
Meeting: Children's Services Overview and Scrutiny Committee
Date: 24th July 2012
Subject: 11/12 Provisional Outturn Revenue Budget Monitoring Report
Report of: Cllr Mark A G Versallion, Executive Member for Children's Services
Summary: The report sets out the financial position to the end of March 2012.

Advising Officer: Pete Dudley, Interim Director of Children's Services, Assistant Director Learning and Strategic Commissioning
Contact Officer: Dawn Hill, Senior Finance Manager
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

1. Sound financial management contributes to the Council's value for money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 5 Council priorities.

Financial:

2. The financial implications are set out in the report.

Legal:

3. There are no direct legal implications arising from the report.

Risk Management:

4. Sound financial management and budget monitoring mitigates adverse financial risks.

Staffing (including Trades Unions):

5. Not Applicable.

Equalities/Human Rights:

6. Public Authorities must ensure that decisions are made in a way which minimises unfairness and without a disproportionately negative effect on people from different ethnic groups, disabled people, women and men. It is important that Councillors are aware of this duty before they take a decision
7. Equality Impact Assessments were undertaken prior to the allocation of the 2011/12 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Community Safety:

8. Not Applicable

Sustainability:

9. Not applicable.

Procurement:

10. Not applicable.

RECOMMENDATION(S):**The Committee is asked to:-**

11. **Note and consider this report.**

Introduction and Key Highlights (Appendices A2)

12. Children's Services annual expenditure budget is £68.6M and income budget, including transport, is £33.0M which leaves a net expenditure budget of £35.6M. The provisional outturn position for 2011/12 is £1.32M under spend. Quarter three reported an underspend of £1.362M, a movement of £0.04M. It should be noted that one off contributions of £975K from the Dedicated Schools Grant, with School Forums agreement, has contributed to Children's Services budgets. This contribution has only been possible in 2011/12 due to unspent centrally held DSG set aside for School Redundancies and the Local Authority Central Spend Equivalent Grant (LACSEG), that in future years will be paid directly to Schools.
13. Within Children's Services Operations, the outturn position reflects an overspend of £957K (£575K quarter three). This is mainly due to expensive specialist children placements, increase in leaving care accommodation and the cost of agency workers covering qualified posts. The recruitment of qualified social workers to fill existing and new vacancies is an ongoing key activity. This is due to increasing numbers of child cases and the reference point of an appropriately safe case loads for each social worker. This has been noted in risk assessments in previous months.
14. The increase from December quarter is largely due to the re-commissioned supervised contact service to be provided by Action for Children which could not begin until 2012. This service provides supervised access for children and young people with their families that are subject to care proceedings, to meet the legal requirements of the council as set by the court within each individual care plan. There is also increased numbers in Fostering and Adoption.
15. Within Learning, Commissioning and Partnerships (LC & P), the outturn position is an under spend of £2.282M (£1.938M Quarter three). The improvement and variance to Quarter 3 is mainly due to Transport, Youth Service and School Support. The overall under spend is largely due to School Forum's contribution of £975K, had this contribution not been available, the under spend would have been £1.3M. This is attributable to the review of the transport budgets in line with schedules provided by the service, one off discretionary spend and posts being held to allow for early implementation of efficiencies planned for 2012/13.

16. As in previous months there has been an increase in needs led budgets within Child Protection and Looked After Children.

Resources continue to be deployed to address the additional impact of recent OFSTED inspection recommendations about child protection, which increases the need for qualified social workers not only for front line work but to also enhance regulatory quality assurance and to secure a safe level of supervision at team manager level.

Summary Table A: Directorate Overall position

	Approved Budget	Provisional Outturn Spend for Year	Full Year Forecast Variance (-under)/ over	Full Year Forecast Variance after Reserves (under)/over
	£000	£000	£000	£000
Director CS	250	253	3	0
AD - CSO	20,641	20,908	267	959
AD – LCP	8,005	4,944	(3,061)	(1,4,69)
Transport	7,935	7,122	(813)	(813)
Partnerships	609	633	25	0
Total (Non Schools)	37,440	33,861	(3,579)	(1,320)
Schools/ DSG	(1,817)	(1,817)	0	0
Total Director of Children's Services	35,623	32,043	(3,579)	(1,320)

Director of Children's Services

17. The provisional out-turn position for the Director is in line with the budget provision.

Children's Services Operations

18. AD Children's Services Operations

AD Children's Services is £69K under spent due to savings in salary costs and discretionary spend. Children and adolescent mental health budget is now included under the AD reporting.

19. Child Protection & Children In Care

The provisional out-turn position is £1.423M over budget, (£1.014M over budget in quarter three). The increase is due to the re-commissioned supervised contact service to be provided by Action for Children which could not begin until 2012. This service provides supervised access for children and young people with their families that are subject to care proceedings, to meet the legal requirements of the council as set by the court within each individual care plan.

The overall overspend is mainly due to specialist children placements and the level of agency workers required currently to cover qualified social worker posts, this has been offset by savings from the closure of a children's home. The development of qualified social workers continues to be supported. The retendering of High Level Family Support commissions has also offset pressures. The vulnerability and volatility of these needs-led budgets is well managed, with budget risks being addressed as soon as they occur.

20. Children with Disabilities Service

The provisional out-turn position is £478K under budget, (£411K under budget in quarter three) this is due to Short Break expenditure being charged against the Early Intervention Grant to release core budget and additional CWD respite recharge income. Work is ongoing around short breaks for disabled children and the costs are being profiled to ensure the authority is in line with new legislation and guidance.

