

**FINANCE AND PERFORMANCE REPORT - JULY 2014**

*To:* **Children and Young People Committee**

*Meeting Date:* **16<sup>th</sup> September 2014**

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

*Electoral division(s):* **All**

*Forward Plan ref:* **N/a** *Key decision:* **No**

*Purpose:* **To provide the Committee with the July 2014 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 July 2014.**

**This report also provides Committee with a review of the trading position of some of the Trading Units within CFA.**

*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 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.

## **2.0 MAIN ISSUES IN THE JULY FINANCE & PERFORMANCE REPORT**

- 2.1 The July 2014 Finance and Performance report is attached at **Appendix 1**. The previous report presented to Committee (the May Finance & Performance Report) identified a forecast overspend at year end of £603k. The latest position (as at the end of July) is a forecast overspend of £873k.
- 2.2 Since the last Finance & Performance Report was presented to Committee there have been the following revenue changes:-
- the Looked After Children (LAC) Placement budget forecast overspend has reduced by £300k following preliminary discussions with Health to review their contributions to jointly funded placements costs. A pressure of a £500k overspend remains as external placement numbers still exceed those budgeted for, particularly in 52-week residential placements with education provision.
  - the projected overspend on the Home to School Transport (Mainstream) budget has increased by £398k. This is due to the re-tendering of routes undertaken as part of a rolling programme delivering only 10% of the savings anticipated based on those achieved in the last two years and the deferral of the two proposed safer route reviews due to delayed highways work and the decision to commission an independent risk assessments on the recommendation of the Council's School Crossing Patrol Service Manager.
- 2.3 Since the last report to Committee there has been £12m slippage on the capital programme. This is a timing issue where schemes are delayed for a variety of reasons and the timing of the expenditure is re-profiled. The main explanations for the slippage are:-
- The start on site for the new primary school at Northstowe has been put back to January 2015 (£1.6m slippage)
  - Delays in starting on site at the Southern Fringe secondary school due to contamination testing of imported fill requiring pre-commencement planning conditions to be met (£3.6m slippage)
  - £5m slippage due to re-profiling of secondary school demographic planned expenditure. The majority of this relates to the new Littleport Secondary School where there is a delay in acquiring the land and hence the start date has slipped to Autumn 2015.

Expenditure on condition, maintenance and suitability schemes is projecting to overspend by £750K and temporary accommodation by £300K. Tenders

have come in higher than anticipated which is due to the impact of the upturn in the housing market on building costs.

- 2.4 There are nine CFA service performance indicators in total and six are shown as green, two as amber and one is red. Of the five Children and Young People Performance Indicators, three are green, one is amber and one is red. The Performance Indicator currently showing as red measures the proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted. Although the percentage of schools judged good or outstanding has risen over the course of the academic year 2013-14, and went above target in July (target = 73%, performance = 73.4%), the proportion of children attending good or outstanding schools has been adversely affected by a number of large secondary academies moving from 'good' to 'requiring improvement'.
- 2.5 As stated at the previous meeting, this 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**.

### **3.0 AN OVERVIEW OF THE TRADING UNITS IN CHILDREN, FAMILIES AND ADULTS**

- 3.1 Details of trading units with turnover greater than £1m or a deficit greater than £100,000 in 2013-14 are reported in The Statement of Accounts. During the review of the Draft Statement of Accounts at the July Audit and Accounts Committee, concerns were expressed by the Committee in relation to some of the deficits on some of the trading units within the Children and Young People Committee remit. A formal request was made to the Children and Young People Committee to review the deficits on some of the trading units. The Service Director: Learning gave an oral presentation to Spokes on 4<sup>th</sup> September.
- 3.2 **Catering, Cleaning, Groomfields and Grounds Management:** overspend of £341k on a turnover of £15.926 million. There were three main reasons for this deficit: meal numbers were consistently below expected levels throughout the year; food costs were higher than expected; and Groomfields operated at a loss because of falling orders and increased costs. A number of actions are being taken to balance this year's budget, including a small increase in the cost of meals to reflect the increase in food prices, withdrawing from unprofitable civic and hospitality contracts; and reviewing Groomfields. CCS is currently on track to achieve a balanced position in 2014-15 on a budget of -£354k.

**Cambridgeshire Music:** overspend of £153k on a turnover of £1.37 million. The main reasons for this deficit were: delays in the consultation on new terms and conditions for music tutors meant that the savings from this (£45k per month) could only be taken from the end of April; salary protection; and loss of business, with 15 of the staff who left taking business with them. The Service is now receiving the full year benefit of the new terms and conditions; business has picked up with 20 new staff being recruited; online payments has pegged administrative costs; and the Service has secured

grant funding from the music education hub. The Service is on track to return a balanced budget in 2014-15.

**Grafham Water Centre:** overspend of £18k on a turnover of £1.429 million. The deficit came from three sources: long term sickness of a member of staff; a small sum not covered by insurance following an outbreak of norovirus; and the last minute rescheduling of a large school group due to an Ofsted visit. These were exceptional one-off events and the Centre is on track to balance its budget this financial year.

#### 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 CFA Service.

##### 5.2 **Statutory, Risk and Legal Implications**

There are no significant implications within this category.

##### 5.3 **Equality and Diversity Implications**

There are no significant implications within this category.

##### 5.4 **Engagement and Consultation Implications**

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

##### 5.5 **Localism and Local Member Involvement**

There are no significant implications within this category.

##### 5.6 **Public Health Implications**

There are no significant implications within this category.

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