

<i>item:</i>	3
<i>report:</i>	CYP13/07

Revenue Budget 2007/08 – Monitoring By Bill Alexander

Summary

This report provides monitoring information to July 2007 on those areas of expenditure that have been delegated to the Joint Committee.

1 Introduction

- 1.1 The Joint Committee has been given delegated responsibility from the Highland Council and NHS Highland for those areas of integrated service provision which fall within the scope of its terms of reference.

2 Revenue Monitoring

- 2.1 The July revenue monitoring statement is attached as an appendix. This is the first monitoring report for 2007/08. It indicates that the budget is fully committed, but also that an overspend is expected at the financial year end. It is presently projected that this overspend will be around £1.8m.
- 2.2 There are budget pressures in two areas: early education and out of authority placements.
- 2.3 As detailed in a separate report to this Committee, it is envisaged that the budget pressures in Early Education can be mitigated for the current financial year.
- 2.4 While it will be possible to mitigate some of the projected overspend on out of authority placements, it is already clear that this will fall considerably short of the projected level of expenditure. Accordingly, this report focuses on this matter.

3 Background: Out of Authority Placements

- 3.1 As at 10th September 2007, there were 37 children and young people in out of authority placements. This is the same number as one year ago. As before, there is also a small further group of young people in specialist college or outreach placements.

- 3.2 The Joint Committee and the Council have received regular reports in recent years about the pressure on this heading. In 2006/07, this amounted to £2.2m. £1.5m of was subsequently vired from other areas of the Joint Committee budget, leading to an end of year overspend of £0.7m.
- 3.3 Similar pressures are being experienced in other local authorities. A recent survey of twelve Councils identified reported projected overspends of up to 55%.

Authority	Budget Allocated	Forecast Spend	%age difference
A	2,509,244	2,526,111	1%
B	2,963,585	3,145,543	5%
C	5,490,000	5,951,000	8%
D	4,446,000	4,824,000	9%
E	3,428,691	4,318,937	26%
F	3,541,000	4,503,262	27%
G	2,500,000	3,181,000	27%
H	6,000,000	8,000,000	33%
I	722,214	966,763	34%
J	2,490,820	3,468,000	39%
K	2,391,070	4,016,840	41%
L	3,053,940	4,728,116	55%

- 3.4 There are three principal reasons for the projected overspend in Highland, which are likely to be reflected in the experiences of these other authorities.

3.5 **The number of young people with significant disabilities**

3.5.1 While there has been significant success in recent years in reducing the number of young people in out of authority placements with offending histories, there has been a gradual but steady increase in the number with significant disabilities, including communication disorders, and associated challenging behaviours. Moreover, this group has continuing high level needs into adulthood.

3.6 **Pressure on in-house resources as a consequence of increased numbers of looked after children**

2. Ensure fully resourced external reviewing team, to maintain focus on planning and review processes.	Completed
3. Funding of (1) external care placements without education (2) additional support needs provision in education authority schools outwith Highland, to be agreed and funded by appropriate Area Service Manager, but only with approval of Head of Service or Senior Manager.	To be followed through with THC Finance Service.
4. Further review of all current placements, to be led by Director of Social Work and Director of Education, Culture & Sport.	Has commenced, involving I,N,B&S Area to date. (see below).
5. Note development of Lochaber children's unit, and explore the viability of additional emergency residential placements.	Property in Fort William purchased by private company, awaiting registration; negotiations ongoing with Easter Ross unit for refuge services.
6. Review of specialist foster carer scheme.	To commence.
7. Consideration to continue to be given to deployment of in-house services to avoid out of authority placement from the RPG budget, where this is cost effective.	Ongoing.
8. Consideration to be given to dedicated gatekeeping resource for internal and external care placements.	To be part of further report on restructuring of children's services to strategic committees.
9. Examination to be completed of factors associated with increased impact of needs of children affected by disability	Ongoing.
10. Commission research into the factors behind the increase in numbers of looked after children.	To commence.
11. Make links with other authorities as part of national case.	Ongoing.

5 Review of current placements

- 5.1 One of the actions agreed by Chief Officers was to review all current out of authority placements.

5.2 This has begun with regard to 19 placements from Inverness, Nairn and Badenoch & Strathspey Area, with the following initial findings:

- There continues to be a need to focus planning processes more acutely on the actions required to achieve a return to Highland for young people.

Action agreed: mechanisms to be included in GIRFEC processes, and as part of further report on restructuring of children's services to strategic committees.

- There are major issues about the transition of many young people affected by disability to adult services.

Action agreed: Take account of in review of transition protocol and further restructuring; consider the potential for commissioning local services to enable the return of small compatible groups of children affected by disability.

- There is a shortage of supported further education opportunities.

Action agreed: senior management discussion with local colleges.

- Many young people out of authority have the most profound mental health services, but the least mental health support.

Action agreed: consider as part of current CAMHS review.

- It continues to be a challenge to ensure appropriate early involvement of aftercare services, as well as housing support following the return of some young people.

Action agreed: include in current examination of aftercare provision.

6 Financial Implications

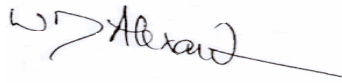
6.1 It is presently projected that the cost of these placements may be as high as £6m over the full financial year; indeed close to the half year point, expenditure has reached £3.1m.

6.2 This would involve a projected overspend of £2.5m against a budget of £3.5m.

6.3 Various efficiency and savings measures are presently in place to mediate this spend, and some savings are likely to be achieved, as indicated on the monitoring statement. This would mitigate the overspend by around £0.7m, involving a total overspend at the end of the financial year of £1.8m. While there will continue to be further sustained measures to close this budget gap, it is evident that a sizeable overspend of this order remains likely.

Recommendations

The Joint Committee is asked to note this report, and also to consider the implications of the action that is being taken and the continuing high number of children outwith the authority.

A handwritten signature in black ink, appearing to read "Bill Alexander", with a long horizontal line extending to the right.

Bill Alexander
Head of Integrated Children's Services