

MONITORING REPORT FROM DIRECTOR OF LEARNING & CARE

DATE: 24th July 2008

PURPOSE

To update members on activity within the Learning & Care Directorate during the period to 30th June 2008.

BACKGROUND

The total Learning and Care Budget is projected to be overspent by £320k. Early estimates of projected outturn for 2008-09 suggest that the Children's Services budget will be overspent by £231k, Adult Social Care by £84k and Housing Services by £5k.

SPECIFIC AREAS FOR ATTENTION

Revenue Budget

Children & Young People – Central Schools Budget (DSG)

Expenditure to date on the out-of-borough special school placements budget suggests that this budget will be overspent by around £120k. This is a DSG funded demand led budget which was similarly overspent by around £100k in 2007-08. The main reason for the overspend is a combination of a higher than expected number of placements and increases in charges above that which was budgeted for. Any overspend against the ring-fenced Dedicated Schools Grant (DSG) budget will be carried forward into the following year with consequentially zero effect on the Local Authority funded budget.

Children & Young People – LA funded Budget

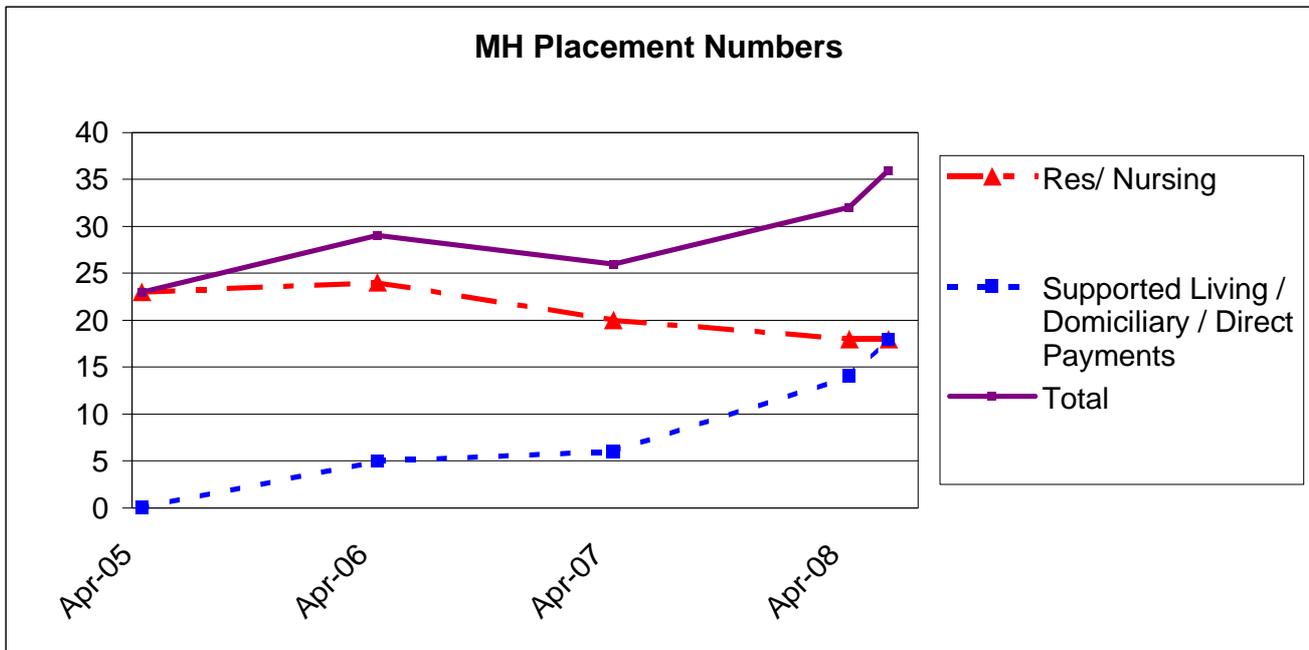
The LA funded Children and Young People's budget currently shows a projected overspend of £231k, an increase of £184k on the £47k overspend reported last month. The main pressures are in high-cost demand-led budgets such as Home to School Transport, and residential care for disabled and looked after children. The pressure on the Home to School Transport budget, mainly in respect of post 16 SEN pupils, has increased slightly in the last month, but the main change relates to the disabled children residential budget, where, like last year, the high cost of placements continues to put pressure on the budget in spite of one service user due to transfer to adult care during the course of the year. The looked after children's budget also faces pressures as a result of new relatively high cost placements. These pressures are partly offset by lower than budgeted payments to external fostering agencies, where the number of children placed in more expensive agency foster care as opposed to internal foster care has reduced to just two.

