

Subject: 2008/09 TBM 6
Date of Meeting: 1 December 2008
Report of: Director of Children's Services
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Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report updates on the budget position as at Month 6. The table below shows an analysis of the main areas which show a predicted overspend to 31st March 2009 on the pooled budget of £32k.
- 1.2 The pooled budget overspend of £32k relates to the Social Care and Education services £32k, the Community Health Services and Primary Care services are on target.

The non-pooled underspend of £427k relates to City Council services funded by the Dedicated Schools Grant. This grant is payable by the DCFS under section 14 of the Education Act 2002 to fund the schools budget. The guidance issued by the DCFS states that this underspend must be carried forward to support the schools budget in future years.

1.3 CYPT budget analysis:

	Budget	Outturn	Variance
	£'000	£'000	£'000
DSG	0	-427	-427
Section 75 Pooled Budgets	61,749	61,781	32
Section 75 Restricted Budgets (support service charges)	8,355	8,355	0
Total	70,104	69,709	-395

There are two commissioners making contributions to the CYPT, namely BHCC and the PCT. The table below shows a split of the budget by provision:

Budget	Social Care & Education	Community Health Services	Primary Care Services	Total
	£000	£'000	£'000	£'000
DSG	0	0	0	0
Section 75 Pooled Budgets	52,581*	7,073	2,095	61,749
Section 75 Restricted Budgets (support service charges)	6,842	1,513	0	8,355
Total	59,423	8,586	2,095	70,104

*The figures in the table above are net of Government Grant income.

2. RECOMMENDATIONS:

To note the total CYPT overspend of £32k (see table in paragraph 3.1).

3. RELEVANT BACKGROUND INFORMATION:

3.1 The table below details the predicted overspend position in 2008/09:

Details	Total Variances	Non Sec 75 Variances	Total Pooled Variances
	Month 6	(DSG)	Month 6
	£000	£000	£000
	(a)	(b)	(a-b)
Corporate Critical Budgets			
Independent Foster Agency Payments	-45	0	-45
Residential Agency Placements	-379	0	-379
Disability Agency Placements/Palmeira	115	0	115
Secure Accommodation	79	0	79
In-House Foster Care	-358	0	-358
Leaving Care Payments	307	0	307
Educational Agency Placements	-171	-171	0
Total Corporate Critical	-452	-171	-281
Departmental Critical Budgets			
Home to School Transport	80	0	80
Area Social Work Teams	-34	0	-34
Legal Fees	10	0	0

Total Departmental Critical	46	0	46
Other Departmental Budgets			
Directors Budget	30	0	30
East Area, Early Years & NHS Commissioning	52	0	52
Central Area & Schools Support	301	4	297
Learning & Schools	0	0	0
West Area & Youth Support	-38	0	-38
Specialist Services	-26	-24	-2
Quality & Performance	-20	0	-20
Vacancy Management Target	-52	0	-52
Total Other	247	-20	267
Other DSG Budgets			
DSG Carry Forward (one off funding)	-236	-236	0
Total DSG	-236	-236	0
Net Social Care and Education Potential Pressures to Report	-395	-427	32
Community Health Services	0	0	0
Primary Care Services	600	0	600
PCT - Non recurrent budget contribution	-600	0	-600
Total Net Primary Care Services	0	0	0
Total CYPT Pressures	-395	-427	32

3.2 The table below shows the net variance by service area:

	Budget	Forecast	Month 6 Variance -Under/ Over	Variance %
	£000	£000	£000	%
			Net	
DIRECTOR	959	989	30	3.13
EAST, EARLY YEARS & NHS COMM SERVICES	10,431	10,899	468	4.49
CENTRAL AREA & SCHOOL SUPPORT	8,873	9,224	351	3.96
Dedicated Schools Grant	-123,121	-123,121	0	0.00
Individual Schools Budgets	105,965	105,965	0	0.00
LEARNING & SCHOOLS	9,161	9,161	0	0.00

