

20 September 2011

2010/11 FINAL BUDGETARY POSITION PRE-AUDIT

Ward(s) All

Portfolio:

Councillor Andrew– Children's and Young People

Summary of report

This report summarises the outturn revenue and capital position for the year ended 2010/11, subject to external audit, for services within the remit of the Children's Scrutiny and Performance Panel.

Recommendation

To note that the 2010/11 year end financial position for services under the remit of the Children's Scrutiny and Performance Panel, is a revenue variance (overspend) against budget of **£1.122m** (net of use of earmarked reserves/carry forwards), and a capital under spend of £410k (net of approved slippage into 2011/12).

Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout year
2010/11 Budget Book on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2010/11.

Signed:



Chief Finance Officer: James T Walsh

Executive Director: Pauline Pilkington

Date: 6 September 2011

Date: 6 September 2011

Resource and legal considerations

The accounts were monitored and reported on as part of the budget guidelines and all entries into the final accounts have been undertaken in line with the required accounting guidance and standards.

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 were put in place to mitigate overspends. 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

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

Contact Officer:

Chris Knowles, Lead Accountant,

☎ 01922 652964, ✉ knowlesc@walsall.gov.uk

Revenue Outturn 2010/11 – Children's Directorate

- .1 The revenue outturn for 2010/11 for the services under the remit of the Children's Scrutiny and Performance Panel is an over spend against budget of **£1.122m** (net of the use of earmarked reserves and a carry forward of central contingency funding). This position is subject to external audit which will take place during July. Table 1 provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.

Table One – Children's Year End Outturn 2010/11						
Service Area	Annual Budget (£)	Final Outturn (£)	Variance (£)	Variance net of reserves (£)	Carry Forwards (£)	Adjusted Variance (£)
Education	67,308,757	67,091,644	-217,113	-154,701		-154,701
Specialist	31,804,496	33,539,170	1,734,674	1,979,010		1,979,010
Prevention and Targeted	9,337,174	8,507,673	-829,501	-872,656	170,000	-702,656
	108,450,427	109,138,487	688,060	951,653	170,000	1,121,653

- .2 The budget for 2010/11 included approved savings of £1.392m. Two were not met totalling £248k as follows:
- £166k relating to a restructure of the family placement service, post reductions were not realised.
 - £82k relating to new grant income streams, this grant income was originally intended to cover mainstream funded posts, but instead was needed to fund additional support in disabilities.
- .3 The outturn includes net transfers to reserves of £264k where approval was given by Cabinet for additional funds for specific services, and also transfers to reserves. **Table 2** provides a summary of these.

Table Two – Transfers to and from reserves		
Service	Detail	£
Specialist	Children's workforce grant	239,320
Prevention and Targeted	Sport England Grant	5,688
Specialist	Youth Opportunity Fund	5,016
Education	Teachers Redundancy costs and St Thomas More Private Finance Initiative	297,557
Transfers to reserves		547,581
IYPSS	Redundancy costs from restructure	-48,843
Education	Criminal Records Bureau checks	-19,781
Education	Building Schools for the Future aborted costs	-23,794
Education	Surestart Debtor	-191,570
Use of reserves		-283,988
Net transfers to reserve		263,593

- .4 The outturn also includes £170k of carry forwards to 2011/12 as follows:
- £40k – Integrated Young People Support Service
 - £60k – Myplace
 - £70k – Education support in Prevention Services
- .5 The main reason for the over spend position for services within the remit of the Panel is the increased number of Looked After Children the service dealt with during the year. The budgeted number of LAC was 488, but at it's highest point there were 519 LAC. The mix of LAC (types of provision required) also affected the overspend as expensive provision was required in many cases.
- .6 Full analysis of the variances is shown in **Appendix 1**.

Capital Outturn 2010/11 – Children's Directorate

- .1 The capital outturn for 2010/11 for the schemes under the remit of this panel is an under spend against budget of **£32.539m**, of which £32.129m has been approved to be slipped into 2010/11, resulting in a net underspend of **£410k**. **Table 3** provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Table 3 - Final Capital Outturn 2010/11					
Service area	Annual budget	Final outturn	Year end variance	Slippage to 11-12	Variance net of slippage
<u>Mainstream Funding</u>					
Prevention and Targeted	13,570	13,570	0	0	0
Specialist	1,138,908	35,473	-1,103,435	1,095,395	-8,040
Education	10,966,768	1,588,195	-9,378,573	9,064,945	-313,628
<u>Other Funding</u>					
Specialist	218,475	151,187	-67,288	60,800	-6,488
Education	49,941,511	27,951,732	-21,989,779	21,907,686	-82,093
Overall Total	62,279,232	29,740,158	-32,539,075	32,128,826	-410,249

