



## **Cabinet meeting on 17<sup>th</sup> July 2019**

### **Integrated Performance Report Outturn 2018/19 and Quarter 1, 2019/20**

#### **Report Summary from Philip Atkins, Leader of the Council and Mike Sutherland, Cabinet Member for Finance**



#### **Philip Atkins, Leader of the Council, said:**

“We have had a difficult year over the course of 2018/19 while managing the mounting pressures of social care costs. Our priority remains to support a thriving economy with opportunities for better paid jobs and enable people to live healthy and independent lives for as long as possible.

“Over the last year we have seen continued investment in our county with new homes and businesses. Together with our partners we are ensuring people can improve skills they need for new employment opportunities.

“We also faced huge financial pressures from the cost of social care and will continue to do so for the foreseeable future. In the past decade we have continued to care for our most vulnerable while seeing the spending on both vulnerable adults and children in our care soar by £100m from a growing ageing population, well aware that these pressures will continue to increase until a national financial solution is found.

“We face huge financial challenges this year and in the next five which we have carefully planned for as part of our medium-term financial strategy. We will need to make some difficult decisions in the future to meet these challenges and anticipate making savings which will total over £60million a year by the end of this period.

“Meanwhile we continue to invest through our capital programme in the things that matter to Staffordshire people – infrastructure, schools, roads and the foundations for job creation.

“Already in quarter one of the new financial year we have made a decision to invest in new care homes to meet rising demand, launched our Staffordshire Warmer Homes scheme to enable people to access central heating and see the start of works at Liberty Park in Lichfield – a key employment site for us.”

#### **Mike Sutherland, Cabinet Member for Finance, said:**

“It is encouraging that over the course of the year we managed to improve our financial position which is essential as we progress through the current year.

“Like councils up and down the country we are managing the constant increased pressures and continuous demand for both our adult services and children’s services. We therefore introduced spending controls early on across county council operations while ensuring we protected vulnerable people in Staffordshire.

“We have planned savings which will total over £60million per year which of course will come with risks.

“As a responsible authority we must live within our means. This includes maintaining levels of our reserves to respond to any sudden changes in the economy.

“People can be assured that we will make every pound we spend count for our residents and businesses.”

## **Report Summary**

1. This 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 in 2018/19 and an update for Quarter 1, 2019/20.
2. **Recommendations**
  - a) We recommend that Cabinet notes and challenges performance and advises of any further information and/or action required.

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<b>Local Members Interest</b>
N/A

## Cabinet – 17<sup>th</sup> July 2019

### Integrated Performance Report Outturn 2018/19 and Quarter 1, 2019/20

#### Recommendations of the Leader of the Council and the Cabinet Member for Finance

1. **That Cabinet Members:**

- a) Note and challenge performance and advise of any further information and/or action required.

#### Report of the Director of Corporate Services

### Integrated Performance - Outturn Report 2018/19

#### 1. Summary

- 2. This report includes a performance outturn position for 2018/19, reflecting on some of the key successes, achievements and challenges that were experienced during the year.

#### 3. Finance Overview



- 4. Following the implementation of spending controls and significant efforts by services across the county council to identify and deliver additional savings in year, the final financial revenue position was an underspend of £2.222m across portfolio budgets with the remaining unspent contingency taking the overall underspend to £3.562m (0.7%). This was within the county council's Financial Health target of 2% variation on revenue budgets. This amount will now be put into general balances to be available to support the challenging Medium Term Financial Strategy (MTFS) in 2019/20 and beyond in order to help make the anticipated savings of over £60million a year by 2023/24.
- 5. The capital programme shows total expenditure of £128.084m. This reflects the council's continued investment in school places, highways and economic regeneration. The budget assumed the continued use of capital receipts to fund transformational spend. In 2018/19, £13.242m of capital receipts were used to fund transformational spend, which is included in the total expenditure.

#### 6. Health and Care

- 7. The financial year 2018/19 witnessed unprecedented times in social care in terms of the rising costs of care for increasing numbers of vulnerable adults. Despite the challenges that Staffordshire County Council and its partners faced, there continued to be successes and achievements that should be celebrated.
- 8. The first patients moved into Amber Wood; a brand new, purpose-built specialist dementia Centre of Excellence in Burton on Trent. The care model that is delivered promotes independence and



person-centred care for people with dementia in a 'home-like' environment. The centre is a result of a successful partnership between the county council, Accord Housing Association and Engie.

9. In December 2018, Staffordshire County Council successfully stepped in and made alternative arrangements for care provision for people supported by Allied Healthcare. The council pro-actively transferred provision in Newcastle to Archangel Care and provision in Stafford and Cannock to Nexxus Care to ensure that home care visits for people across the county continued and there was a smooth transition. Officers also worked to help transfer existing Allied staff to the new service companies.
10. There were improvements in the number of delayed days in terms of Delayed Transfers of Care from hospital attributed to Adult Social Care throughout 2018/19. There was a 43% reduction between April 2018 and March 2019, however these reductions were not replicated in NHS delays and so there was an overall reduction of 20% in the total number of delayed days. Staffordshire remained above its Better Care Fund target of 2,768 delayed days at the end of the financial year, with 3,741 delayed days recorded.
11. Highlights for adult social care performance in relation to learning disabilities in 2018/19 include a 6% increase in the proportion of people receiving a Direct Payment to pay for Learning Disability services; with just over 60% of long-term service users paying for their services using a Direct Payment by the end of the financial year. The proportion of long-term service users with a learning disability receiving an NHS funding contribution towards care costs increased by more than 3% during 2018/19, with almost 13% of long-term service users receiving a contribution by March 2019.
12. Highlights for adult social care performance for older people and people with physical disabilities include an increase in the percentage of people having a completed hospital discharge assessment within 2 days to 62%; a 7 percentage point increase compared with March 2018 and 95% of clients had an assessment completed within 28 days; up 2 percentage points compared to March 2018. The average time between the commencement of a review and an outcome being established reduced by 2.5 days to 5.4 days and the number of people with repeat safeguarding referrals decreased by 47%.
13. In terms of South Staffs Mental Health, the proportion of people receiving a Direct Payment to pay for Mental Health services increased by just under 6% during 2018/19, with just over 70% of long-term service users paying for their services using a Direct Payment at the end of 2018/19. The timeliness of new clients receiving a Care Act Assessment also improved during 2018/19 with 98.5% receiving an assessment within 28 days; an increase of just under 22% from the 2017/18 outturn.
14. The Modernising Adult Social Care (MASC) Programme was designed to explore and drive improvements and innovation across Health & Care; delivering a wide range of outcomes focussed on people, processes and technology as well as significant financial savings. In the last 12 months MASC has led the way in designing and developing an innovative digital portal to enable citizens to access and self-serve when first entering the Adult Social Care system, as well as re-designing and implementing a new pathway to support practitioners, whilst ensuring that the council continues to meet its responsibility to safeguard vulnerable people in Staffordshire's communities. The programme has also helped establish a brand new First Contact team to support a robust and supportive referral/screening process at the initial stage of the ASC Pathway, enabling citizens to maintain independence where possible and have the greatest degree of choice and control over their lives.
15. Data for Staffordshire shows that falls and frailty amongst older people is a common cause of attendance at A&E and subsequent admissions to hospital, which in turn, increases the likelihood of a person requiring ongoing support in the community. In order to address this issue, a Falls

