

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Children & Education Services
2	Date:	10th November 2014
3	Title:	Children and Young People's Service Revenue Budget Monitoring Report to 30th September 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 September 2014.

The Directorate is currently projecting an overspend outturn position of £3.505m (8.1%), an increase of £658K since August's report, principally as a result of continued pressures in the Safeguarding, Children and Families Service.

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 September 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 £592K 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	%
Academy Conversions (Deficit)	0	147	+147	+100.0
Directorate Wide Costs	1,724	1,680	-44	-2.6
Schools and Lifelong Learning Service Wide	110	110	0	0
School Effectiveness	875	868	-7	-0.8
Special Education Provision	1,932	1,925	-7	-0.4
Early Years	3,960	3,890	-70	-1.8
Integrated Youth Support	3,393	3,393	0	0
Specific Grant Support	0	0	0	0
Traded Services	-383	-383	0	0
Safeguarding, Children & Families Service Wide	3,050	3,078	28	+0.9
Child Protection Teams	1,109	1,169	60	+5.4
Children in Need Social Work Teams	5,597	5,985	388	+6.9
Looked After Children	18,785	21,831	3,046	+16.2
Disability Services	2,988	2,952	-36	-1.2
Total Children and Young People's Services	43,140	46,645	3,505	+8.1

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

Academy Conversions – Deficits (+£147K)

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)

Directorate Wide (-£44K)

This underspend projection consists of an over spend on the Central Budget due to the legal costs of academy conversions (+£17k) & supplies (+£6K) offset by a forecast underspend on pensions (-£67k) due to reductions in payments.

School Effectiveness (-£7k)

This forecast underspend is mainly due to 4 advisors leaving the School Effectiveness Service and there being a slight delay in recruiting replacements (-£6K). The remainder of the projection (-£1k) is due to Rockingham PDC forecasting income generation over & above their £35K income target.

Special Education Provision (-£7K)

The forecast under recovery of income in the Education Welfare Team due to a change in legislation which no longer allows them to charge Academies (+£29K) & the projected overspend on SEN Complex Needs placements (+£36K) is offset by underspends due to additional income generation in the SEN Assessment/Admissions Team (-£28K) & on staffing due to vacancies in the Education Psychology Team (-£15K), the Children in Public Care Team (-£9K), Parent Partnership (-£12K) and Learning Support & Autism Team (-£8K).

Early Years Services (-£70K)

The projected underspend in this area is due to delays in recruitment & savings due to staff not being in the pension scheme within the Early Years Team (-£20K) & Children Centres (-£50K)

Safeguarding, Children and Families Service Wide (+£28K)

The forecast over spend is mainly on legal fees (+£57K) which is due to an increase in the number of cases going to court and agency costs for the previous interim Director of Safeguarding post (+£29K). These forecast over spends are partially offset by forecast underspends on Business Support teams due to income from NHS, a member of staff taking Voluntary Redundancy & some staff not being in the pension scheme (-£58K).

Child Protection Teams (+£60K)

This forecast overspend is due to the withdrawal of the DSG funding by the Schools Forum (+£49K) & Agency costs (£12K) in the Safeguarding Unit offset by a small projected underspend on the Children's Rights Team (-£1K).

Children in Need Social Work Teams (+£388K)

This forecast overspend is due to Agency staff costs & additional staff appointments over establishment (+£377K), staff training (+£2K), vacancy advertising (+£2K), offset by staff slippage (-£28K) & an under spend on supplies (-£7K) 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. This area also includes a projected overspend on the Out of Hours service (+£53K) due to a charge for the corporate call handling service £32K & the plan to recruit a team manager £23K. This is offset by a projected underspend on the Family Assessment Team (-£11K) due to staff not being in the pension scheme & delays to recruitment.

Looked After Children (+£3,046K)

The service is forecasting an over spend mainly due to out of authority residential placements (+£2,564K) and independent fostering placements (+£359K). This is partially offset by an under spend on Remand placements (-£19K).

