

FINANCE AND PERFORMANCE REPORT – JULY 2018

To: Children and Young People Committee

Meeting Date: 11 September 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 July 2018 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 July 2018.

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

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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 (June) £000	Directorate	Budget 2018/19 £000	Actual July 2018 £000	Forecast Outturn Variance £000
2,665	Children's Commissioning	32,481	7,612	3,750
0	Communities & Safety - Youth Offending Service	1,650	449	-50
607	Children & Safeguarding	51,450	17,051	607
929	Education	62,937	33,354	867
4,221	Total Expenditure	148,519	58,466	5,174
-809	Grant Funding (including Dedicated Schools Grant etc.)	-50,530	-17,074	-809
3,412	Total	97,989	41,392	4,365

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

As previously discussed at CYP Committee the major savings agenda continues with £99.2m of savings required across the Council between 2017 and 2022. The total planned savings for P&C in the 2018/19 financial year total £21,287k.

Although significant savings have been made across the directorate the service continues to face demand pressures, particularly in children's services related to the rising number of looked after children.

Nationally there has been a rise in children in care, also; however as identified by the service and supported by Oxford Brooks, we are not moving children through the system quickly enough and also previous practice of supporting children at home for perhaps longer than is best practice has led to children entering the care system later and then remaining, rather than them being adopted at an earlier stage.

This, combined with the scale of change needed for the new model of operational delivery, makes any reductions in numbers in care this year unlikely and for only a gradual reduction in

numbers and improvement in placement mix to take place in 2019/20.

As a result further work is ongoing to quantify the extent of the pressure in 2018/19 as original budgets were predicated on lower numbers in care than is likely to be achievable. These pressures were discussed at the General Purposes Committee in July.

2.0 MAIN ISSUES IN THE JULY 2018 P&C FINANCE & PERFORMANCE REPORT

2.1 The July 2018 Finance and Performance report is attached at Appendix 2. At the end of July, P&C forecast an overspend of £4,690k. This is a worsening position from the previous month when the forecast overspend was £3,868k.

2.2 Revenue

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

- The Looked After Children Placements budget is forecasting an overspend of £3m. This is a result of underlying pressures brought forward from the previous year, alongside continued additional demand in-year to date. This includes five additional high cost placements made during the month of July. This position will be closely monitored throughout the year, with subsequent forecasts updated to reflect any change in this position.
- The Home to School Transport – Special budget is forecasting to be £0.75m over budget. This is as a result of increasing demand for SEN Transport, primarily due to increasing numbers of pupils attending special school and an increase in children with Education Health and Care Plans (EHCPs) requiring transport to other provision, an additional burden has been added placed on us with post 19 transport and also that we deliver only statutory provision in this area and our charging is in line with stat neighbours
- The Children in Care budget is forecasting an overspend of £275k due to the higher than budgeted number of supervised contact sessions being provided. Alongside this work is currently underway to quantify the pressure around care of unaccompanied asylum seekers both in the under 18 and over 18 cohorts. Our Unaccompanied Asylum Seeking Children (UASC) cohort remains high and we are currently working with Regional colleagues in terms of agreeing an equitable allocation of UASC across Local Authority areas. Discussions are also ongoing with the Home Office over expected time scales over confirming UASC status once they turn 18, which impacts on our ability to accurately forecast expected spend. High cost UASC packages are being reviewed in order to reduce costs where possible. It is expected that a considered forecast will be available in September.

