

REVENUE BUDGET MONITORING REPORT 2007/08**Report By: Finance Manager****Wards Affected**

Countywide

Purpose

1. To report on the revenue budget's financial position for Children & Young People's Directorate as at the end of December 2007 and to provide projections to the end of the financial year.

Financial Implications

2. As set out in the report

Background

The Children & Young People's Scrutiny Committee receives regular budget monitoring reports with the last one covering the first six months of the financial year. The position presented to the meeting on 5th October projected a £774k overspend.

Overall Position

3. The position as of the end of December is a projected overspend of £475k. This compares with a projected overspend of £703k reported in the November Integrated Performance Report. The reduction reflects an assessment of expenditure to be funded by the Invest to Save/Spend to Mitigate budget for Children's Services. For 2007/08 this budget is held centrally until relevant expenditure has been incurred that can be funded from this source. Agreement has been reached with the Head of Financial Services that this can now be released.
4. The overall position is likely to further improve as the directorate will make a claim against the £1.3m central contingency for social care pressure. This contingency is part of the agreed budget management strategy as outlined in the Medium Term Financial Management Strategy.

Children's Services

5. As indicated in the previous report the major budget pressure within the directorate is against the Children's Services budget covering areas such as external placements.
6. The Safeguarding and Assessment budgets are projected to overspend by £615,000 in total largely due to the full year effect of the increase in the number of external agency placements (projected outturn £707,000) and increased fostering placements (projected outturn £256,000).

Further information on the subject of this report is available from Malcolm Green, Finance Manager

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7. Analysis of the number of placements shows a rise from 24 in April 2006 to 33 in December 2007. Similarly fostering placements have risen from 102 in April 2007 to 114 at the end of November 2007. The Council has a statutory responsibility to meet the needs of individual children if such placements are suitable. These placements can be expensive and typically each one costs in excess of £150,000 p.a. This is a key pressure for 2008/09 financial year and unless placements can be reduced there will be a continuing cost pressure.
8. The Council is required to meet any redundancy costs arising within schools. The position won't be known until February/March 2008 when schools consider their detailed budget plans. The key pressure in this area is falling rolls and this budget was overspent by £285,000 last financial year.
9. School Transport route reviews continue to deliver welcome savings and this year savings of £254,000 are projected. One off savings of £229,000 largely due to the one-off windfall arising from the transfer from Standards Fund academic year funding to financial year funding in the LAA.

Central spending within Dedicated Schools Grant (DSG)

10. Dedicated Schools Grant is expected to under spend in total by £244,000. This comprises an additional £416,000 extra grant
11. However, there is a projected overspend of £498,000 on Nursery Education Funding to private, voluntary and independent providers arising from an additional week payment in this financial year and a temporary rise in the numbers.
12. Special Needs Banded Funding is projected to overspend by £192k due to higher numbers of allocations at funding panel. This is offset by savings on fees to Independent Schools for SEN placements due to leavers and delayed new placements.
13. Legislation means the Dedicated Schools Grant is ringfenced and must be spent on schools and specific services to schools. Any under or over spend will be carried forward. The Schools Forum is planning that the underspend will be used to support next year's school budgets.

RECOMMENDATION

THAT Committee notes and comments on the projected 2007/08 financial outturn for Children's and Young People.

Background Papers

- None