

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	<b>Meeting:</b>	<b>Cabinet Member for Children, Young People and Families' Services</b>
2	<b>Date:</b>	<b>5<sup>th</sup> March, 2014</b>
3	<b>Title:</b>	<b>Children and Young People's Service Revenue Budget Monitoring Report to 31<sup>st</sup> January 2014</b>
4	<b>Directorate :</b>	<b>Children and Young People's Service</b>

### 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 January 2014.

The Directorate is currently projecting an overspend outturn position of £1.124m (2.4%) principally as a result of continued pressures in the Safeguarding, Children and Families Service. This has reduced by £128K since the December 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 January 2014.**

## 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, these actions will have helped the service avoid £701K 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	2,139	2,122	-17	-0.8
Schools and Lifelong Learning Service Wide	109	109	0	0
School Effectiveness	862	839	-23	-2.7
Special Education Provision	2,296	2,243	-53	-2.3
Early Years	4,954	4,641	-313	-6.3
Integrated Youth Support	4,400	4,145	-255	-5.8
Specific Grant Support	0	0	0	0
Traded Services	82	74	-8	-9.8
Safeguarding, Children & Families Service Wide	3,053	3,113	60	2.0
Child Protection Teams	1,024	1,068	44	4.3
Children in Need Social Work Teams	5,917	6,098	181	3.1
Looked After Children	18,394	19,816	1,422	7.7
Disability Services	3,050	3,136	86	2.8
<b>Total Children and Young People's Services</b>	<b>46,280</b>	<b>47,404</b>	<b>1,124</b>	<b>2.4</b>

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

### **School Effectiveness (-£23K)**

Rockingham PDC is currently projecting to achieve £1K of additional income over its £33K target & the School Effectiveness Service has had delays in filling vacancies resulting in a £22K underspend.

### **Special Education Provision (-£53K)**

Forecast overspends on Education Welfare (+£3k) due to loss of academy income caused by a change in legislation, SEN Assessment/Admissions Team (+£22k) due to additional hours to cover sickness & additional printing and SEN Complex Needs placements (+£1K) are all offset by staff savings, some of which are from Voluntary Early Retirement/Voluntary Severance, Learning Support Service (-£14K), Children in Public Care (-£10K), Parent Partnership (-£11K) and Education Psychology Service (-£44k).

### Safeguarding, Children and Families Service Wide (+£60K)

The forecast over spend on legal fees (+£81k) due largely to an increase in court fees notified to us in July 2013, agency costs (+£9K) & inspection consultancy costs (£38K) is offset by staff slippage (-£68K) in Business Support.

### Child Protection Teams (+£44K)

This forecast overspend is due to confirmation of a reduction in the DSG contribution from schools.

### Children in Need Social Work Teams (+£181K)

This forecast overspend is on Agency staff costs & additional staff appointments within the Children in Need North team & the Borough Wide team (+£155K) and a charge for call handling for the Out of Hours Team (+£46K) offset with staff slippage from the Early Intervention teams (-£16K) & the Children in Need South team (-£4K).

### Looked After Children (+£1,422k)

The service is forecasting an over spend mainly due to out of authority residential placements (+£1,605K), remand placements (+£180K) and independent fostering placements (+£254K). Further details of placements are below:

Placement Type	2011/12		2012/13		2013/14 as at 31 <sup>st</sup> January		
	Average No. of placements	Average Cost of Placement £ per week	Average No. of placements	Average Cost of Placement £ per week	Average No. of placements	Average Cost of Placement £ per week	Actual Number of placements
	<b>Out of Authority Residential</b>	18	3,022	21.1	3,206	24.3	3,191
<i>R1 Accommodation only</i>	U/A	U/A	U/A	U/A	U/A	U/A	8
<i>R1 Accommodation &amp; additional staffing</i>	U/A	U/A	U/A	U/A	U/A	U/A	3
<i>R2 Accommodation &amp; therapy</i>	U/A	U/A	U/A	U/A	U/A	U/A	10
<i>R3 Accommodation, therapy &amp; education</i>	U/A	U/A	U/A	U/A	U/A	U/A	5
<i>R4 Parent &amp; Baby</i>	U/A	U/A	U/A	U/A	U/A	U/A	0
<i>Secure</i>	U/A	U/A	U/A	U/A	U/A	U/A	3
<i>Remand</i>	U/A	U/A	U/A	U/A	1.7	2,873	0
<b>Independent Fostering Agencies</b>	125	887	121	874	107.5	883	105
<i>Standard</i>	U/A	U/A	74.8	745	66.7	762	63
<i>Complex</i>	U/A	U/A	27.2	938	23.3	1,177	29
<i>Specialist</i>	U/A	U/A	19	1,287	17.5	955	13
<b>In-house Fostering</b>	158.8	230	162	246	165.5	249	161
<b>Note:</b> U/A - This detailed breakdown was unavailable at the time but will be in the future							

