

Children and Families Overview and Scrutiny Committee
Wednesday, 27 February 2019

REPORT TITLE:	Financial Monitoring Report Quarter 3 2018/19
REPORT OF:	Director of Finance & Investment (S151)

REPORT SUMMARY

This report sets out the financial monitoring information for the Children and Families Overview & Scrutiny Committee. The report provides Members with detail to scrutinise budget performance for this area of activity. The financial information is at close of quarter 3 2018/19.

Information has been drawn from the relevant sections of the most recent Cabinet revenue and capital monitoring reports and combined with additional relevant service information to produce a bespoke report for this Overview & Scrutiny Committee. The report includes the following:

- Performance against the revenue budget (including savings)
- Performance against the capital budget

RECOMMENDATION/S

- 1 That members note the report and appendices.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Overview and Scrutiny Committees receive regular financial updates throughout the year. These allow Committees to understand the financial position of the council and to scrutinise decisions and performance as required.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Not applicable

3.0 BACKGROUND INFORMATION

- 3.1 The position financially at quarter 3 for the council as a whole was presented at cabinet on the 18th of February 2019. The quarter 3 revenue forecast is an overall overspend of £0.72 million for the year. Delivery Services forecast overspends making up all of this.

The quarter 3 capital report recommends that Cabinet agree the 2018/19 Capital Programme of £53.5 million which takes into account re-profiling identified during 2018/19. Expenditure to date is £33.3 million.

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.

Table 1: 2018/19 Original & Revised Net Budget

Theme	Q2 Budget	Budget Changes Q3	Revised Net Budget
	£000	£000	£000
Children and Families	89,526	45	89,571
Net Cost of Services	89,526	45	89,571

Budget movements in quarter three cover a number of small issues. These movements have no effect on the bottom line budget of the Council and are just adjustments to better reflect where budgets should be placed.

3.2.0 PROJECTIONS AND KEY ISSUES

3.2.1 The projected outturn position as at the end of December 2018 and Wirral Plan: 2020 Vision Themes updates are detailed in the following sections.

Table 2: 2018/19 Projected Budget variations

Theme	Portfolio	Revised Budget	Actuals at Quarter 3	Forecast Outturn	(Under) Overspend Quarter 3
Children and Families	Childrens	17,907	12,497	17,138	-769
	Schools	22,482	13,956	22,375	-107
	Modernisation & Support	7,258	3,889	7,523	265
	Early help & Prevention	8,765	5,934	8,601	-164
	Head of Practice and Improvement	87	262	78	-9
	Head of Safeguarding Unit	2,322	1,547	2,346	24
	Lead Commissioner Looked after Children	26,683	20,787	29,542	2,859
	One off Pressures	4,067	769	1,968	-2,099
TOTAL		89,571	59,641	89,571	0

Children and Families

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 9 months. The increasing complexities of needs still represent a challenge and work continues to be undertaken to bring this cost pressure down.

The investment provided in the 2018/19 budget is taking shape with new practices embedded within the Directorate creating efficiencies and enabling reactive expenditure to be diverted to prevention. This investment will continue to shape the Directorate into 2019/20.

Pressures on the schools budget continue to grow and are now projected to total £2m, due to the further identification, demand, and complexity of pupils with Special Education Needs (SEN). These are partially offset by the transfer from the Individual Schools Budget not being fully utilised, as well as other small underspends within the DSG budget. The remaining projected 2018/19 overspend of £1.13m will be met from the DSG reserve.

The SEN pressures are reflected nationally, and will continue in 2019/20. Wirral has commissioned Premier Advisory Group to carry out an in-depth independent review of SEN provision, which will take place in 3 phases over the 2018/19 academic year, with the aim of reallocating DSG resources to meet need and to avoid future overspends. Any changes however will not impact the budget until 2020/21.

3.4.0 PERFORMANCE AGAINST CAPITAL BUDGETS QUARTER 3 (December 2018)

3.4.1 Capital Programme 2018/19 at end of Quarter 3 (31 December)

	Capital Strategy	September	December	Actual Spend Dec 2018
	£000	£000	£000	£000
Childrens Services	19,099	18,341	17,164	11,684
Total expenditure	74,561	60,948	53,577	33,268

* Break down of these figures can be found in appendix 1

- 3.4.2 Higher Bebington Junior School: This scheme was required to cater for an increase in pupil numbers [capacity]. It consists of extending three existing classrooms, new pupil toilet facilities (DDA compliant), major internal re-configuration of four classes, re-location of staff offices and improved main entrance. Estimated expenditure is over £0.6 million. It is on target financially and contractually to be completed by the middle of February.
- 3.4.3 Well Lane Primary School: This project consists of the internal refurbishment of the key stage 2 areas including new pupil toilets, enlarging two classrooms, a new main entrance and office accommodation. Estimated expenditure is £0.3 million. It is on target financially and contractually to be completed by the end of January.
- 3.4.4 West Kirby Primary School: The project consists of a new main entrance with improved security, reception and Head-teachers office, minor internal re-configuration, infill of an unused area to form a new classroom in a non-traditional design. Estimated expenditure is £0.3 million It is on target financially and contractually to be completed by the end of March.
- 3.4.5 New Brighton Sports Barn: This is a stand-alone sports barn development to provide the school and community with the facility to carry out sports curriculum and improve pupil lifestyle and well-being. The project has been tendered to the amount of £400,000 including professional fees and statutory costs. The project is due to commence early February 2019 and is estimated to be completed by early July 2019.
- 3.4.6 Improvement Programme - this represents a continuation of the transformation funding allowed under the flexible use of capital receipts criteria. In 2018/19 it has been allocated across Children's Social care, Safeguarding, Quality, Performance and Improvement and Children with Disabilities. The funding will be used to improve social work practices and outcomes for children, reduce numbers of Children Looked After and establish a stable workforce and reduce reliance on agency workers. Presently this is being monitored through revenue and will be transferred to capital at the year end.

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 There are none arising directly from this report.

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 There are none directly relating to this report. The monitoring of financial performance is important to ensure robust financial control procedures are in place. The council faces financial challenges in this period as it seeks to increase income, reduce costs whilst transforming its approach to services. There is a risk in future years that the Council does not achieve a planned approach.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

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

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APPENDICES

Appendix 1 – Capital Programme and Funding 2018/19

BACKGROUND PAPERS

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Budget Council	5 March 2018
Cabinet – Revenue Monitoring 2018/19 Quarter 1	16 July 2018
Cabinet – Capital Monitoring 2018/19 Quarter 1	16 July 2018
Cabinet – Revenue Monitoring 2018/19 Quarter 2	26 November 2018
Cabinet – Capital Monitoring 2018/19 Quarter 2	26 November 2018
Cabinet – Revenue Monitoring 2018/19 Quarter 3	18 February 2019
Cabinet – Capital Monitoring 2018/19 Quarter 3	18 February 2019

Capital Programme and Funding 2018/19**APPENDIX 1**

Childrens Services	Revised Programme £000	Spend to Date £000	Council Resources £000	Grants £000	Total Funding £000
Condition/modernisation	3,600	2,492	-	3,600	3,600
School remodelling (Primary places)	600	138	600	-	600
Basic Needs	1,000	431	-	1,000	1,000
SEN and disabilities (new grant)	206	23	-	206	206
Healthy Pupils Capital Fund	245	19	-	245	245
SEND assisted travel (replace adult fleet)	266	256	250	16	266
Systems improvements (liquidlogic)	147	-	147	-	147
Improvement Programme	11,100	8,325	11,100	-	11,100
	17,164	11,684	12,097	5,067	17,164