

FINANCE AND PERFORMANCE REPORT – May 2015

To: **Children and Young People Committee**

Meeting Date: **30th June 2015**

From: **Executive Director: Children, Families and Adults
Chief Finance Officer**

Electoral division(s): **All**

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

Purpose: **To provide the Committee with the May 2015 Finance and Performance report for Children's, Families and Adults (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 May 2015.**

Recommendation:

- 1. The Committee is asked to review and comment on the report**
- 2. The Committee is asked to review and agree the proposed four new schemes contained within the revised capital programme prior to seeking approval for these changes from General Purposes Committee.**

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1.0 BACKGROUND

- 1.1 A Finance & Performance Report for the 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 The Finance and Performance report is for the whole of the CFA 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 2**.
- 1.4 A guide to explain **Appendix 1** of the Finance & Performance Report, explaining the columns of the finance table, is attached at the end of this report ("A Guide to the FPR Finance Tables").

2.0 MAIN ISSUES IN THE MAY CFA FINANCE & PERFORMANCE REPORT

- 2.1 The May 2015 Finance and Performance report is attached at **Appendix 1**. It is the first Finance and Performance Report of the new financial year to be presented to the Committee. The May Finance & Performance Report is forecasting an overspend of £4.0m at year-end.

3.0 Revenue

- 3.1 CFA is finding it challenging to meet the savings targets as identified in the Business Plan, particularly in the Home to School Transport and the social work team budgets. All services and directorates are looking to minimise any potential overspends and forecasts will be updated to reflect this as the detailed work is completed.
- 3.2 In Children's Social Care Directorate, within Strategic Management, Children's Social Care Access, and Children in Need, a cumulative overspend of £1.2m is forecast due to the ongoing requirement to use agency staff to cover vacancies, which puts pressure on staffing budgets (because agency staff cost significantly more than permanent staff) and makes the vacancy savings target difficult to deliver.
- 3.3 Also in Children's Social Care Directorate there is a forecast overspend of £450K within the Head of Social work policy line due to an increase in the number of adoption / special guardianship orders. There is also a forecast overspend of £750K on in-house foster placements. Both these forecast overspends reflect the full-year impact of increased activity in 2014-15 plus further forecast growth in 2015-16. These pressures will be considered by the LAC Commissioning Board who will re-allocate the budget based on the planned placements.
- 3.4 In the Strategy and Commissioning Directorate, within the LAC Placements budget, there is a £0.8m forecast underspend on LAC placements, which assumes the £2.0m savings as detailed in the Business Plan are fully achieved. This forecast underspend needs to be considered alongside the Adoption Allowance and In-house Fostering pressure detailed in 3.3 above, because the

budget is still to be re-allocated based on planned placements. .

- 3.5 Also in Strategy and Commissioning Directorate, Home to School Transport – Special is forecasting an overspend of £1.2m due to both the full-year impact of the 2014-15 pressure (£0.9m) and a pressure on LAC Transport resulting from supporting Looked After Children to remain in their educational setting (£0.3m).
- 3.6 In the Learning Directorate, there is a transport pressure of £150K on the Strategic Management policy line, reflecting that the transport integration efficiencies are still to be identified. In addition, there is a forecast overspend of £640K on the Home to School budget due to the pressure inherited from 2014-15, higher than anticipated growth and school catchment areas which are already full.

4.0 Capital

- 4.1 Since the 2015-16 Capital programme was approved as part of the Business Plan the following changes have occurred:-

- +£5.1m of scheme costs and funding has been brought forward from 2014-15 due to slippage.
- -£12.7m of planned 2015-16 scheme costs have been rephased to future years.
- +£1.5m of increased scheme costs are anticipated for 2015-16.
- +£3.2m of proposed new scheme costs - see below.

The net impact of the above changes is a reduction in the planned expenditure on capital schemes of £3m in 2015-16 (assuming the 4 new schemes are approved).

- 4.2 The four proposed new basic need schemes which have been identified as required by September 2016 are detailed below. They will require approval to be added to the 2015-16 Capital Plan.

