

FINANCE AND PERFORMANCE REPORT – OUTTURN 2017-18

To: Children and Young People Committee

Meeting Date: 22 May 2018

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 2017-18 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 2017-18 financial year.

Recommendation: The Committee is asked to:

- a) view and comment on the report
- b) recommend the earmarked reserve listed in Appendix 3, which is continuing in 2018-19, to the General Purposes Committee for their re-approval.

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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 2017/18 £000	Actual £000	Outturn Variance £000
877	Children's Commissioning	13,041	13,947	907
-172	Communities & Safety	5,328	5,164	-163
8,262	Children & Safeguarding	105,723	116,358	10,635
-209	Education	20,014	19,601	-413
8,758	Total Expenditure	144,105	155,071	10,966
-2,101	Grant Funding (including Dedicated Schools Grant etc.)	-48,525	-52,267	-3,742
6,657	Total	95,580	102,804	7,224

Please note: Strategic Management – Commissioning, Executive Director and Central Financing budgets cover all of P&C and are therefore not included in the table above.

1.4 Financial Context

The Council had overall planned savings of £33.4m in 2017-18, and at year end the overall revenue budget position was an overspend of +£3.8m (1.1%).

2.0 MAIN ISSUES IN THE 2017-18 OUTTURN P&C FINANCE & PERFORMANCE REPORT

- 2.1 The 2017-18 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 £6,953k. This is a slightly worse position from the previous forecast reported to CYP Committee in February 2018 when the predicted outturn was £6,586k.

Despite underspends on a number of areas and delivery of significant savings through transformation the continuing demand pressures, particularly in children's services relating to the rising number of looked after children, have resulted in the overall overspend position at year-end.

Significant work was undertaken during the budget setting process, alongside a number of ongoing workstreams to deliver reductions in costs and required savings in 2018-19. This ongoing work includes additional scrutiny on the highest risk budgets and savings via a weekly delivery board.

2.2 Revenue

The main changes to the revenue forecast variances within CYP Committees areas of responsibility since the previous report are as follows:

- In Children and Safeguarding, the Strategic Management outturn has increased by £104k since the position reported in February. Despite over achieving the overall vacancy savings target the final figure was less than previously forecast.
- In Children and Safeguarding, the Children in Care outturn has increased by £227k due to additional unexpected costs from transitional arrangements for a complex case and an increase in in-house fostering placements.
- In Children and Safeguarding, the final Legal Proceedings outturn has increased by £111k due to higher than anticipated costs for February and March due to the number of cases being managed by the service and the increase in presentation of end year invoices by providers.
- In Children and Safeguarding, the final outturn across several of the Dedicated Schools Grant (DSG) funded budgets, including High Needs Top-Up, Special Educational Needs (SEN) placements, and Out of School tuition have worsened significantly since previous forecasts. This is as a result of a continuing increase in numbers and complexity of need, alongside a requirement to fund a large number of backdated payments primarily to Post-16 providers. As these budgets are funded from the DSG these pressures are managed as part of the overall DSG rather than impacting on the P&C bottom line.
- In Grant Funding, the Financing DSG contribution has increased to reflect the final contribution to DSG funded services.

2.3 Full detail of the final outturn for all policy lines can be viewed in Appendix 2.

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. The allocation for P&C's negative budget adjustments has been calculated as follows, shown against the slippage position for 2017/18:

2017/18					
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	-10,305	0	0	0%	10,305
Total Spending	-10,305	0	0	0%	10,305

At the end of the 2017/18 financial year the Capital Variation budget has not been utilised. This will be offset with additional borrowing of £10,305k.

2.5 Performance

Appendix 7 of the Outturn F&PR contains Performance information.

Of the thirty-eight P&C service performance indicators six are shown as green, two as amber and four are red. Twenty-six have no target and are therefore not RAG-rated

Of the Children and Young People Performance Indicators, one is green, none are amber and two are red. Sixteen have no target and are therefore not RAG-rated. The two red performance indicators are:

1. Number of children with a Child Protection Plan per 10,000 population under 18
2. The number of looked after children per 10,000 children

2.6 People and Communities (P&C) Portfolio

The major change programmes and projects underway across P&C are detailed in Appendix 8 of the report – none of these is currently assessed as red.

3.0 CARRYFORWARD PROPOSALS: P&C EARMARKED RESERVES IN 2018-19

- 3.1 The Scheme of Financial Management sets out a process for agreement of one-off funds in addition to the agreed budget to support particular schemes and projects, including enabling pilots and savings plans. These are known as service earmarked reserves and were permitted where Services underspent in previous years and secured political agreement to earmark part of those surpluses to future activity. Going forward, the Council is moving away from reserves held at Service level, with deficits and surpluses instead handled from across the Council together in a corporate general reserve. Additionally, the transformation fund has been established as the usual route for funding schemes which lead to new ways of working and financial and non-financial benefits. There is an established business case process to bid into the transformation fund.
- 3.2 Although no new service earmarked reserves are being created at this time, there is one previously agreed scheme linked to Home to School transport where spend has not been made during 2017/18 and it is proposed that this is carried forward to 2018/19, to be used for the same purpose as the original approval. The Scheme of Financial Management sets out that Service Committees will be asked to recommend annual re-approval to the General Purpose Committee.
- 3.3 The table at Appendix 3 shows the earmarked reserve which requires re-approval and also several other continuing reserves (for information only) that are within this Committee's domain. Earmarked reserves, and other continuing reserves, will be reported on each month in Appendix 5 of the F&PR.

4.0 2017-18 SAVINGS TRACKER

- 4.1 As previously reported the "tracker" report – a tool for summarising delivery of savings – will be made available for Members on a quarterly basis. The tracker as at the end of 2017-18 is included as Appendix 4 to this report.
- 4.2 Within the tracker the outturn is shown against the original saving approved as part of the 2017-18 Business Planning process. At the end of 2017-18 total savings of £16,824k were delivered within P&C against the original target of £20,538k. For several proposals, due to delays or difficulties in recruiting, the delivery of savings has slipped into 2018/19.

5.0 ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

- 5.1.1 There are no significant implications for this priority.

5.2 Helping people live healthy and independent lives

- 5.2.1 There are no significant implications for this priority

5.3 Supporting and protecting vulnerable people

- 5.3.1 There are no significant implications for this priority

6.0 SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

6.1.1 This report sets out details of the overall financial position of the P&C Service.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

6.2.1 There are no significant implications within this category.

6.3 Statutory, Risk and Legal Implications

6.3.1 There are no significant implications within this category.

6.4 Equality and Diversity Implications

5.4.1 There are no significant implications within this category.

6.5 Engagement and Consultation Implications

6.5.1 There are no significant implications within this category.

6.6 Localism and Local Member Involvement

6.6.1 There are no significant implications within this category.

6.7 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/