

FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY JULY 2011-12 FULL MONITORING REPORT

1. FINANCE

Specialist Children's Services portfolio:

Overall forecast net pressure of £8,778k, details of which are below.

1.1.3.1 Early Years & Childcare Service: -£600k (-£607k gross, +£7k income)

A £600k forecast under spend is reported, due to the successful re-negotiation of the National Childminding Association Contract, which reduced the original cost to £95k. This organisation carries out various strategic commissioning training sessions for Childminders on behalf of the Early Years Service. This contract is managed within the Children's Centres Central Team budget.

1.1.3.2 16+ Service- +£793k gross

An increase in spend of £428k in the Private & Voluntary sector is a major contributor to the pressure on the 16+ service. This is due to an expected variance of 143 weeks support in residential care above the affordable level (+39%), due to children remaining in their placements when turning 16, rather than moving into lower cost supported lodgings. The Authority has a legal obligation to maintain the existing placement if the child requests.

An increase of £248k in Independent Fostering Payments spend is also contributing to the forecast pressure on the 16+ service. This is due to a forecast variance of 257 weeks support above the affordable level (+36%) (£260k), which has been mitigated by a slight reduction in the unit cost of placements, down 1% (£12k).

£112k of the forecast pressure is as a result of the team now being fully staffed to meet the increased demand on these services as a result of the higher activity seen so far in 2011-12. This increase in activity has also resulted in higher than anticipated payments to Relevant Children (£67k) & Section 24/Leaving Care payments (£25k). (Relevant Children are defined under the Leaving Care act as "children aged 16-17 who are no longer looked after by a local authority, but who were looked after for at least 13 weeks after the age of 14 and have been looked after at some time while they were aged 16 and 17). We are forecasting an underspend of £88k in Non-Related (in-house) Fostering within the 16+ service. This is due to forecast activity being 60 weeks less than the affordable level (£24k), and the unit cost being £9 less than budgeted (£64k).

1.1.3.3 Adoption Service: +£334k (+£345k gross, -£11k income)

The current forecast variance of £334k includes £159k as a result of an increase of staff in the Adoption Team. An increase in costs relating to Special Guardianship Orders (SGO) of £210k is offset by a small under spend of £24k on Adoption payments. There is an upward trend for SGO's in order to secure a permanent placement for a child where adoption is not suitable or required. In order to secure permanency, SGO legal orders through the courts are required.

1.1.3.4 Asylum Seekers: +£797k (+£1,193k gross, -£396k income)

This gross pressure relates to the costs incurred in continuing to support young people over 18 years old who are not eligible under UKBA's grant rules. We are assuming that we will have an average of 110 young people who do not qualify under the grant rules mainly because they are Appeal Rights Exhausted, or are naturalised but not able to claim benefits. Under the Leaving Care Act, we continue to have a duty of care to support these young people. In addition the grant rules exclude the first 25 eligible young people.

While the number of clients supported has reduced in 2011-12 this still remains higher than originally budgeted, resulting in an expected increase in grant income. In total we are forecasting 795 weeks above the budgeted level. These are spread between both over 18s (480 weeks, £72k) and under 18s (315 weeks, £255k). In addition the age distribution of the under 18 client group is skewed further towards under 16s that originally anticipated, as a result our forecast has increased by a further £69k. All these additional costs will be reimbursed under the current grant rules, as a result our income forecast has risen by £396k.

1.1.3.5 Fostering Service: +£4,258k (+£4,255k gross, +£3k income)

Non-Related Fostering (in-house) is forecasting a pressure of £1,679k, as a result of the forecast number of weeks of service being 9.9% higher than the affordable level of 41,800, this generates £1,654k of the current pressure. Additionally, the unit cost being slightly (£0.48) higher than previously estimated when setting the cash limit has added £22k to the pressure. There is a slight (£3k) pressure arising from income.

Independent Fostering is forecasting a pressure of £516k. Again this is as a result of a significant increase in weeks support, which is 16% higher than the affordable level of 3,990 and results in a pressure of £705k. However the average weekly cost is 4% lower than budgeted, and this reduces the net pressure by £189k.

Related Foster payments is forecasting a pressure of £354k, and Kinship Non LAC is forecasting a pressure of £533k, both are mainly due to a potential increase in allowances paid to related fosters. New legislation that came into effect on the 1st April 2011 requires Local Authorities to pay reward payments to related foster carers. Currently Kent's policy is that related carers only receive the maintenance element, whereas non-related carers receive both a maintenance and a fee element. The outcome of the recent Manchester City Council judgement regarding this legislation was ambiguous, so legal advice is currently sought. As a precaution, £620k has been included in the forecast for 2011-12 for this Related Foster payments £260k and Kinship Non LAC £360k.

The balance of pressure on Related Foster payments of £94k is largely due to unanticipated pre-adoption payments.

The balance of the pressure on Kinship Non LAC, (non LAC children placed with relatives), of £173k is primarily due to increased demand for this service with the forecast number of weeks being 1,800 higher than affordable. (*Kinship Non LAC is not included in the activity shown at Section 2.2.*)

Legal costs are currently forecast at the same level as in 2010-11 (£5m), this adds £1,155k to the forecast pressure

1.1.3.6 Other Preventative Services: -£403k gross

Within preventative services there is £727k of uncommitted monies. It has been agreed at this stage not to commit these monies to new contracts with the voluntary sector due to the significant financial pressures elsewhere in the specialist children's services.

