

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

## **Corporate Review Committee – 31<sup>st</sup> July 2020**

### **Integrated Performance Report – Quarter 1, 2020/21 and Quarter 4, 2019/20**

#### **Recommendations**

I recommend that:

- a. Committee Members note and challenge performance and advise of any further information and/or action required.

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

#### **Summary**

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

1. 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.
2. We recommend that Corporate Review Committee notes and challenges performance and advises of any further information and/or action required.

#### **Report**

##### **Background**

3. The Integrated Performance report is considered by Corporate Review Committee on a quarterly basis.
4. Due to the Covid-19 pandemic the committee was unable to consider the Quarter 4 2019/20 Integrated Performance Report. This report is included at Appendix 7 for information.

## Integrated Performance Report – Quarter 1, 2020/21

### 4. Summary



5. At the end of Quarter 1, the overall assessment on the council's performance and financial position is Amber. Particular areas of risk are in Adult Social Care and Children's and Families. Further details are included in this report and its appendices. The latest revenue forecast outturn shows a forecast overspend of £10.149m (1.9%). This is mostly due to the COVID-19 pandemic, but also due to underlying cost pressures that were evident before the crisis hit.

### 6. Covid-19 Response Highlights – Quarter 1 (2020/21)

#### 7. Health and Care

8. The council has provided public health advice and guidance to support the pandemic response. A wide range of information is available on the website and has been provided to different sectors including care providers, schools and local businesses. The council has established arrangements to support vulnerable people who are self-isolating – including with emergency food supplies where required.
9. The council has supported the establishment of Covid-19 Regional Testing Centres and Mobile Testing Units, as well as testing of care home residents and staff. The council has established an emergency supply of personal protective equipment (PPE) and provided 2 million items to a range of settings.
10. The council has been supporting Staffordshire's care providers with daily advice and guidance throughout the crisis and pledged around £22.4million to help with increased costs of staffing and personal protective equipment (PPE). All care homes have had assistance and training in infection prevention and control and have access to additional clinical support. An emergency volunteer care workforce has been trained to provide care in the event of high levels of staff sickness absence. The council has developed a Care Home Support Plan that sets out all of the support available to care homes and this has been endorsed by a regional assurance process on behalf of the Department of Health and Social Care.
11. The council along with the NHS has implemented a Covid-19 hospital discharge pathway. This is helping to ensure that health and care professionals work together to identify the right discharge options for people, whether this be returning home with reablement and/or support or rehabilitation in a temporary bed. The council has been assessing and arranging care for people where necessary, including at weekends.
12. Day services have been supported to work in different ways on a temporary basis to take ensure ongoing care and support for people, whilst minimising the risk of



spread of infection. They will continue to explore different ways of providing care and support during recovery to ensure that they are compliant with government guidance for social distancing.

13. Initial feedback on the Care Home Support Plan, completed during May, has recently been received, with the council given a strong rating, along with recognition of the many initiatives which have been implemented over the past three months.
14. The council has provided expert public health information, advice and guidance in areas such as testing and contact tracing. A wide range of information is available on its website, including details of the helpline that has been set up for emergency food parcel requests, as well as signposting and advice on domestic abuse, financial support and education resources.

### **15. Families and Communities**

16. During the lockdown period around 90% of Staffordshire's primary schools have remained open to support both vulnerable and key worker children. The council has established a vulnerable children's weekly return from schools, independent settings and early years to ensure continued safeguarding and support for those in need. 
17. Following the easing of lockdown measures, we are now seeing early years settings and schools beginning to reopen to children in nursery and reception (4-year olds), Year 1 (5-year olds) and Year 6 (11-year olds). The council has worked with schools to give them the support they need to open safely. This support includes advice and guidance on social distancing, as well as packs of personal protective equipment (PPE) for all schools. During the pandemic the council has also been providing extra funding for nurseries and childminders to stay open for the children of key workers.
18. The council has given its 450 foster households an additional allowance to help them cope with the extra costs of having children and young adults at home all the time, as well as providing a range of practical and emotional support. Carers have had access to online training, are still having their regular scheduled conversations with allocated social workers and use virtual support groups to maintain contact.
19. Looked-after Staffordshire young people moving towards independence have been given additional support during the current Covid-19 crisis. Young people who have left the council's care network have received additional help, while those who were scheduled to become semi-independent have being funded to stay where they are until the situation improves. Those who have already left the council's care are receiving increased contact from their personal advisors, with physical visits paid if needed and food parcels provided where necessary.
20. As the council continues to respond to Covid-19, families who "cope" under normal circumstances may become increasingly more vulnerable due to financial

strain and increasing domestic pressures. To help support, the council have launched new Family Hubs within each district, which will be targeting a specific number of families to offer them extra support. The “Family Hub” is a virtual space in each district, acting as a single point of contact for families wanting information, advice and guidance and creating key links to local support networks.

21. The lockdown has also seen local residents really embrace the council digital offer in libraries. E-book downloads have increased by over 100%, and e-audio by around 80%. A total of 9,288 e-books were loaned from our e-library in May. Over 1,000 people applied on-line to become library members, and more than 3,300 new people followed the Staffordshire Libraries Facebook page.

## 22. Economy, Infrastructure and Skills

23. The council is supporting local businesses to survive, adapt and continue to operate if appropriate. At June Cabinet our Economic Recovery, Renewal and Transformation Strategy was published setting out how we will support the economy of Staffordshire over the next five years. A business and employee support campaign has been promoting a range of schemes launched as a result of the Coronavirus crisis. Together with the Stoke-on-Trent and Staffordshire Local Enterprise Partnership, it has ensured people and businesses know where to go to access essential support.



24. The Stoke-on-Trent and Staffordshire Growth Hub has all the latest information on both national and localised initiatives. These include a local Redundancy and Recruitment Triage Service which is being delivered for the LEP by the National Careers Service and the national furlough and bounce back loan schemes.
25. Micro businesses in Staffordshire have been backed by a council grant scheme. Hundreds applied for grants of up to £1,000 following the launch of the scheme in April. The £500,000 scheme has been helping businesses with nine employees or less who could not get support from other Government initiatives. The emergency fund is allocated on a first come, first serve basis and provides support for hundreds of local businesses.
26. At the beginning of June, the council launched a support programme for people with ambitions of starting their own business and whose current employment may be at risk due to the Coronavirus crisis. The Staffordshire Start-up Programme aims to build on and complement existing support for new businesses, with a focus on helping them to be robust in overcoming future challenges.
27. Additional support available for business has included an Enterprise Centre Payment Holiday - direct debit collections were cancelled for 3 months, from 1 April, to allow Enterprise Centres tenants to defer rental payments if there is no work.

## 28. Voluntary Sector and Social Action

29. A key positive from the pandemic has been the upsurge in volunteering and social action. The council's I Count campaign saw over 750 staff working in non-critical jobs volunteer to switch roles to support Staffordshire residents in key services, such as adult social care and children's services. In addition, the public facing I Care campaign recruited members of the public to step up and help deliver personal care in people's homes. As a result of the two campaigns more than 400 people offered support in the area of Home Care, with volunteers trained to support our dedicated care workforce during the pandemic. Over 100 volunteers were made available to be deployed across the county as required.
30. The vital role of charities and community groups has also been highlighted; having been the first line of support for some of our most vulnerable residents. The council is providing additional funding to key voluntary and community sector partners to provide ongoing support to local community groups in their response to Covid-19. Working with the community and voluntary sector, over 3,100 food parcels have been delivered across the county so far, to vulnerable people who are self-isolating and have no network of support to call on. The council has also been working closely with the local voluntary and community sector to provide ongoing support for vulnerable self-isolators through a network of 'anchor organisations' that make direct contact and support the most vulnerable people at a local level.
31. The establishment of a Staffordshire County Council Covid-19 Support Fund has supported more than 90 community groups or organisations, with councillors earmarking £155,000 for applications across the county. This funding has been made available to voluntary and community groups setting up new projects to help support people through the crisis, or to keep their own activities and services running. Projects include those helping people who are self-isolating or shielding, or to help develop a network of local volunteers. Groups who have benefitted include: Here to Hear Listening Service in Uttoxeter; the Pathway Project in Lichfield who received £3500 for cleaning materials and safety equipment to ensure that a crucial domestic abuse refuge could remain open and safe; and Shield Tamworth, a Tamworth Round Table led project which has been manufacturing and distributing free PPE face shields to NHS health professionals and care providers in the town.



### 32. Health and Safety

33. By mid-June 2 million items of PPE had been delivered by the council to front line care staff, social workers, and other roles in direct contact. This included gloves, masks, aprons and other safety equipment. This has helped ensure that every care home and care provider in Staffordshire has what it needs to care for the most vulnerable in the county during the pandemic.
34. Health protection, including infection control and PPE training has also been delivered, as well as risk assessments across council services to ensure risk is

managed effectively. Webinars are now taking place to support schools and premise managers to ensure buildings are compliant with Covid-19 guidance.

### **35. Planning and Recovery Progress Overview – Quarter 1 (2020/21)**

#### **36. Recovery**

37. As we move forward, the council will be in the unusual position of running recovery operations at the same time as response efforts continue. Our work will ensure that all aspects of life can begin to recover and grow. Whilst recovery will be informed and driven by national guidance and timescales for easing restrictions, it is also an opportunity to build on progress that has been made, to build on improved internal and external relationships, to assess how best to reintroduce paused activities, and to refresh the council's strategic plan in light of the changing world.

38. The council's Planning and Recovery Group meets weekly with links to the multiagency Staffordshire Resilience Forum's Recovery Coordinating Group (RCG), which meets fortnightly. As part of recovery planning key services have developed plans setting out both immediate and longer-term priorities. In addition, service areas continue to review and restart pre-Covid work that had been paused as a result of the pandemic.

39. Initial progress against each area is set out below.

#### **40. Health and Care**

41. The council has a key new responsibility to develop and implement a Covid-19 Local Outbreak Control Plan to prevent and manage outbreaks. Arrangements for surveillance and response to outbreaks are being established, including a Covid-19 Member Led Local Outbreak Control Board to provide democratic oversight and lead communication with the public about the overall management of Incidents.

42. The council's Supportive Communities programme has been accelerated as a result of the rise in volunteering and community action during the pandemic. To build on this work a new digital volunteering platform, Do-It, was launched on 8th June to link volunteers to people who need support. The platform already hosts over 2000 Staffordshire volunteers and close to 700 voluntary and community sector organisations. Alongside this Community Help Points are being rolled out to help people find support in their communities.

43. Alongside this a refresh of the Supportive Communities Programme is now underway, including the roll out of Community Help Points (involving Anchor Organisations) that ensure a range of community support is available. Furthermore, additional investment in the voluntary sector is being considered to build capacity to support vulnerable people and divert them away from funded care.

44. The council will also be refreshing its public health strategies and services to mitigate the ongoing public health risks from COVID-19, such as obesity, mental ill health and addiction. Increasing the number of people engaging in physical activity will be an early priority and work is underway in partnership with Sport Across Staffordshire And Stoke-On-Trent to expand current initiatives and to take advantage of the government's £2 billion pledge to increasing walking and cycling.
45. A reduction in adult social care staffing capacity at the height of the pandemic was managed with the introduction of a shortened assessment for care and support. This has led to a backlog of Care Act assessments and reviews, which will be cleared by the end of September.
46. Video and telephone social care assessments and reviews will continue as routine to help prevent the spread of infection to vulnerable people and enable staff to work flexibly. The council and Midlands Partnership NHS Foundation Trust will continue to promote remote working for social care staff, both in their interactions with residents, and for training and supervision.
47. Development work is also underway to review options for adult learning disability providers - council run services providing both day opportunities and respite care. The aim is to identify and trial new ways of providing support in light of national requirements for social distancing and 'shielding'.
48. For care providers enhanced infection prevention and control measures will remain necessary for a long period. The council will continue to provide support with advice and guidance, testing, and emergency supplies of PPE to help prevent and manage outbreaks. The council will review the impact of Covid-19 on the market and what this means for forecast demand and cost for care and the financial sustainability of providers.
49. Further work is planned to resume pre-Covid work, such as reviewing the Preparing for Adulthood pathway to ensure smooth transition of care at the age of 18 and strengthening financial assessments to ensure timely collection of income and minimise client debt.
50. In Health and Care the forecast outturn at Quarter 1 is breakeven. There remains a range of high risk Medium-Term Financial Strategy (MTFS) savings within this position and the directorate will seek alternative savings where necessary. On top of this, the forecast financial impact of Covid-19 for the directorate is £24.876m. The longer-term financial impact of Covid-19 is not yet clear and this will undoubtedly affect the MTFS in future years.

