

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

**Agenda Item
No. 9**

DATE: 20 July 2010

2009/10 FINAL BUDGETARY POSITION PRE-AUDIT

Ward(s) All

Portfolio:

Councillor Andrew – Children's Services

Summary of report

This report summarises the outturn revenue and capital position for the year ended 2009/10, subject to external audit, for services within the remit of the Children & Young People Scrutiny and Performance Panel.

Recommendation

To note that the 2009/10 year end financial position for services under the remit of the Childrens and Young People Scrutiny and Performance Panel, is a revenue variance overspend against budget of **£2.086m** (net of use of earmarked reserves/ carry forwards), and a capital overspend of **£0.005m** (net of approved slippage into 2010/11).

Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout year
2009/10 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2009/10.

Signed:

Executive Director: Pauline Pilkington

Date: 5 July 2010

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 652982, ✉ KnowlesC@walsall.gov.uk

Bob Lewin

Group Accountant,

☎ 01922 652914, ✉ LewinR@walsall.gov.uk

1 Revenue Outturn 2009/10 –Childrens and Young People

- 1.1 The revenue outturn for 2009/10 for the services under the remit of the Childrens and Young People Scrutiny and Performance Panel is an overspend against budget of **£2.086m** (net of the use of earmarked reserves / carry forwards). 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 1 - Final Revenue Outturn 2009/10					
Service	Annual Budget £	Year End Actual £	Year End Variance £	Use of Reserves / Approved carry Forward £	Variance Net of Reserves (Under)/ Overspend £
Children's Services	£'000	£'000	£'000	£'000	£'000
Education	10,881	10,807	(74)	98	(172)
Specialist Services	25,726	28,413	2,687	100	2,587
Universal Services	9,176	9,133	(43)	195	(238)
Catering	747	656	(91)		(91)
TOTAL CHILDRENS AND YOUNG PEOPLE	46,530	49,009	2,479	393	2,086

- 1.2 The budget for 2009/10 included approved savings of £1.020m. £0.648m (64%) of these were achieved. The saving which was not achieved was linked to reduction in numbers of Looked After Children where the reverse has occurred. Numbers of LAC have increased year on year for the past 2 years and represent the major pressure on this service. Costs of placement represent roughly 50% of total costs in Specialist Services and show an overspend of more that £2.4m. Costs of contact and support show an overspend of £1.3m due to the increased numbers of LAC and the impact of government legislation extending the period during which these services should be provided. Actions are being taken to ensure that appropriate children are moved on in the care process to longer term arrangements, which are often lower cost, and ultimately to satisfactory outcomes which are out of the care system altogether. Action has also been taken to make savings elsewhere in the service to partially offset these increases. These pressures have been recognised in setting the budgets for 2010/11 with investments of £1.5m in costs of placements and £0.45 for contact and support.

- 1.3 The outturn includes net use of reserves of £0.273m which have not yet been approved by Cabinet for additional funds for specific services, and include approved carry forwards from 2008/09, and to 2009/10 where applicable. **Table 2** provides a summary of these.

Table 2 - Analysis of 2009/10 Use of Earmarked Reserves		
Service	Amount £	Explanation
Carry Forwards from 2008/09		
Other Specific Reserves		
Specialist	100,000	To help cover placement costs for looked After Children
Universal	173,148	Staff related costs
Total Use of Reserves	273,148	

C

Costs carried forward to 2010 11 total £119,786:

- £21,642 in Universal where a January Guarantee has been paid for which income will be received in 2010/11.
- £98,144 in Education in respect of St Thomas More PFI.

- 1.4 The main reasons for the overspend position for services within the remit of the Panel are as follows:

- Increased numbers of Looked After Children leading to higher costs of care placements
- Increased numbers of Looked after Children leading to higher costs of providing contact and legislation changes leading to an obligation to provide contact for an extended period.
- Higher redundancy costs than were expected in the Education service
- Full analysis of the variances is shown in **Appendix 1**.

