

<b>Subject:</b>	<b>Budget Monitoring 2009/10 - TBM 7</b>		
<b>Date of Meeting:</b>	<b>1 February 2010</b>		
<b>Report of:</b>	<b>Director of Children's Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Louise Hoten</b>	<b>Tel: 29-3440</b>
	<b>E-mail:</b>	Louise.Hoten@brighton-hove.gov.uk	
<b>Key Decision:</b>	No	Forward Plan No: N/A	
<b>Wards Affected:</b>	All		

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report updates on the budget position as at Month 7. The table below shows an analysis of the main areas which show a predicted overspend to 31st March 2010 on the pooled budget of £1,933k.
- 1.2 The overspend of £1,933k relates to Brighton & Hove City Council services. Community Health and Primary Care Services show a predicted nil variance to 31st March 2010. The non-pooled underspend of £1,100k 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 (pooled budget is gross of Government grants):

<b>2009/10</b>	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Non- Pooled (DSG)</b>	<b>0</b>	<b>-1,100</b>	<b>-1,100</b>
<b>Section 75 Pooled Budgets</b>	<b>104,226</b>	<b>106,159</b>	<b>1,933</b>
<b>Section 75 Restricted Budgets (support service charges)</b>	<b>6,840</b>	<b>6,840</b>	<b>0</b>
<b>Total</b>	<b>111,066</b>	<b>111,899</b>	<b>833</b>

The table below shows the sources of funding:

<b>Budget 2009/10</b>	<b>BHCC</b>	<b>Community Health Services</b>	<b>Primary Care Services</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Non- Pooled (DSG)	0	0	0	0
Section 75 Pooled Budgets*	95,625	7,773	828	104,226
Section 75 Restricted Budgets (support service charges)	5,327	1,513	0	6,840
<b>Total</b>	<b>100,952</b>	<b>9,286</b>	<b>828</b>	<b>111,066</b>

\*The pooled budget figures in the table above are gross of Government Grant income of £39.614m.

The table below shows the movements in the pooled budget since the start of the year.

	<b>BHCC</b>	<b>Community Health Services</b>	<b>Primary Care Services</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Budget as at Month 1</b>	84,232	7,791	1,524	93,547
School Standards Grant	6,148			6,148
Private Finance Initiative	2,390			2,390
Adult Learning Grants	1,229			1,229
Standards Fund	556			556
Other Grant Increases	560			560
Transfer from reserve for Building Schools for the Future	500			500
Other budget movements	10	-18		10
Reduction in Children's Services budget			-696*	-696
<b>Budget at Month 7</b>	<b>95,625</b>	<b>7,773</b>	<b>828</b>	<b>104,226</b>

\*The £696k reduction in the Children's Services budget related to Sussex Partnership NHS Trust (SPT). The budget is now included in the PCT's baseline contract with the SPT.

## **2. RECOMMENDATIONS:**

- 2.1 That the total CYPT overspend of £1,933k on pooled budgets and an underspend of £1,100k on Dedicated Schools Grant (DSG) items be noted. The BHCC element of the pooled budget overspend totals £1,933k (see table in paragraph 3.1).
- 2.2 That the movements in budget since the start of the financial year be noted (see table in paragraph 1.3).