- Fourfields Primary School, Yaxley: A three classroom expansion at a cost of £1.5m is required, of which £0.5m is expected to be spent in 2015/16. There have been pressures in Yaxley for the past three academic years, which have been accommodated through bulge classes. The existing schools are at capacity and further bulge classes are not an option. Expansion of places in Yaxley had been previously identified in the capital plan but was removed as a permanent solution had yet to be agreed. There will be a phase 2 to add a further 4 classrooms at the school which will be built into the 2016-17 business plan refresh.
- Huntingdon Primary: A three classroom expansion at a cost of £0.9m. Temporary capacity at the school has been provided to cater for increased pupil numbers in Huntingdon. The demographics indicate the need to provide permanent increased capacity at the School to provide 3FE. It had initially been anticipated that additional pupil numbers could be accommodated within existing space, however, on undertaking feasibility work it is now evident that the school needs to be extended. Start on site is anticipated for January 2016 and £0.2m is expected to be spent in 2015/16.
- Grove Primary, Cambridge: A three classroom expansion at a cost of £1.0m is needed. Intake has been 2FE reception for three academic years; revised demographics indicate 2FE at the Grove is required into the foreseeable future. Pre-school provision has been accommodated within the school and therefore a 3 classroom extension will be needed by September 16 to accommodate the older age children as they progress through the school.

During 2015-16 it is expected that £0.2m will be spent on the scheme.

- **Cambourne:** Due to continued growth, further expansion is required to the Hardwick Primary School Campus at a cost of £2.36m. New premises are due to open Sept 2015 and it was anticipated that the second stage would be required at some stage in the future. Pupil forecast numbers indicate the school is filling more quickly than forecast, therefore it is proposed to complete the project in one phase rather than two. This will have a saving of around £1m and provide for 2FE. The majority of the spend on the scheme will be incurred during 2015-16.

Appendix 3 provides further background information. **The Committee is asked to agree these four schemes so they can be referred to General Purposes Committee for approval.**

- 4.3 The increased prudential borrowing requirements for the four new schemes will have an impact on debt charges. The table below shows this impact on revenue for the next 5 years.

	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Debt Charge to Revenue	144	479	469	458	448

- 4.4 On the funding side, due to government revising the methodology for distributing Schools Conditions funding Cambridgeshire saw a reduction of £1.2m. This settlement was not published until after Business Plan was approved. To maintain the current capital programme the reduction of borrowing is required to be offset by prudential borrowing in 2015/16.

5.0 Performance

- 5.1 Of the five C&YP PI's, two are green, two are amber and one is red. The red PI is the proportion of pupils attending Cambridgeshire Schools judged good or outstanding by OFSTED.
- 5.2 Deprivation indicators have been added as requested by Committee. These are included within the KPIs. As reported in the paper, the number of indicators to support analysis of deprivation will increase over the year as relevant data becomes available.

6.0 CFA Portfolio

- 6.1 For the first time the major change programmes and projects underway across CFA are included in this report.

The programmes and projects highlighted below form part of a wider CFA Portfolio of all the significant change activity taking place within CFA services. This is monitored on a bi-monthly basis by the CFA Management Team at the CFA Performance Board. The programmes and projects highlighted below are areas that will be discussed by Members through the Democratic process and so providing this update will provide further information on work that is underway or in development.

Programme/Project and Lead Director	Brief description and any key issues	RAG
Care Act Programme: Claire Bruin	Delivering the Care and Support Act in Cambridgeshire over 2015 and 2016. Key issue: Whilst good progress has been made there are issues relating to workforce development as there needs to be more clarity required on the overall plan and offer. This is being addressed and the full workforce offer for the Care Act and Transforming Lives has now been scoped.	AMBER
Transforming Lives: Claire Bruin	Delivering a new strategic approach for Social Work and Social Care for Adults in Cambridgeshire. The project is moving into the implementation phase. Key issue: Workforce issue above impacts on this project as well.	AMBER
Building Community Resilience Programme: Sarah Ferguson	A new programme is being established to respond to the Council's shifting focus from meeting the needs of individuals to supporting communities and families. No key issues.	GREEN
Older People Service Development Programme: Charlotte Black	Delivering service improvements for Older People following staff transfers from Cambridgeshire Community Services eg: strengthening the Reablement Service. Key issue: Workforce issue above affects the Older People service as well.	AMBER
CFA Commissioning Strategy for 2016 to 2020: Adrian Loades	Delivering a commissioning strategy for the next five years that will respond to the savings that need to be made. No key issues.	GREEN
Accelerating Achievement: Keith Grimwade/Meredith Teasdale/Sarah Ferguson	Delivering the strategy aimed at groups of children and young people who are vulnerable to underachievement. Key issue: Delivery of the strategy actions are behind schedule and additional resources	AMBER

