

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Deputy Leader – Safeguarding Children & Families
2	Date:	2nd September 2014
3	Title:	Children and Young People’s Service Revenue Budget Monitoring Report to 30th June 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 2015 based on actual income and expenditure to the end of June 2014.

The Directorate is currently projecting an overspend outturn position of £2.877m (6.7%) principally as a result of continued pressures in the Safeguarding, Children and Families Service.

6 Recommendations

That the Deputy Leader receives and notes the latest financial projection against budget for the year based on actual income and expenditure to the end of June 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 £321K 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	1,723	1,890	167	9.7
Schools and Lifelong Learning Service Wide	110	110	0	0
School Effectiveness	876	876	0	0
Special Education Provision	1,933	1,978	45	2.3
Early Years	3,960	3,960	0	0
Integrated Youth Support	3,397	3,397	0	0
Specific Grant Support	0	0	0	0
Traded Services	-383	-383	0	0
Safeguarding, Children & Families Service Wide	2,965	3,001	36	1.2
Child Protection Teams	1,110	1,111	1	0.1
Children in Need Social Work Teams	5,660	5,710	50	0.9
Looked After Children	18,827	21,438	2,611	13.9
Disability Services	2,985	2,952	-33	-1.1
Total Children and Young People's Services	43,163	46,040	2,877	6.7

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

Directorate Wide – Academy Conversions (+£167K)

The forecast over spend is due to provisions for the forecast deficit positions on the following schools when they convert to academies:

- Rawmarsh School: a Sports College - £100K (This is in addition to the £300K provided for in the 2013/14 accounts)
- Swinton Brookfield - £47K (This is in addition to the £39K provided for in the 2013/14 accounts)
- Rawmarsh Monkwood - £20K

Special Education Provision (+£45K)

The forecast over spend is partially due to the projected number of placements on SEN Complex Needs placements (£27K) - 25 current placements & 4 potential new ones. This also includes an over spend projection on supplies in the Children in Public Care Team (£5K) & a forecast under recovery of income in the Education Welfare Team due to a change in legislation which no longer allows them to charge Academies (£34K). These forecast over spends are partially offset by forecast under spends (-£21K) on staffing due to vacancies in the Education Psychology Team and Learning Support & Autism Team.

Safeguarding, Children and Families Service Wide (+£36K)

The forecast over spend is mainly on legal fees (+£62K) which is due to an increase in the number of cases going to court and agency costs for the Director of Safeguarding post (+£28K). These forecast over spends are partially offset by forecast underspends on Business Support teams due to income from NHS & some staff not being in the pension scheme (-£54K).

Child Protection Teams (+£1K)

This forecast overspend is due to a slight over spend on staffing in the Safeguarding Unit.

Children in Need Social Work Teams (+£50K)

This forecast overspend is due to Agency staff costs & additional staff appointments over establishment within the Children in Need teams. This is to better maintain business continuity rather than having to recruit expensive agency staff to cover periods between staff leaving and new staff commencing employment in post.

Looked After Children (+£2,611K)

The service is forecasting an over spend mainly due to out of authority residential placements (+£2,254K) and independent fostering placements (+£114K). This is partially offset by an under spend on Remand placements (-£34K).

The Adoption Reform Grant that was first received in 2013/14 was reduced by £746K in 2014/15. This grant significantly mitigated LAC budget pressures in 2013/14 on a temporary basis.

Further details of placements are below:

Placement Type	2011/12		2012/13		2013/14		2014/15 as at 30th June		Actual Number of placements as at 30 June 2014
	Average No. of placements	Average Cost of Placement	Average No. of placements	Average Cost of Placement	Average No. of placements	Average Cost of Placement	Average No. of placements	Average Cost of Placement	
		£ per week		£ per week		£ per week		£ per week	
Out of Authority Residential	18	3,022	21.1	3,206	25	3,245	30.7	3,081	31
<i>R1 Accommodation only</i>	U/A	U/A	U/A	U/A	U/A	U/A	11.2	1,659	11
<i>R2 Accommodation & therapy</i>	U/A	U/A	U/A	U/A	U/A	U/A	9.3	2,693	9
<i>R3 Accommodation, therapy & education</i>	U/A	U/A	U/A	U/A	U/A	U/A	7.6	3,900	9
<i>R4 Parent & Baby</i>	U/A	U/A	U/A	U/A	U/A	U/A	0	0	0
<i>Secure</i>	U/A	U/A	U/A	U/A	U/A	U/A	2.5	2,698	2
Remand	U/A	U/A	U/A	U/A	1.6	3,154	1.3	287	1
Independent Fostering Agencies	125	887	121	874	107	879	104.3	854	98
<i>Standard</i>	U/A	U/A	74.8	745	66.1	759	60.6	744	56
<i>Complex</i>	U/A	U/A	27.2	938	24	1,105	30.2	976	30
<i>Specialist</i>	U/A	U/A	19	1,287	16.9	998	13.5	1,098	12
In-house Fostering	158.8	230	162	246	165.2	261	171.5	270	177
Note: U/A - This detailed breakdown was unavailable in past years									

Out of Authority Residential

- The number of children in residential out of authority placements as at end of June 2014 is 31 (no change since 31 March 2014 but an increase of 6 since 31 March 2013).
- The average number of placements has increased from 25 in 2013/14 to 30.7 in 2014/15, so far, which is an increase of 5.7 (22.8%). At an average cost of £3,081 per week this would be a cost of £913K per annum.
- 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 £3,081 currently – an increase of 2%. However, as shown, in the table above, the current average cost per placement is less than the 2013/14 of £3,245 – a reduction of -5%.
- The average number of placements in the same period has risen by 12.7 (70.6%) from 18 to 30.7.
- From 1 April 2013 children's remand placements were fully funded by the Local Authority & RMBC was provided with a national grant of £78K in 2013/14 to cover these additional costs. The allocation for 2014/15 has been reduced to £53K. The cost of these placements in 2014/15 so far is £19K. At the end of June 2014 there was 1 remand placement (a reduction of 1 since 31 March 2014).

Independent Fostering Agencies

- The number of children in Independent foster Care as at end June 2014 is 98 (a reduction of 4 since the end of March 2014 & a reduction of 20 since 31st March 2013).
- The average cost of a placement has reduced by an average of £33 or 3.7% since 2011/12.
- The average number of placements during the same period has decreased by 20.7 (16.7%).

In-house Fostering

- The number of children in in-house fostering placements as at end of June 2014 is 177 (an increase of 10 since the end of March 2014).
- The cost of a placement has risen by an average of £40 or 17.4% since 2011/12.
- The average number of placements during the same period has increased by 12.7 (8%)

The number of looked after children was 395 at end of June, a reduction of 5 since the end of March 2014.

Fostering Services are forecasting an overspend on Fostering allowances (£172K) & Residence Orders (£21K) due to having more children placed than planned (see table below) & also due to some placements costing more than the estimated average. This is partially offset by an under spend in the Fostering team due to not covering a maternity leave (-£39K).

Adoption Services are projecting an over spend on Special Guardianship Orders (£44K) due to having more children placed than planned (see table below) & a small overspend on allowances (£6K) & also due to some placements costing more than the estimated average. These are offset with slight under spends on the LAAC Team (-£1K), Adoption Team (-£2K) & Inter Agency costs (-£2K).

The table below shows the current placements numbers compared to the plan used when budget setting for 2014/15:

Placement Type	Actual No. of placements as at 30 June 14	Planned No. by this stage of the year	No. of placements above plan	Average Cost per week used for budget setting	Total Approximate Additional Cost for the next 9 months	Cost Avoided for the next 9 months - assuming an IFA placement would have been used (£854 Per week)
				£	£'000	£'000
In-House Fostering	177	168	9	264	93	207
Adoption - with means tested allowance	92	92	0	167	0	0
Residence Orders	132	129	3	129	15	85
Special Guardianship	84	78	6	118	28	172
					135	464

Although these additional placements are causing over spends in some areas, as detailed above, the table shows that if these placements had instead, resulted in Independent Fostering placements this would have cost RMBC an additional £464K for the remainder of the year.

Other forecast overspends within this are (£55K) in the LAC Service due to Agency costs of £47K & a Care package £21K offset by staff vacancies -£13K & (£23K) within in-house Residential homes due to Regulation 33 requiring us to use an independent reviewer £19K & £4K on the use of agency staff cover.