### 3. RELEVANT BACKGROUND INFORMATION

3.1 The table below details the predicted overspend position in 2009/10:

Details	Total Variances	Non Sec 75 Variances	Total Pooled Variances
	Month 7 £000	(DSG) £000	Month 7 £000
	(b)	(c)	(b-c)
<b>Corporate Critical Budgets</b>			
Independent Foster Agency Payments	1,113	0	1,113
Residential Agency Placements	-516	0	-516
Disability Agency Placements/Palmeira	24	0	24
Secure Accommodation	358	0	358
In-House Foster Care	51	0	51
Leaving Care Payments	-3	0	-3
Educational Agency Placements	-60	-60	0
<b>Total Corporate Critical</b>	<b>967</b>	<b>-60</b>	<b>1,027</b>
<b>Departmental Critical Budgets</b>			
Home to School Transport	156	0	156
Area Social Work Teams	314	0	314
Legal Fees	740	0	740
Unaccompanied Asylum Seeking Children	99	0	99
<b>Total Departmental Critical</b>	<b>1,309</b>	<b>0</b>	<b>1,309</b>
<b>Other Departmental Budgets</b>			
Director	-726	0	-726
Area Integrated Working	568	70	498
Learning, Schools & Skills	-1,122	-1,117	-5
Citywide Services	61	7	54
Commissioning & Governance	76	0	76
<b>Total Other</b>	<b>-1,143</b>	<b>-1,040</b>	<b>-103</b>
<b>Vacancy Management Target</b>	<b>-300</b>	<b>0</b>	<b>-300</b>
<b>Net Social Care and Education Position to Report</b>	<b>833</b>	<b>-1,100</b>	<b>1,933</b>
<b>Community Health Services</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Primary Care Services</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total CYPT</b>	<b>833</b>	<b>-1,100</b>	<b>1,933</b>

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

	Budget	Forecast	Month 7 Variance -Under/ Over	Variance %
	£000	£000	£000	
			Net	
<b>DIRECTOR</b>	4,223	3,497	-726	-17.19
<b>AREA INTEGRATED WORKING</b>	24,365	26,013	1,648	6.76
<b>LEARNING, SCHOOLS &amp; SKILLS</b>	37,514	37,665	151	0.40
<b>CITYWIDE SERVICES</b>	26,988	28,072	1,084	4.02
<b>COMMISSIONING &amp; GOVERNANCE</b>	2,535	2,611	76	3.00
<b>VACANCY MANAGEMENT</b>		-300	-300	
<b>SOCIAL CARE &amp; EDUCATION TOTAL</b>	<b>95,625</b>	<b>97,558</b>	<b>1,933</b>	<b>2.02</b>
<b>COMMUNITY HEALTH SERVICES</b>	<b>7,773</b>	<b>7,773</b>	<b>0</b>	<b>0.00</b>
<b>PRIMARY CARE SERVICES</b>	<b>828</b>	<b>828</b>	<b>0</b>	<b>0.00</b>
<b>Total</b>	<b>104,226</b>	<b>106,159</b>	<b>1,933</b>	<b>1.86</b>

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 overspend of £1.027m. The breakdown is shown below:

<b>Corporate Critical Budgets (non DSG)</b>	<b>Pressure</b>
	<b>£000</b>
Independent Foster Agency Placements	1,113
Residential Placements	-516
Disability Agency Placements	24
Secure Accommodation	358
In-House Placements	51
Leaving Care	-3
<b>Total</b>	<b>1,027</b>

The 2009/10 budget for Child Agency and In House Placements and Services for care leavers is £18.145m. Based on the latest information available it is estimated that expenditure for

these areas will amount to £19.172m which represents an overspend of £1.027m. An analysis of this is shown in the table below.

