

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Children, Young People’s and Families Services
2	Date:	9th April 2014
3	Title:	Children and Young People’s Service Revenue Budget Monitoring Report to 28th February 2014
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 February 2014.

The Directorate is currently projecting an overspend outturn position of £768K (2.1%) principally as a result of continued pressures in the Safeguarding, Children and Families Service. This has reduced by £356K since the February 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 February 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 £714K 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	2,243	2,322	79	3.5
Schools and Lifelong Learning Service Wide	109	109	0	0
School Effectiveness	862	840	-22	-2.6
Special Education Provision	2,296	2,198	-98	-4.3
Early Years	4,954	4,554	-400	-8.1
Integrated Youth Support	4,400	4,106	-294	-6.7
Specific Grant Support	0	0	0	0
Traded Services	82	74	-8	-9.8
Safeguarding, Children & Families Service Wide	3,089	3,182	93	3.0
Child Protection Teams	989	1,017	28	2.8
Children in Need Social Work Teams	5,715	5,892	177	3.1
Looked After Children	18,597	19,699	1,102	5.9
Disability Services	3,049	3,160	111	3.6
Total Children and Young People's Services	46,385	47,153	768	1.7

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

Directorate Wide (+£79K)

The forecast over spend is due to the inclusion of a provision for the forecast deficit position on Rawmarsh Comprehensive school when it converts to an academy in 2014/15 (+£100K) and a forecast overspend on the Central budget due to the additional costs of Records Management (+£9K) & supplies & services (+£2K). This is offset by a forecast underspend on pensions costs (-£32K) due a reduction in number of payments.

Safeguarding, Children and Families Service Wide (+£93K)

The forecast over spend on legal fees (+£110k) due largely to an increase in court fees notified to us in July 2013, agency & advertising costs for the Director of Safeguarding post (+£14K) & inspection consultancy costs (+£38K) is offset by savings on delays in recruitment (-£69K) in Business Support.

Child Protection Teams (+£28K)

This forecast overspend is due to confirmation of a reduction in the DSG contribution from schools (+£49K) offset by underspends on supplies in the Safeguarding Unit due to the moratorium (-£7K) and on the Advocacy contract within the Children's Rights Team (-£14K).

Children in Need Social Work Teams (+£177K)

This forecast overspend is due to Agency staff costs & additional staff appointments within the Children in Need North team & the Borough Wide team (+£151K), tribunal, premises & mileage costs in the Children in Need South team (+£27K) and a charge for call handling for the Out of Hours Team (+£33K) offset with savings from staff vacancies from the Early Intervention teams (-£13K) & the Family Assessment Team (-£21K).

Looked After Children (+£1,102k)

The service is forecasting an over spend mainly due to out of authority residential placements (+£1,409K), remand placements (+£180K) and independent fostering placements (+£267K). This includes a provision for additional Continuing Care income from CCG of £221K above the projected income. Further details of placements are below:

Placement Type	2011/12		2012/13		2013/14 as at 28 th February		
	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
Out of Authority Residential	18	3,022	21.1	3,206	24.7	3,149	31
<i>R1 Accommodation only</i>	U/A	U/A	U/A	U/A	U/A	U/A	11
<i>R2 Accommodation & therapy</i>	U/A	U/A	U/A	U/A	U/A	U/A	10
<i>R3 Accommodation, therapy & education</i>	U/A	U/A	U/A	U/A	U/A	U/A	6
<i>R4 Parent & 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	4
<i>Remand</i>	U/A	U/A	U/A	U/A	1.6	3,101	0
Independent Fostering Agencies	125	887	121	874	107.1	884	104
<i>Standard</i>	U/A	U/A	74.8	745	66.4	764	63
<i>Complex</i>	U/A	U/A	27.2	938	23.6	1,158	28
<i>Specialist</i>	U/A	U/A	19	1,287	17.1	978	13
In-house Fostering	158.8	230	162	246	165.2	244	160
Note: 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 February 2014 is 31 (an increase of 2 since January and an increase of 6 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 £3,149 currently – an increase of 4.2%.
- The average number of placements in the same period has risen by 6.7 (37%)
- 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 February 2014 is 104 (a reduction of 1 since January & a reduction of 9 since the end of March 2013).
- The average cost of a placement has reduced by an average of £3 or 0.3% since 2011/12.
- The average number of placements during the same period has decreased by 17.9 (14%)

In-house Fostering

- The number of children in in-house fostering placements as at end of February is 160 (a reduction of 1 since January & a reduction of 11 since the end of March 2013).
- The average cost of a placement has risen by an average of £14 or 6% since 2011/12.
- The average number of placements during the same period has increased by 6.4 (4%)

The number of looked after children was 389 at end of February, an increase of 3 since January but a reduction of 6 since the end of March 2013.

