robust commissioning pseudo-dynamic purchasing systems for external spend. • Provider meetings scheduled through the Children’s Placement Service [ART] to support the negotiation of packages at or post placement. • Regular Permanence Tracking meetings chaired by the Independent Reviewing Service Manager to ensure no drift in care planning decisions, and support the identification of foster carers suitable for Special Guardianship Order (SGO)/permanence arrangements. • Additional investment in the recruitment and retention of the in-house fostering service to increase the number of fostering households over a three year period.
<p>Home to School Transport - Special</p> <p>Forecast year-end variance: +£750k</p>	<p>The key reason for the overspend in this area is:</p> <ul style="list-style-type: none"> • Increasing demand for SEND Transport, with a 9% increase in pupils attending special schools between May 2017 and May 2018 and an 11% increase in pupils with EHCPs over the same period. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • A review of processes in the Social Education Transport and SEND teams with a view to reducing costs. • A strengthened governance system around requests for costly exceptional transport requests. • A change to the process around Personal Transport Budgets to ensure they are offered only when they are the most cost-effective option. • Implementation of an Independent Travel Training programme to allow more students to travel to school and college independently.
<p>Children in Care</p> <p>Forecast year-end variance: +£1,367k</p>	<p>The key reason for the overspend in this area is:</p> <ul style="list-style-type: none"> • A significant increase in numbers of unaccompanied children and young people. Support is available via a Home Office grant, but this does not fully cover the expenditure. • The increasing number of staying put arrangements agreed for Cambridgeshire children placed in external placements, the cost of which is not covered by DFE grant. • The use of additional relief staff and external agencies required to cover the current Supervised Contact Cases. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Reviewing the structure of Children’s Services. This will focus on creating capacity to meet additional demand. • Agreement from other local authorities who are part of the Eastern Region scheme to reduce the 0.07% expectation of authorities to 0.06%. • Region writing to the Home Office stating the need for additional funding to support Unaccompanied Asylum Seeking Children (UASC) and the imperative to expedite decisions on leave to remain at eighteen.

<p>Adoption</p> <p>Forecast year-end variance: +£248k</p>	<p>The key reason for the overspend in this area is:</p> <ul style="list-style-type: none"> • Additional demand on the need for adoptive places. • Re-negotiated contract with Coram Cambridgeshire Adoption (CCA) based on an equal share of the extra costs needed to cover those additional placements. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Ongoing dialogue with CCA to identify more cost effective medium term options to recruit more adoptive families to meet the needs of our children.
<p>Schools Partnership Service</p> <p>Forecast year-end variance: +£148k</p>	<p>The key reason for the overspend in this area is:</p> <ul style="list-style-type: none"> • The decision by Schools Forum to discontinue the de-delegation for the Cambridgeshire Race Equality & Diversity Service (CREDS) from 1st April 2018, resulting in service closure.
<p>Special Schools and High Needs Units Funding</p> <p>Forecast year-end variance: +£1,000k</p> <p>DSG Funded</p>	<p>The key reason for the overspend in this area is:</p> <ul style="list-style-type: none"> • Increase in numbers of young people being placed in Special Schools and High Needs Units within mainstream schools. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Review of high cost packages and provision. • Longer term structural review looking at the role of Special Schools and Units within the county's overall SEN provision.
<p>High Needs Top-Up Funding</p> <p>Forecast year-end variance: +£1,500k</p> <p>DSG Funded</p>	<p>The key reason for the overspend in this area is:</p> <ul style="list-style-type: none"> • Numbers of young people with Education Health and Care Plans (EHCP) in Post-16 Further Education (FE) providers continue to increase and there has been an increase in the number of secondary aged pupils in receipt of an EHCP. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • A detailed analysis and review of all high cost packages, to ensure that the additional support is still needed, and also look at alternatives to providing ongoing support for small groups of children with a similar need. • Review of FE funding rates.
<p>SEN Placements</p> <p>Forecast year-end variance: +£518k</p> <p>DSG Funded</p>	<p>The key reasons for the overspend in this area are:</p> <ul style="list-style-type: none"> • Placement of one young person in out of county school needing residential provision, where there is appropriate educational provision to meet needs. • Placement of a young person in out of county provision as outcome of SENDIST appeal. • An unprecedented increase in requests for specialist SEMH (social, emotional and mental health) provision. Local provision is now full, which is adding an additional demand to the high needs block.