This is off-set by a forecast overspend of £415k on Section 17 payments as a result of increased payments arising from the Southwark Judgement. This challenged local authorities to consider the wider needs of vulnerable young people between the ages of 16 and 18 who present themselves as homeless and to deal with the issue in a corporate manner rather than through individual agencies. It concluded that the young persons were to be treated as children in need (as defined by Section 20 of the Children Act 1989), and that they should be taken into the care of the local authority. This will result in an increase of 16-18 year olds in the care system. Prior to the judgement these clients would have been accommodated by the district council housing departments. It is difficult to forecast with accuracy how many young people will return to our care, and what services they will require and be entitled to

1.1.3.7 Residential Children's Services: +£1,065k (+£999k gross, +£66k income)

Of the pressure within residential services, £1,103k (£877k gross, £226k income) relates to services purchased in the independent sector. This is due to the forecast number of client weeks (1,432) being 24% higher than the affordable level and results in a pressure of £896k. However, the gross unit cost is 1% below the planned level which reduces the pressure by £18k. However, due to fewer clients than anticipated attracting Health and/or Education funding, our income forecast is £226k lower than budgeted for.

Secure Accommodation is forecasting an underspend of £319k based on current activity.

Independent Sector residential care for children with a disability is also showing a pressure of £235k (£393k gross, £158k income). This is due to an increase in activity of 20% above the affordable level, which results in a pressure of £587k, but this is mitigated by a gross unit cost being 6% lower than affordable giving a saving of £194k and higher than budgeted income of £158k.

KCC Residential care shows an underspend of £12k. (Gross £10k, Income £2k)

In addition there has been 1 additional placement, for 13 weeks, made in Non-LAC residential care at an approximate cost of £3,500 per week, resulting in the majority of the £58k pressure on this service.

1.1.3.8 Safeguarding: +£125k gross

Additional safeguarding posts have been required following the Ofsted inspection, however this decision was made after the 2011-13 MTFP and budget process was complete. In recognition of this, £374k of the £2.128m uncommitted roll forward from 2010-11 that Cabinet agreed for CSS at its meeting in July has been transferred here, which reduces the potential pressure to the £125k reported here.

1.1.3.9 Intermediate Services - Assessment of Vulnerable Children: +£2,132k (+£2,102k gross, +£30k income)

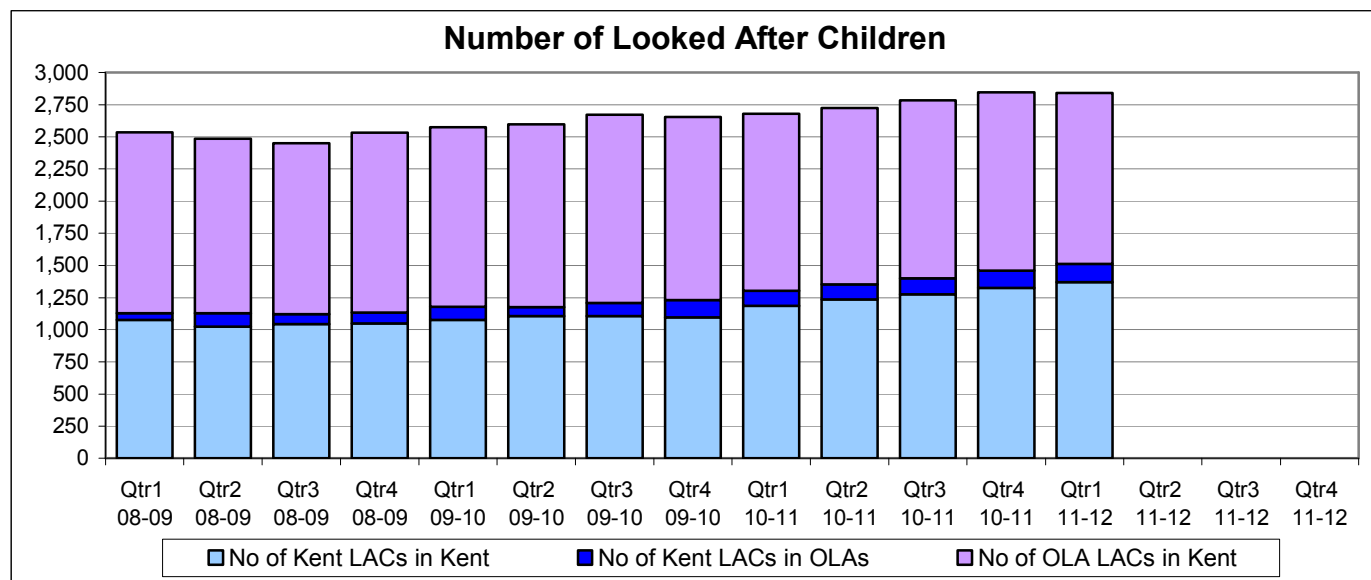
Following the Ofsted inspection, teams have recruited additional staff, mainly agency social workers. This has caused the significant pressure that is now being forecast. In recognition of this, £1,754k of the £2.128m uncommitted roll forward from 2010-11 that Cabinet agreed for CSS at its meeting in July has been transferred here, leaving a gross staffing pressure of £2,206k

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

The affordable levels of activity for 2011-12 have been amended from those included in the 2010-11 outturn report following the review of the budget across service groups in light of the 2010-11 outturn and the allocation of previously unallocated budgets, as detailed in section 1.

