

## REVENUE BUDGET MONITORING REPORT 2007/08

Report By: **FINANCE MANAGER**

### Wards Affected

County-wide

### Purpose

1. To report on the monitoring of the revenue budget for 2007/08 for the Children & Young People's Directorate

### Financial Implications

2. As set out in the report

### Background

3. The Integrated Performance Report to Cabinet on 20<sup>th</sup> September, based on expenditure to 31<sup>st</sup> July 2007, anticipated that the Children's revenue budget would be overspent by £774,000. This report has been updated to include expenditure up to the 31<sup>st</sup> August and projects a similar overspend of £783,000 before any claims on the corporate social care contingency. Potential savings from the Spend to Save programme from all Directorates are being reported corporately.
4. The Safeguarding and Assessment budgets are projected to overspend by £878,000 in total largely due to the full year effect of the increase in the number of external agency placements (£529,000) and increased fostering placements (£313,000). External agency placements have risen from 24 in April 2006 to 37 in July 2007 however there has been a small reduction to 35 at the end of August. Fostering placements have risen from 102 in April 2007 to 105 in June before reducing to 103 at the end of August. No budget increase was received to cover the rising number of placements and 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, unless placements can be reduced there will be a continuing cost pressure in 2008/09. It is difficult to restrict expenditure within budget and meet statutory responsibilities.
5. Redundancy commitments will not be known until February/March 2008 when schools consider their detailed budget plans however the budget was overspent by £285,000 last year and there are the same continuing pressures 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 and savings of £166,000 are projected. One off savings of £166,000 in School Improvement arising from a one-off windfall from the transfer from academic year funding through standards fund to the LAA which is on a financial year also provide a welcome contribution.

7. Dedicated Schools Grant is expected to under spend in total by £211,000 which comprises of an additional £416,000 extra grant from higher than budgeted pupil numbers however this is offset by a projected overspend of £441,000 on Nursery Education Funding to Private, Voluntary and Independent providers arising from an additional week's payment in this financial year (+2.7%) and a temporary rise in numbers (+3.5%). This is offset by a possible under spend in the out county placements budgets of £328,000 although one additional placement could reduce this under spend. Schools Forum will be considering on 10<sup>th</sup> October whether an additional distribution to schools of £139,000 can be made in this financial year. Dedicated Schools grant is ring fenced to be spent on schools and specific services to schools and any under or over spend must be carried forward.

## **RECOMMENDATION**

**THAT the report be noted**

### **BACKGROUND PAPERS**

- Revenue Budget Monitoring Report August 2007 - attached