

**DATE: 16 FEBRUARY 2017**

**CORPORATE FINANCIAL PERFORMANCE – QUARTER 3 FINANCIAL  
MONITORING POSITION FOR 2016/17**

**Ward(s)** All

**Portfolio:** Councillor Burley –Children's Services and Education

**Summary of report**

The forecast for 2016/17 year end financial position for services under the remit of the Children's Services Directorate Management Team and based on the financial performance for quarter 3 of the financial year (April 2016 to December 2016) is a revenue variance of **£1.706m**, (net of the use of earmarked reserves).

Without the use of corporate and service reserves (excluding ring-fenced DSG reserves of £4.333m) and implementation of the in year action plan, the over spend would be **£5.144m**.

The total capital programme for the Directorate is **£13.197m** with forecasted costs of **£9.454m** as at the end of December, the remaining balance of **£3.743m** is to be carried forward into 2017/18. The Children's Services Forecast Capital outturn 2016/17 is summarised in the table on page 8.

**Reason for Scrutiny**

To inform the Panel of the forecast financial position for 2016/17 for services within their areas of responsibility, which enables them to monitor, challenge and scrutinise financial performance and the impact it has on service delivery and outcomes for children and young people.

Financial System closures and subsequent reporting processes do not always fall in line with Scrutiny Reporting dates. As such the information reported in this report is the most up to date available at the time and any material variations to this will be reported to the panel verbally.

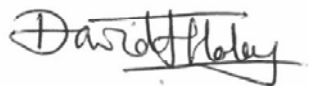
**Recommendation**

1. To note the revenue forecast for the 2016/17 year end financial position for services under the remit of the Children's Services Directorate Management Team.
2. To note the capital forecast for the 2016/17 year end financial position for services under the remit of the Children's Services Directorate Management Team.
3. To note the actions being taken to address the areas of over spend.

## **Background papers**

Various financial working papers.

## **Signed:**

A handwritten signature in black ink that reads "David Haley". The signature is written in a cursive style with a large, looped initial "D".

David Haley  
Executive Director: Children's Services

## 1. Resource and legal considerations

The Council is required to set a balanced budget and requires services to operate within their approved budget allocation. Any variances are required to be managed as far as is reasonably possible. The revenue and capital financial monitoring is reported quarterly to Overview and Scrutiny Committees along with corrective action plans when variances arise. All accounting entries are undertaken in line with the required corporate and statutory accounting guidance and standards.

## 2. Citizen impact

Resource allocation is aligned to service activity and is undertaken in accordance with the Council's corporate plan priorities.

## 3. Performance management

Financial performance is considered alongside service targets. Managers are required to deliver their service targets within budget, wherever possible. Corrective action plans are put in place to mitigate overspends where possible, with any remaining variances against budget identified in the report.

## 4. Equality Implications

Services consider and respond to equality issues in setting budgets and delivering services. Irrespective of budgetary pressures, the Council must fulfil equal opportunities obligations.

## 5. Consultation

Consultation was undertaken as part of the budget setting process and throughout the financial year on the financial position and reporting thereof.

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## 1. Forecast Revenue Outturn 2016/17

- 1.1 The revenue budget for the directorate continues to experience significant pressures mainly relating to further increases in placement costs of Looked After Children being supported. This has impacted not only on the existing LAC budget but also the ability to deliver savings associated with reducing Looked after Children costs.
- 1.2 Following a review of current levels of caseloads and the numbers allocated across the Social Worker establishment within Children's, a need for an additional 25 Social Workers has also been identified. This additional support will ensure caseloads per Social Worker are at a level where successful outcomes for children are achieved, and provide a platform to encourage permanence within the workforce by setting a maximum caseload threshold.
- 1.3 The current forecast overspend taking into account those pressures, is £5.144m (excluding ring fenced DSG of £4.333m)(DSG is excluded because it is a ring fenced reserve and not part of the council's mainstream budget) and prior to any mitigating action and use of reserves. In year actions totalling **£3.438m**, resulting in a remaining forecast overspend of **£1.706m**. The table below shows the breakdown.