2.1 **Numbers of Looked After Children (LAC):** (Excludes Asylum Seekers)

	No of Kent LAC placed in Kent	No of Kent LAC placed in OLAs	TOTAL NO OF KENT LAC	No of OLA LAC placed in Kent	TOTAL No of LAC in Kent
2008-09					
Apr – Jun	1,075	52	1,127	1,408	2,535
Jul – Sep	1,022	105	1,127	1,360	2,487
Oct – Dec	1,042	77	1,119	1,331	2,450
Jan – Mar	1,048	84	1,132	1,402	2,534
2009-10					
Apr – Jun	1,076	100	1,176	1,399	2,575
Jul – Sep	1,104	70	1,174	1,423	2,597
Oct – Dec	1,104	102	1,206	1,465	2,671
Jan – Mar	1,094	139	1,233	1,421	2,654
2010-11					
Apr – Jun	1,184	119	1,303	1,377	2,680
Jul – Sep	1,237	116	1,353	1,372	2,725
Oct – Dec	1,277	123	1,400	1,383	2,783
Jan – Mar	1,326	135	1,461	1,385	2,846
2011-12					
Apr – Jun	1,371	141	1,512	1,330	2,842
Jul – Sep					
Oct – Dec					
Jan – Mar					

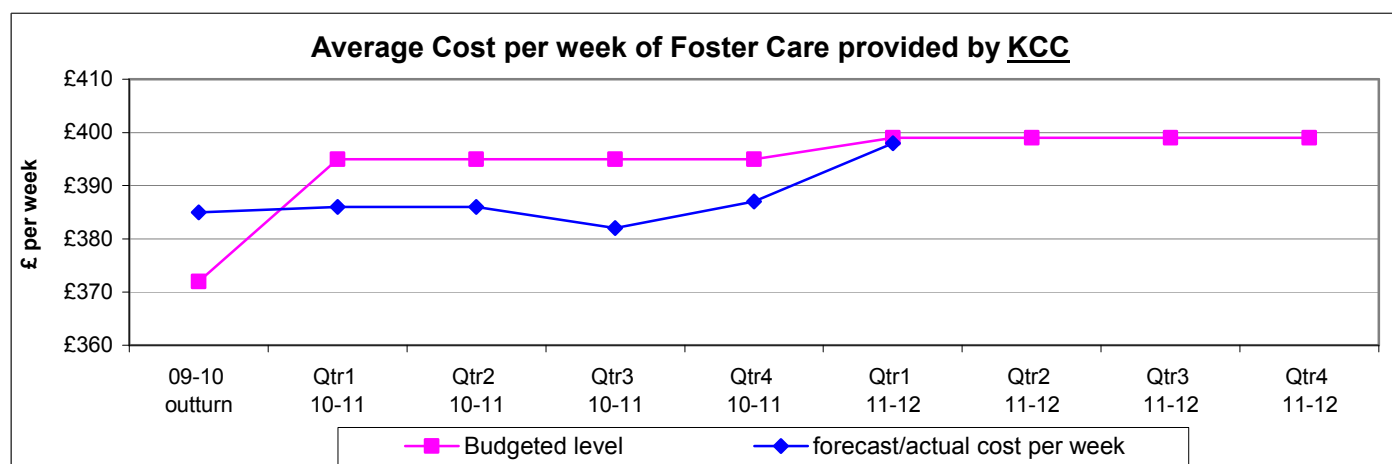
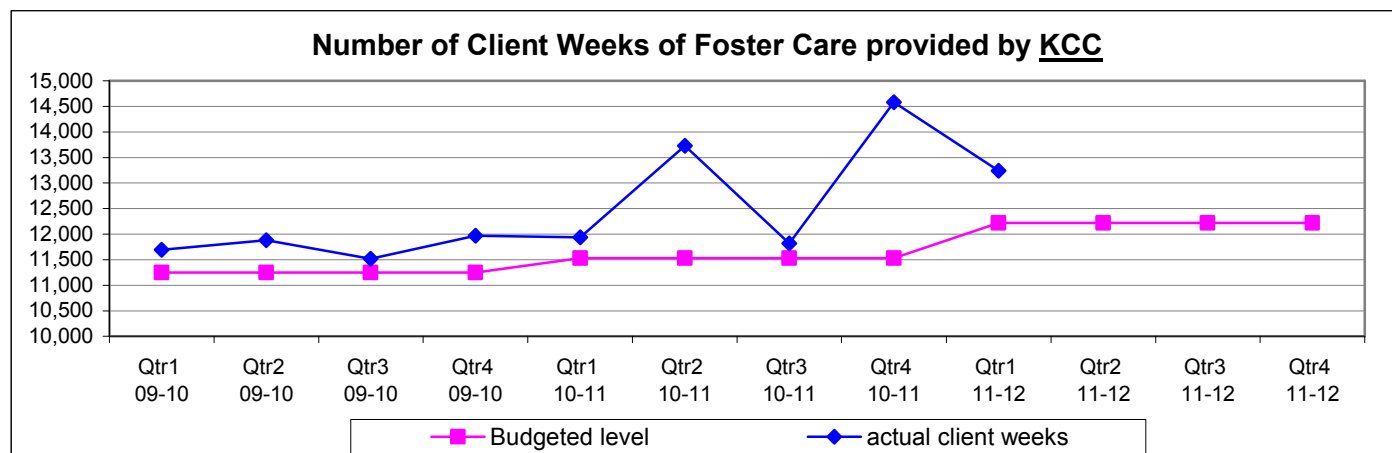


