Local Members' Interest
n/a

Corporate Review Committee – 13th June 2019

Integrated Performance Report - Quarter 4, 2018/19

Recommendation

That Committee Members:

1. Note and challenge performance and advise of any further information and/or action required.

Report of the Leader of the Council and Cabinet Member for Finance

Summary

What is the Select Committee being asked to do and why?

2. This Quarterly Integrated Performance Report provides an overview of Staffordshire County Council's progress, performance and financial position in delivering against our Strategic Plan and Delivery Plan.

3. We recommend that Corporate Review Committee notes and challenges performance and advises of any further information and/or action required.

Report

Background

4. The Integrated Performance Report is considered by Corporate Review Committee on a quarterly basis.

Integrated Performance Report – Quarter 4, 2018/19 Summary

1. At the end of Quarter 4, the overall assessment on the council's performance and financial position is Amber. Particular areas of risk continue to be in Adult Social Care and Children's and Families, together with organisational challenges in terms of the capacity to deliver. Further details are included in this report and its appendices.

2. The latest revenue forecast outturn shows a forecast underspend of £0.939m (0.2%), compared to the forecast underspend of £0.997m (0.2%) at Quarter 3. The forecast outturn assumes the carry forward request from Health and Care (£3.3m) is approved and that an agreed contribution is made to the Exit & Implementation / Transition Fund (£3m), which has been approved as part of the Medium Term Financial Strategy. The actual sums transferred are subject to the final outturn position.

3. As a first step to providing short term funding to help with the first two years of the Medium Term Financial Strategy (MTFS), Cabinet considered that it would be prudent to start to identify savings in the current financial year which can be carried forward to 2019/20. It was therefore decided that a spending controls exercise, similar to that adopted in 2016/17, commence with immediate effect in 2018/19.

4. **Health and Care**

5. In January 2019 the total number of delayed days in terms of Delayed Transfers of Care reduced to 3,018, which remains higher than the current Better Care Fund target of 2,768 days. NHS delayed days continued to account for the highest proportion of delayed days (62%), however there has been a reduction of over 100 days since December 2018. Longer term improvements since the end of 2017 show a reduction of 16% in NHS delays, social care and joint delays have reduced by 42% and this combined figure has now reached the Better Care Fund target and delays overall have reduced by 28%. These reductions are significantly better than the national averages of 10% (NHS delays) and 22% (social care and joint delays). A significant improvement has been seen in the number of delays due to awaiting social care assessment. MPFT have allocated resources to provide additional capacity around the Discharge to Assess (D2A) beds and are using resources flexibly where needed across hospitals inside and outside the county.

6. Adult Social Care in Staffordshire continues to face challenges in terms of market price increases in nursing care, with a continuing trend for the cost of new placements to be higher than existing placements. The additional total cost of price rises is forecast at £10.6m in Quarter 4; an increase of £1.350m since Quarter 3. Residential care prices appear to have stabilised but remain above budget.

7. Actions carried out to partially mitigate the forecast overspend include block booking beds at a lower cost per bed and reform to the pathway to support the Dynamic Purchasing System (DPS). A more robust application of the council's Cost Effective Care and Support guidance is also progressing. In the medium and longer term, direct intervention in the market is being considered to increase supply. However, managing the escalating process in the provider market and developing cost effective alternatives quickly will be extremely difficult. The associated cost reduction measures outlined are not without a high level of risk.

8. The overall Health and Care finance position is a forecast saving of £0.332m (0.2%), made up of a forecast saving of £0.182m (0.5%) in Adult Social Care and Safeguarding and a forecast saving of £0.150m (0.1%) in Care Commissioning.

9. **Economy, Infrastructure and Skills**

10. The Economic Growth Programme is continuing to drive forward the economy in Staffordshire. Completed and current projects within the programme have created and safeguarded a total of 8,500 jobs and delivered 993 houses up to January 2019. The current total financial value of the Economic Growth Programme (including projects where initial work or interventions have completed) is around £455 million (of which around £69.8 million relates to direct capital investment by Staffordshire County Council). The majority of this investment covers the period up to 2024, with a significant amount planned to be disbursed by April 2021. 'Live' projects within the Economic Growth Programme currently total around £273 million and are funded from a range of sources including via the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (Growth Deal and City Deal funding), EU funding, Staffordshire County Council's capital programme, and contributions from private sector developers. Staffordshire County Council's current investment for these 'live' projects amounts to around £20 million. Business development sites such as Liberty Park in Lichfield, Four Ashes in South Staffordshire, Meaford near Stone and the MacArthurGlen Designer Retail Outlet in Cannock will generate around £10.3million in

business rates when completed. Half of this will be retained locally and will help to fund public services.

11. Construction commenced at the Liberty Park development site in Lichfield during Quarter 4. The development will see £38million investment and generate up to 1,000 jobs.

12. In January 2019, Staffordshire was successful in achieving a government funding bid led by the county council in partnership with Keele University, county council highways partner Amey and Urban Integrated Ltd**.** The funding will support the creation of innovative transport improvements at a university 'living lab'. The £1.9 million 'live lab' project at Keele University will develop, test and demonstrate how a smart highways network can be designed, maintained and extended to local roads. The project will bring in innovative small and medium-sized enterprises (SMEs) to deliver the scheme. Students on site will also support the scheme as part of their studies. Successful new developments could then benefit communities across Staffordshire and the rest of the country.

13. The proportion of Staffordshire's working age claimant count population has increased from 1.4% in January 2019 to 1.5% in February 2019. The regional and national averages have also increased. Claimant rates in Staffordshire remain lower than both the regional (3.2%) and national (2.5%) averages. Staffordshire records the joint lowest claimant count rate of all the West Midlands Strategic Authorities.

