

<b>Report to:</b>	Strategy and Resources Committee	<b>Date:</b>	29 October 2018
<b>Report title:</b>	Performance and Finance Report - Quarter 2 2018/19		
<b>Report from:</b>	Gerald Almeroth, Strategic Director - Resources Jessica Crowe, Assistant Director - Customers, Commissioning and Governance		
<b>Ward/Areas affected:</b>	Borough Wide		
<b>Chair of Committee/Lead Member:</b>	Councillor Ruth Dombey, Chair Councillor Sunita Gordon, Lead Member for Finance		
<b>Author(s)/Contact Number(s):</b>	Mandeep Bharaj, Commissioning and Business Insight Officer, 020 8770 6863 Tom Webb, Commissioning and Business Insight Officer, 020 8770 4796 Toby Joseph, Financial Reporting Manager, 020 8770 4448		
<b>Corporate Plan Priorities:</b>	<ul style="list-style-type: none"> <li>● Being Active</li> <li>● Making Informed Choices</li> <li>● Living Well Independently</li> <li>● Keeping People Safe</li> <li>● Smarter Ways of Working</li> </ul>		
<b>Open/Exempt:</b>	Open		
<b>Signed:</b>	 Jessica Crowe Assistant Director - Customers, Commissioning and Governance	17 October 2018	
	 Gerald Almeroth Strategic Director of Resources	18 October 2018	

## 1. Summary

1.1 This report provides an overview of council performance and finance during April - September 2018 as reported through the new corporate plan and financial monitoring arrangements.

## 2. Recommendations

The Strategy and Resources Committee is recommended to:

- 2.1 Note that the new Corporate Balanced Scorecard is currently being designed and built and will be ready for the end of year Strategy & Resources Committee.
- 2.2 Agree recommended measures of success in the Outcomes Based Commissioning Plan 18/19 (Appendix A).
- 2.3 Note the projected revenue outturn position.
- 2.4 Note the projected capital position.
- 2.5 Agree one off use of reserves to fund £400k of support of the Outcome Based Commissioning Review Programme as per paragraph 3.6.
- 2.6 Agree for 2018/19 only use of reserves to fund part-time business support to Opposition Group Leadership, which has been costed at £25k in a full year.
- 2.7 Agree the capital programme adjustments shown under Appendix B.

### **3. Background**

- 3.1. The new Corporate Plan (Ambitious for Sutton) sets out the priorities for the Council over the period 2018 - 2023. These priorities will be delivered under the following themes: Being Active, Making Informed Choices, Living Well Independently, Keeping People Safe and Smarter Ways of Working in accordance with the direction of travel and future shape of the Council.
- 3.2. The 2018/19 Outcomes Based Commissioning Plan sets out the activities that will contribute to the delivery of Corporate Plan priorities. This report summarises the proposed measures of success, which will be used to show progress against the Outcomes Based Commissioning Plan 2018/19.

### **4. Key Programmes Update**

#### Adults and Childrens Transformation Programmes

The Children's Transformation Programme has delivered a new operating model which went live on 1st May 2018. The Adults Transformation Programme is on track to go live with the new operating model on 1st October 2018. The focus of both programmes has been:

- Delivering transformation programmes including re-profiling of savings.
- Redesigning new operating models - locality based.
- Developing the capacity and capability of the workforce.
- Refocusing on Early Intervention and Help.

#### 4.1. Developments of Children's Transformation Programme

- The implementation of a new operating model, following a successful pilot, followed by consultation with the workforce.

- A review of the benefits of the Children's Transformation Programme is currently being undertaken. Integral to this is evaluation of the delivery of costs reduction and savings.
- Partnership lead of a family therapeutic, early intervention service contract commissioned by multiple London boroughs solely on a payment-by-results basis and supported by a social investment financing model (Social Impact Bond). This licenced and evidence-based service strives to prevent at risk young people entering care, thus improving their life chances and avoiding the high costs of future placements. The London Borough of Sutton are forecast to refer 26 young people per annum over 3 years. For the two year period following an intervention, the London Borough of Sutton will pay £175 (which includes a Big Lottery Fund grant contribution) for every 7-day period that a young person remains out of care, thereby avoiding the significantly higher cost of placement (weighted average of different placement costs captured over a previous 4 year period for Sutton: £1,313 per week).
- Working with Local Authorities in South London on residential placements, including the successful bid of £1M from the DfE Innovation Programme.
- Strengthened Early Help through the implementation of: Family Group Conferencing, Early Help Assessment Tool, Early Help Prevention Panel, embedding Child and Adolescent Mental Health Services (CAMHS) in localities, aligning Early Help and Troubled Families and strengthened Early Help presence in Multi Agency Safeguarding Hub including Single Point of Access.
- Implementation of Restorative Conferences Practice and the development of a Restorative Practice Programme.
- Implementation of a new Fostering Framework and new fee structure for in-house carers.