<b>Type of Placement</b>	<b>2009/2010 Budgeted FTE</b>	<b>2009/2010 Base Budget (£)</b>	<b>Current Number of Placements</b>	<b>2009/2010 Projected FTE Placements</b>	<b>2009/2010 Projected Spend (£)</b>	<b>Variance (£)</b>
IFA - Standard	79.00	3,446,500	115	112.20	4,388,300	941,800
IFA - Intensive	13.00	966,500	10	10.87	782,900	-183,600
IFA - Parent & Baby	4.00	323,400	12	10.00	678,100	354,700
Residential School Placement	27.00	4,620,300	31	26.03	4,139,000	-481,300
Family Assessment	13.00	459,300	7	7.01	373,700	-85,600
Disability Placements	2.00	218,200	3	1.68	268,900	50,700
Disability Respite	9.00	888,500	9	8.76	952,900	64,400
Secure Accommodation	n/a	157,000	n/a	n/a	116,300	-40,700
	2.00	426,400	3	3.39	784,600	358,200
<b>AGENCY TOTAL:</b>	<b>149.00</b>	<b>11,506,100</b>	<b>190</b>	<b>179.94</b>	<b>12,484,700</b>	<b>978,600</b>
<u>In-House Placements</u>						
Fostering - Standard	134.00	2,815,600	151	141.04	3,247,500	431,900
Fostering - Intensive	18.00	607,000	13	13.58	413,800	-193,200
Placed with Relatives Residence Orders	14.00	264,700	52	41.42	553,500	288,800
Special Guardianship	180.00	1,478,900	150	151.50	1,217,100	-261,800
	55.00	444,200	24	29.92	229,500	-214,700
<b>IN-HOUSE TOTAL:</b>	<b>401.00</b>	<b>5,610,400</b>	<b>390</b>	<b>377.46</b>	<b>5,661,400</b>	<b>51,000</b>
<u>Care Leavers</u>						
Leaving Care Ex Asylum Seekers	43.50	916,700	54	44.88	782,700	-134,000
	16.00	111,500	38	32.48	242,700	131,200
<b>CARE LEAVERS TOTAL:</b>	<b>59.50</b>	<b>1,028,200</b>	<b>92</b>	<b>77.36</b>	<b>1,025,400</b>	<b>-2,800</b>
<b>GRAND TOTAL:</b>	<b>609.50</b>	<b>18,144,700</b>	<b>672</b>	<b>634.76</b>	<b>19,171,500</b>	<b>1,026,800</b>

### **3.3.2 Departmental Critical Budgets**

#### Home to School Transport (156k)

The Home to School Transport is currently forecasting an overspend of £156k. This primarily the result of a £200k under accrual provision in 2008/09. An action plan is in place to minimise this overspend by reviewing both the method of transport as well as the entitlement of transported pupils. A breakdown of the latest figures is shown in the table below.

A breakdown of the overspend is shown in the table below:

Detail	Budget	Forecast	Variance
	£000	£000	£000
Escort Fees	31	23	-8
Staffing	0	28	28
Hillside Recharge	124	127	3
Lot Contracts	2705	2979	274
Public Transport & Bus Passes / Contracted Buses (net of grant)	327	303	-24
Equipment	1	2	1
LAC Recoupment	150	44	-106
Recoupment Income	-17	-29	-12
<b>Total</b>	<b>3321</b>	<b>3477</b>	<b>156</b>

### Area Social Care Teams

The overall overspend on the Social Care Area teams is currently projected to be £314k. This forecast includes a transfer of £100k from the Children's Fund for agency staff. An analysis of this variance is shown below:

Detail	Month 7
	£000
Permanent Staff – Additional hours/vacancies	-402
Agency/Sessional Staff	587
Staff Advertising	9
Relocation/Miscellaneous Recruitment & Retention costs	46
Premises Costs	18
Transport Costs	125
Supplies & Services	-80
Transfer/Third party payments	0
Income	10
<b>Total</b>	<b>314</b>

### Legal Fees

Based on the latest information available, the total Legal Fees budget is projected to overspend by £740k by the year end. This is due to several factors, but primarily the very significant increase in the number of children being referred for care proceedings in line with national trends. In October the organisation representing children in care proceedings, CAF/CASS published figures demonstrating that the highest numbers of care proceedings are being issued nationally since records began. The numbers of care proceedings are set to increase by approximately 80% this financial year compared with last financial year. For example in August 09 alone 17 cases were issued, in one month equating to about 30% of the total number of proceedings in 08/09. In order to cope with the increase in proceedings it has been essential to recruit additional temporary staff to the legal team. Additionally the Court Fees having been increased by the Ministry of Justice from £175 to £4,825 per fully contested case, it looks likely that the spend on court fees alone will be over £100,000 above the sum allocated by the government for this purpose. The Authority was visited in August by the Ministry of Justice who are currently undertaking a review of the Court Fees and their impact on Local Authorities.

The costs increase also relates to an increase in the numbers of court directed specialist assessments, arising from the increase in the number of cases in court. The legal team were recently the subject of an independent value for money review which confirmed that the legal work being conducted on behalf of the Trust in relation to child protection was of an excellent quality, and highly regarded locally. The review identified that the costs drivers in legal proceedings were largely beyond the control of the legal team, and some issues such as the cost of expert assessments could only be addressed on a national level. At least two independent audits have confirmed that proceedings are only being taken in essential cases, therefore whilst every effort is being made to manage the overspend if the trend for greater referrals continues at the current rate, the projected overspend may increase.

