

**CHILDREN'S AND YOUNG PEOPLE  
SCRUTINY AND PERFORMANCE PANEL**

**Agenda    Item  
No. 9**

**DATE:    20 September 2011**

**QUARTER 1 FINANCIAL MONITORING POSITION FOR 2011/12**

**Ward(s)**                      All

**Portfolio:**

Councillor Andrew – Children's Services

**Summary of report**

This report summarises the predicted revenue and capital outturn position for 2011/12, based on the performance for quarter 1 ( to end of June 2011 ), for services within the remit of the Children's and Young People Panel.

**Recommendation**

To note the 2011/12 forecasted year end financial position for services under the remit of the Children's and Young People Panel is net revenue overspend of **£0.004m**, after the use of approved reserves and carry forwards and action planning. The capital programme is forecast to be on budget after slippage.

**Background papers**

Various financial working papers.  
Outturn report to Scrutiny Panel 2010/11  
2011/11 Budget Books on Council's Internet and Intranet

**Reason for scrutiny**

To inform the panel of the forecasted financial position for 2011/12 within the remit of this panel.

**Signed:**



**Executive Director:** Pauline Pilkington

**Date:**                      2 September 2011

**Resource and legal considerations**

Services are required to manage their services within budget. Overspends may arise for a number of reasons, including national economic and local factors. Further detail is provided within this report. Corrective action plans are in place to mitigate any overspends within service. Any corporate overspend will require replenishment in the 2011/12 budget.

**Citizen impact**

The budget is aligned with service activity within service plans within the directorate. Investment has been targeted at service improvement, stability and user demand.

**Environmental impact**

Services within the remit of this panel have a direct influence and impact on the environment.

**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 in place to mitigate overspends within service. Variances against budget are identified in the report.


**Equality Implications**

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

**Consultation**

Senior managers within the services have been consulted and have signed off the forecast as accurate.

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## 1 Forecast Revenue Outturn 2011/12 – Children's and Young People

- 1.1 The forecast revenue outturn for 2011/12 for the services under the remit of the Children's and Young People Panel (based on the position as at the end of June 2011) is an overspend against budget of **£0.004m** (net of the use of earmarked reserves. The outturn shown is based on actual information from the Oracle system, and discussions with managers regarding year-end forecast and achievement of approved savings.
- 1.2 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/overspends. Where overspends are predicted, managers are tasked to identify remedial action that can be made within service, and to report as part of a directorate action plan. All options will continue to be explored throughout the financial year so as to minimise any forecast overspends within service, and to manage additional risks as they arise.
- 1.3 The predicted outturn includes currently estimated use of reserves of **£559k** (where approval has been given by Cabinet for additional funds for specific services or grants have been received in advance) and £110k of approved carry forwards from previous years.
- 1.4 **Table 1** shows the forecast outturn for each service, and **Appendix 1** provides an analysis of the reasons for the forecast material variances.
- 1.5 Within the services associated with the panel there is a risk around numbers of looked after children which is estimated at **£150k**. At this stage the risks are not certainties and as such are not included in the monitoring as overspends. If the risks become certainties then alternative action will need to be identified or included in monitoring as overspends. A summary of the risk assessment is attached as **Appendix 2**
- 1.6 Included within the directorate budget are approved 2011/12 new investments and savings, as approved by cabinet on 24 February 2011, totalling £2.100m and £3.232m respectively. The full year effect of previous years' investments and savings included in the budget are £0.000m investments and £0.100m savings. A full breakdown of these can be found in the 2011/12 Children's & Young People budget book. Any savings that are not able to be achieved in year are required to have alternative savings identified and are managed closely through the services divisional management teams and in liaison with the relevant portfolio holder.

**Table 1 – Forecast Revenue Outturn 2011/12**

<b>Service Area</b>	<b>Annual Budget £'000</b>	<b>Profiled Budget £'000</b>	<b>Year To Date £'000</b>	<b>Variance £'000</b>	<b>Year End Forecast £'000</b>	<b>Year End Variance £'000</b>	<b>Use of reserves £'000</b>	<b>Variance after Reserves/Action Plan/Non essential Spend £000</b>
Prevention and Targeted Services	3,935	984	1,005	21	4,118	184	(187)	(3)
Specialist Services	31,072	7,768	7,817	49	31,324	252	(244)	7
Education	7,137	1,738	1,737	(1)	7,304	168	(168)	0
Budget for monitoring purposes	<b>42,144</b>	<b>10,490</b>	<b>10,559</b>	<b>69</b>	<b>42,746</b>	<b>603</b>	<b>(599)</b>	<b>4</b>
Depreciation	8,543	2,136	2,136	0	8,543	0	0	0
FRS 17	2,876	719	719	0	2,876	0	0	0
CSS	1,041	259	259	0	1,041	0	0	0
Office Accommodation	163	41	41	0	163	0	0	0
<b>Total Children's &amp; Young People</b>	<b>54,766</b>	<b>13,645</b>	<b>13,714</b>	<b>69</b>	<b>55,369</b>	<b>603</b>	<b>(599)</b>	<b>4</b>

## 2 Forecast Capital Outturn 2011/12 – Children & Young People

- 2.1 The forecast capital outturn for 2011/12 for the schemes under the remit of this panel (as at the end of June 2011) is predicted to be on budget after slippage requests. Table 2 shows a summary per service with more detailed analysis by scheme at **Appendix 3**.