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.

The service overspent in 2013/14 (£1.617m) and due to the increased number and forecast length and complexity of placements, the forecast overspend is currently expected to increase to the extent above (£2.564m and £0.359m respectively).

To help mitigate these pressures the service, alongside the Commissioning team are conducting a review of placements with a deadline for completion by the end of November. This is to consider how many children are likely to remain in the placement until adulthood, how many children may be returned to Rotherham and how many could be moved or converted in to another form of permanence arrangement e.g. Special Guardianship.

Further details of placements are below:

Placement Type	2011/12		2012/13		2013/14		2014/15 as at 30th September		Actual Number of placements as at 30th September 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	Average No. of placements	Average Cost of Placement £ per week	
Out of Authority Residential	18	3,022	21.1	3,206	25	3,245	31.1	3,233	32
<i>R1 Accommodation only</i>	U/A	U/A	U/A	U/A	U/A	U/A	11.5	2,812	12
<i>R2 Accommodation & therapy</i>	U/A	U/A	U/A	U/A	U/A	U/A	9.3	2,845	9
<i>R3 Accommodation, therapy & education</i>	U/A	U/A	U/A	U/A	U/A	U/A	8.4	3,801	10
<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	2.1	3,753	1
Remand	U/A	U/A	U/A	U/A	1.6	3,154	0.8	815	1
Independent Fostering Agencies	125	887	121	874	107	879	103.5	907	106
<i>Standard</i>	U/A	U/A	74.8	745	66.1	759	60	760	60
<i>Complex</i>	U/A	U/A	27.2	938	24	1,105	31.3	1,066	34
<i>Specialist</i>	U/A	U/A	19	1,287	16.9	998	12.3	1,211	12
In-house Fostering	158.8	230	162	246	165.2	261	174.8	264	171
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 September 2014 is 32 (an increase of 1 since 31 March 2014 & an increase of 7 since 31 March 2013).
- The average number of placements has increased from 25 in 2013/14 to 31.1 in 2014/15, so far, which is an increase of 6.1 (24.4%). At an average cost of £3,233 per week this would be a cost of £1.026m 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 £3,233 currently – an increase of 6.9%. 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 -0.4%.
- The average number of placements in the same period has risen by 13.1 (72.8%) from 18 to 31.1.
- 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 £34K. At the end of September 2014 there was one remand placement (a reduction of 1 since 31 March 2014).

Independent Fostering

Agencies

- The number of children in Independent Foster Care as at end September 2014 is 106 (an increase of 4 since the end of March 2014 but a reduction of 12 since 31st March 2013).
- The average number of placements since 2011/12 has decreased by 21.5 (17.2%).

In-house Fostering

- The number of children in in-house fostering placements as at end of September 2014 is 171 (an increase of 4 since the end of March 2014).
- The cost of a placement has risen by an average of £18 or 7.3% since 2011/12.
- The average number of placements during the same period has increased by 16 (10.1%)

The number of looked after children was 400 at end of September, a reduction of 4 since end of August & no change since the end of March 2014.

Fostering Services are forecasting an overspend on Fostering allowances (+£122K) & Residence Orders (+£56K) due to having had more children placed than planned during the first 6 months of the year & also due to some placements costing more than the estimated average. This is partially offset by under spends in the Fostering team due to not covering a maternity leave (-£45K) & forecast underspends on Fostering equipment (-£10K) & Family Together packages (-£15K).

Adoption Services are projecting over spends on Special Guardianship Orders (+£18K) & on allowances (+£12K) due to some placements costing more than the estimated average. These are offset with under spends on the Inter Agency costs (-£125K) due to more adoptions being completed in house & small underspends on the LAAC Team (-£1K) & the Adoption Team (-£6K).