## **51. Families and Communities**

52. Work continues to help ensure safe opening of schools into the summer and to prepare for a larger reopening in September. Work is underway to complete school risk assessments, specifically around vulnerable children with underlying health needs, to ensure they can start to return safely. Additionally, as schools reopen, Education Inclusion Officers are continuing their work to ensure

vulnerable children are attending school. The council will also work with schools and other partners to proactively target families they have identified as vulnerable, especially those with multiple issues.

53. The government recently announced a £1 billion Covid “catch-up” package to tackle the impact of lost teaching time. £650 million will be shared across state primary and secondary schools during the 2020/21 academic year, to be spent on small group tuition for whoever needs it. Separately, a National Tutoring Programme, worth £350 million, will provide access to tuition for the most disadvantaged young people. The council will continue working with schools, following release of the guidance, to ensure appropriate support is offered.
54. A review of Home to School transport arrangements is also underway, this remains a challenge as staggered school times and ongoing social distancing requirements mean an increased complexity in delivering this service.
55. As lockdown eases, Families and Communities are focusing on understanding where demand will start to hit. For example, it is expected that there will be an increased demand in mental health and domestic violence. In preparation for this the Education Psychology traded offer has been suspended to allow capacity to support children with social, emotional and mental health concerns. Education Psychologists are currently talking to schools and developing guidance, with a view to being able to offer a 1-2-1 service for children as they return to school in September.
56. Work on transforming the Children’s system has restarted, specifically development of a district model and pathways and processes for support, although revised timescales are yet to be confirmed. The SEND transformation has been considered a priority and therefore continued throughout the pandemic. The workforce development programme has been revised and will be restarting in July, including further roll out of restorative practice training. SEND and inclusion training was delivered virtually for the first time at the beginning of June. In addition, plans to restart the SEND public engagement and consultation, paused due to Covid-19, will be discussed with partners in June to agree how this work can be resumed.
57. Progress is also underway to monitor and address the timeliness and backlog of Education, Health and Care Plans (EHCPs). 89% of all EHCPs due for completion in May were completed within the 20-week timescale. In 2020, to date, 29% of all EHC Plans have been issued within 20 weeks. Progress has also been made to reduce the backlog.
58. In Families & Communities there is a forecast overspend at Quarter 1 of £10.463m. Around £8.5m of this relates to the financial impact of the Covid-19 pandemic including delayed savings and lost income. The forecast overspend also reflects overspending on Education Services, particularly regarding SEND transport expenditure.

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

60. An immediate priority for recovery has been the reintroduction of services in line with the easing of the lockdown. This began in May with the reopening of Household Waste and Recycling Centres where restrictions have been put in place to ensure social distancing. Council staff are currently working with colleagues from borough and district councils across the county to assist with plans to reopen town centres. Linking borough and council plans with our own infrastructure planning also means we can maximise the impact of available government funding.
61. Planning is underway to deliver new ways of working across some complex service areas, including home to school transport and school crossing patrols. Uncertainty around school reopening arrangements makes planning increasingly difficult, whilst a large number of school crossing patrol staff are amongst the most vulnerable residents and may not be able to return to work at the current time.
62. A bid was submitted at the start of June for additional Government funding for the Local Cycling and Walking Infrastructure Plan. Funding is aimed at helping councils to make immediate improvements to cycling and walking facilities and relieve pressure on public transport due to social distancing rules. If successful, the work must be completed within 2 months and will be followed by a larger round of potential funding in the summer. The Local Cycling and Walking Infrastructure Plan is currently under review to ascertain what changes are required due to the impact of Covid-19 on travel and transport.
63. Alternative delivery models will be explored for Community Learning, College and Training Providers in readiness for the start of the new academic year. The pandemic has seen placements disrupted and created uncertainty around transitions for students in September, particular those with high or additional needs. Recovery plans include support from Education Psychologists for students struggling to adjust to returning to education and training. Increases have been seen in community learning provision. Some providers have adapted courses for online and virtual learning, meaning capacity can be increased. There have been over 200 enrolments so far this year compared to around 40 at the same time last year. Work is underway to identify gaps in provision where providers have not been able to adapt to new ways of delivery.
64. Work is also underway to restart apprenticeships that had to cease as a result of Covid-19. Over the next quarter work is planned to identify the impact of the crisis on this cohort of young people – this will include looking at employer attitudes to apprenticeships, and possible rises in the numbers of young people not in education, employment or training. Longer term recovery work will focus on the economic viability of providers in the sector.
65. Economic recovery will be driven by the Economic Recovery and Renewal Strategy, including a refresh of existing delivery programmes as well as developing new programmes to support the recovery. The aim is to work closely

with partners and maintain the confidence and trust of businesses through communications and engagement. After listening to business concerns around the availability of cost-effective regulation PPE, the council will be launching a PPE Program at the end of June. Over 2,000 PPE Start Back Packs will be available for local micro businesses, to give staff and customers confidence during the reopening phase. Signposting will also help local businesses source ongoing supplies for the future.

66. Further investment has also been agreed to expand two of the council's Enterprise Centres in Cannock and Silverdale. The expansion will see 21 new units created across the two centres and 45 new jobs.

67. A range of pre-Covid work is also being restarted such as managing the increased demand in household waste and transitioning staff from supporting response phase work to ongoing service activity. This includes delivery of the external funding programme and ensuring staff resource is available to support delivery of the Farms Investment Programme.

68. The council's highways teams have continued work throughout the lockdown period to ensure the road network is maintained and major infrastructure projects have been kept on track. Major projects such as the Stafford Western Access Route, Lichfield Southern Bypass and i54 South Staffordshire have carried on with minimal disruption.

69. In Economy, Infrastructure and Skills there is a forecast overspend at Quarter 1 of £0.365m. On top of this, the forecast financial impact of Covid-19 for the directorate is £7.234m.

## **70. Corporate Services**

71. Recovery plans that cut across all service areas is being led through recovery groups linked to the council's Strategic Plan Principles – communities, digital, workforce and climate change. A summary of progress against recovery priorities is set out below.

## **72. Communities**

73. A Communities Recovery Group has been established with an immediate focus on the re-opening of community services. Country Parks have already reopened, with the focus now on maintaining resilience in light of increased demand whilst alternative visitor options remain limited. Discussions around toilet facilities, and the safe return of service volunteers are now underway. Risk assessment are currently being completed for county managed libraries, with community managed libraries to follow at a later date. A paper on library reopening will be presented to the SCC Planning and Recovery Group in mid-June.

74. Six Children's Centres are now open following Health and Safety site visits, with agreements in place with providers to enable the reopening of the onsite childcare facilities. Further planning is underway to meet the next phase of

reopening on July 1<sup>st</sup>, when social care visits, 0-19 services and health visitor services can recommence.

75. The group will also be looking to identify learning from our response to Covid-19, and how this can be sustained. This work will result in a series of recommendations which will inform council change programmes and refresh of the Communities Delivery Plan in September. The Communities Recovery Group has also identified a series of risks for communities following COVID-19, and will continue to work with partners, members and the People Helping People programme board to mitigate these wherever possible.

## **76. Digital**

77. Prior to the Covid-19 crisis, the council was developing an ambitious Digital Strategy and delivery programme of work for 2020/21 for agreement. Work is now underway to reset the Digital Programme informed by the learning and innovation of the response and recovery phase. Key priorities, linked to recovery, include developing a Digital Infrastructure Plan and a particular focus on how we move forward with 5G across Staffordshire, as well as transforming the way we work in achieving our smart working ambitions.

78. Digital has been a key element of the response to Covid-19, and the aim is to build on this progress. This includes working with frontline services to increase smart and virtual working and enhance community connectivity. The organisational rollout of Microsoft Teams is well underway, and promotion and development of the recently launched ILearn platform will continue.

## **79. Climate Change**

80. The current Climate Change Strategy, 'Green Shoots', is currently being refreshed following the declaration of a Climate Change Emergency by the council in July 2019. The emerging plan contains four key climate change themes to support the organisation; improved air quality; reduction in carbon; protecting the environment; and minimising waste.

81. Work is underway to review the current action plan and strategy, with the aim of prioritising activities to commence delivery of the action plan. A baseline carbon assessment is being developed, and an approach is currently being developed to ensure that all recovery plans will consider their impact on climate change as a key element.

82. A recent engagement exercise, working with Staffordshire Council of Voluntary Youth Services and Staffordshire Youth Union, to gather young people's views on climate change, will be used to influence our climate change plans.

## **83. Workforce**

84. The immediate recovery priority will focus on easing the lockdown and supporting the organisation to establish new ways of working. A project team has been developed focussing on a range of immediate issues, including the review of staff

policies and procedures to meet our Smart Working vision, learning from how remote working has been utilised in response to the pandemic, as well as making our buildings are Covid-19 secure.

85. The wider HR function will address how backlogs in Casework are addressed, support future recruitment and work with managers to assess the impact that the crisis has had on existing change programmes.
86. In Corporate Services the forecast outturn at Quarter 1 is breakeven. The Covid-19 related costs total £2.753m and include forecast loss of income in Registrars, increased ICT costs to enable working from home and a forecast loss of income in the annual leave purchase scheme. There are also costs for the temporary mortuary facilities at the County Showground of £1.5m and for food and B&B accommodation for rough sleepers of £0.115m.

### **Link to Strategic Plan**

44. Cross-cutting as the performance of the Corporate Delivery Plan represents the most significant activity that directly delivers against all areas of the strategic plan.

### **Link to Other Overview and Scrutiny Activity**

45. Detailed scrutiny of the council's activity in relation to the various areas discussed in this report takes place at the Healthy Staffordshire Select Committee, Prosperous Staffordshire Select Committee, Safe and Strong Communities Select Committee or Corporate Review Committee, as appropriate.

### **Community Impact**

46. This report represents a strategic summary of the county council's performance against key indicators, finances and delivery of priorities. The individual projects and programmes are reported separately where specific decisions are required, and community impact assessments are completed where appropriate. As such there is no community impact presented with this report.

### **List of Appendices:**

1. Finance Quarter 1 Summary
2. Finance Quarter 1 Detailed Report
3. Corporate Checklist
4. Revenue Forecast Outturn 2020/21
5. Capital Forecast Outturn 2020/21
6. Financial Health Indicators 2020/21
7. Integrated Performance Report – Quarter 4, 2019/20 (for information)

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# Latest Financial Summary

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 £10.1m (1.9%), compared to the balanced position at the budget set in February. Since the budget was set Covid 19 has become a global pandemic. Central Government have issued two additional grant payments to support the additional pressures of continuing to provide vital services while protecting the workforce and local residents.

There has been use of £0.7m of the Exit and Transition Fund which was established in 2018/19.

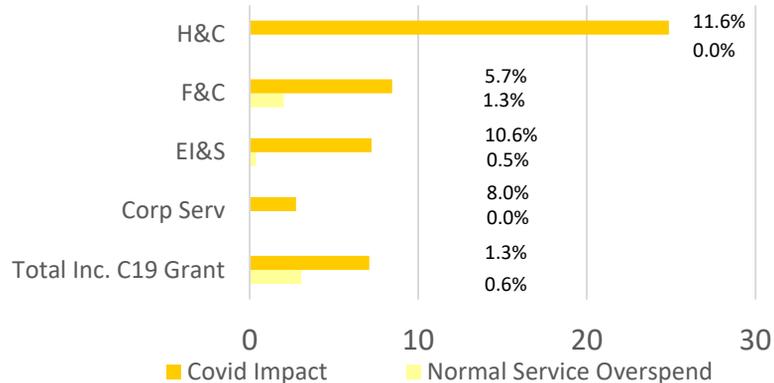
There is a forecast non-Covid overspend of £2.5m on Education Services,. This is due to SEND Transport increasing costs and demand, due to increased use of single occupancy taxis.

Savings are categorised into confidence of delivery. There are £9.9m savings currently classified as Low confidence of delivery, of which £7.5m is due the impact of Covid 19, and the remaining are non-Covid related. We are only at the beginning of the year, so this position will inevitably change as we move forwards. Some savings classified as low confidence include – Adult Social Care In House Services, Reduction in Looked After Children as a result of transformation and property rationalisation.

The latest capital outturn projection is £149m, compared to the budgeted position of £137.2m, an increase of 8.6%. This projection is a fully funded position. This increase is mainly due budget refinements and slippage into 2020/21 on various Schools projects, and the introduction of Challenge Fund money of £2.4m and Pothole Action Fund of £11.1m within Highways Schemes. More detail is available within the report.