14. Tourism in the county is continuing to thrive. Latest figures show that there were more than 26.2 million visits to the county in 2017, made up of 24.6 million day trips and 1.6 million overnight stays; an increase of 1.9% compared to 2016. Visitors are also staying in Staffordshire for longer. The number of bed nights grew by 2.8% to 4.8 million, with the average number of nights per stay increasing from two to three. A study commissioned by Destination Staffordshire has revealed the total annual value of the tourism sector has surpassed £1.8 billion; an increase of almost 50% compared to 2007, when tourism was worth £1.2 billion to the county's economy. The number of jobs supported by the industry also grew by 1.7% to a new high of 31,720, making tourism the fourth biggest employer in the county, according to the ONS Business Register & Employment Survey. To help grow and develop the local tourism industry further, The Stoke-on-Trent and Staffordshire Local Enterprise Partnership and Destination Staffordshire have commissioned a wide-ranging study of the county's visitor accommodation provision. This will help identify gaps in the market and potential future development opportunities.

15. The overall Economy, Infrastructure and Skills finance position is a forecast saving of £3.654m (5.7%), with the largest forecast saving reported in the area of Waste and Sustainability (£2.061m).

16. Families and Communities

17. Staffordshire County Council's children's social care services retained its overall rating of 'Good' following an Ofsted inspection that took place during Quarter 4. Staffordshire is only one of three authorities in the West Midlands to achieve a 'Good' rating. Ofsted's main findings were that the children's service budget is protected, with additional funding for more social workers; social workers' caseloads have reduced, leading to 'improved outcomes for many children'; and skilled practitioners work with children and families to reduce risks, meet needs and achieve positive change. The report also highlights other areas of good practice, including mature partnership

working, effective and timely screening for children referred to the service, and the quality of an experienced workforce.

18. There is currently a high level of vacancies for social work staff in Staffordshire, particularly in Safeguarding and Management Teams. The service is continuing to look at strategies designed to progress the recruitment of social workers in a permanent capacity to address this.

19. The total number of Looked after Children (LAC) as at 15th March 2019 was 1,141 and there were 783 children subject of a Child Protection Plan (CPP). The latest national benchmark figures for 2018 showed that Staffordshire was broadly in line with the national average for LAC and lower than the national average for CPP. The overspend on Independent Sector Placements in external residential homes, supported accommodation and with independent fostering agencies has increased from just over £2.8m in Quarter 3 to £3.3m in Quarter 4. This reflects a small increase in residential placements and a larger increase in children placed in independent foster care during the past few months.

20. Following a successful bid to be part of a pilot project, children entering care in Staffordshire could be supported by new mental health and wellbeing assessments. Staffordshire is one of nine areas that will pilot the new assessments, which aim to ensure children going in to care have access to the right support that responds to their individual needs. Funded by the Department for Education (DfE), The Anna Freud National Centre for Children and Families, along with a consortium of partners including Action for Children, Research in Practice and the Child Outcomes Research Consortium (CORC) will work with the county council over a period of two years. The pilot will initially focus on supporting 35 young people entering care and will run from July 2019 until June 2020.

21. Healthy Lifestyles was agreed as a priority by the Families Strategic Partnership Board in April 2018 and work continues in this area in 2019. Latest data shows the prevalence of Staffordshire children who were overweight or obese in Reception (aged four to five) during 2017/18 was 25.1% and remains higher than the England average (22.4%). The proportion of children with excess weight in Year 6 (34.5%) has increased from the previous year (33.6%) but remains similar to the national average (34.3%). To address this, Staffordshire County Council has commissioned the Families Health and Wellbeing Service delivered through the Midlands Partnership NHS Foundation Trust (MPFT) who are calculating BMI as part of all their routine appointments with families. They also deliver the National Child Measurement Programme, which measures the height and weight of children in Reception class and Year 6 to assess overweight and obesity levels in children within primary schools.

22. MPFT are taking this opportunity to deliver public health messages about healthy lifestyles such as nutrition and physical activity. They deliver information, advice and guidance to families and targeted interventions if families need this support. This may include programmes such as HENRY, which adopts a unique and highly effective way of working with parents to support them to provide a healthy start in life for their children[1]. They can also provide onward referral for those families with complex needs who are known to other services to ‘Time 4 Sport’ who deliver a Healthy Weights targeted programme.

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[1] https://www.henry.org.uk/about

23. Nearly 92% of parents were allocated their first preference secondary school during Quarter 4 and 95% were allocated one of their top three preferred schools. This is despite increased pupil numbers putting pressure on secondary school admissions. In 2019/20, the county council plans to deliver 360 extra secondary school places, at a cost of nearly £10 million. Since November 2018, the council's admissions team has been working with schools and neighbouring authorities to ensure as many parents as possible receive a place at a preferred school.

24. In terms of Staffordshire's Community Managed Libraries (CMLs), Talke Library transferred to community management on 11th February and Gnosall Library transferred on 20th February taking Staffordshire's total to 22 CMLs. A further 5 libraries will transfer to community management during 2019/20 and discussions are in progress with the newly appointed organisations to ensure smooth transfers.

25. The overall Families and Communities finance position is a forecast overspend of £1.536m (1.1%), made up of a forecast overspend of £2.785m (2.4%) in Children's Services, a forecast overspend of £83,000 (1.4%) in Culture and Communities and a forecast saving of £1.328m (10.4%) in Education Services.

26. Corporate Health

27. In Quarter 4, Staffordshire County Council presented a balanced budget after taking early action to close a £35m forecasted shortfall in the financial year 2019/20. The final plans were presented to Full Council after the authority tackled the unprecedented challenge caused by the rising costs of care for increasing numbers of vulnerable adults and children. As well as lobbying Government, the council also secured additional funding by successfully bidding to be part of a national business rates pilot scheme. Council tax will also rise by 2.95% in 2019/20, less than 10p per day more for a Band D property and still the third lowest county council tax in the country.

28. There has been a reduction in overall Staffordshire County Council sickness absence during the twelve months between March 2018 and February 2019 (an average of 10.8 days lost) compared with the same 12-month period in the previous year (11.1 days) due to a reduction in both short and long term sickness absence. Long term absence has decreased by 3% and short term absence by 2%. There has been a decrease in the two main causes of absence; musculoskeletal and psychological absence. Musculoskeletal absence has decreased by 9% and psychological absence by 7%. Despite these improvements, Staffordshire County Council continues to record sickness absence levels which are higher than the national average for public sector employees in 2018 (8.5 days)[2] and this is something that will be addressed in the county council's new People Strategy, which was approved by Cabinet in March 2019.

