Agenda Item No: 12

FINANCE AND PERFORMANCE REPORT – JULY 2017

To:	**Children and Young People Committee**
Meeting Date:	**12 September 2017**
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 July 2017 Finance and Performance report for People And Communities Services (P&C), formerly Children's, Families and Adults Services (CFA).** **The report is presented to provide the Committee with the opportunity to comment on the financial and performance position as at the end of July 2017.**
Recommendation:	**The Committee is asked to review and comment on the report**

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1.0 BACKGROUND

1.1 A Finance & Performance Report for People and Communities (P&C), formerly Children, Families and Adults Directorates (CFA) 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.

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 required savings for P&C in the 2017/18 financial year total £20,658k.

2.0 MAIN ISSUES IN THE JULY 2017 P&C FINANCE & PERFORMANCE REPORT

2.1 The July 2017 Finance and Performance report is attached at Appendix 2. At the end of July, P&C forecast an overspend of £3,276k. This is a worsening position from the previous month when the forecast overspend was £2,528k.

2.2 **Revenue**

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

- In Children and Safeguarding, the Strategic Management budget is forecasting an overspend of £956k, a reduction of £122k on the previous month's forecast. The previously reported position included a pressure on the Business Support budget, and it has since been identified that this can be managed through in-year savings resulting from vacant posts.

- In Children and Safeguarding, the Looked After Children Placements budget is forecasting an overspend of £641k, an increase of £234k from last month. Although additional budget is now shown in P&C following the GPC decision to allocate additional demography funding (£2.913m), this budget change had been anticipated in earlier forecasts and the increase in pressure is due to factors other than the volume of demand. There is a delay in the expected savings (£151k) and a combination of changes to placement fees (£83k).

- In Children and Safeguarding, Adoption the forecast outturn overspend has increased by £150k to £450k. An overspend of £150k is anticipated on the adoption/Special Guardianship Order (SGO) allowances budget as a result of the continuation of historical adoption/SGO allowances and a lower than expected reduction in costs from reviews of packages or delays in completing reviews of packages. The increase in Adoption orders is a reflection of the good practice in making permanency plans for children outside of the looked after system and results in reduced costs in the placement budget.

- In Children and Safeguarding, the Children's Disability Service is forecasting an over spend of £168k due to an increase in the number of support hours, including the number of joint funded health packages.

- In Children & Families Services, Legal Proceedings are forecasting an overspend of £450k as a result of an increase in Care Applications.

- In Commissioning, Strategic Management have a forecast outturn of £168k underspent due to a grant, previously awarded from the Grants to Voluntary Organisations budget, ceasing.

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

SEN Placements Forecast year-end variance: **+£100k** **DSG Funded**	The key reason for the overspend in this area is: • An increase in the number of children and young people who are LAC, have an EHCP and have been placed in a 52 week placement. Mitigating actions include: • SEND Sufficiency plan to be implemented. This sets out what is needed, how and when; • New special schools to accommodate the rising demand over the next 10 years; • Delivery of the SEND Commissioning Strategy and action plan to maintain children with SEND in mainstream education; • Work on coordination of reviews for ISEPs to look at returning in to county; and • A full review of all High Needs spend due to the ongoing pressures and proposed changes to national funding arrangements.
Commissioning Services Forecast year-end variance: **+£100k** **DSG Funded**	The key reason for the overspend in this area is: • an increasing number of children with a Statement of Special Educational Needs / Education, Health and Care Plans (EHCP) out of school in receipt of alternative (tuition) packages. Mitigating actions include: • the introduction of a new process to ensure all allocations and packages are reviewed in a timely way and that there is oversight of moves back into full time school.
Strategic Management – Children & Safeguarding Forecast year-end variance: **+£956k**	The key reasons for the overspend in this area are: • Historical unfunded pressures of £886k. These consist of £706k around the use of agency staffing and other unfunded posts totalling £180k. • An additional £70k of costs associated with managing the Children's Change Programme (CCP) is also forecast Mitigating actions include: • Pressures continue to be monitored and reviewed at the CCP work stream project meetings, by Senior Management Team and at the P&C Delivery Board with the intention of any residual pressures being managed as part of the

	2018/19 Business Planning round.
Looked After Children Placements Forecast year-end variance: **+£641k**	The key reason for the overspend in this area is: • The continuing higher than budgeted number of LAC placements and forecast under-delivery of composition savings. Mitigating actions include: • A fortnightly panel to review children on the edge of care, specifically looking to prevent escalation by providing timely and effective interventions. The panel also reviews placements of children currently in care to provide more innovative solutions to meet the child's needs. • Development of a 'No Wrong Door' model to bring together the residential home, specialist fostering placements, supported lodgings and supported accommodation, with outreach services under one management arrangement. • A new Head of Service, with expertise in children's services commissioning, has been re-deployed from elsewhere in the P&C directorate to lead the Access to Resources function. Their review of commissioning practices for LAC will report in mid-September, to identify cost reductions, longer term process improvements and resourcing needs.
Adoption Forecast year-end variance: **+£450k**	The key reasons for the overspend in this area are: • Requirement to purchase inter agency placements to manage this requirement and ensure our children receive the best possible outcomes. • The continuation of historical adoption/SGO allowances and a lower than expected reduction from reviews of packages or delays in completing reviews of packages Mitigating actions include: • Ongoing dialogue with CCA to identify more cost effective medium term options to recruit more adoptive families to meet the needs of our children.
Legal Forecast year-end variance: **+£450k**	The key reason for the overspend in this area is: • The increased number of Care Applications (52% between 2014/15 and 2016/17). Mitigating actions include: • Use of a legal tracker to more effectively manage controllable costs.
Children's Disability Service Forecast year-end variance: **+£168k**	The key reason for the overspend in this area is: • The increase both in the number of support hours, a high cost individual case and in the number of joint funded health packages, Mitigating actions include: • Reviewing the costs of current packages and in particular support levels for our young people.

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:

2017/18					
Service	**Capital Programme Variations Budget £000**	**Forecast Variance - Outturn (July) £000**	**Capital Programme Variations Budget Used £000**	**Capital Programme Variations Budget Used %**	**Revised Forecast Variance - Outturn (July) £000**
P&C	-10,305	-1,525	1,525	14.8%	-
Total Spending	-10,305	-1,525	1,525	14.8%	-

2.5 **Performance**

Of the twenty-one P&C service performance indicators eight are shown as green, seven as amber and six are red.

Of the Children and Young People Performance Indicators, four are green, five are amber and four are red. The four 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 children;
3. The Free School Meals (FSM)/Non-FSM attainment gap % achieving level 4+ in reading, writing and maths at Key Stage 2.
4. The FSM/Non-FSM attainment gap % achieving 5+ A*-C including English and maths at GCSE.

2.6 **P&C Portfolio**

The major change programmes and projects underway across P&C are detailed in Appendix 8 of the report – none of these is currently assessed as red.

3.0 2017-18 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.

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

4.1.1 There are no significant implications for this priority.

4.2 Helping people live healthy and independent lives

4.2.1 There are no significant implications for this priority

4.3 Supporting and protecting vulnerable people

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, Risk and Legal 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 Consultation 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

5.7.1 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/