

FINANCE AND PERFORMANCE REPORT – OUTTURN 20018-2019

To: Children and Young People Committee

Meeting Date: 21 May 2019

**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 2018-19 Outturn
Finance and Performance report for People And
Communities Services (P&C).**

**The report is presented to provide the Committee with the
opportunity to comment on the financial and performance
position as at the end of the 2018-19 financial year.**

**Recommendations: The Committee is asked to review and comment on the
report.**

Officer contact:		Member contact:	
Name:	Martin Wade	Name:	Councillor Simon Bywater
Post:	Strategic Finance Business Partner	Role:	Chairman, CYP Committee
Email:	martin.wade@cambridgeshire.gov.uk	Email:	Simon.Bywater@cambridgeshire.gov.uk
Tel:	01223 699733	Tel:	01223 706398 (office)

1.0 BACKGROUND

- 1.1 A Finance & Performance Report for People and Communities (P&C) 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 (February) £000	Directorate	Budget 2018/19 £000	Actual £000	Outturn Variance £000
4,488	Children's Commissioning	32,636	36,911	4,275
-50	Communities & Safety - Youth Offending Service	1,515	1,404	-111
0	Communities & Safety - Central Integrated Youth Support Services	1,323	1,295	-28
2,268	Children & Safeguarding	52,204	53,936	1,732
9,098	Education	81,155	90,693	9,538
-3,229	Executive Director and Central Financing	4,306	1,282	-3,024
12,575	Total Expenditure	173,139	185,521	12,382
-8,023	Grant Funding (including Dedicated Schools Grant etc.)	-68,725	-77,407	-8,682
4,552	Total	104,413	108,114	3,700

Please note: Strategic Management – Commissioning covers all of P&C and is therefore not included in the table above. The Executive Director and Central Financing budgets have now been included as they contain significant spend relevant to CYP Committee, but exclude unused accruals which relate to Adults & Safeguarding.

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.

Although significant savings have been made across the directorate the service continues to face demand pressures, particularly in relation to the rising number of looked after children, and those related to Special Educational Needs and Disabilities (SEND).

The Committee have previously received reports confirming the medium term approach to managing demand on the looked after children's placement budget as well as outlining the major change and restructuring programme underway in the service.

However, it is acknowledged that these changes, and resulting budgetary improvements, will take time to embed and it is increasingly recognised that it will not be possible to fully address and reduce the pressures through offsetting savings and mitigating actions within P&C during 2018-19. General Purposes Committee previously approved the allocation of the £3.413m smoothing fund reserve to support Children's Services pressures, as recommended by CYP Committee, which is reflected in the reported position.

The continuing increase in the number of pupils with SEND and the overall complexity of need has resulted in significant pressures on both the High Needs Block element of the Dedicated Schools Grant (DSG), and core Local Authority budget. Work is ongoing with key stakeholders, including Schools Forum, to reduce costs and deliver a recovery plan of the current deficit.

2.0 MAIN ISSUES IN THE 2018-19 OUTTURN P&C FINANCE & PERFORMANCE REPORT

2.1 The 2018-19 Outturn Finance and Performance report is attached at Appendix 2. At the end of the year, the overall P&C position is an overspend of £4,756k (2%). This is a slightly improved position from the previous forecast reported to CYP Committee in March (to the end of January) when the predicted outturn was £4,830k.

2.2 Revenue

As previously reported significant savings have been made across Children's budgets, but services have continued to face increasing demand pressures, particularly those related to the rising number of looked after children, and to Special Educational Needs and Disabilities (SEND).

At the end of the 2018/19 financial year core funded budgets relating to Children's and Education services have a total overspend of £3.7m. The key areas of overspend/underspend contributing to this total are:

- The final LAC Placements outturn position is a £2.8m overspend; a reduction of £0.1m from the previous reported position. This is due to a combination of increasing demand and the underlying pressure brought forward from 17/18.
- Home to School Transport – Final outturn overspend of £1.5m. This is largely due to a 20% increase in pupils attending special schools between September 2017 and September 2018 and a 13% increase in pupils with Education Health Care Plans (EHCPs) over the same period, linked to an increase in complexity of need.
- The final Children in Care outturn is a £1.1m overspend due to pressures in supervised contact as a result of increasing court directed supervised contact cases, an increasing number of staying put arrangements not covered by the grant, and the costs relating to Unaccompanied Asylum Seeking Children (UASC) outstripping the grant funding available.
- The Adoption budget finished the year with a £0.6m overspend due to the continuing increase in adoption placements during the year. The increase in placements is a reflection of the good practice in making permanency plans for children outside of the looked after system and results in reduced costs in the placement budgets.
- The underspend on the Central Financing policy line reflects the allocation of the £3.413m smoothing fund reserve to support Children's Services pressures, as recommended by CYP Committee and approved by General Purposes Committee.

Dedicated Schools Grant (DSG):

- The DSG is a ring-fenced specific grant, provided outside the local government finance settlement. It is used in support of the schools budget for the purposes

defined in the School and Early Years Finance (England) Regulations. As funding is ring-fenced, there is no requirement for local authorities to top-up the grant from general funding or from non-ring-fenced revenue reserves.

- Special Educational Needs and Disability (SEND) Specialist Services ended the year with a DSG overspend of £8.7m. A net increase of 500 Education, Health and Care Plans (EHCPs) over the course of the 2017/18 academic year (13%) and an average additional 10 EHCPs a week throughout the 2018/19 academic year, as well as an increase in complexity of need, have caused pressures across all elements of the SEN budget.
- Following the application of underspends on other DSG budgets the final DSG balance to carry forward to 2019/20 is a deficit of £7,171k, compared to the £720k deficit brought forward from 2017/18 (amended down to £642k due to prior-year adjustments).
- Recently published guidance from the Education Skills and Funding Agency (ESFA) will require all local authorities with a cumulative overspend greater than 1% of their DSG to complete a recovery plan and submit it to the Department by 30th June 2019. The plan should detail the steps identified to bring the DSG deficit back into balance within a three-year timeframe. The recovery plan, which is currently in development, will be discussed with key stakeholders, and be signed off by the CFO prior to submission.

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.

As at the end of 2018/19 the Capital Variation budget has not been fully utilised. This will be offset with additional borrowing of £2,182k.

2.5 Performance

Of the thirty-eight P&C service performance indicators twelve are shown as green, nine as amber and eight as red. Nine have no target and are therefore not RAG-rated.

Of the Children and Young People Performance Indicators, six are green, six are amber and five are red. Three have no target and were therefore not RAG-rated. The four red performance indicators are:

1. Number of children with a Child Protection Plan per 10,000 population under 18.
2. Proportion of children subject to a Child Protection Plan for the second or subsequent time (within 2 years).
3. The number of looked after children per 10,000 population under 18.
4. Ofsted – Pupils attending schools that are judged as Good or Outstanding (Special Schools).

3.0 2018-19 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. The savings tracker to the end of the year is included as Appendix 3. It shows that, of £21.3m planned savings in P&C included in

2018/19's business plan, £18.6m was delivered. This was £2.7m less than the target.

However, in addition to the delivery of these savings there was a further £2.8m of savings delivered within the 'funnel' – a pipeline of additional savings plans drawn up in year to mitigate the risk of non- or delayed-delivery of planned savings.

4.1 A good quality of life for everyone

4.1.1 There are no significant implications for this priority.

4.2 Thriving places for people to live

4.2.1 There are no significant implications for this priority

4.3 The best start for Cambridgeshire's Children

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, Legal and Risk 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 Communications 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

6.7.1 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/