Prevention Pathway and resource model has been co-developed with clinicians and professionals from across the county, which has the potential to achieve both significant savings for the health and care economy, but more importantly, help to achieve better outcomes for the people of Staffordshire. The project seeks to avoid or reduce levels of risk by giving greater focus on preventative interventions, helping people to stay well and independent and minimise the risk of growing dependency. It was agreed to embed these solutions through the new Frailty Hubs.

16. There were a range of new initiatives delivered by the Public Health and Prevention team in 2018/19 that are improving the health and wellbeing of Staffordshire's citizens. The new Supportive Communities programme is developing links between social care services and community-led organisations (charities, sports clubs etc.) to help to enable people maintain their independence. A programme designed to prevent people developing Type 2 diabetes was also launched in GP surgeries across the county.
17. There was a financial saving of £1.694m (0.77%) in Health and Care in 2018/19, made up of £1.433m (3.61%) in Adult Social Care and Safeguarding and £0.251m (0.14%) in Care Commissioning. As a result of this underspend, it has been approved by Cabinet that the sum of £3.5m can be carried forward into 2019/20 in order to mitigate the considerable risks in this service area.

## 18. Economy, Infrastructure and Skills



19. One of the main priorities for Staffordshire County Council is to create the right conditions for economic growth that produces more, better paid jobs for residents and there have been many successes in this area throughout 2018/19.
20. The Economic Growth Programme has continued to successfully deliver its priorities, with 8,612 jobs safeguarded or created and 1,071 houses enabled through Economic Growth Programme interventions at the end of the financial year. The total financial value of the programme (including projects where initial work or interventions have completed) was around £455 million (of which around £69.8 million relates to direct capital investment by Staffordshire County Council). 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.
21. The Economic Growth programme also delivered the completion of the A50 Project A which opened a new junction on the road and will cut congestion, improve road safety, support local businesses and create more jobs and opportunities.
22. The number of people claiming Universal Credit and Job Seeker's Allowance (JSA) out-of-work benefits in Staffordshire stood at 8,705 in March 2019. This accounts for 1.6% of Staffordshire's working age population which is significantly lower than the regional (3.3%) and national (2.6%) averages. At the end of the financial year, Staffordshire recorded the joint lowest claimant rate of all the West Midlands Strategic Authorities.
23. Average wage levels in Staffordshire continued to increase in 2018. The median annual earnings (gross) for full-time workers was £28,407; an increase of £614 (2.2%) compared with 2017. Staffordshire's average wage levels are above the West Midlands (£27,636) but below the national average (£29,869).
24. In 2018 there were recorded improvements in adults' skills levels, with the proportion of the working age population qualified to NVQ Level 3 and above and Level 4 and above both increasing. The proportion qualified to Level 3 and above increased from 53.7% in 2017 to 56.4% in 2018, however

this remained lower than the national average (57.7%). The proportion qualified to Level 4 and above increased from 32.7% in 2017 to 36.7% in 2018, which also remained below the national average (39.0%). Although there has been a small increase in the proportion of working age residents with no qualifications in Staffordshire from 5.5% in 2017 to 6.2% in 2018, performance remains better than the national (7.6%) and regional (10.3%) averages.

25. Staffordshire County Council's 2018/19 extra-investment programme in relation to highways was fully delivered. This contributed towards a total service output of over 145,000m<sup>2</sup> pothole repairs, 300 miles of pothole prevention surface dressing and the completion of 3,000 drainage tasks.
26. There was a financial saving of £4.489m (6.33%) in Economy, Infrastructure and Skills in 2018/19, with the largest amount of savings in the area of Transport, Connectivity and Waste. This was largely attributed to the Sustainability and Waste budget which achieved a saving of £2.8m. Of this, £2.1m has been achieved against the two Waste to Energy contracts (Hanford and W2R Four Ashes) due to sound, robust contract management throughout the year and because of increased Waste to Energy third party income and reduced contract costs. Savings have been included in the MTFS from 2019/20 to reflect this.

## 27. Families and Communities

28. 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, 2018/19. 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.
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29. Despite this positive result, key challenges remain. As with vulnerable adults, 2018/19 has seen unprecedented times with rising costs of care for increasing numbers of vulnerable children. By the end of March 2019 there were 1,176 looked after children and 794 children subject of a Child Protection Plan.
  30. To address the rising demand in the Children's System, there are multiple approaches that have been operating during 2018/19, including Family Support and the Place Based Approach (PBA). Family Support is for families with multiple needs and there has been high demand for this during the year; funding has also been secured for 2019/20. PBA has been rolled out across all Staffordshire districts and involves local partners collectively developing a set of local priorities that will be tackled to help make their area a better place for children and families to live. This approach will also continue to be embedded across Staffordshire in 2019/20.
  31. In 2018/19 there was the introduction of a new App which is giving foster carers in Staffordshire more say and the chance to monitor and update children's school records. The aim of this is to have a positive impact on their schooling. Many local authorities already use the online electronic ePEP system which is used to monitor and review children's performances at school. However, Staffordshire County Council are the first authority to allow foster carers to both view and edit records themselves which is giving them a greater say in decisions around their young person's education. Almost 300 foster carers in Staffordshire are now directly inputting into the online system. The Virtual school for looked after children in Staffordshire works closely with the carers education focus group and through training and support is helping carers get the most out of the system.