Within the national context, the retail price index is currently 1.0%, and the latest consumer price index is 0.0%. GDP is estimated to be a reduction of 10.4% in the three months to April 2020. Current unemployment figures show Staffordshire benefit claimant rate remains below that of the West Midlands and Great Britain.

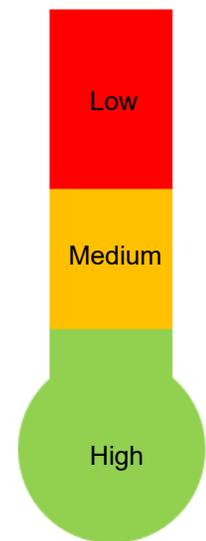
## Revenue Budget Variance



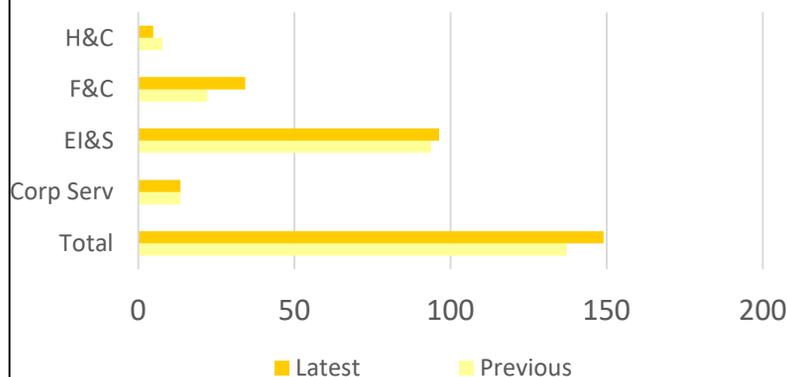
## Savings Tracker – Target £28.079m

Budget - £28.079m

Quarter 1 - £28.079m



## Capital Programme



## Appendix 2 – Quarter 1 Finance Report

### Introduction

### Revenue Forecast

1. The latest revenue forecast outturn (as provided in appendix 4) shows a forecast overspend of £10.149m (1.9%). This is mostly due to the COVID-19 pandemic but also due to underlying cost pressures that were evident before the crisis hit.
2. Since the 2020/21 budget was set, Covid 19 has become a global pandemic requiring a combined response from public sector services and which is also having a severe impact on the economy. Central Government has issued two payments of general grant to local authorities, totalling £37.1m, in order to support the additional pressures of continuing to provide vital services during the pandemic while protecting both workforce and local residents.
3. The table below sets out the current forecast of additional costs relating to the pandemic, plus lost income and delayed savings caused by the crisis. This can be mostly funded by the government grant provided; however, this is not enough and a gap of £7.5m is likely to remain.

	£m
Additional Costs	32.189
Lost income	3.232
Delayed savings	9.253
Grant funding	(37.079)
Shortfall	7.595

*There was £0.680m of costs incurred in 2019/20 which has been funded in total from the grant.*

4. Taking this grant shortfall into account, plus some pressures resulting from normal service activity results in the current forecast overspend of £10.149m. In addition, there is a great deal of uncertainty regarding future funding levels which taken together mean that services must continue to follow the '£ in, £ out' principle and find mitigating savings wherever possible and aim to live within their allocated budgets for 2020/21.

## Appendix 2 – Quarter 1 Finance Report

5. The following paragraphs consider the key financial issues in each of the council's portfolios.
6. **Health and Care** **Covid impact - £24.876m**  
**Normal service forecast - breakeven**
7. The forecast outturn for the directorate is breakeven. This position includes a number a high-risk savings and the directorate is using one-off funding streams as well as identifying alternative savings options where required.
8. The forecast costs relating to Covid 19 are £24.876m. The longer-term impact of the Covid 19 pandemic on service delivery models and service user choices is not yet clear and this will undoubtedly impact the current years position and the Medium-Term Financial Strategy in future.
9. *Adults Social Care & Safeguarding* *Covid impact - £45,000*  
*Normal service forecast - breakeven*
10. The forecast for the service is a breakeven position. Covid related costs are forecast to be £45,000.
11. There are currently a number of vacancies in the Adults Learning Disability Team (ALDT) which are expected to be filled in the coming months. It is assumed that agency staff will be required until then. However, it is expected that the £0.3m MTFS saving for the service will be delivered in full and that the service will not exceed its budget.
12. A new Section 75 agreement for Mental Health South has been agreed for the year and it is forecast that the service will breakeven. It is also forecast that the £0.1m MTFS saving for the Mental Health North team will be delivered in the first half of the year.
13. The future temporary operating of the in-house Respite and Specialist Day Opportunists services are currently being considered, and these changes may result in additional costs and it is expected that these will be funded from the Covid 19 grant funding.

## Appendix 2 – Quarter 1 Finance Report

14. *Care Commissioning* *Covid impact - £24.876m*  
*Normal service forecast - breakeven*
15. The forecast for the service is breakeven. Covid related costs are forecast to be £24.831m.
16. Prior to the Covid 19 outbreak, demand for both residential and nursing home placements and stabilised, however the trend for the cost of new Older People Care Home placements to be higher than existing placements continued. The overall additional costs to the Council of price rises was, pre-Covid, expected to be £18.540m in 2020/21.
17. However, in the wake of the pandemic, a number of care homes have experienced reduced occupancy rates and incurred additional costs on staffing, personal protective equipment (PPE) and infection control. The Council has supported the provide market with a range of financial stability measures including a higher than planned fee uplift and one-off funding to meet additional staffing and PPE costs. These have been funded from the £3.2bn additional Emergency Covid 19 grant allocations to Local Authorities. Financial assumptions have been reviewed in light of the outbreak and based on revised early modelling; we are currently forecasting that we can fund in-year pressures utilising one-off funding streams. This assumes that any additional expenditure relating to the pandemic is met from the Covid 19 funding allocations.
18. There is now a risk that we will not achieve the levels of client and health income assumed in the MTFS due to changes in Continuing Health Care (CHC) financial procedures and the package of financial measures to support care providers as a result of Covid 19. However, the directorate is currently reviewing the MTFS in light of the pandemic and will look to identify mitigating actions where required. The achievement of income targets will be monitored closely throughout the year.
19. Given the uncertainty around future residential and nursing demand and costs due to the Covid 19 outbreak and the unpredictability of price rises in the market, there may be a further impact in 2020/21 and so this continues to an area of high risk.
20. Formal agreement of the 2020/21 Section 75 Better Care Fund agreement has been delayed while the Council and Clinical Commissioning Group (CCG) Staff

## Appendix 2 – Quarter 1 Finance Report

have been leading the response on Covid 19. In the meantime, it has been agreed that funding will be transferred to the Council at 2019/20 levels. Any inflationary uplifts due will be reviewed and applied as required when colleagues are able to finalise the position.

21. The Council has been allocated £9.915m from the Adult Social Care Infection Control Fund that was recently announced. Of this, 75% is to be passported directly to care homes in the county who comply with the requirements set out in the national guidance. The balance of the funding can be used to support care homes or domiciliary care providers and to support workforce resilience, and plans are currently being developed as to how this funding will be allocated.
22. The Learning Disability placement service is forecast to breakeven. There is a high risk that the Community Offer and Reviews Programme MTFs savings will not be delivered in full due to the impact of staff resources being directed to respond to the Covid 19 pandemic. However, it is expected that continued increases in client and health income will offset this. There remains a risk that demographic growth and care price increases will cause an overspend but this will be monitored through the year.
23. The council will continue to work with the local CCG's to support the discharge of people with learning disabilities or autism from specialist hospitals to community-based settings under the Transforming Care Partnerships (TCP). Despite the recent announcement of the government's intention to provide some additional grant funding to support future discharges there remains a risk of an overspend in 2020/21.
24. The Mental Health service is forecast to breakeven. There is a risk that the £0.250 MTFs saving will not be delivered due to staff resources being diverted to respond to the Covid 19 pandemic.
25. The planned recommissioning of the Carers service has been delayed due to Covid 19. The new service is unlikely to begin now until 2021/22. The financial implications are being considered but it is not expected to impact this financial year.

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**26. Families & Communities** **Covid impact - £8.455m**  
**Normal service forecast - £2.008m overspend**

27. The forecast at quarter 1 is an overspend of £10.463m. Around £8.5m of this relates to the financial impact of the Covid 19 pandemic including delayed savings and lost income. The forecast overspend also reflects overspending on Education Services, particularly regarding SEND transport expenditure.

**28. Children's Services** *Covid impact - £6.590m*  
*Normal service forecast - breakeven*

29. The budget for 2020/21 included additional investment of £2.570m for the continuation and progression of planned transformation works as outlined in the business case which was previously approved. This is expected to be fully spent in year, and prior to the Covid 19 pandemic, appeared to be having positive outcomes and was forecast to deliver in full the target savings of £4.7m. However, it is now forecast that these savings will be delayed.

30. Due to the Covid 19 pandemic, there are non-delivery of savings of £4.7m as the service has not been able to process the necessary transformation programmes as intended, most significantly impacting on the number and cost of Looked after Children.

31. There have been additional, exception costs of £1.7m to, for example, support providers that have seen reduced demand for services, additions support for our foster carers and additional care package costs to ensure that the most vulnerable are protected and that in the longer term business continuity and market sustainability is assured.

**32. Education Services** *Covid impact - £0.944m*  
*Normal service forecast - £2.008m overspend*

33. The forecast is an overspend of £2.578m. There is continued pressure from SEND Transport, which is forecast to overspend by £1.763m as a result of increasing transport costs and demand due to a move towards single occupancy taxis in an attempt to manage disruptive behaviours.

34. There is also an overspend of £0.815m for additional investment in SEND stabilisation works, as approved by Cabinet earlier this year.

## Appendix 2 – Quarter 1 Finance Report

35. While this service faces further pressures of £0.5m due the non-delivery of historical savings, it is forecast that this can be mitigated in year. However, this will remain a pressure and will need to be addressed as part of the wider transformation programme.
36. *SEND High Needs Block*
37. The High Needs Block funded from Dedicated Schools Grant (DSG) has for several years been overspent leading to the almost complete depletion of DSG reserves.
38. SCC alongside other authorities have been lobbying for additional resources and it is a positive sign that the government this year provided for a significant increase in funding of around 15%. In 2020/21 Staffordshire will receive approximately £9.5m extra compared to last year and, though this remains a high-risk area, is currently forecast to be within budget.
39. *Culture & Communities* *Covid impact - £0.321m*  
*Normal service forecast - £19,000 overspend*
40. There is a £0.245m forecast overspend due to an unsuccessful bid for Staffordshire History Centre Lottery Fund funding. Although a further bid has been submitted, it is forecast that this saving will be delivered in future years from a staffing restricting if unsuccessful. In year, vacancy savings will mitigate the shortfall, along with a contribution of £19,000 from the Exit and Transition Fund.
41. There is loss of income due to reduced trading activity – refreshments, room hire etc due to the Covid 19 pandemic.
42. *Community Safety* *Covid impact – nil*  
*Normal service forecast - £15,000 overspend*
43. There is a forecast overspend of £0.168m due to prior year transformation savings that forecast to be undelivered – these should be mitigated by vacancy savings and a small £15,000 contribution from the Exit and Transition Fund will bring the service to a breakeven position.

## Appendix 2 – Quarter 1 Finance Report

**44. Economy, Infrastructure & Skills** **Covid impact - £7.234m**  
**Normal service forecast - £0.365m overspend**

45. The forecast overspend is £0.365m. On top of this, the forecast financial impact of Covid 19 for the directorate is £7.234m. This is a total forecast overspend of £7.599m.

46. *Business & Enterprise* *Covid impact - £0.340m*  
*Normal service forecast - £0.201m overspend*

47. The forecast overspend for the service is £16,000 which is due to the delay in the achievement of the £75,000 MTFS saving on St Albans Enterprise Centre along with other small pressures on staffing offset by savings forecast on Farms repairs and maintenance of £50,000 and other small savings.

48. There are £0.340m of forecast Covid 19 costs for the service, £0.310m is forecast loss of earnings in Enterprise Centres and £30,000 is the estimated loss of income from Newcastle Town car park.

49. *Infrastructure & Highways* *Covid impact - £0.9m*  
*Normal service forecast - £0.349m overspend*

50. The forecast overspend for the service is £0.349m, which includes a small overspend on Lighting and Signals which is a non-achievement of the advertising income MTFS saving of £50,000 and a forecast overspend of £0.3m in the Developments and Improvements service due to having to buy-in resource.

51. The forecast financial impact of Covid 19 is forecast to be £0.9m, which is largely a loss of income for street parking and bus enforcement in the Regulation and Governance areas of £0.8m and increased costs of £0.1m on Safe Operating Procedures.