	£m	£m
Forecast Overspend (Excl DSG £4.33m)		5.144
Earmarked Reserves	0.826	
Corporate Reserves (as agreed by Cabinet)	0.909	
Action Plan Items	1.702	
Total Actions (full details Appendix 2)		3.438
<b>Forecast Overspend</b>		<b>1.706</b>

- **Table 1** details the forecast outturn for each service.
- **Appendix 1** analysis of the reasons for material forecast variances.
- **Appendix 2** details the Action Plan for Children's Services

- 1.4 The movement in the forecasted variance from Quarter 2 to Quarter 3 is £562k the major variances contributing to this are explained in the table below:

	£m
Increase in SEN Transport costs	0.072
Net increase in forecast costs for LAC	0.766
New Children on Adoption Orders & Adoption Allowances	0.415
Increase in Agency forecast cost across the Directorate	0.189
Redundancy/Pensions Costs funded Corporately	(0.116)
Toxic Trio investment Under committed (currently under review)	(0.150)
Premature Retirements Teachers - monthly cost reduction	(0.043)
Reduced forecast for demand led legal fee costs	(0.066)
Every Penny Counts and other Corporate initiative	(0.505)
	<b>0.562</b>

- 1.5 Included within the approved budget for 2016/17 are £8.162m of approved savings relating to services within the remit of this panel. An update on the achievement of 2016/17 approved savings is reported monthly to CMT as part of the corporate performance report. Any savings that are not forecast to be achieved in year are required to have alternative savings identified and are managed closely through the relevant service management teams and in liaison with the relevant portfolio holder.

<b>BRAG</b>	<b>Explanation</b>	<b>Amount £m</b>
Blue	Delivered in Full	6.649
Green	To be Delivered by 31/03/17	0.000
Amber	Low Risk of none Delivery	0.000
Red	High Risk of none delivery	1.513
	<b>Total Savings for 2016/17</b>	<b>8.162</b>

- 1.7 Within the services associated with the panel there are a number of risks totalling £915k which have not been included within the above forecast. At this stage the risks are not certainties and as such are not included in the monitoring as an under or over spend. If the risks become certainties then alternative action will need to be identified or included in the position as over spends. A summary of the risk assessment is attached as **Appendix 4**.

**Table 1 – Children’s Services Forecast Revenue Outturn 2016/17**

	<b>Annual Budget</b>	<b>Budget to Date</b>	<b>Spend to Date</b>	<b>Variance to Date</b>	<b>Year End Forecast</b>	<b>Year End Variance</b>	<b>Un-delivered Action Plan</b>	<b>Use of Reserves</b>	<b>Year End Variance after use of Reserves</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Children’s Wide</b>									
Children’s Management	0.172	0.130	0.379	0.249	0.425	0.253	0.000	0.000	0.253
Administrative Services	1.815	1.355	1.477	0.123	1.799	(0.016)	0.000	0.000	(0.016)
Performance Services	0.195	0.148	0.129	(0.019)	0.211	0.016	0.000	0.000	0.016
Information Services	0.019	0.018	0.012	(0.007)	0.001	(0.018)	0.000	0.000	(0.018)
WCS Statutory Licences	0.190	0.142	0.159	0.017	0.254	0.064	0.000	(0.064)	0.000
<b>Total Children’s Wide</b>	<b>2.390</b>	<b>1.793</b>	<b>2.156</b>	<b>0.363</b>	<b>2.689</b>	<b>0.299</b>	<b>0.000</b>	<b>(0.064)</b>	<b>0.235</b>
<b>Access &amp; Achievement</b>									
Access & Achievement Management	0.272	0.182	0.302	0.120	0.462	0.190	0.000	(0.219)	(0.030)
School Improvement	0.577	0.436	0.598	0.162	0.819	0.241	0.000	(0.242)	0.000
Access & Attendance	0.194	0.150	0.148	(0.001)	0.228	0.034	0.000	0.000	0.034
Virtual School	0.000	0.001	0.117	0.116	0.000	0.000	0.000	0.000	0.000
Youth Support Services	1.073	0.816	0.969	0.153	1.343	0.271	0.000	(0.245)	0.025
Youth Justice Services	0.348	0.271	0.248	(0.023)	0.409	0.061	0.000	(0.042)	0.020
Targeted Youth Support	0.000	0.004	0.004	(0.001)	0.000	0.000	0.000	0.000	0.000
SEN Transport	1.945	1.459	1.664	0.205	2.336	0.391	0.000	(0.039)	0.352
Special Education Needs	0.566	0.436	1.140	0.704	0.901	0.335	0.000	(0.285)	0.050
Children with Disabilities	1.314	0.986	0.829	(0.157)	1.112	(0.202)	0.000	0.000	(0.202)
Education Funding – Accountable body	(3.015)	(2.247)	(1.901)	0.346	1.318	4.333	0.000	(4.333)	0.000
Education - Mainstream	1.423	1.068	1.245	0.178	1.384	(0.040)	0.000	(0.003)	(0.043)
<b>Total Access &amp; Achievement</b>	<b>4.698</b>	<b>3.562</b>	<b>5.362</b>	<b>1.800</b>	<b>10.312</b>	<b>5.614</b>	<b>0.000</b>	<b>(5.408)</b>	<b>0.205</b>

