

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Children, Young People and Families' Services
2	Date:	15th January 2014
3	Title:	Children and Young People's Service Revenue Budget Monitoring Report to 30th November, 2013
4	Directorate :	Children and Young People's Service

5 Summary

This Budget Monitoring Report provides a financial forecast for the Children and Young People's Services Directorate to the end of March 2014 based on actual income and expenditure to the end of November 2013.

The Directorate is currently projecting an overspend outturn position of £1.241m (2.7%) principally as a result of continued pressures in the Safeguarding, Children and Families Service. This has improved by £104K since the October monitoring report.

6 Recommendations

That the Cabinet Member receives and notes the latest financial projection against budget for the year based on actual income and expenditure to the end of November 2013.

7 Proposals and Details

7.1.1 Considerable, concerted proactive management actions to contain and where possible reduce the projected outturn position are continuing. So far, within this financial year, it is estimated that these actions will have helped the service avoid £580K of costs that would otherwise have been incurred. Further detail on the actions is presented at 7.1.5.

7.1.2 The table below summarises the forecast outturn against approved budgets for each service division:

Division of Service	Net Budget	Forecast Outturn	Variation	Variation
	£000	£000	£000	%
Directorate Wide Costs	1,963	1,954	-9	-0.5
Schools and Lifelong Learning Service Wide	110	111	1	0.9
School Effectiveness	862	833	-29	-3.4
Special Education Provision	2,341	2,380	39	1.7
Early Years	4,915	4,778	-137	-2.8
Integrated Youth Support	4,391	4,176	-215	-4.9
Specific Grant Support	0	0	0	0
Traded Services	82	74	-8	-9.8
Safeguarding, Children & Families Service Wide	3,057	3,142	85	2.8
Child Protection Teams	1,027	1,028	1	0.1
Children in Need Social Work Teams	5,917	6,022	105	1.8
Looked After Children	18,382	19,737	1,355	7.4
Disability Services	3,061	3,114	53	1.7
Total Children and Young People's Services	46,108	47,349	1,241	2.7

7.1.3 Presented below is an analysis of the main variances and the underlying reasons beneath them:

School Effectiveness (-£29K)

Rockingham PDC is achieving £1K of income above its £33K income target & the School Effectiveness Service has had delays in filling vacancies resulting in a £28K underspend.

Special Education Provision (+£39K)

Forecast overspends on Education Welfare (+£6k) due to loss of academy income caused by a change in legislation, SEN Assessment/Admissions Team (+£26k) due to additional hours to cover sickness & additional printing and SEN Complex Needs placements (+£37K) are all offset by staff savings from vacant posts in both Early Years ASD Support (-£7k), Learning Support Service (-£1K), children in Public Care (-£5K), Parent Partnership (-£1K) and Education Psychology Service (-£16k).

Safeguarding, Children and Families Service Wide (+£85K)

The forecast over spend on legal fees (+£108k), agency costs (+£17K) & inspection consultancy costs (£38K) is offset by staff slippage (-£78K) in Business Support.

Children in Need Social Work Teams (+£105K)

This forecast overspend is on Agency staff costs & additional staff appointments within the Children in Need North team & the Borough Wide team (+£59K) and a charge for call handling for the Out of Hours Team (+£46K).

Looked After Children (+£1,355k)

The service is forecasting an over spend mainly due to out of authority residential placements (+£1,367K), remand placements (+£180K) and independent fostering placements (+£263K). Further details of placements are below:

- The number of children in residential out of authority placements as at 30th November is 26 (an increase of 1 since October). Since 2011/12 the average number of children in OOA residential placements per week has increased from 18 to 23.3 currently. Due to the increasing complexity of children's needs that are going into residential out of authority placements & despite successful negotiations by the Commissioning team to minimise the cost of these placements, the average cost per week of these has also increased over this period from £3,022 to £3,345.
- From 1 April 2013 children's remand placements are fully funded by the Local Authority & RMBC was provided with a national grant of £78k to cover these additional costs. The current projected cost of these placements is £258k which shows that the grant was grossly inadequate. There are currently no remand placements (a reduction of 1 since October). The number of children in Independent foster care as at 31st October is 108 (a reduction of 7 since September & a reduction of 10 since the end of March 2013). The average number of children in these placements has reduced from 125 per week in 2011/12 to 108 so far in 2013/14.
- The number of children in Independent foster care as at 30th November is 106 (a reduction of 2 since October & a reduction of 12 since the end of March 2013). The average number of children in these placements has reduced from 125 per week in 2011/12 to 108 currently in 2013/14.
- The number of children in in-house fostering placements as at end of November is 153 (a reduction of 15 since 31 March 2013). Since 2011/12 the average number of children placed in in-house fostering placements per week has increased from 159 to 170 currently. The average cost per week of these has also increased over this period from £230 to £252.
- The number of looked after children was 376 at end of November, a reduction of 22 since 31st March 2013.

Additional overspends in this area are (+£28k) Consultancy costs to review health care contributions towards children's continuing health care needs, (+£6K) court ordered care package, (+£15k) agency costs in respect of Contact workers. These pressures are partially offset by projected underspends in Children's Homes (-£89k) mainly due to not staffing the Silverwood annexe, Fostering Services (-£76k) due to a forecast underspend on fostering allowances, Residence Orders & Families together placements, (-£163k) due to the re-profiling of adoption placements and the impact of this on inter-agency adoption costs & maximising grants, (-£50k) reduced use of transport for LAC children & (-£117k) in Leaving care on accommodation costs & a reduction in the number of weekly payments.