52. *Transport, Connectivity & Waste* *Covid impact - £3.615m*  
*Normal service forecast - breakeven*

53. The Transport and Connectivity service is forecast to breakeven – this includes an allowance for a number of potential pressures which need to be fully explored including a further challenge to concessionary reimbursement

## Appendix 2 – Quarter 1 Finance Report

following our successful defence to a claim made last financial year. It is expected more detail will be available later in the financial year.

54. A general provision of £3m for potential additional Transport costs as a result of Covid-19 has been included.
55. Additional Covid 19 costs for providing additional home to school transport to date are £17,200 and there are likely to be more costs over half term, forecast to be under £10,000. It is hoped that the transport costs for the remainder of the summer term can be contained within the available budget.
56. It should be noted that there is a high risk of a significant additional Covid 19 home to school transport spend from September which is not budgeted for.
57. SCC are continuing to pay Concessionary Fare operators, and Home to School operators until the end of the summer term, even when these services are not running at capacity.
58. Within the Waste budget – Covid 19 brings potential for increased costs for recycling credits for green and dry mixed recycling material streams due to a) hospitality being closed and b) HWRC's being closed. In addition, there will be a loss of income from non-household waste and trade waste at HWRC's for the first few months of the financial year. The recent closure lead to a loss of income of £90,000. This with the limited re-opening has led to an initial forecast overspend of £0.5m, which will be reviewed when the full extended of the closure and re-opening costs are understood.
59. *EI&S Business Support* *Covid impact - £0.890m*  
*Normal service forecast - breakeven*
60. There are forecast £0.890m Covid 19 related costs, which includes £0.5m for the Emergency Small Business Grants Scheme, £0.360m for the Start-Up Businesses Scheme (over 3 years) and £30,000 for potential overtime claims relating to Covid 19 work.

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### 61. Corporate Services

**Covid impact - £2.753m**

**Normal service forecast - breakeven**

62. The service is forecast to breakeven, excluding any Covid 19 costs. There are forecast overspends in HR which are the non-delivery of MTFS savings, which is largely offset by a saving in ICT along with small savings in the strategy areas. There are also £0.5m of restructure costs that will be funded by the Exit and Transition fund.

63. The Covid 19 related costs total £2.753m and include forecast loss of income in Registrars, increased ICT costs to enable working from home and a forecast loss of income in the annual leave purchase scheme. There are also costs for the temporary mortuary facilities at the County Showground of £1.5m and for food and B&B accommodation for rough sleepers of £0.115m.

### 64. Centrally Controlled

65. There is a forecast overspend of £0.687m for the delay in the rental of Staffordshire Place 2.

66. There is also £0.850m of Covid 19 related pressures which includes £0.264m of cleaning materials, £0.170m forecast loss of income and the non-delivery of the 2020/21 MTFS property rationalisation saving.

### 67. Capital Forecast

68. Appendix 5 compares the latest capital forecast outturn of £149.0m, an increase from the budgeted position of £137.2m. The key reasons for this increase of £11.8m are set out in the following paragraphs.

### 69. Health and Care

**Forecast spend £4.816m**

70. There has been a reduction of £2.969m since the budget set in February. This is due to significant uncertainty and rephasing of works on 3 major projects into 2021/22 due to the Covid 19 pandemic – Hillfield House Refurbishment of £0.548m and Histon Hill and Rowley Hall Nursing Home new builds of £1.765m and £1.147m respectively. The council is going to review its position on these schemes due to the impact of the current pandemic and further updates will be presented to cabinet in due course.

## Appendix 2 – Quarter 1 Finance Report

71. These reductions have been offset by the rephasing of the Scotch Orchard sale of £0.280m and the Care Director upgrade rephase and repurpose of £0.232m into 2020/21.

**72. Families and Communities** **Forecast spend £34.250m**

73. *Maintained Schools* *Forecast Spend £33.751m*

74. There has been an increase in forecast spend of £11.948m since the budgeted position.

75. There have been a number of budget refinements and slippage into 2020/21 on schemes including – Rawlet Academy £1.593m, New Primary at Branston Locks £0.335m, Bishops Lonsdale Primary Academy £0.365m, Baldwins Grate CE Primary £0.439m, Scienta Reach2 £0.340m, Branston Road £0.778m, King Edwards VI Lichfield £0.519m, Western Road Academy £0.378m, Basic Needs unallocated budget £1.870m and other smaller amounts across a significant number of smaller projected total £2.2m.

76. There has also been rephasing of forecast spends into 2020/21 for New Starts School Conditional Allocation of £0.720m and Unallocated SEND provision of £0.8m. There is also slippage on Schools Conditional Allocation from 2019/20 into 2020/21 of £0.854m. There is £0.750m additional forecast is the result of smaller instances of slippages and budget refinements across a number of smaller projects.

**77. Economy, Infrastructure and Skills** **Forecast spend £96.369m**

78. *Economic Planning & Future Prosperity* *Forecast spend £15.250m*

79. There has been a reduction of £5.837m since the budgeted position. This is due to rephasing of final A50 payments of £2.523m and i54 Western Extension of £4.349m.

80. These reductions have been slightly offset by the addition of a new project – Eastgate Regeneration of £0.310m, and other rephasing of projects.

## Appendix 2 – Quarter 1 Finance Report

81. It should be noted that the Superfast Broadband scheme has now moved from Economic Development to the Connectivity area.
82. *Highways Schemes* *Forecast spend £78.561m*
83. There has been an increase of £9.784m since the budgeted position, which largely reflects a £8.846m increase in Maintenance and Integrated Transport Schemes. This is due to the introduction of Challenge Fund money of £2.350m, Pothole Action Fund of £11.1m, and other third-party contributions of £2.3m.
84. This additional budget has been offset by refinements on budgets for Developer contributions, a reduction of £7.1m as well as refinements across a number of smaller projects.
85. Major schemes have increased by £0.528m since the budget – this forecast includes the agreed movement of £0.5m from Stafford Western Access Route (SWAR) to the Lichfield Southern Bypass scheme for their shared contingency and risk allocation. This has no effect on the overall major schemes budget.
86. SWAR has increased costs of £1.4m which is largely due to the potential additional costs of Covid 19. Despite the unprecedented circumstances around the pandemic, construction work has managed to continue on site, with the project team working hard to keep disruption to a minimum whilst maintaining safe working conditions. Lichfield Southern Bypass forecast costs have also increased by £0.9m which includes £0.450m for risk around the remaining piling and risk possessions.
87. Staffordshire County Council has submitted a bid for Emergency Active Travel Funding from the Department for Transport. The first tranche of monies is expected to be £0.366m with the second approximately £1.4m. If the bid is successful, further information on this will be contained in the quarter 2 report.
88. *Waste & Sustainability Projects* *Forecast spend £2.588m*
89. The forecast has reduced by £1.282m from the budget largely due to the rephasing of Newcastle HWRC to 2021/22 of £0.890m and the decision to rephase the sustainability schemes into next year while the Sustainability Options Plan is being developed.

## Appendix 2 – Quarter 1 Finance Report

### 90. Finance and Resources & ICT Forecast spend £2.405m

91. There has been an increase in forecast spend of £0.460m since the budgeted position, this is due to the refining of UCS Blades and Physical Service project budget of £0.215m and the introduction of a new project, PSN Core Switch Replacement with an estimate of £0.245m.

### 92. Property Forecast spend £9.875m

93. There has been a reduction in forecast spend of £0.476m since the budgeted position. There has been an amendment to the budget for Greenwood House to correctly reflect the VAT position, reducing the forecast by £1.306m. This has been offset by the rephrasing of several budgets including District Rationalisation of £0.429m, Pre-sale Planning and Improvement works of £0.128m, and the addition of a new project, Oakdene Demolition of £0.123m.

### 94. Financial Health

95. Appendix 6 provides a forecast outturn performance against the key Financial Health Indicators approved as part of the 2020/21 budget setting process.
96. There have been 97.6% of invoices were paid within 30 days of receiving them at the end of quarter 1, exceeding the financial health indicator target. This reflects early payments to suppliers to help them with cashflow during the pandemic.
97. The estimated level of outstanding sundry debt over 6 months old is £15.966m, this is over the target of £14.7m by £1.266m. This is an increase of £0.158m since 31<sup>st</sup> March 2020. 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.
98. Client debt now stands at £8.913m and could potentially increase as a consequence of the pandemic. A working group has been established to look at why clients are not paying debts and to implement ways to avoid clients getting into debt in the first instance.

## Appendix 2 – Quarter 1 Finance Report

<b>Debtor Type</b>	<b>31/03/2020 £m</b>	<b>30/06/2020 £m</b>	<b>Increase / (Decrease) £m</b>
Health Bodies & CCGs	1.634	1.409	<b>(0.225)</b>
Other Govt. and Public Bodies	1.917	2.063	<b>0.146</b>
Other General Debtors (Individuals & Commercial)	3.755	3.581	<b>(0.174)</b>
Health & Care Client Debt	8.502	8.913	<b>0.411</b>
<b>TOTAL</b>	<b>15.808</b>	<b>15.966</b>	<b>0.158</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 2020/21

	Revised Budget Qtr 1 £m	Forecast Outturn £m	Covid Impact	Normal Service Overspend / (Savings)	Total Variation £m
<b>Health and Care</b>					
Public Health & Prevention	(5.932)	(5.932)	0.000	0.000	0.000
Adult Social Care & Safeguarding	38.075	38.075	0.045	0.000	0.045
Care Commissioning	183.663	183.663	24.831	0.000	24.831
Specific Grant Allocation (Public Health)	(1.307)	(1.307)	0.000	0.000	0.000
Exit and Transition Fund	0.000	0.000	0.000	0.000	0.000
<b>Health and Care Total</b>	<b>214.499</b>	<b>214.499</b>	<b>24.876</b>	<b>0.000</b>	<b>24.876</b>
<b>Families and Communities</b>					
Children's Services	114.632	114.632	6.590	0.000	6.590
Children's Public Health	(4.546)	(4.546)	0.000	0.000	0.000
Education Services	25.359	27.367	0.944	2.008	2.952
Culture and Communities	5.256	5.275	0.321	0.019	0.340
Rural	1.969	1.969	0.600	0.000	0.600
Community Safety	7.938	7.953	0.000	0.015	0.015
Specific Grant Allocation (Public Health)	(1.710)	(1.710)	0.000	0.000	0.000
Exit and Transition Fund	0.000	(0.034)	0.000	(0.034)	(0.034)
<b>Families and Communities Total</b>	<b>148.898</b>	<b>150.906</b>	<b>8.455</b>	<b>2.008</b>	<b>10.463</b>
<b>Economy, Infrastructure and Skills</b>					
Business & Enterprise	1.056	1.257	0.340	0.201	0.541
Infrastructure & Highways	27.595	27.944	0.900	0.349	1.249
Transport, Connectivity & Waste	39.476	39.476	3.615	0.000	3.615
Skills	2.379	2.379	0.000	0.000	0.000
EI&S Business Support	1.103	1.103	0.890	0.000	0.890
Specific Grant Allocation (Public Health)	0.000	0.000	0.000	0.000	0.000
Covid related capital project costs	0.000	0.000	1.489	0.000	1.489
Exit and Transition Fund	0.000	(0.185)	0.000	(0.185)	(0.185)
<b>Economy, Infrastructure and Skills Total</b>	<b>71.609</b>	<b>71.974</b>	<b>7.234</b>	<b>0.365</b>	<b>7.599</b>
<b>Corporate Services</b>					
Corporate Services	34.428	34.928	2.753	0.500	3.253
Specific Grant Allocation (Public Health)	0.000	0.000	0.000	0.000	0.000
Exit and Transition Fund	0.000	(0.500)	0.000	(0.500)	(0.500)
<b>Corporate Services Total</b>	<b>34.428</b>	<b>34.428</b>	<b>2.753</b>	<b>0.000</b>	<b>2.753</b>
<b>Traded Services</b>	<b>(0.528)</b>	<b>(0.528)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL PORTFOLIO BUDGETS</b>	<b>468.906</b>	<b>471.279</b>	<b>43.318</b>	<b>2.373</b>	<b>45.691</b>
<b>Centrally Controlled Items</b>					
Interest on Balances & Debt Charges	34.203	34.203	0.000	0.000	0.000
Pooled Buildings and Insurances	16.447	17.134	0.850	0.687	1.537
Investment Fund	2.431	2.431	0.000	0.000	0.000
Contingency Position	4.000	4.000	0.000	0.000	0.000
Covid 19 Grant	0.000	0.000	(37.079)	0.000	(37.079)
<b>TOTAL FORECAST OVERSPEND</b>	<b>525.987</b>	<b>529.047</b>	<b>7.089</b>	<b>3.060</b>	<b>10.149</b>