32. Staffordshire's Education and Skills Strategy has been developed and consulted on during 2018/19 and is now being implemented. The Strategy has been co-produced and includes a partnership framework for Staffordshire's education and skills providers, partners and stakeholders and will lead to improvements in educational outcomes for children and young people in Staffordshire.
33. There was positive performance in terms of Early Years with 75% of children achieving a 'good level of development' at the Early Years Foundation Stage in 2018. Staffordshire was the best performing authority compared with its most similar authorities. Staffordshire also has one of the highest percentages of 3/4 year olds taking up some free early years education.
34. In 2018 a new high school has opened in Staffordshire for the first time in over 25 years. The school is the John Taylor Free School in Burton and has 210 Year 7 (11 year old) pupils. The school will eventually accommodate 1,550 pupils including 6th form.
35. The majority of parents were allocated one of their top three choices of primary school for 2019. Of the 8,883 places allocated, 94% received their first choice primary school and 99% were allocated one of their top three choices. Nearly 92% of parents were allocated their first preference secondary school and 95% were allocated one of their top three preferred schools. This is despite increased pupil numbers putting pressure on secondary school admissions. Over the past five years, Staffordshire County Council has added nearly 8,000 primary and secondary school places, at a cost of £61 million. This is to address the rising demand for school places at a primary and secondary level in some areas. This programme of building and expanding is set to continue, with plans to provide more than 20,000 new school places by 2031.
36. There was a review during 2018/19 of the delivery of Special Education Needs and Disability (SEND) in the county that is commissioned and delivered by the county council and schools with support of the Staffordshire NHS Clinical Commissioning Groups (CCGs). A joint report by Ofsted and the Care Quality Commission identified a number of areas to be improved, including better coordination and delivery across services; sharing good and effective work across the county; more support for children using Pupil Referral Units; improving pupils' academic results; returning pupils with SEND to mainstream education. A graduated response framework has been developed to address these issues and improve outcomes for Staffordshire's young people. This includes the implementation of an Education, Health and Care (EHC) Hub which will improve visibility and provide cross agency and service access to information in EHC plans.
37. There has been huge success during 2018/19 in terms of the transfer of libraries to community management, with the number of Community Managed Libraries (CMLs) increasing to 22. 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.
38. A new operating model for Staffordshire's Countryside Estates was agreed and approved by Cabinet in 2018/19 to develop a sustainable future for Staffordshire's countryside estate. The estate includes six country parks, nine local amenity sites and three greenways and is recognised to make a significant contribution to people's health, wellness and quality of life. It also helps make Staffordshire a great place to live, work and visit. The chosen approach was for country parks and major local sites to transfer to environmental bodies, with the creation of a charitable trust should sufficient transfers not be achievable. Greenways, rights of way and small sites will be retained in-house.
39. There was an overall financial saving of £0.155m (0.11%) in Families and Communities in 2018/19, made up of an overspend of £1.691m (1.47%) in Children's Services, an overspend of £71,000 (1.20%) in Culture and Communities and a saving of £1.910m (14.94%) in Education Services.

## 40. Corporate Health



41. The financial year 2018/19 has been Staffordshire County Council's most challenging year to date, both in terms of delivering its Medium Term Financial Strategy during 2018/19 and in its planning to achieve a balanced budget by closing the £35m forecasted shortfall in 2019/20.

42. At Quarter 1 2018/19, the forecast was an overspend of £3.2m but since spending controls were put in place, services have made tremendous efforts to identify and deliver additional savings to live within their means. Services have achieved this aim with an underspend on all portfolio budgets of £2.222m which was 0.04% of the budget. This underspend includes a contribution of £5m to the Exit and Transition Fund and a small overspend on centrally controlled areas and transformational spend.

43. As a result of reducing resources, the council needs to work differently and has developed its Enablers programme during 2018/19. This 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.

44. There has been a 2% reduction in the average number of sickness absence days per employee from 10.98 days in 2017/18 to 10.75 days in 2018/19. There has been a 4% reduction in absence related to psychological disorders, which can be attributed to the introduction of the MindKind campaign in October 2018. MindKind was launched to improve awareness around mental health and the importance of understanding the simple steps that employees can all take to look after their mental and physical wellbeing, as well as the benefits and importance of seeking help early. The MindKind campaign along with the introduction of Mental Health First Aiders, mental health awareness training and videos, line manager training, and breaking down the stigma attached to mental health should help sustain and capitalise on these absence reductions. Despite the improvement in overall sickness absence, 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)<sup>1</sup> and this is something that is addressed in the county council's new People Strategy, which was approved by Cabinet in March 2019.

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<sup>1</sup> CIPD – Health and Wellbeing at Work – Public Sector – May 2018

## Integrated Performance - Quarter 1, 2019/20

### 45. Summary

46. The latest revenue forecast outturn for Quarter 1 shows a forecast overspend of £0.651m (0.1%), compared to the Medium Term Financial Strategy (MTFS). The challenges in terms of Adult's and Children's social care demand and costs outlined in the outturn report continue in 2019/20.

### 47. Health and Care

48. In April 2019, the total number of delayed days due to Delayed Transfers of Care reduced to 2,999, which was above the Better Care Fund target of 2,679. However, improvements in delayed days attributable to social care resulted in performance falling below the target for the first time (964 compared to the target of 1,027).
49. To take proactive steps to help people live longer, healthier and more independent lives, Staffordshire County Council will be investing £1.2million to turn the former Hillfields home in Burton into a nursing home. Two further homes could be built in the areas of most need. If agreed, the homes will be owned by the county council, but operated by a traded company or external care provider. With a decreasing number of nursing homes available and the rising costs of placements, the county council is stepping in to ensure that nursing care is available to the rising number of old people who need it.
50. Demand for residential care is relatively static, however there remains a continuing trend for the cost of new Older People Care Home placements to be higher than for existing placements. The forecast net pressure in 2019/20 is £6m. The overall additional cost to the council of price rises is forecast to be £9.7m in 2019/20. The council is on track to fund this gap in 2019/20 through forecast increases in client income, a forecast saving in Physical Disability placement costs, revenue carry forward, and other one-off funding. However, given the unpredictability of these price rises there may be further impact in 2019/20 and so this continues to be an area of high risk.
51. For longer term sustainability and to avoid a pressure in 2020/21 from price rises, work is continuing to mitigate this including: block booking beds at a lower cost per bed and reforms to the pathway to support the Dynamic Purchasing System (DPS); a more robust application of the council's Cost Effective Care and Support guidance; and in the medium and longer term, direct intervention in the market is being considered to increase supply (as outlined above). However, managing the escalating prices in the provider market and developing cost effective alternatives quickly has proved extremely difficult. The ongoing associated cost reduction measures will continue to carry a high level of risk in the MTFS.
52. Staffordshire County Council is managing a Staffordshire Warmer Homes initiative to deliver fully funded First Time Central Heating Systems to eligible homes across Staffordshire. The council is working in partnership with E.ON and local district and borough councils across Staffordshire. The scheme is funded through the £150m Warm Homes Fund, which has been established by National Grid to support local authorities to address some of the issues affecting fuel poor households. The goal is to install 810 first time central heating systems to eligible residents across Staffordshire over two years. Phase 1 was launched in May 2019 and over 100 applications have already been received for the initiative. The scheme will be promoted in Lichfield (from 27<sup>th</sup> June 2019 to 8<sup>th</sup> September 2019) and in Cannock (from 5<sup>th</sup> August 2019 to 20<sup>th</sup> October 2019). The rest of the county will follow in Phase 2 starting in October 2019 across Stafford, East Staffordshire and Newcastle and Phase 3 in May 2020 across Staffordshire Moorlands and South Staffordshire. Residents could be eligible if they do not have gas central heating and claim benefits or tax credits, have low or no income, are disabled, are elderly or have very young children - [www.staffordshirewarmerhomes.co.uk](http://www.staffordshirewarmerhomes.co.uk).
53. The forecast outturn for the Health and Care Directorate is breakeven. There are a range of high risk MTFS savings within this position and the directorate is using one off funding streams as well committing to seek alternative savings options where necessary.

