

Finance Monitoring Report – March 2021

To: Children and Young People Committee

Meeting Date: 9 March 2021

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 January 2021 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 January 2021.

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

Officer contact:

Name: Martin Wade
Post: Strategic Finance Business Partner
Email: martin.wade@cambridgehire.gov.uk
Tel: 01223 699733

Member contact:

Name: Cllr Simon Bywater
Post: Chair
Email: simon.bywater@cambridgeshire.gov.uk
Tel: 01223 706398

1. Background

- 1.1 Under the current Virtual Meetings Protocol it has been agreed that the revised Finance Monitoring Report will now be presented at all scheduled substantive meetings of the Children and Young People (CYP) Committee (but not reserve dates) to provide the Committee with the opportunity to comment on the financial position of the services for which the Committee has responsibility.
- 1.2 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 A, whilst the table below provides a summary of the budget totals relating to CYP Committee:
- 1.3

Forecast Variance Outturn to December £000	Directorate	Budget 2020/21 £000	Actual 2020 to January £000	Forecast Outturn Variance £000
700	Children's Commissioning	25,864	18,232	900
-6	Communities & Safety - Central Integrated Youth Support Services	373	-29	-6
-3,014	Children & Safeguarding	60,487	48,897	-3,206
2,384	Education – non DSG	36,039	26,712	2,670
11,293	Education – DSG	67,532	63,822	12,265
11,356	Total Expenditure	190,294	157,634	12,623
-11,293	Grant Funding (including Dedicated Schools Grant etc.)	-82,430	-77,254	-12,265
64	Total	107,864	80,380	358

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 January 2021 Finance Monitoring report is attached at Appendix B. Sections which do not apply to CYP Committee have been highlighted in grey. At the end of January 2021, the overall P&C position shows a revised overspend of £7,656k; around 2.8% of budget. The majority of the reported forecast pressures are 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. As numbers of Covid-19 cases continue to rise these figures remain indicative contingent on the length of disruption into the first quarter of 2021 and the subsequent 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 within CYP can be seen below:

- 2.1.1 Children in Care Placements – Commissioning. As highlighted previously the level of commitments has increased as more complex and therefore costly cases emerge as a result of the continuing Covid-19 pandemic. The revised forecast overspend has now increased to +£900k, although in-year underspends elsewhere within Children’s have offset the additional pressure.
- 2.1.2 Strategic Management – Children & Safeguarding is currently reporting a revised forecast underspend of -£1,000k. This is a result of a service restructure which has been put on hold, realising an in year saving of -£380k, a further -£500k due to a combination of other posts becoming vacant and recruitment to vacancies taking longer than anticipated in the current climate and an additional -£200k of unapplied social care grant. This has been offset in part by costs of £80k associated with the use of the Grafham Water Centre to provide temporary support to vulnerable young people during the Covid-19 crisis.
- 2.1.3 Children in Care – following a further review of commitments, this service is now reporting a revised underspend of -£1,565k 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.
- 2.1.4 The Children’s Disability Service continues to forecast 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.
- 2.1.5 Adoption – has a revised forecast underspend of -£660k. 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, in line with legislation. The service review on this area of activity to ensure allowances received by carers are in line with children’s needs and family circumstances has now been completed and as a result additional savings identified.
- 2.1.6 Safeguarding South – continue to report an underspend of -£125k. This is in the main due to the impact of Covid-19 and subsequent restrictions being placed on contact and reduced activities. Some of the under spend is also linked to the implementation of the Family Safeguarding Model and the reduction in case numbers.
- 2.1.7 Strategic Management – Education is forecasting a revised -£400k underspend as a result of posts becoming vacant and recruitment to vacancies taking longer than anticipated in the current climate.
- 2.1.8 Education - A number of services within Education are forecasting overspends due to loss of income as a result of the Covid-19 pandemic (please see 2.1.12 below). 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 £140k overspend.
- The School Improvement Service is forecasting a £247k overspend.
- The Outdoor Centres are currently forecasting a £1,293k overspend.
- Cambridgeshire Music is forecasting a £237k overspend.
- 0-19 Organisation and Planning - the Attendance and Behaviour Service and Education Safeguarding Team are forecasting a combined overspend of £459k. This is offset in part by an underspend of -£131k on the centrally retained growth fund for schools which is part of the Dedicated Schools Grant.

2.1.9 Home to School Transport – Special – is now reporting a revised pressure of £885k. 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 more than available budget. This is because 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.

2.1.10 Children in Care Transport – continues to forecast an underspend of £500k in 2020/21. This underspend is as a result of a number of factors including improved procurement and route planning processes, an ongoing reduction in the number of children in care, and reduced spend on contact visits over the summer term due to the majority of these taking place remotely.

2.1.11 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 £12.5m for 2020/21, a deterioration of approximately £1m from previous forecasts. This includes savings in relation to funding devolved to secondary schools through the Behaviour and Attendance Improvement Partnerships (BAIP's) implemented from September and savings because of a number of high cost placements. Due to Covid-19 a number of the remaining savings initiatives have been delayed and as such savings will not be realised until next year; however this may also be at risk as we are predicting increased need post lockdown and children returning to school.

2.1.12 Lost Sales, Fees & Charges Compensation – A new policy line has been added within the Executive Director section of the FMR to reflect the grant made available from the Ministry of Housing Communities and Local Government (MHCLG) to compensate for lost sales, fees and charges income relating to the pandemic. Local authorities are expected to absorb losses up to 5% of budgeted sales, fees, and charges income, after which the government will reimburse 75p in every pound of relevant losses. P&C have seen significant income losses, particularly in certain Education services, as noted in 2.1.8 above and the Registration service in Communities. Based on the latest forecasts P&C are anticipating compensation of £2.8m to be received.

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 (Jan) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Outturn Variance (Jan) £000
P&C	-6,523	6,523	5,853	89.7%	-670
Total Spending	-6,523	6,523	5,853	89.7%	-670

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 A – CYP Revenue Budgets

6.2 Appendix B – Finance Monitoring Report January 2021

6.3 An accessible version of Appendix B is available on request from Martin.Wade@cambridgeshire.gov.uk