#### 4.2. Developments of Adults Transformation programme

- On track for the implementation of a new operating model after consultation with the workforce.
- A review of the projected benefits of the Adult's Transformation Programme is currently being undertaken. Integral to this is evaluation of the delivery of costs reduction and savings.
- Strengths-based, positive risk taking and motivational interviewing training to be rolled out to senior managers in September with the full workforce being trained from October to January.
- There has been a targeted review of high cost placements - Supported Living, Home Care and Domiciliary Care.
- A review of all customer contact points for Adult Social Care e.g. First Contact, Initial Contact, including our commissioned service Advice Link Partnership Service with CAB, Sutton Carers and Age UK Sutton .
- Children and Young People with Disabilities 0-25 years service has been established bringing together the Children with Disabilities Team (including Portage) and Adults Transition Unit under a single Head of Service in the adults service.
- Improved the use of Continuing Health Care funds to ensure the NHS funds medical health care needs rather than the local authority.
- Improved the effectiveness of financial processes and Direct Payments.

- Commissioning of new Home Care providers.
- Implementation of Supported Living Strategy.

#### 4.3. Health and Social Care Integration Programme

The Health and Social Care Integration programme, which is largely being developed in partnership with Sutton Clinical Commissioning Group (CCG), has made great progress this year. In the last few months a consortium agreement has been finalised between the Council and NHS partners, and a joint approach to commissioning services is being developed alongside the Sutton Health and Care provider alliance. This will ensure greater integration between health and social care systems, one of the key objectives of the Sutton Plan. Starting with Reactive care in April 2018, the focus has been to provide responsive integrated care at home wherever possible and to ensure that the necessary hospital care lasts no longer than clinically appropriate.

Our aim is to simplify access to integrated, multi-disciplinary care through a single point of communication and referral. The operating model has been designed with staff, service users and stakeholders to ensure it meets the needs of Sutton residents. Residents will continue to be involved as implementation and mobilisation gets underway.

Those accessing care will see teams work together to provide a personalised, joined-up response, using the same information, care records and processes. This should mean people don't have to repeat themselves and receive the right care, quickly, in the best setting. The day to day leadership and management of staff working in the alliance will be provided by an Integrated Management Team, with representation from each provider organisation.

#### 4.4. Development of the Sutton Plan

The Sutton Plan has continued to progress over the past year. Partners<sup>1</sup> across the borough have been working on four key areas to improve outcomes for residents as follows:

- **Providing early help to young families at risk of disadvantage (Perinatal Infant Mental Health Network):** With support from the Sutton Plan this has moved from a network of professionals with a shared interest, but no formal remit/funding - to an established, funded network providing training and information. A conference taking place on 21st November 2018 has been planned to share learning and expertise more widely with professionals.
- **Domestic Abuse Transformation Board:** The Sutton Plan partners represented on the Transformation Board have adopted a multi-agency DA strategy. The Board has also been working to create thematic subgroups with clear remits and terms of reference - for example, a

---

<sup>1</sup> There were 23 partners in the original cohort: Amicus Horizon, Arts Council, Carshalton College, Clarion Housing Group, Crown Agents, Environment Agency, Epsom & St. Helier University NHS Trust, Institute of Cancer Research, Jobcentre Plus, London Borough of Sutton, London Councils, London Fire & Rescue, Metropolitan Police, Royal Marsden NHS Foundation Trust, South London Partnership, South West London & St. George's Mental Health NHS Trust, Successful Sutton Business Improvement District, Sutton Centre for the Voluntary Sector, Sutton Clinical Commissioning Group, Sutton College, Sutton Housing Partnership, Sutton Primary Heads Group, Sutton Secondary Heads Group, Volunteer Centre Sutton and Wandle Housing.

cross-sector DA housing group has recently launched with support from the nationally recognised Domestic Abuse Housing Alliance.

- **Age Friendly Borough:** Age UK Sutton has been confirmed as lead partner and work is being scoped and progress is expected in quarters 3 and 4.
- **Working together to make the borough a more attractive** place to live, work and play for all age groups, maximising our potential for economic growth and forestalling the potential 'missing generation.'