WEST AREA & YOUTH SUPPORT	8,880	8,725	-155	-1.75
SPECIALIST SERVICES	30,289	29,699	-590	-1.95
QUALITY & PERFORMANCE	1,144	1,124	-20	-1.75
VACANCY MANAGEMENT TARGET	0	-52	-52	0.00
SOCIAL CARE & EDUCATION TOTAL	52,581	52,613	32	0.06
COMMUNITY HEALTH SERVICES	7,073	7,073	0	0.00
PRIMARY CARE SERVICES	1,495	2,095	600	40.13
PCT - Non recurrent budget contribution	600	0	-600	-100.00
Total Net Primary Care Services	2,095	2,095	0	0.00
Total	61,749	61,781	32	0.05

3.3 Explanation of key variances

3.3.1 Corporate Critical Budgets

The projected year-end position on the CYPT corporate critical budgets shows an underspend of £452k. The breakdown is shown below:

Corporate Critical Budgets (non DSG)	Pressure
	£000
Independent Foster Agency Placements	-45
Residential Placements	-379
Disability Agency Placements	115
Secure Accommodation	79
In-House Placements	-358
Leaving Care	307
Educational Agency Placements	-171
Total	-452

See Appendix 1 for details re unit costs.

The 2008-09 budget for Child Agency Placements, In House Placements and Services for care leavers is £17.150m. Based on the latest information available it is estimated that the 2008/09 expenditure for these areas will amount to £16.868m which represents an underspend of -£0.281m. An analysis of this is shown in the table below.

<u>Type of Placement</u>	2008/2009 Budgeted FTE	2008/2009 Base Budget (£)	Current Number of Placements	2008/2009 Revised Projected Placements	2008/2009 Projected Spend (£)	Variance (£)
Foster Care (IFA)	94.00	4,350,600	92.00	93.31	4,305,800	-44,800
Residential	27.50	4,641,100	25.00	24.55	4,139,500	-501,600
School Placement	11.50	404,600	12.00	12.33	441,800	37,200
Family Assessment	2.00	100,000	1.00	1.30	185,100	85,100
Disability Placements	8.00	757,900	8.00	7.85	882,100	124,200
Disability Respite	n/a	138,000	n/a	n/a	128,500	-9,500
Secure Accommodation	1.50	402,000	2.00	2.20	481,100	79,100
AGENCY TOTAL:	144.50	10,794,200	140.00	141.55	10,563,900	-
<u>In-House Placements</u>						
Fostering	171.00	3,657,800	145.00	162.47	3,489,100	-168,700
Placed with Relatives	33.00	366,100	21.00	18.24	228,700	-137,400
Residence Orders	150.00	1,294,800	146.00	149.01	1,274,900	-19,900
Special Guardianship	17.00	265,900	21.00	28.00	233,900	-32,000
IN-HOUSE TOTAL:	371.00	5,584,600	333.00	357.72	5,226,600	-358,000
<u>Care Leavers</u>						
Leaving Care	25.00	661,900	41.00	39.23	905,400	243,500
Ex Asylum Seekers	n/a	108,800	32.00	28.18	172,500	63,700
CARE LEAVERS TOTAL:	25.00	770,700	73.00	67.41	1,077,900	307,200
GRAND TOTAL:			13	566.68		

	540.50	17,149,500	546.00		16,868,400	-281,100
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Educational Agency Placements

There is currently anticipated to be an underspend on Educational Agency of £171k mainly due to updated information on possible placements and new cases.

There are now expected to be 129 cases against a budgeted number of cases of 130.

As this budget forms part of the DSG the projected underspend will be carried forward at the year end.

3.3.2 Departmental Critical Budgets

Home to School Transport

Overall the Home to School Transport budget is forecast to be overspent by £80k. Based on the summer term pupil numbers there is a forecast overspend of £133k which takes account of inflation on taxi contracts of 7% compared to 2.5% allowed for in the budget.

This overspend is partially offset by £53k from the Extended Rights for Free Travel Grant in order to arrive at the net overspend of £80k.