## **54. Economy, Infrastructure and Skills**

55. The Economic Growth Programme continued to drive forward the economy in Staffordshire in Quarter 1. Since the programme started in 2014, completed and current projects have created and safeguarded a total of 8,612 jobs and enabled 1,148 houses up to May 2019.
56. The proportion of Staffordshire's working age claimant count population has remained the same from April 2019 to May 2019 (1.7%). The regional average has also remained the same, whereas nationally it has increased. Claimant rates in Staffordshire remain lower than both the regional (3.4%) and national (2.7%) averages.
57. The major road scheme that is being carried out to pave the way for the McArthurGlen Designer Outlet in Cannock is progressing to its next phase. The scheme will provide access to the new £160 million retail development and improve traffic flow on the surrounding roads. On-site construction of the Outlet in Cannock started last summer. When it opens in 2020, this new landmark retail destination and community hub will create 1,000 jobs for the local area. Enabling works for the i54 Western extension also started at the end of June 2019, with the construction of the site access road to follow.
58. Staffordshire's Infrastructure Plus partnership was highly commended in the Highways Management category of the prestigious MJ Awards, which took place on 26 June 2019.
59. In Economy, Infrastructure and Skills there is a forecast saving of £1.636m (2.4%). Based on high level forecasts of costs, tonnages and income it is forecast that there will be a £1.5m saving in this area in 2019/20. This represents an early delivery of future MTFS commitments and robust contract management of the existing waste contracts. It is important to note that the waste management spend is demand led and variations should be expected in year.

## **60. Families and Communities**

61. In April 2019, the number of Looked after Children in Staffordshire increased to 1,216; a rate of 72 per 10,000 which was higher than the national benchmark (64 per 10,000 in 2018) but lower than the regional benchmark (83 per 10,000 in Quarter 4, 2018/19). The number of children subject of a Child Protection Plan (778) reduced slightly compared to the previous month (794) but was 16% higher than April 2018 (668). There was a rate of 46 per 10,000 which is in line with the national benchmark from 2018 (45 per 10,000).
62. The forecast overspend on Looked After Children (LAC) is £7.906m, which is due to additional expenditure on independent sector placements. This includes children in residential, independent fostering and supported accommodation placements. Assuming the Social Care Contingency grant of £6.1m is allocated to this service, the forecast overspend will reduce to £1.855m. Children's system transformation activities to manage demand and placement price pressures are unlikely to impact significantly in 2019/20.
63. In April 2019, proposals were supported for Staffordshire County Council to join Shropshire Council, Stoke-on-Trent City Council and Telford and Wrekin Council to develop the North Midlands Regional Adoption & Permanency Partnership. The unique partnership will increase the chances of looked after children finding permanent homes and will have the opportunity to maximise resources, cover a larger area and offer greater flexibility in placing children in happy homes via adoption, fostering or special guardianship. Under the initiative children from Staffordshire will remain the responsibility of the county council, but the joint project will provide a wider range of prospective adopters and carers to find the right home. The partnership, which should be operational by next year, moves beyond the initial requirement by the Department for Education to provide a combined adoption service to also share resources for fostering, special guardianship and connected persons. The four partners are receiving financial support from the Department for Education (DfE) to create the partnership, which is the first of its kind in the country.

64. In Families and Communities there is a forecast overspend of £1.115m (0.8%), predominantly due to a £1.855m (1.6%) overspend in Children's Services.

## **65. Corporate Health**

66. There has been a slight increase in overall Staffordshire County Council sickness absence during the twelve months between May 2018 and April 2019 (an average of 11.04 days lost) compared with the same 12 month period in the previous year (10.96 days). 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).

67. The Castle House project in Newcastle was also shortlisted for the MJ awards, along with the Infrastructure Plus partnership, in the Innovation in Property and Asset Management category.

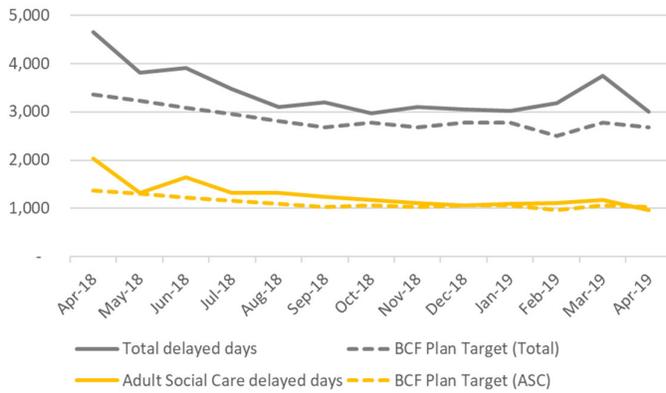
68. The new People Helping People Fund is being launched by Staffordshire County Council as part of wider plans to encourage everyone to think about what one more thing they could do to improve their lives and the lives of others. The People Helping People fund will see local county councillors have a total of £2,500 to invest in local projects that support people's health and wellbeing, or on children and families who need a little extra support. Any funds will need to be match-funded, and the county council is giving community groups the tools to do just that with their Crowdfund Staffordshire webpages at <https://www.crowdfunder.co.uk/funds/staffordshire>.

