

Service: Children, Education and Families

Agenda Item 7 – Appendix 1

Subject: Finance Monitoring Report – May 2023

Date: 15th June 2023

Contents

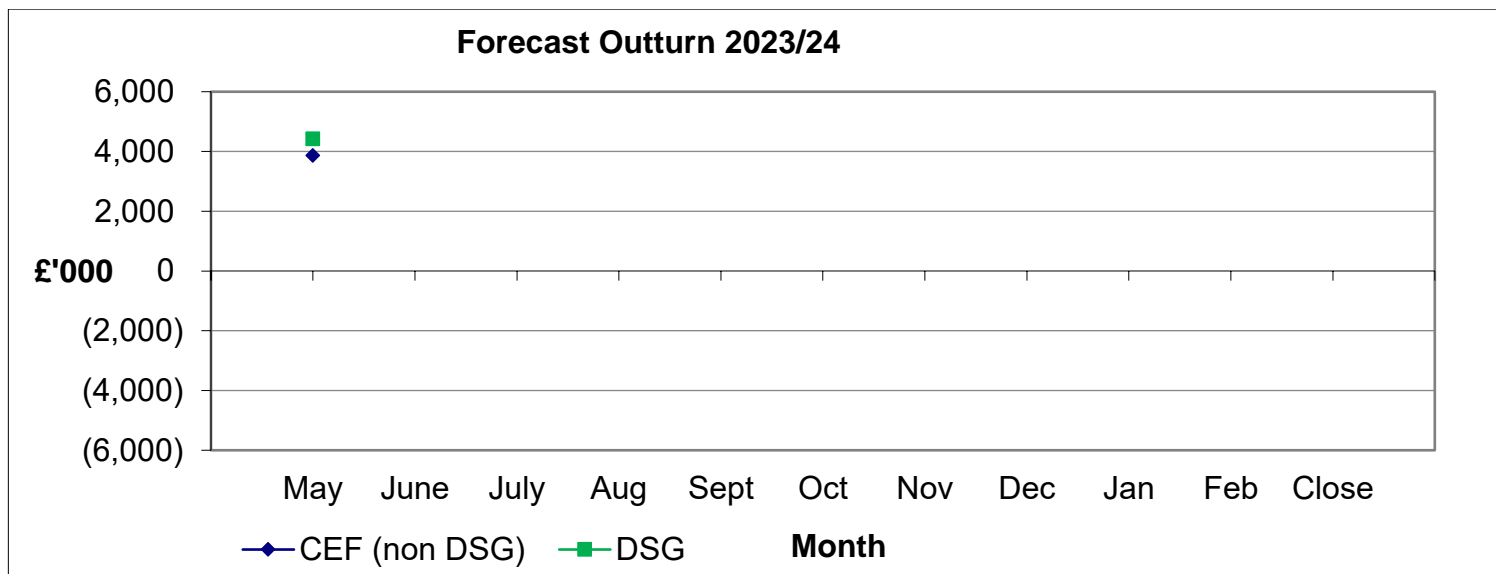
Section	Item	Description
1	Revenue Executive Summary	High level summary of information and narrative on key issues in revenue financial position
2	Capital Executive Summary	Summary of the position of the Capital programme within Children, Education and Families
3	Savings Tracker Summary	Summary of the latest position on delivery of savings
4	Technical Note	Explanation of technical items that are included in some reports
5	Key Activity Data	Performance information linking to financial position of main demand-led services
Appx 1a	Service Level Financial Information	Detailed financial tables for Children, Education and Families main budget headings
Appx 1b	Service Level Financial Information	Dedicated Schools Grant (DSG) financial tables for Children, Education and Families main budget headings
Appx 2	Service Commentaries	Detailed notes on revenue financial position of services that have a significant variance against budget
Appx 3	Capital Appendix	This contains more detailed information about the capital programme, including funding sources and variances from planned spend.
<i>The following appendices are included quarterly as the information does not change as regularly:</i>		
Appx 4	Savings Tracker	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the Business Plan.
Appx 5	Technical Appendix	Each quarter, this will contain technical financial information showing: Earmarked reserves Grant income received Budget virements

1. Revenue Executive Summary

1.1 Overall Position

At the end of May 2023, Children, Education and Families is projected to be £3,862k overspent on core funded activities and £4,418k overspend on Dedicated Schools Grant (DSG) activities.