Central to the principles underpinning this work<sup>2</sup> and the workstreams above, is ensuring that residents have been engaged with throughout this process - this includes those that regularly engage with public services or take part in formal consultations, and those that do not. This work has continued as part of the Sutton's Future consultation.

In addition to this, work has been conducted to look at how the Sutton Plan partners can best work together in the future. This has involved:

- Shifting the vision to implementation: considering how LBS and partners should translate ambition to collaborative practice?
- Considering what current capacity and capability do the Sutton partners have to support new ways of working and where are the gaps?
- Thinking through what system infrastructure needs to be built? For example governance, data sharing agreements and new methods of shared service delivery.
- A review and validation event was held with partners in the summer and further events are planned to share progress with a wider group of members and partners over the next three months.

#### 4.5. Digital Programme

The Digital team were the lead for a recent successful South London Partnership bid to the Business Rates Retention Strategic Investment Pot. Our 'Internet of Things' bid was awarded £4m. The project will pilot the best way of delivering a sustainable multipurpose 'Internet of Things' network of physical devices, vehicles, other items embedded with electronics, software, sensors and connectivity. This initiative will enable these objects to connect and exchange data across Council boundaries to assist with the improvement of existing, and development of innovative new services.

The team have also led the implementation of the new 'MyAccount' service which went live on the 22nd of August. This is a new account for all council tax and benefits customers (around 20,000 active users) as well as Landlords (around 700 users). The new system replaces the previous system (Gandlake) entirely and will ensure a more streamlined integration with the councils back office systems and website.

---

<sup>2</sup> Five Sutton plan principles as agreed by partners are: Think Sutton first, Work across sectors, Get involved early, Build stronger, self sufficient communities, Provide seamless, coordinated services

Our Digital Infrastructure work has been progressing, with a key focus on delivering full fibre broadband to social housing estates in the borough. This is an exciting opportunity to enable fibre broadband providers to connect our social housing tenants to gigabit speed connectivity, supporting digital inclusivity.

Sutton's Smart Place project focuses on finding innovative solutions, including the use of digital technology, to improve the lives of people in the borough. We have launched an app in partnership with BetterPoints Ltd to encourage residents to travel more sustainably through earning rewards for active travel which can be swapped for High Street vouchers or donated to charity. We ran a virtual Treasure Hunt for families in 5 of the borough parks over the summer to encourage outdoor activity and use of the parks. The use of the app, including its upcoming developments around air quality alerts will raise people's awareness of air quality.

Following our successful procurement process the Smart Place project is also working with an SME called MySense to plan a pilot for the use of innovative assistive technology to support older people to live independently. This will be an opportunity to understand how home-based sensors, and wellbeing wearables can be used to monitor someone's health and identify any signs of decline or causes for concern so that information, advice and support can proactively be offered when it is needed.

We are also working with an organisation called Ogenblik to explore a solution to support young adults with learning disabilities to travel independently. This has been facilitated through the Digital Catapult's 'Things Connected' programme which connects SMEs to local government to solve real challenges.

#### 4.6. Domestic Abuse Transformation Programme

As part of the Sutton Plan, public service partners in Sutton have identified the ambition of "refocusing our energies on the victims and perpetrators of domestic abuse". A multi-agency Domestic Abuse Transformation Programme (DATP) was launched in 2017, with the aim of improving the response to domestic abuse (DA) at all levels and significantly reducing DA in Sutton in the long term. The programme is overseen by a strategic 'Transformation Board' with representation from a broad range of organisations and sectors including the council, police, voluntary sector, fire service, NHS, housing and schools. The vision for the programme is that:

*"By 2020, Sutton will be known as a place where domestic abuse is not acceptable. This means that:*

- *People affected by DA will feel empowered to come forward early, knowing there is safe and effective support in place.*
- *Perpetrators will be held to account, managed effectively and supported to make lasting change.*
- *All public services will be working together with the community to prevent domestic abuse from happening."*

The first year of the programme (April 2017- March 2018) was the Analyse phase, the aim of which was to gather a strong evidence base for the programme, establishing the strengths and

weaknesses of the current approach in order to identify opportunities for improvement. The majority of this evidence has been drawn from two key activities, namely:

- A 'mapping and gap analysis' exercise, undertaken by Standing Together Against Domestic Violence (a national charity commissioned to support the programme in a consultancy role).
- A research project lead by the council's communications team (with support from Standing Together). This included both qualitative and quantitative research activities, and resulted in a research report summarising respondents' views and understanding about domestic abuse in Sutton.

