

REVENUE BUDGET MONITORING REPORT 2007/08**Report By: Finance Manager, Children's Services****Wards Affected**

Countywide

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 Children & Young People's Scrutiny Committee receives regular budget monitoring reports with the last one covering the first nine months of the financial year. The position presented to the meeting on 22nd January 2008 projected a £475k overspend.

Overall Position

4. The Integrated Performance Report to Cabinet on 27th March 2008 was based on expenditure to 29th February 2008 and anticipated that the Children's revenue budget will be overspent by £832,000 however this was before the application of the social care contingency. This report has been updated to include expenditure up to the 31st March and the inclusion of the contingency funding. An overspend of £272,000 is now projected after allowing for £650,000 of extra budget from the social care contingency.
5. Also included in the expenditure is the estimated £468,000 cost arising from the Invest to Save/Spend to Mitigate programme. This expenditure will be re-imbursed at year end and after allowing for this re-imburement the expected outturn is an underspend of £196,000. It is intended to carry this underspend forward to new 2008/09 financial year to fund an 11 extra school transport days (which costs around £26,000 per day).

Children's Services

6. The Safeguarding and Assessment budgets are projected to overspend by £589,000. Application of the corporate social care contingency, as described above, is £650,000 and this results in a small underspend of £61,000. The underlying increase in costs results from the number of external agency placements (£694,000) and increased fostering placements (£290,000). External agency and fostering placements have also both risen during the year. Each new placement typically costs

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in excess of £150,000 p.a. and 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.

7. Schools redundancy commitments have not yet been fully finalised because not all confirmation letters have been received from schools. However the final cost will be approximately £300,000 overspent largely arising from falling rolls in schools. This is a similar cost to that incurred in 2007/08.
8. Subject to the final determination of creditors for 07/08, school transport savings of £144,000 are projected from continuing route reviews. Savings of £97,000 have accrued 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)

9. Dedicated Schools Grant is expected to under spend in total by £476,000 which has increased by approximately £200,000 from the last report due to lower projected spend on the nursery payments. The underspend comprises of an additional £416,000 extra grant from higher than budgeted pupil numbers however this is offset by a projected overspend of £278,000 on Nursery Education Funding to Private, Voluntary and Independent providers. Additionally there is a projected underspend on the budget put aside for the Joint Agency Management Agency/out county placements budgets. An allowance for costs arising from the schools VLE computer project has been made in the forecast. The Dedicated Schools Grant is ring fenced and must be spent on schools and specific services to schools and any under or over spend will be carried forward.

RECOMMENDATION

THAT the report be noted

BACKGROUND PAPERS

- None identified.