1.2 Summary of Revenue position by Directorate



1.2.1 Childrens, Education and Families – Non DSG

Forecast Outturn Variance (Previous) £000	Directorate	Budget 2023/24 £000	Actual £000	Forecast Outturn Variance £000	Forecast Outturn Variance %
0	Commissioning	26,900	1,228	3,827	14.2%
0	Children & Safeguarding	66,480	10,088	-0	0.0%
0	Education	48,481	3,432	35	0.1%
0	Executive Director	434	0	0	0.0%
0	Total Expenditure	142,295	14,748	3,862	2.7%
0	Grant Funding	-12,714	-2,907	0	0.0%
0	Schools	0	80	0	0.0%
0	Total	129,581	11,920	3,862	3.0%

1.2.2 Children, Education and Families - DSG

Forecast Outturn Variance (Previous) £000	Directorate	Budget 2023/24 £000	Actual £000	Forecast Outturn Variance £000	Forecast Outturn Variance %
0	Commissioning (DSG)	245	-306	0	0.0%
0	Education (DSG)	113,696	16,514	5,418	4.8%
0	Total Expenditure (DSG)	113,941	16,207	5,418	4.8%
0	Grant Funding (DSG)	-113,941	-19,726	-0	0.0%
0	Schools (DSG)	0	-5,023	-1,000	0.0%
0	Total (DSG)	0	-8,543	4,418	0.0%

1.3 Significant Issues

The overall position for Children, Education and Families non-DSG budgets to the end of May 2023 is a forecast overspend of £3.862m. The figures assume budget rebaselining adjustments as set out below are approved at Strategy and Resources Committee in July. These adjustments reflect the updating of budgets to align with the increased demand in the last quarter of 2022/23 which were not reflected in the original Business Plan assumptions.

Service Area	Type	£000	Comments
Children in Care Placements	Demand-led budget re-baselining	+561	Updated to reflect care cost commitments at start of the year
Children in Care Transport	Demand-led budget re-baselining	+240	Updated to reflect transport cost commitments at start of the year
Net budget increase		+801	

Children in Care Placements - We currently have a small number of young people in very high-cost placements which is causing a significant weekly pressure against the budget. If forecast to year-end, these placements would leave us in a significant overspend position, however, the service is working hard with relevant agencies to secure placements at more manageable costs and we do not expect these to continue for the full year. Even with a level of mitigation factored in the revised forecast still equates to £3.8m over budget. This budget is a high risk due to ongoing pressures within this sector and increasing numbers of young people with complex needs that have required bespoke placements. This position is being carefully monitored and the service is working hard to control cost where possible.

Dedicated Schools Grant (DSG) –Appendix 1b provides a detailed breakdown of all DSG spend within People Services. The budget figures are net of recoupment for academies and High Needs place funding.

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 overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. At the end of 2022/23 there was a net DSG overspend of £11.94m, which when added to the existing DSG deficit of £39.32m resulted in a revised cumulative deficit of £51.262m.

As a result of the Safety Valve Agreement with the Secretary of State for Education the local authority received an initial payment of £19.6m in March 2023 which will support the reduction of the overall DSG

deficit. Alongside this, a local authority contribution of £2.5m has been applied, resulting in a reduced cumulative deficit of £29.16m brought forward into 2023/24.

To the end of May the current net DSG forecast is a £4.42m overspend which will be updated to reflect revised forecast estimates.

