

Budget Monitoring Position – July 2017

Children & Young People

OVERALL NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	21,068	21,068	21,068	21,068	21,068	21,068	21,068	21,068	21,068	21,068	21,068	21,068
Forecast (£'000)	21,068	22,106	22,531	22,418	22,418	22,418	22,418	22,418	22,418	22,418	22,418	22,418
Variance (£'000)	0	1,038	1,463	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350








Key Elements of Budget Variances:

STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	10,413	10,413	10,464	10,311	10,311	10,311	10,311	10,311	10,311	10,311	10,311	10,311
Forecast (£'000)	10,413	10,199	10,200	9,934	9,934	9,934	9,934	9,934	9,934	9,934	9,934	9,934
Variance (£'000)	0	-214	-264	-377	-377	-377	-377	-377	-377	-377	-377	-377

DELIVERY OF MTRP SAVINGS	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MTRP Target (£'000)	930	930	930	930	930	930	930	930	930	930	930	930
Forecast Savings (£'000)	930	930	900	900	900	900	900	900	900	900	900	900
Variance (£'000)	0	0	30	30	30	30	30	30	30	30	30	30
FIP Reconciliation period	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR

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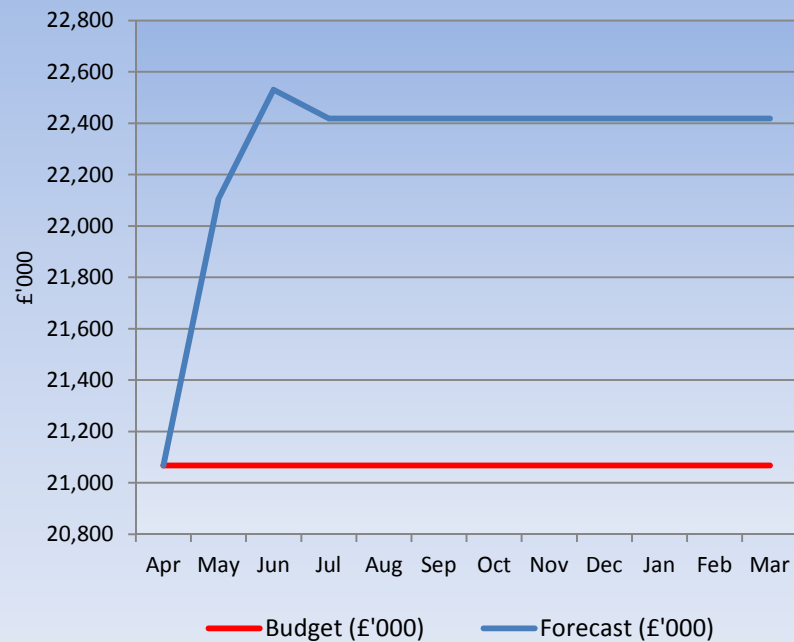
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Movement since last month	Current & Emerging Risks / Opportunities (Including non delivery of MTRP savings)
	Out of Authority Residential - The forecast has increased significantly since the budget was set as placements have increased beyond forecasted numbers. The service are taking actions to reduce this as much as possible but reviewing placements and where appropriate bringing children back to in-house provision. The budget pressure of £800k in the 18/9 MTRP is still sufficient based on the age profiles of the current placements. All new placements have been made in very exceptional circumstances and could not have been predicted as part of the normal trend. The current forecast does include a provision for a further 2 placements.
	Inter agency adoption – This is forecasting an overspend of £70k based on the increased number of adoptions
	In-House Fostering – The numbers of in-house fostering placements are currently lower than what the budget can afford thus resulting in an underspend. The service area have put in actions to address this and have launched a marketing campaign to increase the number of carers. They have specifically targeted carers for teenagers in an attempt to reduce the need to place with the fostering agencies.
	Preventions – Now that Welsh Government (WG) have provided the value of the consequential Edge of Care grant, this has now been built in to offset expenditure that was being incurred in readiness to expand the family support service. This is now resulting in a forecasted underspend of £135k in this financial year.
	Staffing - These budgets underspent significantly in 16/17 and are forecast to underspend by £377k in this financial year. This significant saving compared to last month relates to the consequential funding from WG that is offsetting existing staff costs (incurred in readiness to achieve the additionalities required in the terms and conditions of the grant).
	Looked After Children (LAC) Remand – The grant of £98.3k from YJB is unlikely to be sufficient for the numbers of children placed on remand this financial year. Forecasts anticipate a shortfall of £68k based on current known cases.
	Independent Fostering Agencies – This forecasted overspend is a result of 2 extra placements in June and an extra 3 in July. The budget can afford 36 placements but current numbers are currently at 39 at June rising to 42 in July.

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2017/18 Forecast History



Head of Service Commentary

Key Budget Variances

The main area of concern is around external residential placements forecasted overspend of £1.9m for 21 placements – *July 2017*.

There are currently regional and national groups in place to address the placements position across Wales. There is recognition regionally and nationally that in terms of cost, availability and quality the current position is unsustainable. The market is driven by the providers. Two neighbouring LAs have recently taken up placements for single children costing respectively £16,500 and £14,000 per week. The most expensive placement in use for a single Newport child is £7,292 per week.

Non Delivery of MTRP Savings

Only £30k shortfall currently so work will be done to mitigate by over achieving on other projects.

BMS Submission Data

% of cost centres submitted by
budget holder deadline

%

62%

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Head of Service Commentary

Head of Service comments:

The key element of the forecasted overspend is once again as with the out turn for 16/17 Out Of Area (OOA) residential placements. This forecast has increased since last month due to a contingent liability for a further 2 placements. There is a proposed pressure for 2018/19 of £800K which would address the running issue of the overspend in this area of the budget. As noted above this overspend is under constant scrutiny and all staff are fully cognisant with the risks. We interrogate this area and apply the level of rigour required at every stage leading to such placements. Given the legal status and nature of need of this group of children there is no option to run any sort of waiting list or delay placement. All children are reviewed at senior manager and HoS level and options reassessed as to possible alternatives and/or return. All contracts with providers are negotiated with the contracts team

Taking all steps to prevent OOA placements and ensure when they do occur, they are for the shortest time possible is a mantra throughout Children Services. Placements are only made and allowed to continue when there is absolutely no choice.

Strategic Director Commentary

Strategic Director comments:

Strategic Director on annual leave.