2.3 The table below identifies the key areas of over and underspends within CYP alongside potential mitigating actions:

<p>Looked After Children Placements</p> <p>Forecast year-end variance: +£3,000k</p>	<p>The key reasons for the overspend in this area is:</p> <ul style="list-style-type: none"> • Underlying pressure brought forward from the previous year • The continuing higher than budgeted number of LAC placements and forecast under-delivery of savings. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Reconstitution of panels to ensure greater scrutiny and supportive challenge.
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	<ul style="list-style-type: none"> • Monthly budget and savings reconciliation meetings attended by senior managers accountable for each area of spend/practice. • Investment in children's social care commissioning to support the development of robust commissioning pseudo-dynamic purchasing systems for external spend. • Provider meetings scheduled through the Children's Placement Service [ART] to support the negotiation of packages at or post placement. • Regular Permanence Tracking meetings chaired by the Independent Reviewing Service Manager to ensure no drift in care planning decisions, and support the identification of foster carers suitable for SGO/permanence arrangements. • Additional investment in the recruitment and retention of the in-house fostering service to increase the number of fostering households over a three year period.
<p>Home to School Transport - Special</p> <p>Forecast year-end variance: +£750k</p>	<p>The key reason for the overspend in this area is:</p> <ul style="list-style-type: none"> • Increasing demand for SEND Transport, with a 9% increase in pupils attending special schools between May 2017 and May 2018 and an 11% increase in pupils with EHCPs over the same period. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • A review of processes in the Social Education Transport and SEND teams with a view to reducing costs • A strengthened governance system around requests for costly exceptional transport requests • A change to the process around Personal Transport Budgets to ensure they are offered only when they are the most cost-effective option • Implementation of an Independent Travel Training programme to allow more students to travel to school and college independently.
<p>Children in Care</p> <p>Forecast year-end variance: +£275k</p>	<p>The key reason for the overspend in this area is:</p> <ul style="list-style-type: none"> • The use of additional relief staff and external agencies required to cover the current (end July 2018) 204 Supervised Contact Cases which equate to 528 supervised contact sessions a month. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Reviewing the structure of Children's Services. This will focus on creating capacity to meet additional demand.
<p>Adoption</p> <p>Forecast year-end variance: +£248k</p>	<p>The key reason for the overspend in this area is:</p> <ul style="list-style-type: none"> • Additional demand on the need for adoptive places. • Re-negotiated contract with Coram Cambridgeshire Adoption (CCA) based on an equal share of the extra costs needed to cover those additional placements. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Ongoing dialogue with CCA to identify more cost effective medium term options to recruit more adoptive families to meet the needs of our children.
<p>Schools Partnership Service</p> <p>Forecast year-end variance: +£148k</p>	<p>The key reason for the overspend in this area is:</p> <ul style="list-style-type: none"> • The decision by Schools Forum to discontinue the de-delegation for the Cambridgeshire Race Equality & Diversity Service (CREDS) from 1st April 2018, resulting in service closure.

<p>SEN Placements</p> <p>Forecast year-end variance: +£518k</p> <p>DSG Funded</p>	<p>The key reasons for the overspend in this area are:</p> <ul style="list-style-type: none"> • Placement of one young person in out of county school needing residential provision, where there is appropriate educational provision to meet needs. • Placement of a young person in out of county provision as outcome of SENDIST appeal. • An unprecedented increase in requests for specialist SEMH (social, emotional and mental health) provision. Local provision is now full, which is adding an additional demand to the high needs block. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • SEND Sufficiency work is underway to inform future commissioning strategy. This will set out what the SEND need is across Cambridgeshire, where it is and what provision we need in future, taking account of demographic growth and projected needs. • Alternatives such as additional facilities in the existing schools, looking at collaboration between the schools in supporting post 16, and working with further education providers to provide appropriate post 16 course is also being explored in the plan; • Peterborough and Cambridgeshire SEND Strategy is being developed with a renewed focus and expectation of children and young people having their needs met locally. • Review and renegotiation of packages with some providers to ensure best value is still being achieved.
<p>Out of School Tuition</p> <p>Forecast year-end variance: +£291k</p> <p>DSG Funded</p>	<p>The key reasons for the overspend in this area are:</p> <ul style="list-style-type: none"> • A higher number of children remaining on their existing packages and a higher number of children accessing new packages, due to a breakdown of placement, than the budget can accommodate., <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Proposal to create an in-house “bank” of teachers, tutors, teaching assistants or specialist practitioners and care workers in order to achieve a lower unit cost of provision; • Move to a Dynamic Purchasing System, which would provide a wider, more competitive market place, where a lower unit cost of provision could be achieved; • Enhance the preventative work of the Statutory Assessment Team by expanding the SEND District Team, so that support can be deployed for children with an EHCP, where currently the offer is minimal and more difficult to access; • Creation of an outreach team from the Pilgrim PRU to aid quicker transition from tuition or inpatient care, back into school; and • Review of existing tuition packages to gain a deeper understanding of why pupils are on tuition packages and how they can be moved back into formal education.

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. The allocation for P&C's negative budget adjustments has been calculated as follows, shown against the slippage forecast to date:

2018/19					
Service	Capital Programme Variations Budget £000	Forecast Outturn Variance (July 18) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Outturn Variance (July 18) £000
P&C	-10,469	3,380	3,380	32.3	-7,089
Total Spending	-10,469	3,380	3,380	32.3	-7,089

2.5 Performance

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

Of the Children and Young People Performance Indicators, five are green, five are amber and five are red. Two have no target and were therefore not RAG-rated. The five 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 population under 18
3. KS4 Attainment 8 (All children)
4. % of disadvantaged households taking up funded 2 year old childcare places
5. 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 updated throughout the year and the overall position reported to members on a quarterly basis.

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

4.1.1 There are no significant implications for this priority.

4.2 Helping people live healthy and independent lives

4.2.1 There are no significant implications for this priority

4.3 Supporting and protecting vulnerable people

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, Risk and Legal 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 Consultation 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

5.7.1 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/