

WIRRAL COUNCIL

CHILDREN'S SERVICES AND LIFELONG LEARNING OVERVIEW AND SCRUTINY COMMITTEE - 30 OCTOBER 2007

REPORT OF DIRECTOR OF CHILDREN'S SERVICES

CHILDREN AND YOUNG PEOPLE'S DEPARTMENT FINANCIAL MONITORING 2007-08

EXECUTIVE SUMMARY

This report provides a financial overview of the Children and Young People's Department budget in the current year. At this time there is a projected overspend for the department for the year of £840,000.

1. Background

1.1 The attached appendix summarises the financial position for the department and comments on the implementation of service re-engineering and budget savings. This has previously been submitted to all members of the committee.

2. Variations

2.1 The variations since the last report on 12 September are shown below:

	Budget	Current Variations	Previous Report
	£000	£000	£000
Looked After Children	13484	310	190
Employee costs	14110	250	250
Service Re-engineering	2036	650	730
SEN	5841	0	150
Legal Fees	40	80	80
Transport	4258	100	0
Standards Fund	22837	(550)	(120)
Total		840	1280

Looked After Children

The anticipated LAC costs have been increased as estimated contributions from other partners have been revised.

Service Re-engineering

There has been some progress identifying savings – procurement savings arising from spend restrictions and also a reduction to the Behaviour Improvement Programme (BIP).

SEN

The additional SEN costs previously reported will be absorbed within the Schools Budget.

Transport

Although the school transport taxi contracts reported to Cabinet in July indicated a reduction in costs these are being offset by a requirement to arrange additional SEN

journeys to schools. The overall Home to School transport position is likely to worsen given the reduced F Bus take up in September.

Standards Fund

Changes have been made to the Excellence in Cities and Behaviour Improvement Programme. This has arisen from a requirement to spend grants held centrally by 31 March rather than 31 August. The saving is estimated to be £550,000. This is making a significant difference to the overall budget position and any scope for further in year savings is being examined. However this is a one off saving and does not address or resolve longer term concerns within the base budget.

3. Financial and Staffing implications

The financial position described projects a budget overspend for the year of £840,000 (the previous report identified a potential overspend of £1,280,000).

There are no direct staffing implications arising from this report.

4. Other implications

- 4.1 There are no implications arising out of this report in terms of equal opportunities, ethnic minorities, the elderly or the disabled; nor are there any LA21, community safety, planning, anti poverty, social inclusion and Local Member support implications.

5. Background papers

- 5.1 There are none.

RECOMMENDATIONS

- (1) That the report is noted.
- (2) That a further report updates the financial position at the next committee meeting.

Howard Cooper
Director of Children's Services

Appendix 1

WIRRAL COUNCIL - CHILDREN AND YOUNG PEOPLE'S DEPARTMENT FINANCIAL MONITORING REPORT 2007/08 POSITION AS AT 30th SEPTEMBER 2007

SAVINGS NON-SERVICE RE-ENGINEERING

Details	£000	Comments / progress
PFI reduction in consultants and support costs	75,000	Budgets reduced
Instrumental Music Service and Oaklands - Increase tuition fees / reduce council subsidy	50,000	Charges reviewed
Early Years and Surestart - central support and Toy Library	105,000	Budgets adjusted
Reduce Education Welfare, Psychologists and Performance Management establishments by two posts each and reorganise	230,000	Savings implemented
Transport – remove subsidy on F Bus and transfer costs of Solar School transport	116,000	Reported to Cabinet
Youth Offending Service	70,000	Costs transferred
Children's grant	40,000	Budgets reduced
Independent emergency beds	100,000	Budgets reduced
Children's homes repairs and maintenance	50,000	Budgets reduced
LEA initiatives (used to fund policy option)	30,000	Budgets reduced
Car allowances	74,300	Budgets reduced

SAVINGS SERVICE RE-ENGINEERING

Details	£000	Comments / progress
Reduce Advisory Teacher budget	50	Match funding has been reduced.
Reduce BIP Budget	50	The programme has been reduced.
Grant funding – Children's Grant.	500	Additional Children's Grant and ex-funding for Nurture Groups will be used for other existing CYP activities
Early Years and Surestart	200	Opportunities to transfer eligible costs into grant funding will be identified.
Procurement savings	155	The restrictions on spend are producing short-term savings
Other savings still to be identified	431	
Target for the year	1,386	

POLICY OPTIONS

Details	£000	Comments / progress
LEA Initiatives	30	Partnership with Liverpool Philharmonic
Children's homes and foster care	10	To personalise rooms and recognise achievements

CABINET DECISIONS

Date	Details	£
10.7.2007	School F Bus transport tenders and charges to parents	25,000
7.6.2007	School Meals service – meal price increase	
26.7.2007	Early Retirement Costs	82,200
26.7.2007	SEN Transport Tenders	135,000 cr

20.9.2007	Increase in Fostering Fees Update	24,000
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VOLATILE AREAS / POTENTIAL VARIATIONS

Details	£000	Comments / progress
LA and Independent Children's homes, Foster Care Budgets and lodging allowances	310	This forecast is reliant on making alternative provision for a number of children and young adults. Additional contributions are also being sought from the PCT and DASS, where care costs are jointly funded or should be transferred. In a number cases this is proving difficult to achieve.
Employee Costs	250	Additional costs have been incurred eg. in Fieldwork Teams and Agency costs. Agency staff will reduce as Social Workers are recruited.
Service Re-engineering	650	Savings still have to be identified (£430,000). In addition there are shortfalls in Vacancy Control (£140,000) and savings are required to cover pension strain costs (£80,000).
Special Education Needs Budget	-	These Schools Block budgets are consistently under pressure. Costs can be offset by a reduction within the SEN Action Plan budget, DSG carried forward from 2006-07 and Schools Contingency.
Legal Fees	80	The number of LAC referrals through the courts
Home to school Transport	100	There are additional SEN taxi journeys indicating that costs will increase. In addition there are pressures on the F Bus budget.
School Meals Service	-	A meal price increase has been implemented
Standards Fund / Curriculum underspend	550cr	Some Standards Funds Grants from the previous year has been used to offset costs within the CYP budget. In addition a new requirement that some grants must be spent by 31 st March has resulted in programme changes and a one-off saving.

FORECAST VARIATIONS

The forecast variations above indicate a budget overspend for the department in the current year of £840,000 (a reduction of £440,000 since the previous report). The main change is the use of Standards Fund Grant to offset costs in the CYP budget. This is a one-off opportunity arising from a new requirement to spend some grants by 31st March, rather than 31st August. This has resulted in changes to a number of spend programmes.

Although the position continues to improve, this is increasingly reliant on one year or short term savings. In the medium term there are significant gaps in the budget.

HOWARD COOPER

DIRECTOR OF CHILDRENS SERVICES