2 Capital Outturn 2009/10 – Childrens and Young People

- 2.1 The capital outturn for 2009/10 for the schemes under the remit of this panel is an underspend against budget of **£24.709m**, of which **£24.704m** has been approved to be slipped into 2010/11, resulting in a net underspend of **£0.005m**. **Table 3** overleaf provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Table 3 - Final Capital Outturn 2009/10

Service	Annual Budget £	Final Outturn £	Year End Variance £	Slippage to 2010/11 £	Variance Net of Slippage £
<u>Mainstream Resources</u>					
Universal Services	44,965	31,395	(13,570)	13,570	-
Specialist Services	1,390,204	292,108	(1,098,096)	1,118,365	20,269
Education	14,499,875	5,715,705	(8,784,170)	8,784,170	-
Catering	21,517	21,355	(162)	-	(162)
Total Mainstream	15,956,560	6,060,562	9,895,998	9,916,106	20,107
<u>Unsupported Borrowing</u>					
Total Unsupported Borrowing	15,956,560	6,060,562	9,895,998	9,916,106	20,107
<u>Non Mainstream Resources</u>					
Universal Services	634,387	512,212	(122,175)	122,175	-
Specialist Services	72,192	72,192	-	-	-
Education	27,158,951	12,468,139	(14,690,813)	14,665,908	(24,905)
Total Non Mainstream	27,865,530	13,052,542	14,812,989	14,788,084	(24,905)
TOTAL CHILDRENS AND YOUNG PEOPLE	43,822,091	19,113,104	24,708,988	24,704,190	(4,797)

**CHILDRENS & YOUNG PEOPLE
REVENUE OUT TURN REASONS FOR VARIATIONS**

Please provide explanations for any cost centre variance of £25k or more.

SERVICE	REASON / EXPLANATION FOR VARIANCE	VARIANCE
Vulnerable Children	Safeguarding & Family Support - under spend due to vacancies within the service & an under spend on no-recourse to public funds payments. Part of savings for 10/11.	-354,147
Vulnerable Children	Overspend due to high numbers of sectional workers covering vacant posts within vulnerable children service.	50,412
Vulnerable Children	Family Support - Variance on Surgeons budget due to funding through a grant and an under spend on payments for family support services.	-435,657
Corporate Parenting	Children's Services Management - Under spend on salaries - surplus budget gathered in this cost centre.	-105,661
Corporate Parenting	Carers Grant - Off-setting spend on external residential respite placements	-31,628
Corporate Parenting	Care Matters - Off-setting spend on looked after children. Earmarked spend on 2 housing extensions delayed to 10/11.	-218,197
Corporate Parenting	Mentoring Support - Additional income from Serco to cover post & ABG budget	-36,014
Corporate Parenting	Looked After Children Social Work Team - Overspend due to high levels of agency staff & high cost of Darlaston Health Centre.	319,297
Corporate Parenting	Taxi - overspend due to high numbers of looked after children using taxi service.	171,209
Corporate Parenting	Support - overspend due to high numbers of looked after children.	278,094
Corporate Parenting	Contact - overspend due to high numbers of looked after children using Independent Residential Homes - overspend due to high numbers of looked after children	917,857
Corporate Parenting	Internal Foster Care - overspend due to high numbers of looked after children placed in foster placements.	878,988
Corporate Parenting	External Foster Care - overspend due to high numbers of external foster care placements	779,697
Corporate Parenting	Lichfield Road - Under spend due to home being closed for refurbishment for part of the year.	762,409
Corporate Parenting	Spindletree - Overspend due to high levels of staffing.	-85,180
Corporate Parenting	Hilton Road - Overspend due to high numbers of staffing to deal with difficult placements.	33,029
Corporate Parenting	Children's Residential Services Management Budget - under spend on agency staff & training offsetting part of spend on children's homes. Under spend on maintenance budget due to non-essential spend restrictions.	90,385
Corporate Parenting	TLC - under spend due to savings on premises, move from expensive office accommodation to cheaper, part of savings for 10/11.	-86,869
Corporate Parenting	UASC Grant - under spend relates to 08/09 - special circumstances award	-24,513
Corporate Parenting	Recruitment team - under spend due to vacancies within team & reduced spend on fostering recruitment budget.	-30,114
Corporate Parenting	Adoption team - Overspend due to high levels of inter-agency adoption fees.	-105,160
Corporate Parenting	Adoption Allowances/Special guardianship/resident order payment - overspend due to high numbers of carers receiving these payments.	143,531
Corporate Parenting	Family Placements - overspend due to high spend subscriptions & spend on computer equipment.	95,592
Safeguarding Children	Safeguarding Board - additional income received from Health.	28,181
Safeguarding Children	Safeguarding Education - under spend due to 3 vacancies within the services for a long period of time.	-40,263
Safeguarding Children	Child Death Overview - under spend due to 1 worker being 50% funded from Wolverhampton & there has been no serious case reviews.	-89,769
Safeguarding Children	CAMHS - under spend due to high numbers of vacancies within the service.	-31,074
Safeguarding Children	Stroud Avenue - under spend due to a number of vacancies within the service.	-101,257
Specialist	Number of smaller variances across the service.	-60,179
		-26,664

