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To: Specialist Children's Services Policy Overview & Scrutiny Committee
– 28 September 2011

Subject: **SPECIALIST CHILDRENS SERVICES BUDGET FORECAST
REPORT 2011/12**

Classification: Unrestricted

Summary: A report on the forecast outturn against budget for the first quarter for the Specialist Children's Services of the Families & Social Care Directorate.

Introduction

1. (1) This is the first report for 2011-12 to this Committee detailing the initial forecast outturn against budget for the Specialist Children's Services element of the Families & Social Care Directorate.

Background

2. (1) Policy Overview and Scrutiny Committees consider the draft Medium Term Financial Plan at their November and January meetings. To enable a more informed discussion, three reports will be presented to the Committee on a regular basis:

a) **Budget Monitoring reports**

A detailed quarterly budget monitoring report is presented to Cabinet, usually in September, December and March, and a draft final outturn report in June. A report for each directorate is annexed to the summary report, and the annex for the Specialist Children's Services will be presented to this Committee at the meetings following those Cabinet meetings. This will help inform this POSC about current trends, pressures and management actions in advance of the next year's budget setting

b) **Performance data**

This will be reported at least half-yearly to this Committee.

c) **Outturn report**

Effectively an amalgam of the above two, the outturn report will summarise both the financial and performance information for the whole of the preceding year

(2) Informed by these reports, the POSCs will be in a stronger position to question and comment on the future budget and medium term proposals, as they will be asked to do at the November and January meetings.

Budget Informal Members Group

3. (1) An initial Budget IMG, for the Children's element of this Directorate, was held on the 29th July, this was used to set the scene of the budget for children's social services and the likely implications arising from the MTP process. As the meeting was held at the early stages of the 2012/13 budget process, it was agreed that a further meeting would be held again in September, when more information on likely required savings may be available.

Full Monitoring report for the First Quarter

4. (1) The July 2011 Full Monitoring report for Specialist Children's Services as presented to Cabinet on 21st September is attached at Appendix 1 (sequencing as per the Cabinet report) and this indicates an overall revenue over spend of £8.778m.

(2) The main areas to note within the latest position are:

- £1.150m of savings are still assumed red within the latest forecast in relation to the following:

	£'m
Children's High Cost Placements	0.750
Out of County Placements	0.400
Total	1.150

- The achievement of savings are pivotal to the delivery of an efficiently managed budget. We are confident that through our regular monitoring process all savings will be realised and achieved.
- The Directorate has reviewed all cash limits and affordable levels of activity in light of the 2010/11 out-turn and any changing trends in activity that have become apparent since the budget was set. An initial number of requests for virement and other known inter Directorate changes to cash limits are included as part of the Cabinet report in September. All approved roll forwards agreed at the 20th June Cabinet, the budget in relation to the Children's Improvement Plan, workforce strategy funding, along with any residual under spend from 10-11 has now been added to the forecast.

The summarised reasons for variances are shown below in Table 1, with further detail contained within Appendix 1.

Table 1

Budget Book Heading	New cash limit			Variance			Comments
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Specialist Children's Services portfolio							
Strategic Management & Directorate Support Budgets	4,715	-2,566	2,149	44	0	44	
<u>Services for Schools:</u>							
Early Years & Childcare Advisory Service	13,467	-13,467	0	-607	7	-600	Recommissioning of SLA with NCA
<u>Social Services for Children:</u>							
16+ Service	8,988	0	8,988	793	0	793	Increased residential weeks, cost of Independent fostering, staffing pressures
Adoption Service	7,147	-49	7,098	345	-11	334	Special Guardianship Orders & staffing pressures
Asylum Seekers	14,525	-14,245	280	1,193	-396	797	continuing support of 18+ Asylum seekers who are not eligible for grant funding
Childrens Support Services	3,414	-1,940	1,474	33	6	39	
Fostering Service	31,904	-407	31,497	4,255	3	4,258	Activity above affordable level, increased allowances as a result of new legislation, legal costs
Other Preventative Services	16,476	-8,541	7,935	-403	0	-403	Southwark Judgement pressures, offset by uncommitted funds
Residential Children's Services	10,932	-2,533	8,399	999	66	1,065	Activity above affordable level, offset by lower unit costs & underspend on secure accommodation
Safeguarding	4,142	-373	3,769	125	0	125	Staffing as a result of Ofsted inspection
	97,528	-28,088	69,440	7,340	-332	7,008	
<u>Support for Individual Children</u>							
- Children's Centres	19,741	-18,854	887	0	0	0	
- Integrated Looked After Children's Service	2,182	-704	1,478	90	0	90	
	21,923	-19,558	2,365	90	0	90	
<u>Intermediate Services</u>							
- Assessment of Vulnerable Children	39,399	-2,520	36,879	2,206	30	2,236	Staffing pressures
Total SCS portfolio	177,032	-66,199	110,833	9,073	-295	8,778	

- (3) The latest capital position at Appendix 2 currently shows a break-even position, with movements in cash limits changed when the capital programme was originally approved.

Recommendations

5. (1) Members of the Specialist Children's Services Policy Overview and Scrutiny Committee are asked to:

- a) NOTE the current revenue and capital financial outturn for 2011/12
- b) NOTE the latest position with regards to the savings element of the monitoring

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Background documents: None