

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Children, Young People and Families' Services
2	Date:	12 th February, 2014
3	Title:	Children and Young People's Service Revenue Budget Monitoring Report to 31 st December 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 December 2013.

The Directorate is currently projecting an overspend outturn position of £1.252m (2.7%) principally as a result of continued pressures in the Safeguarding, Children and Families Service. This has increased by £11K since the monitoring report to the end of November, 2013.

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 December 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 £588K 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	1,953	-10	-0.5
Schools and Lifelong Learning Service Wide	109	109	0	0
School Effectiveness	862	811	-51	-5.9
Special Education Provision	2,296	2,309	13	0.6
Early Years	4,954	4,746	-208	-4.2
Integrated Youth Support	4,400	4,188	-212	-4.8
Specific Grant Support	0	0	0	0
Traded Services	82	74	-8	-9.8
Safeguarding, Children & Families Service Wide	3,057	3,129	72	2.4
Child Protection Teams	1,024	1,024	0	0
Children in Need Social Work Teams	5,917	6,053	136	2.3
Looked After Children	18,394	19,862	1,468	8.0
Disability Services	3,050	3,102	52	1.7
Total Children and Young People's Services	46,108	47,360	1,252	2.7

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

School Effectiveness (-£51K)

Rockingham PDC is currently projecting not to achieve £2K of its £33K income target & the School Effectiveness Service has had delays in filling vacancies resulting in a £53K underspend.

Special Education Provision (+£13K)

Forecast overspends on Education Welfare (+£12k) due to loss of academy income caused by a change in legislation, SEN Assessment/Admissions Team (+£20k) due to additional hours to cover sickness & additional printing and SEN Complex Needs placements (+£44K) are all offset by staff savings, some of which are from Voluntary Early Retirement/Voluntary Severance, Learning Support Service (-£1K), children in Public Care (-£2K), Parent Partnership (-£11K) and Education Psychology Service (-£49k).

Safeguarding, Children and Families Service Wide (+£72K)

The forecast over spend on legal fees (+£89k) due largely to an increase in court fees notified to us in July 2013, agency costs (+£17K) & inspection consultancy costs (£38K) is offset by staff slippage (-£72K) in Business Support.

Children in Need Social Work Teams (+£136K)

This forecast overspend is on Agency staff costs & additional staff appointments within the Children in Need North team & the Borough Wide team (+£128K) and a charge for call handling for the Out of Hours Team (+£46K) offset with staff slippage from the Early Intervention teams (-£25K) & the Children in Need South team (-£13K).

Looked After Children (+£1,468k)

The service is forecasting an over spend mainly due to out of authority residential placements (+£1,565K), remand placements (+£180K) and independent fostering placements (+£248K). Further details of placements are below:

- Since 2011/12 the average number of children in OOA residential placements per week has increased from 18 to 24 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 £3,199. The number of children in residential out of authority placements as at end of December 2013 is 29 (an increase of 3 since November).
- 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.
- The average number of children in Independent foster care has reduced from 125 per week in 2011/12 to 107.6 currently in 2013/14. The average cost per week of these placements has increased from £887 to £912 over this period. The number of children in Independent foster Care as at 31st December is 105 (a reduction of 1 since November & a reduction of 8 since the end of March 2013).

- The Independent Foster care placements are made up of 63 standard placements (a reduction of 7 since 1st April 2013), 29 complex placements (an increase of 7 since 1st April 2013) & 13 specialist placements (a reduction of 8 since 1st April 2013). The average weekly cost of these placements has changed as follows: Standard - £745 in 2012/13 increased to £755 currently; Complex - £939 in 2012/13 increased to £1,198 currently; Specialist - £1,287 in 2012/13 reduced to £952 currently.
- Since 2011/12 the average number of children placed in in-house fostering placements per week has increased from 159 to 167 currently. The average cost per week of these has also increased over this period from £230 to £251. The number of children in in-house fostering placements as at end of December is 148 (a reduction of 23 since the end of March 2013).
- The number of looked after children was 372 at end of December, a reduction of 23 since the end of March 2013.

Additional overspends in this area are (+£28k) Consultancy costs to review health care contributions towards children's continuing health care needs, (+£5K) court ordered care package, (+£22k) agency costs in respect of Contact workers & (+£10K) in transport costs. These pressures are partially offset by projected underspends in Children's Homes (-£106k) mainly due to not staffing the Silverwood annexe, Fostering Services (-£169k) due to a forecast underspend on fostering allowances, Residence Orders & Families together placements, (-£150k) 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 & (-£115k) in Leaving care on accommodation costs & a reduction in the number of weekly payments.

Disability Services (+£52K)

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 (+£71K) and an overspend on Direct payments (+£51K) offset by staffing slippage in the Disability Team (-£70K). 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 (-£438k)

The overall CYPS overspend is also partially offset by projected under spends on Pension costs (-£10k) due to a reduction in numbers receiving pension payments, (-£208k) due to ceasing non essential spend & reallocation of funding in the Early Years service, (-£212K) 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 (79 as at the end of December, an increase of 10 since 31st March 2013) and Residence Orders (128 as at 4th January, an increase of 8 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 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 £588K 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 £75K of reductions on standard fostering placements
- The Block contract has achieved £59K 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 9 month period ending 31st December 2013 was £603K. This compares with an actual cost of £320K for the same period last year.

Increased agency costs during the year have been incurred as a result of the need to cover the Interim Director of Safeguarding, Children & Families post until permanent recruitment takes place; vacant social worker and team manager posts, and social work posts where staff are off sick or on maternity leave; and vacancies, sickness and maternity leave in residential care. The statutory responsibilities and performance and inspection regimes in children's social care mean that posts can only be left unfilled for short periods, and colleague cover for absence is not sustainable. Overall, sickness and turnover is at acceptable levels, below the council average.

Recruitment to the permanent Director post started in early January and interviews will be held Early March. If a successful appointment is made, the earliest start date for the new Director is likely to be July 2014 due to notice periods.

All team manager posts were filled through recruitment in late 2013. However, the notice periods mean that start dates are up to four months after appointment. The Interim Team Manager for fostering left in early January, although this was forecast to last until February. The Team Manager for Fostering starts in late January. The Team Manager for Looked After Children starts in March. This post is being covered by an Agency Manager at present.

Monthly recruitment of social workers has resulted in successful appointments; currently there are two vacancies expected to be filled through the January recruitment. Two extra posts, over establishment, have been recruited to – these are peripatetic staff that can be used to provide cover for emergent gaps due to vacancy, sickness or maternity leave rather than using agency staff. One member of staff has transferred from the fostering team temporarily to fill a vacancy in the Looked After Children’s Team. There has been a reduction in the use of agency staff, but there is still a need for a small number of agency staff to cover sickness, maternity leave and the time between a social worker leaving and their replacement starting.

7.1.7 Non contractual Overtime

Actual expenditure to the end of December 2013 on non-contractual overtime for Children and Young People’s Services (excluding schools) is £96K which is mainly in Residential units, compared with expenditure of £69K 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 December is £161K compared to £219K for the same 9 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.

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