

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA FAMILY AND CHILDREN'S SERVICES SCRUTINY COMMITTEE - 29 JUNE 2010

FAMILY AND CHILDREN'S SERVICES BUSINESS GROUP

PROVISIONAL OUTTURN 2009/2010

1. INTRODUCTION

1.1 The accounts for 2009/10 are substantially closed, although they are still subject to external audit. This report sets out variations from the final revenue and capital budgets for the Family and Children's Services Business Group. It provides explanations of significant under/overspend and under/over achievement of income. The report also sets out proposals for carry forwards of underspend into the new financial year.

2. REVENUE OUT-TURN

2.1 The final net revenue expenditure position for the Family and Children's Services Business Group shows an overall overspend of £0.082 million compared with the final revenue budget. The gross expenditure of Family and Children's Services Business Group is £164.979 million.

	Gross Exp £'000	Income £'000	Net £'000
Final Budget (see Annex A for calculation)	162,324	105,765	56,559
Actual Expenditure 2009/10	164,979	108,404	56,575
Total Variation	2,655	2,639	16
Plus/(Less) delegated schools budget variation	66	0	66
Business Group Variation – Other	2,721	2,639	82
Total Variation incl Schools (%)	1.64%	2.50%	0.03%
Total Variation on Business Group (%)	1.68%	2.50%	0.14%

2.2 A detailed list of the main variations is included in Annex B1 and Annex B2. The most significant variations are shown in the following paragraphs.

2.3 The "Southwark Judgement" which has led to councils having to treat homeless 16 and 17 year olds as looked after, has led to increased placement and support costs of approximately

£135,000. This includes an estimate of the cost of housing those children who are in our own homes of £36,000.

- 2.4 A net underspend of £374,000 was achieved across the Directorate and Resources by strong management action on discretionary expenditure across the Business Group. This included the centralisation of computer hardware budgets and the rationalisation of spend on new computer hardware.
- 2.5 The re-grading of some categories of staff, particularly Library staff due to single-status, has increased employee costs by approximately £46,000.
- 2.6 The Parenting budget overspent by £145,000 (including £34,000 associated with the Southwark judgement). Despite a small decrease in the number of looked after children (LAC) there has been an increase in the average cost per LAC.
- 2.7 There has been an overspend on employee costs in Family Services of £55,000 caused by the use of agency staff while the restructuring of Social Work teams was taking place.
- 2.8 There was a £249,000 overspend on costs of operating the Children's Care homes and flats within Family Services.
- 2.9 The final settlement of the 2008/09 Asylum Special Circumstances Grant Claims and initial estimation of the value of the 2009/10 claim has resulted in receipts over budget of an additional £371,000.
- 2.10 The net cost of Supporting Special Education Needs placements was £760,000 over budget. This variance was made up of placements outside the Borough being £1,293,000 over budget, offset by additional recoupment income receivable from other local authorities of £533,000.
- 2.11 There was a £305,000 overspend on the cost of Home to School transport for Special Education Needs pupils.
- 2.12 The Children's Centres income budget was overachieved by £230,000; this however necessitated additional staffing expenditure of £88,000.
- 2.13 Significant variations on these budgets have already been highlighted in previous revenue budget monitoring reports to the Cabinet. The most recent report in April 2010 indicated a projected overspend for the Business Group of £0.196 million.

3. SLIPPAGE REQUESTS

No slippage requests have been made.

4. CAPITAL EXPENDITURE

4.1 The expenditure compared to the current budget for each capital project is summarised in the table below. It is proposed to carry forward the budget for expenditure of £5,917,000 that has slipped into subsequent years. Note that the budget and actual figures below have both been reduced following the allocation of approximately £1,573,000 of expenditure as revenue costs related to capital projects. Of this figure approximately £1,359,000 was met from council resources/balances and approximately £214,000 was grant funded.

