

Finance Monitoring Report – October 2022

To: Children and Young People Committee

Meeting Date: 29th November 2022

From: Executive Director: People Services
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 2022 Finance Monitoring Report for People Services 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 2022.

Recommendation: Committee are asked to review and comment on the report.

Voting arrangements: No vote required

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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 Services (PS) and Public Health (PH) is attached at Appendix B. This report covers the whole of the PS, and PH 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. Sections of the main FMR which do not apply to CYP Committee have been highlighted in grey wherever possible.
- 1.4 The table below provides a summary of the budget totals relating to CYP Committee:

Forecast Outturn Variance (Previous) £000	Directorate	Budget 2022/23 £000	Actual 2022 £000	Forecast Outturn Variance £000
0	Children's Commissioning	24,979	11,888	0
0	Communities & Safety - Central Integrated Youth Support Services	0	0	0
0	Children & Safeguarding	60,640	31,640	-200
1,437	Education – non DSG	45,949	8,407	1,936
6	Public Health - Children's Health	9,393	3,110	6
1,443	Total Expenditure	140,960	55,045	1,742
-6	Grant Funding (excluding Dedicated Schools Grant etc.)	-22,847	-11,588	-6
1,437	Total Non-DSG	118,113	43,457	1,736
0	Commissioning – DSG	245	0	0
11,800	Education – DSG (incl. contribution to combined budgets)	102,686	71,923	11,800
11,800	Total DSG (Ringfenced Grant)	102,931	71,923	11,800

Please note: Strategic Management – Commissioning and the Executive Director policy lines cover all of PS and is therefore not included in the table above.

2. Main Issues – Revenue

- 2.1 At the end of October 2022, the overall PS position shows a forecast overspend of £1,281k, and the overall PH position an underspend of £255k. The budgets within the remit of CYP are currently forecasting a net overspend of £1,736k (excluding the Dedicated Schools Grant).

2.1.2 The main significant issues as highlighted in the FMR are:

Children and Safeguarding

<p>Fostering and Supervised Contact -£100k forecast underspend.</p>	<p>Underspend within Professional and Link Foster Carers primarily due to the continuing reduction of the Children in Care (CiC) population accessing this provision. Whilst better utilisation of vacant beds has resulted in a more positive placement mix (54% of Cambridgeshire children with in-house carers versus 46% external), it is considered unlikely that the full 190 placements budgeted for will be utilised within the year.</p>
<p>Adoption - £200k forecast underspend</p>	<p>Underspend against Special Guardianship Orders, which is the continuation of savings realised from changes made to allowances following the introduction of a new means testing tool, in line with DfE recommendations.</p>
<p>Children in Care Placement – emerging pressure</p>	<p>Despite continuing to report a balanced in-year position the CiC placements budget is experiencing a significant increase in the cost of placements as a result of complexity of need and continuing market pressures.</p>
<p>Children’s Disability Service +£150k forecast overspend.</p>	<p>Following the decision to bring the three residential children’s homes in-house in September 2020, the harmonisation of staff to CCC terms and conditions in October 2022 results in a forecast pressure of £150k.</p>

Education

<p>Outdoor Education +£117k forecast overspend</p>	<p>This is as a result of an underlying staffing pressure at Stibbington exacerbated by bookings remaining low and not recovering as expected following easing of Covid restrictions</p>
<p>SEND Specialist Services +£150k forecast overspend</p>	<p>The Education Psychology service is experiencing increasing demand which cannot be met from within the substantive team and is therefore being met through use of locum Education Psychologists. This pressure is due to the significant increase in requests for assessments that continued</p>

	<p>over the summer. The locum spend has helped to get the numbers of advice unallocated or late down significantly (19% submitted on time to around 60%, above national average, on time by October). Without the use of locums this would not have been possible. This feeds into the DfE expectations of Cambridgeshire in terms of meeting deadlines.</p>
<p>Home to School Transport Special +£1,100k forecast overspend</p>	<p>Growth in numbers of EHCPs being agreed has led to the forecasted increase in numbers of children with SEND being transported. The lack of special school places available locally has necessitated longer and less efficient transport routes. 330 numbers of SEND transport contracts have been re-procured this summer and this has occurred in a time of extremely uncertain market conditions. Average transport costs per contract have gone up by 18.5% from 2021.</p>
<p>Children in Care (CIC) Transport +300k forecast overspend</p>	<p>There has been an increase in transport demand arising from an increasing shortage in local placements, requiring children to be transported further. In addition, transport requests for CIC pupils as part of their care package have increased due to carers feeling unable to meet the increased fuel costs.</p>
<p>Home to School Transport Mainstream +£300k forecast overspend</p>	<p>The change from previous forecasts is due to updated contract data following the retender process over the summer. As with all the transport budgets, driver shortages and inflation have increased contract costs. In addition, several areas in the county have a lack of local places meaning that pupils must be transported further at higher cost.</p>

2.1.3 Alongside the core funded budgets the High Needs Blok element of the Dedicated Schools Grant (DSG) continues to face significant pressures due 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 in-year forecast overspend remains at £11.8m, which when added to the cumulative deficit brought forward from previous years will result in a deficit of £50m+

being carried forward into 2023/24. The authority is currently awaiting the outcome of the recent Safety Valve Intervention Programme application which if agreed will support the elimination of the historic deficit subject to delivery of planned reductions in spend.

2.2 Capital

2.2.1 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 2022/23 as below. As of October 2022, the Capital Variation budget has been fully utilised.

Service	Capital Programme Variations Budget £000	Forecast – Outturn (Oct 22) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (Oct 22) £000
People Services	-9,114	-14,803	-9,114	100	-5,689
Total Spending	-9,114	-14,803	-9,114	100	-5,689

3. Alignment with corporate priorities

3.1 Environment and Sustainability

There are no significant implications for this priority.

3.2 Health and Care

There are no significant implications for this priority.

3.3 Places and Communities

There are no significant implications for this priority.

3.4 Children and Young People

There are no significant implications for this priority.

3.5 Transport

There are no significant implications for this priority.

4. Significant Implications

4.1 n/a

5. Source documents

5.1 None