Prevention	Directly Commissioned Nursing Services - requirement to provide care for disabled children	106,123
Childrens Fund	Commissioning of projects not gone ahead to support overspends elsewhere within the service	-213,962
Connexions	£21K carry forward of spend for January Guarantee. Remainder on agency and consultancy fees	37,648
Youth Offending Service	Commitment to Blakenhall Village Centre and shortfall of funding	14,806
Youth Service	Additional costs in relation to Head of Service/Youth Development Manager and freezing of other posts in 1167	12,791
Schools Redundancy Payments	Higher than expected redundancies (includes Sneyd)	450,585
CRB checks	Short fall in budget received from Corporate	29,205
LEA Management	Deliberate underspend on adhoc projects	-43,469
Pension related Gratuities	Balance diminishing year on year	-27,084
Contract	Serco contract uplift less than budgetted	-33,811
Contract Bonus	Not budgetted	232,354
Contract Management	Team structure not finalised for part of year.	-296,354
closed school balances	Balance relating to Darlaston as at 31/08/09	-51,795
Music Support Service	Balance diminishing as numbers reduce	-23,046
Premature Retirements	General underspend	-8,190
Bryntysilio	Free places	-4,467
Committee Admin	Underspend due to freeze on non essential spend	-20,725
Schools pools & fields premises	Utility inflation	82
Transport P'ship Grant	Unspent funding transferred to earmarked reserves	-98,144
ST Thomas More	Unspent ABG (Schools contribution) transferred to earmarked reserves	-215,364
TOTAL VARIANCE EXCLUDING CAPITAL ENTRIES		2,569,810