21. Quality Assurance CRS Service

The provisional out-turn position is £38K under budget. This is due to increased income and a vacancy. However the increased numbers of Looked after children and children subject to child protection plans will require increased review manager capacity to ensure the service remains statutorily compliant.

22. Fostering & Adoption Service

The provisional out-turn position is £305K over spend (£144K over spend in quarter three). The increase from quarter three was unforeseen and due to an increase in the number of placements. Overspend in the Independent Fostering Agency (IFA) budget of £386K has arisen due to new legislation and guidance which precludes the use of in house carers outside their approvals. This has resulted in children being placed in IFA much earlier. Costs have been offset by the corresponding savings in 'In House' carers that cannot be used for placements of a child in an emergency or outside their approvals.

These pressures have been partially offset by savings made in other demand led budgets within Fostering and Adoption and in particular Youth Carer Fees.

23. Local Safeguarding Children's Board

. The provisional out-turn position is in line with the budget provision.

24. Early Intervention and Prevention

The provisional out-turn position is £183K under budget . This will align to the base budget build saving for the parenting service.

Learning, Commissioning and Partnerships

25. AD Learning, Commissioning and Partnerships
The provisional out-turn position is £186K under budget (£284K in quarter three). This saving has arisen mainly due to contributions from School Forum to fund the Academy recruitment process, releasing council funds.
26. Children's Services Commissioning/Youth Service
The provisional out-turn position is £320K under budget (£77K under spend in quarter three). The increase from quarter three is due to the reduction in charges for accommodation and associated costs due to moves to the Dunstable office. This increased the overspend previously due to salary savings as a result of vacancies held against anticipated pressures and budget reductions in 2012/13.
27. School Support Service
The provisional out-turn position is £658K under budget (£324K under budget in quarter three). The increase from quarter three is due to savings in Special Recoupment charges. The overall saving is largely due to contributions from School Forum to Out of County placements releasing council funds and an overall reduction in placement costs. The out-turn anticipates that Bedford Borough will pass over the 2011/12 DSG related to Central Bedfordshire's sole registered PRU pupils and the charging levels for SEN Recoupment are agreed in line with expectation.
28. Other School Budgets
The provisional out-turn position is in line with the budget provision.
29. Partnerships and Workforce Development
The provisional out-turn position is £55K under budget due to savings associated with one off discretionary spend and salary savings.
30. School Improvement
The provisional out-turn position is £154K under spend. This has been made possible due to held vacancies and the ceasing of discretionary spend. Savings planned for 2013/14 have been brought forward into 12/13 for this team.
31. Standards Fund
The Standards Fund budgets managed by School Improvement were fully spent by the 31st August 2011 in line with grant conditions.
32. School Organisation & Capital Planning
The provisional out-turn position is an under spend of £95K. A £46K pressure relating to the PFI affordability gap for the council has arisen due to the corporate removal of the 'Sinking Fund' in previous financial years. This has been offset by savings arising from the ending of the ITEC Services contract reflected in the base budget review.

Transport

33. The provisional out-turn position is £813K under spend, a variance to quarter three reporting of £400K. The increase in under spend is due to possible inaccuracies in information provided on transport schedules being the main source for the in year forecasting. The overall under spend is also impacted by the £400K contribution of DSG.

Partnerships

34. The provisional out-turn position is in line with budget provision.

Schools

35. The allocation of DSG for 2011/12 is £172.555M, this is reduced to take account of Academy budgets and LACSEG reducing the grant received to £143.6M.
36. The out-turn position for Schools revenue budgets is £9.548M a reduction of £1M from 2010/11. The reduction is due to the transfer of balances for schools converting to Academy status. A direct comparison for Maintained Schools shows an increase to revenue reserves of £2.7M.

The outturn position for Schools capital budgets is £2.1M a reduction of £2.3M from 2010/11. A direct comparison for Maintained Schools shows a reduction to capital reserves of £1.6M.

37. There are six agreed licensed deficits in 2011/12 with a value of £509K.

Virements

38. There were two cross directorate virements in January totalling £137K. £125K relates to the transfer into Children's Services of the Children's Services training cost centres from the People and Organisation Directorate and £12K for the transfer of the Learning & Development Manager. There have been no cross directorate virements in February or March 2012.

Efficiencies (Appendix B)

39. The efficiency target for 2011/12 was £4.971M (including Cross Cutting efficiencies – Transport £1.054M and Procurement £0.037M). The provisional out-turn has delivered the full efficiency target. The previously forecast shortfall of £400K relating to the Passenger Transport Review has been met by a compensatory contribution from DSG.

Reserves Position (Appendix C)

40. There is a total proposed use of reserves of £411K (excluding Schools). Corporate reserves due to redundancy costs account for £220K, Partnerships £25K, Schools Forum £3K and School Specific Contingency £163K.

There are proposed transfers to Earmarked Reserves totalling £2.670M (excluding Schools). There is a full breakdown of this figure included in Appendix C.

Debt Management (Appendix E1 and E2)

41. The debt over £10K (Appendix E1) totals £874K (£0.693 quarter three), £481K of which relates to Bedford Borough.

An additional report is now provided as Appendix E2 detailing the top ten invoices for the directorate.

Appendices:

Appendix A2 Directorate Position analysed by AD

Appendix A3 Movement since last quarter

Appendix B Efficiencies

Appendix C Earmarked Reserves

Appendix E1 Debt over £10K

Appendix E2 Top Ten Invoices