

**CHILDREN'S SERVICES PORTFOLIO**

**KEY ISSUES – MONTH 3**

The Portfolio is currently forecast to over spend by **£1,128,100** at year-end, which represents a percentage overspend against net budget of **4.2%**. This forecast takes into account the wider Portfolio and corporate view, adjusting the baseline forecast constructed from the bottom up through discussions with individual budget holders, as shown below:

	<b>£000's</b>	<b>%</b>
Baseline Portfolio Forecast	3,220.2 A	12.1
Remedial Portfolio Action	0.0	
Risk Fund Items	2,092.1 F	
<b>Portfolio Forecast</b>	<b>1,128.1 A</b>	<b>4.2</b>
Potential Carry Forward Requests	0.0	

Although no remedial action is indicated in this report, it should be noted that the Mini Budget includes proposals for 2010/11 put forward by Children's Services which total savings of £1.2M.

**The CORPORATE issues for the Portfolio are:**

**CS 1 – Tier 4 Services (forecast adverse variance £2,138,500)**

The numbers of children looked after have increased from 320 in September 2009 to 382 in May 2010. This has led to a forecast over spend of £2,143,900 within Tier 4 Services, of which £1,932,100 relates to items included within the Risk Fund. The costs of Tier 4 services are in the main expensive, and due to the demand led nature of the service these can be difficult to predict with certainty.

**Forecast Range £3,000,000 adverse to £1,500,000 adverse**

The forecast variance is summarised by activity in the table below:

<b>Service Area</b>	<b>Previous Months Variance £000's</b>	<b>Forecast Variance £000's</b>	<b>Increase/ (Decrease) £000's</b>
Independent Fostering Agencies	1,016.7 A	1,017.1 A	0.4
Foster Care Services	83.8 A	248.1 A	164.3
Independent Sector Residential Social Care Placements	904.0 A	789.6 A	(114.4)
Civil Secure Accommodation	141.9 A	125.4 A	(16.5)
Other Tier 4 Services	45.3 F	41.7 F	3.6
<b>Total</b>	<b>2,101.1 A</b>	<b>2,138.5 A</b>	<b>37.4</b>

#### Independent Fostering Agency (IFA) Placements

Expenditure on Independent Fostering Agency placements is forecast to over spend by £1,017,100 during 2010/11. The current climate has resulted in an increase in the numbers of children entering care, which has meant that there has been a continued need for external placements.

#### Foster Care Services

The numbers of children placed with an SCC foster carer has increased from an estimated 200 to the current level of 241 in June 2010. This has led to an adverse forecast variance in foster care services of £248,100.

#### Independent Sector Residential Social Care Placements

Expenditure on independent sector residential social care placements is forecast to over spend by £789,600, due to an increase in the numbers of children requiring expensive placements over and above the estimated position. The original estimate allowed for three long term placements and four short term placements in independent residential social care provision. However, the forecast incorporates the cost of seven long term placements, at an average cost of £3,250 per week, plus nine short term placements. .

#### Civil Secure Accommodation

The need for civil secure placements has proved higher than the level anticipated within the budget. Civil secure accommodation is only used as a last resort measure if it is considered that the child poses a serious risk to him/herself or others by remaining within the community. The budget for civil secure accommodation allows for one six month placement per year. However, there has been the need for three placements to date, one of which is current. The forecast includes provision of £128,000 for two possible further placements in the future.

The table below compares the current forecast numbers of children requiring support reflected in the budget, compared with the actual position at the end of June and the current forecast for the year.

Annual Cost Band £		0 to 999	1,000 to 9,999	10,000 to 59,999	60,000 to 99,999	Over 100,000
<u>Civil Secure Placements</u>	Budget	0	0	0	0	1
	Actual	0	0	0	1	0
	Forecast	0	0	2	3	0
<u>Independent Sector Residential Social Care Placements</u>	Budget	0	0	5	1	1
	Actual	0	0	2	2	5
	Forecast	0	1	7	2	6
<u>IFA Social Care Placements</u>	Budget	0	0	19	0	0
	Actual	0	0	37	3	0
	Year End	0	0	36	1	0

It should be noted that the longer term aim of the Tier 3 and 4 Strategy is to reduce the numbers of children in care from 382 down to 300 in 2014/15, with a corresponding reduction in costs. However, this assumes continued investment in preventative services at the earlier Tiers 1 and 2. If capacity is not at least maintained at this level, if not enhanced, the prospect of achieving the Tier 3 and 4 reductions is severely compromised.

### **CS 2 – Disability and Inclusion Services (forecast adverse variance £253,000)**

**An increase in both the numbers and cost of care packages compared with the estimated position has led to a forecast over spend of £160,000.**

**Forecast Range not applicable.**

Provision has been made in the Risk Fund for the pressure in respect of packages of care for disabled children and their families which totals £160,000.

There are also further adverse variances on this area of £50,900 in respect of staffing costs within the Jigsaw Team. The variance on the Jigsaw team has arisen from the need to recruit expensive agency staffing, (including one senior practitioner and social workers). In addition, maternity cover has led to increased staffing costs

The anticipated over spend of £35,400 for Early Years SEN Centres is associated with additional pre-school places being sought by parents for children with special educational needs over and above anticipated levels.

**CS 3 – Tier 3 Locality Teams and Safeguarding Management (forecast adverse variance £892,400)**

**The resulting need for agency staffing and additional temporary staff has led to a forecast over spend of £892,400.**

**Forecast Range £1,500,000 adverse to £500,000 adverse**

Current market conditions are such that the supply of social workers is insufficient to meet demand and there is significant competition between authorities to recruit Social Work staff. This has led to the need for agency staffing and the additional cost of agency social workers over and above the cost of permanent staff is forecast to be £253,000 during 2010/11. A further £118,000 is required to pay for the recruitment and relocation costs of Social Workers from the United States, and will now be funded from the Children's Services Portfolio.

The Tier 3 & 4 Strategy has identified a need for 3.5 additional senior practitioners during 2010/11. As a result, senior practitioners have been recruited from a recruitment agency on a temporary basis at an additional cost of £279,200 for the year.

The remaining £241,200 adverse variance reflects the additional cost of employing team managers from external agencies, sickness cover arrangements, handover arrangements for new staff, and the need for temporary social service assistant posts on a short term basis.

**There are no OTHER KEY issues for the Portfolio at this stage.**

**Summary of Risk Fund Items**

<b>Service Activity</b>	<b>£000's</b>
Tier 4 Services	1,932.1
Disability	160.0
<b>Risk Fund Items</b>	<b>2,092.1</b>