Comments:

- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken. The majority (over 99%) of Looked After Children placed out of the Authority are either in adoptive placements, placed with a relative, specialist residential provision not available in Kent or living with KCC foster carers based in Medway.
- The number of looked after children for each quarter represents a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore although the number of Kent looked after children appears to have increased by 51 this quarter, there are likely to have been more during the period.
- The increase in the number of looked after children has placed additional pressure on the services for Looked After Children, including Fostering services and 16+ services budgets.

2.2.1 Number of Client Weeks & Average Cost per Client Week of Foster Care provided by KCC (Non Related Fostering):

	2009-10				2010-11				2011-12			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget Level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	forecast
Apr - June	11,249	11,695			11,532	11,937	£395	£386	12,219	13,239	£399	£398
July - Sep	11,249	11,880			11,532	13,732	£395	£386	12,219		£399	
Oct - Dec	11,249	11,518			11,532	11,818	£395	£382	12,219		£399	
Jan - Mar	11,249	11,969			11,532	14,580	£395	£387	12,219		£399	
	44,997	47,062	£372	£385	46,128	52,067	£395	£387	48,876	13,239	£399	

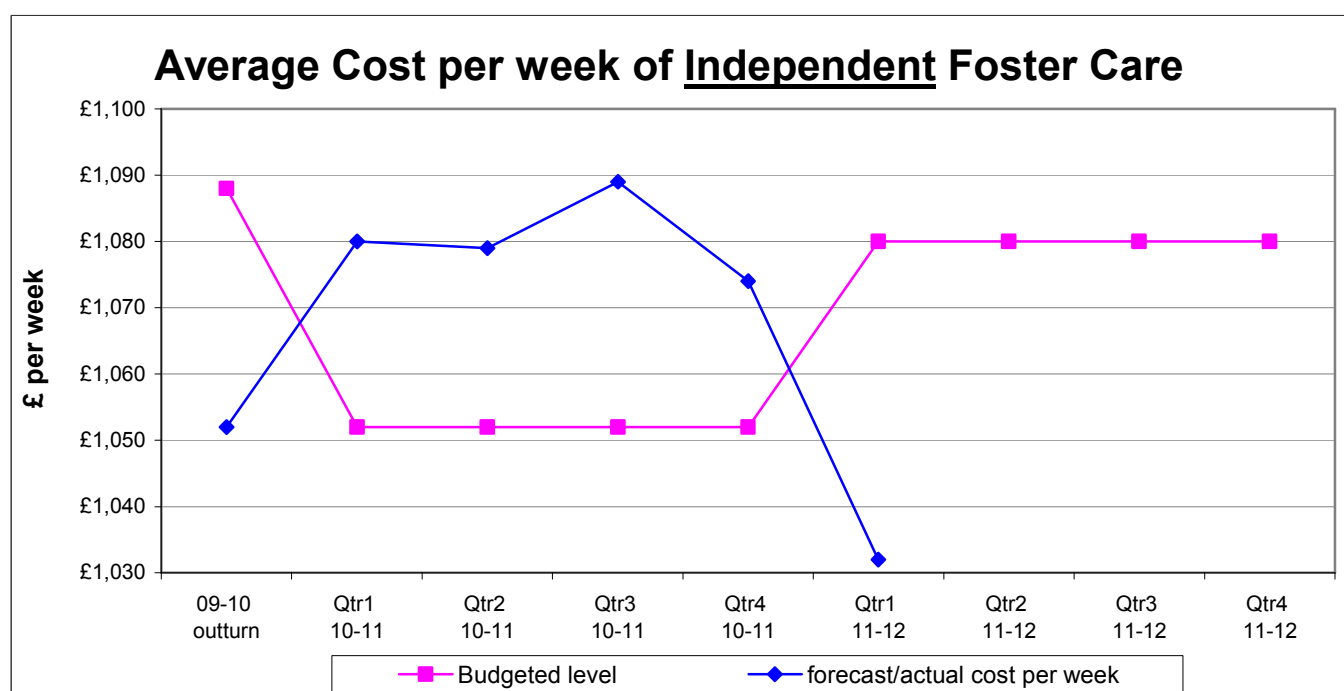
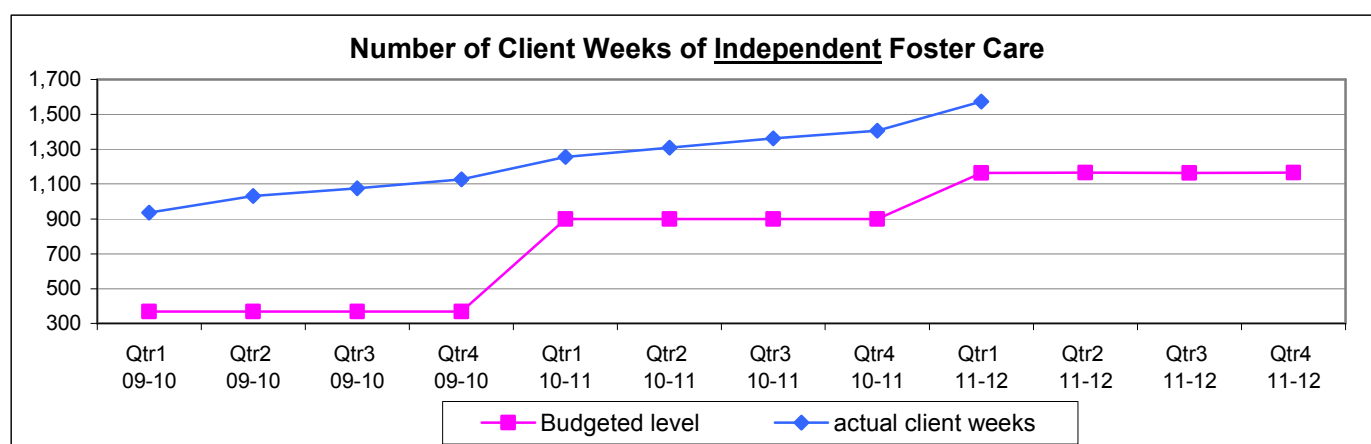


Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- In addition, the 2011-12 budgeted level represents the level of demand as at the 3rd quarter's full monitoring report, which is the time at which the 2011-12 budget was set and approved. However, since that time, the service has experienced continued demand on this service.
- The current number of forecast weeks is 52,959 (including 16+, but excludes asylum), which is 4,083 weeks above the affordable level. At £399 per week, this increase in activity gives a pressure of £1,629k.
- The forecast unit cost of £398 is £0.70 below the budgeted level, which provides a saving of £37k. The unit cost for 2011-12 is 3% higher than 2010/11 outturn, largely due to an increase in KCC fostering allowance of 3%
- Overall therefore, the combined pressure on this service for both under 16's (including those with a disability) and the 16+ service is +£1,591k ($4083 \times 399 = £1628$, less 37k = £1,591k), as reported in sections 1.1.3.2 and 1.1.3.5.

2.2.2 Number of Client Weeks & Average Cost per Client Week of Independent Foster Care:

	2009-10				2010-11				2011-12			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget Level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	forecast
Apr - June	369	935			900	1,257	£1,052	£1,080	1,177	1,574	£1,080	£1,032
July - Sep	369	1,032			900	1,310	£1,052	£1,079	1,178		£1,080	
Oct - Dec	369	1,075			900	1,363	£1,052	£1,089	1,177		£1,080	
Jan - Mar	369	1,126			900	1,406	£1,052	£1,074	1,178		£1,080	
	1,476	4,168	£1,088	£1,052	3,600	5,336	£1,052	£1,074	4,710	1,574	£1,080	



Comments:

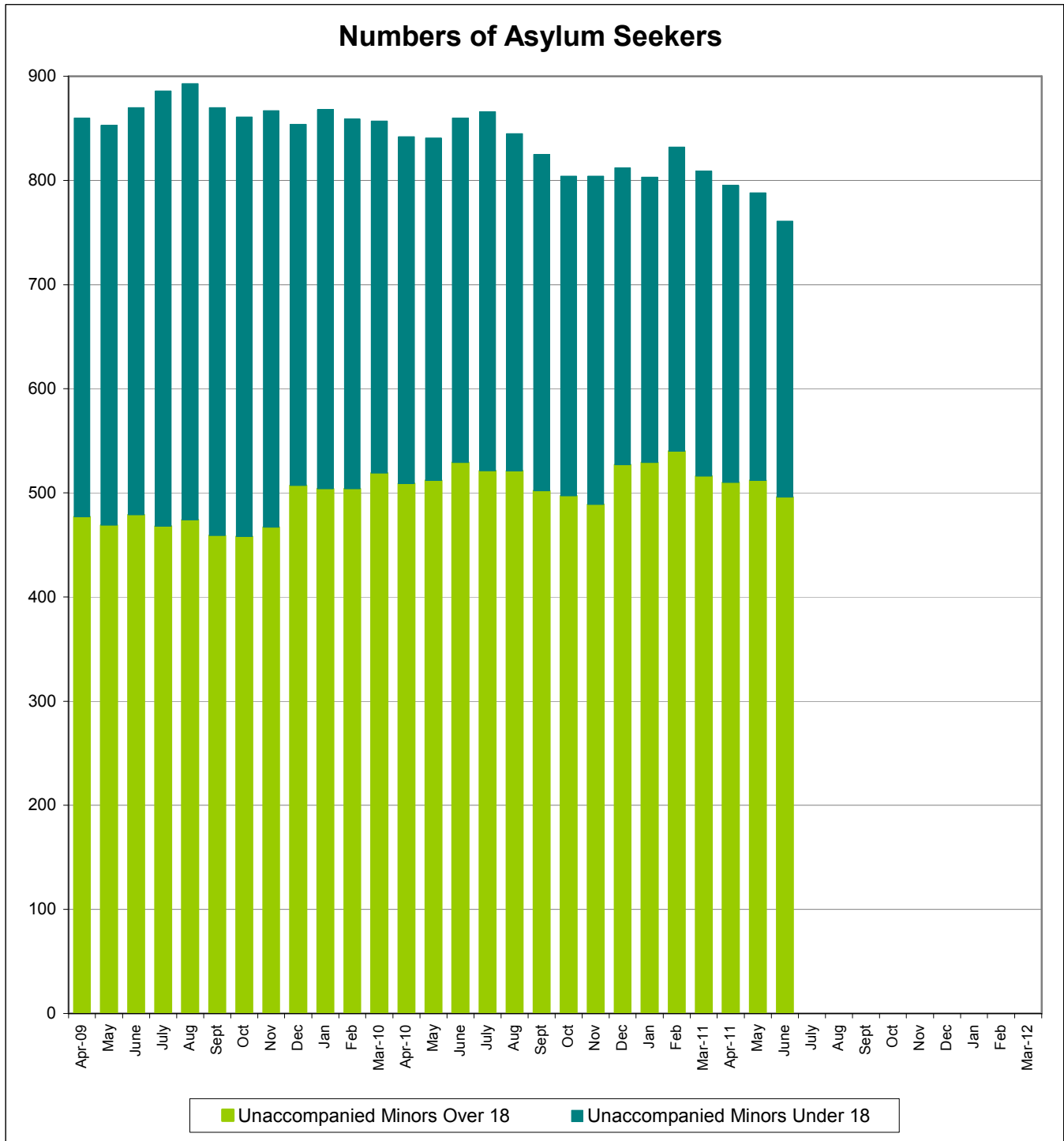
- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- The budgeted levels for 2010-11 were below the 2009-10 activity because although significant funding was made available as part of the 2010-13 MTP, this was insufficient to cover the demands for this service.
- For the 2011-12 budget further significant funding has been made available based on the actual level of demand at the 3rd quarter's monitoring position for 2010-11, the time at which the 2011-12 budget

was set and approved. However, since that date the service has experienced continued demand on this service.

- The current number of forecast weeks is 5,619 (including 16+, but excludes asylum), which is 909 weeks above the affordable level. At £1,069 per week, this increase in activity gives a pressure of £972k. There are large numbers of IFA placements which are not forecast to run until 31st March 2012.
- The forecast unit cost of £1,032 is £37 below the budgeted level, which provides a saving of £208k. The cost of placements made in 2011-12 are at a significantly lower level than originally forecast, and lower than those placements that have ended in the same period, as a result, current forecast unit cost is 3.5% lower than 2010-11 outturn.
- Overall therefore, the combined pressure on this service for both under 16's (and those with a disability) and the 16+ service is +£764k, as reported in sections 1.1.3.2 and 1.1.3.5.
- It would appear that new IFA placements are being used rather than In-House due to the lack of availability of suitable in house placements

2.3 Numbers of Unaccompanied Asylum Seeking Children (UASC):

	2009-10			2010-11			2011-12		
	Under 18	Over 18	Total Clients	Under 18	Over 18	Total Clients	Under 18	Over 18	Total Clients
April	383	477	860	333	509	842	285	510	795
May	384	469	853	329	512	841	276	512	788
June	391	479	870	331	529	860	265	496	761
July	418	468	886	345	521	866	260	490	750
August	419	474	893	324	521	845			
September	411	459	870	323	502	825			
October	403	458	861	307	497	804			
November	400	467	867	315	489	804			
December	347	507	854	285	527	812			
January	364	504	868	274	529	803			
February	355	504	859	292	540	832			
March	338	519	857	293	516	809			

