

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

**Agenda Item
No. 6**

DATE: 17 JULY 2013

DRAFT REVENUE AND CAPITAL OUTTURN 2012/13 (PRE-AUDIT)

Ward(s) All

Portfolio:

Cllr R Andrew – Portfolio Holder for Children's Services

Summary of report

This report summarises the draft revenue and capital outturn position for the year ended 2012/13, subject to external audit, for services within the remit of the Children and Young People's Scrutiny and Performance Panel.

Recommendation

To note that the draft 2012/13 year end financial position for services under the remit of the Children and Young People's Scrutiny and Performance Panel, is a revenue variance (overspend) against budget of **£0.697m** (net of use of earmarked reserves/carry forwards), and a capital outturn to budget (net of approved carry forwards into 2013/14).

Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout the year
2012/13 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2012/13.

Signed:



Chief Finance Officer: James T Walsh **Interim Executive Director:** Rose Collinson

Date: 5 July 2013

Date: 9 July 2013

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.

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1 Revenue Outturn 2012/13 – Children and Young People’s Directorate

1.1 The draft revenue outturn for 2012/13 for the services under the remit of the Children and Young People’s Scrutiny and Performance Panel is an overspend against budget of **£0.697m** (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 - Draft Revenue Outturn 2012/13					
Service	Annual Budget £	Year End Actual £	Year End Variance £	Use of Reserves / Approved carry Forward £	Variance Net of Reserves (Under)/ Overspend £
Prevention & Targeted Services	527,190	43,339	(483,851)	509,579	25,728
Corporate Parenting	23,124,133	22,781,532	(342,601)	(41,293)	(383,894)
Integrated Young People Support Service	3,665,731	3,284,788	(380,943)	(69,014)	(449,957)
Prevention and Targeted Management	509,418	587,636	78,218	(100,000)	(21,782)
Vulnerable Children	5,997,107	6,747,604	750,497	0	750,497
Intervention	2,328	228,422	226,094	0	226,094
Safeguarding	2,448,737	2,524,944	76,206	(67,657)	8,550
Specialist Services Management	3,060,775	3,700,251	639,476	(196,898)	442,578
Education	12,491,478	12,511,456	19,978	79,542	99,520
TOTAL	51,826,897	52,409,971	583,074	114,259	697,333
Proposed carry forwards from 2012/13 to 2013/14					0
TOTAL NET OF CARRY FORWARDS					697,333

1.2 The budget for 2012/13 included approved savings of £1.495m. £0.812m (54%) of these were achieved. The reasons for non-achievement were the increase in the number of looked after children and a short delay in moving staff out of youth

centres. The pressure from the increase in the number of looked after children has continued into 2013-14, work is ongoing to reduce the numbers where possible.

- 1.3 The outturn includes net use of and transfers to reserves of £0.114m where approval was given by Cabinet for additional funds for specific services, which are summarised in **Table 2** below.

Table 2 - Analysis of 2012/13 Use of Earmarked Reserves		
Service	Amount £	Explanation
Carry Forwards from 2011/12		
	(36,563)	CRB checks
	(31,338)	ICT - children centres
	(80,000)	Work force improvement
	(100,000)	Common Assessment Framework
	(64,805)	Myplace running costs
	(24,000)	Foster care redesign
Other Specific Reserves		
	(300,822)	Transition costs
	(155,608)	IFRS reserve - use of grant funding
	(14,665)	Pay and grading reserve
Transfer to Reserves		
	91,838	Thomas More PFI
	61,178	Transition - Contribution after usage
	541,000	IFRS reserve - grant in advance
Windfall income		
	228,043	LACSEG one off payment
Total Use of Reserves	114,259	

- 1.4 Carry forwards are a means of recognising sound budget management by allowing the carry forward of planned revenue underspends and/or achieved revenue savings, excluding the use of windfalls/ unplanned underspends/savings. This is dependent on achievement of planned service delivery targets/ outcomes and a balanced position council wide at year end. Approval for under/overspend carry forwards rests with Cabinet, on the advice of the CFO. No revenue carry forward requests are recommended for approval.

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

- Increased costs due to the failed inspection.
- Significant increase in looked after children post inspection.
- High usage of agency staff.
- Full analysis of the variances is shown in **Appendix 1**.

