

Children and Families Overview and Scrutiny Committee
Tuesday, 13 November 2018

REPORT TITLE:	Financial Monitoring Report
REPORT OF:	Director of Finance and Investment (S151)

REPORT SUMMARY

This report sets out the financial monitoring information for Children and Families. The report provides Members with detail to scrutinise budget performance for this area of activity.

The report includes the following:

- Performance against the revenue budget (including savings, income and debt)
- Performance against the capital budget

RECOMMENDATION/S

- 1 The balanced revenue position year end forecast be noted.
- 2 The performance of the capital projects be noted.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To provide members with details of the financial performance of the Overview and Scrutiny Committee's area.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Not applicable

3.0 BACKGROUND INFORMATION

3.1 PERFORMANCE AGAINST REVENUE BUDGETS

3.1.0 CHANGES TO THE AGREED BUDGET

- 3.1.1 The 2018/19 Budget was agreed by Council on 5 March 2018. Any increase to the overall Council Budget (but not use of the existing budget contingency) requires agreement by full Council. Changes to the Budget since it was set are summarised in Table 1.

Table 1: 2018/19 Original & Revised Net Budget by Wirral Plan Themes

	Original Net Budget	Budget Changes In Year	Revised Net Budget
	£000	£000	£000
People - Children & Families	80,992	8,534	89,526
Net Cost of Services	80,992	8,534	89,526

Budget Changes:

The Council has implemented new management structures during the year. A number of service areas and budgets have moved between directorates since the beginning of the year. The quarter 1 Financial Update reflected the Children with Disabilities Service which has now transferred to Adults for reporting purposes as part of the new All Aged Disability Service budget. The reported budget at quarter 1 was £80.99 Million. The Childrens Services budget has now increased to £89.526 million with the reasons explained below.

Since the beginning of the year the following budget changes have been implemented

- £11.1m Budget has transferred from Capital representing Improvement Plan activity in revenue financed via the flexible use of capital receipts
- £2.6m of budget is no longer reported within Children and Families due to transfer of the Children with Disabilities services for reporting purposes to Adults as part of the new All Age Disability Service following implementation of a new Council operating structure.

3.2.0 PROJECTIONS AND KEY ISSUES

3.2.1 The projected outturn position and Wirral Plan: 2020 Vision Themes updates are detailed in the following sections.

Table 2: 2018/19 Projected Budget variations by Wirral Plan Themes

Directorates	Revised Budget	Forecast Outturn	(Under) Overspend Quarter 2	RAGBY Class	Change from prev
People - Children & Families	89,526	89,526	0	G	0
TOTAL	89,526	89,526	0		0

The report classifies the forecast under/overspends for the above areas using a colour RAGBY rating. The ratings are defined as follows:

- Overspends Red (over +£301k), Underspend Yellow (over -£301k).
- Amber (+£141k to +£300k), Green (range from +£140k to -£140k); Blue (-£141k to -£300k).

3.2.2 Children and Families - Balanced

- The cost of Children Looked after (CLA) continues to present a pressure for the Directorate. However, the number of CLA has stabilised over the past 6 months. The increasing complexities of needs still represent a challenge and work continues to be undertaken to bring this cost pressure down.

Area	Budget £	Spend £	Year End Forecast £	Variance £
Children's Social Work	17,929,700	8,216,390	17,253,500	676,200
Early Help & Prevention	8,603,468	3,482,188	8,482,900	120,568
Modernisation & Support	9,690,592	1,417,840	7,361,900	2,328,692
Practice and Improvement	376,900	105,221	331,900	45,000
Safeguarding and WSCB	2,321,500	1,117,792	2,401,500	-80,000
Commissioned Looked after Children	26,042,940	13,188,730	29,164,300	-3,121,360
Commissioner for Schools	23,196,400	3,952,863	23,165,500	30,900
Willowtree	1,363,700	902,346	1,363,700	0
Total Budget	89,525,200	32,383,370	89,525,500	0

- The investment provided in the 18/19 budget is taking shape with new practice being embedded within the Directorate creating efficiencies and enabling reactive expenditure to be diverted to prevention.
- Commissioner for Schools. Spend to date appears low but is due to budget profile as various recharges are made at year end.

3.3.0 PERFORMANCE AGAINST CAPITAL BUDGETS

3.3.1 Capital Programme 2018/19

	Revised Programme	Spend to Date	Funded by: Council Resources	Funded by: Grants
	£000	£000	£000	£000
Children & Families	7,241	1,992	371	1,621

Note: £11.1 million of Improvement Plan Funding financed from flexible use of capital receipts is reflected within the revenue budget

3.3.2 The expenditure incurred so far this year (approximately £2 million) relates to schools capital projects. Works to schools are largely programmed to be undertaken during the school holiday periods.

3.3.3 Some of the more significant schemes are - to cater for increased pupil numbers at Town Lane Infants (£0.80 million), Heygarth Primary (estimated £0.40 million), Higher Bebington Juniors (estimated £0.6 million), Well Lane Primary internal refurbishment (£0.30 million) and West Kirby Primary entrance/classroom conversion (£0.30 million).

4.0 FINANCIAL IMPLICATIONS

4.1 The financial implications of this report are discussed throughout the report. This is essentially a financial monitoring performance update report.

5.0 LEGAL IMPLICATIONS

5.1 The entire report concerns the duty of the Council to avoid a budget shortfall. The Chief Finance Officer has a personal duty under the Local Government Finance Act 1988 Section 114A to make a report to the executive if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources available to it to meet that expenditure.

6.0 RESOURCE IMPLICATIONS; ICT, STAFFING AND ASSETS

6.1 There are no implications arising directly from this report.

7.0 RELEVANT RISKS

- 7.1 The possible failure to deliver the Revenue Budget is being mitigated by:
- Senior Leadership Team / Management Teams regularly reviewing the financial position.
 - Tracking system of savings options to monitor progress.
 - Use of temporary additional support to assist with delivery.
 - Corporate availability of earmarked reserves and General Fund Balances .

8.0 ENGAGEMENT/CONSULTATION

- 8.1 No consultation has been carried out in relation to this report.

9.0 EQUALITIES IMPLICATIONS

- 9.1 This report is essentially a monitoring report which reports on financial performance.

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SUBJECT HISTORY

APPENDICES

Appendix 1 – Capital Programme and Funding 2018/19

Council Meeting	Date
Budget Council	5 March 2018
Cabinet – Revenue Monitoring 2017/18 Quarter 1	16 July 2018
Cabinet – Capital Monitoring 2017/18 Quarter 1	16 July 2018

People Children & Families	Revised Programme £000	Spend to Date £000	Council Resources £000	Grants £000	Total Funding £000
Family support schemes	157	-	157	-	157
SEN and disabilities	206	-	-	206	206
Healthy Pupils Capital Fund	245	4	-	245	245
SEND assisted travel fleet replacement	266	256	250	16	266
School condition allocation	4,000	1,485	-	4,000	4,000
Basic needs	1,320	126	-	1,320	1,320
School remodelling (Primary places)	900	121	900	-	900
CYPD systems improvements	147	-	147	-	147
Total	7,241	1,992	1,454	5,787	7,241

Note: Transformation Funding of £11.1 million funded from capital is now incorporated within the Childrens Services revenue budget