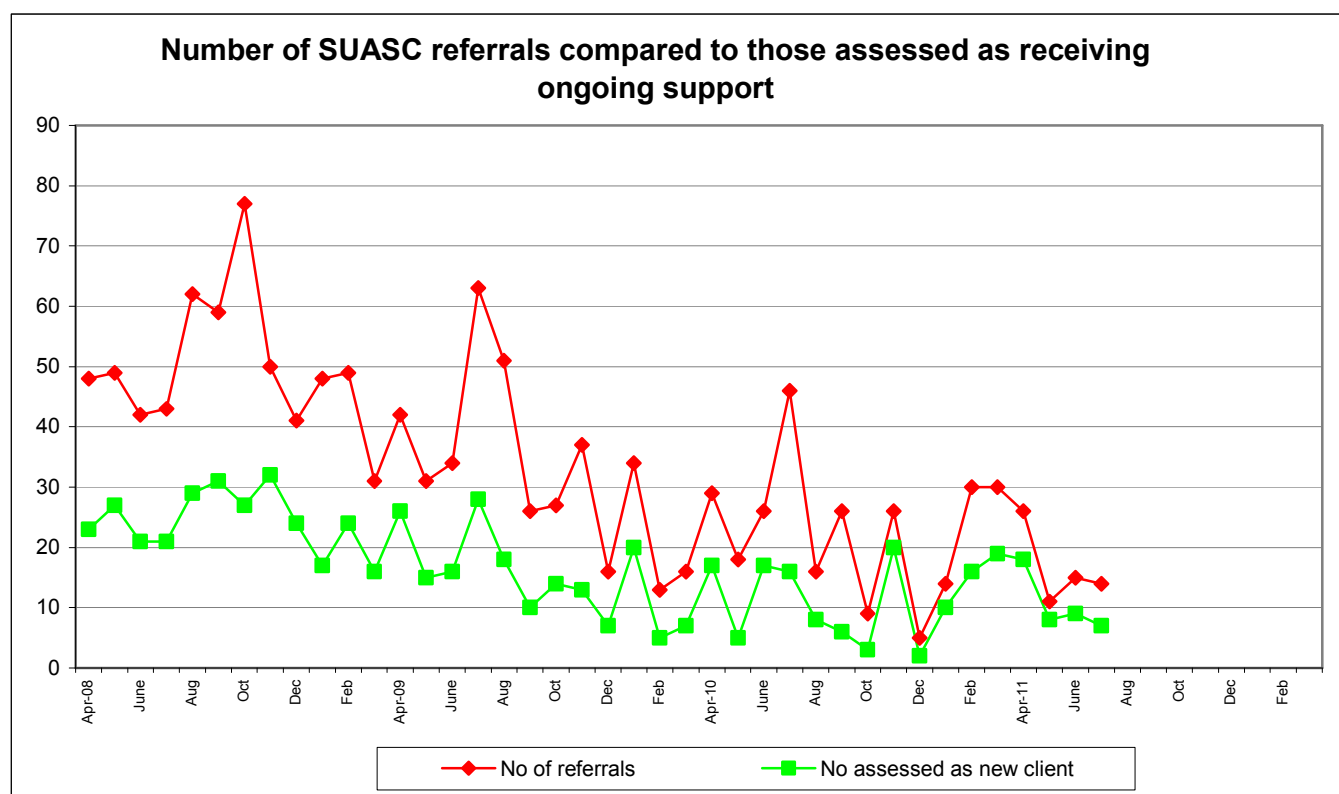


Comment:

- Client numbers have reduced as a result of lower referrals which are lower than the budgeted number. It is unclear at this time whether this trend will continue.
- The fall in the number of over 18's since March 2011 is largely the result of improved partnership working with the UKBA, which has seen a significant rise in the rate of All Rights of appeal Exhausted (ARE) removals.
- In general, the age profile suggests the number of over 18s is increasing and it is this service which is experiencing the shortfall of funding. In addition the age profile of the under 18 children has reduced, with significantly higher numbers being placed in foster care.
- The data recorded above will include some referrals for which the assessments are not yet complete or are being challenged. These clients are initially recorded as having the Date of Birth that they claim but once their assessment has been completed, or when successfully appealed, their category may change.

2.4 Numbers of Asylum Seeker referrals compared with the number assessed as qualifying for on-going support from Service for Unaccompanied Asylum Seeking Children (SUASC) ie new clients:

	2008-09			2009-10			2010-11			2011-12		
	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%
April	48	23	48%	42	26	62%	29	17	59%	26	18	69%
May	49	27	55%	31	15	48%	18	5	28%	11	8	73%
June	42	21	50%	34	16	47%	26	17	65%	15	9	60%
July	43	21	49%	63	28	44%	46	16	35%	14	7	50%
August	62	29	47%	51	18	35%	16	8	50%			
Sept	59	31	53%	26	10	38%	26	6	23%			
Oct	77	27	35%	27	14	52%	9	3	33%			
Nov	50	32	64%	37	13	35%	26	20	77%			
Dec	41	24	59%	16	7	44%	5	2	40%			
Jan	48	17	35%	34	20	59%	14	10	71%			
Feb	49	24	49%	13	5	38%	30	16	53%			
March	31	16	52%	16	7	44%	30	19	63%			
	599	292	49%	390	179	46%	275	139	51%	66	42	64%

