

CHILDREN AND LIFELONG LEARNING SCRUTINY PANEL

DATE	13/01/2022
REPORT OF	Executive Director, Environment, Economy & Resources
SUBJECT	Financial Monitoring - Services that have received extra resources
STATUS	Open

CONTRIBUTION TO OUR AIM

The scrutiny panels act as a reviewing mechanism for decisions made relating to the strategic policy, performance and resources required to deliver the ambitions of the Council and its key partnerships. The aim of the scrutiny process is to make sure decision making is robust by providing constructive challenge. The information provided in this briefing note contributes to the Council being effective and efficient, and therefore is integral to the delivery of the Council Plan.

EXECUTIVE SUMMARY

This briefing note details the additional budget that has been made available to the Children's and Family Services directorate following the setting of the budget for 2021-22 and how it has impacted the service.

MATTER(S) FOR CONSIDERATION

1. BACKGROUND AND ISSUES

At the last meeting of the Panel a request was made that they receive a briefing note on the services that have received extra resources and how it has impacted the service.

In respect of the additional financial resources received by the service within the financial year then there are two areas that need to be considered. The first of these is whether there has been an in-year budget increase whilst the second is any reported overspend.

In Year budget increase

It is easiest to demonstrate this in the form of a table. This table shows the budget starting position on the 1st April 2021 and the current budget position as at the 10th December 2021 and the additional budget received.

		<u>£'000</u>
2021/22	Children's Council Approved Budget (1st April 2021)	32,086
	Drawdown of Earmarked Reserves	
	Packages of Care	33
	Independent Reviewing Officer posts funding until September 2021	83
	Advice and Inspection Officer post funding	64
	Provision joint contract	70
	CAMHS Contract uplift	95
	Domestic Abuse capacity	54
	Troubled Families / Parental Conflict	57
	Children's Safeguarding Board Reform Programme	40
	Other- various	150
	Roll forward of School balances	856
2021/22	Children's Current Budget As per Ledger 10/12/21	33,588
	Less: Roll forward of School balances (delegated funding - not available for Council spend)	856
2021/22	Children's Current Budget excluding School Balances as per Ledger 10/12/21	32,732
	Net increase in budget	646

In respect of the above table, it can be seen that the net movement figure of £646k excludes the amount in respect of schools / Dedicated Schools Grant of £856k. The reason for this is that the £856k represents schools balances brought forward from the previous year and as such is not available to the Council to support its spend.

In terms of the in-year budget increase attributed to Special Packages of Care throughout 21/22 there was an increase in the numbers of children and young people requiring more specialist therapeutic interventions, this is being monitored and the predicted shortfall in the Future in Mind Budget allocated will be met with the CCG. Similarly, the additional funding to meet the CAMHS Contract uplift, to ensure appropriate staff resource and consistency of service to meet local needs, will be met by the CCG.

The 'Provision – Joint Contract' £70K budget relates to an NELC and CCG jointly commissioned service with Barnardo's, Safe Harbour, which supports children and young people who require intensive trauma support and intervention to prevent their placement breaking down.

Projected Overspend

In respect of the projected overspend at Qtr 2 2021-22 Children's Services was reporting an overspend of £11.2m. The reasons for the overspend have been noted in the monitoring reports and are as a result of two principal reasons being:

- Placement demand in respect of looked after children (CLA), and
- Agency team and staff costs to cover vacant posts and deal with capacity issues.

In broad terms the overspend can be attributed to these two factors on an almost 50:50 basis.

It is important to remember that in respect of the first matter a reduction in the number of CLA does not always lead to a decrease in cost as one needs to factor in supply and demand for provision both locally and nationally and also view the overall position with new children entering care and those exiting care along with those changed care types, for example agency foster care to in-house foster care. Experience in NELC shows where those lower number of children entering care are costing more than those exiting care. Some of the children who are coming into the care of the local authority are more complex with higher level of needs. The requisition of specialist placement serves to drive up costs

In respect of the second matter there is now a very well developed and commercially aware agency market where rates paid are very much higher than salary. To ensure children are safe, whilst in-house recruitment is constantly on-going if capacity is needed then the agency market cannot be avoided. Business models employed by agencies is one which requires the employment of whole teams including a management structure. This invariably raises the costs however it is increasingly difficult to employ singleton agency workers.

In forecasting an overspend there is a need for work to be undertaken to mitigate the overspend. This is done as part of the monthly reporting position with an aim of facilitating the council maintaining a sustainable position. The process would range from initially looking for the service to mitigate the overspend to then reviewing the forecast outturns of other services before looking at the use of reserves and corporate actions

There is a significant impact to the authority when Children Services incur an overspend including a need to review the allocations of resources across all services. Significant work has been undertaken by the Assistant Director Group to collaborate as a means of reducing the overspend. This has proved to be relatively successful with both immediate, medium and long term plans being established.

2. RISKS AND OPPORTUNITIES

None, this paper is for information only.

3. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

None

4. FINANCIAL CONSIDERATIONS

None, this paper is for information only.

5. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

6. MONITORING COMMENTS

In the opinion of the author, this report does not contain recommended changes to policy or resources (people, finance or physical assets). As a result, no monitoring comments have been sought from the Council's Monitoring Officer (Chief Legal Officer), Section 151 Officer (Director of Finance) or Strategic Workforce Lead.

7. WARD IMPLICATIONS

None

8. BACKGROUND PAPERS

None

9. CONTACT OFFICER(S)

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