	Annual Budget	Budget to Date	Spend to Date	Variance to Date	Year End Forecast	Year End Variance	Un-delivered Action Plan	Use of Reserves	Year End Variance after use of Reserves
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Children's Social Care</b>									
Children's Social Care Management	1.638	1.126	0.965	(0.161)	1.544	(0.094)	0.000	(0.127)	(0.221)
SW Agency within establishment	1.232	0.924	0.001	(0.923)	0.000	(1.232)	0.000	0.000	(1.232)
SW Agency above establishment	0.580	0.435	0.004	(0.431)	1.144	0.564	0.000	(0.643)	(0.079)
Safeguarding Board	0.087	0.066	0.056	(0.010)	0.105	0.018	0.000	(0.018)	0.000
Practice Development	0.096	0.072	0.061	(0.012)	0.080	(0.015)	0.000	0.000	(0.015)
Review & Child Protection	1.168	0.884	0.982	0.098	1.382	0.214	0.000	(0.178)	0.036
Initial Response Service	1.787	1.361	1.561	0.201	2.280	0.492	0.000	0.000	0.492
Safeguarding & Family Support	3.048	2.310	3.289	0.979	3.577	0.528	0.000	0.000	0.528
Looked After Children	16.256	12.202	13.861	1.659	18.979	2.724	0.000	0.000	2.724
Transition & leaving Care	0.811	0.613	0.712	0.099	0.942	0.131	0.000	0.000	0.131
Fostering & Adoption	3.351	2.531	2.636	0.105	3.553	0.202	0.000	0.000	0.202
Residential Services	3.182	2.412	2.282	(0.130)	3.081	(0.101)	0.000	0.000	(0.101)
Children with Disabilities - Employees	0.363	0.275	0.375	0.100	0.479	0.116	0.000	0.000	0.116
<b>Total Social Care</b>	<b>33.598</b>	<b>25.211</b>	<b>26.784</b>	<b>1.573</b>	<b>37.147</b>	<b>3.549</b>	<b>0.000</b>	<b>(0.966)</b>	<b>2.582</b>
<b>Early Help</b>									
Early Help Management	0.192	0.124	0.200	0.076	0.166	(0.025)	0.000	0.000	(0.025)
Early Years	(0.015)	(0.011)	0.215	0.226	(0.006)	0.009	0.000	0.000	0.009
Edge of Care	(0.012)	(0.009)	0.330	0.339	(0.010)	0.002	0.000	0.000	0.002
Early Help 0-19 Model	2.912	2.226	1.895	(0.331)	2.911	(0.001)	0.000	(0.196)	(0.197)
Commissioning & Transport	0.318	0.241	0.235	(0.006)	0.326	0.008	0.000	0.000	0.008
Workforce Development	(0.003)	(0.002)	0.010	0.012	0.019	0.023	0.000	(0.025)	(0.003)
<b>Total Early Help</b>	<b>3.391</b>	<b>2.568</b>	<b>2.884</b>	<b>0.316</b>	<b>3.407</b>	<b>0.016</b>	<b>0.000</b>	<b>(0.221)</b>	<b>(0.206)</b>
Walsall Adult CC	0.000	0.000	0.102	0.102	0.000	0.000	0.000	0.000	0.000
Every Penny Counts	1.111	0.766	0.000	(0.766)	0.000	(1.111)	0.000	0.000	(1.111)
<b>Total Children's Services</b>	<b>45.188</b>	<b>33.901</b>	<b>37.290</b>	<b>3.389</b>	<b>53.555</b>	<b>8.367</b>	<b>0.000</b>	<b>(6.660)</b>	<b>(1.706)</b>

2 Forecast Capital Outturn 2016/17

2.1 The total capital programme for the directorate is £13.197m with forecasted costs of £9.454m as at the end of December, with the remaining balance of £3.743m to be carried forward into 2017/18. The carry forward in the main is due to phased activity for the capital builds and some of the work scheduled for the next financial year (Basic Needs and Capital Maintenance) and the centrally held budgets that the council have no control over the spend (Devolved Formula Capital) The detailed breakdown is in the table below.