Project	Current Budget £'000	Actual Outturn £'000	Variance £'000	% of Budget spent	Carried Forward £'000
Flagship Projects					
Holland Park School - Design	2,996	2,435	- 561	81.3%	561
Holland Park School - Redevelopment	3,085	831	- 2,254	26.9%	2,254
Chelsea Academy	1,969	1,061	- 908	53.9%	908
Chelsea Academy - Sponsorship	2,350	1,000	- 1,350	42.6%	1,350
Central Library	-	-	-	-	-
Total Flagship Projects	10,400	5,327	- 5,073	51.2%	5,073
Family Services Projects					
St Quintins Family Centre	1,630	1,630	-	100.0%	
Oxford Gardens	1,011	834	- 177	82.5%	250
Other	137	108	- 29	78.8%	
Total Family Services Projects	2,764	2,572	- 192	93.1%	250
Condition Projects	1,372	1,363	- 9	99.3%	84
Suitability Projects	781	528	- 253	67.6%	200
Sufficiency Projects	-	0	-	0.0%	-
Access Projects	229	49	- 180	21.4%	180
ICT Projects	158	0	- 158	0.0%	130
Externally Funded					
Childrens Centre Capital	50	50	-	100.0%	
Play Pathfinder	1,499	1,499	-	100.0%	
Early Years PVI Grant	579	579	-	100.0%	
Fair Funding	791	791	-	100.0%	
Other	330	330	-	100.0%	
Total Externally Funded	3,249	3,249	-	100.0%	-
Total Miscellaneous Projects	284	246	- 38	86.6%	-
Total Business Group	19,251	13,334	- 5,917	69.3%	5,917

- 4.2 There is currently slippage of £561,000 on the **Holland Park School Design** project, which is principally as a result of protracted design team work in meeting a number of design related conditions associated with the detailed planning approval. This project will continue in 2010/11 and carry forward of the full slippage amount is requested.
- 4.3 There is also slippage of £2,254,000 on the **Holland Park School Redevelopment** budget which has occurred as a result of the delays arising from additional design work which meant that construction work could not begin. Carry forward of the full amount is requested.
- 4.4 The majority of the **Chelsea Academy** budget allocation relates to the works to provide temporary accommodation for the Academy at Hortensia Road. Although the unencumbered site and the temporary accommodation have been provided, there will be some calls on the budget in 2010/11. The main item is the additional costs of landscaping works to Tetcott Road as approved by the Planning Authority. An application is made to carry forward all of the £908,000 underspend.
- 4.5 There is currently a substantial projected underspend on the **Chelsea Academy Sponsorship** budget, owing to additional sponsorship contributions being slightly lower than anticipated, a limited commitment to additional items and no call on resources beyond the project contingency. There is an underspend of £1,350,000; it is recommended that the return of the underspend is deferred until the end of the contract period in June 2010.
- 4.6 **Oxford Gardens** has slipped by £177,000. The redevelopment has been delayed due to recent flooding that occurred in the basement area. As a result of this delay the required carry forward figure is indicated as **£250,000** into the next financial year to cover additional costs.
- 4.7 **Condition Projects.** Expenditure on condition projects included major boiler and heating refurbishment works at Park Walk Primary School (£100,000), external works and improvement works at Marlborough Primary School (£160,000), window replacement and heating improvements at Parkwood Hall School which are to be completed in 2010/11, and window renewal/replacement works at Oxford Gardens School. A high volume of emergency works were covered by reducing the cost of planned areas of enhancements to widen the overall scope of works possible. Slippage of **£84,000** is therefore requested to

fund the completion of the window upgrade works at Parkwood Hall School.

- 4.8 **Suitability.** The repairs to the flood damage at Notting Hill Gate Library are to be completed in 2010/11 from funds released from the Insurance reserve; a carry forward of that reserve of **£97,000** is requested. There is an underspend on suitability of £253,000 which is principally due to delays with the RFID works in Libraries. To complete the main RFID preparatory works the requested carry forward for this area is **£200,000**.
- 4.9 **Access.** Delays have occurred on the feasibility works for planning lift projects where consultants have been investigating options for new lifts in 'complicated' school buildings (e.g. listed buildings). Proposals from the architects have now been received. Capital costs associated with lift installations will fall within 2010/11 and beyond and slippage of **£180,000** is requested. All spend in 2010/11 is dedicated to the completion of the Park Walk school project.
- 4.10 **ICT capital.** There is currently an underspend of £158,000 on projects in this area. This position is as a result of slippage on the ICS Additional Service Teams project (£70,000) and FCS Systems Integration (£60,000) both projects will continue in 2010/11. To fund the completion of these projects the total carry forward requested for this area is **£130,000**.

