

# Budget Monitoring Position – September 2016

## Children & Young People

OVERALL NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	21,538	21,538	21,538	21,538	21,538	21,401	21,401	21,401	21,401	21,401	21,401	21,401
Forecast (£'000)	21,935	21,935	21,935	21,903	21,742	21,545	21,545	21,545	21,545	21,545	21,545	21,545
Variance (£'000)	397	397	397	365	204	144	144	144	144	144	144	144

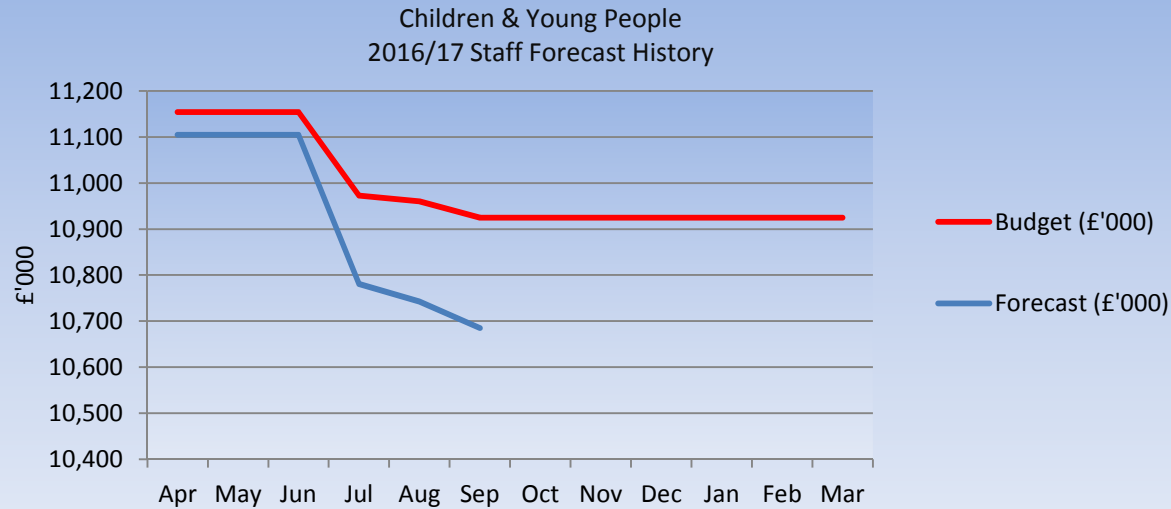
### Key Elements of Budget Variances:

STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	11,154	11,154	11,154	10,973	10,960	10,924	10,924	10,924	10,924	10,924	10,924	10,924
Forecast (£'000)	11,105	11,105	11,105	10,781	10,742	10,685	10,685	10,685	10,685	10,685	10,685	10,685
Variance (£'000)	-49	-49	-49	-192	-218	-240	-240	-240	-240	-240	-240	-240

DELIVERY OF MTRP SAVINGS	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MTRP Target (£'000)	417	417	417	417	417	417	417	417	417	417	417	417
Forecast Savings (£'000)	429	419	254	243	262	441	441	441	441	441	441	441
Variance (£'000)	-12	-2	163	174	155	-24	-24	-24	-24	-24	-24	-24
FIP Reconciliation period		MAY	JUN	JUL	AUG	SEP						

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AREA OF RISK	Budget £000	Forecast £000	Variance £000	Status	Comments
Out of Area Residential	1,593	2,211	619	R	Demand Led budget which has increased by £23k compared to the August forecast due to a new short term placement
Independent Fostering Agencies	1,288	1,332	44	R	MTRP saving of £200k was causing an overspend however the service has now agreed to vire sustainable underspends from in-house fostering budgets to mitigate the non achievement.
Leaving Care/When I'm Ready	659	750	91	R	There is significant pressure on this budget as a result of new legislation to support care leavers up to the age of 25. There is a pressure identified in the 17-18 MTRP

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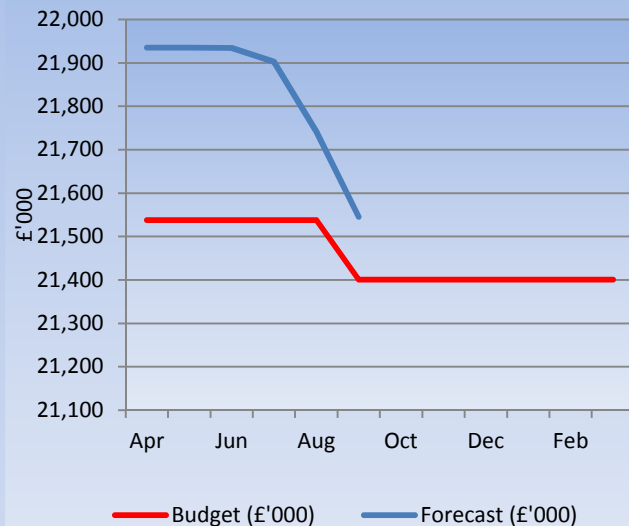
SIGNIFICANT VARIANCES	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Out of Area Residential			426	606	595	619						
Independent Fostering Agencies			100	182	135	44						
In-House Fostering			-139	-212	-216	-174						
Kinship			-91	-115	-103	-106						
Staffing			-49	-192	-218	-240						
Leaving Care			131	131	122	91						
Other (£72k of which due to Homeless, Legal fees, DP's and Gwent Safeguarding, equipment and foster panel budgets)			19	-35	-111	-90						
Variance (£'000)	0	0	397	365	204	144	0	0	0	0	0	0