The findings from this research have informed a multi-agency strategy and corresponding delivery plan, which were adopted by the Safer Sutton Partnership Board on 20th June 2018, and aim to address the response to DA at all levels - from awareness raising, to targeted early intervention, to specialist and crisis services. The delivery plan has been endorsed by Standing Together and will form the basis of DATP work over the next two years.

The council has committed £1.25m to the programme over three years (2017-20), with the aim of achieving an effective, sustainable and resilient coordinated community response (CCR). This financial investment will allow the Sutton Plan partners to invest in tackling domestic abuse in a transformative way, and is an important enabler of the work we will do over the next two years. However, the foundation of an effective CCR cannot be resources alone, and strong relationships and new ways of working will also be fundamental to transformation.

#### 4.7. Outcome Based Commissioning Review Programme

In December 2017, CMT agreed to a programme of 4 outcome-based commissioning reviews, to look at the overall vision and outcomes for the Council, and to recommend how best to commission services to achieve those four main outcomes. This programme commenced in May 2018 and will run for 18 months, with each review run as a project as part of the overall programme.

An outline resource was also agreed to deliver each review. This will cover additional staffing, backfilling of posts and service support where needed. This totalled £400K and is expected at this time to be incurred over 3 years as follows: £100K 2018/19, £200K 2019/20 and £100K 2020/21. £60K of costs have been incurred so far which is for external consultancy support on an interim basis to cover the initial 2 Lead Commissioner roles for the Being Active and Making Informed Choices reviews while the Commissioning Unit is being set up, and to design an overall programme plan.

It is recommended that this £400K is funded from the earmarked strategic investment reserve.

### 5. **Council Performance April to September 2018 - Corporate Balanced Scorecard**

- 5.1. The Corporate Balanced Scorecard is a selection of indicators which feed into, and represent the council's priorities. The scorecard also includes summary information on the workforce, risks, finance and customer care.

- 5.2. Now that the Council has adopted a new Corporate Plan, a new Corporate Balanced Scorecard is also required. Work is currently underway to align performance indicators with the new council priorities and construct the scorecard within Pentana. The Performance and Finance Q4 report (18/19) will introduce the new scorecard and will report on progress against the newly selected indicators. Monthly service level performance reporting to Directorate Management Teams continues as usual, monitored at end of month performance 'challenge' sessions.

#### Outcomes Based Commissioning Plan

- 5.3. The 2018/19 Outcomes Based Commissioning Plan sets out the activities that are intended to contribute to the delivery of Corporate Plan priorities.

#### *Key Achievements (April - September)*

#### **Being Active**

- Progress on the delivery of London Cancer Hub (LCH) has continued. The Vision is to create the world's leading life-science district specialising in cancer research, drug, discovery, treatment, education and enterprise. The Council has completed the acquisition of a further 2.2 hectares of land from Epsom and St Helier NHS Trust, and is in the process of purchasing a further 0.4 hectares from the Trust before the end of this calendar year. All Wave 0 projects (Harris Federation Secondary School, Institute of Cancer Research's Centre for Cancer Drug Discovery and the Royal Marsden's 'Maggies Centre') have commenced construction.
- The Council has agreed its preferred delivery model and procurement strategy to appoint a developer partner who will work with the Council to deliver the LCH vision. The School Expansion Programme (SEP) was initiated to ensure that the Authority fulfilled its statutory duty to provide sufficient school places for Sutton children. The SEP has successfully delivered sufficient additional school places for each admission year since 2009. Overall the programme has provided:
  - 4,445 permanent additional primary school places
  - 1,926 permanent additional secondary school places at existing schools
- Sutton Central Library - the official opening of the newly refurbished library took place on 17th May 2018. This houses new facilities including the cafe available to both the public and staff. The library is being used by students who have a dedicated area allowing them to study for exams. Additional upgrades to the space include a family history centre, a children's library on the ground floor and new study spaces and quiet zones.
- Whitehall Museum- Whitehall Historic House (formerly known as Whitehall Museum) is a £1.1 million Heritage Lottery funded project in the London Borough of Sutton and has undergone substantial reconfiguration and restoration. Following on from this. it re-opened its doors to the public in June 2018 and is accessible to more people as 70 per cent of the museum's interior and its landscaped garden are now accessible to wheelchair users. Working with the client and the volunteers who run the building, a series of gallery, café and exhibition spaces were designed, supplemented by two extensions which house a museum shop, lift and accessible bathrooms. While the historic fabric did not lend itself to environmental improvements a few

sensitive alterations have been made where they could demonstrate a significant benefit. For example, switching to LED lighting enables a reduced yearly carbon emissions with a goal of reducing this even further in the future.

