

Report for: Children and Young People Scrutiny Panel
8 November 2018

Item Number:

Title: Priority 1 Budget Position (Quarter 1 2018/19)



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Wards(s) affected: All

**Report for Key/
Non-Key Decision:** Not a key decision

1 Describe the issue under consideration

This report provides an overview of the financial performance of services within Priority 1 (Enable every child and young person to have the best start in life, with high quality education) as at Quarter 1, 2018/19.

2 Recommendations

That Members note the financial position of Priority 1 services.

3 Background information

3.1 Introduction

3.1.1 Priority 1 services are those relating to children including all of the services managed by the Director of Children's Services and those children-focused services managed by the Director of Public Health and the Assistant Director of Commissioning.

3.1.2 Table 1 below sets out the service areas within Priority 1, and shows that as at Quarter 1, Priority 1 is forecasting to spend £67.2m against a budget of £62.3m, therefore resulting in an overspend of £4.9m. An underlying pressure of £5m arising from the non-delivery of MTFS savings (2017/18 and 2018/19), accounts for a significant amount of the reported overspend.

**Table 1 – Priority 1 Revenue Budget Monitoring Forecast for Quarter 1
2018/19**

Service	Revised 18/19 Budget	Projected Outturn Forecast	Projected Over / (Under) Spend Variance
	£000	£000	£000
Safeguarding and Social Care	37,440	41,034	3,594
Prevention and Early Intervention	11,658	12,873	1,215
Director of Children Services	809	822	12
Schools and Learning	3,091	3,149	58
Commissioning	3,392	3,390	(1)
Public Health	5,911	5,911	-
Total	62,301	67,179	4,878

3.2 Safeguarding and Social Care (£3.6m overspend)

- There is an underlying pressure due to the non-delivery of MTFs savings. This continues to cause a pressure within the budget.
- LAC External Placements budget is forecast to overspend by £2.3m. Although the number of children in care is similar to last year, the numbers of high cost placements for children in residential care and secure accommodation has increased over the year. The service is working to deliver a range of savings to mitigate some of the budget pressure.
- The Young Adult Service is projected to overspend by £0.8m. The new duty on local authorities to support all care leavers up to age 25 is resulting in a budget pressure. The new duty extends to care leavers who return to the local authority at any point after the age of 21 up to age 25 and request support. This added duty is reflected in the increasing number of young people being supported. This is in addition to an underlying pressure from non-delivery of savings.
- The use of agency staff, and the costs of retention payments is resulting in pressures within the staffing budgets, with a forecast overspend of £0.6m.
- There is a forecast overspend of £0.4m due to the costs associated with No Recourse to Public Funds (NRPF) cases. This continues to increase with a resultant pressure on the budget.
- The above pressures are partly mitigated by a forecast underspend of £0.4m in the Internal Fostering budget arising from less than anticipated numbers of in-house foster carers. The service has launched a recruitment campaign to attract more in-house foster carers, which will further mitigate the pressures within the placements budget.

3.3 Prevention and Early Intervention (£1.2m overspend)

- The Children Centres are projected overspend of £0.2m for this budget is due to the delivery of non-statutory provision of childcare. The service is unable to achieve the income through the generation of fees charged to families due to reduction of fee paying childcare children. A review of the operational costs of the Children's Centres is underway and the service is going through a restructure, which will positively reduce the costs in year.
- The Special Education Needs Service is projected an over spend of £0.6m in P3. This service is responsible for Education, Health and Care (EHCs) assessments and plans. Overspend is due to the statutory duty to provide transport for over 19 years old as part of the SEND reform and an underlying deficit against the income target. The service is working on various options to deliver a range of savings to mitigate the pressure.
- The Family Support service is forecasting overspend of £0.3m in P3 due to increase in respite demand. This budget is a combination of staffing and budget for support packages for children with SEND and this is a demand led volatile service. Investigation into introduction of PBS service to support and reduce high cost respite packages are underway with Health colleagues.
- The Inclusion Service is showing overspend of £0.2k in P3 due to an unachievable savings target. All efforts are being made to identify other areas within the service to generate traded income not achieved will be found elsewhere e.g. the advisory teacher service have introduced a traded offer starting Sept. 2018.

4. Contribution to strategic outcomes

- 4.1** This report is dealing with the financial position of those services, which are contributing, to the Council's Priority 1: Demonstrating through all our actions and behaviours that outcomes for children and families come first.

5. Statutory Officers comments (Chief Finance Officer (including procurement))

5.1 Assistant Director of Corporate Governance, Equalities

- 5.1.1** The Assistant Director of Corporate Governance has been consulted on this report.

5.2 Finance and Procurement

5.2.1 This is a financial report, which has been prepared in collaboration with the Chief Finance Officer.

5.3 Legal

5.3.1 Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action, as it considers necessary to deal with the situation. This could include, as set out in the report, action to reduce spending in the rest of the year.

5.3.2 The Council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce overspend.

5.4 Equality

5.4.1 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

5.4.2 This report provides an update on the current budgetary position for Priority 1 in relation to the MTFS. All MTFS savings were subject to equalities impact assessment.