Delays in the move of the former Castle Hill Youth centre to Marlow Road as well as higher costs projected for the reprovisioning of outdoor education projects have contributed to a projected £77k pressure on the Youth Service budget.

Adult Social Care

The most significant pressure on Adult Social Care currently stems from increasing demand for Mental Health Services. Pressures include expensive transition placements for service users moving from Children's services to Adult placements; the scarcity of suitable placements for high risk clients means that providers can command high prices; the growing number of services users with an Autistic Spectrum Disorder (ASD) which involve high cost placements. Actions to tackle these pressures include the implementation of the ASD team and thorough review of placements. Difficulties in securing continuing health care funding for Adult Mental Health clients also has an impact on budgets.

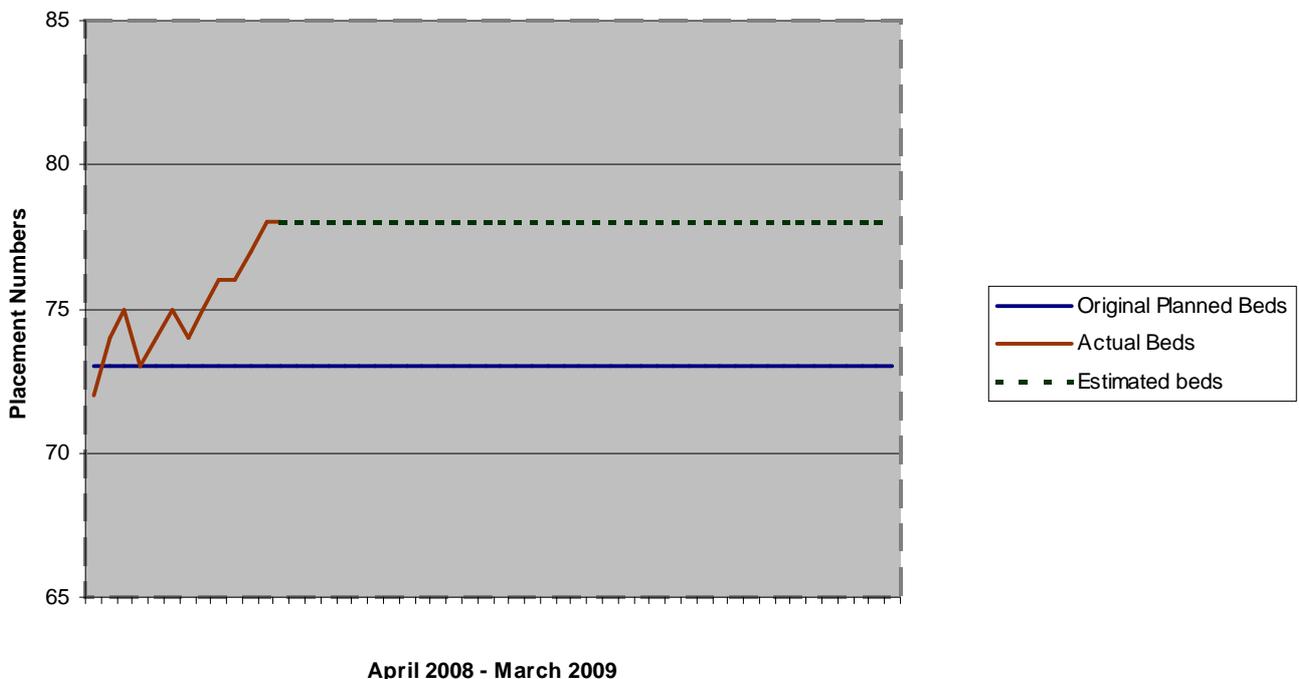
The following graph illustrates the trend in placement numbers in recent years.