- Beddington Park Project - As part of the requirements for the Heeritage Lottery Fund (HLF) funding at the completion of the physical works stage of the Beddington Park Project, a Green Flag Award must be applied for and achieved. In order to get an idea of any issues that might affect this achievement, officers applied for the award a year early. Following independent judging on 25th June 2018 the Park was awarded its Green Flag Award on 5 July 2018 with some helpful and positive feedback for next years application. The flag itself is now flying proudly over the newly refurbished children's playground.

### **Living Well Independently**

- Sutton Council and Sutton Housing Partnership (SHP) launched their new shared communications service as part of their commitment to working closely together to deliver the best possible services for council tenants and leaseholders in the borough. SHP is the council's arms-length management organisation (ALMO), created in 2006 to manage its housing stock. The organisation provides landlord services to Sutton Council's 6,000 social housing tenants and 1,500 leaseholders.
- As explained earlier the On-line Revenue and Benefits Portal implemented by the Evolve team whose purpose is to engage and empower residents through technology and to make improvements in the way we work. Following implementation it's now easier for residents to engage with the Council without having to call in or visit our offices, and the project will generate £12K of savings over three years through the change in system, and also anticipates a reduction in contact to the Revenues and Benefits Contact Centre.

### **Keeping People Safe**

- Domestic Abuse Transformation Programme - As noted earlier in this report, the Sutton Plan partners represented on the DA Transformation Board have endorsed a multi-agency strategy and corresponding delivery plan which defines the key programme priorities over the next two years. The delivery plan was strongly endorsed by Standing Together Against Domestic Violence (supporting the programme in a specialist consultancy role) and work is now underway to implement it. A particular focus of work over the last three months has been the launch of a DA 'Housing Operational Group' in Sutton; in line with best practice and with support from the nationally recognised Domestic Abuse Housing Alliance (DAHA) the group will support public and private sector housing organisations to improve their practice in relation to domestic abuse, to share learning and ideally to undertake the full DAHA accreditation process. SHP have already committed to undertake DAHA accreditation in the near future and are encouraging others in the local sector to follow.

### **Smarter Ways of Working**

- Introduction of the Commissioning Unit (Phase 1) - This was concluded to time with go live from 1 September 2018 and remaining internal appointments to management posts



completed in the first two weeks of September. The creation of the Unit will deliver agreed savings within People’s Directorate through bringing together commissioning and quality assurance teams from People’s, CEX and Public Health and create the capacity and resource to support the delivery of Outcomes Based Commissioning. Staff were involved in developing the vision and design of the Unit and a number of staff have gained opportunities for career progression during implementation.

Customer Care

There have been 109 formal complaints received in quarter 2 with 98% of these being resolved at stage 1 and 2% escalated to stage 2. The complaints figures by directorate were as follows:

Directorate	Number of Complaints	Responses within time
Chief Executive’s	1	1 (100%)
Resources	11	10 (91%)
EH&R	65	25 (38%)
Peoples - Children’s	24	8 (33%)
Peoples - Adults	9	8 (89%)

In relation to People’s Directorate complaints, this quarter has seen a significant improvement in Adults performance following a detailed review and analysis. A similar piece of work is underway in Children’s and it is anticipated that a similar improvement will be seen next quarter in that area. Similarly in EH&R the issues underlying performance this quarter are being tackled and improvements are anticipated next quarter.

There were 953 Member enquiries, 89% were for EH&R. The table below breaks these down by directorate:

Directorate	Number of Member Enquiries	Responses within time
Chief Executive’s	21	17 (81%)
Resources	47	38 (81%)
EH&R	847	675 (80%)
Peoples - Children’s	32	20 (63%)
Peoples - Adults	27	23(85%)

In addition to the above, there were 450 FOI requests received in quarter 2 (an increase on the 372 received in quarter 3) compared with 403 in the same quarter the previous financial year. Of these 450 requests 81% were responded to within time.

#### Workforce (excluding schools & colleges)

The Council's workforce size has continued its long term decrease in the light of continued reductions in funding and also staff moving to different delivery models through re-organisation - the most recent addition being the introduction of the Commissioning Unit (Phase 1), which went live in September 2018.