2 Capital Outturn 2012/13 – Children and Young People’s Directorate

2.1 The capital outturn for 2012/13 for the schemes under the remit of this panel is an underspend against budget of **£22.753m**, of which £22.753m has been approved to be carried forward into 2013/14, resulting in the capital schemes being on budget. **Table 3** below provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Table 3 - Draft Capital Outturn 2012/13					
Service	Annual Budget £	Final Outturn £	Year End Variance £	Carry forward to 2013/14 £	Variance Net of c/fwds £
<u>Council Funded Schemes</u>					
Education	580,421	230,711	(349,710)	349,710	0
Specialist	1,994,204	993,372	(1,000,832)	1,000,815	(16)
Total Council Funded	2,574,625	1,224,083	(1,350,542)	1,350,525	(16)
<u>Externally Funded Schemes</u>					
Education	42,995,721	21,773,691	(21,222,030)	21,222,027	(4)
Specialist	284,366	143,314	(141,052)	141,052	0
Prevention and Targeted	232,862	193,632	(39,230)	39,230	0
Total Externally Funded	43,512,949	22,110,636	(21,402,313)	21,402,309	(4)
TOTAL	46,087,574	23,334,719	(22,752,855)	22,752,835	(20)

Appendix 1

Service	Reason / Explanation for Variance	Variance (£)
Specialist management	Use of agency staff post inspection and increase in cost of legal and interpretation due to increase in LAC.	442,578
Vulnerable Children	Increased use of agency staff. Running at levels of 37 above establishment across year.	750,497
Childrens Resource Management	Cutbacks in non essential expenditure to support the corporate position, including one vacant Head of Service post for half the year, fewer extensions to houses for adoptive parents and reductions in additional tutoring for looked after children out of the borough.	(177,930)
Looked After Children	Whilst LAC placement budgets are overspent to due numbers of children in care. Support services especially Contact are showing large underspends due to greater utilisation of internal resources.	147,057
Transition & Leaving Care	Agency staff usage is high following a restructure / number of redundancies in year.	169,471
Internal Residential	Reduction in costs due to service re-design. A number of vacant posts at all levels throughout year including a few at care managers level. Additionally not all beds are occupied which reduces direct costs of the homes.	(522,492)
Intervention	Additional costs caused by failed inspection such as interim management arrangements.	226,094
Youth Services	Several vacant posts and reduced commissioned services during the year	(449,957)
Education	Education activities no longer chargeable against DSG.	106,425
	Other variance	5,590
Total		697,333

Appendix 2

Service	Annual Budget £	Final Outturn £	Year End Variance £	Carry forward to 2013/14 £	Variance Net of c/fwds £
<u>Council Funded Schemes</u>					
Targeted Capital Bids - Barcroft	401,235	73,067	(328,168)	328,168	0
IT investment in mobile working	79,000	78,984	(16)	0	(16)
Eldon House reprovion	923,391	914,389	(9,002)	9,002	(0)
Integrated childrens system	66,813	0	(66,813)	66,813	0
Contact Services	925,000	0	(925,000)	925,000	0
Schools access initiative	179,186	157,644	(21,543)	21,543	0
Total Council Funded	2,574,625	1,224,083	(1,350,542)	1,350,525	(16)
<u>Externally Funded Schemes</u>					
14-19 diplomas, SEN and disabilities	483,897	360,903	(122,994)	122,994	0
Academies	26,681,193	16,293,272	(10,387,921)	10,387,921	0
Barr Beacon language college s106	36,769	31,568	(5,201)	5,201	0
Basic need	4,673,752	199,404	(4,474,348)	4,474,348	0
Black Country University Technical College (UTC) - Phase 1	89,588	89,587	(1)	0	(1)
Black Country University Technical College (UTC) - Phase 2	53,280	19,953	(33,327)	33,327	0
Capital maintenance	7,167,389	3,058,637	(4,108,752)	4,108,752	0
Devolved capital	3,649,300	1,559,816	(2,089,484)	2,089,484	0
Myplace Young Peoples Centre at Joseph Leckie	172,062	172,062	0	0	0
Pathfinder short breaks	284,366	143,314	(141,052)	141,052	0
School travel plans	34,980	34,978	(2)	0	(2)
Youth capital funding	60,800	21,570	(39,230)	39,230	0
s106 contributions	11,358	11,358	0	0	0
School contributions	114,215	114,214	(1)	0	(1)
Total Externally Funded	43,512,949	22,110,636	(21,402,313)	21,402,309	(4)
TOTAL	46,087,574	23,334,719	(22,752,855)	22,752,835	(20)