29. Work is continuing to develop the county council's enablers programme which will enable and encourage people to do more for themselves and each other by: supporting people to develop community-led approaches and solutions; investing in the development of digital channels to allow self-service and self-management; equipping the county council workforce with the skills, tools and culture they need and working collaboratively with networks of partner and business organisations.

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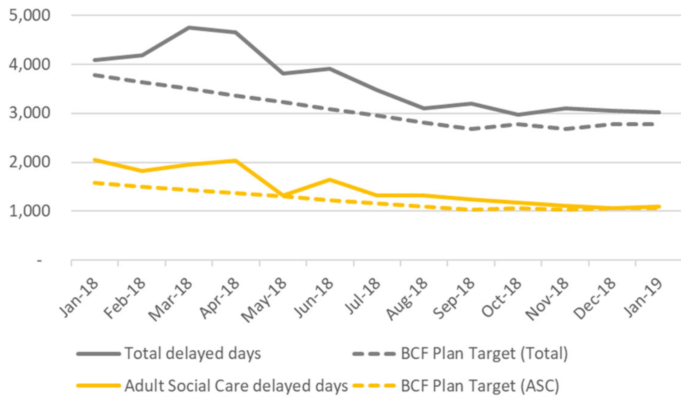
[2] CIPD – Health and Wellbeing at Work – Public Sector – May 2018

30. Outcomes Performance – Quarter 4

Health and Care

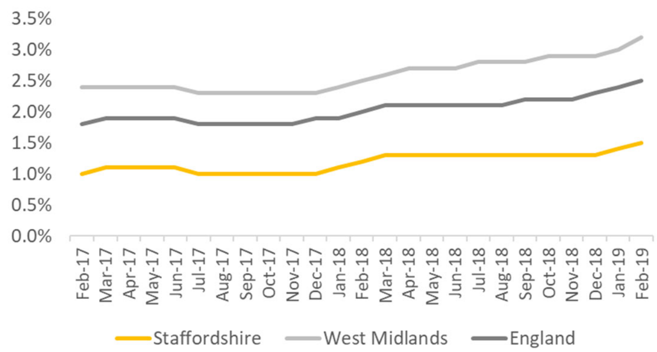
Delayed Transfers of Care, Jan-18 – Jan-19



Source: Delayed Transfers of Care monthly statistics, NHS England

Economy, infrastructure and Skills

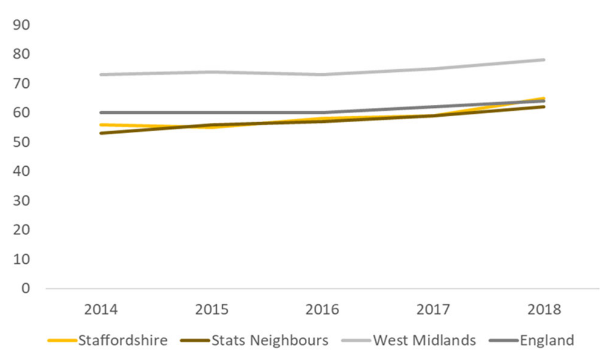
Claimant Count, Feb-17 – Feb-19



Source: Office for National Statistics (ONS)

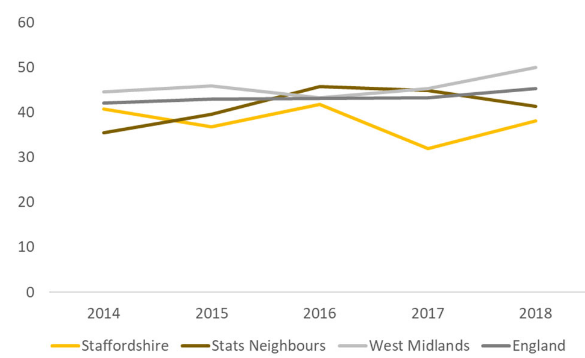
Families and Communities

Looked after Children (rate per 10,000), 2014 – 2018



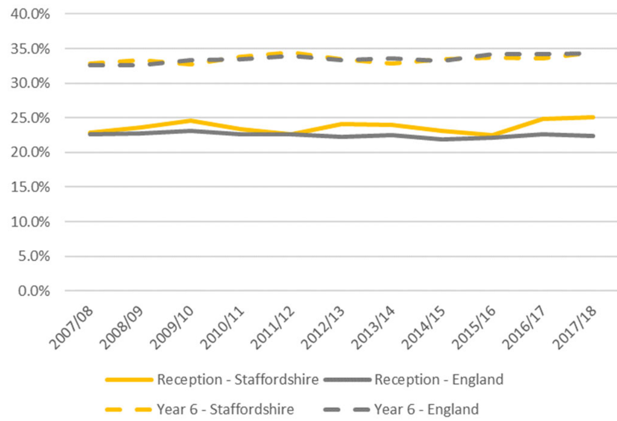
Source: Local Authority Interactive Tool (LAIT)

Children subject of a Child Protection Plan (rate per 10,000), 2014-2018



Source: Local Authority Interactive Tool (LAIT)

Children who are overweight or obese, 2007/08 – 2017/18



Source: National Child Measurement Programme: results from the school years – headline results

Appendices

Finance Appendices –

1. Finance Quarter 4 Summary
2. Finance Quarter 4 Detailed Report
3. Corporate Checklist
4. Revenue Forecast Outturn 2018/19
5. Capital Forecast Outturn 2018/19
6. Financial Health Indicators 2018/19

Latest Financial Summary

The following graphs summarise the financial performance of the council. Full details are contained in these appendices.

The graphs and charts are compiled using quarter 4 forecast information.