Other forecast overspends within this area are (+£123K) in the LAC Service due to Agency costs £66K & posts over establishment £38K & a complex Care package £19K, (+£22K) within in-house Residential homes due to Regulation 33 requiring us to use an independent reviewer of our in house provision & (+£3K) for use of sessional staff to cover sickness in the Contact Workers Pool. These projected overspends are offset by a projected underspend in the Leaving Care Service (-£12K) due to efficiencies achieved on bringing the service back in-house.

Disability Services (-£36K)

This service is forecasting an under spend due to delays in recruitment for 2 posts within the outreach team (-£27K) & under use of the cover budgets at Cherry Tree & Liberty residential homes (-£9K).

7.1.4 Prevention and Early intervention strategies

These include:

- Increased use of Special Guardianships (83 as at the end of September, an increase of 3 since 31st March 2014 & an increase of 14 since March 2013) and Residence Orders (133 as at the end of September, an increase of 2 since 31st March 2014 & an increase of 13 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 Adoption Service has up to October 27th 2014 approved 21 adoptive families since April 1st 2014. This is improved performance on 2013/14 when the service had approved 12 adoptive families in the same period. The target for 2014/15 is to recruit 42 adoptive families in total, compared to 31 in total in 2013/14. In addition to the 21 adoptive families approved to date, there are a further 20 families in assessment, which would amount to 41 approved for the year. 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 4, providing an income so far of £108,000.
- The in-house fostering service is currently providing more placements for our looked after children, 171 as at 30th September, 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. The number of foster carers so far this year has dropped from 184 to 180 as a result of a significant number of retirements. However, our recruitment activity this year is aimed at recruiting carers for more difficult to place children and the service is having some success with that. New carers recruited include two for children aged 11 to 18 and 5 for sibling groups. In addition the service has approved 2 fostering plus carers and will approve one more in November. Work is on-going extending the capacity of existing foster carers through changes of approval categories. As a result six carers have amended their approval category to care for older children, one has amended their approval category to care for an additional child, and three carers have amended their approval category to care for additional children and to care for children of an older age. Fostering Plus carers will further reduce the need for high cost independent fostering and residential placements.

7.1.5 **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 £592K of costs that would otherwise have been incurred:

- Reduction in placement costs of £518K through renegotiating contracts with external providers;
- The Fostering Framework has achieved £34K of reductions on standard fostering placements
- The Block contract has achieved £40K 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.

The Directorate are in the process of changing the function of one of its Residential Children's homes to better meet the needs of Rotherham young people. This will be completed & the home registered with OfSTED for a changed function by April 2015.

7.1.6 Agency Costs

Total expenditure on Agency staff for Children and Young People's Services for the 6 month period ending 30th September 2014 was £511K. This compares with an actual cost of £392K 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. All previously supernumerary posts within the service have been appointed to.

In Q2, there are two consultants working within the service with a remit to review and improve critical areas of social work provision. Both assignments are time limited and have been agreed by the Director Safeguarding, Children & Families and the Chief Executive.

Following the publication of the Jay Inquiry, the demand on social care has increased, and in preparation for OfSTED, additional agency staff have been utilised to strengthen staffing resources proportionate to this demand. As part of their inspection activity, OfSTED will form a judgement on whether social worker caseloads are too high. The inspection report will be published by 21st November, at which point the Service may need to review current workload capacity and workforce resource, dependent on the recommendations put forward by HMI.

21 Newly Qualified Social Workers have joined the service in the past 4 months and have commenced their Assessed and Supported Year in Employment (ASTE). This is reflective of around 20% of the total workforce. 17 social workers completed the ASYE in 13/14. Recruitment continues to take place on a monthly basis, and in October the service is recruiting to the LAC Team and the Children's Disability Team.

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 September 2014 on non-contractual overtime for Children and Young People's Services (excluding schools) is £40K which is mainly in Residential units, compared with expenditure of £58K 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 September is £107K compared to £97K for the same 6 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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