

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

Agenda Item No.  
10

DATE: 17 July 2012

**2011/12 FINAL BUDGETARY POSITION PRE-AUDIT**

Ward(s) All

**Portfolio:**

Councillor R. Andrew– Children and Young People

**Summary of report**

This report summarises the outturn revenue and capital position for the year ended 2011/12, subject to external audit, for services within the remit of the Children's Scrutiny and Performance Panel.

**Recommendation**

To note that the 2011/12 year end financial position for services under the remit of the Children's Scrutiny and Performance Panel, is a revenue variance (underspend) against budget of **£0.791m** (net of use of earmarked reserves/carry forwards), and a capital breakeven position (net of approved carry forward into 2012/13).


**Background papers**

Various financial working papers.  
Quarterly reporting to Scrutiny Panels throughout year.  
2011/12 Budget Book on Council's Internet and Intranet.

**Reason for scrutiny**

To inform the panel of the pre-audit financial position for 2011/12.

Signed:



Chief Finance Officer: James T Walsh

Executive Director: Pauline Pilkington

Date: 28 June 2012

Date: 3 July 2012

## **Resource and legal considerations**

The accounts were monitored and reported 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](mailto:knowlesc@walsall.gov.uk)

## **1 Revenue Outturn 2011/12 – Children's Directorate**

- 1.1 The revenue outturn for 2011/12 for the services under the remit of the Children's Scrutiny and Performance Panel is an under-spend against budget of £0.791m (net of the use of earmarked reserves and carry forward of central contingency funding). This position is subject to external audit which will begin in June. Table 1 overleaf 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 2011/12						
Service Area	Annual Budget (£)	Final Outturn (£)	Variance (£)	Variance net of reserves (£)	Carry Forwards (£)	Adjusted Variance (£)
Education	36,444,789	38,483,325	2,038,536	337,255	50,000	387,255
Specialist	34,152,056	33,007,997	(1,144,059)	(840,956)	24,000	(816,956)
Prevention and Targeted	5,818,655	4,994,255	(824,400)	(911,679)	550,000	(361,679)
	<b>76,415,500</b>	<b>76,485,577</b>	<b>70,077</b>	<b>(1,415,381)</b>	<b>624,000</b>	<b>(791,381)</b>

1.2 The budget for 2011/12 included approved savings of £3.232m. An amount of £28k intended to be secured through a review of essential car user allowances was secured by wider redesign activity across Integrated Young Peoples Support Services. The review of essential car user allowances has been dealt with through a wider redesign of the youth justice service and the saving has now been secured on an ongoing basis.

1.3 The outturn includes net use of reserves of £1.485m 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	£
Corporate Parenting	Newly Qualified Social Workers increase of reserve	92,526
Specialist Management	Social Work Improvement Fund increase of reserve	293,102
Safeguarding	Social Work Improvement Fund	54,170
Thomas More PFI	Public Finance Initiative	98,393
Safeguarding	Safeguarding board	44,000
Integrated Youth Support	Myplace running costs	240,000
<b>Transfer to reserves</b>		<b>822,191</b>
Education	Pay and Grading	(1,072)
Universal management	Redundancy payment	(7,827)
Prevention	Pay and Grading	(475)
Prevention	Parenting carry forward	(70,000)
Integrated Youth Services	Pay and Grading	(6,567)
Integrated Youth Services	Funding of Targeted Youth Support / Keeping Young People Engaged post	(40,000)
Integrated Youth Services	Redundancies in Integrated Young People Support Service	(196,723)
Integrated Youth Services	Sports England	(5,688)
Corporate Parenting	Pay and Grading	(9,066)
Corporate Parenting	Youth Opportunity Fund	(5,016)
Safeguarding	Pay and Grading	(3,984)
Corporate Parenting	Newly Qualified Social Workers use of reserve	(59,702)
Specialist Management	Social Work Improvement Fund use of reserve	(102,927)
Education	Redundancy payment	(42,472)
Education	Academy School Surveys	(86,000)
Education	Costs incurred within the transition of the education contract	(97,162)
Education	Use of redundancy reserve	(233,352)
Education	Premature retirements	(122,992)
Education	Local Education Authority management	(1,129,599)
Education	Redundancy payments	(60,912)
Education	Criminal Records Bureau checks	(26,113)

Use of reserves	(2,307,648)
Net transfer to reserves	(1,485,457)

1.4 The outturn also includes £624k of carry forwards to 2012/13 as follows:

- £100k – Area Family Support Team infrastructure
- £50k – Pilot of new relationships with schools
- £80k – Workforce training
- £145k – Parenting partnerships
- £100k – Common assessment framework
- £125k – Targeted youth support
- £12k – Children and Families Support Framework whole system redesign
- £12k – Foster care service redesign

1.5 The main reason for the under spend position for services within the remit of the Panel is the decreased number of Looked After Children (LAC) the service dealt with during the year. The budgeted number of LAC was 513, but at it's lowest point there were 477 LAC. This has however been partly offset by a higher use of agency staff due to redundancies.