Appendix 1 – Analysis of Variances

Service	Reason/ Explanation for Variance	Variance (£)
Prevention & Locality Services	Full utilisation of available grants to reduce use of Council funding, and deliberate efforts made to reduce expenditure to reduce the Directorate overspend	-181,242
Integrated Young People Support Service	Vacant posts generating underspends on salaries and holding back of non essential spend to manage directorate overspend	-302,844
Strategy and Governance	Reduced funding to partners and other bodies in line with council cuts to aim to achieve the action plan	-190,174
Universal Mgt & Central Support Services	Non essential spend cutbacks to offset overspend across the service	-28,396
Vulnerable Children	Agency staff costs due to recruitment and retention difficulties	414,376
Children's Management	Costs of contractors and partners in support to children with disabilities	278,245
Corporate Parenting	High numbers of looked after children	1,612,833
Safeguarding	Achievement of funding from external bodies, and salary underspends from vacant posts	-326,444
Education	Contract management savings and use of grant funding	-154,701
Total Children Services		1,121,653

Appendix 2 – Capital by scheme

Scheme Name	Total Budget	10-11 spend	Variance [spend – budget]	Slippage to 11-12	Over / (Under) spend
<u>Mainstream Funding</u>					
<u>Prevention and Targeted</u>					
Youth Service building refurbishment	13,570	13,570	0	0	0
<u>Specialist</u>					
Eldon House reprovion	1,028,148	0	(1,028,148)	1,028,148	0
Integrated Childrens System	79,736	12,489	(67,247)	67,247	0
Modernisation of Childrens Home	29,773	21,733	(8,040)	0	(8,040)
Redruth Road	1,251	1,251	0	0	0
<u>Education</u>					
Academies	20,848	20,848	0	0	0
Barcroft Primary	2,896,398	0	(2,896,398)	2,896,398	0
Basic need	3,256,880	222,723	(3,034,157)	3,034,157	0
Information Communications Technology	313,209	0	(313,209)	0	(313,209)
Modernisation - all schools	3,150,496	979,544	(2,170,952)	2,170,533	(419)
New pupil places - Fibbersley Park Primary	3,864	1,000	(2,864)	2,864	0
Schools access initiative	1,215,510	341,463	(874,047)	874,047	0
Targeted capital - Mary Elliot	109,564	22,618	(86,946)	86,946	0
Total Mainstream	12,119,246	1,637,239	(10,482,008)	10,160,340	(321,668)

Scheme Name	Total Budget	10-11 spend	Variance [spend – budget]	Slippage to 11-12	Over / (Under) spend
<u>Other Funding</u>					
<u>Specialist</u>					
Youth Capital Funding	162,763	95,475	(67,288)	60,800	(6,488)
Youth Capital Funding Plus	55,712	55,712			
<u>Education</u>					
14-19 diplomas, Special Educational Needs and disabilities	7,190,680	2,243,376	(4,947,304)	4,947,304	()
	15,154,33				
Academies	1	8,222,581	(6,931,750)	6,931,750	
Barcroft Primary	556,423	556,423			
Barr Beacon language college - s106	576,523	2,240	(574,283)	574,283	
Brownhills community technology college s106	13,651	1,480	(12,171)	12,171	
Devolved capital	7,940,901	2,822,740	(5,118,162)	5,118,162	
Extended services	1,059,344	974,446	(84,898)	84,898	()
Harnessing technology	1,016,530	790,700	(225,830)	225,830	()
Modernisation - all schools	3,104,415	3,104,415			
Pathfinder short breaks (Aiming high for disabled children)	273,600	191,554	(82,046)		(82,046)
	10,187,46				
Primary capital programme	8	6,341,599	(3,845,869)	3,845,869	
School travel plans	278,320	149,672	(128,648)	128,648	
Specialist schools - Willenhall sports college	2,806	2,432	(374)	374	()
Surestart, early years and child care grants	1,996,362	1,996,362	()		()
Targeted capital bids fund Elmwood/Phoenix Schools	57,586	57,586			
Targeted capital bids fund - Queen Marys grammar	265,201	265,152	(49)		(49)
Targeted capital - Short heath Federation	267,371	228,974	(38,397)	38,397	
	50,159,98	28,102,91	(22,057,067	21,968,48	
Total other	6	9)	6	(88,581)

Overall Total

62,279,232	29,740,158	(32,539,075)	32,128,826	(410,249)
------------	------------	--------------	------------	-----------