

Finance Monitoring Report – October 2021

To: Children and Young People Committee

Meeting Date: 30 November 2021

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 October 2021 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 October 2021.

Recommendation: The Committee is recommended 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 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:

Forecast Outturn Variance (Previous) £000	Directorate	Budget 2021/22 £000	Actual Oct 21 £000	Forecast Outturn Variance £000
1,250	Children's Commissioning	22,411	11,605	1,500
0	Communities & Safety - Central Integrated Youth Support Services	381	185	0
-1,459	Children & Safeguarding	59,110	26,560	-2,455
1,051	Education – non DSG	37,954	15,755	1,375
-0	Public Health - Children's Health	9,317	5,118	-0
843	Total Expenditure	129,172	59,223	420
0	Grant Funding (excluding Dedicated Schools Grant etc.)	-17,748	-8,221	0
843	Total Non-DSG	111,424	51,002	420
0	Commissioning – DSG	245	0	0
11,244	Education – DSG (incl. contribution to combined budgets)	90,528	52,138	13,429
11,244	Total DSG (Ringfenced Grant)	90,773	52,138	13,429

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 October 2021, the overall P&C position shows a revised forecast underspend of £4,693k; around 1.6% of budget, whilst Public Health is reporting a revised underspend of £1,468k; 3% of budget. The budgets within the remit of CYP are currently forecasting an overspend of £420k (excluding the Dedicated Schools Grant).

2.2 The significant issues relating to CYP, as highlighted in the main FMR are:

2.2.1 Children's

Children in Care (CiC) Placements - Despite a relatively stable position in the number of CiC we are seeing increasing cost pressures due to changes in complexity of need, and continuing cost inflation within the sector resulting in a revised in-year forecast pressure of £1.5m. Specifically, changes in legislation from the 1st September which required all local authorities to ensure no young people in care under the age of 16 were placed within unregistered provision. The consequence of this has been a knock-on effect within the residential and fostering markets responding to increased demand as young people moved on from unregistered provision. This has led to a significant increase in weekly cost for some placements. Also, we are seeing an increase in complexity of need within both existing and new placements. This increased demand, coupled with an overall shortage of availability, has led to price increases within the sector.

Other Children's - Despite further pressures within the Children's Disability Service (£400k) and Legal (£80k), the current forecast overspend across Children's (including the CiC placement budget held in Commissioning) has been offset by underspends in the Fostering and Supervised Contact Service (-£960k), Corporate Parenting (-£500k), Adoption Allowances (-£375k), Safeguarding East (-£200k) and Strategic Management (-£900k). A large proportion of these underspends are 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.

2.2.3 Education

Outdoor Education continues to forecast an in-year overspend of £681k due to school residential visits not being allowed until mid-May and a reduction in numbers in order to adhere to Covid-19 guidance.

0-19 Organisation and Planning is showing a revised forecast overspend on core funded activity of £270k. 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.

Home to School Transport Special is now forecasting an overspend of £250k 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 now forecasting an overspend of £100k reflecting the increases in complexity and shortage of availability of local placements.

Please note: All transport budgets have been impacted by the underlying national issue of driver availability which is seeing less competition for tendered routes. This has also

resulted in numerous contracts being handed back by operators as they are no longer able to fulfil their obligations and alternative, often higher cost, solutions are required.

2.2.4 Dedicated Schools Grant (DSG) - The number of EHCP's has continued to increase at a faster rate than previous forecasts and as a result the in-year forecast pressure on High Needs has now risen to £13.584m.

There are some minimal offsetting underspends elsewhere within the DSG resulting in a net forecast overspend of £13.429m. 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.

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 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	Forecast Outturn Variance (Oct 21) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Outturn Variance (Oct 21) £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 Communities at the heart of everything we do
There are no significant implications for this priority.

3.2 A good quality of life for everyone
There are no significant implications for this priority.

3.3 Helping our children learn, develop and live life to the full
There are no significant implications for this priority.

3.4 Cambridgeshire: a well-connected, safe, clean, green environment
There are no significant implications for this priority.

3.5 Protecting and caring for those who need us
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 None.