



Report to: Cabinet

Date: 18 March 2010

Subject: Children's Social Care Revenue Budget Monitoring as at the 31st January 2010

Report of: Executive Director of Children and Young People's Services / Executive Director Business Support Services

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Purpose / summary: To report on the budget monitoring position for Children's Social Care Services as at 31st January 2010

Alternative options considered and reason for selecting the one recommended: Due to the volatile nature of a number of needs led social care budgets it has been agreed that monthly monitoring is provided for members to alert them to potential problems at the earliest opportunity.

Recommendation / decision: The content of the robust budget monitoring report be noted for monitoring purposes.

Key Decision This report does not involve a key decision. The decision made as a result of this report will be published within **48 hours** and cannot be actioned until **seven working days** have elapsed, i.e. before 30 March 2010.

Risks / Implications:

Financial: As at 31st January 2010 there is a predicted year end overspend of £4,158k in respect of the Social Care element of the CYPS budget.

Staffing:
Policy:

Equal Opportunities - Has a Diversity Impact Assessment been conducted?
Wards affected:

Property Implications – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?

No

If yes, have the property implications been agreed with the Corporate Property Officer?

Does this proposal have significant implications for the Council and the local population?

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council’s Constitution?

Yes *

Has the Service Director - Corporate Services confirmed that any expenditure referred to within this report is consistent with the Council’s budget?

Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council?

Yes

* delete which applicable

For Cabinet reports only:

Categorisation of the report:	x
Discussion leading to a decision	
Monitoring	x
Sharing for corporate understanding	

	X
Discussion	
Decision	
Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
		18/03/2010	

List of Background Papers in accordance with Section 100D of the Local Government Act 1972:

Title of document	Which meeting did it go to?	Date of meeting	Copy available from?
January 2010 Budget Monitoring Social Care	N/A	N/A	

Proper Officer



Date

1st March 2010

**Children and Young People's Services
2009/2010
Social Care Budget Monitoring Update
As at 31/01/2010**

1. Introduction

The following analysis **excludes** all school budget activity, either delegated to schools or centrally held and any other Education base budgets

The purpose of this report is to highlight the **main** areas of concern with regards to the Social Care element of the CYPS budget in 2009/10.

2. Social Care

The out-turn position for the Social Care element of the CYPS budget is estimated to be an overspend of £4,158 (000's). This figure includes any staff budget savings which have accrued from the current level of vacancies referred to later in this report. This overspend is therefore made up as follows:

	£000's
Looked After Children (3.1)	£3,973
Potential Additional cost – 1 Search	£ 29
Staffing, Non Pay incl use of grants	-£ 238
Public Law Fees (3.3)	<u>£ 394</u>
	<u>£4,158</u>

3.1 Looked After Children

The predicted year end overspend reflected above is made up as follows:
The following is based on confirmed cases as at 16.02.10...

	£000's
OOB Children's Homes	£2,415
Agency Fostering	£544
Secure Accommodation	£72
Mother & Baby Accommodation	<u>£55</u>
Sub Total – External Placements	£3,086

**The above overspend is against a budget of
£5,430 (000's) in 09-10**

Recruited Foster Carers	£341
Friends & Family	£48
Adoption Allowances	- £23
Aftercare	£133
Homecare	£11
Special Guardianship	£137
Residence Orders	<u>£79</u>
Sub Total – Internal Placements / Other	£726

The above overspend is against a budget of £4,111 (000's) in 09-10

Add	
Direct Payments	<u>£161</u>
Grand Total	£3,973

The total overspend of £3,973 (000's) is against a budget of £9,831 (000's) including a direct payments budget of £391(000's) in 09-10.

In **addition** to the above there is currently 1 search underway for agency placements. This may result in a further placement which may be of a short or long duration. A worst case scenario would result in an additional cost of £29 (000's) giving a grand total of £4,002 (000's) overspend. The Contracts Manager has since reported that a further 5 placements are being sought today 19.02.2010, but it is unlikely that these costs will have an impact on the 2009/10 budget, but will need to be considered as part of the whole process in the year 2010/2011.

In 2008/09 against a budget of £9,607 (000's) there was an overspend of £1,626 (000's) in this area.

Costs have increased dramatically with regards to the Looked After Children's Budget and although some growth has been provided in the last two years this has not kept pace with the increase numbers of children placed into care.

Over 08-09 & 09-10, total growth of £250k relating to children in need of protection has been allocated to the CYPS budget. This has been used to fund staff in the Children in Need Duty Team and more recently has been used to part fund the additional 5 Social Workers required to meet the additional workloads of the 5 area teams.