#### Unaccompanied Asylum Seeking Children

The overspend of £99k reported above is based on a full year projection of total spend, calculated on actual and anticipated levels of activity (children supported) within the year.

### **3.3.3 Dedicated Schools Grant**

The Dedicated Schools Grant (DSG) is a ring fenced specific grant that supports the authority's Schools Budget. It can be used for no other purpose. Underspends on the DSG must be carried forward to support the Schools Budget in future years. Overspends may either be written off against the authority's general reserves or carried forward as first call against the Schools budget in future years.

The total DSG available for 2009/10 is £129.202m. This is projected to underspend by £1.1 00m and is summarised in the table below.

<b>Service Area</b>	<b>DSG Over/(Under) spend</b>
	<b>£'000</b>
Rates Refund	-1,100
Educational Agency Placements	-735
Other	-118
<b>Total</b>	<b>-1,953</b>
Contribution to CYPT overspend	178
Therapy Costs	100
One off contribution to schools*	575
<b>Balance</b>	<b>-1,100</b>

\* this is in respect of Special Educational Needs (SEN) and the implementation of the Common Assessment Framework (CAF).

The planned use of the £1.100 million rates refund is:

<b>Service Area</b>	<b>Planned Allocation</b>
	<b>£'000</b>
Support for Schools with Equal Pay in 2010/11	400
Support for Schools with Equal Pay in 2011/12	200
Balance available to support CYPT overspend **	500
<b>Total</b>	<b>1,100</b>

\*\* This balance is potentially available to support the CYPT overspend but has not been committed yet due to the risks around volatile demand led budgets.

### 3.3.4 Community Health Services

South Downs Health forecast overspend remains at £100k with the breakdown summarised below, but is broadly consistent with previous months, where the savings target and in-year pressures have been partially offset by vacancies. As described previously, an action plan has been devised which should return the service to break-even. This will be assessed and evaluated on a monthly basis, but should have the effect of reducing the forecast out-turn from now on, although a concern that forecast has not yet started to reduce

<b>Details</b>	<b>£000</b>
Savings target	123
Demand-led non-pay pressures	101
Pay pressures	61
Vacancies – paediatricians	-105
Vacancies – mainly health visitors	-80
<b>Total</b>	<b>100</b>

### 3.3.5 Primary Care Trust Budgets

The PCT direct budgets are currently meeting plan and are forecast to break-even across the financial year. A risk remains around continuing care and the pressures on the year-end position are currently under review.

Details as follows:

<b>Details</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
	£'000	£'000	£'000
Children's Services	781	781	0
Children's Continuing Care	47	47	0
<b>Total</b>	<b>828</b>	<b>828</b>	<b>0</b>

## 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.

*Finance Officer Consulted: Louise Hoten*

*Date: 21/12/2009*

### Legal Implications:

5.2 The overspend will need to be managed in accordance with the Section 75 pooled budget arrangements. A consideration of some of the factors which may account for the overspend is found in the body of the report relating to the legal budget.

*Lawyer consulted: Natasha Watson*

*Date: 08/12/2009*



Health Implications:

- 5.3 It is not anticipated that there will be any adverse impact on services that will affect health outcomes as a result of the current financial position.

Equalities Implications:

- 5.4 There are no direct equalities implications arising from this report.

Sustainability Implications:

- 5.5 There are no direct sustainability implications arising from this report.

Crime & Disorder Implications:

- 5.6 There are no direct crime or disorder implications arising from this report.

Risk and Opportunity Management Implications:

- 5.7 There are no direct risk or opportunity management implications arising from this report.

Corporate / Citywide Implications:

- 5.8 The Council's financial position impacts on levels of Council Tax and service levels and therefore has citywide implications.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Not applicable.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The report is for noting.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. None

**Documents In Members' Rooms**

1. None

**Background Documents**

1. None.