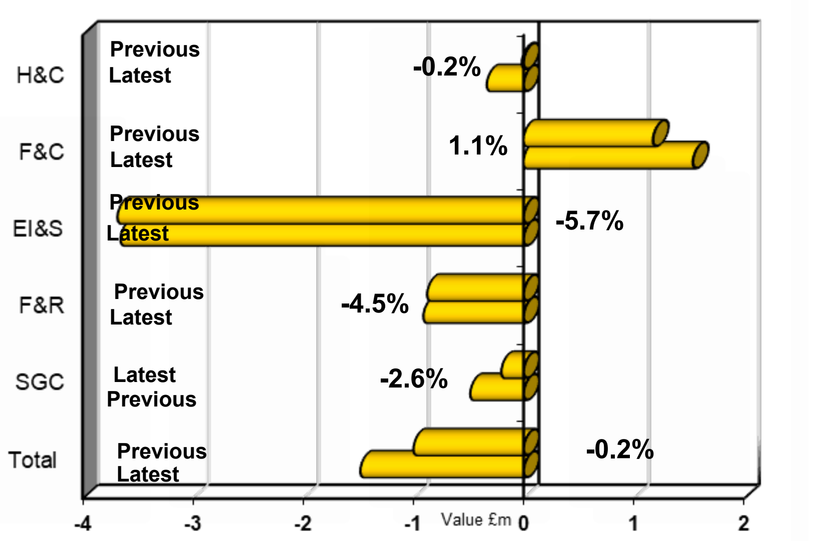
The latest revenue forecast outturn shows a saving of £0.9m (0.2%), compared to the quarter 3 forecast saving position of £1m (0.2%). At quarter 1, it was agreed that £2.160m of contingency would be used to support Children's Services, reducing their forecast overspend. Forecast savings include DTOC (£1m), income from Client Contributions (£3.9m), reduction in community service use (£2.5m), reduction in high cost packages in Learning Disabilities and Mental Health (£2.3m), Sustainability and Waste (£2.1m) and Corporate Services (£2m). These savings offset some large pressures within LAC (£2.8m) and Adults Care Commissioning (£9.3m).

Progress on Innovation and Efficiency options is monitored monthly. Savings are categorised into confidence of delivery. The latest position shows that the savings are currently on target. Those savings classified as undelivered include – Reduction in variation of residential and nursing placement costs, Modernisation of Older People day services and Human Resources Cost Cutting savings initiatives.

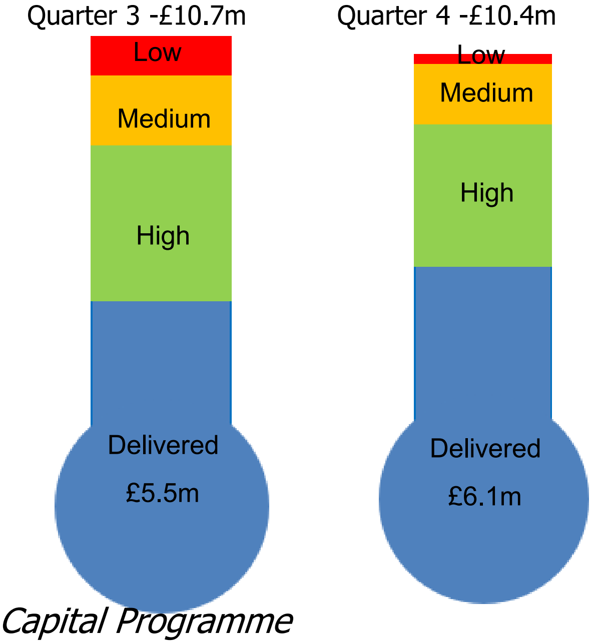
The latest capital outturn projection is £129.1m, compared to the quarter 3 position of £137.8m, a decrease of 6.3%. This projection is a fully funded position. This decrease is mainly due to rephasing on the Maintained Schools funding of £1.1m, rephasing of Economic Planning schemes of £1.6m and Highways schemes of £3.7m. There have been other changes to the programme and the detail can be found within the report.

Within the national context, the retail price index is currently 2.5%, and the latest consumer price index is 1.8%. GDP is estimated to have increased by 0.2% in the three months to January 2019. Current unemployment figures show Staffordshire benefit claimant rate is below that of the West Midlands and Great Britain.

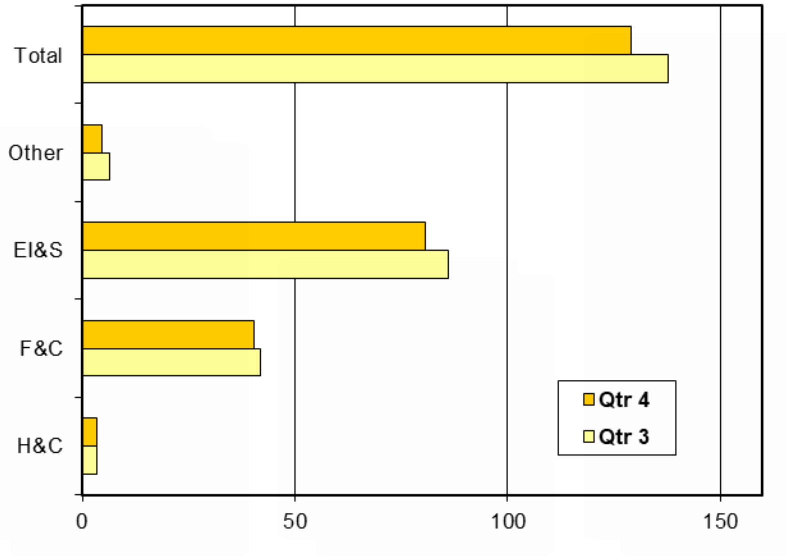
Revenue Budget Variance



Savings Tracker – Target £11.3m



Capital Programme



Introduction

Revenue Forecast

1. The latest revenue forecast outturn (as provided in appendix 4) shows a forecast underspend of £0.939m (0.2%), compared to the forecast underspend of £0.997m (0.2%) at quarter 3. The forecast outturn is shown assuming the carry forward request from Health & Care (£3.3m) is approved and that an agreed contribution to the Exit & Implementation/Transition Fund (£3m) is made which has been approved as part of the Medium Term Financial Strategy. The actual sums transferred are subject to the final outturn position.