69. In June 2019 #DoingOurBit was publicly launched, which will help make Staffordshire an even better place to live and work, despite far less money coming from government. It means working together differently, where the county council prioritises its legal duties and cares for the most vulnerable people in our communities, and everyone does one more thing to help themselves and those around them. The new [www.DoingOurBit.info](http://www.DoingOurBit.info) webpage has details of a range of other sources of funding to help residents do something for themselves and others. More information about community projects already making a huge difference can be found at the new Doing Our Bit website at <http://funding.doingourbit.info>.

## 70. Outcomes Performance – Quarter 1, 2019/20

### Health and Care

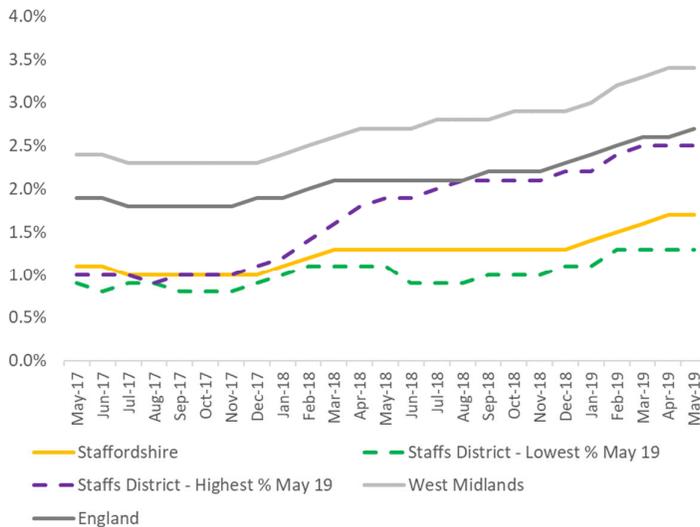
#### Delayed Transfers of Care, Apr-18 – Apr-19



Source: Delayed Transfers of Care monthly statistics, NHS England

### Economy, infrastructure and Skills

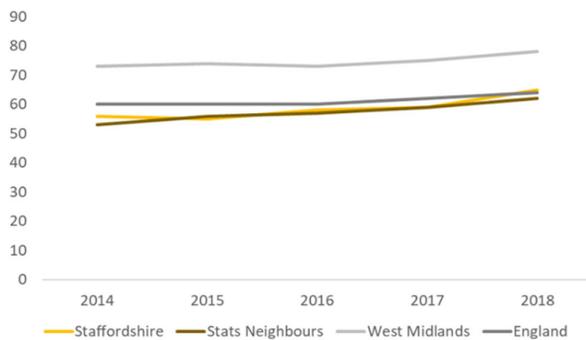
#### Claimant Count, May-17 – May-19



Source: Office for National Statistics (ONS)

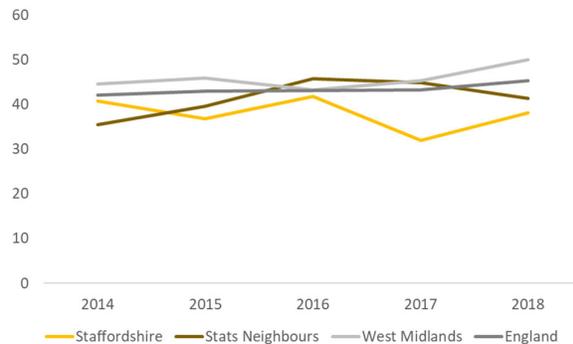
### Families and Communities

#### 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)

## **Appendices**

### Finance Appendices –

1. Finance Quarter 1 Summary
2. Finance Quarter 1 Detailed Report
3. Corporate Checklist
4. Revenue Forecast Outturn 2019/20
5. Capital Forecast Outturn 2019/20
6. Financial Health Indicators 2019/20

## Revenue Budget Variance

The following graphs summarise the financial performance of the council. Full details are contained in this report.

The graphs and charts are compiled using quarter 1 forecast information.

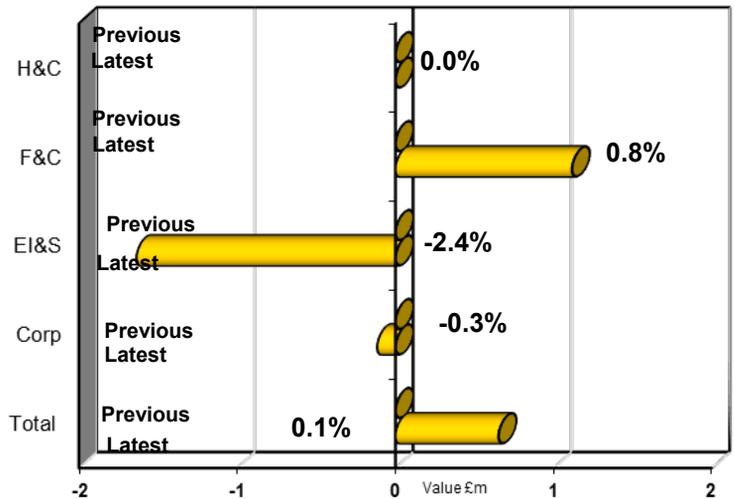
The latest revenue forecast outturn shows an overspend of £0.7m (0.1%), compared to the balanced position of the MTFS. There has been use of £2.4m of the Exit and Transition Fund which was established in 2018/19.

There is a forecast overspend of £1.1m on Children’s Services. This is due to increasing numbers of LAC and additional expenditure on placements. Restructuring of business units is underway including recruitment of social workers.

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 just below the target. Those savings classified as part undelivered include – cross cutting support services reviews, reduction in urban grass cutting and weed control, Purchase of Annual Leave scheme, and increase in parking and bus lane enforcement.

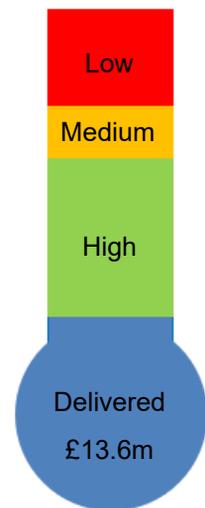
The latest capital outturn projection is £148.7m, compared to the MTFS position of £116.0m, an increase of 24.1%. This projection is a fully funded position. This increase is mainly due to rephasing on the Maintained Schools funding of £9.5m, and the approval of i54 Western Extension Project of £13m. 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 3.0%, and the latest consumer price index is 2.0%. GDP is estimated to have increased by 0.3% in the three months to April 2019. Current unemployment figures show Staffordshire benefit claimant rate is below that of the West Midlands and Great Britain.