The Workforce Equalities Report together with our Gender Pay Gap Report which identified a gap of 5.4% in favour of men has led to work being carried out with the involvement of the Women's Network to identify any barriers to women's progression into more senior roles, as well as the development of a pilot mentoring scheme for the Women's network. We have recently commissioned **Diversity by Design** to work with us, who are a consultancy that support organisations to use diversity as a catalyst for positive change.

## 6. Financial Performance - second quarter 2018/19

### Revenue Budget

- 6.1. The latest available projected General Fund revenue budget outturn position, including commentary on key variations, to the end of month 5 (August 2018) is set out below.
- 6.2. The projected revenue budget outturn is for an overspend of £1.539m (1.1%). This is broken down as follows:

	2018/19 Latest Budget	2018/19 Projected Outturn	2018/19 Projected Outturn Variation	
Directorate	£'000	£'000	£'000	%
Chief Executive's	20,975	20,585	-390	-1.9%
Environment, Housing and Regeneration	32,653	33,285	632	1.9%
People Services	92,601	94,795	2,194	2.4%
Resources	20,991	20,544	-447	-2.1%
Non-Service Budgets	-18,755	-19,205	-450	-2.4%



Core grants	-7,115	-7,115	0	0.0%
<b>Total</b>	<b>141,350</b>	<b>142,889</b>	<b>1,539</b>	<b>1.1%</b>

### **Chief Executive's**

- 6.3. Chief Executive's is currently projecting an underspend of £390K. The majority of the underspend (£286K) is in the Wellbeing area and relates to new Health funding secured for Inclusion Centre clients. There are also underspends in Customer, Commissioning & Governance (£71K) and Public Health (£32K) mainly due to staff vacancies.

### **Environment, Housing and Regeneration Directorate**

- 6.4. EH&R is projecting an overspend of £632K at month 5. There are a number of ongoing actions in place to curtail this overspend, which will materialise by the end of the current financial year.
- 6.5. There are various pressures within the Directorate which are impacting on the projected outturn position, including reduced Highways income arising from increased compliance by Statutory Authorities and reduced income arising from a reduced number of crossover applications. Proactive and reactive highway maintenance budgets are therefore under review to bring revenue overspends in to budget alignment.
- 6.6. The Directorate overspend also includes £80k costs, mainly associated with clear up and legal costs in relation to unlawful encampments. This also includes a one-off cost of £28k to remove a large flytip (not associated with the encampments).
- 6.7. In addition, the Directorate is reporting lower than expected off-street parking income, mainly related to reduced income from the Times Square Car Park, due to reduced activities and footfall in that part of the Town Centre. The introduction and planned opening of more units within the Times Square Shopping Centre site is being monitored, as this will improve income generated through the attached car park

### **People Directorate**

- 6.8. The People Directorate is currently reporting a £2.194m overspend. This is detailed in paragraphs 5.9 to 5.14.

### **Children's Safeguarding**

In 2018/19, this service is currently projecting a £1.9m overspend, the reasons for this are set out in paragraphs 5.9 to 5.11.

- 6.9. Leaving Care (LC), including Unaccompanied Asylum Seeking Children (UASC) - £1.7m overspend

Forecast spend for 2018/19 is based on existing numbers of clients in LC but with increasing numbers of UASC under 18 referrals, now at 32 (12 new clients since 1 April), but not likely to

increase any further in the short term due to reaching current maximum number of Home Office rota referrals. The average number of UASC clients supported over the last 3 years has been around 20, this 60% increase in numbers therefore could not have been predicted. Approximately 50% of direct client costs for UASC clients can be claimed through the Home Office UASC grant. Projections also include an estimate to allow for new responsibilities in supporting Care Leavers aged 21-25.

6.10. Placements - no projected variance

A budget saving of £1m is planned to be delivered through reduced use of high cost placements and seeking alternative more cost effective accommodation. To achieve the saving the Council must reduce the average number of placements across the year so there will be a focus on monitoring the actual numbers and trends of high cost residential placements, the number of clients in high cost residential placements has reduced from 20 to 15 in the last quarter and there are no projected variances expected for this budget currently. Projections therefore expect the £1m budget saving target to be achieved in full.