	<p>Mitigating actions include:</p> <ul style="list-style-type: none"> • SEND Sufficiency work is underway to inform future commissioning strategy. This will set out what the SEND need is across Cambridgeshire, where it is and what provision we need in future, taking account of demographic growth and projected needs. • Alternatives such as additional facilities in the existing schools, looking at collaboration between the schools in supporting post 16, and working with further education providers to provide appropriate post 16 course is also being explored in the plan. • Peterborough and Cambridgeshire SEND Strategy is being developed with a renewed focus and expectation of children and young people having their needs met locally. • Review and renegotiation of packages with some providers to ensure best value is still being achieved.
<p>Out of School Tuition</p> <p>Forecast year-end variance: +£291k</p> <p>DSG Funded</p>	<p>The key reasons for the overspend in this area are:</p> <ul style="list-style-type: none"> • A higher number of children remaining on their existing packages and a higher number of children accessing new packages, due to a breakdown of placement, than the budget can accommodate. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Proposal to create an in-house “bank” of teachers, tutors, teaching assistants or specialist practitioners and care workers in order to achieve a lower unit cost of provision; • Move to a Dynamic Purchasing System, which would provide a wider, more competitive market place, where a lower unit cost of provision could be achieved; • Enhance the preventative work of the Statutory Assessment Team by expanding the SEND District Team, so that support can be deployed for children with an EHCP, where currently the offer is minimal and more difficult to access; • Creation of an outreach team from the Pilgrim Pupil Referral Unit (PRU) to aid quicker transition from tuition or inpatient care, back into school; and • Review of existing tuition packages to gain a deeper understanding of why pupils are on tuition packages and how they can be moved back into formal education.
<p>Executive Director and Central Financing</p> <p>Forecast year-end variance: -£2,909k</p>	<p>The key reasons for the forecast variance in this area are:</p> <ul style="list-style-type: none"> • A £504k overspend due costs of the Mosaic project that were previously capitalised being moved to revenue. • Changes in Children’s Services, agreed at the Children’s and Young People’s committee, have led to a change in approach for the IT system for Children’s Services. At its meeting on 29th May General Purposes Committee supported a recommendation to procure a new Children’s IT System that could be aligned with Peterborough City Council. A consequence of this decision is that the Mosaic system will no longer be rolled out for Children’s Services. • The underspend within the Central Financing policy line reflects the allocation of the £3.413m smoothing fund

	reserve to support Children's Services pressures, as recommended by CYP Committee and approved by General Purposes Committee.
--	---

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. As forecast underspends start to be reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up until the point where slippage exceeds this budget. The allocation for P&C's negative budget adjustments has been calculated as follows, shown against the slippage forecast to date:

2018/19					
Service	Capital Programme Variations Budget £000	Forecast Outturn Variance (Sept 18) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Outturn Variance (Sept 18) £000
P&C	-10,469	7,595	7,595	72.5	-2,874
Total Spending	-10,469	7,595	7,595	72.5	-2,874

2.5 Performance

Of the thirty-eight P&C service performance indicators nine are shown as green, eight as amber and seven as red. Fourteen have no target and are therefore not RAG-rated.

Of the Children and Young People Performance Indicators, six are green, five are amber and five are red. Three have no target and were therefore not RAG-rated. The five red performance indicators are:

1. Number of children with a Child Protection Plan per 10,000 population under 18
2. The number of looked after children per 10,000 population under 18
3. KS4 Attainment 8 (All children)
4. % of disadvantaged households taking up funded 2 year old childcare places
5. Ofsted – Pupils attending schools that are judged as Good or Outstanding (Special Schools)

3.0 2018-19 SAVINGS TRACKER

3.1 As previously reported the "tracker" report – a tool for summarising delivery of savings – will be updated throughout the year and the overall position reported to members periodically.

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

4.2 Helping people live healthy and independent lives

There are no significant implications for this priority

4.3 Supporting and protecting vulnerable people

There are no significant implications for this priority

5.0 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

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

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

5.3 Statutory, Risk and Legal Implications

There are no significant implications within this category.

5.4 Equality and Diversity Implications

There are no significant implications within this category.

5.5 Engagement and Consultation Implications

There are no significant implications within this category.

5.6 Localism and Local Member Involvement

There are no significant implications within this category.

5.7 Public Health Implications

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/

Appendix 1

Children & Young People Committee Revenue Budgets within the Finance & Performance report

Commissioning Directorate

Strategic Management – Commissioning – *covers all of P&C*
Access to Resource & Quality

Children's Commissioning

Looked After Children Placements
Commissioning Services
Home to School Transport – Special
LAC Transport

Community & Safety Directorate

Youth Offending Service

Children & Safeguarding Directorate

Strategic Management – Children & Safeguarding
Partnerships and Quality Assurance
Children in Care
Integrated Front Door
Children's Centre Strategy
Support to Parents
Adoption Allowances
Legal Proceedings

District Delivery Service

Safeguarding Hunts and Fenland
Safeguarding East & South Cambs and Cambridge
Early Help District Delivery Service –North
Early Help District Delivery Service – South

Education Directorate

Strategic Management - Education
Early Years Service
Schools Curriculum Service
Schools Intervention Service
Schools Partnership Service
Children's Innovation & Development Service
Teachers' Pensions & Redundancy

SEND Specialist Services (0-25 years)

SEND Specialist Services
Children's Disability Service
High Needs Top Up Funding
Special Educational Needs Placements
Early Years Specialist Support
Out of School Tuition

Infrastructure

0-19 Organisation & Planning
Early Years Policy, Funding & Operations
Education Capital

Home to School/College Transport – Mainstream

Executive Director

Executive Director - *covers all of P&C*

Central Financing - *covers all of P&C*

Grant Funding

Financing DSG

Non Baselined Grants - *covers all of P&C*