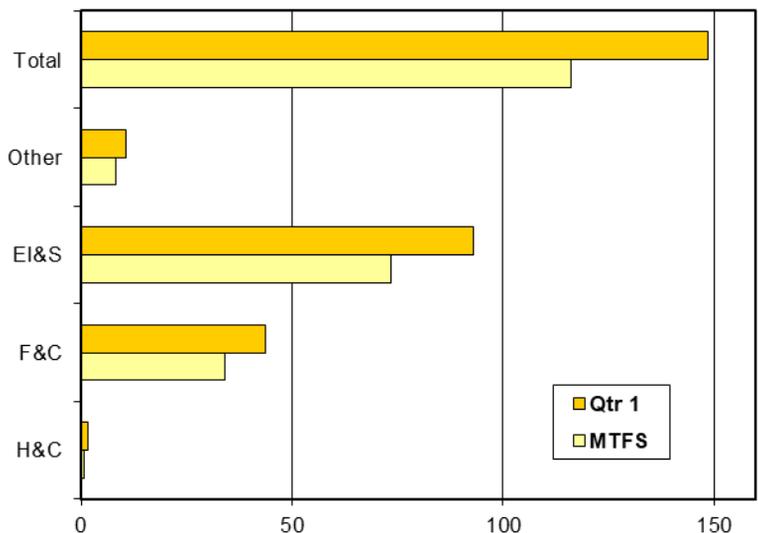


## Savings Tracker – Target £40.045m

Quarter 1 -£38.605m



## Capital Programme



### Introduction

### Revenue Forecast

1. The latest revenue forecast outturn (as provided in appendix 4) shows a forecast overspend of £0.651m (0.1%), compared to the MTFS.
2. The following paragraphs consider the key financial issues in each of the council's portfolios.
3. **Health and Care** **Forecast – Breakeven**
4. The forecast outturn for the Health and Care Directorate is breakeven. There are a range of high risk MTFS savings within this position and the directorate is using one off funding streams as well committing to seek alternative savings options where necessary.
5. *Adults Social Care and Safeguarding* *Forecast - Breakeven*
6. The restructure of the Adults Learning Disability Team (ALDT) is progressing towards achieving MTFS savings. A review of the Mental Health North team that transferred back to the council last year has been completed. The costs associated with that review are expected to be met from the available budget.
7. There remains an outstanding element of £0.1m of a prior year MTFS saving (£0.296m for Welfare Benefits team transfer). Steps are being taken to identify how the remaining £0.1m will be delivered following the introduction of the financial assessment's pathway and the wider ACFS transformation project.
8. There is an impact of £173k due to delays in implementing restructures, however this has been met from the Exit and Transition Fund.
8. *Care Commissioning* *Forecast – Breakeven*
9. Whilst, on a positive note, demand for residential care is relatively static, there remains a continuing trend for the cost of new Older People Care Home placements to be higher than for existing placements. The forecast net pressure in 2019/20 is £6m. The overall additional cost to the Council of price rises is forecast to be £9.7m in 2019/20. We are on track to fund this gap in

## Appendix 2 – Quarter 1 Finance Report

2019/20 through forecast increases in client income, a forecast saving in Physical Disability placement costs, revenue carry forward, and other one off funding. However, given the unpredictability of these price rises there may be further impact in 2019/20 and so this continues to be an area of high risk for the Council.

10. For longer term sustainability and to avoid a pressure in 2020/21 from price rises, work is continuing to mitigate this including: block booking beds at a lower cost per bed and reforms to the pathway to support the Dynamic Purchasing System (DPS); a more robust application of the council's Cost Effective Care and Support guidance; and in the medium and longer term, direct intervention in the market is being considered to increase supply. However, managing the escalating prices in the provider market and developing cost effective alternatives quickly has proved extremely difficult. The ongoing associated cost reduction measures outlined below will continue to carry a high level of risk in the MTFS.
11. Owing to the BCF Plan approval process and NHS England rules regarding the transfer of funding from CCGs to BCF Pooled Budgets, SCC has not yet received a planned £20m cash transfer that funds services supporting hospital discharge. SCC is therefore currently spending at risk on these services. Given this is a national position with the BCF process the likelihood that NHSE do not ultimately give approval to this funding transfer is low. The impact of non-receipt would be significant, and the council would need to cut services to make up the shortfall. If these were services designed to assist with hospital discharge this would of course exacerbate the Delayed Transfer of Care (DTC) position for hospital discharges.
12. Health and Wellbeing Board are writing to Matt Hancock, Secretary of State for Health and Social Care, to raise this issue. The Council has also requested CCGs to advance cash to mitigate this risk and will discuss the issue further with the BCF National Team who will be visiting Staffordshire on 24<sup>th</sup> June.
13. The Learning Disability Placement budget is expected to break even. This is based on the assumptions that MTFS savings will be achieved in full. There remains a risk that demographic growth and price increases will exceed the budget assumptions, but these will be monitored as we move through the year.

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14. The council continues to work with the local Clinical Commissioning Groups (CCGs) to support the discharge of people from specialist hospitals to community-based settings under the Transforming Care Partnership (TCP). Since National Health Service England (NHSE) reduced the amount of funding that will accompany each individual to fund their community care there remains a funding risk which could negatively impact the council's Learning Disability placement budget in the future.
15. The Mental Health budget is forecast to break even. This assumes that MTFS savings will be delivered in full and that demographic budget pressures will be contained within the budget allocations.
16. There has been an improvement in agreements being reached with CCG's for joint funded packages of care and continuing health care for all client groups.
17. There is an impact of £305k due to delays in implementing restructures, however this has been met from the Exit and Transition Fund.
18. **Families and Communities**                      **Forecast overspend £1.115m (0.8%)**
19. Across the Directorate there is an impact of £1.010m due to delays in implementing restructures, however this has been met from the Exit and Transition Fund.
20. *Children's Services*                                      *Forecast overspend £1.855m (1.6%)*
21. The forecast overspend on Looked After Children (LAC) is £7.906m, which is due to additional expenditure on independent sector placements. This includes children in residential, independent fostering and supported accommodation placements. The number of LAC is now 1220, including Unaccompanied Asylum-Seeking Children, which is a net increase of 71 children over the past 10 weeks.
22. Children's system transformation activities to manage demand and placement price pressures are unlikely to impact significantly in 2019/20.
23. Restructuring of business units is underway including recruitment of social workers in a permanent capacity, which should help address the current high level of vacancies across the service.