The vast majority of the overspend predicted for the Social Care element of the CYPS budget relates to Looked After Children (£4 m).

There has been a substantial increase in the number of looked after children in the last twelve months. Currently in Wigan the Council is looking after 512 children and young people, compared with approximately 452 twelve months ago. This represents an increase of 60 children or 13% increase. In previous years our numbers of looked after children remained fairly constant at around 400, again this represents a significant increase to the current total.

This predicted overspend does not include any potential costs relating to further placements.

A significant element of the increase in Looked After Children is primarily in the 0 - 3 age group, and this becomes a risk threshold issue about safeguarding. There is no doubt this is related to Baby Peter.

In the last twelve months the increase in LAC numbers attributed to 0-3 year olds is 68%, with numbers rising in the 0-3 's from 104 in Dec 2008 to 175 in Nov 2009.

The main issue for Wigan is that its current level of internal provision is insufficient to cope with the increasing numbers of placements and as a direct result children are being placed out of borough at a significantly higher cost.

A fundamental review is nearly completed and its findings will be shared with Members shortly.

In addition to this an annual contract with Care Afloat has been cancelled, with some of the funding redirected to recruit a manager and two social workers. In time these staff should be able to support 16 more foster carers which could possibly cater for 16-32 foster placements.

This will enable more children to be placed internally rather than the relatively more expensive agency fostering or other OOB alternatives.

A further potential risk has been identified but is not currently included in the above figures. A judgement has been made regarding the responsibilities for homeless 16 & 17 year olds. The ruling clarifies that the 1989 Childrens Act has primacy over the Housing Act in providing for children in need. In effect further pressure will be placed on budgets to cope with the potential increased demand on the social care service.

An evaluation of these estimated costs has been undertaken using data provided by Housing. This indicates that there has been a relatively small no of children who have presented themselves as homeless & were accommodated in the period investigated.

The view of senior managers in CYPS is to monitor this position over the next few months and once activity has been further recorded to include any budget issue in the Medium Term Financial Plan.

3.2 Staffing, Non Pay Budgets including use of grants

At this point in time there are still a large number of vacancies with the Social Care element of CYPS. In many cases, managers have had to use more expensive agency staff to cover these posts and to ensure that they can meet the demands of the service. This is specifically relevant in the delivery of assessment / child protection services and contact to children in care.

Issues resulting from the job evaluation processes, and appropriate re-grading where inconsistencies arose, have now been addressed. This impacted on the delay in advertising & recruiting to the many vacancies held in CYPS. Recruitment (where applicable) has now been made to the number of outstanding vacant posts. Unfortunately, due to the delay in the process and the CRB process that needs to take place when appointing staff who deal directly with children and families, the impact of this will only be effective from the start of the financial year 2010/11.

As at the end of January 2010 the year end variance on the “non education” related staffing budgets of CYPS is estimated to be approximately £62 (000's) overspent. Compounding this overspend is the impact of the recent job evaluation outcomes, the impact of which is that many social workers have had their pay increased from November 2009.

The staffing costs at the Childrens Homes are still a cause for concern. Mill Dam Grange, Ladies Lane & Landgate House are all currently reflecting overspends on staffing / agency costs, although these totals are partially offset by some underspends on the other Childrens Homes.

To date this adverse variance has been reflected in the estimated out-turn position in this report.

Taking in to consideration the above and the other measures taken by senior officers, this has resulted in reducing the overspend caused by LAC & Public Law fees by £0.238m to the £4.158m reported at the beginning of this report.

3.3 Public Law Fees

Against a total annual budget of £506,000, legal fees of £805,000 have already been incurred to date. Based on the spending patterns of the last ten months it is likely therefore that the final year end position will be approximately £394,000 overspent. This is despite the extra budget provision which was made available in 09-10, as a result of the additional statutory requirements faced by LA's.

The number of referrals has been increasing but according to legal services this doesn't necessarily mean that the fees paid will increase in proportion. Also, the Government's response to the Laming report has asked that a review be carried out into public law fees with a view to abolishing them for child protection cases. To date we have not been notified of the outcome of the review.

4. Summary

Although the latest estimate is an overall year end overspend of £4,158,000 this includes £394,000 relating to Public Law Fees.

The information relates only to the Social Care element of the CYPS budget.

Although we are taking steps to minimise the overspend on the Looked After Children's Budget and will take other measures including the best use of external grant resources to reduce the total level of overspend recorded in this report, it will not be possible to significantly offset the levels of overspend reported.

The overspend reported above includes the impact of the current level of staff vacancies referred to earlier in this report.