1.6 Full analysis of the variances is shown in **Appendix 1**.

## 2 Capital Outturn 2011/12 – Children's Directorate

2.1 The capital outturn for 2011/12 for the schemes under the remit of this panel is a breakeven position, net of **£30.333m** which has been approved to be carried forward into 2012/13. **Table 3** provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Service area	Annual budget	Final outturn	Year end variance	Carry forward to 12/13	Variance net of carry forward
<u>Mainstream Funding</u>					
Specialist	1,094,960	137,512	(957,448)	957,448	0
Education	9,289,946	8,709,526	(580,420)	580,420	0
<u>Other Funding</u>					
Prevention and Targeted					
Specialist	1,420,733	1,178,616	(242,117)	242,117	0
Specialist	142,183	0	(142,183)	142,183	0
Education	57,588,142	29,176,964	(28,411,178)	28,411,178	0
<b>Overall Total</b>	<b>69,535,964</b>	<b>39,202,618</b>	<b>(30,333,346)</b>	<b>30,333,346</b>	<b>0</b>

## Appendix 1

Service	Reason/ Explanation for Variance	Variance (£)
P&T Management	Lower use of consultants	(28,601)
Prevention, Workforce and Partnerships	Efficiencies in grant expenditure and carry forwards	(64,105)
IYPSS	Restructures for part time youth staff and youth justice board.	(268,974)
Education	Realignment of use of dedicated schools grant creating one off pressure.	387,255
Safeguarding	Alternative funding secured for posts, such as from Wolverhampton Council.	(128,804)
Specialist Management	Investment in infrastructure partly offset by an under spend in disabilities	55,664
Vulnerable Children	Increased number of agency staff due to redundancies	425,680
Corporate Parenting	Reduced numbers of LAC leading to savings on placements and contact	(1,169,496)
<b>Total Children Services</b>		<b>(791,381)</b>

## Appendix 2 – Capital by scheme

Scheme Name	Total Budget	2011/12 spend	Variance [spend – budget]	Carry Forward to 12/13	Over / (Under) spend
<b><u>Mainstream (Council) Funding</u></b>					
<b><u>Specialist</u></b>					
Eldon House reprovion	1,028,148	137,512	(890,636)	890,636	0
Integrated children's system	66,812	0	(66,812)	66,812	0
<b><u>Education</u></b>					
Barcroft targeted capital	3,121,398	2,720,163	(401,235)	401,235	0
Basic need	3,123,967	3,123,967	0	0	0
Modernisation	2,170,533	2,170,533	0	0	0
New pupil places	0	0	0	0	0
Schools access initiative	874,047	694,862	(179,185)	179,185	0
Targeted capital bids	0	0	0	0	0
<b>Total Mainstream</b>	<b>10,384,906</b>	<b>8,847,038</b>	<b>(1,537,868)</b>	<b>1,537,868</b>	<b>0</b>
<b><u>Other (External) Funding</u></b>					
<b><u>Prevention and Targeted</u></b>					
Myplace Young Peoples	1,359,933	1,178,616	(181,317)	181,317	0
Youth capital funding	60,800	0	(60,800)	60,800	0
<b><u>Specialist</u></b>					
Pathfinder short breaks	142,183	0	(142,183)	142,183	0
<b><u>Education</u></b>					
14/19 diplomas, SEN and disabilities	4,947,304	4,463,408	(483,896)	483,896	0
Academies	32,658,082	14,097,045	(18,561,036)	18,561,036	0
Barr Beacon language college	587,088	550,319	(36,769)	36,769	0
Brownhills CTC	12,171	12,171	0	0	0
Basic need	2,650,018	73,887	(2,576,131)	2,576,131	0
Black Country UTC	1,558,000	1,468,413	(89,587)	89,587	0
Capital maintenance	4,711,108	1,074,276	(3,636,832)	3,636,832	0
Devolved capital	5,959,380	2,972,662	(2,986,719)	2,986,719	0
Extended Services	84,898	84,898	0	0	0
Joseph Leckie Art Block Upgrade	180,976	180,976	0	0	0
Harnessing Technology	225,830	225,830	0	0	0
Primary capital programme	3,845,869	3,845,869	0	0	0
School travel plans	128,648	88,440	(40,208)	40,208	0
Willenhall sports college	374	374	0	0	0
Targeted capital (Short heath schools)	38,397	38,397	0	0	0
<b>Total other</b>	<b>59,151,058</b>	<b>30,579,993</b>	<b>(28,795,478)</b>	<b>28,795,478</b>	<b>0</b>
<b>Overall Total</b>	<b>69,535,964</b>	<b>39,427,031</b>	<b>(30,333,346)</b>	<b>30,333,346</b>	<b>0</b>