**CAPITAL PROGRAMME 2020/21**

	<b>Budget</b>	<b>Enhancements to Programme</b>	<b>1st Quarter Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Health and Care</b>			
Care and Independence	7.785	(2.969)	4.816
<b>Health and Care Total</b>	<b>7.785</b>	<b>(2.969)</b>	<b>4.816</b>
<b>Families and Communities</b>			
Maintained Schools	21.803	11.948	33.751
Academy Conversion Residual	0.000	0.027	0.027
Rural County (Countryside)	0.307	0.002	0.309
Tourism and Culture	0.034	0.129	0.163
<b>Families and Communities Total</b>	<b>22.144</b>	<b>12.106</b>	<b>34.250</b>
<b>Economy, Infrastructure and Skills</b>			
Economic Planning & Future Prosperity	22.892	(7.642)	15.250
Highways Schemes	68.777	9.784	78.561
Waste & Sustainability Projects	2.035	0.523	2.558
<b>Economy, Infrastructure and Skills Total</b>	<b>93.704</b>	<b>2.665</b>	<b>96.369</b>
Trading Services - County Fleet Care	1.200	0.000	1.200
Finance, Resources & ICT	1.945	0.460	2.405
Property	10.351	(0.476)	9.875
Corporate Leased Equipment	0.050	0.000	0.050
<b>Total</b>	<b>137.179</b>	<b>11.786</b>	<b>148.965</b>

Financial Health Indicators 2020/21

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 – £15.966m)</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 – 97.6%) This reflects early payments to suppliers to help them with cashflow during the pandemic.</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>Quarterly monitoring reports of progress against MTFS savings have been produced for the Senior Leadership Team during the last 12 months</p>	    
 Indicator not met	 Indicator not met by small margin

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

## **Corporate Review Committee**

### **Integrated Performance Report – Quarter 4, 2019/20 (for information)**

#### **Recommendations**

I recommend that:

- a. Committee Members note and challenge performance and advise of any further information and/or action required in conjunction with Quarter 1 performance 2020/21.

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

#### **Summary**

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

1. 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.
2. We recommend that Corporate Review Committee notes and challenges performance and advises of any further information and/or action required.

#### **Report**

##### **Background**

3. The Integrated Performance report is considered by Corporate Review Committee on a quarterly basis.

## Integrated Performance Report – Quarter 4, 2019/20

### 4. Summary



5. At the end of Quarter 4, the overall assessment on Staffordshire County Council's performance and financial position is Amber. Particular areas of risk are in Adult Social Care and Children's and Families. Further details are included in this report and its appendices. The latest revenue forecast outturn shows a forecast overspend of £1.728m (0.3%), compared to the forecast overspend of £4.360m (0.9%) at Quarter 3.

### 6. Health and Care

7. Quarter 3 reported further increases in the demand and prices for residential and nursing care, and this has continued during Quarter 4. The forecast overspend for long term residential and nursing placements remains at £14.7m. This will be offset by increases in client income, planned revenue carry forward, and underspends on other services. Given the unpredictability of price rises there may be further impact in 2019/20 and so this continues to be an area of high risk.



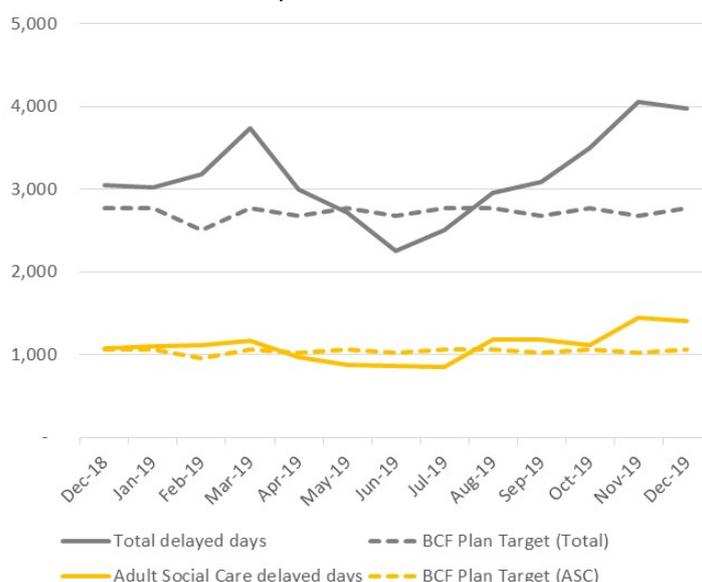
8. Longer term mitigations include the ongoing support for struggling care homes to avoid loss of capacity from the market, commissioning of block booked beds, robust application of the Council's Cost-Effective Care and Support guidance. In addition, work is underway to develop additional nursing home capacity to ensure that nursing beds are available for the rising number of older people who need them at a price the Council can afford to pay.

9. Urgent care of elderly people remains a challenging picture in Staffordshire and Stoke-on-Trent, with too many frail older people still being admitted to hospital and staying there for too long. As well as the impact on patients this can create additional demand for social care if they are not well enough to return home. The Healthy Staffordshire Select Committee is now planning wider scrutiny of urgent care as part of its work programme later this year.

10. In response to the Coronavirus outbreak across the United Kingdom, stringent new advice for households to self-isolate for 14 days if anyone is showing symptoms, together with special advice for at risk groups, means many non-essential services are being affected. These include libraries, the school crossing patrol service and day centres have had to be temporarily suspended. Schools in England, Wales and Scotland closed on Friday 20<sup>th</sup> March. Staffordshire County Council has established an internal Incident Management Team to plan and mitigate against the outbreak. Actions include supporting social care and children's services by asking its own workforce in non-critical services to consider switching to a frontline role. Staffordshire County Council has also launched a Coronavirus Kindness campaign to support those staying at home – particularly the high-risk groups such as the over-70s, those with underlying health conditions and pregnant women. Regular communication updates and signposting for response to Coronavirus are available via the [Staffordshire Newsroom](#).

11. After a slight improvement in December 2019, Delayed Transfers of Care (DTC) in January 2020 have increased to 4,073 (against a Better Care Fund target of 2,768). For the year to date, DTCs attributable to the NHS are 20,534 against a target of 14,698; DTC attributable to social care and joint are 11,600 against a target of 12,626. We continue to work with system partners to support the 'discharge to assess' model by moving people as quickly as possible from 'discharge to assess' services into long term care where necessary, and by recommissioning Home First services to ensure that the right capacity is available where it is needed. With the demand of managing the Coronavirus pandemic, we will inevitably see more pressure on health and care services and there is a potential for increases in DTCs as a result.

**Figure 1: Delayed Transfers of Care, December 2018 to December 2019**



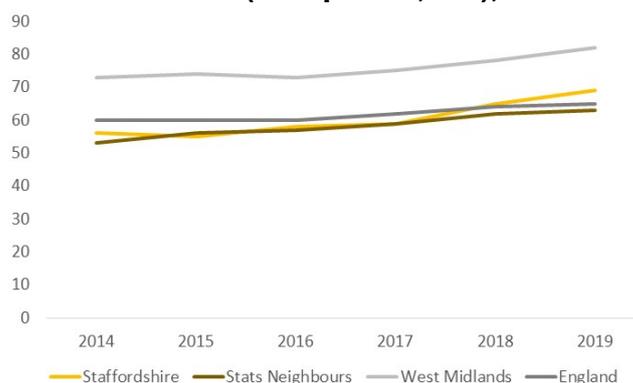
Source: Delayed Transfers of Care monthly statistics, NHS England.

12. The forecast outturn for the directorate is a saving of £3.568m, an increase of £2.573m from the Quarter 3 forecast saving of £0.995m. There remain a range of high risk MTFs saving within this position and the service is using forecast savings as well as committing to seek alternative savings options where necessary.

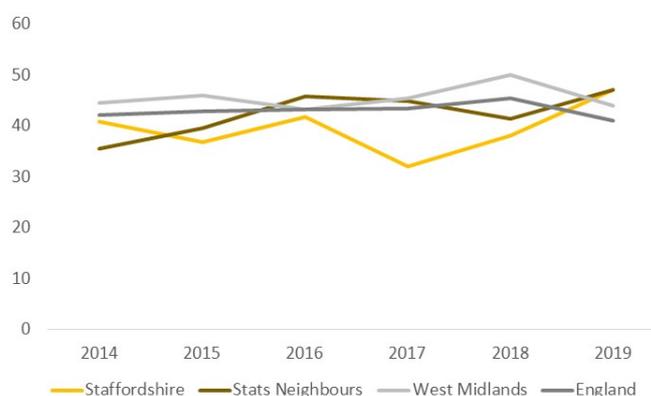
### 13. Families and Communities



14. In February 2020, the number of Our Children in Care in Staffordshire had reduced slightly to 1,222 compared to the previous month (1,228); a rate of 72 per 10,000 which is higher than the national benchmark (65 per 10,000 in 2019) but lower than regional (84.1 per 10,000 at the end of September). The number of children subject of a Child Protection Plan (680) rose slightly compared to the previous month (676). However, the current rate of 40 per 10,000 is in line with the most recent national benchmark from 2019 (41 per 10,000) and lower than the regional rate (46.3) as at the end of September.

**Figure 2: Our Children in Care (rate per 10,000), 2014 to 2019**

Source: Local Authority Interactive Tool (LAIT)

**Figure 3: Children subject of a Child Protection Plan (rate per 10,000), 2014 to 2019**

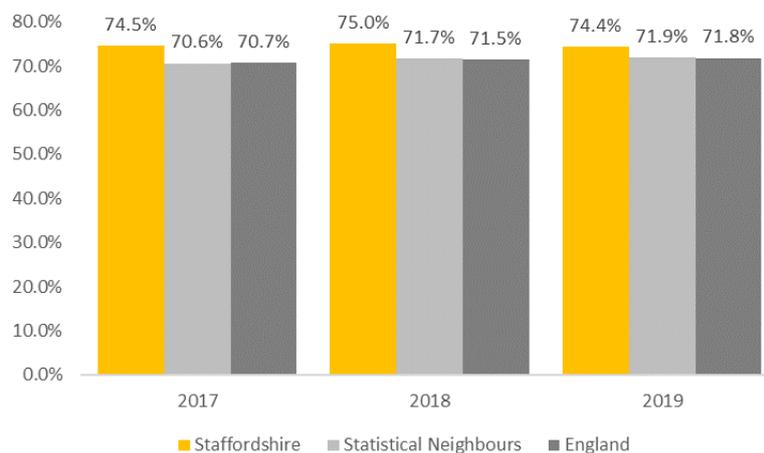
Source: Local Authority Interactive Tool (LAIT)

15. The Building Resilient Families and Communities (BRFC) programme works with complex families who often cut across police, health, education and local authority systems and are identified as being vulnerable. It takes a whole family approach to tackling these issues through a key working approach, working with families until their situation has improved. Following a successful visit from the Ministry of Housing, Communities and Local Government, a further £1.7m has been secured for the BRFC programme for an additional 12 months.
16. Public engagement around the Staffordshire County Council's Special Educational Needs and Disability (SEND) strategy is currently underway. The engagement has been launched with an online form, with future engagement to take place, as appropriate, in co-designing the new strategy with families and children with SEND.
17. In March, the Stoke-on-Trent and Staffordshire Safeguarding Children Board (SSSCB) launched its Child Exploitation Strategy for preventing, identifying and tackling child exploitation. It has been developed using the knowledge gained from local needs analysis in respect of child exploitation across both areas and has drawn upon national policy and guidance about effective practice. The

strategy encompasses three outcomes; children and young people are not victims of Child Exploitation, children and young people are protected from Child Exploitation by parents/carers, communities, professionals and businesses and children, young people and adults are not perpetrators and/or groomed to facilitate Child Exploitation.