Disability Services (-£33K)

This service is forecasting an under spend due to delays in recruitment for 2 posts within the outreach team (-£20K) & under use of the cover budgets at Cherry Tree & Liberty residential homes (-£13K).

7.1.4 Prevention and Early intervention strategies

These include:

- Increased use of Special Guardianships (84 as at the beginning of July, an increase of 4 since 31st March 2014 & an increase of 15 since March 2013) and Residence Orders (132 as at the beginning of July, an increase of 1 since 31st March 2014 & an increase of 12 since 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.
- In-house adoption and fostering services are continuing to develop placement resources. The in-house adoption service approved a total of 31 adoptive families in 2013/14, a significant increase on the 18 families approved in 2012/13. The service has set itself a stretch target to approve 42 new adoptive families in 2014/15 and is currently on course to meet this target with 10 new adoptive families approved in quarter one of 2014/15. Increased numbers of in-house adopters will reduce the need to commission inter-agency adoptive placements at a cost of £27,000 per child, - we commissioned 29 inter-agency placements in 2013/14 and have set a target to reduce this to just 20 in 2014/15 - and increase our ability to create income, at the same rate of £27,000 per placement, from providing our own adoptive families for other local authorities. The service has set itself a target to provide a total of 5 families for other local authorities in 2014/15 (compared to 2 last year) and has so far provided 3 in quarter one, providing an income so far of £81,000.
- The in-house fostering service is currently providing more placements for our looked after children, 177 as at 30th June and 179 at time of writing, than it has done for the last 4 years at least. The carer pool increased by 20 in 2013/14. The service has set itself a target to increase the foster carer pool over the year by 20 from 184 to 204. More importantly though, the service is now targeting recruitment work at families who can care for older children and adolescents, and sibling groups. Whilst carer numbers have dropped by 2 in quarter one of 2014/15, as a result of a number of more experienced carers retiring, new carers continue to be approved and the number of children placed in in-house foster care has risen to 179, evidencing the recruitment of new carers more able to care for and better matched with children and young people coming in care. The service is currently implementing a new fostering scheme, Fostering Plus, to care for young people with challenging or complex needs and has a target to recruit 6 Fostering Plus carers in 2014/15. Currently there are 3 families being assessed for Fostering Plus. Fostering Plus carers will further reduce the need for high cost independent fostering and residential placements.

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 2014/15 to date, these actions have helped the service avoid £321K of costs that would otherwise have been incurred:

- Reduction in placement costs of £280K through renegotiating contracts with external providers;
- The Fostering Framework has achieved £22K of reductions on standard fostering placements
- The Block contract has achieved £19K 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 3 month period ending 30th June 2014 was £179K. This compares with an actual cost of £232K for the same period last year.

Agency costs for the first quarter of this financial year have been incurred as a result of the need to cover the Interim Director of Safeguarding, Children & Families; vacant social worker and social work posts where staff are on long term sick or on maternity leave; and vacancies, sickness and maternity leave in residential care and the employment of an interim Service Manager to oversee improvement in the LAC service following an independent review of service quality. 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 are now filled with all new starters now in post. As reported previously, it is unfortunate that 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, and in our June interview programme, 9 new starters were employed. The challenge the service faces

is that 8 of these 9 new starters are NQSWs who cannot register with the HCPC until October. They will however start employment ASAP, providing family support-like interventions for CIN and CP cases. The 9 appointments include recruitment to supernumerary posts in the three service areas, to ensure we have the HR resource to bridge short term absences, funded by slippage in staffing budgets.

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 June 2014 on non-contractual overtime for Children and Young People's Services (excluding schools) is £20K which is mainly in Residential units, compared with expenditure of £23K 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. All in-house residential units have a 'cover' budget to use for this purpose which is currently not over spending.

7.1.8 Consultancy Costs

Total expenditure on consultancy costs to the end of June is £48K compared to £39K for the same 3 month period last year. The majority of these costs are for projects funded by external grants.

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 2014 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 5 March 2014 – Proposed Revenue Budget and Council Tax for 2014/15.

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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