

Finance Monitoring Report – November 2020

To: Children and Young People Committee

Meeting Date: 10 November 2020

From: Executive Director: People and Communities
Chief Finance Officer

Electoral division(s): All

Forward Plan ref: Not applicable

Key decision: No

Outcome: To provide the Committee with the September 2020 Finance Monitoring Report for People and Communities Services (P&C).

The report is presented to provide the Committee with the opportunity to comment on the financial position as at the end of September 2020.

Recommendation: The Committee is asked to review and comment on the report;

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1. Background

- 1.1 This report is for the whole of the People and Communities (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 Children and Young People (CYP) Committee:

Forecast Variance Outturn (Previous) £000	Directorate	Budget 2020/21 £000	Actual September 2020 £000	Forecast Outturn Variance £000
250	Children's Commissioning	23,191	10,446	250
0	Communities & Safety - Youth Offending Service	0	0	0
0	Communities & Safety - Central Integrated Youth Support Services	374	-165	3
-1,165	Children & Safeguarding	60,646	27,096	-1,344
3,021	Education – non DSG	34,128	11,409	3,011
12,453	Education – DSG	67,529	36,330	12,476
14,559	Total Expenditure	185,868	85,116	14,396
-12,453	Grant Funding (including Dedicated Schools Grant etc.)	-77,779	-44,579	-12,476
2,106	Total	108,089	40,537	1,920

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 The September 2020 Finance Monitoring report is attached at Appendix 2. Sections which do not apply to CYP Committee have been highlighted in grey. At the end of September 2020, the overall P&C position is a net overspend of £13,408k; around 4.9% of budget. The majority of this is in relation to forecast pressures as a result of the Covid-19 pandemic. As referenced previously the estimated financial impact on the Council has been submitted to the Ministry of Housing, Communities and Local Government (MHCLG) at regular intervals during the pandemic. In many areas these remain indicative contingent on the length of disruption and the impact on activity levels, and as such these estimates will continue to be refined as the position becomes clearer.

A summary of the current significant revenue over and underspends can be seen below:

Children in Care Placements – Commissioning has a savings target for the year in excess of £4m, and to date is on track to deliver approximately £3.75m, resulting in a residual overspend position of +£250k. The ongoing demand management work continues to deliver positive outcomes. The residual overspend is predominantly due to having more placements within Independent Foster Agencies (IFA) than budgeted for. There are also additional costs due to the Covid-19 pandemic, currently recorded at £73k, which are reflected in this overspend.

Strategic Management – Children & Safeguarding is currently reporting a forecast underspend of -£230k. This is made up of a forecast underspend of -£300k related to a service restructure which has been put on hold, realising an in year saving whilst posts remain vacant, and additional costs of £70k associated with the use of the Grafham Water Centre to provide temporary accommodation to vulnerable young people during the Covid-19 crisis.

Children in Care – following a further review of commitments, this service is now reporting a revised underspend of -£750k in respect of the unaccompanied asylum seeker children (UASC) and Leaving care budgets. An increase in the level of grant received from the Home Office, backdated to 1st April has contributed to the overall improved position. This is alongside the acceleration in the amount of Home Office decisions around asylum claims and the team's progression with Human Rights Assessments. We are also now seeing the full year benefits of the comprehensive review of placements undertaken in 2019/20.

The Children's Disability Service is forecasting an over spend of £200k. As a result of the Covid-19 pandemic individual care packages for children and young people with the highest level of needs have needed to be increased as they have been unable to attend their special school and/or there is a reduction in their usual care packages due to staff shortages (e.g. staff shielding / isolating) across the short breaks provisions.

Adoption – has a forecast underspend of -£385k. During the 2020/21 financial year, the service has a high number of young people in care turning 18 years old and for the majority of children this will see the allowances paid to their carers ceasing. The service continue to focus on this area of activity to ensure allowances received by carers are in line with children's needs and family circumstances.

Safeguarding South - are reporting an underspend of -£125k. This is a result of the implementation of the Family Safeguarding Model and the reduction in case numbers, alongside the impact of Covid-19 and subsequent restrictions being placed on contact and reduced activities.

