

Decision maker:	Cabinet Member for Children's Social Care
Subject:	Children's Social Care Portfolio Budget Monitoring Report for the First Quarter 2016/17
Date of decision:	6 September 2016
Report from:	Chris Ward, Director of Finance and Section 151 Officer
Report by:	Richard Webb, Finance Manager
Wards affected:	All
Key decision:	No
Budget & policy framework decision:	No

1. Purpose of report

- 1.1. To inform the Cabinet Member of the projected revenue expenditure within the portfolio cash limit for the current financial year 2016-17. This report sets out the budget position and contributing factors to the projected overspend within the portfolio as at the end of June 2016.

2. Summary

- 2.1. Following overspend positions in the previous two years, and an initial projected financial pressure of around £1.2m on the budget for this year, the portfolio is currently forecast to overspend by £0.4m in 2016-17.

3 Recommendations

- 3.1 It is recommended that the Cabinet Member:
 - 3.1.1 Notes the Children's Social Care Portfolio forecast budget position, at the end of June 2016, of £0.4m in excess of current approved cash limit provision.
 - 3.1.2 Supports the ongoing process of budget review and implementation of proposals to reduce the projected overspend position and deliver a balanced budget within the area of Children's Social Care.

4 Background

- 4.1 At the commencement of 2016-17 the Children's Social Care Portfolio was created containing the budget areas pertaining to Child Social Care & Safeguarding, Troubled Families and Early Years & Children's Centres.
- 4.2 Expenditure on Children's Social Care and Safeguarding was subject to much scrutiny during 2014-15 and 2015-16 exceeding the budget provision for each year as it did. Under the approved financial arrangements, an overspend is carried forward by the portfolio in the following financial year, as portfolio's are now expected to manage their financial resources across financial years in order to encourage medium term operational and financial planning. However overspends from prior years have been subsumed corporately to provide a clean starting point for the new portfolio.
- 4.3 Significant work has already been undertaken to establish whether the Looked After Children and Safeguarding services more generally are costly or not, compared to our statistical neighbours. Establishing this provides a guide to the extent to which savings / efficiencies might be achievable. The evidence gathered to date indicates that the cost of Safeguarding is low to average, whilst performance is generally good. Scope to make significant savings therefore would appear limited although possible.

5 Summary Position against Cash Limited Budget at the end of June 2016

- 5.1 The current projected overspend for the Children's Social Care Portfolio is forecast at £0.4m, all attributable to the Children's Social Care and Safeguarding service as identified below.

Service Area	Current Budget	Current Forecast	Variation
	£000	£000	£000
Troubled Families	213	213	0
Early Years & Children's Centres	230	239	9
Children Social Care & Safeguarding	22,928	23,370	442
	23,371	23,822	451

- 5.2 Troubled Families has a cash limit allocation of £213,000 and this is supplemented by significant grant funding estimated at some £1,043,000, of which £793,000 is dependent on target achievement. Current spending is in line with estimates.
- 5.3 Early Years and Children's Centres have a cash limit budget of £230,000, which is supplemented by Public Health funding allocation to provide an overall budget of £1,818,000. At the current time, whilst there are certain pressures on the budget, it is anticipated that these will be managed and the service will spend broadly in line with the budget.

5.4 The Children's Social Care and Safeguarding budget is currently forecasting an overspend of £0.4m. This is the summation of variations in a number of areas which are explained further below:

5.4.1 **Assessment and Intervention Service** (£125,000 under spend): Current staffing levels, turnover and vacancies have led to staffing costs for the year being currently projected some £163,000 below budget. The ability to maintain the vacancies at these levels and deliver these projected "savings" will need to be kept under review.

5.4.2 At the same time a pressure of £38,000 is forecast in respect of expenditure in providing assistance to those with no recourse to public funds or children in need (under Section 17 of the Children Act 1989).

5.4.3 **Looked After Children (LAC)** (£377,000 over spend): The reason for the overspend is largely related to higher costs and numbers of child placements resulting in a forecast overspend of £370,000, as shown below. This is obviously a volatile area with continual movement in numbers, however the forecasts are based on current placement numbers and costs being maintained on average until the year end. These costs exclude Unaccompanied Asylum Seeking Children and may reduce further following a review of funding contributions towards external residential placements.

June 2016 Placement Type	Budget			Current Forecast			
	Average	Av Unit Cost	Budget	Average Predicted	Av Unit Cost	Estimated Outturn	Budget Pressure
	Nos	£	£	Nos	£	£	£
External Residential	9.02	107,871	973,000	7.85	174,807	1,372,235	399,235
Semi Ex-Residential	2.42	23,967	58,000	0.00	23,967	0	-58,000
Independent Fostering Agency (IFA)	49.29	44,293	2,183,200	39.08	45,290	1,769,933	-413,267
In-House Foster care	193.95	20,540	3,983,700	207.25	21,027	4,357,846	374,146
Adoption	60.07	5,827	350,000	62.25	5,835	363,229	13,229
Residence	27.96	6,438	180,000	25.33	7,517	190,406	10,406
Special Guardianship	118.58	4,962	588,400	129.58	4,879	632,221	43,821
TOTAL			8,316,300			8,685,869	369,569

5.4.4 Staffing costs are currently projected to be below the budget provision by around £153,000, reflecting staff turnover and vacancies anticipated for the year.

5.4.5 With added focus on Adoption support in line with the government's adoption agenda to move children into permanent arrangements, there is an anticipated pressure of £100,000, associated with the purchase of placements and removal of Government support for inter-agency placements later in the year. A further £60,000 pressure is anticipated on a variety of other budget areas.

5.4.6 **Safeguarding & Monitoring** (£23,000 over spend): staffing stability means that anticipated turnover savings are not being realised in this area of the service.

5.4.7 **Support Activities** (£162,000 over spend): This projected overspend is predominantly related to delays in the delivery of savings proposals.

6 Summary

6.1 The portfolio budget is currently overspending and can broadly be attributed to placement costs as described in section 5 of this report. Other pressure areas and delayed savings delivery have been broadly offset by in year savings from staffing turnover and vacancies.

6.2 Significant work has already been undertaken to establish whether the Looked After Children and Safeguarding services more generally are costly or not, compared to our statistical neighbours. Establishing this provides a guide to the extent to which savings / efficiencies might be achievable. The evidence gathered to date indicates that the cost of Safeguarding is low to average cost whilst performance is generally good. Scope to make significant savings therefore would appear limited although possible.

7 Equality impact assessment (EIA)

7.1 No impact assessment has been carried out as the proposals do not have any impact upon a particular equalities group.

8 Legal comments

8.1 There are no legal implications arising directly from the recommendations in this report.

9 Director of Finance comments

9.1 Financial comments are contained within the body of the report.

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Chris Ward, Director of Finance and Section 151 Officer

Background list of documents: Section 100D of the Local Government Act 1972

The information upon which this report has been based has been drawn from a variety of sources; however much of the information used is held in budget files prepared by the Children and Education Finance Team. Please contact Richard Webb, Finance Manager, if required.

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet Member for Children's Social Care on 6 September 2016.

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Signed by: Cabinet Member for Children's Social Care