2. At quarter 1, it was agreed that £2.160m of contingency would be used to support Children's Services. This reduces the centrally held contingency from £3.5m to £1.340m.

3. As a first step to providing short term funding to help with the first two years of the MTFS, Cabinet considered that it would be prudent to start to identify savings in the current financial year which can be carried forward to 2019/20. It was therefore decided that a spending controls exercise, similar to that adopted in 2016/17, commence with immediate effect in 2018/19.

4. The following paragraphs consider the key financial issues in each of the council's portfolios.

5. Health and Care — Forecast saving £0.332m (0.2%)

6. Adults Social Care and Safeguarding — Forecast saving £0.182m (0.5%)

7. The increase since quarter 3 is related to staffing efficiencies through continued management of vacant posts and reduced use of agency staff and in total the savings on staffing is £1.002m. This includes: savings from staff vacancies and new ways of working following the transfer back to SCC of Mental Health North social work, although following some additional agency costs, this forecast saving has now reduced to £0.175m from £0.283m; a saving of £0.517m is forecast due to the delay in implementing the new structure in Learning Disability Assessment and Care Management. Lower reliance on agency and interim staff has significantly reduced the overspend in Learning Disability In-House services during the

second half of the year, although a slightly worse position from quarter 3 is now forecast with an overspend of £94,000.

8. There is a continued forecast overspend of £0.1m for Medical Health Assessments which had previously been paid for by Clinical Commissioning Groups (CCG's).

9. Since quarter 2 we have reported on the Transforming Care Partnership; Staffordshire County Council continues to work together with CCG's to support the discharge of people from specialist hospitals to community-based settings. There is still a funding risk to this because the National Health Service England (NHSE) reduced the amount of money that will accompany each individual to fund their community care. As a result, patients may be discharged without sufficient funding to cover the community-based provision. This will place financial pressure on CCG's. Currently SCC would not share any of this liability, however, we continue to monitor the financial risk of any changes to the Transforming Care Partnership.

10. Care Commissioning — Forecast saving £0.150m (0.1%)

11. Receipt of Winter Funding of £3.542m is going to support: additional investment of £1.150m to boost capacity in home care and similar services; £0.250m to transfer services from Allied Healthcare to new providers; £0.342m for additional capacity to support processes to find the most appropriate care for people in a timely way; and the remainder towards meeting the cost of Care Home placements and additional capacity requirements in the south of the County, alongside agreed iBCF funding of £0.365m. Residential care price increases appear to have stabilised but remain above budget. There remains a continuing trend for the cost of new placements to be higher than for existing placements for nursing. The additional total cost of price rises is forecast at £10.6m, an increase of £1.350m since quarter 3.

12. Actions carried out to partially mitigate the forecast overspend include block booking beds at a lower cost per bed and reform to the pathway to support the Dynamic Purchasing System (DPS). A more robust application of the councils Cost Effective Care and Support guidance is also progressing. In the medium and longer term, direct intervention in the market is being

considered to increase supply. However, managing the escalating process in the provider market and developing cost effective alternative quickly will be extremely difficult. The associated cost reduction measures outlined above are not without a high level of risk.

13. The implementation of the DPS in 2017/18 was expected to deliver lower Care Home placement costs. The rising trend in prices has offset this saving and therefore MTFS saving of £0.5m for 2018/19 will not be achieved.

14. There was an expectation in the MTFS that activity to reduce delayed transfers of care (DTOC) from hospitals to social care community settings would result in an additional cost of £1m. This budget has been assumed available to reduce overspends above. On top of this we have agreed funding from iBCF of £0.650m towards existing and new home care health tasks.

15. The number of older people receiving community services, primarily from SCC directly commissioned home care, has reduced even further from last year. The forecast saving is now £2.462m, an increase of £1.597m since quarter 3, specifically due to a decrease in the number of Home Care Packages.

16. Physical Disability services are forecast to save £0.981m as a result of a reduction in a small number of high cost packages.

17. The is a forecast saving for equipment related spend has increased from £32,000 at quarter 3 to £88,000. Telecare and Equipment Maintenance are forecast to overspend further due to a delay in implementing the new model for service delivery. This is offset by reduced spending on adaptations (as items over £1,000 are now funded by the District Councils), a forecast saving of £0.150m for the Integrated Community Equipment Service (ICES) section 75 arrangement based on activity to date and reduced spend on assistance technology following the announcement of in year spending controls.

18. Respite is forecast to save £42,000, a reduction from £0.304m forecast saving reported at quarter 3, due to an increase in spot purchase beds.

19. As reported at quarter 3, the MTFS saving for the closure of Lichfield day centre has been delayed and as a result there is a forecast overspend of £0.2m; the South Staffordshire Connect Contract ceased at the end of the last financial year, resulting in a saving of £0.193m, the loss of section 256 Health income is not as high as expected when setting the budget resulting in an improved position of £0.224m.

20. Prisoners related care activities are forecast to save £0.350m, £58,000 more than quarter 3, due to a combination of lower care costs and delay in recruiting staff.

21. Learning Disability package reviews are taking place but overall cost of packages have not significantly changed and as a result MTFS savings are being offset against the demographic budget.

22. Continued spending controls and successful management of contracts has led to Learning Disability and Mental Health placements forecasting to save £2.297m an increase from the quarter 3 forecast saving of £1.015m. The saving is the result of Direct Payment clawbacks of £0.362m as citizens have transitioned to new prepayment cards, £0.553m cost reduction as a result of agreeing further Continuing Health funding, a £0.192m saving on Supporting Living placements offset by an increase in the Mental Health placements forecast of £0.107m. In addition, there are some contract savings for Aiming High, Advocacy and Advice and Information which total £0.420m which is an increase of £0.136m from the quarter 3 position. There is also a forecast performance related saving on the reablement contract with the Midlands Partnership Foundation NHS Trust (MPFT) of £0.158m. This is because of slightly fewer reablement episodes are expected to be delivered than specified in the Section 75 partnership agreement. Finally, the Care Act budget saving has increased to £0.250m from £0.2m at quarter 3 as a result of a reduced contribution to the Staffordshire Adult Safeguarding Board, lower than expected legal costs across Health & Care and some small contract savings.

