

By: Jenny Whittle - Cabinet Member for Specialist Children's Services

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To: Specialist Children's Services Policy Overview and Scrutiny Committee – 17 November 2011

Subject: **SPECIALIST CHILDREN'S SERVICES BUDGET FORECAST REPORT 2011/12**

Classification: Unrestricted

Summary: A report on the updated Quarter 1 forecast outturn & savings position against the budget for the Specialist Children's Services of the Families & Social Care Directorate.

Introduction

1. (1) This is the third 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) A Budget IMG was held during September 2011 to discuss and consider future Budget and MTP proposals prior to the Cabinet meeting held in September.

Full Monitoring report for the First Quarter

4. (1) The revenue monitoring exception report for Specialist Children's Services was presented to Cabinet in October; this indicated an overall revenue over spend of £8.812m, which is an increase in over spend of £0.034m in the forecast submitted in the first quarter's full monitoring of £8.778m.

(2) The revenue over spend breaks down as follows:

| | |
|---|-----------------|
| Looked After-Residential Care/Fostering (inc Legal) | +£6.174m |
| Early Years | -£0.600m |
| Leaving Care-16+Service (Catch 22) | +£0.708m |
| Adoption | +£0.388m |
| Other Preventative Services | -£0.591m |
| Assessment of Vulnerable Children (inc Ind Supp) | +£1.976m |
| Directorate Mgmt & Support | +£0.088m |
| Safeguarding | -£0.063m |
| Asylum Seekers | +£0.732m |
| Total | +£8.812m |

(3) The forecast over spend on this portfolio has increased by £0.034m this month from £8.778m to £8.812m. The movements over £0.100m this month are:

- +£0.489m Fostering – an increase in the pressure from £4.258m to £4.747m, mainly due to a £0.466m increase in expected costs from Legal Services for ongoing care proceedings.
- -£0.188m Other Preventative Services – an increase in the underspend from £0.403m to £0.591m, mainly as a result of a significant reduction in service usage of the Link Placement Scheme. The service is currently under review.
- +£0.365m Residential Children's Services – an increase in the pressure from £1.065m to £1.430m is in the main due to three new placements, extensions to six existing placements, and

placement moves for two children which have resulted in higher costs.

- -£0.188m Safeguarding – a reduction from a pressure of £0.125m to an underspend of £0.063m, mainly as a result of £0.281m of contributions from Partners of the Safeguarding Board, slightly offset by £0.093m of Safeguarding recruitment costs.
- -£0.353m Assessment of Vulnerable Children – a reduction in the pressure from £2.236m to £1.883m as a result of a reduction from the original forecast for additional agency staff costs because the expectation is that social workers will be appointed and agency staff will no longer be required. However, due to the Ofsted inspection, there is a great deal of change in this service, making forecasting difficult and potentially volatile at the present time.

(4) This forecast assumes all but £1.150m of savings identified within the Medium Term Plan will be achieved. The achievement of these savings are pivotal to the delivery of an efficiently managed budget. Robust monitoring arrangements are in place on a monthly basis to ensure that forecasts are closely monitored and where necessary challenged.

(5) 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 |

(6) The capital monitoring exception report for Children's Specialist Services was also presented to Cabinet in October; this indicated an overall movement of +£0.211m, broken down as follows:

- Quarryfields/Aldington Eco Centre (formerly Schools Self Funded) (+£0.211m, real variance): the development of the Aldington Eco Centre is a partnership project with Aldington and Bonnington Parish Council and Ashford Borough Council. Their contribution to the project was the provision of land free of charge and councillors support. Our contribution is the erection of the building and landscaping which is to be met from revenue.

Recommendations

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

(a) NOTE the latest monitoring position for revenue, capital and savings

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Background Documents:
Cabinet Exception Report 17 October 2011