2. Capital Executive Summary

The Capital Plan relating to CEF for 2023/24 has reduced significantly since the Business Plan was published, resulting in a revised budget of £100.526m. This reduction is due the combination of schemes being removed, delayed into future years, changes to carry forward positions from 2022/23 and a recalculated capital variations budget. The schemes with variations of £250k or greater are listed below;

Scheme Name	Roll Forward (£000)	Total Budget Revisions 2023/24 (£000)	Reason for Change
Sawtry New Primary	50	-7,900	Roll forward and rephasing
Ermine Street Primary, Alconbury, Phase 2	26	-296	Roll forward and rephasing
Northstowe All Through	36	-4,136	School is being delivered as all through age range - 2nd primary and secondary combined
Manea Primary Expansion	6	-2,306	Roll forward and rephasing
Waterbeach New Town Primary	15	-11,265	Roll forward and rephasing
Benwick Primary Expansion	-24	-893	Roll forward and rephasing
Alconbury Weald secondary and Special	108	-27,608	Roll forward and rephasing
Sir Harry Smith Community College	-657	-	Roll forward and rephasing
Cambourne Village College Phase 3b	975	-475	Roll forward and rephasing
LA Early Years Provision	548	-1,772	Roll forward and rephasing
Duxford Community C of E Primary School rebuild	-241	-209	Roll forward and rephasing
Townley Primary Permanent Accommodation	8	-908	Roll forward and rephasing
School Condition, Maintenance & Suitability	805	54	Roll forward and £54k more grant than anticipated
School Devolved Formula Capital	2,474	-7	Revised Grant amount
Samuel Pepys Special School	947	-2,147	Roll forward and rephasing
Additional Countywide SEN places	49	-2,449	Roll forward and rephasing
New SEMH Provision Wisbech	1,595	-295	Roll forward and rephasing
Swavesey Village College S106	-	628	£628k identified S106 contributions to be transferred to Swavesey VC for the school to carry out works.
Schemes with less than £250k b/fwd and less than £250k in-year change	179	-1,027	Roll forward and rephasing
Capital variations budget	-	4,622	Recalculation of capital variations budgets as a result of capital rephasing
	6,901	-58,389	

The following changes in funding for 2023/24 have occurred since the Business Plan was published:

- School Conditions Allocation grant funding increase of £55k.
- Adjustment to carry forward funding increased by £6,901k.
- Devolved formula capital reduced by £7k.
- Section 106 funding reduced by £13,160k to account for slippage on projects since the business plan was approved.

- Prudential Borrowing reduced by £45,277k to account for the removal and slippage on projects since the business plan was approved.

At the end of May 2023, the capital programme forecast underspend is zero. The level of slippage and underspend in 2023/24 is currently anticipated to be £0k and as such has not yet exceeded the Capital Variation Budget. A forecast outturn will not be reported unless this happens.

Details of the currently forecasted capital variances can be found in Appendix 3.

3. Savings Tracker Summary

The savings trackers are produced quarterly to monitor delivery of savings against agreed plans. The first quarterly savings tracker for 2023/24 will be reported in the July FMR report.

4. Technical note

On a quarterly basis, a technical financial appendix is included as Appendix 5. This appendix covers:

- Grants that have been received by the service, and where these have been more or less than expected.
- Budget movements (virements) into or out of the directorate from other services, to show why the budget might be different from that agreed by Full Council.
- Service earmarked reserves – funds held for specific purposes that may be drawn down in-year or carried-forward – including use of funds and forecast draw-down.