6.11. Adoption Allowances, Special Guardianship and Residence Orders - £0.2m overspend

The current level of spend indicates that a similar variance in these areas of spend is expected to that recorded in 2017/18 (£0.2m). This will be tracked across the remainder of the year. Increased spending in this area is more desirable than on placements due to providing a lower cost option with improved outcomes. Spending on placements will decrease as the amount spent on Special Guardianship continues to increase.

6.12. Education

The service is currently reporting a £430K overspend for the General Fund based on reprofiled savings estimates provided by the SEN transport service. The service is reporting a revised forecast saving of £342K against £772K target in 2018/19 with the remaining savings moving into the 2019/20 and 2020/21 financial years over a three year programme.

This is in part because of growing demand. The SEN target transport savings were based on Education Health and Care plans (EHCPs) remaining in the region of 1,550 (2017/18) where in fact they have increased to 1,658 as of August 2018. Whilst the underlying assumption on demand has proved ambitious, the service has demonstrated cost avoidance. The proportion of young people with an EHC plan that LBS/Cognus provided travel assistance to has dropped from an average of 42.3% in 2017/18 to the current rate of 39.3% in 2018/19 (as of July 2018). Assuming this rate is maintained, this will avoid the equivalent of 40 additional pupil journeys this year through a more robust application of the Council's transport policies. Although an estimate only, based on the current average costs of SEN transport (£9.9K per pupil), circa £400K of costs will have been avoided this year as a result.

As well as increasing demand, there have been a number of other issues the service have encountered including:

- Fewer savings from the revised post 19 Transport policy than originally estimated - for example, whilst the service has worked with parents and YP to phase out SEND transport for post 19 pupils, support through the use of Independent Travel Training has been deployed to enable that change - this has delayed potential savings.
- Independent Travel Training (ITT) is working but on occasions the service has needed to negotiate a longer lead in time to introduce ITT which has reduced forecast savings.
- Some headway has been made in improving the usage of vehicles, but there were a larger number of late applications this year than usual (resulting from LBS requiring reapplication) which has led to less efficient routes. Transport service will undertake another exercise during the autumn term to rationalise routes further. Officers are considering options that may be available to increase savings in 2018/19 to cover the pressure identified above. To a certain extent the ability for the service to accelerate savings will be limited by any underlying growth of EHC plans for the remainder of the year.

#### 6.13. Dedicated Schools Grant (DSG)

The DSG had an overall in-year underspend in 2017/18 with a small deficit carry forward to 2018/19 of £40k. In 2018/19, the service is currently reporting a net underspend of £218K though there are a number of reasons to be cautious at this stage. High needs budgets are under pressure both for Sutton and more widely across London. To mitigate the financial risk this presents, Cognus Ltd are undertaking a review of individual education, health and care (EHC) plans to identify existing demand and options for meeting this demand. The Council has a statutory responsibility to provide services as specified in EHC plans and as a result there is risk that costs will exceed budget available if significant demand for additional support is identified through the review. Cognus Ltd will need to explore how we can meet identified needs in a cost effective manner to ensure the financial risk is mitigated as far as it can be. This is being monitored throughout the year.

#### 6.14. Adult Social Care

Adult Social Care is currently reporting a net underspend of £83k. Early indication shows that the overall client numbers are in line with outturn 2017/18 (1,830 clients) versus (1,828 clients) in month 5 and versus 2018/19 budgeted number of (1,831 clients). The client numbers do fluctuate between long term placements and domiciliary care but the total overall spend is expected to come within the Adult Social Services budget for 2018/19 which was constructed around the 2018/19 client activities.

The Better Care Fund is currently forecasting a £486K joint overspend. Under the risk share agreement with Sutton CCG, the Council is liable for 34% of any overspend, so that currently amounts to £165K which has been included in the table in 5.2 above. This mainly relates to an overspend currently being forecast by the Community Equipment Services of £240K. The Council has asked the provider for a detailed explanation for this forecast. Based on information from previous years, there could be a credit due to the Council later in the year for recycling some of the equipment but this will not be factored in the projections until it is confirmed. Also, the Start Service (Reablement) is forecasting a £261K overspend due to increased demand in the service. These overspends are partially offset by minor underspends in other areas.

### 6.15. Resources Directorate

Resources is currently reporting a net underspend of £0.447m. The reported underspend is predominantly within Finance and the Business Services teams. Finance has achieved savings of £84K above the target built into the budget. In addition there are presently vacancies being held in a number of finance teams and some of these will be released permanently to deliver budget savings in the 2019/20 budget.

