

CHILDREN'S WELLBEING APPENDIX C

BUDGET CONTROL MEETING UPDATE REPORT

SEPTEMBER

MEETING DATE:

23RD OCTOBER 2013

Purpose

To provide the Chief Officer Finance with assurance on:

- the robustness of budget control and monitoring within People's Services,
- to highlight key risks within the directorate
- to identify any mitigation which can be achieved to reduce the impact on the overall Council budget for 2013/14.

1. Key Messages

1. The latest projected outturn is a net overspend of £39k. A deterioration of £131k since the August position, which is mostly attributable to increased placement pressures in safeguarding with some offsetting mitigation.
2. Overall new pressures total £507k of which the key components are:

Pressure	£000's
The extension of one residential placement and a new one approved increased projections.	179
Safeguarding now reflects cost of market forces and recruitment.	85
A new court ordered remand. This has been built in for 90 days due to the nature of the placement.	60
New placement from residential into complex needs.	55
Extension of four agency fostering placements in addition to a new mum and baby placement replacing an existing placement.	54
Increase in transport commitments due to a missed accrual from the previous financial year.	44
Increase in court costs	30
Total new pressures	507

3. A total of £376k has been mitigated by:

Mitigation	£000's
Increase in Education Support Grant funding. The DFE have indicated that they had overstated the impact of schools moving in-year to academies. The revised estimate has been adjusted for anticipated local moves to academies for the remainder of the year.	200
Hold on vacancies within children centres and Intensive Family Support.	110
A review of the business support projections has given rise to a decrease in commitments.	43
Underspend of within early years.	23
Total new mitigation	376

4. In summary the position for children and wellbeing is:

	£000's	£000's
Agency Staff (including Social Workers)	(802)	
School Transport	(459)	
Residential Placements (including Agency Fostering, 16+, and Complex Needs)	(482)	
Court Costs	(335)	
Secure Remands	(221)	
Investment in Newly Qualified Social Workers	(187)	
Loss of Extended Rights to Schools Grant	(176)	
Special Guardianship / Residential Allowance	(58)	
Other Pressures	(41)	
Total Pressures		(2,761)
Education Support Grant	2,076	
Hold on vacant posts	530	
Reduction in Youth Services	105	
Other savings	11	
Total Mitigation		2,722
Total September Outturn Position (over) / underspend		(39)

1.1. Current Status – Revenue Budget by Service

Service	Annual budget			September Forecast Outturn	Sept OT Variance	Aug FC Variance	Change to forecast
	Budget Expend	Budget (Income)	Net Budget		Projected (Over)/underspend	Under / (Over) Spend	(Adv) / Fav
	£000's	£000's	£000's		£000's	£000's	£000's
Directorate Costs	713	(240)	473	473	(0)	(0)	0
Directorate Costs	713	(240)	473	473	(0)	(0)	0
Service Management	127	0	127	154	(27)	0	(27)
Children's Safeguarding *	12,972	(202)	12,770	13,683	(913)	(575)	(338)
Additional Needs	6,117	(3,955)	2,162	2,217	(55)	(0)	(55)
Locality Services	2,923	(395)	2,528	2,343	185	125	60
CYP Provider Services	22,139	(4,552)	17,587	18,397	(810)	(450)	(360)
Service Management	507	0	507	490	17	20	(3)
Learning & Achievement *	6,786	(2,269)	4,517	4,824	(307)	(292)	(15)
Youth Services	693	(168)	525	419	106	104	2
Children's commissioning	1,811	0	1,811	1,772	39	41	(2)
Performance and Business Support	1,763	(159)	1,604	1,562	42	(8)	50
Sufficiency and Capital	8,190	(7,219)	971	989	(18)	(9)	(9)
Quality and review	406	0	406	414	(8)	(14)	6
Children's Commissioning	20,156	(9,815)	10,341	10,470	(129)	(158)	29
Education Support Grant				(900)	900	700	200
Children's Wellbeing Directorate	43,008	(14,607)	28,401	28,440	(39)	92	(131)

The above figures do not include £100m of school budgets funded from Dedicated Schools Grant

*Education Support Grant - £1m for Safeguarding and £0.2m for Transport within Learning and Achievement.