Disability Services (+£53K)

This service is now forecasting an overspend mainly due to overtime & agency costs at Cherry Tree & Liberty residential homes due to needing to cover sickness & vacancies (+£66K) and an overspend on Direct payments (+£51K) offset by staffing slippage in the Disability Team (-£64K). The overspend on Direct payments is due to providing carers to support families with children with extremely complex needs which would otherwise require OOA residential placements at a much higher cost.

Remaining CYPS Services (-£367k)

The overall CYPS overspend is also partially offset by projected under spends on Pension costs (-£7k) due to a reduction in numbers receiving pension payments, (-£137k) due to ceasing non essential spend & reallocation of funding in the Early Years service, (-£215K) staff cost savings, ceasing non essential spend & maximising grants in the Integrated Youth Support Service and a further contribution from the Education Catering Service (-£8K).

7.1.4 Prevention and Early intervention strategies

These include:

- Increased use of Special Guardianships (77 as at the end of November, an increase of 8 since 31st March 2013) and Residence Orders (130 as at 30th November an increase of 10 since 31st March 2013). There is a continuing push to secure permanency for some children via this route rather than becoming or remaining looked after children. This seeks to reduce the LAC numbers but also provides better outcomes for the children and young people.
- The investment received in Fostering & Adoption is showing results. The service is projecting to have 30 new adopters by the end of March 2014 which is 9 above the invest to save target. The Adoption Service has been helped by the governments, one year only, Adoption Reform Grant. The service is projecting to be on target for the recruitment of new foster carers at the net gain of 21.

7.1.5 Impact of Management Actions

Considerable, concerted proactive management actions to contain and where possible reduce the projected outturn position are continuing – within 2013/14 to date, it is estimated that these actions have helped the service avoid £580K of costs that would otherwise have been incurred:

- Reduction in placement costs of £454K through renegotiating contracts with external providers;
- The Fostering Framework has achieved £74K of reductions on standard fostering placements
- The Block contract has achieved £52K savings on complex fostering placements
- The continued effectiveness of the multi-agency support panel from which through efficient multi agency management actions and decision making, continues to avoid costs wherever possible.

7.1.6 **Agency Costs**

Total expenditure on Agency staff for Children and Young People's Services for the 8 month period ending 30th November 2013 was £541K. This compares with an actual cost of £257K for the same period last year.

The increase in agency costs is a result of the need to cover vacant social worker and team manager posts; the Interim Director of Safeguarding, Children & Families; and sickness and maternity leave in residential care.

We have appointed to the vacant social worker & team manager posts in the localities. All staff have started or are about to start imminently. A further round of social work recruitment is currently taking place to address the regular turnover of staff. We have also appointed to the vacant post of Team Manager for Looked After Children and the successful candidate will start in the new year. Recruitment is under way to fill the Fostering Team Manager post which is currently being covered by an interim manager.

Two extra posts, over establishment, have been recruited to, that are peripatetic with the intention of providing cover for emergent vacancies rather than using agency staff. The costs of the agency employed interim Director will also have an effect on these figures pending the recruitment of a permanent post holder.

In children's residential care there has been an unprecedented level of sick leave and maternity leave in three of the five homes, resulting in the use of high levels of agency staff to cover posts to ensure the required staff ratios are met. A number of those staff are on phased returns to work; recruitment to fill vacancies caused by turnover has taken place, and a further recruitment round will start in January.

There have also been six children in the Orchard Centre with high levels of need requiring additional staff to care for them safely; these children would otherwise have had to be placed in out of authority residential placements.

7.1.7 **Non contractual Overtime**

Actual expenditure to the end of November 2013 on non-contractual overtime for Children and Young People's Services (excluding schools) is £84K which is mainly in Residential units, compared with expenditure of £49K for the same period last year.

OfSTED requirements are that, if possible, agency staff are not used to cover vacancies, hence the reliance on overtime in the short term pending recruited staff taking up position.

7.1.8 **Consultancy Costs**

Total expenditure on consultancy costs to the end of November is £140K compared to £204K for the same 8 month period last year.

The majority of these costs are in the School Effectiveness Service and externally funded areas. School effectiveness is funded by a combination of Revenue, Dedicated Schools Grant and other income & within external grant funded services.

The actual costs of agency, non contractual overtime & consultancy are included within the financial forecasts.

8. **Finance**

Finance details are included in section 7 above.

9. **Risks and Uncertainties**

Principal risks and uncertainties relate to the 'needs led' nature of budgets for looked after children.

The recruitment of in house foster and adoptive carers remains a challenge and we must always ensure a high quality of placements.

Our decisions to place children with independent fostering agencies and in residential out of authority establishments will always be in the context of the best interests of our children. The budget need can only be an estimate given its volatile nature. For example, one out of authority residential placement for a child with very complex needs can now cost up to £364,000 per annum.

10. **Policy and Performance Agenda Implications**

The delivery of the Council's Revenue Budget within the limits determined by Council in March 2013 is vital in achieving the objectives of the Council's Policy agenda. Financial performance is a key element within the assessment of the council's overall performance.

The expenditure in the Children and Young People's Service continues to be mitigated by constantly reviewing budgets and the continuation of a moratorium on spending within the Directorate.

11. **Background Papers and Consultation**

- Report to Cabinet on 6 March 2013 – Proposed Revenue Budget and Council Tax for 2013/14.

This report has been discussed with the Strategic Director of Children and Young People's Service and the Director of Finance.

Contact Name: Joanne Robertson, Financial Services - Finance Manager (Children and Young People's Services), *ext: 22041, email:*
joanne.robertson@rotherham.gov.uk