

FINANCE AND PERFORMANCE REPORT – AUGUST 2017

To: Children and Young People Committee

Meeting Date: 10 October 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 August 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 August 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, whilst the table below provides a summary of the budget totals relating to the Children and Young People (CYP) Committee:

Forecast Variance Outturn (July) £000	Directorate	Current Budget 2017/18 £000	Actual to end of August £000	Current Variance £000	Forecast Variance Outturn (August) £000
200	Children's Commissioning	24,274	9,541	-3,389	159
0	Communities & Safety	2,830	791	-17	0
2,786	Children & Safeguarding	92,330	38,293	1,509	3,418
114	Education	20,482	6,107	-320	104
3,100	Total Expenditure	139,917	54,731	-2,217	3,681
-243	Grant Funding (including Dedicated Schools Grant)	-46,024	-19,377	-113	-272
2,857	Total	93,893	35,354	-2,331	3,409

Please note: Strategic Management – Commissioning, Executive Director and Central Financing budgets cover all of P&C and are 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.

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

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

- 2.1 The August 2017 Finance and Performance report is attached at Appendix 2. At the end of August, P&C forecast an overspend of £3,843k. This is a worsening position from the previous month when the forecast overspend was £3,091k.

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 Children in Care budget is forecasting an underspend of £128k on Fostering allowances. Whilst there continues to be an increase in the overall numbers of approved in-house foster carers and placements, a number of carers were not available for placements through the summer period. (This issue will be explored to mitigate impact in future years.) Future expected growth in placements has been factored into the forecast and there has been an increase over the last month in in-house placements due to both new approvals and existing carers becoming available for placements. Growth in in-house provision is an important positive factor contributing to the reduction in external Looked After Children (LAC) placement budget spend. The plan is to develop further activity to significantly increase in house foster carers, this will include an ongoing campaign in the county.
- In Children & Safeguarding, the Looked After Children (LAC) Placements budget is forecasting a pressure of £1,522k, an increase of £881k from last month. Of this increase, £402k relates to a reduction in the level of savings expected to be made during 2017/18 as a result of demand management measures, with the remaining £479k being due to a combination of changes in placement fees and/or new placements. Overall there is one more Looked After Child at the end of August than at the end of the previous month, with 368 (an increase of 13) of these children in external LAC placements. A review of LAC commissioning practices (Access to Resources Team) is currently being undertaken and a plan being put together to build capacity into the system that does not rely on using as many independent fostering placements and high cost residential and 16 plus supportive living placements and re-negotiation of contracts with external providers. Also reviewing the plans for children in care to ensure there is no drift in securing permanence and move on where appropriate. Support has been secured of an experienced placement manager.

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

SEN Placements Forecast year-end variance: +£100k DSG Funded	<p>The key reason for the pressure in this area is:</p> <ul style="list-style-type: none">• An increase in the number of children and young people who are LAC, have an Education Health and Care Plan (EHCP) and have been placed in a 52 week placement. <p>Mitigating actions include:</p> <ul style="list-style-type: none">• Special Educational Needs and Disabilities (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 Independent Special Education Placements (ISEPs) to look at returning in to county; and• A full review of all High Needs spend due to the ongoing
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	pressures and proposed changes to national funding arrangements.
Commissioning Services Forecast year-end variance: +£100k DSG Funded	<p>The key reason for the pressure in this area is:</p> <ul style="list-style-type: none"> 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. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> 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: +£886k	<p>The key reasons for the pressure in this area are:</p> <ul style="list-style-type: none"> Historical unfunded pressures of £886k. These consist of £706k around the use of unfunded agency staffing and other unfunded posts totalling £180k. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> 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.
Children in Care Forecast year-end variance: -£128k	<p>The key reason for the underspend in this area is:</p> <ul style="list-style-type: none"> Despite an increase in the overall numbers of approved in-house foster carers and placements, a number of carers have not been available for placements for a variety of reasons, resulting in an in-year underspend. This results in more Independent Fostering Agency (IFA) placements being used and therefore action is to be taken to increase availability of in house carers.
Looked After Children Placements Forecast year-end variance: +£1,522k	<p>The key reason for the pressure in this area is:</p> <ul style="list-style-type: none"> The continuing higher than budgeted number of LAC placements and forecast under-delivery of composition savings. The high number of IFA placements used. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> Weekly panel to review high-cost placements to ensure that the plans for children remain focussed and that resources are offering the best value for money. Purchase placements reviews – scrutiny by placement officers and service/district managers to review emergency placements, changes of placements and return home from care planning to ensure that children are in the right placement for the right amount of time. All new admissions to care have to be agreed at Assistant Director or Service Director level. 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. This will enable rapid de-escalation of crisis situations in families preventing admissions to care, and delivery of a holistic, creative team of support for young people with the most complex needs, improving outcomes for young people and preventing use of expensive externally-commissioned

	<p>services.</p> <ul style="list-style-type: none"> • 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. This should result in more robust commissioning and a reduction in costs. • Increasing the number of in house foster carers.
<p>Adoption</p> <p>Forecast year-end variance: +£450k</p>	<p>The key reasons for the pressure in this area are:</p> <ul style="list-style-type: none"> • Requirement to purchase inter agency placements to manage this requirement and ensure our children receive the best possible outcomes. • Increased number of children being brought into care and needing permanency. • The continuation of historical adoption/SGO allowances and a lower than expected reduction from reviews of packages or delays in completing reviews of packages <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. • A programme of reviews of allowances continues which is resulting in some reduction of packages, which is currently off-setting any growth by way of new allowances.
<p>Legal</p> <p>Forecast year-end variance: +£450k</p>	<p>The key reason for the pressure in this area is:</p> <ul style="list-style-type: none"> • The increased number of Care Applications (52% between 2014/15 and 2016/17). <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Use of a legal tracker to more effectively manage controllable costs.
<p>Children's Disability Service</p> <p>Forecast year-end variance: +£168k</p>	<p>The key reason for the pressure in this area is:</p> <ul style="list-style-type: none"> • The increase both in the number of support hours, a high cost individual case and in the number of joint funded health packages. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Reviewing the costs of current packages and in particular support levels for our young people. • Increase in direct payments • Introduction of a monthly multi-agency resource panel co-chaired by operations and commissioning to ensure all packages only address need and represent value for money.
<p>Childrens' Innovation & Development Service</p> <p>Forecast year-end variance: +£104k</p>	<p>The key reason for the pressure in this area is:</p> <ul style="list-style-type: none"> • The increase both in the number of support hours, a high cost individual case and in the number of joint funded health packages, <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • A review of future options for Grafham Water. Application of emerging underspends elsewhere within the directorate.

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 (Aug) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (Aug) £000
P&C	-10,305	-546	546	5.3%	-
Total Spending	-10,305	-546	546	5.3%	-

2.5 Performance

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

Of the Children and Young People Performance Indicators, six are green, three 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 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/