1.2. Savings Plans

CHILDRENS WELLBEING		
Delivered	Anticipated	At Risk
£000's	£000's	£000's
3,991	1,272	23

Legislative changes and increased numbers of looked after children put achievement of the planned reductions in residential and agency foster care placements at risk. This is currently mitigated by the use of ESG.

1.3. Savings Schemes – RED status

Ref	Scheme	Target	Reported at Risk	Risk	Estimated recoverable 13/14	Expectation 14/15
		£000's	£000's		£000's	£000's
1	Sale of outdoor equipment	50	23	Did not achieved estimates at auction	0	0
	TOTAL	50	23		0	0

Details of Risk / Mitigation

1 – Sale of equipment did not achieve the value expected. The closure of youth centres has identified other savings.

2. Headlines by Service Area

2.1. Children's Provider Services – overspend £886k

Key Points

Locality Services

1. Underspend of £166k within locality services due to new re-structure and not filling vacant posts for the remainder of the financial year.
2. There is now a hold on all children centre vacancies saving £26k to the end of March.

Safeguarding

3. External placement pressure currently stands at a gross pressure of £332k, reduced to £107k after offsetting by ESG funding. This is as a direct result of increased referrals and case numbers following the Ofsted inspection in September 2012.
4. There are now two ordered remand placements. The gross pressure of which is £221k reduced to £59k after offsetting ESG funding.
5. The current agency staff forecast overspend is £854k, (this includes £493k identified in July and mitigated by ESG, £271k pressure for all agency to be in place until 31stMarch, £60k for market forces supplements payable from 1st November and balance of recruitment costs of £30k).
6. Court costs currently predicting an, overspend of £335k, which is in part due to the requirement for specialist legal advice on two complex cases.
7. In house fostering is predicting an underspend of £20k due to vacancies within the fostering team, and in house placement costs of £74k give the service a total underspend of £0.1m. This is offset by a special guardianship overspend of £74k.
8. A hold on vacancies within intensive family support gives an, underspend of £50k.

Risks

9. Continued increases in referrals.

10. Complex needs cases currently operating at above budget capacity, there are circa 5 cases that could come to panel before the end of the financial year.

Opportunities

11. The residential and complex needs placement panel are due to be merged in order to gain efficiency. This will be chaired at Assistant Director level. The aim is to develop effective local solutions for the more complex cases on a multi-agency basis that reduces the need for out of county residential placements across education, health and social care..
12. There are currently four posts due for interview shortly. If successful this will start to reduce agency costs from February 2014.

2.2. Children's Commissioning – overspend £129k

Key Points

13. School transport has pressures of £459k. This is primarily due to the budget being set anticipating £200k as a result of transporting to nearest school only, and charging for post 16 SEN transport provision.

	September Outturn Position		
	Budget £000's	Actual £000's	Variance £000's
Other Transport Costs	57	60	(3)
Direct Transport Costs	4,404	4,877	(473)
Transport Income	(1,009)	(1,034)	25
Extended Rights to Schools Grant	(176)	0	(176)
Transport Staff	801	809	(8)
Total Before Mitigation	4,077	4,712	(635)
Education Support Grant		(176)	176
Total Transport Outturn	4,077	4,536	(459)

The main pressure within direct school transport costs are:

Breakdown of Transport Overspend	
Savings target for 2013/14	(200)
Invoice not accounted for in 2012/13	(48)
Increased SEN Routes (post April 2013)	(30)
Re-tendering of Wigmore Routes	(21)
Reduction in base budget in previous years	(125)
Increase in SEN and post 16 riders	(49)
Total Overspend	(473)

14. There is an, underspend within early years of £176k due to vacancies. A review of this service has been completed in order to provide a more integrated approach.
15. Youth Services currently shows a £105k underspend due to staff vacancies and closure of the service.

16. There is a remaining net £49k underspend arising from staff vacancies and contract spend offset by shortfall in Service level Agreement income.

Risks

17. Bus operators, withdrawal from another 5 school transport routes which will cause an additional pressure of circa £50k.

Opportunities

18. The use of circa £50k Dedicated Schools Grant against eligible expenditure currently not fully utilised within Admissions.
19. Return of winding-up funding from the former Connexions building. The amount is still with the liquidators and therefore there is no indication at present when this will be received.
20. Potential savings within the Youth Offending Contract since the move to a West Mercia Partnership Agreement,