

CHILDREN AND YOUNG PEOPLE'S DIRECTORATE POSITION AS AT MONTH 4:

	Month 4 forecast £000
CORPORATE DIRECTOR - CYP	0
YOUTH & COMMISSIONING	61k
EDUCATION SERVICES	-111k
CHILDREN'S SERVICES	492k
CUSTOMER SERVICES	-67k
Total	375k

CYP are forecasting £375k over spend. This is higher than at a similar time last year, and reflects additional pressures on the service in respect of placements for Looked After Children, and problems achieving MVF.

The majority of the overspend is attributable to Children's Services which is currently forecasting a service overspend of £492k, this is a £102k increase on period 3 figures. Youth & Commissioning is currently forecasting a £61k overspend. The Corporate Director cost centre is forecasting on line, Education Services a £111k under spend and Customer Services is forecasting a £67k under spend.

The MVF for the Directorate is £637k, and a shortfall is which is factored into the proposed management action and current forecasting. It is anticipated that the impact of this shortfall will be at least £100k by the end of the financial year, though this clearly depends on the number of staff leaving the organisation.

Pressures on the 2011-12 budget

The main pressures are in the Children's Social Care budgets. These represent one of the financial pressure points in any Council. The need to keep social work posts filled, and to find placements for all children in care, can make budget overspends hard to contain. In the current financial year, the main pressure is on placement budgets; recruitment to many (although not all) social work posts by the autumn will relieve some of the the financial pressure currently being experienced in the staff teams. We aim to place as many Looked After Children as possible in local foster placements, but on occasions these are all full, or the needs of particular children require specialist care. Investment in family support and early intervention services is designed to minimise the numbers of children entering care, thereby preventing higher costs.

The overspend in Children's Services relates predominately to increased numbers of residential, in-house and Independent Fostering Agency placements, as a consequence of increasing numbers of children received into care since March 2011 – there have been a total of 20 new admissions this year, compared with 9 for the same period in 2010. As at 21st August, there were 130 Looked After Children, of whom 17 were asylum seekers (compared with 30 at this time last year).

The 'mix' of new admissions has therefore changed, albeit that the total numbers in care have remained much the same. This year there have been fewer unaccompanied asylum seekers, with higher numbers of younger children, and teenagers with severe behavioural problems who cannot be contained within mainstream foster care. It has also meant a reduction in grant funding for asylum seekers, which would otherwise have helped to reduce costs.

These pressures on the budget are expected to continue during the summer. A further 16 children are on the edge of care currently, including a sibling group of 8 which includes 3 pairs of twins. During July, two young men were remanded to the care of the local authority following violent and criminal behaviour including drug dealing, threats of kidnapping and intent to kill or maim with shotguns. These young people cannot be maintained locally, or in anything other than specialist residential care.

The forecast overspend in Education is due to ongoing pension costs arising from teachers' premature retirement. Savings across the service have been identified to offset as much of this pressure as possible.

The Youth & Commissioning overspend relates to non-achievement of income.

Management action taken to address emerging pressures

As noted above, the main problem relates to placement costs for looked after children. Tight controls are maintained on children entering the care system, but overall numbers cannot be controlled and court-ordered remands and large siblings groups cannot always be managed in local placements. Whilst new child protection referrals have decreased slightly this year, overall LAC numbers remain the same, with average costs per child increasing due to complexity of some children's background, the need to use external residential and fostering placements and the reduction in the proportion of Unaccompanied Asylum Seekers (for whom government grant covers some of the costs).

Management action in Children's Services includes:

- offsetting some residential and fostering overspend against under spends on the Guardianship and Kinship Care budgets.
- regular reviews of all placements, and children actively moved into and out of placements where this can be done appropriately.

- the move of some teenagers back into the care of their extended families from expensive residential resources.
- Increased support to some families to keep children at home, although this is not always a long-term solution and can be resisted by the courts

Across the rest of the Directorate steps taken to offset the pressures include:

- Only specific, identified vacancies are being recruited to
- Spend in Children's Centres and Early Years settings has been temporarily slowed
- all other expenditure is scrutinised by managers, and possibilities for reductions identified.

Precise forecasts in respect of looked after numbers and pressure on placement budgets are difficult at this stage in the year. Provided that overall numbers of looked after children remain at around 130, and provided that the number of court-ordered placements does not increase, it should be possible to reduce the overall placement budgets overspend somewhat – but at this stage it is not possible to be definite about bringing these budgets in on-line. There is little flexibility in other budgets within this service – the majority relate to social work teams and Castle Gate which require minimum staffing levels. Reductions in the Family Resource Service are counterproductive, given its role in reducing the need for children to be received into care in the first place. Resources within the Family Intervention Project Team have been allocated in order to provide intensive support and mitigate the need for children to enter the care system.

The Youth Services budgets are coming under increasing pressure due to the current economic climate impacting upon the service's ability to achieve income targets.

A view is taken of budgets and expenditure across the Directorate as a whole, and spend curtailed in as many areas as possible in order to identify ways of offsetting overspends on those budgets which are under particular pressure.

Risks identified

In respect of Children's Services there remains a risk to the year-end budget position regarding the financial impact of increasing numbers of Looked After Children. The fostering service is coming under increasing pressure with the in house service being at full capacity resulting in increased usage of independent foster carers. Staff turnover will impact on the achievement of MVF.