

Report of Director of Children's Services

Report to Children's & Families Scrutiny Board

Date: 26th July 2012

Subject: Children's Services Budget Update – 2012/13 (First Quarter Report)

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1. Summary of Main Issues

- 1.1 The purpose of this report is to provide an update members on the Children's Services revenue budget for the 2012/13 financial year.
- 1.2 Scrutiny board will be aware that the 2012/13 budget was set within the context of continuing demand pressures for Children's Services in terms of the number of contacts, requests for service and the number of children in care.
- 1.3 The 2012/13 budget strategy continued to prioritise resources to support the most vulnerable children and young people in the city. In particular, the demand-led pressures within the looked after children placement budgets were forecast to continue into 2012/13 and provision of £10.9m was included within the budget to recognise this.
- 1.4 To support the turning the curve action plan around placements for looked after children, the 2012/13 budget continued to prioritise support for investment in preventative and early intervention and to target resources to vulnerable children and families who need support the most. To this end, an additional £2.1m was provided in the budget to expand intensive and specialist family support, increase family group conferencing, expand the multi-systemic therapy teams and to continue to invest in the targeted mental health in schools programme. There was also additional funding within the budget to support the child specific adoption strategy.

1.5 Overall, against a net managed budget of £132m, the forecast position for the Children's Services budget after three months of the financial year is an **underspend of £40k**. The table at appendix 1 provides a more detailed analysis by individual service area as well as a summary subjective analysis of expenditure and income.

2. Purpose of this report

2.1 This report sets out for the Board the Children's Services forecast budget position for 2012/13 after three months of the financial year.

2.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget after three months and comments on the key issues impacting on the overall achievement of the budget for the current year.

3. Background and Main Issues

3.1 Members will recall that the net managed budget for Children's Services was set at £132.2m. At this early stage of the financial year, the forecast is for a £40k bottom-line underspend on the Children's Services budget.

3.2 Building on the vision of making Leeds the best city in Britain and using the framework of the Child Friendly City, the Council has mobilised the city and community behind children and young people.

3.3 Members agreed to increase funding in 2012/13 for Children's Services and improving the quality of service and outcomes for vulnerable children, young people and their families has been the focus of the Council and its partners working together through the Children's Trust and the Local Safeguarding Children's Board.

3.4 Reducing the number of children and young people becoming looked after was adopted as one of the three 'obsessions' identified within the latest Children and Young People's Plan. Although it's too early to be confident that Leeds has 'Turned the Curve' in relation to the number of looked after children, and specifically externally provided placements, the strategy adopted by Children's Services and partners has already had an impact on both numbers and the costs associated with looked after children.

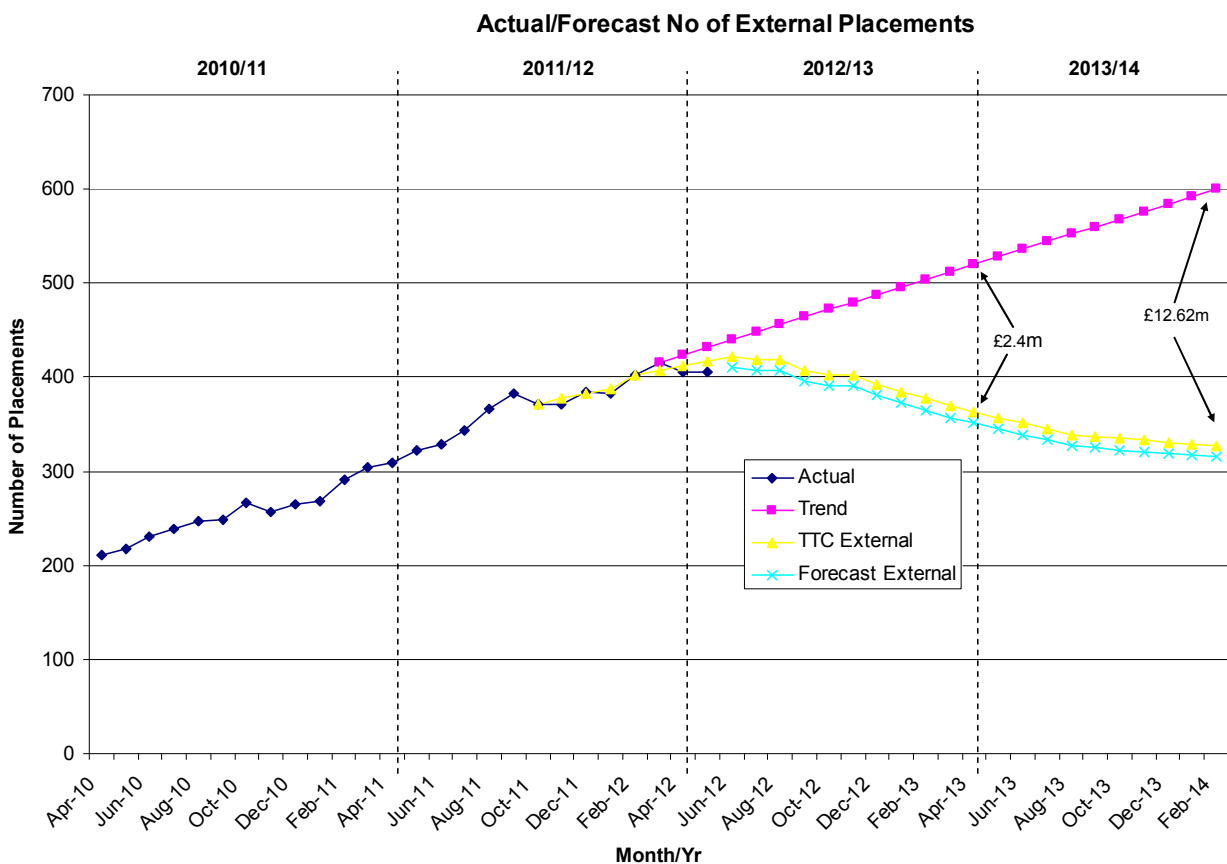
3.5 In Leeds, the number of looked after children has stabilised and there are now the same number of looked after children as there were in late 2010. This contrasts with other local authorities where the number of children and young people in care have continued to rise steadily. Stopping the sustained increase in the numbers of looked after children, safely and appropriately, is a significant achievement and an important precursor to 'Turning the Curve'.

