

**COMMUNITIES DIRECTORATE POSITION AS AT QUARTER THREE****Revenue:**

	Quarter Two Forecast £000	Quarter Three Forecast £000
DSG	0	0
CORPORATE DIRECTOR – COMMUNITIES	10	-1
ADULT SOCIAL CARE	0	0
CARE COMMISSIONING, HOUSING AND SAFEGUARDING	-102	-56
CHILDRENS SERVICES	324	230
EDUCATION	-30	-51
ADULT SOCIAL CARE CHANGE PROGRAMME	0	0
<b>Total</b>	<b>202</b>	<b>122</b>

**Corporate Director's summary:****Overview**

The forecast position at quarter three is an over spend of £122k. This is an £80k reduction on the forecast at quarter two. This is predominately due to the over spend on Children's Services reducing by £94k. The number of Looked After Children (LAC) and total number of supported children (including non LAC) has increased during the financial year resulting in a placement pressure of £840k. In order to address the increasing pressure created by unprecedented numbers of children being admitted into the care system, spend on non commissioning budgets (predominately Youth Services, Youth Offending Teams and Connexions Service) has been deliberately reduced. Care Commissioning, Housing & Safeguarding have reduced the forecast underspend by £46k as a result of increasing investment in the Access for All Team. Education Services have increased the forecast underspend by £21k through reductions in costs associated with Disabled Children's Placements. Adult Social Care has remained constant at a forecast on line position.

The Directorate is forecasting a year end over spend as a result of the level of children currently in Looked After Placements. The current LAC total is 165 versus an average of approximately 130 children during the period of the last five years. In order to address the increased projected over spend, expenditure across Children's non placement budgets and all Communities Services' budgets is being re-profiled. The current forecast outturn is therefore net of these projected savings.

**Adult Social Care**

Adult Social Care is forecasting that the Service will come in on budget at year end.

There are forecast pressures in both Mental Health and Physical Disability budgets due to the high cost of a small number of new clients. These over spends are currently primarily being offset by savings being achieved on Learning Disability budgets and Provider Services but certain costs may also need to be covered from the ASC Risk Fund where the identified risk has materialised to ensure the service achieves financial balance at year outturn.

## Care Commissioning, Housing and Safeguarding

Care Commissioning, Housing and Safeguarding is forecasting a £56k under spend at year end.

There is in total a £149,318 under spend in this service driven mainly by a reduction in the level of Supporting People Learning Disability demand.

The under spend against the supporting people budget has been used to offset a total pressure of £47,000 arising from a loss of income on rents from vacant plots on the Gypsy Traveller site and MVF. A further £40k has been transferred to Adult Social Care to cover pressures within the Access for All Team. The risks to the Council from not having a robust Safeguarding service were highlighted in the Review of Adults and Children's Safeguarding paper presented to Management Board on 17.10.13. In order to address some of the key risks, budget has been transferred from Community Care, Housing and Safeguarding deliberately reducing the under spend in order to invest in the Access for All Team which is located within the Adult Social Care service. The under spend position net of the aforementioned pressures and budget transfers is £56k.

## Children's Services

Children's Services is forecasting a £230k over spend at year end.

Within the overall service overspend of £230K, the placement budget of approximately £4m (see figure 1 below), is forecasting an over spend position of £850K. The placements overspend is being partially offset through reducing spend in the non placement Children's Services budgets, the current underspend across non placement cost centres is £540K. The areas where spend has been reduced is Youth Services, Youth Offending Team, Connexions, Short Breaks for Disabled Children and the overarching management cost centre. These under spend are the result of reduced activity within these areas leading to supplies and services savings. It is important to note that £455k of savings will be removed from the Children's Services non placement budgets in financial year 14-15, potentially compounding current pressures within the service as a whole.

**Figure 1 Current Children's Placement Levels**

Placements	Budget	Current Number of Children	Quarter Three Forecast
Residential care	1,870,360	8	-137,509
In House Fostering	1,193,361	80	270,915
Kinship Carers	178,760	17	88,844
Independent Fostering	588,150	29	457,825
Special Guardianship	161,970	31	172,049
Adoption & Allowances	110,690	19	4,869
Residence Orders	253,580	36	-16,398
<b>Totals</b>	<b>4,356,871</b>	<b>220</b>	<b>838,594</b>

The placement budgets are demand led, the fostering services have incurred higher demand over and beyond that anticipated for the financial year. 220 children are currently placed through WBC, of this 220, 146 are deemed LAC (Looked After Children).

The service is also incurring increased pressure on the Referral & Assessment and Locality Team budgets through increasing agency costs (forecast £800k), as a result of covering sickness, vacancies and increasing workloads as a result of more children accessing the care system. This increase has led to a net pressure of £216k.

## **Education**

Education Services is forecasting an under spend of £51k at year end.

