

Children Services Overview and Scrutiny Committee

2016/17 Budget Monitoring Q1 – April to June 2016

Revenue

Key points to note (see link to the Executive report for details):

- The 2016/17 forecast outturn is to overspend by £279k after £295k use of Children's Services and £90k use of Corporate Earmarked Reserves.
- The overspend relates to Children with Disabilities and is due to an additional five out of area placements made since the budget build took place for 2016/17. Mitigating action has been taken within the directorate to reduce the original forecast overspend of £365k to £279k. Out of area placements are made as a last resort when a high level of short break provisions can no longer meet the need and safeguard the child and/or their family.
- Total debt for Children's Services is £682k of which £45k is debt over 61 days. Invoices for the Long Term Absence Pool were sent to schools in June which has increased the debt (£338k) as Schools have applied a 30 day payment settlement.

Revenue

A number of risks (£569k) have been identified that could adversely affect the forecast overspend outturn position and these have been placed on the risk register as possible overspends in 2016/17.

- Parent and Baby Units – due to one high cost placement from April to June, the budget has already been fully committed. The 2016/17 budget provided for 23 weeks of an average cost placement.
- Independent Foster Agencies – the budget allows for 58 placements currently there are 66, mitigating action is being investigated.
- All rights exhausted UASC, currently there are six, any increase could cause a pressure in 2016/17.
- Increase in number of UASC's if the Home Office grant is insufficient to cover all costs. Interpreting costs have been estimated at £2.5k per individual and work continues to assess any potential overspend.
- Increase in remand costs, four were admitted in June, possible overspend if number continues to increase at this rate.
- Intake & Assessment – Families with no recourse to Public Funds
- Children with Disabilities occupational therapy and related equipment

Revenue

Offsetting these risks are a number of upsides (£297k):

- £268k reduction in the number of Special Guardianship Orders, Adoption Allowances and Residential Orders.
- £29k Quality Assurance savings for possible vacant posts and staff opting out of the pension scheme.

Revenue Position

Key points to note (cont):

The table below indicates the upward trajectory and pressure on the budget

	Total as at June 2015	Total as at June 2016	% Increase / Decrease
Number of LAC (Excluding UASC)	256	255	(<1%)
In-House Placements	102	117	14.7%
Independent Placements	79	62	(21.5%)
Unaccompanied Asylum Seeking Children	28	58	107%
In-House Foster Placements	5	10	100%
Independent Foster Placements	10	12	20%
Semi Independent Living	13	36	177%
Total Number of LAC	284	313	10%
Special Guardianship Orders	123	133	8.1%
Child Protection Plans	180	203	12.8%
Children in Need	1482	1469	(<1%)
Number of Referrals (YTD)	856	553	(36%)

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Revenue Provisional Outturn

	Budget	Forecast Outturn	Variance after Use of Reserves
	£'000	£'000	£'000
Director CS	496	496	0
Programme Management	223	223	0
AD – CSO	22,384	22,328	(147)
LAC Placement Costs	8,974	9,496	427
AD – C&P	3,637	3,630	(7)
AD – Education Support Services	1,532	1,612	6
Partnerships	555	680	0
Sub Total	37,801	38,465	279
DSG Contribution to Central Support	(719)	(719)	0
ESG contribution to Central Support	(637)	(637)	0
Total Children Services	36,445	37,109	279
Schools Individual Budgets	86,296	86,296	0
Supported by DSG/EFA	(86,296)	(86,296)	0
Total Schools	0	0	0
Total Children's Services	36,445	37,109	279

Capital Position

Key points to note:

- The capital budget for 2016/17 is £21.25m (£1.25m net).
- The forecast expenditure outturn position is £23.6M, £2.1M above the original Council's capital programme approved in February 2016. The forecast income has reduced to £18.7M, requiring a net contribution of £4.9M. This is mainly due to the annual review of projects within the New School Places programme reducing forecast income by £3.5M.
- All but two projects, Schools Access and Temporary Accommodation are funded wholly by grant receipts and or Section 106 that have no expenditure deadline.