

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Deputy Leader
2	Date:	23rd June 2014
3	Title:	Children and Young People's Service Directorate Revenue Outturn 2013/14
4	Directorate :	Children and Young People's Service

5 Summary

The Children and Young People's Service Directorate unaudited provisional Outturn (excluding schools & PRU delegated budgets) is +£8,782 over spent. (+0.02%)

After adjusting for the write off of deficit balances of schools converting to academies (Swinton Brookfield Primary and Rawmarsh School: A Sports College) for 2013/14 the revised over spend is £347,733 (+0.75%)

Allowing for the carry forward of surplus balances on trading accounts (details included within the report) in accordance with Council policy the overall overspend is +£651,356. (1.4%)

A detailed report on Schools & PRU delegated balances will be submitted to Cabinet Member in a separate report.

The outturn position shows an improvement of -£117k on the February 2014 Cabinet Member reported budget monitoring position.

6 Recommendations

Members are asked to:

- a) Receive the report;
- b) Note that the planned use of school balances will be reported to this meeting in a separate report.
- c) Note the Trading Services surpluses to be carried forward to 2014/15.

7 Proposals and Details

7.1.1 Considerable, concerted proactive management actions to contain, and where possible, reduce the outturn position have taken place during 2013/14. Within this financial year, these actions will have helped the service avoid £721K 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 outturn against approved budgets for each service division:

Division of Service	Net Budget	Outturn	Variation	Variation
	£000	£000	£000	%
Directorate Wide Costs	2,631	2,599	-32	-1.2
Schools and Lifelong Learning Service Wide	109	110	1	0.8
School Effectiveness	862	768	-94	-10.9
Special Education Provision	2,296	2,167	-129	-5.6
Early Years	4,954	4,475	-479	-9.7
Integrated Youth Support	4,401	4,005	-396	-9.0
Specific Grant Support	0	0	0	0
Traded Services	82	-230	-312	-380.5
Safeguarding, Children & Families Service Wide	3,024	3,197	173	5.7
Child Protection Teams	1,058	1,084	26	2.4
Children in Need Social Work Teams	5,709	5,896	187	3.3
Looked After Children	18,596	19,581	985	5.3
Disability Services	3,051	3,130	79	2.6
Total Children and Young People's Services	46,773	46,782	+9	+0.02
PLUS: Write off of School deficits upon conversion to Academies	0	339	339	100.0
Total CYPS including Academies write offs	46,773	47,121	+348	+0.7
PLUS: Traded Services Surpluses carried forward to 2014/15			+303*	
TOTAL CYPS Outturn AFTER Academy deficit write-offs and Traded Services carry-forwards			+651	1.4

*This is less the £8K catering contribution

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

School Effectiveness (-£94K)

This underspend is due to the School Effectiveness Service maximising grant income (-£50K) & slight delays in their recruitment (-£28K). There was also additional income generation at Rockingham Professional Development Centre making (-£9K) over & above their £35K income target & an under spend (-£7K) in the Youth Enterprise team on supplies & services.

Special Education Provision (-£129K)

This under spend is partly due to voluntary Early Retirements & redundancies in Parent Partnership (-£10K), the SEN & Admissions Team (-£4K) & the Education Psychology Service (-£40K). Also, underspends on the revenue Complex Needs placements budget due to the negotiation of lower placement fees (-£22K) and delays in recruitment in the Children in Public Care Team (-£14K), the Learning Support & Autism Communication Team (-£38K) & Education Welfare (-£1K).

Early Years Services (-£479K)

This underspend consists of (-£72K) within central Early Years services & (-£407K) within the Children Centres due to voluntary Early Retirements/ redundancies, maximising the use of grants & a strict moratorium on spend.

Integrated Youth Support Services (-£396K)

This consists of an over spend on the Outdoor Education service due to not achieving the income targets at Crowden (+£18K) & Habershon (+£38K) offset by an under spend on the rest of the youth service (-£452K) due to voluntary Early Retirements/ redundancies, delays in recruitment, maximising use of grants & a moratorium on spend.

Safeguarding, Children and Families Service Wide (+£173K)

The main reason for this over spend is legal fees (+£157k) due, largely, to an increase in court fees notified to us in July 2013, agency & advertising costs for the Director of Safeguarding post (+£17K) & inspection consultancy costs (+£38K). This over spend is partially offset by savings due to delays in recruitment (-£39K) in Business Support.

Child Protection Teams (+£26K)

This overspend is due to confirmation in year of a reduction in the DSG contribution from schools as agreed by Schools Forum (+£49K) offset by underspends on supplies in the Safeguarding Unit due to the non-essential spend moratorium (-£5K) and on the Advocacy contract within the Children's Rights Team due to delays in recruitment (-£18K).

Children in Need Social Work Teams (+£187K)

This overspend is due to Agency staff costs & additional staff appointments within the Children in Need North team & the Borough Wide team (+£138K), tribunal, premises & mileage costs in the Children in Need South team (+£24K), confirmation in year of a charge for call handling for the Out of Hours Team (+£32K) & the cost of dilapidations for the Greasbrough Centre (+£42K) partially offset with savings from staff vacancies from the Early Intervention teams (-£49K).