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24. Partnership and development MTFS savings of £0.774m at risk due to delays in the restructuring process. The service is currently reviewing whether there are any mitigating options.
25. The Social Care Contingency of £6.051m is currently unallocated to any specific service. This is an un-ringfenced grant which can be spent on Adults' and Children's social care. It is recommended that this grant be allocated in its entirety to Children's Services to reduce the forecast overspend down to £1.855m.
26. *Education Services* *Forecast breakeven*
27. Licenced deficits for schools increased in number and value in 2018/19 and this continues to be a risk for 2019/20. Any school which has a deficit on sponsored conversion will create a liability for the County Council. These costs are currently met from the DSG reserve which is forecast to be in deficit from 2020/21.
28. The position for SEND transport is also breakeven at this stage. However, if we compare last year's outturn with this year's budget and assume that the average contract price increases by 3% (above inflation), and assume that pupil numbers will increase as budgeted, then we could be looking at a possible £400k overspend by the end of the year.
29. MTFS savings of £0.5m relating to the SEND assessment team are high risk pending wider SEND transformation activities. Autism services and support MTFS savings £0.338m will not be achieved and instead these services will continue to be met from the High Needs Block DSG.
30. *SEND High Need Block – Forecast overspend £2.540m*  
  
*Dedicated Schools Grant - non-SCC*
31. High Needs is currently anticipated to overspend by £2.540m. This currently excludes spending on transformational activities, including the district model roll out for a graduated response as these are still being assessed. The underlying forecast overspend of £6.4m for SEND is reduced by additional funding in 2019/20 of £1.8m from central government and a 0.5% funding switch from schools of £2.4m approved by the Secretary of State. Further work is underway to identify other options to reduce costs and manage demand. The overspend is currently met from the DSG reserve which is

## Appendix 2 – Quarter 1 Finance Report

forecast to be in deficit from 2020/21, thereby resulting in a future liability for the Council.

32. *Culture & Communities* *Forecast overspend £0.275m (5.1%)*
33. There is a £0.275m forecast overspend resulting from undelivered MTFS savings within Archives of £0.305m following an unsuccessful bid for Staffordshire History Centre Lottery Fund funding. It is hoped that future bids will be successful and that these savings will be delivered in future years. The forecast overspend has been partly offset by a £30,000 in Museums due to vacant posts being held.
- 34. Economy, Infrastructure and Skills      Forecast saving £1.636m (2.4%)**
35. *Infrastructure and Highways* *Forecast - breakeven*
36. There is a forecast overspend of £0.850m due to the non-delivery of an MTFS saving in respect of urban grass cutting, weed control and parking enforcement. Further work needs to be undertaken to identify alternative savings proposals on-going if the original savings are not being implemented.
37. However, there are savings through use of unallocated budgets on schools crossing patrols (£0.195m), street lighting investment and additional savings (£0.231m), reduced maintenance activity (£0.4m), and additional income on network management, bringing the service to an overall breakeven position in year.
38. *Transport, Connectivity and Waste* *Forecast saving £1.500m (3.8%)*
39. Based on high level forecasts of costs, tonnages and income it is forecast that there will be a £1.5m saving in this area in 2019/20. This represents an early delivery of future MTFS commitments and robust contract management of the existing waste contracts. It is important to note that the waste management spend is demand led and variations should be expected in year.
- 40. Corporate Services      Forecast saving £0.115m (0.3%)**
41. The forecast underspend position is predominately due to both the timing of a number of Corporate Services restructures and a delay in implementation of a service restructure for Human Resources, with the cost of these delays being met from the Exit and Transition Fund. In addition, the Annual Leave

## Appendix 2 – Quarter 1 Finance Report

Purchase Scheme saving of £0.184m is also not expected to be delivered in 2019/20. The forecast includes an investment of £200k in Legal Services for additional legal support for Children's Services.

### 42. Centrally Controlled

43. There is a forecast overspend of £1.287m for centrally controlled budgets, this is due to the delay in the rental of Staffordshire Place 2 and reduction in savings identified for property rationalisation.

### 44. Capital Forecast

45. Appendix 5 compares the latest capital forecast outturn of £148.7m, an increase from the budgeted position of £116.0m. The key reasons for this increase of £32.7m are set out in the following paragraphs.

### 46. Health and Care **Forecast spend £1.518m**

47. There has been an increase of £0.970m since the MTFS. This increase is due to rephasing of £0.451m of the Care Director budget and £60,000 of the Changing Places, as well as slippage on several Supported Living Schemes including Scotch Orchards of £0.280m, and Dementia Centre of Excellence of £0.274m.

### 48. Families and Communities **Forecast spend £43.589m**

49. *Maintained Schools* *Forecast Spend £42.010m*

50. There has been an increase of £9.508m on the Maintained Schools budgets since the MTFS report. This is largely due to £5.3m of rephrased and new Developer Contributions.

51. There has also been considerable rephasing into 2019/20, including £0.340m for Basic Needs, £0.756m for SEND Provision, £0.339m for HPCF(?), £0.332m for School Contributions, and £0.324m of Third-Party Contributions.

### 52. Economy, Infrastructure and Skills **Forecast spend £93.059m**

53. *Economic Planning & Future Prosperity* *Forecast spend £22.135m*

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54. There has been an increase in the forecast spend of £13.669m since the MTFS report. This is predominantly due to the approval of i54 Western Extension project in January 2019 which was post 2019/20 budget setting period, the amount of which was £13m.
55. *Highways Schemes* *Forecast spend £70.779m*
56. There has been an increase of £7.325m in forecast spend since the MTFS report. There has been £8.349m of additional resources made available for Integrated Transport from Developers, Network Rail and other contributors, £0.559m from the Department for Transport for additional pot hole funding and £0.780m advance spend against Stafford Western Access Road.
57. There have been some reductions in the forecast - £1.393m was spent in 2018/19 for Carriageways which was initially forecast to be carried into 2019/20, and £0.884m for Developer funded schemes.
- 58. Finance and Resources & ICT** **Forecast spend £1.539m**
59. The increase of £0.854m since the MTFS report is due to the introduction of printer and infrastructures costs.
- 60. Property** **Forecast spend £7.410m**
61. There has been an increase of £0.957m since the MTFS report. There is a new Repairs and Maintenance budget of £1m, carry forwards of £0.175m and a new grant for One Public Estate of £0.110m. There have also been some reductions including SP1-SP2 relocation of £0.295m and Greenwood House £0.150m.
- 62. County Fleet Care** **Forecast spend £1.535m**
63. There has been an increase of £0.8m since the MTFS report, this is due to the rephasing of the acquisition of 'Trekka' buses from 2018/19 to 2019/20.
- 64. Financial Health**

## Appendix 2 – Quarter 1 Finance Report

65. Appendix 6 provides a forecast outturn performance against the key Financial Health Indicators approved as part of the 2019/20 budget setting process.
66. There have been 99.98% of invoices were paid within 30 days of receiving them at the end of quarter 1, exceeding the financial health indicator target.
67. There is a need to assess performance management targets occasionally in the light of experience and historical data. In the case of the outstanding debt target, it was a recommendation from Internal Audit that the target be reviewed. Work has been undertaken to refresh the payment profiles by category of debt and this has produced the table below and a new target of £14.7m.