### Out of Authority Residential

- The number of children in residential out of authority placements as at end of January 2014 is 29 (no change since December but an increase of 4 since 31 March 2013).

- 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 placements has increased from £3,022 in 2011/12 to £3,191 currently – an increase of 5.6%.
- The average number of placements in the same period has risen by 6.3 (35%)
- 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 cost of these placements in 2013/14 so far is £258k, which shows that the grant was grossly inadequate. There are currently no remand placements.

#### ***Independent Fostering Agencies***

- The number of children in Independent foster Care as at end January 2014 is 105 (no change since December & a reduction of 8 since the end of March 2013).
- The average cost of a placement has reduced by an average of £4 or 0.5% since 2011/12.
- The average number of placements during the same period has decreased by 17.5 (14%)

#### ***In-house Fostering***

- The number of children in in-house fostering placements as at end of January is 161 (an increase of 13 since December & a reduction of 10 since the end of March 2013).
- The average cost of a placement has risen by an average of £19 or 8% since 2011/12.
- The average number of placements during the same period has increased by 6.7 (4%)

The number of looked after children was 386 at end of January, an increase of 14 since December but a reduction of 9 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, (+£12K) court ordered care package. These pressures are partially offset by projected underspends in Children's Homes (-£113k) mainly due to not staffing the Silverwood annexe, Fostering Services (-£220k) due to a forecast underspend on fostering allowances & equipment, Residence Orders & Families together placements, (-£151k) due to the re-profiling of adoption placements and the impact of this on inter-agency adoption costs & maximising grants, (-£63k) reduced use of transport for LAC children & (-£109k) in Leaving care on accommodation costs & a reduction in the number of weekly payments.

#### **Disability Services (+£86K)**

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 (+£69K) and an overspend on Direct payments (+£88K) offset by staffing slippage in the Disability Team (-£71K). 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 (-£593k)**

The overall CYPS overspend is also partially offset by projected under spends on Pension costs (-£17k) due to a reduction in numbers receiving pension payments, (-£313k) due to ceasing non essential spend & reallocation of funding in the Early Years service, (-£255K) 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 (76 as at the end of January, an increase of 7 since 31<sup>st</sup> March 2013) and Residence Orders (128 as at 4<sup>th</sup> January, an increase of 8 since 31<sup>st</sup> 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 31 new adopters by the end of March 2014 which is 10 above the invest to save target and 13 above the number approved in 2012/13. The Adoption Service has also 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, these actions have helped the service avoid £701K of costs that would otherwise have been incurred:

- Reduction in placement costs of £553K through renegotiating contracts with external providers;
- The Fostering Framework has achieved £83K of reductions on standard fostering placements
- The Block contract has achieved £65K 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 10 month period ending 31<sup>st</sup> January 2014 was £694K. This compares with an actual cost of £404K 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 on long term 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 early March. This post is being covered by an Agency Manager at present.

Monthly recruitment of social workers has resulted in successful appointments; two vacancies were filled through the January recruitment, and February recruitment is under way. 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 from November to March 2014. 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 January 2014 on non-contractual overtime for Children and Young People's Services (excluding schools) is £104K which is mainly in Residential units, compared with expenditure of £75K 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 January is £183K compared to £260K for the same 10 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](mailto:joanne.robertson@rotherham.gov.uk)