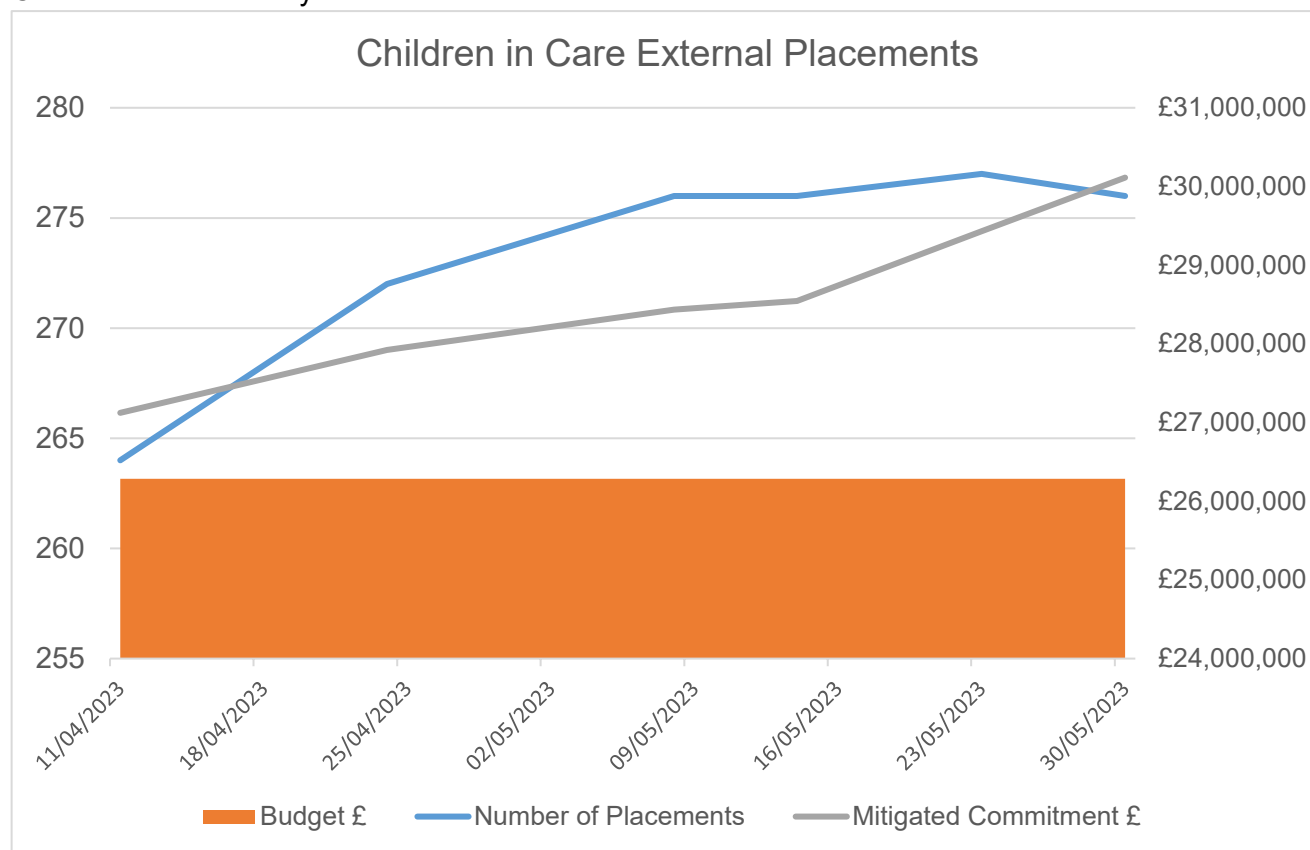
5. Key Activity Data

5.1 Key activity data to the end of **May 2023** for **Children in Care Placements** is shown below:

Service Type	BUDGET				ACTUAL (May 2023)				FORECAST OUTTURN		
	No of placements Budgeted	Annual Budget	No. of weeks funded	Average weekly cost per head	Snapshot of No. of placements May 2023	Yearly Average	Outturn	Average weekly cost per head	Yearly Average budgeted no. of placements	Net Variance to Budget	Average weekly cost diff +/-
Residential – disability	4	£874k	52	£3,277	4	4.01	£765k	£3,660	0.01	£-109k	£383
Residential - secure accommodation	2	£1,449k	52	£8,538	3	3.01	£6,149k	£47,032	1.01	£4,700k	£38,494
Residential schools	6	£509k	52	£1,632	8	6.65	£625k	£1,747	0.65	£116k	£114
Residential homes	51	£10,922k	52	£4,118	51	49.22	£11,597k	£4,614	-1.78	£674k	£495
Independent Fostering	174	£8,153k	52	£901	173	168.48	£8,037k	£930	-5.52	£-117k	£29
Tier 4 Step down	2	£449k	52	£4,318	2	0.23	£31k	£2,232	-1.77	£-419k	£-2,087
Supported Accommodation	18	£2,264k	52	£6,302	27	22.13	£5,351k	£5,364	4.13	£3,087k	£-937
16+	5	£81k	52	£310	6	4.67	£81k	£309	-0.33	£1k	£0
Supported Living	2	£373k	52	£3,588	2	1.27	£346k	£18,023	-0.73	£-27k	£14,436
Growth/Replacement	0	£k	0	£0	0	0.00	£k	£0	-	£k	£0
Additional one off budget/actuals	0	£k	0	£0	0	0.00	£k	£0	-	£k	£0
Mitigations required	0	£k	0	£0	0	0.00	£-2,869k	£0	-	£-2,869k	£0
TOTAL	265	£26,285k			276	259.67	£30,112k		-4.33	£3,827k	
In-house Fostering	163	£4,119k	56	£450	156	146.38	£3,222k	£374	-16.91	£-897k	£-76
In-house fostering - Reg 24	31	£334k	56	£190	25	29.22	£248k	£163	-2.21	£-85k	£-27
Family & Friends Foster Carers	18	£341k	52	£364	13	12.12	£344k	£325	-5.87	£3k	£-39
Supported Lodgings	0	£k	0	£0	0	0.00	£33k	£0	0.00	£980k	£0
Growth/Replacement							£980k		0.00	£980k	£0
TOTAL	217	£4,832k			194	188.92	£4,827k		-29.67	£-5k	