23. Extra care contracts are expected to overspend by £0.150m. This is due to a delay in the re-tender. The new contracts are due to commence in April 2019.

24. On top of this, the financial position has improved as a result of Client Contributions – now forecasting to be higher than originally planned by

£3.850m as a direct impact of increased placement costs. This is an increase of £1.605m since quarter 3.

25. Other savings of £0.290m are due to vacant posts and range of other savings following the implementation of spending controls.

26. **Families and Communities** **Forecast overspend £1.536m (1.1%)**

27. Children's Services *Forecast overspend £2.785m (2.4%)*

28. The forecast overspend has increased since quarter 3 by £0.553m.

29. The forecast saving on staff budgets is £4.5m. This is partially offset by an increasing use of agency staff to cover the high level of vacancies for social work staff, particularly in Safeguarding and Case Management teams. This has resulted in a forecast spend of £4.2m which is an increase of £0.6m from quarter 3. The increase in agency staff expenditure has been partly offset by an increase in the forecast level of income for unaccompanied asylum seekers and parental fines relating to unauthorised school absences. The service is continuing to look at strategies designed to progress the recruitment of social workers in a permanent capacity, which should help address the current high level of vacancies across the service. A separate Business Case report to Cabinet is proposing that the £0.660m contingency funding allocated to Children's Services in 2018/19 should be carried forward to 2019/20.

30. Overall, Looked After Children's numbers have increase over the past few months with the February total at 1,138 compared to 1,127 in December. The overspend on Independent Sector Placements in external residential homes, supported accommodation and with independent fostering agencies, has increase from just over £2.8m in quarter 3 to £3.3m. This reflects a small increase in residential placements and a larger increase in children placed in independent foster care during the past few months.

31. Education Services *Forecast saving £1.328m (10.4%)*

32. The forecast saving has increased by £0.198m since the quarter 3 report. The main change relates to savings in the Commissioner for Education Service cost centres amounting to £0.140m.

33. The High Needs Block is currently forecast to have a net overspend of £5.6m, a reduction of £1m since the quarter 3 report due to revised Post 16 figures because of anticipated contracts not being awarded. The overspend position includes delivering £0.512m of the £0.8m mitigating options as presented to Schools Forum on 18th October and an additional allocation to the High Needs Block from the Department of Education of £1.8m announced on 17th December. Although options have been identified, the growth in numbers accessing the service continues, so the full impact of any mitigating actions may be lower than anticipated. There are proposals to manage the increase in demand through the SEND Transformation programme.

34. At quarter 3 the reported position for SEND transport was break-even, with a risk of additional costs arising from appeals for SEND transport and potential further requests for transport as we go through to the end of the financial year. The latest forecast outturn figures show a forecast overspend of £37,000. This assumes no further costs arising from appeals and further in year requests for transport. If this continues, there is a potential for an overspend of £0.4m in 2019/20.

35. School pensions costs continue to forecast a saving of £0.5m as on-going costs in this service are reducing.

36. Provision for the re-imbursement of payments made on Facilities Management services has result in a one-off benefit in 2018/19 of £0.680m.

37. There are forecast savings relating to the Facilities Management Services contract of £0.772m, and Education Services relating to recent vacancies. There is an undelivered MTFS saving of £0.250m relating to the SEND Assessment Team.

38. Licenced deficits for schools are increasing in number and value. Any school which has a deficit on sponsored conversion will create a liability for the County Council. This has been the case most recently with Great Wyrley High School where the liability could be up to £0.8m. These costs are being met from the DSG reserve.

39. Culture & Communities — Forecast overspend £83,000 (1.4%)

40. Archives is only able to partially deliver its £0.157m MTFS saving due to the service recently being unsuccessful in its Staffordshire History Centre Lottery Fund funding bid, resulting in additional archiving costs which along with a delay in consultation is preventing the implementation of a new ‘single site’ staffing model. Current vacancy and spending controls have partially offset some of the overspend resulting in a reduced forecast overspend of £63,000.

41. Redundancy payments in the Arts Service of £0.115m are being offset by a corresponding managed saving in the Libraries budget.

42. The Shugborough budget is forecast to overspend by £67,000 as it is currently unable to fully deliver MTFS saving of £45,000 due to an overspend for historic utility bills, paying lease charges earlier than originally planned and for the relocation of the County Museum collections to new storage facilities. To partially offset these overspends, vacancy and spending controls have delivered savings of £54,000.

43. Economy, Infrastructure and Skills — Forecast saving £3.654m (5.7%)

44. Business and Enterprise — Forecast saving £72,000 (5.1%)

45. The forecast saving has increased by £7,000 since the quarter 3 position. The forecast saving is due to early achievement of the Enterprise Centres MTFS saving as well as continued freezing of vacant posts and lower than previously forecast maintenance expenditure on County Farms. There have been small improvements of the positions on woodfuels, tourism, business support and farms. Spend on Enterprise Centres has increased due to unexpected dilapidations costs related to the Uttoxeter site.

46. Infrastructure and Highways — Forecast saving £0.247m (0.9%)

47. A saving of £0.475m is forecast in the Community Infrastructure area which is largely due to one-off salary savings across the area due to vacant posts. This is being used to offset a forecast overspend of £0.441m in the Developments and Improvements area which reflects the pressure on the team to meet statutory planning requirements with the expansion of housing developments. There are also additional one-off salary savings within the Strategic Asset and Network Management area and an improved position within the lab.

48. *Transport, Connectivity and Waste* *Forecast saving £3.235m (8.2%)*

49. The forecast saving for the Waste and Sustainability area is £2.061m, a decrease of £0.199m since the quarter 3 report.

