

Budget Monitoring Position – March 2017

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	21,448	21,436	21,436	21,033	21,033	21,033
Forecast (£'000)	21,935	21,935	21,935	21,903	21,742	21,545	21,549	21,867	21,746	21,288	21,262	21,214
Variance (£'000)	397	397	397	365	204	144	101	431	310	255	229	181

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	10,950	10,950	10,950	10,737	10,746	10,729
Forecast (£'000)	11,105	11,105	11,105	10,781	10,742	10,685	10,631	10,659	10,694	10,341	10,311	10,224
Variance (£'000)	-49	-49	-49	-192	-218	-240	-319	-291	-256	-396	-435	-505

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	424	424	532	532	520	530
Variance (£'000)	-12	-2	163	174	155	-24	-7	-7	-115	-115	-103	-113
FIP Reconciliation period		MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR

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AREA OF RISK	Budget £000	Forecast £000	Variance £000	Status	Comments
Out of Area Residential	1,593	2,484	892	R	Demand led budget that can afford 12 placements. This year has seen an unexpected rise to 16 placement and some of these have been very high cost. A budget pressure was identified in the 17-18 MTRP to address part of this issue.
Independent Fostering Agencies	1,288	1,338	50	R	Remainder of pressure caused by unachievable saving of £200k for 16/17. This will not be an on-going issue in 17-18 as it has been permanently mitigated in the budget model.
Leaving Care	639	743	104	R	Overspend due to a placement for a young offender with specific licensing conditions for 2-1 care costing approx £90k

SIGNIFICANT VARIANCES	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Out of Area Residential			426	606	595	619	658	934	928	937	938	892
Independent Fostering Agencies			100	182	135	44	15	46	48	60	71	50
In-House Fostering			-139	-212	-216	-174	-175	-212	-230	-228	-238	-235
Kinship			-91	-115	-103	-106	-126	-124	-135	-132	-71	-71
C & F Staffing			-49	-192	-218	-240	-319	-291	-256	-396	-435	-505
Leaving Care			131	131	122	91	111	117	111	115	112	104
UASC Grant - retention of 15-16 o/payment			0	0	0	0	0	0	-20	-20	-20	-18
Legal Fees			0	0	0	0	-20	-20	-20	-40	-78	-60
Other			19	-35	-111	-90	-43	-19	-116	-41	-50	23
Variance (£'000)	0	0	397	365	204	144	101	431	310	255	229	181

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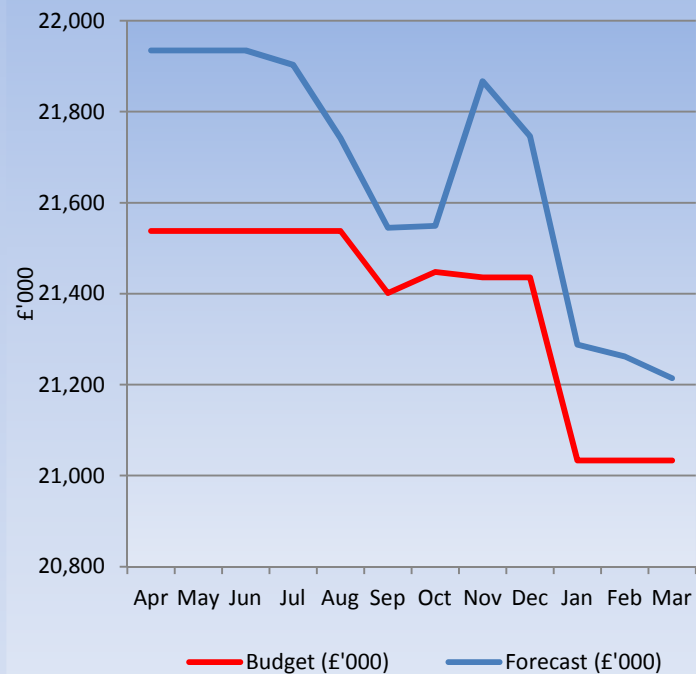
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Movement since last month	Current & Emerging Risks / Opportunities <i>(Including non delivery of MTRP savings)</i>
	Independent Fostering Agencies – This budget is forecasting a £50k overspend which is due to an unachievable £200k savings target in the 16-17 MTRP. The majority was permanently mitigated in year but not all of it. Permanent, sustainable mitigation has however been identified for the whole amount in 17-18 so this will not be an on-going issue.
	Out of Authority Residential - The forecast has increased significantly since October 2016 due to new, unexpected placements being made as well as extensions to previously assumed short term placements. All new placements have been made in very exceptional circumstances and could not have been predicted as part of the normal trend. It is estimated that this new pressure will continue into 17-18 and has not all been addressed in the MTRP.
	In House Fostering – This budget has underspent significantly however over the next few years there is an anticipated increase in costs due to the age categories of current cases. Management made the decision to transfer some of the underspend from this area over to Independent Fostering Agencies to offset the unachieved MTRP saving of £200k. Based on spend over the last three years, this is sustainable .
	Kinship – This budget resulted in a £71k underspend. The underspend reduced significantly since January due to the need to backdate statutory SGO uplifts
	Leaving Care – Overspend due to a placement for a young offender with specific licensing conditions for 2-1 care costing approximately £90k
	Staffing - These budgets underspent significantly. The majority of the staffing underspends are an in year benefit only, for example the early closure of Brynglas Unit and early achievement of SW post deletions.

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2016/17 Forecast History



Head of Service Commentary

Key Budget Variances

The key area of concern in this financial year has been the out of area residential placements that have increased from an average of 12 in previous years to 17. Throughout the year there has been continued work to address and analyse the spend in this area. Despite all interventions there have been significant and unexpected requirements for placements in relation to both risks to young people and risks to others posed by young people. Work is being undertaken both regionally and nationally to address the issue of placements for teenagers.

The main underspends this year that have offset the pressure mentioned above comes from early achievement on proposed 17-18 budget savings and one off grant funding for staff costs.

Non Delivery of MTRP Savings

There was an over achievement against this years MTRP savings target albeit some is due to early achievement of next years target.

Any under delivery in this financial year has been addressed in the 17-18 budget setting process.

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Head of Service Commentary

The final overspend for Children Services is less than 1% of net budget. As commented in slide 4 the key area continues to be OOA placements primarily residential placements. There are additional one off areas of expenditure e.g. leaving care but the focus in 17-18 must be how to reduce the spend on placements.

Strategic Director Commentary

Strategic Director comments:

The final out turn is a £181k over spent which has reduced from a £431k overspend in November. This overspend represents a 0.8% overspend in Children's Services. This compares favourably with comparator local authorities and this year some have experienced catastrophic overspends.

The greatest pressures on Children's Services remain in the out of authority residential budget (£892k o/s).

We are presently conducting work to set out options for future investment and savings in Social Services over the next 5 years.