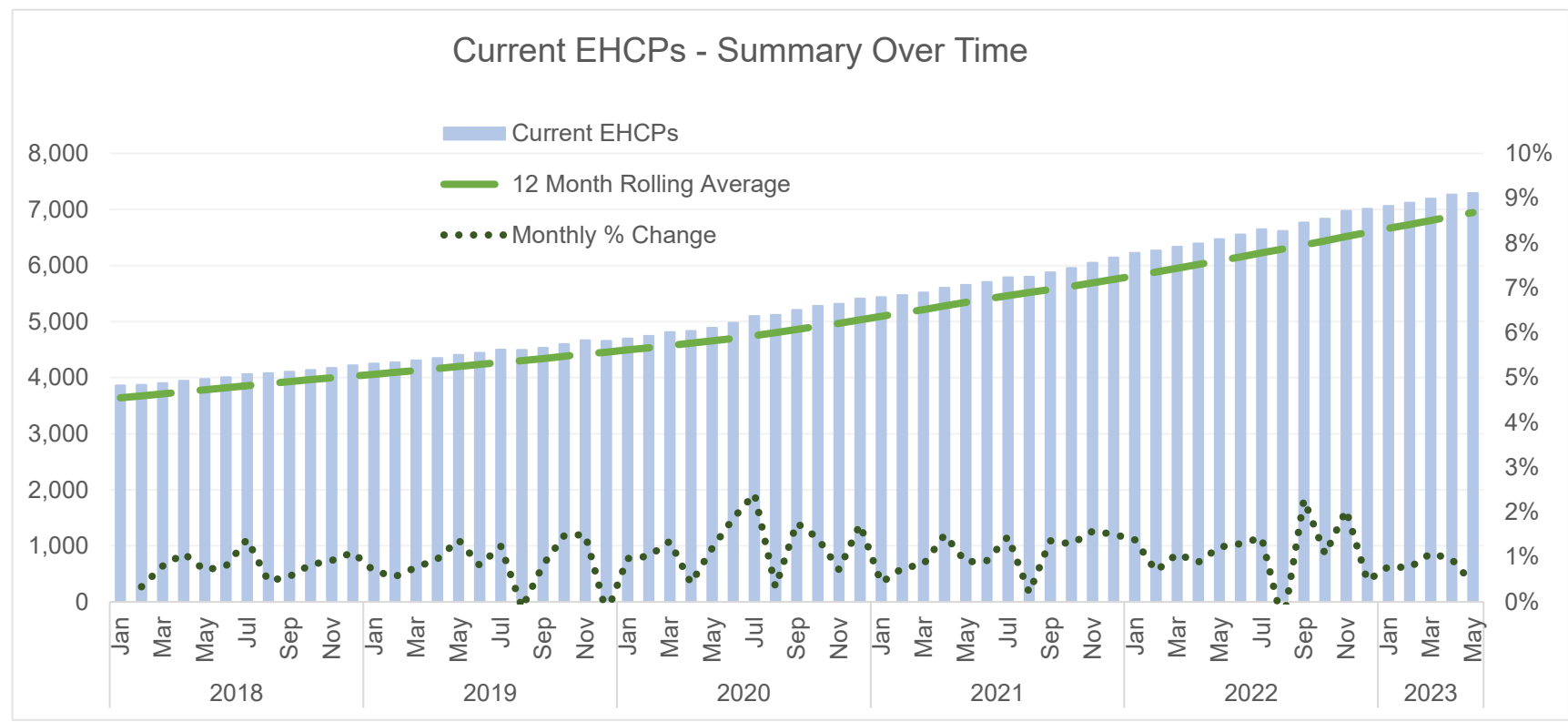
Service Type	No of placements Budgeted	Annual Budget	No. of weeks funded	Average weekly cost per head	Snapshot of No. of placements May 2023	Yearly Average	Outturn	Average weekly cost per head	Yearly Average budgeted no. of placements	Net Variance to Budget	Average weekly cost diff +/-
Adoption Allowances	87	£1,113k	52	£246	74	74.43	£832k	£214	-12.42	£-281k	£-32
Special Guardianship Orders	298	£2,319k	52	£150	273	270.72	£1,979k	£146	-27.44	£-341k	£-4
Child Arrangement Orders	52	£422k	52	£156	44	42.93	£326k	£140	-9.16	£-96k	£-16
Concurrent Adoption	2	£22k	52	£210	0	0.00	£k	£0	-2.05	£-22k	£-210
Growth/Replacement							£740k	£0	0.00	£740k	£0
TOTAL	439	£3,876k			391	388.08	£3,876k		-51.07	£k	
OVERALL TOTAL	921	£34,993k			861	836.67	£38,816k		-85.07	£3,823k	