Movement since last month	Current & Emerging Risks / Opportunities (Including non delivery of MTRP savings)
	Independent Fostering Agencies – This is now only forecasting a £44k overspend due to a sustainable underspend on in-house fostering budgets being moved here to permanently mitigate the unachieved MTRP saving of £200k.
	Out of Authority Residential forecasts do not currently anticipate an upward trend as it's very unpredictable. One placement could cost a further £150k for a full year. The forecast has increased since last month due to a new short term placement. If this continues beyond the planned 28 days it will result in an additional cost of £6k per week.
	In House Fostering – This budget is still underspending significantly however over the next few years there is an anticipated upward trend. Management made the decision to vire the underspending budgets from this area over to Independent Fostering Agencies to offset the overspend there. Based on spend over the last three years, this is sustainable.
	Kinship – This budget has received investment in 16/17 for an anticipated pressure however current SGO's will not cost as much as anticipated in this financial year resulting in an underspend.
	Leaving Care/When I'm Ready – Despite a pressure being received to support placements up to the age of 25, it is still projecting an overspend in this financial year. The overspend however, has decreased since last month.

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2016/17 Forecast History



### BMS Submission Data

% of cost centres submitted by  
budget holder deadline

%

67.57

### Head of Service Commentary

#### Management actions to address position:

##### Key Budget Variances

**Leaving Care** The current cohort of children requiring leaving care packages requires complex arrangements including particular issues linked to the risk of CSE, violence and offending. Work with homelessness and the RSL's along with supporting people has commenced to better address the need of young people on leaving care, leaving custody and presenting as homeless.

**Kinship** In 2014/15 and 2015/16 across England and Wales there was an increase in the number of Kinship Care placements. This trend was mirrored within NCC. This currently appears as if it has flattened out slightly. In part this is potentially a result of a slight shift in behaviours in the current arena. It is too early to assume this is the case.

**Out of Area Residential** This budget is used for a very small group of children with complex needs. Whilst some of this group are in long term care and we are able to forecast costs for the year, a handful each year become known to the local authority with very short notice. Of the current cohort, 3 placements were made between December 2015 and March 2016. Each of these placements arose following multiple breakdowns of previous placements. As a result of the late onset of placement it was not possible to build in the additional pressure within the 16-17 budget. Work is ongoing with all Out of Authority placements to mitigate and source more local and less costly options, including improving in house provision. In additions to these three placements that account for £397K of the variance there was an in year increase for one child whose needs increased to the point where he required 2-1 care. Again this was not an anticipated change. In Sept there was one further placement to OOA residential all agreed this was the only option including the court.

**Staffing** The variance has arisen because of speedy resolution of long term sickness and disciplinary issues

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## Head of Service Commentary

### Management actions to address position:

#### Non Delivery of MTRP Savings

**IFA & In House Fostering** It is agreed the saving against the IFA budget is unachievable. An analysis of the proposed saving demonstrates the principal saving was predicated on an erroneous assumption. In September, the Fostering team will be focussing on a recruitment drive for carers of older young people and UASC. The reduction in in house fostering is jointly because of a breakdown in teenage placements and a reduction in numbers of baby placements as a result on lower numbers entering care.

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### Head of Service Commentary

#### **Head of Service comments/ summary:**

The overall reduction in numbers of looked after children will over the coming months filter through to impact and reduce placement costs. Sustaining the lower figures requires focussed quality assurance and rigour. Work continues to improve placement choices and reviewing all OOA residential placements.

### Strategic Director Commentary

#### **Strategic Director comments:**

The net position has improved again by £60k which is £221k lower over the past 2 months. Key challenges remain (Out of Authority, Independent Fostering and placement for children leaving care. It is positive to note that the total number of children in care remains at the position we had in 2010 and if we had the same rate as other similar authorities we would be paying around £4-7m more on placements alone.

The projected overspend on the Independent Fostering budget has reduced by £89k and other savings from direct payments and the Independent Advocacy contract amount to savings of £76k.

Pressures principally relate to specialist placement costs for children with complex needs and/or challenging behaviour. Placements for individual children can cost as much as £350k per annum. Presently we have 15 children in out of authority placements and the base budget is set at 10 children (based on last year's overall average cost). These pressures have arisen after the completion of last years MTRP.