	from CFA have been assigned to this project to remedy this.	
LAC Placements Strategy: Meredith Teasdale	Delivering the strategy for our Looked After Children including significant savings. Key issue: Sufficient savings have not been made. The LAC Placements Strategy is currently being redrafted to address this. Specific actions in the strategy include the implementation of the Alternatives to Care Service.	AMBER
Early Help: Sarah Ferguson	Delivering the development and implementation of a revised Early Help offer in Cambridgeshire. Key issue: Whilst good progress is being made generally the SEND Specialist Services recruitment is on hold due to a collective dispute around terms and conditions.	AMBER
Together for Families: Sarah Ferguson	The Together for Families work in Cambridgeshire provides a driver and impetus to develop whole family working further across all agencies in the public sector. No key issues.	GREEN

7.0 ALIGNMENT WITH CORPORATE PRIORITIES

7.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

7.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

7.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

8.0 SIGNIFICANT IMPLICATIONS

8.1 Resource Implications

This report sets out details of the overall financial position of the CFA Service.

8.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

8.3 Equality and Diversity Implications

There are no significant implications within this category.

8.4 Engagement and Consultation Implications

No public engagement or consultation is required for the purpose of this report.

8.5 Localism and Local Member Involvement

There are no significant implications within this category.

8.6 Public Health Implications

There are no significant implications within this category.

SOURCE DOCUMENTS GUIDANCE

Source Documents	Location
There are no source documents for this report	.

This column shows the previous month's Forecast Variance Outturn. If you compare this column with Column 8 (which is the latest month's forecast variance outturn) –you can see how the forecast position has changed during the last month.

Budgets are grouped together into "Policy Lines", which is the level of detail at which budgets are reported within each CFA Directorate.

The "Current Budget" is the budget as agreed within the Business Plan with any virements (changes to budget). Virements to / from CFA as a whole are detailed in Appendix 4.

When a budget is uploaded to the financial system a "profile" is allocated, and this profile reflects the assumptions on the likely timing of expenditure / income. If it is a salary budget it will assume that one-twelfth of the budget will be required each month. This column shows what level of expenditure or income one would expect to have occurred by this time in the financial year. It is a helpful prompt but in many cases actual expenditure and income does not occur as profiles would suggest.

APPENDIX 1 – CFA Service Level Budgetary Control Report

Forecast Variance Outturn (Apr) £'000	Service	Current Budget for 2015/16 £'000	Expected to end of May £'000	Actual to end of May £'000	Current Variance £'000	%	Forecast Variance Outturn (May) £'000	%
Adult Social Care Directorate								
0 1	Strategic Management – ASC	4,742	731	294	-437	-60 %	-1,200	-25 %
0 0	Procurement	577	103	298	195	189 %	0	0 %
0 0	ASC Strategy & Transformation	1,710	367	352	-15	-4 %	0	0 %
0 0	ASC Practice & Safeguarding	2,158	158	21	-138	-87 %	0	0 %
0 0	Local Assistance Scheme	386	67	79	13	19 %	0	0 %
Learning Disability Services								
0 2	LD Head of Services	250	22	860	838	3840 %	11	4 %
0 2	LD Young Adults	660	231	40	-191	-83 %	29	4 %
0 2	City, South and East Localities	30,991	5,806	5,381	-425	-7 %	1,378	4 %
0 2	Hunts & Fenland Localities	21,640	4,001	5,037	1,036	26 %	962	4 %

This refers to the commentary in Appendix 2.

This column shows actual expenditure and income to date.

This column is the difference between Column 4 and Column 5 (col 5 less col 4) – and highlights where expenditure is higher or lower than is planned / profiled.

It is expressed in hundreds of thousands and as a percentage difference.

This is the most important column of the table – it shows what the budget holder is forecasting as an over- or –underspend at year-end (the variance compared to budget). The budget holder may have detailed commitment records or local knowledge which suggests that the year-end position is similar or different to the current variance (Column 6). This column shows the Budget Holder's best estimate of what the overspend (+) or underspend (-) or balanced position (0) will be at year-end.

It is expressed in both hundreds of thousands and as a percentage of total budget.