NOTES: In house Fostering payments fund 56 weeks as carers receive two additional weeks payment during the summer holidays and one additional week each for Christmas and birthday.



5.2 Key activity data for **SEN** is currently being updated for 2023/24 to reflect the latest position and Safety Valve monitoring. Revised data will be included in the July FMR.

The graph below shows the current increase in the number of EHCPs over time.



Appendix 1a – Children, Education and Families Detailed Financial Information (non DSG)

Forecast Outturn Variance (Previous) £000	Committee	Service	Budget 2023/24 £000	Actual £000	Forecast Outturn Variance £000	Forecast Outturn Variance %
Director of Commissioning						
0	CYP	Children in Care Placements	26,285	1,656	3,827	15%
0	CYP	Commissioning Services	615	-428	0	0%
0		Director of Commissioning Total	26,900	1,228	0	14%
Director of Children & Safeguarding						
0	CYP	Strategic Management - Children & Safeguarding	2,476	538	0	0%
0	CYP	Safeguarding and Quality Assurance	3,570	502	-0	0%
0	CYP	Fostering and Supervised Contact Services	9,960	1,331	0	0%
0	CYP	Corporate Parenting	10,241	2,999	-0	0%
0	CYP	Integrated Front Door	4,466	1,221	0	0%
0	CYP	Children's Disability Service	9,245	1,816	0	0%
0	CYP	Support to Parents	2,062	-632	0	0%
0	CYP	Adoption	5,471	966	0	0%
0	CYP	Legal Proceedings	2,050	156	0	0%
0	CYP	Youth Offending Service	2,292	179	-0	0%
0	CYP	Family Safeguarding	5,266	-498	0	0%
0	CYP	Targeted Support Service	9,382	1,510	-0	0%
0		Director of Children & Safeguarding Total	66,480	10,088	-0	0%
Director of Education						
0	CYP	Strategic Management - Education	1,177	-480	0	0%
0	CYP	Early Years Service	2,857	831	-0	0%
0	CYP	School Improvement Service	983	125	0	0%
0	CYP	Virtual School	459	216	0	0%
0	CYP	Outdoor Education (includes Grafham Water)	-77	-150	0	0%
0	CYP	Cambridgeshire Music	-25	487	-0	0%
0	CYP	ICT Service (Education)	-300	-1,394	0	0%
0	CYP	Redundancy & Teachers Pensions	4,026	433	0	0%
<u>SEND Specialist Services (0 - 25 years)</u>						
0	CYP	SEND Specialist Services	4,560	551	-0	0%
0	CYP	High Needs Top Up Funding	0	0	0	0%
0	CYP	Alternative Provision and Inclusion	5	29	0	0%
0		SEND Specialist Services (0 - 25 years) Total	4,566	580	-0	0%
<u>0-19 Place Planning & Organisation Service</u>						
0	CYP	0-19 Organisation & Planning	747	59	-0	0%
0	CYP	Education Capital	184	1,119	0	0%
0	CYP	Home to School Transport - Special	20,788	1,161	-0	0%
0	CYP	Children in Care Transport	1,946	-69	35	2%
0	CYP	Home to School Transport - Mainstream	11,149	514	0	0%
0		0-19 Place Planning & Organisation Service Total	34,815	2,784	35	0%
0		Director of Education Total	48,481	3,432	35	0%