Looked After Children (+£985K)

The over spend is mainly due to out of authority residential placements (+£1,617K), remand placements (+£187K) and independent fostering placements (+£36K). This outturn includes a provision for Continuing Care income from the CCG of £401K which is £221K above the projected income. Further details of placements are below:

Placement Type	2011/12		2012/13		2013/14 Outturn		Actual Number of placements as at 31 March 2014
	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	
Out of Authority Residential	18	3,022	21.1	3,206	25	3,245	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	3,154	2
Independent Fostering Agencies	125	887	121	874	107	879	102
<i>Standard</i>	U/A	U/A	74.8	745	66.1	759	59
<i>Complex</i>	U/A	U/A	27.2	938	24	1,105	29
<i>Specialist</i>	U/A	U/A	19	1,287	16.9	998	14
In-house Fostering	158.8	230	162	246	165.2	261	167

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 March 2014 is 31 (no change since February but 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 £3,245 currently – an increase of 7.4%.
- The average number of placements in the same period has risen by 7 (39%)
- From 1 April 2013 children's remand placements are fully funded by the Local Authority & RMBC was provided with a national grant of £76k to cover these additional costs. The cost of these placements in 2013/14 was £262k, which shows that the grant was grossly inadequate. At the end of March there were 2 remand placements which is an increase of 2 since February.

Independent Fostering Agencies

- The number of children in Independent Foster Care as at end of March 2014 was 102 (a reduction of 2 since February & a reduction of 11 since the end of March 2013).
- The average cost of a placement has reduced by an average of £8 or 0.9% since 2011/12.

- The average number of placements during the same period has decreased by 18 (14.4%)

In-house Fostering

- The number of children in in-house fostering placements as at end of March 2014 was 167 (an increase of 7 since February & a reduction of 4 since the end of March 2013).
- The average cost of a placement has risen by an average of £31 or 13.5% 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 400 at the 31st March 2014, an increase of 11 since February and an increase of 2 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.

These pressures are partially offset by underspends in the Contact Worker Team (-£27K) & LAC Team (-£4K) due to delays in recruitment, Children's Homes (-£121k) mainly due to not staffing the Silverwood annexe, Fostering Services (-£313k) due to underspends on fostering allowances/equipment, Residence Orders & Families together placements due to a lower demand than what was expected at the start of the year, (-£213k) due to the re-profiling of adoption placements and the impact of this on inter-agency adoption costs & due to maximising the use of grants, (-£86k) reduced use of transport for LAC children & (-£119k) in Leaving care on accommodation costs & a reduction in the number of weekly payments required.

Disability Services (+£79K)

This overspend is mainly due to overtime & agency costs at Cherry Tree & Liberty residential homes due to needing to cover sickness & vacancies (+£75K) (see 7.1.6 below), an overspend on Direct payments (+£49K) and on the Disability short breaks contracts (+£5K) offset by savings on delays in recruiting to staff vacancies in the Disability Team (-£19K) & the Outreach Team (-£27K). There is also a slight underspend on the Liberty/Cherry Tree kitchen (-£4K). The over spend on Direct payments is due to providing carers to support families with children with extremely complex needs which would otherwise require Out of Authority residential placements at a much higher cost.

Remaining CYPs Services (-£39k)

There is a slight overspend on the Director of Schools & Lifelong Learning (+£1K) due to room bookings offset by a contribution of (-£8K) from the Catering Traded Service and an under spend on Pensions of (-£32K) due to a reduction in payments required.

7.1.4 Prevention and Early intervention strategies

These include:

- Increased use of Special Guardianships (80 as at the end of March, an increase of 12 since 31st March 2013) and Residence Orders (131 as at the end of March, an increase of 11 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 has shown very positive results in 2013/14. The Adoption Service recruited and approved 31 new adopters in 2013/14 compared to the 18 approved in 2012/13. The 31 approved exceeds the invest to save target of 21 for 2013/14 by 10 adopters. As well as the 'invest to save' funding, the Adoption Service's performance has also been supported by the Government's Adoption Reform Grant, which has funded additional staffing in the service. The Fostering Service, through its success in carer recruitment and retention work, has achieved a net gain of 20 foster carers in 2013/14. Whilst this was a very strong performance the target for a net gain of 21 carers in the year was missed by one. The service was on course and projecting a net gain of 21 right up to March 2014 and was only thwarted in this objective by a delayed Disclosure and Barring Service check. The applicant that this related to was approved a month later in April and therefore this approval will impact on our 2014/15 performance rather than the 2013/14 figures.

7.1.5 Impact of Management Actions

Considerable, concerted proactive management actions to, reduce the in-year outturn position were implemented. These actions have helped the service avoid £721K 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 £91K of reductions on standard fostering placements
- The Block contract has achieved £77K 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 open 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 financial year 2013/14 was £830K. This compares with a total cost of £546K for 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. It is vital to ensure that social work posts are filled in order to deliver statutory services to children, young people and their families, and keep caseloads within acceptable limits to comply with inspection requirements.

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 (allowing 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 deputised for the Director at a member Q&A session, undertaken by the Self-regulation sub-committee of the Overview & Scrutiny Panel 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 for the financial year 2013/14 on non-contractual overtime for Children and Young People's Services (excluding schools) is £121K which is mainly in Residential units, compared with expenditure of £84K 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 for the financial year 2013/14 is £274K compared to £338K for 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.

7.1.9 **Carry Forward of Traded Balances**

In accordance with the 9th April 2008 Cabinet decision to carry forward 100% of surplus and deficits and be included in future years' business plans, the following trading service balances will be carried forward in to 2014/15 financial year:

£210,778	Schools Catering Service (Trading surplus)
£92,845	Schools Music Service (Trading surplus)

8. **Finance**

Finance details are included in section 7 above.

9. **Risks and Uncertainties**

The outturn figures included in this report are subject to internal quality assurance work on the Statement of Accounts which will be undertaken during May/June 2014. The outturn is also subject to external audit verification during July/August 2014.

10. **Policy and Performance Agenda Implications**

The over spend in Children and Young People's Service has been mitigated by reviewing budgets and the continued implementation of the moratorium on spending within the Directorate during 2013/14. Savings have also been achieved through the release of staff under Voluntary Early Severance / Early Retirement terms.

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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