	Health Bodies & CCGs	Other Govt. and Public Bodies	Social Care Debtors	Other General Debtors	Total
Target (£m)	3.9	2.0	4.1	4.7	14.7

68. The estimated level of outstanding sundry debt over 6 months old is £13.040m, this is under the target of £14.7m by £1.660m. This is also decrease of £3.165m since 2018/19 final outturn. 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.

Debtor Type	31/03/2019 £m	30/06/2019 £m	Inc. / (Dec) £m
Health Bodies & CCGs	5.194	2.937	(2.257)
Other Govt. and Public Bodies	1.671	1.566	(0.105)
Other General Debtors (Individuals & Commercial)	9.340	8.537	(0.803)
<b>TOTAL</b>	<b>16.205</b>	<b>13.040</b>	<b>(3.165)</b>

## **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.

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Revenue Forecast Outturn 2019/20

	Revised Budget Qtr 1 £m	Forecast Outturn £m	Variation £m
<u>Health and Care</u>			
Public Health & Prevention	(5.861)	(5.861)	0.000
Adult Social Care & Safeguarding	38.256	38.429	0.173
Care Commissioning	174.208	174.513	0.305
Specific Grant Allocation	(1.410)	(1.410)	0.000
Exit and Transition Fund	0.000	(0.478)	(0.478)
<b>Health and Care Total</b>	<b>205.193</b>	<b>205.193</b>	<b>0.000</b>
<u>Families and Communities</u>			
Children's Services	115.176	117.031	1.855
Social Care Contingency	6.051	6.051	0.000
Children's Public Health	(4.549)	(4.549)	0.000
Education Services	9.590	9.590	0.000
Culture and Communities	5.417	5.692	0.275
Rural	2.062	2.062	0.000
Community Safety	8.466	8.461	(0.005)
Specific Grant Allocation	(1.710)	(1.710)	0.000
Exit and Transition Fund	0.000	(1.010)	(1.010)
<b>Families and Communities Total</b>	<b>140.503</b>	<b>141.618</b>	<b>1.115</b>
<u>Economy, Infrastructure and Skills</u>			
Business & Enterprise	1.144	1.073	(0.071)
Infrastructure & Highways	25.362	25.362	0.000
Transport, Connectivity & Waste	39.368	37.868	(1.500)
Skills	2.312	2.312	0.000
EI&S Business Support	1.064	0.999	(0.065)
Specific Grant Allocation	0.000	0.000	0.000
Exit and Transition Fund	0.000	0.000	0.000
<b>Economy, Infrastructure and Skills Total</b>	<b>69.250</b>	<b>67.614</b>	<b>(1.636)</b>
Corporate Services	33.059	33.874	0.815
Exit and Transition Fund	0.000	(0.930)	(0.930)
<b>Corporate Services Total</b>	<b>33.059</b>	<b>32.944</b>	<b>(0.115)</b>
<b>Traded Services</b>	<b>(0.901)</b>	<b>(0.901)</b>	<b>0.000</b>
<b>TOTAL PORTFOLIO BUDGETS</b>	<b>447.104</b>	<b>446.468</b>	<b>(0.636)</b>
<u>Centrally Controlled Items</u>			
Interest on Balances & Debt Charges	34.557	34.557	0.000
Pooled Buildings and Insurances	11.397	12.684	1.287
Trading Services Reserves	0.000	0.000	0.000
Contingency Position	4.000	4.000	0.000
<b>TOTAL FORECAST OVERSPEND</b>	<b>497.058</b>	<b>497.709</b>	<b>0.651</b>

**CAPITAL PROGRAMME 2019/20**

	<b>MTFS Budget</b>	<b>Enhancements to</b>	<b>1st Quarter</b>
	<b>£m</b>	<b>Programme</b>	<b>Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Health and Care</b>			
Care and Independence	0.548	0.970	1.518
<b>Health and Care Total</b>	<b>0.548</b>	<b>0.970</b>	<b>1.518</b>
<b>Families and Communities</b>			
Maintained Schools	32.501	9.509	42.010
Academy Conversion Residual	0.000	0.027	0.027
Rural County (Countryside)	0.381	(0.191)	0.190
Vulnerable Children's Projects	0.456	0.000	0.456
Tourism and Culture	0.645	0.261	0.906
<b>Families and Communities Total</b>	<b>33.983</b>	<b>9.606</b>	<b>43.589</b>
<b>Economy, Infrastructure and Skills</b>			
Economic Planning & Future Prosperity	8.466	13.669	22.135
Highways Schemes	63.474	7.325	70.799
Waste & Sustainability Projects	1.499	(1.374)	0.125
<b>Economy, Infrastructure and Skills Total</b>	<b>73.439</b>	<b>19.620</b>	<b>93.059</b>
Trading Services - County Fleet Care	0.735	0.800	1.535
Finance, Resources & ICT	0.685	0.854	1.539
Property	6.453	0.957	7.410
Corporate Leased Equipment	0.200	(0.150)	0.050
<b>Total</b>	<b>116.043</b>	<b>32.657</b>	<b>148.700</b>

Financial Health Indicators 2019/20

Appendix 6

Indicator	Current Performance	
<p><u>Debtors</u> Level of outstanding general debtors more than 6 months old does not exceed £14.7m (Current Performance – £13.040m)</p>		
<p><u>Payments to suppliers</u> At least 90% of invoices have been paid within 30 days of us receiving them during the last quarter (Current Performance – 99.98%)</p>		
<p><u>Monitoring</u> Quarterly financial monitoring reports have been issued to Cabinet during the last 12 months</p> <p>The council's most recent revenue outturn forecast did not vary by more than +/-2% when compared to the overall revenue budget</p> <p>Monthly monitoring reports of progress against MTFS savings have been produced for the Senior Leadership Team during the last 12 months</p>	<div style="display: flex; flex-direction: column; align-items: center; justify-content: center;">          </div>	
 Indicator not met	 Indicator not met by small margin	 Indicator met