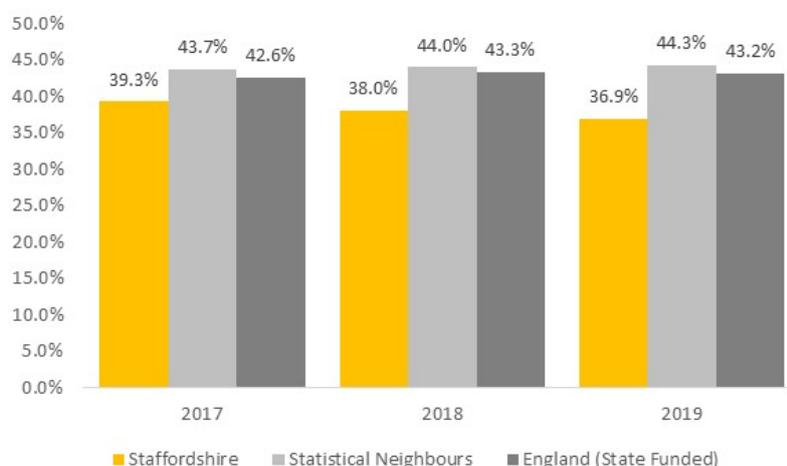
18. Ahead of the 2020/21 academic year the percentage of children obtaining one of their top three choice of schools has increased again – from 93% to 97% for Secondary schools and from 98% to 99% for Primary schools.
19. There is strong education performance in Early Years ‘Good Level of Development’, with the majority of children across Staffordshire (74%) being school ready (2019). Staffordshire remains above both national and statistical neighbours for this measure. However, validated Key Stage 4 results for 2019 show that Staffordshire’s educational performance (37%) is below the national average (43%) and statistical neighbours (44%) for pupils needing to achieve grades 9-5 in English and Maths.

**Figure 4: EYFS Good Level of Development, 2019**



Source: Department for Education (DfE)

**Figure 5: KS4 English & Maths at Grades 9 to 5, 2019**



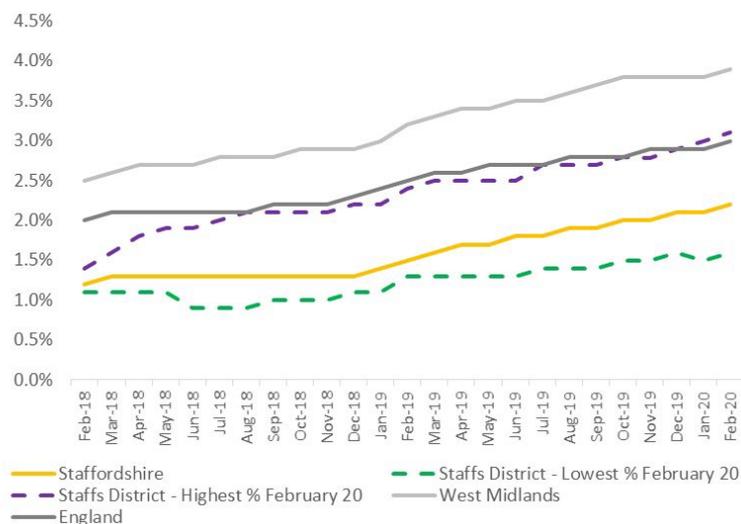
Source: Department for Education (DfE)

20. Over the last quarter Staffordshire County Council's Trading Standards service have achieved another two successful outcomes in the courts highlighting their key role in protecting the vulnerable, protection of the food chain and prevention of fraud from the taxpayers' purse. Firstly, the prosecution of a company who claimed on their website that a thermal imaging device was capable of detecting breast abnormalities eight to 20 years before a mammogram. The second case related to a restaurant/takeaway being prosecuted for allergen offences under the Food Safety Act.
21. Staffordshire's Community Managed Library model is now well established and enables Community Managed Libraries to operate within the statutory framework with a high level of support from Staffordshire County Council. The first Community Managed Libraries transferred to community management in May 2016 and their initial 5-year contracts are due for renewal in May 2021. Cabinet endorsed a reviewed support package for the community managed library model at their meeting in February, which will enable the sustainability of Community Managed Libraries and their work within communities.
22. Volunteer numbers across the Libraries & Arts and Archives & Heritage services continue to grow. There are currently 1,057 library volunteers, a 19% increase on the same period last year. To date during 2019/20 the library service has recruited 424 additional volunteers; 23 volunteers have gained employment and 10 volunteers have accessed further education. Library volunteers contribute over 87,400 hours into the service.
23. Staffordshire County Council in conjunction with coordinators Enjoy Staffordshire, and other local authority partners, are encouraging the people of Staffordshire to show the world why they love the county when Staffordshire Day returns for the fifth time on Friday 1st May 2020. The programme, which will be online-only, aims to promote the resilience, kindness and community spirit of Staffordshire's residents. Last year there were more than 5,700 tweets using #StaffordshireDay, with the hashtag trending nationally for the whole day. Full details can be found at [www.enjoystaffordshire.com/staffsday](http://www.enjoystaffordshire.com/staffsday).
24. Staffordshire County Council's Archive and Heritage Service latest exhibition was formally opened by Cllr Mark Winnington on Friday 7th March. It looks at the different ways in which people have tried to make sense of death and dying from prehistory to the present day. Volunteers and guests had the opportunity to have a first look at the exhibition which included the frieze of Elizabeth I's funeral, the door from Fairbank's undertakers and the account of a Jamaican woman's funeral celebrations.
25. In Families and Communities there is a forecast overspend of £7.458m (5.3%), an increase of £0.410m since the Quarter 3 report of £7.048m, predominantly due to a £6.925m (6.4%) overspend in Children's Services. The latter is mainly due to higher expenditure on Our Children in Care in independent sector placements. The forecast overspend in this area is £10.935m based on a 'standstill' position. This is decrease of £0.289m from Quarter 3.

## 26. Economy, Infrastructure and Skills

27. 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 9,099 jobs and delivered 2,390 houses up to Q4 in 2020.
28. Following recent poor weather conditions there has been a significant increase in customer contacts and operational response. There were over 50 incidents of property flooding in Staffordshire County, with more than 200 properties having flooded internally across Staffordshire County to date, in the wake of Storm Dennis. This is in addition to calls received regarding flooding of Staffordshire roads.
29. The Denise Coates Foundation Building, a new state-of-the-art building housing Keele University's Business School together with a "Smart Innovation Hub" and collaborative workspace officially opened on Friday 24th January 2020. Located on Keele University Science and Innovation Park, it houses Keele business students studying a range of business-related subjects. The Smart Innovation Hub is part-funded by the European Regional Development Fund (ERDF), and along with the Innovation Centre 6 provides significant opportunities for students and staff to work collaboratively with entrepreneurs and business owners. Staffordshire County Council has contributed £2.37m to the project, working with partners including the Denise Coates Foundation, Keele University and Stoke-on-Trent and Staffordshire Local Enterprise Partnership.
30. Court Bank Farm, a Staffordshire based equestrian business, supported by a Staffordshire County Council administered growth programme, has been nationally recognised, achieving first place at the British Horse Federation awards in the DIY Livery Yard of the Year section. The Farm was supported by a grant of just under £40,000 through the Staffordshire LEADER program, which is administered by Staffordshire County Council from the European Agricultural Fund for Rural Development. The funding grants of between £2,500 and £100,000 have been available to businesses with ambitious growth plans to stimulate the rural economy. LEADER aims to support projects which will create jobs or help rural businesses grow; with grants available to support farm productivity, micro and small enterprise, farm diversification, tourism, rural services, heritage and forestry schemes.
31. The proportion of Staffordshire's working age claimant count population has seen a small increase between December 2019 (2.1%) and February 2020 (2.2%). Both the regional and national averages have also seen a small increase. Claimant rates in Staffordshire remain lower than both the regional (3.9%) and national (3.0%) averages.



**Figure 6: Claimant Count, February 2018 to February 2020**

Source: Office for National Statistics (ONS).

32. Work on the Stafford Western Access Route began in Summer 2019. The new road will enable millions of pounds worth of new housing and business development to take place and will also improve traffic flow in the town centre, particularly by the railway station. The next phase of work began on Monday 17<sup>th</sup> February to divert a gas main on Madford Retail Park off Foregate Street. The driven piling work along Doxey Road finished in March, three weeks earlier than scheduled.
33. Repairs to the Chetwynd Bridge over the River Tame in Staffordshire can soon begin after it was announced on Friday 28<sup>th</sup> February that Staffordshire County Council, working with a range of partners including Historic England, Lichfield District Council, the National Memorial Arboretum, the Environment Agency and local residents, had successfully secured Government funding for £2.35 million. The repair programme is expected to last two years, however without the repairs, the bridge would need to close to traffic in three years.
34. The first 12-week phase of works to widen the A513 Beaconside in Stafford began on Monday March 30. The work will provide suitable access to Taylor Wimpey's Marston Grange housing development. It is being carried out by Staffordshire County Council's highways team on behalf of Taylor Wimpey North Midlands. All works are being paid for by Taylor Wimpey. The main road widening work is due to begin late this year, or early in 2021.
35. In Economy, Infrastructure and Skills there is a forecast saving of £2.209m (3.2%), a reduction of £0.204m from the Quarter 3 position. This is mainly due to a forecast saving of £1.472m on Waste Management which is an increase of £72,000 since Quarter 3 due to increased income and a forecast saving of £0.792m within Transport & Connectivity, mainly on concessionary fares.

## 36. Corporate Services



37. Sickness absence stands at 11.94 days lost per employee (February 2020), slightly lower than Q3 but an increase of 10% from the same period last year. Long term absence accounts for nearly three-quarters of all days lost, with the average number of days lost having increased by 12% since last year; short term absence has increased by 4% in the same period. Psychological absence now stands at 3.25 days per employee, again slightly lower than in Q3, but up 10% from last year. Staffordshire County Council continues to record sickness absence levels which are higher than the national average for public sector employees in 2019 (8.4 days) and this is something that will be addressed through Staffordshire County Council's new People Strategy.
38. A number of approaches were taken in response to the increasing levels of absence seen in Q3 and Q4, including meetings with all members of Staffordshire County Council's Senior Leadership Team (SLT), and the launch of mental health awareness training to encourage individuals to support their own wellbeing.
39. As part of the ongoing #DoingOurBit campaign Staffordshire County Council launched the 'Plastic Bottles: Recycle One and All' campaign at Wilnecote Primary School in Tamworth on Tuesday 3 March 2020. The campaign to help increase recycling rates and reduce waste will run from March to May 2020 and people can find out more at <http://reuseandrecycle.doingourbit.info> or follow #ReuseandRecycle on social media.
40. We have continued to develop our digital offer in Quarter 4. Highlights include a new [advertising area](#) for the [Getting Married in Staffs website](#) where wedding related businesses will be able advertise. This will enhance customer experience and help local businesses. New Health and Care Information, Advice and Guidance content went live in March, and since making an offer to Parish Councils to migrate and host their websites on a Staffordshire County Council template, 12 Parish Council websites are now live.
41. A key principle within Staffordshire County Council's Strategic Plan is to encourage residents and communities to help themselves and one another. The People Helping People Fund allows each county councillor in Staffordshire to invest in projects which help families who need some support, or which help people to stay healthy and independent. Councillors have sought out local projects and jointly invested in these with their local communities. This has allowed great activities to expand, or to get something started in areas where activity doesn't happen.
42. As at Quarter 4, 93 projects have received or are currently receiving funding, with a total funding of £72.9k. This has generated £226.6k, and supported projects with a total value of £300k - this is a return on investment of 3.1:1.

43. In total, 142 applications were received for the Fund, ahead of the December deadline (however some of these were duplicate or rejected). As at Quarter 4, 19 projects are still active within the system. If all projects are funded, this would mean a total spend of £102k from the overall annual budget. Supported projects vary widely across a range of preventative activity, and an Annual Report is being prepared, along with an update to Corporate Review Select Committee at the appropriate time.

### **Link to Strategic Plan**

44. Cross-cutting as the performance of the Corporate Delivery Plan represents the most significant activity that directly delivers against all areas of the strategic plan.

### **Link to Other Overview and Scrutiny Activity**

45. Detailed scrutiny of the council's activity in relation to the various areas discussed in this report takes place at the Healthy Staffordshire Select Committee, Prosperous Staffordshire Select Committee, Safe and Strong Communities Select Committee or Corporate Review Committee, as appropriate.

### **Community Impact**

46. This report represents a strategic summary of the county council's performance against key indicators, finances and delivery of priorities. The individual projects and programmes are reported separately where specific decisions are required, and community impact assessments are completed where appropriate. As such there is no community impact presented with this report.

### **List of Appendices:**

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

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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 4 forecast information.

The latest revenue forecast outturn shows an overspend of £1.7m (0.3%), compared to the forecast overspend of reported £4.4m at quarter 3.

There has been use of £2.3m of the Exit and Transition Fund which was established in 2018/19.

