

## Finance Monitoring Report – Outturn 2021-22

To: Children and Young People Committee

Meeting Date: 5 July 2022

From: Executive Director: People and Communities  
Director of Public Health  
Chief Finance Officer

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: To provide the Committee with the Outturn 2021-22 Finance Monitoring Report for People and Communities and Public Health.

The report is presented to provide the Committee with the opportunity to comment on the financial position as at the end of 2021-22.

Recommendation: The Committee are asked to review and comment on the report.

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## 1. Background

- 1.1 Finance Monitoring Reports (FMR) are produced monthly, except for April, by all services. They report on a range of financial information to enable a view of each service's financial position to be taken.
- 1.2 Budgets for services are agreed by Full Council in the Business Plan in February of each year and can be amended by budget virements. In particular, the FMR provides a revenue budget forecast showing the current projection of whether services will be over or underspent for the year against those budgets.
- 1.3 The detailed FMR for People and Communities (P&C) and Public Health (PH) is attached at Appendix B. This report covers the whole of the P&C, and PH 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 A. Sections of the main FMR which do not apply to CYP Committee have been highlighted in grey.
- 1.4 The table below provides a summary of the budget totals relating to CYP Committee:

<b>Forecast Outturn Variance (Previous) £000</b>	<b>Directorate</b>	<b>Budget 2021/22 £000</b>	<b>Actual 2021/22 £000</b>	<b>Outturn Variance £000</b>
1,500	Children's Commissioning	22,365	23,839	1,474
0	Communities & Safety - Central Integrated Youth Support Services	349	344	-5
-4,145	Children & Safeguarding	59,714	55,204	-4,510
1,905	Education – non DSG	37,081	38,488	1,408
-0	Public Health - Children's Health	9,407	9,370	-36
<b>-740</b>	<b>Total Expenditure</b>	<b>128,915</b>	<b>127,246</b>	<b>-1,669</b>
0	Grant Funding (excluding Dedicated Schools Grant etc.)	-16,822	-16,822	0
<b>-740</b>	<b>Total Non-DSG</b>	<b>112,093</b>	<b>110,424</b>	<b>-1,669</b>
0	Commissioning – DSG	245	245	0
14,372	Education – DSG (incl. contribution to combined budgets)	76,160	90,643	14,482
<b>14,372</b>	<b>Total DSG (Ringfenced Grant)</b>	<b>76,405</b>	<b>90,888</b>	<b>14,482</b>

**Please note:** Strategic Management – Commissioning and the Executive Director policy lines cover all of P&C and is therefore not included in the table above.

## 2. Main Issues – Revenue

- 2.1 At the end of the financial year 2021-22, the overall P&C and PH position was an underspend of £13,235k; around 4.4% of budget. The budgets within the remit of CYP ended the year with an underspend of £1,669k (excluding the Dedicated Schools Grant).
- 2.2 The significant issues as highlighted in the main FMR are:

**Children's and Safeguarding** (including the CiC placement budget held in Commissioning) - reported a final increased net underspend of circa £3m. The majority of this underspend was as a result of an over achievement of the vacancy savings target across the service due to a combination of the difficulty in recruiting to Social Workers posts and also posts becoming vacant with recruitment to vacancies taking longer than anticipated in the current climate. Some of these savings also relate to planned restructures, and the need to keep some posts vacant prior to consultation launches.

**Education** – As we have seen across P&C a higher than anticipated level of vacancies has resulted in a year-end underspend within the Strategic Management – Education Policy line.

**Outdoor Education** – Despite residential visits not being allowed until mid-May and a reduction in numbers in order to adhere to Covid-19 guidance, the Service ended the year with a reduced overspend of £569k.

**Cambridgeshire Music** - Ended the year with a £160k underspend. The Service was able to return to near pre pandemic income level due to offering tuition through alternative delivery models and additional grant funding supported staffing costs through a delayed internal restructure.

**0-19 Organisation and Planning** - Core funded activity ended the year with an overspend of £283k. This reflects the reduced income from penalty notices issued for children's unauthorised absences from school because of the pandemic. This is not expected to return to pre-pandemic levels this academic year and as such is likely to impact on the first quarter of 2022/23.

