

REVENUE BUDGET OUTTURN REPORT 2006/07

Report By: **Malcolm Green, Manager of Finance**

Wards Affected

County-wide

Purpose

1. To report the final outturn on the revenue budget for 2006/07 for the Children & Young People's Directorate.

Financial Implications

2. As set out in the report

Background

3. The Revenue Budget monitoring report to the Children's Services Scrutiny Committee on 15th December, based on expenditure to 31st October 2006, anticipated that the Children's Revenue Budget would be overspent by a £214,000 (less than 1%). The final Outturn is better than predicted. This is largely due to a £235,000 carry forward from 2005/06 provisionally allocated for the Joint Agency Management budget and not required, and a range of small underspends elsewhere in the budget.
4. Safeguarding and Assessment budgets saw a significant overspend of £554,000 in total largely due to a doubling of the number of external agency placements in year, having risen from 24 in April 2006 to 35 in March 2007. There is a statutory responsibility on the Council to meet the needs of individual children. As each new placement typically costs in excess of £150,000 pa. There will be a continuing cost pressure in 2007/08 as the full year costs of the new placements will have to be funded. It is difficult to restrict expenditure within budget and meet statutory responsibilities.
5. Redundancy commitments contractually agreed before the year-end have been charged to this financial year resulting in an overspend of £285,000. There are continuing pressures on this budget arising from falling pupil rolls in schools and an overspend of a similar order is to be expected in 2007/08.
6. School Transport route reviews continue to deliver welcome savings, worth £373,000 in 06/07. Continued transport savings will help meet the ongoing cost pressures in 07/08 although further transport savings will become increasingly hard to find without placing children on lengthy journeys. One off savings in School Improvement arising from delayed staff replacements provided a useful contribution.
7. The level of school balances as at 31st March, 2007 is £8.015m compared with £8.653 million for 31st March 2006. This is a reduction of £638,000 equivalent to 7.4%. School revenue balances show a reduction of £2.097m (29.6%) and capital balances an increase of £1.525m (134.8%). The capital balances have more than doubled probably due to schools transferring money to capital to avoid the newly implemented balance

clawback scheme, which applies to revenue balances only. A full report on the level of school balances has been considered by the Schools Forum and further work has been agreed to help schools to prepare detailed capital spending plans.

RECOMMENDATION

THAT the report be noted

BACKGROUND PAPERS

- **None identified.**