Forecast Outturn Variance (Previous) £000	Committee	Service	Budget 2023/24 £000	Actual £000	Forecast Outturn Variance £000	Forecast Outturn Variance %
Executive Director						
0	CYP	Executive Director	434	0	0	0%
0	CYP	Central Financing	1	0	0	0%
0		Executive Director Total	434	0	0	0%
0		Total	142,295	14,748	3,862	3%
Grant Funding						
0	CYP	Non Baselined Grants	-12,714	-2,907	0	0%
0		Grant Funding Total	-12,714	-2,907	0	0%
Schools						
0	CYP	Schools Financing	0	-35	0	0%
0	CYP	Pools and Contingencies	0	114	0	0%
0		Schools Total	0	80	0	0%
0		Overall Total	129,581	11,920	3,862	3%

Appendix 1b – Children, Education and Families Detailed Financial Information (DSG)

Forecast Outturn Variance (Previous) £000	Committee	Service	Budget 2023/24 £000	Actual £000	Forecast Outturn Variance £000	Forecast Outturn Variance %
Director of Commissioning						
0	CYP	Commissioning Services	245	-306	0	0%
0		Director of Commissioning Total	245	-306	0	0%
Director of Education						
0	CYP	Early Years Service	2,225	437	0	0%
0	CYP	Virtual School	150	0	0	0%
0	CYP	Redundancy & Teachers Pensions	0	0	0	0%
<u>SEND Specialist Services (0 - 25 years)</u>						
0	CYP	SEND Specialist Services	7,103	1,117	0	0%
0	CYP	Funding to Special Schools and Units	43,362	4,942	0	0%
0	CYP	High Needs Top Up Funding	35,739	4,698	0	0%
0	CYP	SEN Placements	15,702	4,829	0	0%
0	CYP	Out of School Tuition	5,035	116	0	0%
0	CYP	Alternative Provision and Inclusion	7,421	334	0	0%
0	CYP	SEND Financing – DSG	-5,619	17	5,418	96%
0		SEND Specialist Services (0 - 25 years) Total	108,743	16,053	5,418	5%
<u>0-19 Place Planning & Organisation Service</u>						
0	CYP	0-19 Organisation & Planning	2,178	23	0	0%
0	CYP	Home to School Transport - Special	400	0	0	0%
0		0-19 Place Planning & Organisation Service Total	2,578	23	0	0%
0		Director of Education Total	113,941	16,207	5,418	5%
Grant Funding						
0	CYP	Financing DSG	-113,941	-19,726	-0	0%
0		Grant Funding Total	-113,941	-19,726	-0	0%
0		Total	0	-3,519	5,418	0%
Schools						
0	CYP	Primary and Secondary Schools	446,592	21,814	0	0%
0	CYP	Nursery Schools and PVI	38,475	7,903	-1,000	-3%
0	CYP	Schools Financing	-485,067	-34,741	0	0%
0	CYP	Pools and Contingencies	0	0	0	0%
0		Schools Total	0	-5,023	-1,000	0%
0		Overall Total	0	-8,543	4,418	-%

Appendix 2 – Service Commentaries on Forecast Outturn Position

Narrative is given below where there is an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater for a service area.