Business services accounts for £0.231m of the underspend the largest of this is within the Revenue and Benefits service. The Authority is in receipt of an additional £106k New Burdens Grant. The service is also estimating to and additional £0.185m in Housing Benefit Overpayments.

The Conservative majority opposition has requested an Opposition Group Leadership Business Support Officer. This new post has been evaluated at Grade 7 in the People Plan. It is currently estimated at 0.6 FTE or 21.6 hours which is a cost of £25K in a full year. The requested post is being recommended to be funded from reserves in 2018/19. For future years, the post will be funded through a growth bid to be approved as part of the 2019/20 budget setting process.

### 6.16. Non-Service Budgets/ Core grants

There is currently a forecast underspend of £0.45m on the Minimum Revenue Provision (MRP) which is included within the Non Service Budget. This is as a result of a review into the Council's approach to providing for debt repayments which resulted in a reduction to the level of annual MRP contribution. This reduced charge was identified as an underspend as part of the 2017/18 outturn position, but was too late to be incorporated into the 2018/19 budget setting process.

### Capital

6.17. The projected capital outturn after the proposed adjustments is shown in the table below:

	Latest Budget	Projected Outturn	Projected Variation
Directorate	£'000	£'000	£'000
Chief Executive's	2,378	2,378	0
Environment, Housing and Regeneration	60,471	52,567	-7,904
People	39,406	35,104	-4,302

Resources	14,184	14,184	0
<b>Total</b>	116,439	104,233	-12,206

- 6.18. The variations shown above relate to under or over spends on individual schemes resulting in an overall projected net underspend on the programme currently of £12.206m. The main variations are firstly as a result of rephasing to future years. Variations consist of £1.019m on the Mandatory Disabled Facilities Grant that is usually delayed as claims are committed but are unlikely to spend by year end and £7.5m on the temporary accommodation programme as there is still a need to await returns of tenders and receive further feasibilities on suitability of sites. There is also rephasing of £1.293m on Town Centre Masterplan Delivery to fit the current development plan, and £0.872m for the Parking Strategy because of delays due to decision not to consult during Belmont by-election as part of purdah. Further rephasing of £0.750m for Education Capital Maintenance is due to a number of larger schemes that will not commence until 2019/20, £0.362m on Schools Devolved Formula Capital following school updates of profiled spend, and £1.119m on Primary School Expansion mainly on the expenditure for the new primary school in Hackbridge.
- 6.19. Further reductions in expenditure and resources comprising of £3m for Sutton Decentralised Energy Network which was rephased to 2018/19 but is not required as the company will be meeting future costs directly; a reduction of expenditure and grant from EFA on Secondary School expansions of £2.111m mainly for the new Secondary School at Belmont after project costs have been reviewed; and a reduction of £0.914m on the LA New Build projects to reflect a decision to switch to affordable units resulting in a reduction in shared ownership sales.
- 6.20. The reductions have been partially offset by additional requirement to fund the Property Acquisitions in 2018/19 of £4.607m by switching from HRA to General Fund borrowing as reflected in the HRA Business plan, and a further tranche of land acquisition for the London Cancer Hub of £2.368m.
- 6.21. It should also be noted that over the life of the four year budget period there is a potential overspend of £1m on the project costs for the Estate Regeneration Programme. This forecast overspend is on preliminary costs in the assessment (by external advisers and residents) of Estate Regeneration proposals and delivery mechanisms. The existing MHCLG grant is not sufficient to cover these additional costs. Further work is needed to review costs, assess if further grant is available and analyse the proposed business cases to see if these costs can be absorbed within individual projects.
- 6.22. The Committee is asked to approve the proposed capital budget adjustments as set out in Appendix B. These reflect rephasing of work between years and the utilisation of new capital resources into the programme. The figures in the table above assume that these changes have been approved.

## 7. Corporate risk register

- 7.1. An overview of the key corporate risks including any new risks or changes to existing risks will be provided in the Q3 Performance and Finance report.

## 8. Impacts and Implications

### Financial

- 8.1. These are covered in the report.

### Legal

- 8.2. There are no specific legal implications arising from this report

## 9. Appendices and Background Documents

Appendix letter	Title
A	<a href="#">Outcomes Based Commissioning Plan 18/19</a>
B	<a href="#">Recommended Capital Budget Adjustments 18/19</a>

Background documents
None

Audit Trail		
Version	Final	Date: 18 October 2018
Consultation with other officers		
Finance	Yes	Lyndsey Gamble
Legal	No	N/A
Equality Impact Assessment required	No	N/A

This page is intentionally left blank