Service	Annual Budget	Actual Year to Date	Forecast	Variance	Carry Forward to 2017/18
	£m	£m	£m	£m	£m
<b>Council Funded</b>					
Mosaic	0.149	0.149	0.149	0.000	0.000
Rushall JMI Improvements	1.121	0.401	0.856	(0.265)	0.265
<b>Total Council Funded</b>	<b>1.270</b>	<b>0.550</b>	<b>1.005</b>	<b>(0.265)</b>	<b>0.265</b>
<b>Externally Funded</b>					
Devolved Formula Capital	1.506	0.207	0.506	(1.000)	1.000
Capital Maintenance	2.932	1.414	2.221	(0.711)	0.711
Basic Need	1.365	0.000	0.000	(1.365)	1.365
Basic Need: Christ Church Enlargement	0.111	0.101	0.111	0.000	0.000
Basic Need: King Charles Enlargement	2.682	2.472	2.682	0.000	0.000
Basic Need: Fibbersley Enlargement	1.500	0.207	1.500	0.000	0.000
Basic Need: St Giles Enlargement	0.198	0.000	0.198	0.000	0.000
Basic Need: Beacon Enlargement	0.139	0.090	0.139	0.000	0.000
Basic Need: Meadowview Enlargement	0.035	0.030	0.035	0.000	0.000
Basic Need: Greenfields Enlargement	0.311	0.126	0.311	0.000	0.000
Basic Need: Kingshill Enlargement	0.360	0.169	0.360	0.000	0.000
Basic Need: Caldmore Enlargement	0.012	0.012	0.012	0.000	0.000
Universal Infant Free School Meals	0.104	0.061	0.104	0.000	0.000
Targeted Capital bids - Barcroft	0.044	0.000	0.000	(0.044)	0.044
SEND - Alumwell Health Tech	0.092	0.000	0.000	(0.092)	0.092
Academies - Darlaston	0.369	0.000	0.169	(0.200)	0.200
Academies - Shelfield	0.070	0.008	0.020	(0.050)	0.050
Youth capital funding	0.016	0.000	0.000	(0.016)	0.016
2 yr old capital funding	0.060	0.052	0.060	0.000	0.000
Windows Server 2012 (RCCO)	0.021	0.021	0.021	0.000	0.000
<b>Total Externally Funded</b>	<b>11.927</b>	<b>4.970</b>	<b>8.449</b>	<b>(3.478)</b>	<b>3.478</b>
<b>Total Capital</b>	<b>13.197</b>	<b>5.520</b>	<b>9.454</b>	<b>(3.743)</b>	<b>3.743</b>

Children's Capital Allocations Held Corporately			
	Total	Committed in Future Years	Uncommitted
Basic Needs	5.000	2.768	2.232
Devolved Formula Capital	1.000	0	1.000
<b>Total Capital Held Corporately</b>	<b>6.000</b>	<b>2.768</b>	<b>3.232</b>



## Appendix 1 - Explanation of Significant Revenue Variances

Service	Year End (Under) / Over spend	Explanation of Year end Variance (Over £10k)	Forecast Variance	
	£m		£m	£m
<b><u>Children's Wide</u></b>				
Children's Management Team	0.253	Undeliverable Vacancy Management Saving Additional Officer Support to CSE Reversal of accrual Effect of Pay Award Budget Regional CSE contribution - under spend <b>Variance after reserves and action plan</b>	0.202 0.032 0.035 (0.006) (0.010)	<b>0.253</b>
Administrative Services		In Year Vacancies Agency staff covering in year vacancies Supplies & Services Effect of Pay Award Budget <b>Variance after reserves and action plan</b>	(0.039) 0.044 0.005 (0.026)	<b>(0.016)</b>
Performance Services	0.016	Agency Performance Officer (Dec 16 - Mar 17) <b>Variance after reserves and action plan</b>	0.016	<b>0.016</b>
Information Services	(0.018)	Additional net traded income forecast <b>Variance after reserves and action plan</b>	(0.018)	<b>(0.018)</b>
WCS Statutory Licences		Insufficient traded income forecast Use of Troubled Families Reserve <b>Variance after reserves and action plan</b>	0.064 (0.064)	<b>0.000</b>
<b>Total Children's Wide</b>	<b>0.235</b>			<b>0.235</b>
<b><u>Access &amp; Achievement</u></b>				
Access & Achievement	(0.030)	Capital consultant working on education projects Interim Officer support to SEND to Dec16 Payments to schools for NQT's Effect of Pay Award Budget Education Standard Fund Grants Reserve <b>Variance after reserves and action plan</b>	0.065 0.109 0.045 (0.029) (0.219)	<b>(0.030)</b>
School Improvement	0.000	School Cluster & Consultant Costs Redundancy & Pension Costs Education Standard Fund Grants Reserve Redundancy Reserve <b>Variance after reserves and action plan</b>	0.189 0.052 (0.189) (0.052)	<b>0.000</b>
Access & Attendance	0.034	Education Welfare Officer support in MASH <b>Variance after reserves and action plan</b>	0.034	<b>0.034</b>
Virtual School	0.000	Variance less than £0.010m		<b>0.000</b>
Youth support Services	0.025	Targeted Youth Work delay in savings delivery My Place running costs Education Business Partnership full year costs Grant funded post Prospects redundancy/pension costs Youth Opinions Unite PYE staffing savings Education Business Partnership Reserve Parent Partnership Service Reserve Redundancy Reserve My Place & Teenage Pregnancy Reserves <b>Variance after reserves and action plan</b>	0.034 0.029 0.107 0.019 0.073 0.009 (0.107) (0.019) (0.073) (0.047)	<b>0.025</b>