ANNE MARIE CARRIE

EXECUTIVE DIRECTOR FOR FAMILY & CHILDREN'S SERVICES

ANNEX A**CALCULATION OF FINAL BUDGET**

	Gross Exp.	Income	Net
	£'000	£'000	£'000
Original Budget 2009/10	152,417	97,008	55,409
Subsequent Changes:-			
Capital Charges Increase	407		407
Carry Forwards from 2008/09	110		110
Transfers between Business Groups	2	23	(21)
Central Support Services Recharge	(224)		(224)
Pension Fund Current Service	(2,146)		(2,146)
Virement to Other Budgets	2,843	2,843	-
Capital Reserve/Contributions	1,079		1,079
Transfer to and from reserves	153		153
Transfer to and from contingency	452	19	433
Capital Items deemed to be revenue	1,359		1,359
Schools Income Generated Budgets	5,872	5,872	-
Total Changes	9,907	8,757	1,150
Final Budget 2009/10	162,324	105,765	56,559

ANNEX B1

SERVICE VARIATIONS SUMMARY 2009/10

Service	Final Budget 2009/10 £'000	Actual Spend 2009/10 £'000	Var. £'000	Var. %
Budgets Controlled By Business Group Executive Director of Family and Children's Services	585	464	-121	-20.7
Total Head of Resources	2,644	2,391	-253	-9.6
Director of Community Learning				
Community Learning Management and Support Services	1,063	995	-68	-6.4
Extended Services	2,193	2,175	-18	-0.8
Youth Support and Development Services	4,978	4,956	-22	-0.4
Adult and Family Learning	339	323	-16	-4.7
Libraries Management and Support Services	1,880	1,918	38	2.0
Library Services	2,934	2,933	-1	0.0
Total Director of Community Learning	13,387	13,300	-87	-0.6
Director of Family Services				
Family Services Management and Support Services	2,432	2,443	11	0.5
Child Protection	807	784	-23	-2.9
The Virtual School	341	353	12	3.5
Fostering And Adoption	2,174	2,125	-49	-2.3
Youth Justice	528	539	11	2.1
Children's Social work	2,916	3,017	101	3.5
Parenting	3,594	3,739	145	4.0
Unaccompanied Asylum Seeking Children	-	(371)	-371	
Leaving Care	1,472	1,657	185	12.6
In House Children's Homes and Flats	1,703	1,952	249	14.6
Other Services-Family Support	799	729	-70	-8.8
Promoting and Assessments	1,641	1,667	26	1.6
Complex Health Needs And Disability - Social Work	1,164	1,164	0	0.0
Complex Health Needs And Disability - Parenting	1,160	1,172	12	1.0
Complex Health Needs And Disability - Promoting and Assessments	567	621	54	9.5
Complex Health Needs And Disability - Other Services	892	831	-61	-6.8
Total Director of Family Services	22,190	22,422	232	1.0
Director of Strategy, Commissioning and Performance				
Strategy, Commissioning and Performance	1,527	1,371	(156)	-10.2
School Meals Management Contract	(30)	(113)	(83)	-276.7
Total Director of Strategy, Commissioning and Performance	1,497	1,258	(239)	-16.0

Service	Final Budget 2009/10 £'000	Actual Spend 2009/10 £'000	Var. £'000	Var. %
Director For Schools, Quality and Standards				
Children's Centres	2,156	2,015	(141)	-6.5
Early Years Nursery Education	1,684	1,684	-	0.0
Early Years Central Functions	485	432	(53)	-10.9
Early Years Outreach	281	275	(6)	-2.1
Schools Strategic Management	1,697	1,447	(250)	-14.7
Facilitating School Improvement	4,042	3,980	(62)	-1.5
Placements and Recoupment	(187)	573	760	406.4
Special Home to School Transport	1,457	1,762	305	20.9
Pupil Referral Unit	1,369	1,374	5	0.4
Education Welfare	988	1,036	48	4.9
School Admissions	236	221	(15)	-6.4
Access, Inclusion and Other	2,465	2,807	342	13.9
Nursery Schools (Formula)	2,461	2,469	8	0.3
Primary Schools (Formula)	37,840	38,299	459	1.2
Secondary Schools (Formula)	21,005	20,514	(491)	-2.3
Special Schools (Formula)	4,334	4,293	(41)	-0.9
Dedicated School Grant	(73,400)	(73,780)	(380)	-0.5
Total Director For Schools, Quality and Standards	8,913	9,401	488	5.5
Corporate and Democratic Core	18	14	(4)	-22.2
Total Budgets controlled by Business Group	49,234	49,250	16	0.0
Budgets controlled by other Business Group(s)	7,937	7,937		
FRS 17	(3,138)	(3,138)		
Capital Charges	2,526	2,526		
Total	56,559	56,575	16	0.0