1) Children in Care Placements

Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
26,285	1,656	3,827	15%

We currently have a small number of young people in very high-cost placements which is causing a significant weekly pressure against the budget. If forecast to year-end, these placements would leave us in a significant overspend position, however, the service is working hard with relevant agencies to secure placements at more manageable costs and we do not expect these to continue for the full year. Even with a level of mitigation factored in the revised forecast still equates to £3.8m over budget. This budget is a high risk due to ongoing pressures within this sector and increasing numbers of young people with complex needs that have required bespoke placements. This position is being carefully monitored and the service is working hard to control cost where possible.

2) SEND Financing – DSG

Budget £000	Actuals £000	Outturn Variance £000	Outturn Variance %
-5,619	17	5,418	96%

Budgeted deficit reflective of continuing pressures and increasing demand within the High Needs Block as per Safety Valve management plan. Net of forecast underspends on Central Schools Services Block (CSSB). In-year forecasts currently under review to be updated for end of quarter 1.

3) Nursery Schools and PVI

Budget £000	Actuals £000	Outturn Variance £000	Outturn Variance %
38,475	7,901	-1,000	-3%

Forecast underspend as per Safety Valve management plan.

Appendix 3 – Capital Position

4.1 Capital Expenditure

Original 2023/24 Budget as per BP £000	Committee	Scheme Category	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000	Budget Carried-forward 2023/24 £000	Budget Re-phasing 2023/24 £000	Revised Budget for 2023/24 £000	Actual Spend (May) £000	Forecast Outturn Variance (May) £000
44,312	CYP	Basic Need - Primary	130,160	0	805	-35,805	9,312	-421	0
104,100	CYP	Basic Need - Secondary	211,776	0	-140	-19,291	84,669	5,202	0
1,904	CYP	Basic Need - Early Years	7,367	0	548	-1,772	680	118	0
3,855	CYP	Adaptations	10,024	0	-183	-1,117	2,555	759	0
3,250	CYP	Conditions Maintenance	27,304	0	805	54	4,109	-249	0
780	CYP	Devolved Formula Capital	7,793	0	2,474	-7	3,247	0	0
13,915	CYP	Specialist Provision	46,396	0	2,592	-4,891	11,616	1,919	0
1,050	CYP	Site Acquisition and Development	1,050	0	0	0	1,050	0	0
750	CYP	Temporary Accommodation	9,250	0	0	0	750	27	0
850	CYP	Children Support Services	7,500	0	0	0	850	0	0
-22,448	CYP	Capital Variation	-54,565	0	0	4,622	-17,826	0	0
1,425	CYP	Capitalised Interest	6,958	0	0	-182	1,243	0	0
-1,729	CYP	Environment fund Transfer	-3,499	0	0	0	-1,729	0	0
152,014			407,514	0	6,901	-58,389	100,526	7,356	0

There are no schemes with significant variances (>£250k) either due to changes in phasing or changes in overall scheme costs to be reported this month.

Capital Variations Budget

Variation budgets are set annually and reflect an estimate of the average variation experienced across all capital schemes, and reduce the overall borrowing required to finance our capital programme. There are typically delays in some form across the capital programme due to unforeseen events, but we cannot project this for each individual scheme. We therefore budget centrally for some level of delay. Any known delays are budgeted for and reported at scheme level. If forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget.

4.2 Capital Funding

Original 2022/23 Funding Allocation as per Business Plan £000	Source of Funding	Budget Carried-forward 2023/24 £000	Budget Revisions 2023/24 £000	Revised Budget for 2023/24 £000	Forecast Spend - Outturn (May) £000	Forecast Variance - Outturn (May) £000
2,259	Basic Need	2,627	0	4,886	4,886	0
3,800	Capital maintenance	805	55	4,659	4,659	0
780	Devolved Formula Capital	2,474	-7	3,246	3,246	0
0	Schools Capital	0	0	0	0	0
62,275	S106 contributions	0	-13,160	49,115	49,115	0
16,588	Other Specific Grants	-1,467	0	15,121	15,121	0
0	Other Contributions	0	0	0	0	0
0	Other Revenue Contributions	0	0	0	0	0
67,338	Prudential Borrowing	2,463	-45,053	24,748	24,748	0
-1,026	Prudential Borrowing (Repayable)	0	-224	-1,250	-1,250	0
152,014		6,901	-58,389	100,526	100,526	0