50. The forecast now includes a £0.5m provision for potential costs relating to Hanford. Sound robust contract management throughout the year have resulted in increased income generation and reduced costs, plus spending and vacancy management controls has maintained the level of significant savings which has been forecast through the year.

51. *Skills* *Forecast saving £0.130m (5.0%)*

52. There is an increase of £49,000 in the forecast saving since the quarter 3 report. This change is due to staff vacancies in year. Post 16 costs funded from DSG are no longer forecast to be overspent.

53. *EI&S Business Support* *Forecast overspend £30,000 (2.6%)*

54. The forecast saving is a £20,000 increase from the position at quarter 3, due to a reduction in the forecast on actuarial strain and legal costs.

55. However, provision has been made to increase the bad debts provision by £0.3m which brings the total forecast to a small overspend of £30,000. The review in this area continues and the figure is subject to change.

56. Finance and Resources **Forecast saving £0.907m (4.5%)**

57. The forecast saving has increased by £34,000 from quarter 3, due to further minor savings across all service areas. The overall savings are as a result of the impact of spending controls and vacant posts in the Commercial Unit, Strategic Property, Adults & Children’s Financial Services, Audit and ICT. Savings have also been made on ICT contract payments.

58. Strategy Governance and Change **Forecast saving £0.482m (2.6%)**

59. The forecast saving has increased by £0.282m from the forecast at quarter 3 which is due to additional income received on Information Governance, further savings on staffing due to vacancies across most teams, in particular on Business & Executive Support and Knowledge and Insight teams. These savings have been partially offset by increased costs in Legal due to court

fees. The overall saving in primarily due to the impact of spending controls and vacant posts across the service.

60. An MTFS saving relating to the introduction of the Annual Leave purchase scheme will not be delivered due to delays in implementation, however this has been offset by savings from early repayment of redundancy loans and actuarial strain in the previous year.

61. **Centrally Controlled**

62. There is a forecast saving of £0.100m, this is due to savings across numerous areas on central accommodations offset by additional costs on the property rationalisation programme, together with confirmation that a provision included for backdated lease payments on two properties is no longer needed. There are also savings on planned maintenance and day to day maintenance as part of the spending controls.

Capital Forecast

63. Appendix 5 compares the latest capital forecast outturn of £129.1m, a decrease from the quarter 2 position of £137.8m. The key reasons for this decrease of £8.7m are set out in the following paragraphs.

64. Health and Care Forecast spend £3.412m

65. The forecast spend has decreased by £49,000 since quarter 3, this is due to the decrease of ongoing maintenance and feasibility budgets to match current spend profiles of £95,000 which is offset against the introduction of new budget for NHS Campus Stafford invoices which have now become payable as part of the grant agreement of £85,000. There has also been a slight increase in Supported Living Brookside of £17,000 and rephasing of the Changing Places pot of £60,000 into 2019/20.

66. Families and Communities Forecast spend £40.335m

67. Maintained Schools Forecast Spend £31.497m

68. The forecast spend has decreased by £1.119m since quarter 3. This is due to rephasing of £0.399m for Baldwins Gate and various feasibility studies,

rephasing of £0.243m for Lichfield Neatherstowe, rephasing of some unallocated budgets totalling £0.510m and some additional third party contributions from Bishop Lonsdale of £0.169m and St Wulstans £0.155m. These have been offset by the introduction of new schemes to the school programme.

69. Economy, Infrastructure and Skills Forecast spend £80.732m

70. Economic Planning & Future Prosperity Forecast spend £19.795m

71. The forecast spend has decreased by £1.550m since quarter 3. This reduction is due to some rephasing into 2019/20 of; of A50 works of £0.529m, Forward Programme of £90,000, North of Stafford SDL of £66,000. There has been removal of some capital grant of £2.375m, which has been offset by addition forecast spends including approval of extended i54 scheme of £1.150m, inclusion of Stamp Duty provision on Keele IC6 of £0.108m and small increases across several schemes totalling £0.252m.

72. Highways Schemes Forecast spend £59.149m

73. The forecast spend has decreased by £3.708m since quarter 3. This is due to a number of reasons:

74. SWAR forecast spend of £2.960m has been reprofiled into 2019/20. There has also been slippage on Kidsgrove Rail Station Gateway Project of £0.575m, Burton Railway Station Improvements of £0.428m and Alton Towers Safety & Signage Improvements of £0.188m. There has also been an increase in forecast spend on a number of smaller developer schemes of £0.728m.

75. Finance and Resources & ICT Forecast spend £0.755m

76. The forecast spend has decreased by £0.530m since quarter 3, this is due the Metropolitan Area Network refresh being delayed rephasing £0.3m, the Firewall Upgrade will now not take place entirely within this financial year, therefore £0.2m will be rephrased into 201920. There have also been some small variances across a number of projects totalling £30,000.

77. Property **Forecast spend £2.267m**

78. The forecast spend has reduced by £0.498m since quarter 3, this is due to reduction in costs for Wedgewood project of £0.188m, rephasing of property rationalisation of £0.243m. There has also been £0.1m brought forward for the SP2 to SP1 relocation.

79. County Fleet Care **Forecast spend £1.374m**

80. The forecast spend has decreased by £0.741m since quarter 3 due to the delay in acquisition of 10 new welfare “Treka Buses” by social care.

81. Capital Receipts

82. In accordance with the county council’s flexible use of capital receipts policy, a target to deliver £30m of capital receipts during the two year period ending 31st March 2019 was set in order to support transition revenue spend and deliver on-going efficiency savings. A total of £28.6m has actually been received to date against the target of £30m.

83. Minor slippage means there may be a temporary shortfall against the target at 31st March 2019, however we should achieve the target within 2 to 4 weeks of the start of 2019/20. We can deal with any shortfall as part of the normal year end capital financing arrangements.

84. Financial Health

85. Appendix 6 provides a forecast outturn performance against the key Financial Health Indicators approved as part of the 2018/19 budget setting process.

86. There have been 91.0% of invoices were paid within 30 days at the end of quarter 3, hitting the financial health indicator target.