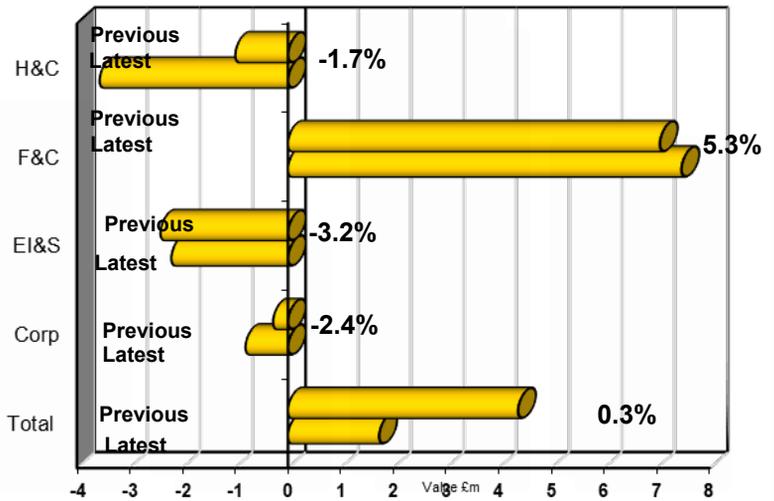
There is a forecast overspend of £6.9m on Children’s Services, after the use of £6.0m Social Care Contingency. This is due to increasing numbers of LAC and additional expenditure on placements. Restructuring of business units is underway including recruitment of social workers.

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 below the target. Those savings classified as undelivered include – Children’s Services savings, 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 £116.1m, compared to the quarter 3 position of £123.0m, a decrease of 5.6%. This projection is a fully funded position. This decrease is mainly due to the removal of Railway Station projects from the programme of £4m as these assets are not held by SCC. There have been other changes to the programme and the detail can be found within the report.

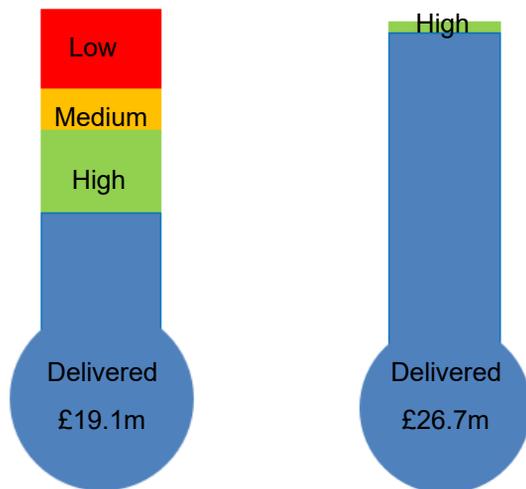
Within the national context, the retail price index is currently 2.7%, and the latest consumer price index is 1.8%. GDP is estimated to be flat in the three months to January. Current unemployment figures show Staffordshire benefit claimant rate is below that of the West Midlands and Great Britain.

## Revenue Budget Variance

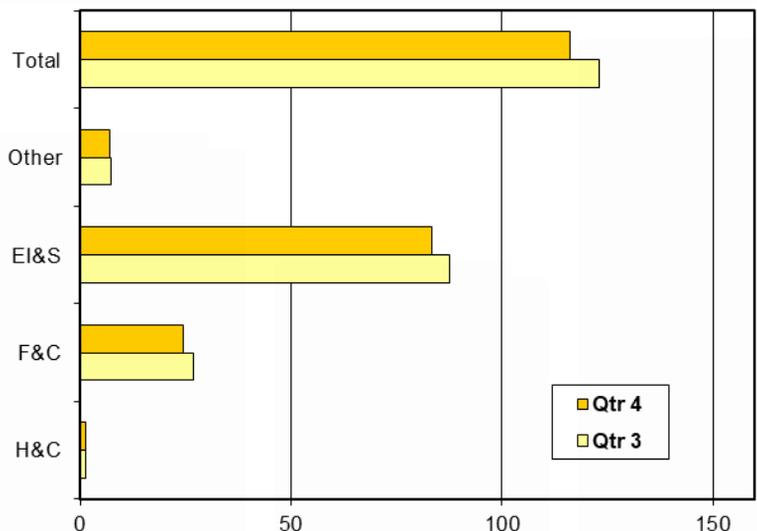


## Savings Tracker – Target £40.045m

Quarter 3 -£34.430m      Quarter 4 -£27.393m



## Capital Programme



### Introduction

### Revenue Forecast

1. The latest revenue forecast outturn (as provided in appendix 4) shows a forecast overspend of £1.728m (0.3%), compared to the forecast overspend of £4.360m (0.9%) at quarter 3.
2. The following paragraphs consider the key financial issues in each of the council's portfolios.
3. **Health and Care** **Forecast saving £3.568m (1.7%)**
4. The forecast outturn for the directorate is a saving of £3.568m, an increase of £2.573m from the quarter 3 forecast saving of £0.995m.
5. *Public Health and Prevention* *Forecast – Breakeven*
6. The breakeven position includes an assumption that the service will deliver a £0.250m saving through vacancy management and restructuring.
7. Following the recent spending review, the Public Health ring-fenced grant is expected to continue in 2020/21 with a slight increase, but uncertainty remains about its continuation from 2021/22.
8. *Adults Social Care and Safeguarding* *Forecast saving £1.267m (3.3%)*
9. Overall the service is forecast to save £1.267m, an increase of £0.184m from the quarter 3 position of £1.083m.
10. The Adults Learning Disability Team (ALDT) restructure was completed in November 2019 and delivered the planned MTFs saving. There is a forecast saving of £0.990m arising from vacancies held prior to the introduction of the new structure. This saving has increased slightly since quarter 3 due to some delays in recruiting to vacant posts in the new structure.
11. Following a review of the Mental Health North Team that transferred back to the council last year, it is forecast that a saving of £0.110m will be achieved which is slightly lower than the £0.131m forecast at quarter 3. However, there is a

## Appendix 2 – Quarter 4 Finance Report

forecast overspend of £0.203m in the Learning Disability In-House provider services due to the vacancy factor built into the budget not being met and the need to employ additional agency staff to cover absences. This is lower than the forecast overspend of £0.305m at quarter 3.

12. Within Care Systems, Adult Safeguarding and Appointeeships there is a forecast saving of £0.325m, a decrease of £11,000 from quarter 3, resulting from staff turnover and holding vacant posts.
13. The number of Deprivation of Liberty Safeguards assessments has remained the same as for quarter 3, a forecast overspend of £0.1m. The Medical Health Assessments are showing a forecast saving of £70,000. There are other variances which amount to a forecast saving of £75,000.
14. *Care Commissioning* *Forecast saving £2.301 (1.3%)*
15. Further forecast savings of £2.389m have been identified from the reported quarter 3 overspend position of £88,000.
16. The forecast overspend for Long Term Residential and Nursing Placements remains at £14.7m. This position is reduced by a forecast additional client income of £3.445m – resulting in a net overspend of £11.255m. There are further one-off revenue carry forwards of £2.1m and one-off funding streams of £5.738m, taking the overall forecast overspend to £3.417m. This is an increase of £0.238m from the quarter 3 position of £3.179m.
17. Managing the Care Home market and developing alternative approaches that can be deployed swiftly continues to prove challenging. We continue to use a Dynamic Purchasing System where possible to generate competition and apply the Cost-Effective Care and Support guidance to secure the most cost-effective placements. We are mobilising block booked beds, which offer a cost-effective alternative to spot purchasing. We are also continuing to work with struggling providers to avoid loss of capacity from the market.
18. The ongoing work to secure the most cost-effective home care for older people continues to have a positive impact, with a forecast saving of £0.466m.

## Appendix 2 – Quarter 4 Finance Report

19. There is also a forecast saving of £0.585m due to a continued fall in the number of people receiving direct payments and the recovery of surplus balances.
20. The forecast saving on the Physical Disabilities budget has increased to £0.929m, a further £0.556m compared to quarter 3. This increase has arisen in the main due to a reduction in the number of residential and nursing placements and a reduction in the forecast overspend on domiciliary care.
21. The Mental Health placement budget is forecast to overspend by £0.131m, a reduction of £0.237m from quarter 3. This reduction is due to savings in the cost of Supported Living placements following changes to contracts with care providers.
22. The Learning Disability placement budget is now forecast to save £3.696m which is an increase of £1.466m from quarter 3. This increase is due to a reduction in the direct payments forecast and a reduction in the number of residential placements. The total forecast saving is due to reductions in the number of people with Learning Disabilities being cared for in Nursing Homes as well as savings on our Supported Living contracts following a negotiation with the NHS. In addition, we are seeing reductions in the cost of placements following reviews as we try to help people be as independent as possible. We also have a forecast saving of £0.305m following the end of a long-standing agreement with Stoke CCG for Learning Disability housing related expenditure and are experiencing the full benefit of increases in health income negotiated in the second half of last year.
23. There are some forecast savings on contracts for Advocacy and Advice and Information which total £0.737m, which is unchanged since quarter 3.
24. The council continues to work with the local Clinical Commissioning Groups (CCG's) to support the discharge of people from specialist hospitals to community-based settings under the Transforming Care Partnership (TCP). Because the National Health Service England (NHSE) reduced the amount of funding that will accompany each individual, there is now a substantial cost pressures for the Staffordshire Health and Care economy. Current indications show the forecast overspend to be £1.9m in year. This overspend is partially mitigated by the ending of an agreement where the council transferred £1.250m per annum for Learning Disability clients with health needs. The

## Appendix 2 – Quarter 4 Finance Report

council has indicated to the NHSE that it cannot support further discharges under the TCP unless these are properly funded as envisaged at the outset. There remains a significant risk of further cost pressures in the future.

25. There is a forecast performance related saving on the reablement contract with the Midlands Partnership Foundation NHS Trust (MPFT) of £0.230m which is unchanged from quarter 3. This is because fewer reablement episodes are expected to be delivered than specified in the Section 75 partnership agreement.
26. Prisoners related care activities are now forecast to save £0.271m, an increase of £88,000 from quarter 3, due to an increase in grant of £45,000 and further staffing savings and lower care costs.
27. The service is paying for redundancies in year for the ADLT restructure and closure of Lichfield Day Centre which amount to a forecast overspend of £1.046m.
28. **Families and Communities** **Forecast overspend £7.458m (5.3%)**
29. The latest forecast overspend is an increase of £0.410m since the quarter 3 report of £7.048m. This forecast is net of contribution from the Council's Exit and Transition Fund, currently forecast to be £1.396m.
30. *Children's Services* *Forecast overspend £6.925m (6.4%)*
31. The forecast overspend has increased by £0.127m since the quarter 3 report. This forecast overspend is mainly due to higher expenditure on Looked After Children (LAC) in independent sector placements. The forecast overspend in this area is £10.935m based on a 'standstill' position. This is decrease of £0.289m from quarter 3.
32. The number of LAC has seen a steep and significant increase in the past year from 1,125 in January 2019 to a high of 1,257 in September 2019. The position as at 14<sup>th</sup> February 2020 is 1,214 (this was 1,235 at quarter 3).
33. There is a continued use of agency staff in both Case Management Teams East and West, which is resulting in a forecast overspend of £0.483m. The

## Appendix 2 – Quarter 4 Finance Report

adoption service is currently placing more children out of county and has a forecast overspend of £0.324m which is a decrease of £46,000 from quarter 3.

34. The Fostering service continues to face increasing pressure with a forecast overspend of £0.666m. Of this, £0.395m related to increased spending on allowance payments in particular Special Guardianship Order allowances. The rest of this overspend relates largely to additional expenditure on staffing, mostly relating to not delivering savings towards assumed vacancy levels, and lower than budgeted income.
35. Forecast savings totalling £0.303m in short stay residential, residential disability resource centres and Intensive Prevention Service are forecast due to staff vacancies.
36. Partnership and Development is forecast to overspend by £0.310m, which is a decrease of £77,000 since quarter 3. This forecast overspend includes use of agency staff and overtime of £0.268m.
37. The forecast overspend also includes £0.2m for the Children's Transformation project (stage 2). This is significantly less than the £0.9m approved in the business case to be spent in 2019/20 and is largely a result of delayed recruitment. This is likely to impact on the delivery of the programme and there is a risk that the planned number of children transferring out of care will be slower than initially expected.
38. It is anticipated that a contribution of £1.267m will be made from the Exit and Transition fund for Children's Services.
39. *Education Services* *Forecast overspend £1.800m (7.2%)*
40. There has been no change to the position from quarter 3 except for Transport related costs which are now forecast to overspend by £1.8m, an increase of £0.3m relating to the home to school transport costs.
41. The forecast saving of £0.2m from staff vacancies in the education commissioning services remain as does the £0.3m forecast saving on the pensions budget. These savings offset the SEND Assessment Team £0.5m MTFS saving which remains undelivered.