Service	Year End (Under) / Over spend	Explanation of Year end Variance (Over £10k)	Forecast Variance	
	£m		£m	£m
Youth Justice Service	0.020	Reduction in Youth Justice Board Grant Three fixed term posts to cover maternity leave Youth Justice Reserve <b>Variance after reserves and action plan</b>	0.040 0.021 (0.042)	<b>0.019</b>
SEN Transport	0.352	On going pressure SEN Transport Costs <b>Variance after reserves and action plan</b>	0.352	<b>0.352</b>
Special Education Needs	0.050	Education Psychology traded income shortfall Education Psychology additional agency SEND preparation for employment costs SEN Assessment pressure due to savings PYE SEN Assessment redundancy costs Redundancy Reserve SEND preparation for employment Reserve Troubled Families Reserves SEN New Burdens reserve <b>Variance after reserves and action plan</b>	0.052 0.077 0.020 0.019 0.167 (0.167) (0.020) (0.048) (0.050)	<b>0.050</b>
Children with Disabilities	(0.202)	Efficiencies within CWD Short Breaks/Direct Payments/Holiday & Term Time Groups. <b>Variance after reserves and action plan</b>	(0.202)	<b>(0.202)</b>
Education Funding – Accountable body	0.000	DSG - School Readiness DSG - Creating 2 year old places DSG - 2 year old Trajectory DSG - Creating special school and PRU places DSG - Walsall Governors Association Use of DSG reserve <b>Variance after reserves and action plan</b>	0.982 1.098 0.746 1.500 0.007 (4.333)	<b>0.000</b>
Education Mainstream	(0.043)	Premature Retirements Teachers surplus <b>Variance after reserves and action plan</b>	(0.043)	<b>(0.043)</b>
<b>Total Access &amp; Achievement</b>	<b>0.205</b>			<b>0.205</b>
<b>Children's Social Care</b>				
Children's Social Care Management	(0.221)	Training budgets under review Reserve agreed for interim appointments. Effect of Pay Award Budget Mosaic forecast pressure Corporate Reserve Public Health Interpretation Fees (Demand Driven) Professional Fees & Services (Demand Driven) <b>Variance after reserves and action plan</b>	(0.075) (0.039) (0.147) 0.100 (0.088) (0.034) 0.062	<b>(0.221)</b>
SW Agency within Establishment	(1.231)	Funding for 56 Agency Staff costs in service area <b>Variance after reserves and action plan</b>	(1.231)	<b>(1.231)</b>
SW Agency above establishment		Reserve Agreed for 25 additional social worker <b>Variance after reserves and action plan</b>	(0.643)	<b>(0.079)</b>
Safeguarding Board	(0.000)	Data Officer post plus maternity cover Troubled Families Reserve Safeguarding Board reserve <b>Variance after reserves and action plan</b>	0.018 (0.002) (0.016)	<b>0.000</b>
Practice Development	(0.015)	Additional staffing budgets & start date delayed <b>Variance after reserves and action plan</b>	(0.015)	<b>(0.015)</b>