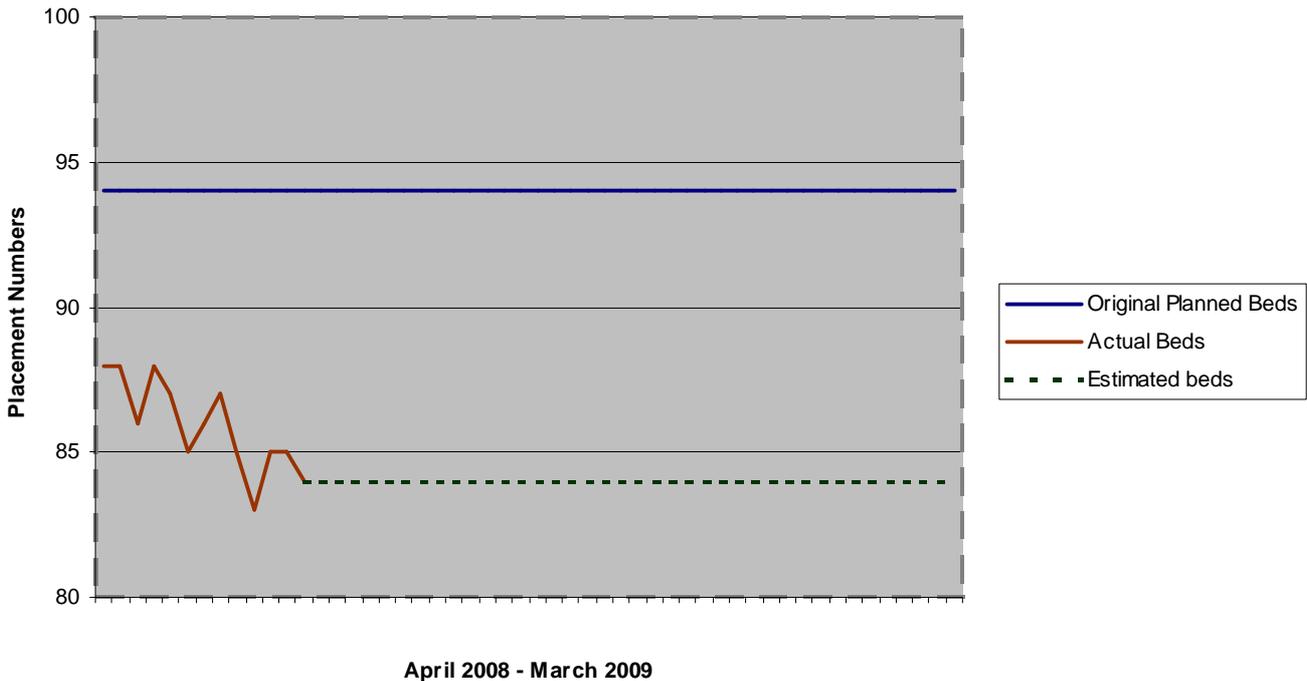
There are also a number of significant variances within Residential and Nursing Services for Older People. There are three main reasons for these variances: (i) volume and cost variances for Spot purchased Residential and Nursing placements (ii) level of contributions from both service users and health sector (iii) under-recovery of income from income-sharing agreement with private sector.

(i) Numbers of Spot purchased Residential placements are above budget while Nursing placements are declining. Average weekly prices for Residential placements are below budget while those for Nursing are above budget. This is giving volume variances of +£69k and -£296k respectively with cost variances of -£28k and +£63k. The graphs below illustrate the number of Residential and Nursing placements made in the current financial year.

Spot Residential Placements - Older People



Spot Nursing Placements - Older People



(ii) Variations in numbers of placements have a direct impact on the number of service user contributions that are received. The declining number of Nursing placements also directly impacts on the level of Free Nursing Care contributed by the health sector. This is mitigated by the fact that the average contribution from each service user is currently above the level in the budget. The net effect of these factors is a £9k pressure on income.

(iii) There is a significant pressure arising from an income sharing agreement with one of our block providers. RBWM are entitled to a share of the sale price of beds sold privately by the care provider. However, the low sales volume has resulted in smaller returns to RBWM. We are working closely with the provider to address the situation.

Housing Services

The lack of availability of three bedroom accommodation for larger homeless families is causing pressure on the budget for temporary accommodation. This pressure is offset by a saving against Supporting People care budgets.

Capital Budget

The Directorate's approved gross expenditure budget of £17.938 million (including schools devolved formula capital projects totalling £2.996 million) looks likely to be overspent by £83k based on the best information available at the end of the first quarter. This is mainly due to a handful of projects where the tender costs have come in higher than expected. The largest projected overspends relate to three projects, Ray Mill Road refurbishment (+ £36k), Woodlands Park (+ £45k), and Kings Court kitchen upgrade (+ £55k), and have been partly offset by a projected underspend on Charters kitchen upgrade which is no longer needed in this financial year.