## Appendix 2 – Quarter 4 Finance Report

42. Due to continued recruitment and retention difficulties within the SEND services in Education, most notably within Educational Psychology, significant vacancy levels and salary forecast savings have arisen. This is severely impacting service delivery and temporary, but more expensive, locum support has been commissioned to ensure the Council continues to meet its statutory commitments. The forecast for this remains at £0.2m overspent. However, due to the continued over achievement of income across the rest of the service together with other forecast savings, this will be mitigated in 2019/20, but will need to be incorporated in future years plans for the service.
43. *SEND High Needs Block (Dedicated Schools Grant, Non-SCC)*
44. The High Needs Block is currently forecast to overspend by £4.9m, a slightly improved position from quarter 3 by £0.6m. This includes a transfer of 0.5% from the Schools Block of £2.4m as approved by the Secretary of State, without which the overspend would be even higher.
45. *Culture and Communities* *Forecast overspend £0.129m (2.4%)*
46. The forecast overspend is £0.129m which is no change from quarter 3.
47. Archives and Heritage is forecast to be £0.171m overspent, due to undelivered MTFS savings due to the delays in the restructuring process. It is anticipated that the bid for Staffordshire History Centre Lottery funding will be successful and that these savings will be delivered in future years.
48. This overspend is offset by a forecast saving of £37,000 on Shugborough and various minor miscellaneous budgets.
49. It is anticipated that this forecast overspend will be funded from the Exit and Transition fund to provide a breakeven position.
50. **Economy, Infrastructure and Skills** **Forecast saving £2.209m (3.2%)**
51. The forecast saving for the directorate of £2.209m is a reduction of £0.204m from the quarter 3 position.
52. *Business and Enterprise* *Forecast overspend £87,000 (7.6%)*

## Appendix 2 – Quarter 4 Finance Report

53. The service forecast spend has increased by £0.216m since the quarter 3 report. There has been increased provision for dilapidations and backdated costs for Homes England's in relation to Lymedale West Enterprise Centre and forecast overspend of £67,000 on Wood Fuels due to the mild winter. These pressures are partially offset by an additional income of £35,000 on County Farms and additional income within Planning and Development control as well as forecast savings from vacant posts.
54. *Infrastructure and Highways* *Forecast overspend £0.257m (1.0%)*
55. There has been a minor change of £9,000 since the quarter 3 report. Developments and Improvements are forecast to overspend by £0.512m due to the additional buy in of resources. There is a forecast overspend on Winter Maintenance of £0.250m and potential I+ revenue costs of £0.2m.
56. The new On Street Parking scheme has implementation delays causing a forecast overspend of £0.145m and MTFs savings in the current year which have not been delivered have been mitigated through savings elsewhere in the service.
57. *Transport, Connectivity and Waste* *Forecast saving £2.304m (5.9%)*
58. The forecast saving has decreased by £50,000 since the quarter 3 report. This position is mainly due to a forecast saving of £1.472m on Waste Management which is an increase of £72,000 since quarter 3 due to increased income and a forecast saving of £0.792m within Transport & Connectivity, mainly on concessionary fares.
59. There have been provisions for costs relating to the transfer of Household Recycling Centres (HWRC) for equipment purchases, mobilisation costs and urgent remedial work at a number of HWRC sites.
60. **Corporate Services** **Forecast saving £0.803m (2.4%)**
61. There is a forecast overspend of £0.127m, a reduction of £0.523m from quarter 3. There is agreed use of £0.930m of the Exit and Transition Fund, bringing the forecast to a saving of £0.803m.

## Appendix 2 – Quarter 4 Finance Report

62. There has been significant increase in registrar's income since December, and Blue Badge income has also been higher than forecast. In addition revised income on Legal Services is significantly higher than previously forecast plus there has been a reduction in locum costs.

### 63. Centrally Controlled

64. There is a forecast overspend of £1m on Pooled Buildings, which is no change from quarter 3. This forecast overspend is due to savings from the rental of SP2 floors 2 & 3 not being delivered in full, as well as reduction in the savings relating to the property rationalisation programme which has seen delays in delivery.

65. Landlords Repairs and Maintenance is forecast to save £0.150m on planned maintenance which has been held back as work on the property rationalisation programme progresses.

### 66. Insurance Contract Renewal

67. The County Council's insurance contracts are due for renewal on 1<sup>st</sup> May 2020 with the main property insurances currently being tendered. The intention is to award the contract for three years initially and assess the insurance market position after this point. To ensure optimum self-insured levels we will be seeking quotations based on the current £0.250m excess and alternative £0.5m excess.

68. The liability insurance renewal while not subject to tender in 2020/21, is subject to annual review with insurers and given the shortage of insurers wishing to provide cover may result in the excess being increased from £0.250m to £0.5m.

### 69. Capital Forecast

70. Appendix 5 compares the latest capital forecast outturn of £116.1m, a decrease from the quarter 3 position of £123.0m. The key reasons for this decrease of £6.9m are set out in the following paragraphs.

### 71. Health and Care

**Forecast spend £1.417m**

## Appendix 2 – Quarter 4 Finance Report

72. There has been a minor reduction of £10,000 in the miscellaneous budgets since the quarter 3 report.
- 73. Families and Communities** **Forecast spend £24.451m**
74. *Maintained Schools* *Forecast Spend £23.465m*
75. There has been a reduction in forecast spend of £2.323m since the quarter 3 report. There has been rephasing of forecast spends for Baldwins Gate & St Chads of £0.250m, and £0.520m for Developer Contributions for various schemes.
76. There has also been rephasing of forecast spends into 2020/21 for Walton Priory, Pirehill & Hassell of £0.110m, School Capital Allocations of £0.7m, and unallocated SEND of £0.820m.
- 77. Economy, Infrastructure and Skills** **Forecast spend £83.283m**
78. *Economic Planning & Future Prosperity* *Forecast spend £10.350m*
79. There has been an increase in forecast spend of £0.211m since the quarter 3 report. There have been forecast increases in spend for residual A50 costs of £0.259m and Branston Locks of £0.450m. There has been some slippage in the Forward Programme of £47,000 and rephasing of Featherstone and Tamworth Enterprise Quarter Projects of £0.173m.
80. There has been reprofiling and refining of the forecast spend of the i54 Western Extension project reducing the forecast by £0.123m, and due to a delay in sales of farms assets has resulted in rephasing of forecast costs into 2020/21 of £0.156m.
81. *Highways Schemes* *Forecast spend £72.498m*
82. There has been a reduction in forecast spend of £4.887m since the quarter 3 report. This is mainly due to the removal of forecast spends relating to Railway Stations of £3.993m as the assets are not held by SCC. There has also been a reduction in the forecast spend for Phase 1B Design Proposals for Station Street, Burton of £1.173 and B5017 Corridor Improvements, Burton of £0.252m.

## Appendix 2 – Quarter 4 Finance Report

83. There has been an increase in forecast spend of £0.567m in relation to Norton Hall Roundabout.

**84. Finance and Resources & ICT** **Forecast spend £1.990m**

85. There has been an increase in forecast spend of £0.1m since the quarter 3 report due to an increase in Edge Refresh costs.

**86. Property** **Forecast spend £3.213m**

87. There has been a reduction in forecast spend of £0.399m since the quarter 3 report. There has been rephasing of the Responding to Accommodation Change and Pre-Sale Planning costs budgets of £0.202m, and the rephasing of District Property Rationalisation budget to 2020/21 of £0.425m.

88. The forecast spend for the SP2 to SP1 move has increased by £50,000 and quarter 4 has also seen the introduction of a new project, Oakdene Demolition, with a forecast spend of £0.178m.

**89. Financial Health**

90. Appendix 6 provides a forecast outturn performance against the key Financial Health Indicators approved as part of the 2019/20 budget setting process.

91. There have been 95.4% of invoices were paid within 30 days of receiving them at the end of quarter 4, exceeding the financial health indicator target.

92. The estimated level of outstanding sundry debt over 6 months old is £16.269m, this is over the target of £14.7m by £1.569m. This is a decrease of £4.420m since the quarter 3 report. 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.

93. Client debt now stands at £7.709m, a new working group has been established to look at why clients are not paying debts and to implement ways to avoid clients getting into debt in the first instance.

## Appendix 2 – Quarter 4 Finance Report

Debtor Type	31/12/2019 £m	23/03/2020 £m	Inc. / (Dec) £m
Health Bodies & CCGs	7.542	2.277	(5.265)
Other Govt. and Public Bodies	1.773	2.062	0.289
Other General Debtors (Individuals & Commercial)	3.165	3.459	0.294
Health & Care Client Debt	8.209	8.471	0.262
TOTAL	20.689	16.269	(4.420)

## 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 4 £m	Forecast Outturn £m	Variation £m
<u>Health and Care</u>			
Public Health & Prevention	(5.704)	(5.704)	0.000
Adult Social Care & Safeguarding	38.227	36.960	(1.267)
Care Commissioning	174.172	171.871	(2.301)
Specific Grant Allocation	(1.570)	(1.570)	0.000
Exit and Transition Fund	0.000	0.000	0.000
<b>Health and Care Total</b>	<b>205.125</b>	<b>201.557</b>	<b>(3.568)</b>
<u>Families and Communities</u>			
<i>Children's Services</i>	<i>107.507</i>	<i>114.432</i>	<i>6.925</i>
<i>Social Care Contingency</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>
Total Children's Services	107.507	114.432	6.925
Children's Public Health	(4.546)	(4.546)	0.000
Education Services	24.903	26.703	1.800
Culture and Communities	5.417	5.546	0.129
Rural	2.046	2.046	0.000
Community Safety	8.108	8.108	0.000
Specific Grant Allocation	(1.710)	(1.710)	0.000
Exit and Transition Fund	0.000	(1.396)	(1.396)
<b>Families and Communities Total</b>	<b>141.725</b>	<b>149.183</b>	<b>7.458</b>
<u>Economy, Infrastructure and Skills</u>			
Business & Enterprise	1.144	1.231	0.087
Infrastructure & Highways	25.518	25.775	0.257
Transport, Connectivity & Waste	39.228	36.924	(2.304)
Skills	2.312	2.239	(0.073)
EI&S Business Support	1.063	0.887	(0.176)
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>69.265</b>	<b>67.056</b>	<b>(2.209)</b>
Corporate Services	34.125	34.253	0.127
Exit and Transition Fund	0.000	(0.930)	(0.930)
<b>Corporate Services Total</b>	<b>34.125</b>	<b>33.323</b>	<b>(0.803)</b>
<b>Traded Services</b>	<b>(1.649)</b>	<b>(1.649)</b>	<b>0.000</b>
<b>TOTAL PORTFOLIO BUDGETS</b>	<b>448.591</b>	<b>449.470</b>	<b>0.878</b>
<u>Centrally Controlled Items</u>			
Interest on Balances & Debt Charges	34.675	34.675	0.000
Pooled Buildings and Insurances	11.526	12.376	0.850
Trading Services Reserves	0.000	0.000	0.000
Contingency Position	4.000	4.000	0.000
<b>TOTAL FORECAST OVERSPEND</b>	<b>498.792</b>	<b>500.521</b>	<b>1.728</b>

**CAPITAL PROGRAMME 2019/20**

	<b>3rd Quarter Budget</b>	<b>Enhancements to Programme</b>	<b>4th Quarter Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Health and Care</b>			
Care and Independence	1.427	(0.010)	1.417
<b>Health and Care Total</b>	<b>1.427</b>	<b>(0.010)</b>	<b>1.417</b>
<b>Families and Communities</b>			
Maintained Schools	25.788	(2.323)	23.465
Academy Conversion Residual	0.027	0.000	0.027
Rural County (Countryside)	0.112	(0.012)	0.100
Tourism and Culture	0.919	(0.060)	0.859
<b>Families and Communities Total</b>	<b>26.846</b>	<b>(2.395)</b>	<b>24.451</b>
<b>Economy, Infrastructure and Skills</b>			
Economic Planning & Future Prosperity	10.139	0.211	10.350
Highways Schemes	77.385	(4.887)	72.498
Waste & Sustainability Projects	0.000	0.435	0.435
<b>Economy, Infrastructure and Skills Total</b>	<b>87.524</b>	<b>(4.241)</b>	<b>83.283</b>
Trading Services - County Fleet Care	1.700	0.000	1.700
Finance, Resources & ICT	1.890	0.100	1.990
Property	3.612	(0.399)	3.213
Corporate Leased Equipment	0.050	0.000	0.050
<b>Total</b>	<b>123.049</b>	<b>(6.945)</b>	<b>116.104</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 – £16.269m)</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 – 95.4%)</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="text-align: center;">        </div>	
 Indicator not met	 Indicator not met by small margin	 Indicator met