A further cost within this area is £28k that paid for a consultant to review health care contributions towards children's continuing health care needs which has shown its worth by being able to raise a provision for £221K of additional income.

An additional overspend is included (+£15K) for a court ordered care package. These pressures are partially offset by projected underspends in Contact Worker Team (-£29K) due to delays in recruitment, Children's Homes (-£124k) mainly due to not staffing the Silverwood annexe, Fostering Services (-£283k) due to a forecast underspend on fostering allowances & equipment, Residence Orders & Families together placements, (-£166k) due to the re-profiling of adoption placements and the impact of this on inter-agency adoption costs & maximising grants, (-£70k) reduced use of transport for LAC children & (-£125k) in Leaving care on accommodation costs & a reduction in the number of weekly payments.

Disability Services (+£111K)

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 (+£85K) and an overspend on Direct payments (+£88K) offset by savings on staff vacancies in the Disability Team (-£62K). The over spend 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 (-£822k)

The overall CYPS overspend is also partially offset by projected under spends on School Effectiveness (-£22K) due to some delays in recruitment, in the Special Education Provision (-£98K) mainly due to in year redundancies & savings on staff vacancies, (-£400k) due to ceasing non essential spend & reallocation of funding in the Early Years' service, (-£294K) 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 (7 as at the end of February, an increase of 8 since 31st March 2013) and Residence Orders (135 as at 1st March, an increase of 15 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 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 £714K 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 £90K of reductions on standard fostering placements
- The Block contract has achieved £71K 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.
- CYPS have engaged a company called Valuing Care who will be contacting a range of providers of Social Care & SEN Residential placements to carry out cost book analysis to compare against their extensive database to identify potential areas for cost renegotiations & ongoing savings. This should show savings in 2014/15.

7.1.6 **Agency Costs**

Total expenditure on Agency staff for Children and Young People's Services for the 11 month period ending 28th February 2014 was £742K. This compares with an actual cost of £471K for the same period last year.

Increased agency costs for the whole year have been incurred as a result of the need to cover the Interim Director of Safeguarding, Children & Families post (though this has been reduced due to an extended leave period by the officer in March 2014); 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.

Recruitment to the permanent Director post was successfully completed in March 2014, with the new officer joining Rotherham in August 2014.

All team manager posts were filled through recruitment in late 2013 and all new starters are now in post. Unfortunately, RMBC terms and conditions for social worker posts (Bands G-J) means that only 1 months' notice is required. This makes it very difficult to replace anyone immediately upon a post being vacant, even if recruitment commences the moment a notice is submitted (when one allows for a 2 week advertising period, there is still at least a 5 weeks' timescale before interviews could realistically take place, which doesn't then account for the notice period of successful applicants, which ranges typically from 4 - 8 weeks). The service is working to combat this issue by having monthly recruitment campaigns, but the vast majority of applications come from newly qualified staff. This is a regional issue, in that there is an acknowledged shortage of experienced social workers in the region.

It is important to assure Cabinet Member that emergent vacancies in social workers continue to be for uncontrollable/unpredictable reasons. Whilst it would be improper to go into individual detail in this report (as it could allow for individuals to be identified in a public report without their consent), more detail can be provided upon request.

As part of service responsibilities to explain agency spend, the Service Manager for Strategy, Standards and Early Help will deputise for the Director at a member Q&A session, being undertaken by the Self-regulation sub-committee of the Overview & Scrutiny Panel. This session is taking place on 27th March 2014.

The DfE released findings from their first round of social work workforce data which all LAs are required to report on: Rotherham ranks amongst the lowest Authorities for use of agency and turnover, when benchmarked against stat neighbours.

7.1.7 Non contractual Overtime

Actual expenditure to the end of February 2014 on non-contractual overtime for Children and Young People's Services (excluding schools) is £112K which is mainly in Residential units, compared with expenditure of £79K 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 February is £217K compared to £275K for the same 11 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.

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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