

CHILDREN AND YOUNG PEOPLE'S DIRECTORATE POSITION AS AT MONTH 6:

	Month 6 forecast £000
CORPORATE DIRECTOR – CYP	-10
YOUTH & COMMISSINING	120k
EDUCATION SERVICES	-570k
CHILDREN'S SERVICES	260k
CUSTOMER SERVICES	-104k
Total	-304k

CYP are forecasting £304k under spend. This is net of additional pressures on the service in respect of placements for Looked After Children, and problems achieving MVF.

The majority of the under spend is attributable to Education (£570k) and Customer Services (£104k). Children's Services has reduced its forecast overspend to £260k. Youth & Commissioning overspend is currently £120k. The Corporate Director cost centre is forecasting £10k savings.

The MVF for the Directorate is £637k, and a shortfall is predicted, 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 difficult 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 is now relieving some of the financial pressure currently being experienced in the staff teams. At the same time, Court-directed supervised contact – much of which takes place in the evening and at weekends – is putting pressure on agency staffing costs.

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. A review of placements over the summer has resulted in a reduction in the overall numbers placed.

The 'mix' of new admissions has changed, albeit that the total numbers in care have remained much the same at around 130. 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.

The Youth & Commissioning overspend relates to non-achievement of income, exacerbated by both the recession and service reductions.

The overspends in the directorate are currently being offset via a significant under spend within the Education Service. The under spend is being generated predominately within Home to School transport. Home to School Transport is a demand led service where take up figures are not available until September annually, and the actual cost for the new academic year is not able to be calculated until the Month 7 budget report. Current demand levels are lower than anticipated, and this, combined with savings on the renegotiation of individual contracts, have generated the current forecast of £296k under spent. Smaller savings are being generated within Children's Centres and on various contracts, for example Connexions (£159k), as a direct consequence of slowing down spend within some areas of the Directorate in order to offset overspends elsewhere within the Council.

Although Education is forecasting an overall under spend of £570k there are pressures re ongoing pension costs arising from teachers' premature retirement (£24k), agency staff costs within Disabled Children's Team (£50k) and estimated pressure re cost of free school meals (£50k), arising from changes in assessment procedures.

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 and the need to use external residential and fostering placements.

Management action in Children's Services includes:

- Recruitment tightly controlled by Head of Service

- Offsetting some of the residential and fostering overspend against under spends on the Guardianship and Kinship Care budgets.
- All placements reviewed regularly, 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 where they feel that overall risks are high.

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 have been identified.

Precise forecasts cannot be made in respect of looked after numbers and the consequent pressure on placement budgets. 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 contain the placement budgets spend. 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 Family Resource Services are counterproductive, given their role in reducing the need for children to be received into care in the first place.

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. Staff within the service are doing all they can to keep activity levels up, but reductions in staffing levels in the Youth Service mean that their ability to do so, and meet income targets, is limited.

A 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 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. Within Education, the demand led Disability Support budget remains under pressure and if new cases increase significantly, savings within the residential placement budget will be insufficient to cover the overspend. Lower levels of staff turnover are impacting on the achievement of MVF.

Summary of Overall Capital Position for the Children and Young People's Directorate

Service	2011/12 capital programme £000	Amount Spent/ Committed to 30-9-11 £000	Forecast Spend in Year £000	Forecast Under/ Over Spend in Year £000
Education	15,294	14,786	14,000	-1,294
Children's Services	122	38	97	-25
Children's Commissioning and Quality	54	67	81	27
Customer Services	83	38	43	-40
Total	15,554	14,929	14,221	-1,332

Since Qtr 1 report there has been programme reprofiling on several projects. This combined with the continued uncertainty around future government funding has resulted in a revised outturn for the year. It is anticipated that approximately 90% of the 11/12 C&YP budget will be spent before the end of the financial year.