EXPLANATION OF 2009/10 VARIATIONS BY SERVICE

	Exp Variations £'000	Income Variations £'000	Amount Carried Forward £'000
DIRECTORATE			
DIRECTORATE AND INITIATIVES			
With holding of directorate initiatives expenditure	-121		
Net underspend of £121,000			
RESOURCES			
MANAGEMENT AND SUPPORT SERVICES			
Rationalisation of computer hardware purchase	-74		
Underspend on staffing costs	-174		
Other minor variations		-5	
Net underspend of £253,000			
COMMUNITY LEARNING			
COMMUNITY LEARNING MANAGEMENT AND SUPPORT SERVICES			
There has been an underspend on electricity costs that has contributed to an overall under spending on premises costs at Freston Road	-12		
A staff vacancy, long-term sickness and charging some salaries costs to grants have contributed to an under spend on employee costs	-39		
Other minor variations	-6	-11	
Net underspend of £68,000			
EXTENDED SERVICES			
A reduction in income has been more than balanced by a reduction in costs within the Play Service	-6	4	
Additional grants including Play Pathfinder and Big Lottery Fund have been accessed	36	-36	
Additional costs for inclusion work have been partially offset by additional income	30	-26	
Additional grants for Out of School Hours activities have been accessed	35	-35	
Other minor variations	-7	-13	
Net underspend of £18,000			
YOUTH SUPPORT AND DEVELOPMENT SERVICES			
Additional building costs incurred across the service	42		
Additional Grants have been accessed	233	-233	
Overspend on staffing in the Voluntary Sector has partially been recovered by additional income	17	-13	
Overspend in the Service has been met by over achievement of income targets	14	-82	
Net underspend of £22,000			
ADULT AND FAMILY LEARNING			
Additional Grants within the Adult and Family Learning Service have been accessed including c/fwds from previous years	308	-308	
Under budget take-up of Transport assistance budget	-28		
Overspend on home to school transport	10		
Additional grants have been accessed within the Employment Projects team including the Future Jobs Fund	226	-226	
Other minor variations	-5	7	
Net underspend of £16,000			
LIBRARY MANAGEMENT AND SUPPORT SERVICES			
There has been an over spend on employee costs mainly due to redundancy and single status costs	35		
There has been an over spend on the materials fund partially offset by sales of used books	20	-4	
General underspends on supplies and services have occurred in the service to offset over spends in the service	-9		
Other minor variations		-4	
Net Overspend of £38,000			
LIBRARY SERVICES			
Under achievement of income on all sites		36	
Reduction on building & utility costs have occurred across the service	-33		
Additional Grant have been accessed from the PCT	87	-87	
There would have been an under spending on employee costs however the service had to absorb approximately £45,000 in additional costs due to single status regradings	14		
General underspend on supplies and services have occurred in the service to offset over spends in the service	-18		
Net underspend of £1,000			
FAMILY SERVICES			
MANAGEMENT AND SUPPORT SERVICES			
Room hire not budgeted across codes	21		
Other minor variations	-9	-1	
Net overspend of £11,000			
CHILD PROTECTION			
Overspend on LAC Review team salaries due to Team Manager redundancy costs	35		
Underspend on CAF Training programme not run in 200910	-57		
Additional income from LSCB to cover agreed costs of salaries	6	-6	
Other minor variations		-1	
Net underspend of £23,000			
THE VIRTUAL SCHOOL			
Premises costs for use of Colville School not budgeted	9		
Overspend on supplies and services not budgeted	3		
Net overspend of £12,000			