87. The estimated level of outstanding sundry debt over 6 months old is £12.304m, this exceeds the revised target of £5m by £7.304m. This is a decrease of £0.547m since quarter 3. The debt recovery process involves chasing by a range of methods with the eventual escalation to the external collection agent or to Legal for the possibility of a court decision to recover the debt.

88. The debt is analysed into categories as below -

Debtor Type	31/12/2018 £m	31/03/2019* £m	Inc. / (Dec.) £m
Health Bodies & CCGs	4.170	2.984	(0.107)
Other Govt. and Public Bodies	0.887	1.199	(0.666)
Other General Debtors (Individuals & Commercial)	7.794	8.121	2.548
TOTAL	12.851	12.304	1.775

*Estimated figures

Appendix 3 – Corporate Checklist

Equalities implications:
Through the delivery of county council business plans, service delivery is increasingly reflecting the diverse needs of our various communities.

Legal implications:
There are no legal implications arising from this report.

Resource and Value for money implications:
The resource and Value for money implications are set out in the report.

Risk implications:
The risk implications concern the robustness of the forecast outturn which may change owing to pressures on services with a consequent effect on county council functions being able to keep within budgets and a potential call on balances.

Climate Change implications:
Staffordshire's communities are places where people and organisations proactively tackle climate change, gaining financial benefit and reducing carbon emissions' is one of the county council's priority outcomes. Through the monitoring and management of this outcome; climate change and carbon emissions are being addressed in an active manner.

Health Impact Assessment and Community Impact Assessment screening:
Not required for this report.

Report authors:

Author's Names: Rob Salmon, Rachel Spain, Nicola Lycett
Telephone No: (01785) 85 4454
Location: Staffordshire Place No.2

Appendix 4

Revenue Forecast Outturn 2018/19

	Revised Budget Qtr 4 £m	Forecast Outturn £m	Carry Forward Request £m	Variation £m
Health and Care				
Public Health & Prevention	0.000	0.000		0.000
Adult Social Care & Safeguarding	39.977	39.095	0.700	(0.182)
Care Commissioning	176.479	173.729	2.600	(0.150)
Specific Grant Allocation	(1.385)	(1.385)		0.000
Health and Care Total	**215.071**	**211.439**	**3.300**	**(0.332)**
Families and Communities				
Children's Services	114.822	117.607		2.785
Children's Public Health	0.000	0.000		0.000
Education Services	12.782	11.454		(1.328)
Culture and Communities	5.894	5.977		0.083
Rural	2.155	2.151		(0.004)
Community Safety	8.704	8.704		0.000
Specific Grant Allocation	(6.222)	(6.222)		0.000
Families and Communities Total	**138.135**	**139.671**	**0.000**	**1.536**
Economy, Infrastructure and Skills				
Business & Enterprise	1.423	1.351		(0.072)
Infrastructure & Highways	26.577	26.330		(0.247)
Transport, Connectivity & Waste	39.217	35.982		(3.235)
Skills	2.620	2.490		(0.130)
EI&S Business Support	1.134	1.164		0.030
Specific Grant Allocation	(6.480)	(6.480)		0.000
Economy, Infrastructure and Skills Total	**64.491**	**60.837**	**0.000**	**(3.654)**
Finance and Resources Total	**20.151**	**19.244**	**0.000**	**(0.907)**
Strategy, Governance and Change Total	**18.411**	**17.929**	**0.000**	**(0.482)**
Traded Services	**(0.436)**	**(0.436)**	**0.000**	**0.000**
TOTAL PORTFOLIO BUDGETS	**455.823**	**448.684**	**3.300**	**(3.839)**
Centrally Controlled Items				
Interest on Balances & Debt Charges	35.323	35.323		0.000
Pooled Buildings and Insurances	12.970	12.870		(0.100)
MTFS Transition Fund	0.000	3.000		3.000
Trading Services Reserves	0.000	0.000		0.000
Contingency Position	1.340	1.340		0.000
TOTAL FORECAST OVERSPEND	**505.456**	**501.217**	**3.300**	**(0.939)**

Appendix 5

CAPITAL PROGRAMME 2018/19

	3rd Quarter Budget £m	Enhancements to Programme £m	4th Quarter Budget £m
Health and Care			
Care and Independence	3.461	(0.049)	3.412
Health and Care Total	**3.461**	**(0.049)**	**3.412**
Families and Communities			
Maintained Schools	32.616	(1.119)	31.497
Academy Conversion Residual	0.027	0.000	0.027
Rural County (Countryside)	0.295	(0.159)	0.136
Vulnerable Children's Projects	0.064	0.000	0.064
Tourism and Culture	8.939	(0.328)	8.611
Families and Communities Total	**41.941**	**(1.606)**	**40.335**
Economy, Infrastructure and Skills			
Economic Planning & Future Prosperity	21.345	(1.550)	19.795
Skills	1.760	0.000	1.760
Highways Schemes	62.857	(3.708)	59.149
Waste & Sustainability Projects	0.056	(0.028)	0.028
Economy, Infrastructure and Skills Total	**86.018**	**(5.286)**	**80.732**
Trading Services - County Fleet Care	2.114	(0.740)	1.374
Finance, Resources & ICT	1.285	(0.530)	0.755
Property	2.765	(0.498)	2.267
Corporate Leased Equipment	0.200	0.000	0.200
Total	**137.784**	**(8.709)**	**129.075**

Appendix 6

Financial Health Indicators 2018/19

Indicator		Current Performance
Debtors Level of outstanding general debtors more than 6 months old does not exceed £5m (Current Performance – £12.304m)		R
Payments to suppliers At least 90% of invoices have been paid within 30 days of us receiving them during the last quarter (Current Performance – 91.0%)		G
Monitoring Quarterly financial monitoring reports have been issued to Cabinet during the last 12 months The council's most recent revenue outturn forecast did not vary by more than +/-2% when compared to the overall revenue budget Monthly monitoring reports of progress against MTFS savings have been produced for the Senior Leadership Team during the last 12 months		G G G
R Indicator not met	A Indicator not met by small margin	G Indicator met