The Disabled Children's Budgets have been subject to significant savings and are under pressure as a result of the complexity of child needs which is fuelling increased packages, Disability placements in total are forecasting an over spend position of £50k. The Children with Disability Support Team is also forecasting a £60k pressure due to agency costs associated with covering sickness absence. Other areas of pressure within the service are:

- Children's Centres and Early Years provision which have been subject to significant savings in prior years which are forecasting a year end overspend of approximately £43k.
- The increasing number of LAC is creating a pressure on the Children in Public Care budget (£15k).

These pressures are being offset by under spends within the service.

The main areas of under spend within the service are:

- Home to School Transport (HTST) is forecasting an under spend of £49k. HTST is demand led service, currently there is a significant under spend on non SEN HTST of £69k, there is a £20k pressure on SEN HTST.
- Contractual savings on Health Related Therapies (£55k) and Flexible Partnership Arrangements (£37k).
- Increasing income for Education Welfare Officers from trading services with Academies, (£54k).

## **MVF**

The Directorate is forecasting that MVF will be achieved across all services.

## **Pressures on the 2013-14 budget**

### **Placements (Children's)**

There is a total Placements budget of £4 million meeting the needs of approx 170 - 200 children who are looked after in any twelve month period. Of this, £1.15 million is allocated to residential placements, but we would normally expect any overspends on this line to be offset by under-spends elsewhere in the overall Placements budget. Between the financial years 2010-12 we ended the year with 125 Looked After Children, this rose to 144 at the end of the 2012/13 financial year. At the end of 2011/12 West Berks had 33.75 children per 10,000 population looked after, the South East rate was 58.3 per 10,000. Currently 146 children are in the Council's care (figure 1), with eight children in high cost residential placements.

£650k of additional budget was invested into the Children's placement budgets as part of the budget build process for financial year 2013-14. The investment was against Residential Care and Independent Fostering Services. Currently Residential Care is showing an under spend of £137k, Independent Fostering Services continue to forecast a £271k over spend position due to higher than anticipated numbers of children being placed.

### **Management action to address the emerging pressures**

The Directorate has put a number of actions in place to control spend, and these will have an impact over time.

This includes:

- Gate keeping process for all new placements agreed at HoS level
- Scrutiny of all budgets to reduce/suspend expenditure where it can be safely managed
- Holding some posts vacant where safe and appropriate to do so
- Programme of activity aimed to reduce reliance on agency staffing

### **Children's Services**

Tight controls are maintained on children entering the care system, but overall numbers cannot be fully controlled and we are not always able to meet the needs through WBC placements. This year has seen average costs per child increasing due to complexity of need requiring external residential and fostering placements. With regard to Children's Services, precise forecasts are difficult to make in respect of looked after numbers and types of placements required and the consequent pressure on placement budgets.

A summary of the main risks identified for Children's Services are as follows:

		Most Likely £	Worst Case £
1	Looked After Children's Placements increasing	400,000	1,000,000
2	Increasing Agency Usage	300,000	600,000
3	Young person placed on remand (average cost of a single placement is £200k)	0	200,000
	<b>Total</b>	<b>700,000</b>	<b>1,800,000</b>

## **Adult Social Care**

The ASC Efficiency Programme Board has a programme of actions in place to manage spend within budget.

An overview 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 over spends on those budgets which are under particular pressure.

### **Risks identified**

ASC maintains a Risk Register to identify potential budget pressures. This is reviewed regularly by the Head of ASC and the Finance Manager: Communities. The key risks include:

## **NHS Continuing Healthcare**

Work to implement the Action plan following the South Central Health Authority independent review into the implementation of the CHC Framework in Berkshire continues with joint (WBC and NHS) staff training now underway. Unfortunately we are yet to see any improvements on the ground and we remain bottom of the table for receiving CHC funding from the West of Berkshire CCGs. A Berkshire group of CHC and LA senior managers continues to monitor this activity on a monthly basis.

## **Ordinary Residence**

There are always risks surrounding ordinary residence with claims made by other local authorities that WBC should be funding a person's care package. WBC has no means to identify when further claims will be made but is ensuring that it has chased up all WB residents living in supported living in other areas and made OR claims where appropriate. The Berkshire LA s are also discussing a protocol to prevent OR claims on one another.

## **Learning Disability – unknown clients presenting**

Whilst young people with learning disabilities living in our area are carefully monitored, there are on occasion, clients that present with significant needs for whom we have no prior knowledge.

## **Learning Disability clients at risk**

There are currently 26 clients at risk of their circumstances changing due to family carers becoming frail or unstable family home situations. If the risk materialises, there would be significant pressure on the Service.

It should be noted that the overall forecast position holds a large risk in that it is based on the ability to hold demand at a static level. This has proved to be difficult in the past. New management controls are in place but the service is always vulnerable to sudden spikes in demand or new, very high cost clients appearing.