3.6 In summary, there are four key elements to our service strategy and financial planning to safely reduce the number of looked after children;

- Effective and coordinated preventative and early intervention services;
- Targeted services to support families at the point of crisis;
- Placement Choice;

· Care Planning

3.7 Focussing specifically on the key financial risk in 2012/13 around the number of externally provided residential and fostering placements. At the end of May 2012 there were 98 children & young people in externally provided residential placements and 307 children & young people in placements with Independent Fostering Agencies. At this early stage in the financial year, these numbers are below [-12] the financial profile and as such the current projection is a spend of £28m which is in line with the agreed budget. The graph below shows the trend around the numbers for externally provided placement residential & fostering placements. In terms of the in-house fostering placements, the forecast is to spend in line with the £12.6m budget.



3.8 Across the overall £109m staffing budgets, the projection is for a marginal underspend, which recognises the need to expand the support infrastructure around fostering and adoption, invest additional resources into Special Education Needs assessment and support and also the continuing spend on agency staffing within the Social Care fieldwork teams. Corresponding savings are being achieved through vacant posts, particularly within the back-office and support functions.

3.9 As at the first quarter, there are no significant issues to report on the premises, running cost and income budgets.

4. Corporate Considerations

4.1 Consultation and Engagement

4.1.1 This is a factual report and is not subject to consultation

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The Council's revenue budget for 2012/13 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 22nd February 2012.

4.3 Council policies and City Priorities

4.3.1 The 2012/13 budget targeted resources towards the Council's policies and priorities. This report comments on the Directorate's financial performance against this budget.

4.4 Resources and value for money

4.4.1 This is a revenue financial report and as such all financial implications are detailed in the main body of the report.

4.5 Legal Implications, Access to Information and Call In

4.5.1 There are no legal implications arising from this report.

4.6 Risk Management

4.6.1 The Council has prepared and maintained a financial risk register for a number of years. The register details the risk and consequences, existing controls to mitigate against the risk, the value in monetary terms of the risk, review dates and progress towards managing the risk within existing resources. The register is prepared before the start of each financial year and is monitored on a regular basis.

5 Recommendations

5.1 Members of the Scrutiny Board are asked to note the projected financial position of after three months of the financial year.

6 Background documents¹

6.1 Revenue Budget and Council Tax 2012/13 – report to Executive Board 10th February 2012

6.2 Budget report 2012/13 to Council 22nd February 2012

6.3 Financial risk register 2012/13

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

Appendix 1

Directorate		Children's Services		(Under) / Over Spend for the current period										
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appro- priations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000
G	Partnership Dev & Business Support	Chief Officer of Partnership Development & Business Support	(97)	0	(6)	(4)	9	(7)	0	0	0	(105)	(2)	(107)
G	Learning, Skills & Universal Services	Deputy Director of Learning, Skills & Universal Services	71	69	142	(2)	12	(255)	0	0	0	37	(37)	0
R	Safeguarding, Targeted & Specialist Services	Deputy Director of Safeguarding, Targeted & Specialist Services	409	7	26	(4)	(20)	123	(3)	0	0	538	(23)	515
G	Strategy, Commissioning & Performance	Chief Officer of Strategy, Commissioning & Performance	(450)	0	0	1	0	0	0	0	0	(449)	0	(449)
R	Total		(67)	76	162	(9)	1	(139)	(3)	0	0	21	(62)	(40)