

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1)	<b>Meeting:</b>	<b>Self Regulation Select Commission</b>
2)	<b>Date:</b>	<b>12th July 2012</b>
3)	<b>Title:</b>	<b>CYPS Budget 2012/13</b>
4)	<b>Directorate:</b>	<b>Children &amp; Young People’s Service and Resources</b>

### 5 Summary

This report presents a strategy for ensuring that the Children & Young People’s Service has a budget which is adequately resourced. Delivery of that Budget will require change in the way services are configured, and work is already well in hand to effect that change, led by staff in CYPS Directorate. Furthermore, Council-wide resource is being marshalled to support CYPS staff in the implementation of change. Details of the headline pressures within the Children and Young People’s Service budget and the actions implemented, or to be implemented to mitigate the pressures are also set out in this report. Appendix 1 provides an analysis of the Directorate’s further proposed savings and progress against delivery of these savings, with an assessment of risk.

The Directorate’s Budget Savings are monitored through an ‘Action Plan’ which is maintained on an ongoing basis with progress considered at the fortnightly Directorate Leadership Team meetings, with the Chief Executive and Strategic Director of Resources attending these meetings once a month.

### 6 Recommendations

**Self Regulation is asked to:**

- **Note the proposed actions to mitigate CYPS Directorate pressures and to ensure that expectations regarding service delivery can be achieved within the approved budget**
- **Note the progress to date regarding delivery of savings as shown in Appendix 1**
- **Note the use of Council 2011/12 underspends to finance the one-year-only residual pressures within the CYPS 2012/13 Budget.**

## 7 Proposals and Details

- 7.1 Children & Young People's Directorate have experienced significant pressures over recent years. The Service overspent by £3.99m in 2009/10, underspent by £0.1m in 2010/11 (however this was after additional in-year budget approval of £5.1m) and has a forecast overspend of circa £4.25m for 2011/12.
- 7.2 Regionally, one of the major pressures on Council budgets has been the high number of children looked after. During 2011 the overall level rose by 4.37%. In the same period the number in Rotherham fell by 2.04% largely due to efforts to increase the number of in house foster placements and effective multi agency management action. Had this not happened the 2011/12 outturn would have shown an even more significant deficit
- 7.3 During the Budget Setting process for 2012/13 it was recognised that due to the significance of the ongoing pressures within CYPS services, any Directorate savings would not assist in closing the Council's funding gap but would instead, and no less importantly, be used to mitigate spend in excess of the Directorate's budget. (Service 'Cost Reductions').
- 7.4 In addition to the 'cost reductions' approved as part of setting the Council's 2012/13 budget, a number of additional savings have been identified which further help to mitigate CYPS service pressures. The current position is summarised as follows:

	£'000
<b>Headline Pressure before approved 'Cost Reductions'</b>	<b>5,107</b>
Less: 'Cost reductions' approved during 2012/13 Budget Setting	(1,575)
<b>Pressure after 'Cost Reductions'</b>	<b>3,532</b>
Less: Further Savings Proposals (See Appendix 1 below)	(2,257)
Less: Contribution from Health (Health and Well Being Strategy –see 7.5 below)	<b>(400)</b>
<b>Revised Forecast Pressure (2012/13)</b>	<b>875</b>

- 7.5 As a result of recent negotiations with Health in relation to the Health and Well-being Strategy a contribution of £400k has been agreed for the current year to support the Directorate thus reducing the 'revised forecast pressure' above to £875k. The Directorate continues to identify further options to mitigate this including savings as a result of additional staff leaving through retirement or voluntary severance.
- 7.6 In addition to the savings included in the table above (£1.575m and £2.257m) the Directorate is also required to deliver further planned savings of £1.364m relating to savings included in the Medium Term

Financial Strategy (MTFS) proposed and agreed in previous budget rounds. (This is in line with the expectations of the other three Directorates of the Council.) These actions will ensure that the CYPS Budget will be in balance by 2013/14. The forecast pressure for 2012/13 of £875,000 is therefore a one-year-only pressure.

- 7.7 The Directorate has developed and is maintaining a Budget Savings Action Plan to track progress on delivery of the savings. Progress against the Action Plan is considered at fortnightly Directorate's Leadership Team (DLT) meetings. The Chief Executive and Strategic Director of Resources also attend these meetings on a monthly basis.
- 7.8 Delivery of that Budget will require change in the way services are configured, and work is already well in hand to effect that change, led by staff in CYPS Directorate. Furthermore, significant Council-wide resource is being marshalled to support CYPS staff in the implementation of change.
- 7.9 It is proposed that the 2012/13 revised residual budget pressure of £875,000, which is a one-year-only pressure, be funded from Council balances resulting from the 2011/12 underspend.

## **8 Finance**

Financial details are shown in section 7.3 above and in Appendix 1.

## **9 Risks and Uncertainties**

Delivery of the Directorate savings is critical for the avoidance of overspend in 2012/13. The tight monitoring arrangements which are in place will ensure that any slippage against the Action Plan is highlighted and reported at the earliest opportunity.

Demand on Children and Young People's Services is always greater during periods of economic pressure. The Government's reforms of welfare benefits will add further pressure to CYPS budgets as a result of increased demand for services. It is therefore possible that demand for children's services may increase during the year. Should this happen it will be necessary to identify options to mitigate the financial impact of this.

A number of proposals to reduce the recurrent overspend involve the use of Early Intervention Grant (EIG). The level of EIG for 2013/14 onwards is not yet known so should there be any reduction in grant in future years this would create a further pressure that would need mitigating.

The LA should be mindful it has a duty to discharge its education and social care functions effectively. Further reductions, particularly to the children's social care budget is high risk in our efforts to keep the most disadvantaged and vulnerable safe.

## **10 Policy and Performance Agenda Implications**

Delivery of the Revenue Budget within the parameters agreed at the start of the current financial year is essential if the objectives of the Council's Policy agenda are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.

## **11 Background Papers and Consultation**

- Revenue Budget and Council Tax - Report to Council on 7th March 2012.

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## Appendix 1

### CYPS: Further Savings Proposals 2012/13

Proposal	Detail	£'000
Outdoor Learning	Service to be self-financed within 3 years. (£20k 12/13, £20k 13/14, £24k 14/15)	20
Connexions	Reduced Connexions funding	35
Education Support Services	Post disestablished (Service restructure)	46
Sexual Exploitation Team	Disestablish vacant post	11
NHS Income	Anticipated additional NHS funding towards placement costs	350
Safeguarding Restructure	Reduction in management posts to streamline and improve management oversight	150
Family Recovery	Use of EIG funding from Early Years & Children's Centres Review	314
Legal Costs	Pressure to be funded centrally	375
Family Assessment Team	Use of EIG funding from Early Years & Children's Centres Review	400
Youth Service, Connexions and Youth Offending Service integration	Restructure savings (EIG).	150
Youth Service	Use of EIG funding from Early Years & Children's Centres Review	186
Families Together Support Packages	Use of EIG funding from Early Years & Children's Centres Review	62
Staff savings	Savings through the release of staff through retirement or voluntary severance (beyond those included in other savings proposals)	108
Systems Development	Further savings following review of ICT Support Services	50
<b>Total</b>		<b>2,257</b>