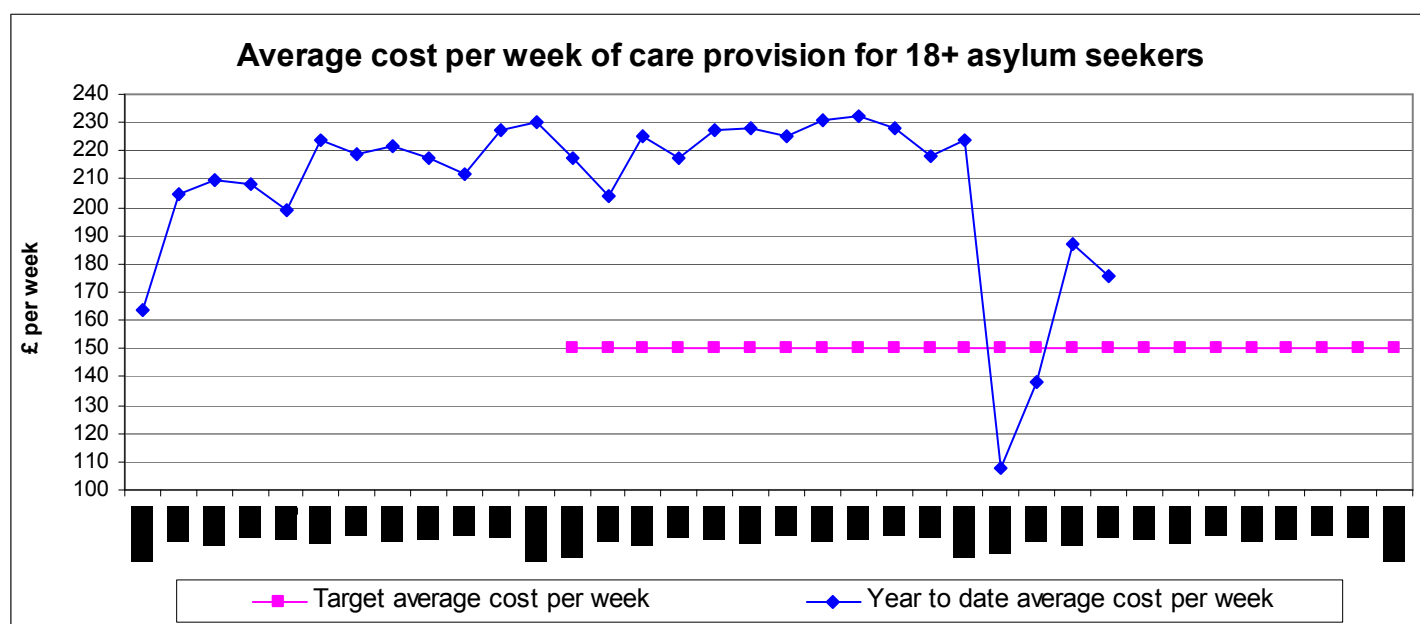


Comments:

- In general, referral rates have been lower since September 2009 which coincides with the French Government's action to clear asylum seeker camps around Calais. The average number of referrals per month is now 17.3, which is just over 50% of the budgeted number of 30 referrals per month.
- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level is based on the assumption 50% of the referrals will be assessed as a new client. In 2011-12 the rate has been 64% The average number assessed as new clients is now 7 which is 50% lower than the original forecast of 15 new clients per month.

2.5 Average monthly cost of Asylum Seekers Care Provision for 18+ Care Leavers:

	2009-10		2010-11		2011-12	
	Target average weekly cost £p	Year to date average weekly cost £p	Target average weekly cost £p	Year to date average weekly cost £p	Target average weekly cost £p	Year to date average weekly cost £p
April		163.50	150.00	217.14	150.00	108.10
May		204.63	150.00	203.90	150.00	138.42
June		209.50	150.00	224.86	150.00	187.17
July		208.17	150.00	217.22	150.00	175.33
August		198.69	150.00	227.24	150.00	
September		224.06	150.00	227.79	150.00	
October		218.53	150.00	224.83	150.00	
November		221.64	150.00	230.47	150.00	
December		217.10	150.00	232.17	150.00	
January		211.99	150.00	227.96	150.00	
February		226.96	150.00	218.30	150.00	
March		230.11	150.00	223.87	150.00	



Comments:

- The funding levels for the Asylum Service agreed with the Government rely on us achieving an average cost per week of £150, in order for the service to be fully funded, which is also reliant on the UKBA accelerating the removal process. In 2011-12 UKBA have changed their grant rules and will now only fund the costs of an individual for up to three months after the All Rights of appeal Exhausted (ARE) process if the LA carries out a Human Rights Assessment before continuing support. We are currently seeking legal advice regarding this change. The LA remains responsible for costs under the Leaving Care Act until the point of removal.
- As part of our partnership working with UKBA, all ARE UASC in Kent are now required to report to UKBA offices on a regular basis, in most cases weekly. The aim is to ensure that UKBA have regular contact and can work with the young people to encourage them to make use of the voluntary methods of return rather than forced removal or deportation. As part of this arrangement any young person who does not report as required may have their support discontinued. As yet this has not resulted in an increase in the number of AREs being removed. The number of AREs supported continues to increase. As a result our ability to achieve a balanced position on the Asylum Service becomes more difficult.

- Moving clients on to the pilot housing scheme was slower than originally anticipated, however all our young people, who it was appropriate to move to lower cost accommodation, were moved by the end of 2010-11. However there remain a number of issues:
 - For various reasons, some young people have not yet moved to lower cost properties, mainly those placed out of county. These placements are largely due to either medical/mental health needs or educational needs. Many of these placements, particularly those linked to education, will end in the 2nd quarter.
 - We are currently experiencing higher than anticipated level of voids, properties not being fully occupied. Following the incident in Folkestone in January, teams are exercising a greater caution when making new placements into existing properties. This is currently being addressed by the Accommodation Team.
 - We are still receiving damages claims relating to closed properties.

The average weekly cost for the first quarter of 2011-12 financial year was £187, significantly higher than the target of £150. This calculation is based upon the actual spend going through the Oracle financial management system on a monthly basis. In addition to the issues outlined above, there were a number of timing issues relating to receipt and payment of rent invoices and support payments which have resulted in the erratic movements in the monthly unit costs in the first quarter. It is envisaged that these will be corrected in the 2nd quarter and the weekly unit cost will both be less volatile and reduce closer to the target.