Service	Year End (Under) / Over spend	Explanation of Year end Variance (Over £10k)	Forecast Variance	
	£m		£m	£m
Safeguarding – Review & Child Protection	0.036	Cost of 3 IRO's (to be funded from reserve) Agency Staff covering vacancies. Professional Fees and Services Social Services and Legal Fees Corporate Reserve <b>Variance after reserves and action plan</b>	0.178 0.054 0.015 <b>(0.033)</b> <b>(0.178)</b>	<b>0.036</b>
Initial Response Service		Agency Social Workers Repairs, Alterations & Maintenance Supplies & Services Third Party Payments- Miscellaneous Section Payments <b>Variance after reserves and action plan</b>	0.547 0.022 0.030 <b>(0.069)</b> <b>(0.038)</b>	<b>0.492</b>
Permanence – Safeguarding & Family Support	0.528	Agency Cost – Social Workers Employee Costs Premises & Transport <b>Variance after reserves and action plan</b>	0.430 0.032 0.066	<b>0.528</b>
Corporate Parenting – Looked After Children	2.724	Agency Social Workers External Foster Care – Placement costs External Residential – Placement costs Internal Foster Care UASC – Home office contribution Section 23 – LAC children in need payments LAC Taxi efficiencies <b>Variance after reserves and action plan</b>	0.483 0.687 1.874 <b>(0.085)</b> <b>(0.144)</b> <b>(0.029)</b> <b>(0.063)</b>	<b>2.723</b>
Corporate Parenting – Transition & leaving Care	0.131	Supported Accommodation / Care Leavers Payments Employee costs currently forecast for recruitment Premises & Supplies forecast in line with spend <b>Variance after reserves and action plan</b>	0.121 <b>(0.006)</b> 0.016	<b>0.131</b>
Provider Services - Fostering & Adoption		Vacancies not covered by Agency Inter-Agency net Agency Social Workers Special Guardianship Orders increased placements Adoption Allowances Premises Supplies & Services <b>Variance after use of reserves and action plan</b>	<b>(0.033)</b> 0.114 0.035 0.105 <b>(0.024)</b> <b>(0.011)</b> 0.016	<b>0.202</b>
Provider Services – Residential Services	<b>(0.101)</b>	Residential Care Worker Vacancy at Bluebells Under spend on sessional workers at Reduth <b>Variance after use of reserves and action plan</b>	<b>(0.045)</b> <b>(0.055)</b>	<b>(0.100)</b>
Children with Disabilities - Employees	0.116	Agency Social Workers Sickness agency cover Telephone costs un-budgeted <b>Variance after reserves and action plan</b>	0.090 0.021 0.005	<b>0.116</b>
<b>Total Children's Social Care</b>	<b>2.582</b>			<b>2.582</b>

Service	Year End (Under) / Over spend	Explanation of Year end Variance (Over £10k)	Forecast Variance	
	£m		£m	£m
<b>Early Help</b>				
Early Help Management	(0.025)	Effect of Pay Award Budget <b>Variance after reserves and action plan</b>	(0.025)	(0.025)
Early Years	0.009	Variance less than £0.010m		0.009
Edge of Care	0.002	Variance less than £0.010m		0.002
Early Help 0-19 Model	(0.197)	Street Teams funded for 16/17 Agency Staff, Toxic Trio investment under-spend under review School Ready funded posts & short term vacancies Secondment of family support worker savings Maternity Leave & long term sickness in year savings Childcare Pressure Troubled Families reserve to offset Children Wide pressures <b>Variance after reserves and action plan</b>	0.032 0.150 (0.150) (0.127) (0.015) (0.033) 0.142 (0.196)	(0.197)
Commissioning & Transport	0.008	Variance less than £0.010m		0.008
Workforce Development	(0.003)	Variance less than £0.010m		(0.003)
<b>Total Early Help</b>	<b>(0.206)</b>			<b>(0.205)</b>
Every Penny Counts	(1.111)	Centralisation of Non Essential Budgets		(1.111)
<b>Total Every Penny Counts</b>	<b>(1.111)</b>			<b>(1.111)</b>
<b>Total Children's Services</b>	<b>1.706</b>			<b>1.706</b>

## Appendix 2 – Action Plan

Action	Value of Delivered Action Plan included in outturn	Value of action plan to be Delivered	BRAG
	£m	£m	
SEND new burdens reserve 2015/16 cfwd	0.050	0.000	Blue
Use of Children services reserves - Old Education Grants	0.409	0.000	Blue
Earmarked reserves - IRO's in Safeguarding within MTFO	0.178	0.000	Blue
Interim mgmt reserve - to offset potential interim leadership costs	0.039	0.000	Blue
Cost reductions through improved efficiencies and natural cost reductions.	0.591	0.000	Blue
Utilisation of one off corporate reserve to fund additional pressures	0.643	0.000	Blue
Use of Public Health Corporate Reserve	0.088	0.000	
Utilisation of Troubled Families reserve to fund additional pressures	0.329	0.000	Blue
Efficiencies across the directorate	1.111	0.000	Blue
	<b>3.438</b>	<b>0.000</b>	