The autumn term pupil data is currently being analysed and the effects of this will be included in the forecast for TBM7.

Area Social Care Teams

The overall underspend on the Social Care Area teams is currently projected to be -£34k.

Legal Fees

There are currently no anticipated budget pressures for Legal Fees. The Ministry of Justice recently released a consultation document detailing proposed changes in charging policy for legal proceedings. It is not, as yet, clear what the financial implications of these changes will be for this authority but it may result in a service pressure in this area.

3.3.3 Other Departmental Budgets

Director (£30k)

Director – CYPT (£30k)

Reduction in LSC funding for an AD post resulting in a shortfall of £25k plus ex gratia payments and other areas totalling £5k.

DMT are considering funding the £25k LSC income pressure from the unallocated DSG brought forward funding (see paragraph 6 below).

East Area, Early Years & NHS Commissioning (£52k)

School & Community East Area (£28k)

Savings on staff turnover -£17k plus desk rental at LDC £34k plus £12k CWDC subscription, other -£1k.

East Area Preventive Services (£25k)

Additional demand for preventive services.

Other – (-£1k)

Central Area & School Support (£297k)

Kings House (£50k)

A pressure of £50k has been included in the TBM 6 Forecast for additional costs of refurbishment and accommodation moves

Central Admin (£12k)

Increase in rental expenditure for Sensory Needs Team move to Haversham House.

Central Area Preventive (£195k)

The pressure relates mainly to housing homeless families.

Student Support Admin (£27k)

Funding reduction by Central government plus 07/08 savings not achieved.

Other (£13k)

Other budgets in this branch are predicted to overspend by £13k.

Learning & Schools (Nil)

The budgets in this area are reported to be on -target

West Area & Youth Support (-£38k)

Education Welfare Service West (£3k)

Lead Officer regarding previously funded from LPSA which ceased in August 2007.

West Area Preventive (-£21k)

Less than anticipated demand for services.

Youth Service (-£20k)

Delay in recruitment of bursar.

Specialist Services (£-2k)

Clermont CPU (£31k)

This overspend has reduced by £17k from £48k to £31k. The overspend relates to increased Council Tax (£20k), reduced income (£20k) and staff savings not met (£9k).

General Items Disability (£32k)

The overspend of £32k mainly relates to rent for Seaside View not budgeted for.

Admin SEN (-£20k)

The underspend of £20k relates mainly due to staff vacancies and delays in appointments.

Fostering & Adoption Services (-£52k)

Fostering and adoption services are estimated to underspend by £52k mainly due to underspends on adoption allowances.

Other (£7k)

Other budgets in this branch are predicted to overspend by £7k.

Quality & Performance (£-20k)

The main underspending in this branch relates to vacant posts in the Reviewing team £13k and other budgets £7k.

3.3.4 Community Health Services

It is anticipated that the Community Health budgets of the CYPT will break even in 2008/09. There are ongoing discussions between the CYPT/PCT/South Downs NHS Trust re a possible new contractual framework for 2009/10.

3.3.5 Primary Care Trust

The Primary Care services is primarily a demand-led one, and this year is anticipated to overspend against the baseline by £600k due to additional costs required for Children requiring specialist mental health support, primarily in private healthcare. The PCT will be making an additional, non-recurrent, contribution to the CYPT to meet these costs, but will not be amending the baseline budget as work to establish the underlying financial position is ongoing. The PCT is working with Sussex Partnership Trust to explore the options for placing these patients in alternative facilities.

4. CONSULTATION

4.1 No specific consultation has been undertaken in relation to this report.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 Included within the body of the report.

Legal Implications:

5.2 The overspend and underspend is being managed in accordance with the Section 75 pooled budget arrangements and statutory guidance and should not therefore significantly impact on the ability of the Trust to meet its statutory duties to children and young people.

SUPPORTING DOCUMENTATION

Appendices:

1. Corporate Critical Budget Analysis

Documents In Members' Rooms

1. None