<b><u>Table 2 – Summary of Capital Programme – Quarter 1 2011-12</u></b>					
<b>Service Area</b>	<b>Annual Budget £'000</b>	<b>Year To Date £'000</b>	<b>Year End Forecast £'000</b>	<b>Year End Variance £'000</b>	<b>Slippage £'000</b>
<b>Council Resources</b>					
Specialist services	1,095	0	1,055	40	(40)
Education	9,290	67	9,290	0	0
<b>Total Council Resources</b>	<b>10,385</b>	<b>67</b>	<b>10,345</b>	<b>40</b>	<b>(40)</b>
<b>Externally Funded</b>					
Prevention and Targeted	1,325	0	1,325	0	0
Education	57,463	9,461	57,463	0	0
<b>Total Externally Funded</b>	<b>58,788</b>	<b>9,461</b>	<b>58,788</b>	<b>0</b>	<b>0</b>
<b>Total Children's &amp; young People Capital</b>	<b>69,173</b>	<b>9,528</b>	<b>69,133</b>	<b>40</b>	<b>(40)</b>

Appendix 1 - Reasons for revenue forecast overspend		
Service	Variance £m	Explanation of Year End Forecast
Vulnerable Children	0.069	Agency staff covering vacant posts
Safeguarding	(0.075)	3 posts externally funded
Combination of smaller variances	0.010	
<b>Children's Services forecast outturn</b>	<b>0.004</b>	

Appendix 2 – Financial Risks					
POTENTIAL RISK	LOWEST COST	ASSESSMENT OF RISK	HIGHEST COST	ASSESSMENT OF RISK	TOTAL FINANCIAL EXPOSURE TO RISK
	£M		£M		£M
<b>CHILDREN'S SERVICES</b>					
The cost of a LAC can vary between 15k and £170k pa. in 08-09 the number of LAC increased by 21, 09-10 by 37 and 10-11 by 11. Although significant work is in place to reduce the LAC numbers there is still a risk of increased costs.	0.000	<b>Medium</b>	0.300	<b>Medium</b>	0.150
<b>Total Children's Services</b>	<b>0.000</b>		<b>0.300</b>		<b>0.150</b>

### Appendix 3 - Summary of 2011/12 Capital Programme

Service	Annual Budget £	Actual To Date £	Year End Forecast £	Year End Variance £	Proposed Slippage to 2012/13 £
<b><u>Mainstream</u></b>					
<b><u>Specialist Services</u></b>					
Eldon House reprovision	1,028,148	0	1,028,148	0	0
Integrated children's system	66,812	0	26,725	40,087	(40,087)
<b><u>Education</u></b>					
Barcroft - (Elm Street/Albion Road) Targeted capital - WMBC	3,121,398	0	3,121,398	0	0
Basic need	3,034,157	0	3,034,157	0	0
Modernisation - all schools	2,170,533	11,550	2,170,533	0	0
New pupil places - Fibbersley	2,864	0	2,864	0	0
Schools access initiative	874,047	55,395	874,047	0	0
Targeted capital bids – Mary Elliot	86,946	0	86,946	0	0
<b>Total Mainstream Capital</b>	<b>10,384,906</b>	<b>66,945</b>	<b>10,344,818</b>	<b>40,087</b>	<b>(40,087)</b>
<b><u>Other</u></b>					
<b><u>Prevention and Targeted</u></b>					
Youth capital funding	60,800	0	60,800	0	0
Myplace Young Peoples Centre at Joseph Leckie	1,263,933	0	1,263,933	0	0
<b><u>Education</u></b>					
14-19 diplomas, SEN and disabilities	4,947,304	919,274	4,947,304	0	0
Academies	32,658,082	3,196,417	32,658,082	0	0

Barcroft - (Elm Street/Albion Road) Targeted capital - WMBC	0	1,373,945	0	0	0
Barr Beacon language college - s106	574,283	1,646	574,283	0	0
Basic need	2,650,018	0	2,650,018	0	0
Black Country University Technical College (UTC) Phase one Building Works & ICT	1,418,000	0	1,418,000	0	0
Brownhills community technology college	12,171	0	12,171	0	0
Capital maintenance	4,711,108	0	4,711,108	0	0
Devolved capital	5,987,039	421,496	5,987,039	0	0
Extended services	84,898	2,000	84,898	0	0
Joseph Leckie Community Technology College Art Block Upgrade	181,105	0	181,105	0	0
Harnessing technology	225,830	25,845	225,830	0	0
Pathfinder short breaks (Aiming high for disabled children)	0	265	0	0	0
Primary capital programme	3,845,869	3,534,699	3,845,869	0	0
School travel plans	128,648	8,935	128,648	0	0
Specialist schools - Willenhall sports college	374	0	374	0	0
Surestart, early years and child care grants	0	19,820	0	0	0
Targeted capital bids fund - SEBD - Daw End - Elmwood/Phoenix	0	2,000	0	0	0
Targeted capital bids fund - Queen Marys grammar	0	-49,965	0	0	0
Targeted capital - Short heath schools	38,397	4,481	38,397	0	0
Specialist funding	0	0	0	0	0
Standards fund	0	0	0	0	0
<b>Total Non Mainstream</b>	<b>58,787,858</b>	<b>9,460,858</b>	<b>58,787,858</b>	<b>0</b>	<b>0</b>
<b>Total Capital</b>	<b>69,172,764</b>	<b>9,527,803</b>	<b>69,132,677</b>	<b>40,087</b>	<b>(40,087)</b>