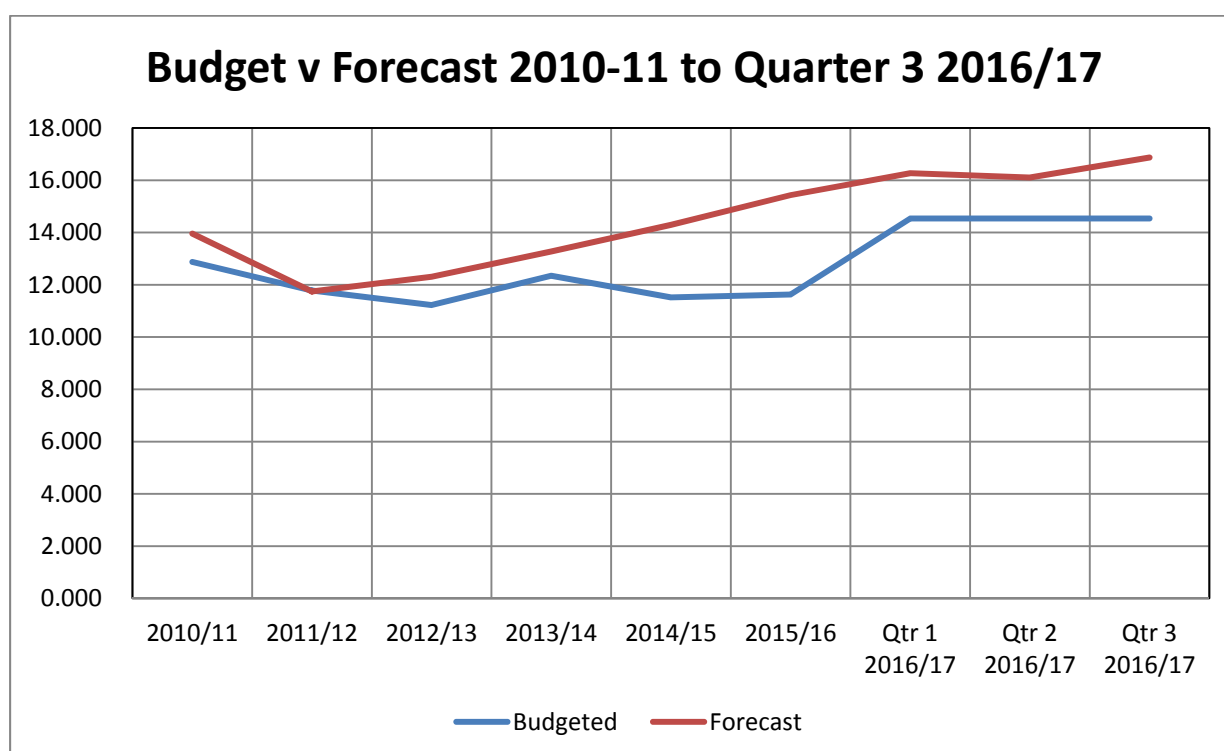
**Appendix 3 – Risks associated with 2016/17 Quarter 3 position**

<b>Service</b>	<b>Reason / explanation of risk</b>	<b>Risk £m</b>
Corporate Parenting – Looked After Children	Potential further increases in the number and mix of looked after children throughout the year.	0.200
Corporate Parenting – Looked After Children	If current trend for unaccompanied asylum seeking children inflow continues, a further net cost per child would be incurred. The flow of UASC LAC is unknown at present.	0.250
Corporate Parenting – Fostering & Adoption	22 children are waiting for adoption, 11 potentially will be found placements either with Other Local Authorities or Voluntary Adoption Agencies who will not qualify for reimbursement. Potential value if all are placed by March 17 is £265k	0.265
Troubled Families	Risk associated with income generated through the Troubled Families Programme - due to increased criteria there may be delays in the income received for each family successfully supported during this financial year.	0.200
<b>TOTAL RISK</b>		<b>0.915</b>

## Appendix 4 - Looked After Children Trends

### Looked After Children

In common with national trends, the number of Looked After Children in Walsall has shown an increase over recent years. The number reduced markedly in Walsall in 2012; however an 'inadequate' Ofsted judgement that year suggested that thresholds had become too low leading to some children being at unnecessary risk. There followed two years of increasing numbers and there are 630 children in care as at 21st December 2016. The graph below represents LAC numbers over an extended period of time.



	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Qtr 1 2016/17	Qtr 2 2016/17	Qtr 3 2016/17
<b>Budgeted</b>	12.875	11.782	11.226	12.346	11.518	11.627	14.537	14.537	14.537
<b>Forecast</b>	13.958	11.745	12.308	13.276	14.294	15.431	16.271	16.104	16.870
<b>Variance</b>	1.083	(0.036)	1.082	0.930	2.776	3.804	1.734	1.567	2.333
<b>Saving</b>							0.843	0.843	0.843
<b>Lac Change</b>							0.891	0.724	1.490

The LAC placements budget is £14.537m; however projected costs based on the current profile of 630 placements for 2016/17 are estimated at £16.869m, £2.332m above budget. There has been a decrease of 9 children from Quarter 2. Reviewing the profile and mix of LAC placements highlights an increase in expensive external residential placements is the key contributor to the increase in costs of £766k between Quarter 1 and Quarter 2. It must be noted that as this service is demand led and changes daily, forecasting the LAC population and its associated costs is complex and volatile. Current forecasting is based on the actual costs incurred within the year to date and a forecast position assuming the current placement mix and numbers are

maintained, however a number of placements have been identified with these savings being included in the current forecast.