Education - A number of services within Education are forecasting overspends due to of loss of income as a result of the Covid-19 pandemic. Some areas have been able to deliver services in different ways, or have utilised their staff and/or building to provide support to other services to mitigate the overall impact. However the overall impact is still significant for many services with a traded element, and may continue to deteriorate further dependent on buying decisions in future terms.

- The Early Years' Service is forecasting a £132k overspend.
- The School Improvement Service is forecasting a £123k overspend.
- The Outdoor Centres are currently forecasting a £1,203k overspend.
- Cambridgeshire Music is forecasting a £237k overspend.
- 0-19 Organisation and Planning - the Attendance and Behaviour Service (£410k) and Education Safeguarding Team (£74k) are forecasting a combined overspend of £484k.

Home to School Transport – Special - A significant increase in transport costs in the latter part of 2019/20 has resulted in an opening pressure of £800k. While an increase in pupils

receiving SEND Transport of 10% a year has been included within the budget, we have seen an increase in the average cost of transport per pupil in excess of available budget. This is as a result of price inflation as well as complexity of need meaning that more pupils require individual taxis, passenger assistants or a specialised vehicle. In two cases, private ambulances have had to be provided due to the severity of the children's medical needs following risk assessments undertaken by health and safety, and insurance colleagues.

Home to School Transport – Mainstream is forecasting an overspend of £200k. We are continuing to see significant increases in the costs being quoted for routes in some areas of the county. Where routes are procured at particularly high rates these are agreed on a short-term basis only with a view to reviewing and retendering at a later date in order to reduce spend where possible, however there is no guarantee that lower prices will be secured in future.

Dedicated Schools Grant (DSG) – Based on current available funding levels compared 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 underlying pressure on the High Needs Block element of the DSG funded budgets is estimated to be in the region of £12.4m for 2020/21. This is prior to the implementation of any significant savings initiatives which form part of the SEND Recovery Plan, other than a reduction in funding devolved to secondary schools through the Behaviour and Attendance Improvement Partnerships (BAIP's) to be implemented from September. Due to Covid-19 it is likely that a number of the remaining savings initiatives will be delayed and as such savings not realised until later in the year.

When added to the existing DSG deficit of £16.6m brought forward from previous years the level potential deficit at the end of 2020/21 is significant. This is a ring-fenced grant and, as such, overspends do not currently affect the Council's bottom line however there is increasing scrutiny and challenge from the DfE to manage the deficit and evidence plans reduce spend. The level of deficit also impacts on the Council's overall cash-flow position and as such senior officers have written to the DfE on several occasions to request support in this matter. Officers are currently waiting for further guidance from the DfE in respect of the next steps with a view to meeting with DfE officials to discuss the position in more detail.

2.3 Capital

- 2.3.1 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 2020/21 as below. At this stage of the year the level of slippage is not expected to exceed the revised capital variation budget of £6.5m so to show the impact of overall forecast pressure, the capital variations budget is shown fully utilised.

Service	Capital Programme Variations Budget £000	Forecast Outturn Variance (Sept) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Outturn Variance (Sept) £000
P&C	-6,523	6,523	3,509	53.8%	3,014
Total Spending	-6,523	6,523	3,509	53.8%	3,014

2.4 2020-21 Savings Tracker

- 2.4.1 As previously reported the “tracker” report – a tool for summarising delivery of savings – will be made available for Members 3 times per annum. This can be viewed as Appendix 4 of the main September 2020 Finance Monitoring report.

3. Alignment with corporate priorities

- 3.1 A good quality of life for everyone
There are no significant implications for this priority.
- 3.2 Thriving places for people to live
There are no significant implications for this priority.
- 3.3 The best start for Cambridgeshire’s children
There are no significant implications for this priority.
- 3.4 Net zero carbon emissions for Cambridgeshire by 2050
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.

5. Source documents

5.1 None.

6. Appendices

6.1 Appendix 1: The budget lines for which this Committee is responsible

6.2 Appendix 2: The September 2020 Finance Monitoring
Accessible version available on request from Democratic.Services@cambridgeshire.gov.uk