**Home to School Transport Special** - Ended the year with an of £1,322k reflecting the significant increase in numbers of pupils with Education, Health and Care Plans (EHCPs). The revised position is due to the continuing demand for places at Special Schools and High Needs Units combined with an increase in complexity of transport need, often resulting in children being transported in individual taxis with a Passenger Assistant.

**Children in Care Transport** is reporting a final overspend of £155k reflecting the increases in complexity and shortage of availability of local placements.

**Home to School Transport Mainstream** has a year-end underspend of -£584k. The 2021/22 budget was based on 2020/21 contracts as it was not possible to retender routes due to Covid, resulting in increased forecast costs. However, tendering has now resumed, resulting in efficiencies for some routes.

**Dedicated Schools Grant (DSG)** - Due to the continuing increase in the number of children and young people with an EHCP, and the complexity of need of these young people, the overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. At the end of 2021/22 the High Needs Block overspent by approximately £14.85m, which was slightly higher than previous forecasts. However, there were a number of one-off underspends in other areas of the DSG which resulted in a net DSG overspend of £12.43m to the end of the year.

When added to the existing DSG deficit of £26.83m brought forward from previous years, and allowing for required prior-year technical adjustments, this results in a cumulative deficit of £39.26m to be carried forward into 2022/23.

This is a ring-fenced grant and, as such, overspends do not currently affect the Council's bottom line. We continue to work with the Department for Education (DfE) to manage the deficit and evidence plans to reduce spend.

The DfE introduced the Safety Valve Intervention Programme in 2020-21 in recognition of the increasing pressures on high needs. A total of 14 local authorities have signed up to agreements, and the programme is being expanded to a further 20 local authorities, including Cambridgeshire in 2022-23.

The programme requires local authorities to develop substantial plans for reform to their high needs systems, with support and challenge from the DfE, to rapidly place them on a sustainable footing. If the authorities can demonstrate sufficiently that their DSG management plans create lasting sustainability and are effective for children and young people, including reaching an in-year balance as quickly as possible, then the DfE will enter into an agreement with the authority, subject to ministerial approval.

If an agreement is reached, local authorities are held to account for the delivery of their plans and hitting the milestones in the plans via quarterly reporting to the DfE. If adequate progress is being made, authorities will receive incremental funding to eliminate their historic deficits, generally spread over five financial years. If the conditions of the agreement are not being met, payments will be withheld.

## 2.3 Capital

2.3.1 At the end of Closedown 2021/22, the capital programme underspend is £12,267k. The level of slippage and underspend in 2021/22 has exceeded the capital Variation Budget of £5,805k.

2.3.2 The Capital Programme Board recommended that services include a variations 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 has been revised and calculated using the revised budget for 2021/22 as below. Slippage and underspends in 2021/22 resulted in the capital variations budget being fully utilised.

Service	Capital Programme Variations Budget £000	Outturn Variance (Close) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Outturn Variance (Close) £000
P&C	-5,805	5,805	5,805	100%	0
Total Spending	-5,805	5,805	5,805	100%	0

### 3. Alignment with corporate priorities

- 3.1 Environment and Sustainability  
There are no significant implications for this priority.
- 3.2 Health and Care  
There are no significant implications for this priority.
- 3.3 Places and Communities  
There are no significant implications for this priority.
- 3.4 Children and Young People  
There are no significant implications for this priority.
- 3.5 Transport  
There are no significant implications for this priority.

### 4. Significant Implications

- 4.1 Resource Implications  
This report sets out details of the overall financial position of the P&C Service.
- 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications  
There are no significant implications within this category.
- 4.3 Statutory, Legal and Risk Implications  
There are no significant implications within this category.
- 4.4 Equality and Diversity Implications  
There are no significant implications within this category.
- 4.5 Engagement and Communications Implications  
There are no significant implications within this category.
- 4.6 Localism and Local Member Involvement  
There are no significant implications within this category.
- 4.7 Public Health Implications  
There are no significant implications within this category.
- 4.8 Environment and Climate Change Implications on Priority Areas  
There are no significant implications within this category.

## 5. Source documents

### 5.1 Source documents

As well as presentation of the FMR to the Committee the report is made available online each month.

### 5.2 Location

<https://www.cambridgeshire.gov.uk/council/finance-and-budget/finance-&-performance-reports/>