Efforts continue to be made to control the number and cost of Looked After Children, this includes:

- Children services working with a significant number of families to ensure that children remain with their families if possible. Implementation of multi-agency protection plans, the establishment of the Edge of Care Team and the introduction of a Gateway Panel are all in place to support this goal.
- Checks on whether decisions taken are correct and necessary continue to be carried out via the courts, Independent Reviewing Officers and case file audits taken together, these processes indicate that children are only in care when necessary and the thresholds in Walsall are correct.
- Finding suitable adopters and progressing children's cases through the approval and court processes, aimed at reducing number of children in care. Work is in place to review process and timescales for adoption to ensure effectiveness.
- Working to replace current Care Orders with ones that do not require continued Social Work involvement such as Special Guardianship Orders. The number of LAC could reduce markedly, allowing resources to be better targeted at preventative strategies.
- A monthly Children's Services Strategic Group is in place, chaired by the Assistant Director and attended by Children's Social Care and Safeguarding teams, to implement strategies aimed at reducing LAC and monitoring their impact. A Key element to this work is preventing children coming into care and once in, enabling them to be removed from care safely and quickly. This strategic Group is to broaden and become a Council wide Group with membership and support from across the Council.



**Table 1 - LAC Placements**

Placement Group	Placement Type	LAC Numbers as at 21.12.16											Movement from Qtr2 to Qtr 3	Forecast Outturn 2016-17	Average Cost £ p/w Dec 16
		Mar 14.15	Mar 15.16	Apr	May	Qtr 1 Jun	Jul	Aug	Qtr 2 Sep	Oct	Nov	Qtr 3 Dec			
Internal Fostering	Internal Fostering	211	195	210	209	205	214	219	222	185	183	184	-38	3.906	368.91
	Family & Friends	124	130	121	133	130	129	133	131	139	128	131	0	1.382	203.61
Pre Adoption	Pre Adoption	19	16	14	13	13	5	5	4	18	17	22	18	0.209	325.32
External Fostering	IFA's	162	182	166	168	173	175	175	179	188	186	173	-6	6.648	726.86
	Temporary placement	0	2	1	1	0	0	0	0	0	0	0	0	0	N/A
	Other LA placements	10	2	0	0	0	0	0	0	0	0	0	0	0	
External Residential	Ext Residential	16	27	24	26	35	35	34	32	35	38	37	5	4.977	3573.97
	Secure Units / Remands	4	2	2	2	0	1	1	2	3	1	1	-1	0	
Other	Independent Living	11	7	5	5	6	3	5	5	8	9	9	4	N/A	N/A
	Internal Residential	18	20	22	19	18	16	15	15	16	19	20	5	N/A	N/A
	Placed with Parents	43	45	53	49	48	49	49	49	51	48	51	2	N/A	N/A
	NHS / Health Trust	1	1	1	1	0	0	0	0	0	2	2	2	N/A	N/A
	UASC												0	-0.195	
	Remand												0	-0.059	
<b>Total</b>		<b>619</b>	<b>629</b>	<b>619</b>	<b>626</b>	<b>628</b>	<b>627</b>	<b>636</b>	<b>639</b>	<b>643</b>	<b>631</b>	<b>630</b>	<b>-9</b>	<b>16.869</b>	
													<b>Total Budget 2016-17</b>	<b>14.537</b>	
													<b>Forecast Variance 2016-17</b>	<b>2.332</b>	

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	UASC Forecasted Contribution	Gross Cost	Net Cost
IFA	3	3	4	5	5	5	6	6	6	(135,757)	185,286	49,529
Internal Fostering	1	1	2	1	1							-
Internal Residential	1	1	1	1		1	1	1	1	(21,280)		(21,280)
Independent Living					1	2	2	1	1	(37,559)		(37,559)
<b>Total LAC UASC</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>(194,596)</b>	<b>185,286</b>	<b>(9,310)</b>
Care Leavers								1	1			
Custody								1	1			
<b>Total</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>(194,596)</b>		<b>(9,310)</b>