**APPENDIX 2
CHILDREN & YOUNG PEOPLE
CAPITAL OUT TURN 2009-10**

	2009/10 Budget £	Spend £	Year End variance £	2009/10 slippage	Variance net of slippage £
MAINSTREAM SCHEMES					
UNIVERSAL					
Youth service building refurbishment	44,965	31,395	(13,570)	13,570	
SPECIALIST					
Eldon House reposition	1,028,148		(1,028,148)	1,028,148	
Redruth Road Modernisation	65,259	54,777	(10,482)	10,482	
Modernisation of childrens homes	217,061	237,330	20,269		20,269
ICS (Integrated Childrens System)	79,736		(79,736)	79,736	
TOTAL SPECIALIST	1,390,204	292,108	(1,098,096)	1,118,365	20,269
EDUCATION					
Academies	400,000	379,152	(20,848)	20,848	
Academy Project Support Funding	209,921	209,921			
Barcroft school	2,746,398		(2,746,398)	2,746,398	
Basic Need	2,143,071	529,396	(1,613,676)	1,613,676	
Building schools for the future	793,861	484,053	(309,808)	309,808	
ICT	313,209		(313,209)	313,209	
Modernisation - all schools	5,095,575	2,257,661	(2,837,914)	2,837,914	()
New pupil places - Fibbersley	302,271	98,407	(203,864)	203,864	
Priority 1 backlog - School building repair	969,554	969,554			
Refurbishment of Essington lodge	32,297	32,297			
Schools access initiative	1,041,907	413,017	(628,890)	628,890	
Targeted capital bids - ME SEBD JL	451,810	342,245	(109,564)	109,564	
TOTAL EDUCATION	14,499,875	5,715,704	(8,784,171)	8,784,170	()
Catering	21,517	21,355	(162)		(162)
CHILDRENS MAINSTREAM TOTAL	15,956,560	6,060,562	(9,895,998)	9,916,106	20,107
SPECIFICALLY FUNDED SCHEMES					
	2009/10 Budget £	Spend £	Year End variance £	2009/10 slippage	Variance net of slippage £
UNIVERSAL					
Youth capital fund	182,610	116,146	(66,464)	66,464	
Youth capital funding plus	451,777	396,065	(55,712)	55,712	
TOTAL UNIVERSAL	634,387	512,211	(122,176)	122,176	
SPECIALIST					
ICT capital grant - mobile technology					
Information Systems for parents & providers (ISPP)	31,040	31,040			
Integrated childrens system	41,152	41,152			
TOTAL SPECIALIST	72,192	72,192			
EDUCATION					
14-19 diplomas, SEN and disabilities	2,000,000	151,425	(1,848,575)	1,848,575	
Academies	400,000		(400,000)	400,000	
Barcroft - (Elm Street/Albion Road) - Targeted capital	1,343,367	786,944	(556,423)	556,423	
Black Country challenge funding - Bluecoat	60,000	60,000			
Black Country challenge funding - Brownhills	60,000	60,000			
Brownhills community technology college	119,040	105,389	(13,651)	13,651	
Children's Centres - Maintenance					
Childrens Centres - Phase 3					
Creating a STEM development centre	13,796	13,796			
Darlaston community college - new environmental grant	199,684	199,684			
Devolved formula capital	7,724,760	4,084,993	(3,639,768)	3,639,768	
Early Years PVI					
Extended schools	1,045,151	112,675	(932,476)	932,476	
Harnessing Technology	1,427,882	964,747	(463,135)	463,135	
Modernisation - all schools	3,101,707	3,101,707			
Pathfinder short breaks (Aiming high for disabled children)	117,300		(117,300)	117,300	
Primary capital programme	3,861,063	409,324	(3,451,739)	3,451,739	
School travel plans	367,389	111,420	(255,970)	255,970	
Specialist schools - Castle	3,500	3,500			
Specialist schools - Jane Lane	660,182	635,277	(24,905)		(24,905)
Specialist schools - Willenhall sports college	105,000	102,194	(2,806)	2,806	
Streetly school new changing room block	52,856	52,856			
Surestart Early Years & Child Care Grants	2,973,408	569,891	(2,403,517)	2,403,517	
Targeted capital bids - ME, SEBD, JL	707,019	649,434	(57,586)	57,586	
Targeted capital bids - Queen Marys Grammar	345,000	79,799	(265,201)	265,201	
Targeted capital bids - Short Heath federation of schools	470,846	213,084	(257,762)	257,762	
TOTAL EDUCATION	27,158,951	12,468,139	(14,690,813)	14,665,908	(24,905)
TOTAL SPECIFICALLY FUNDED	27,865,530	13,052,542	(14,812,989)	14,788,085	(24,905)
TOTAL CHILDREN & YOUNG PEOPLE	43,822,091	19,113,104	(24,708,988)	24,704,190	(4,797)