

REVENUE FINAL OUTTURN REPORT 2007/08**Report By: Finance Manager****Wards Affected**

Countywide

Purpose

1. To report on the final outturn for 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 27th March 2008 (based on expenditure to 31st February 2008) projected a revenue overspend of £832,000 before the application of the social care contingency. The report to the Children's Services Scrutiny Committee at the end of April (based on expenditure to the 31st March) projected an overspend of £272,000 after the application of the contingency. In addition budget of £468,000 was expected from the Invest to Save/Spend to Mitigate programme which reduced the projected outturn to a small underspend of £196,000.

Children's Services

4. At year end a balanced budget was achieved by using the spend to mitigate budget and the centrally held social care contingency.
5. The Safeguarding and Assessment budgets were £664,000 overspent. The underlying cost pressures result from the increase of external agency placements (£692,000) and increased fostering placements (£170,000). The overspend in external agency placements was offset by the application of the contingency at year end. The number of agency placements shows a rise from 24 in April 2006 to 29 at the end of 2007/08 (including 1 in secure accommodation). Similarly fostering and respite placements have risen from 112 in April 2007 to a peak of 126 in November before reducing to 112 in March 2008. The Council has a statutory responsibility to meet the needs of individual children if such placements are necessary and these placements can be expensive (typically each one costs in excess of £150k). This area is a key pressure for 2008/09 financial year and unless placements can be reduced there will be a continuing cost pressure.
6. In 2007/08 redundancy commitments totalled £571,000 representing an overspend of £466,000 against the budget. An analysis of three year school budgets indicates that a similar level of redundancies arising from falling rolls will continue for at least the next two financial years.

7. School Transport route reviews and fewer transport days in the school year delivered savings of £575,000, slightly higher than the predicted figure. The overall picture also saw 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. It should be noted savings from school transport continue to help meet the cost of overspends in other parts of the budget.

Dedicated Schools Grant

8. In 2007/08 Dedicated Schools Grant (DSG) was under spent in total by £1,199,000. The underspend has arisen due to extra grant funding of £416,000. This was caused by additional pupils, the carry forward from 2006/07 of £223,000, and an underspend in the Joint Agency Management Agency/out county placements budgets of £435,000 largely due to unexpected reduced placements. Additionally there was an overspend in banded funding of £135,000 and an overspend on nursery Education Funding to Private, Voluntary and Independent providers of £239k arising from an additional week's payment in this financial year and a temporary rise in numbers.
9. The DSG is ringfenced and must be spent on schools and specific services to schools and the £1.2m under spend has been carried forward to the new financial year. Schools Forum has agreed to distribute £700,000 to schools and is due to consider the remaining £499,000 at the meeting on 3rd July.

RECOMMENDATION

THAT the report be noted.