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To: Specialist Children's Services Policy Overview and Scrutiny Committee – 19 January 2012

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

Classification: Unrestricted

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Summary: A report on the updated Quarter 2 forecast outturn & savings position against the budget for the Specialist Children's Services of the Families and Social Care Directorate.

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## 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 and Social Care Directorate.

## Background

2. (1) Policy Overview and Scrutiny Committees (POSCs) 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 Policy Overview and Scrutiny Committee 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.

## Second Quarter Updated Monitoring Report

3. (1) The revenue monitoring exception report for Children's Social Services was presented to Cabinet in December this indicated an overall revenue over spend of £13.117m, which is an increase in over spend of £0.491m to the forecast submitted in the second quarter's full monitoring report.

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

Looked After-Residential Care	+£2.593m
-Fostering	+£4.841m
-Legal Costs	+£1.920m
-Children's Centres	-£0.450m
-Virtual Schools For Kent	-£0.062m
Early Years	-£0.653m
Leaving Care-16+Service (Catch 22)	+£0.807m
Adoption	+£0.649m
Other Preventative Services	-£0.192m
Assessment of Vulnerable Children (inc Ind Supp)	+£2.751m
Directorate Mgmt & Support	+£0.088m
Safeguarding	-£0.052m
Asylum Seekers	+£0.877m
<b>Total</b>	<b>+£13.117m</b>

(3) The pressure on this portfolio has increased by £0.491m this month to £13.117m. The movements above £0.1m are:

+£0.206m Fostering – an increase in the pressure from £6.556m to £6.762m due to:

+£0.3m Legal Costs, based on the latest information from Legal following a reconciliation of the first 6 months' caseloads.

-£0.094m on other fostering budgets, including a -£0.044m reduction against in-house non related fostering in respect of transport and specialist services and a -£0.050m reduction against independent sector fostering as a result of a reduction in weeks of support.

+£0.141m Assessment of Vulnerable Children – an increase in the pressure from £2.518m to £2.659m, mainly due to increased costs of agency social workers. Managers are now forecasting that current agency staff will remain for the full year, whereas previous forecasts assumed end dates within the last quarter of the financial year.

+£0.188m Strategic Management & Directorate Support – an increase in the forecast from a £0.1m underspend to a £0.088m pressure, which is due to several small increases all below £0.1m across a number of budgets.

(4) This forecast assumes all but £1.210m 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:

- £1.210m of savings are 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
Asylum	0.060
<b>Total</b>	<b>1.210</b>

(6) Against the capital budget of £14.942m there is a variance of -£0.005m, the Quarter 2 reported position was a variance of +£0.211. The variance now is -£0.005m, as shown below.

	£'m
Variance per Quarter 2 monitoring	<u>0.211</u>
Services Redesign	-0.216
<b>Total revised variance for Children</b>	<b><u>-0.005</u></b>

- The Service redesign project is requesting re-phasing of £0.216m following feasibility studies, the main bulk of the work has now slipped beyond March 2012. Only preliminary works are expected in this financial year. The project has been set up to re-provide a family centre in Canterbury which will consist of renovating the St Johns Board school site.

## Recommendations

4. (1) Members of the Specialist Children's Services Policy Overview and Scrutiny Committee are asked to NOTE the latest monitoring position for revenue, capital and savings

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*Background documents:* None