	Exp Variations £'000	Income Variations £'000	Amount Carried Forward £'000
FOSTERING AND ADOPTION			
Underspend on employee costs	-23		
Overspend on Adoption teams subscriptions	11		
Overspend on Advertising for Fostering	50		
Overspend on Staff travel - budget held centrally	9		
Fostering inter agency fees income received over budget		-79	
Adoption inter agency fees income received over budget		-17	
Net underspend of £49,000			
YOUTH JUSTICE			
Additional income received from the Football Foundation not budgeted		-35	
Net overspend on Employee costs	24		
Net overspend on running costs	22		
Net overspend of £11,000			
CHILDREN'S SOCIAL WORK			
Overspend on employee budget mainly due to agency spend prior to restructuring of Social Work teams	55		
Overspend on teams' supplies and services	46		
Additional premises spend across Social Work teams	4		
Staff travel overspend across teams	3		
Other minor variations	3		
Additional grant received for award ceremony		-10	
Net overspend of £101,000			
PARENTING			
There was an overspend on placements costs for Looked After Children	90		
Costs for LAC brought in through the Southwark Judgement	34		
There was an Underspend on a budget of £25k to convert property of a carer. This work has not started in 2009/10	-25		
There was an overspend on travel costs	44		
Other minor variations	2		
Net overspend of £145,000			
UNACCOMPANIED ASYLUM SEEKING CHILDREN			
Exceptional Circumstances grant not budgeted for		-200	
There was an underspend from additional income received from the UASC Special Circumstances grant received for prior years. This was more than had been provided for		-180	
Other minor variations	9		
Net underspend of £371,000			
LEAVING CARE			
Overspend on Rent and Subsistence paid to Care Leavers and Housing Benefit reimbursements and NASS income received	112	-32	
Additional leaving care costs due to the Southwark Judgement	2		
Underspend on Promoting for Care Leavers	-5		
Overspend on staffing costs for the Independent Support team	82		
Shortfall in Leaving Care Grant received for 2009/10		26	
Net overspend of £185,000			
IN HOUSE CHILDREN'S HOMES AND FLATS			
Overspend on staffing costs which includes sleep ins, overtime and agency. Also includes Supporting People staff costs which grant was received but not budgeted	147	-40	
Overspend of supplies and services at Whistler Walk and St Mark's	106		
Overspend on other running costs	8		
Shortfall in income not received against client contributions budget		28	
Net overspend of £249,000			
OTHER SERVICES - FAMILY SUPPORT			
Net overspend on salaries plus income from schools for the schools support officer posts in the Early Intervention team	69	-58	
Underspend on Commissioned posts from Health following change in funding of posts	-81		
Net underspend of £70,000			
PROMOTING AND ASSESSMENT			
There is an overspend on Promoting due to new cases being supported due to the Southwark Judgement	64		
Net underspend on Assessments including underspend from the Family Assessment and Support team	-25		
Other minor variations	-13		
Net overspend of £26,000			
CHN&D SOCIAL WORK			
Overspend on Social Work team salary costs plus additional income received from Aiming High	9	-9	
Nil Variance			
CHN&D PARENTING			
Overspend on Placement budget	12		
Net overspend of £12,000			
CHN&D PROMOTING AND ASSESSMENT			
Overspend on Staff costs part funding received from Health not included in budget	33	-33	
Payment to Full of life for an Information service which was funded from Health	33	-33	
Net Overspend on Assessment	21		
Net overspend on Promoting	30		
Other minor variations	3		
Net overspend of £54,000			

	Exp Variations £'000	Income Variations £'000	Amount Carried Forward £'000
CHN&D OTHER SERVICES			
Underspend on commissioned services within the Behavioural and Family Support Team	-45		
Underspend against Little House prior to transfer to St Quintin's	-22		
Other minor variations	5	1	
Net underspend of £61,000			
STRATEGY, COMMISSIONING & PERFORMANCE			
Net underspend on employee costs	-83		
There was an overspend on PIRS premises charges which had not been budgeted for	9		
Small overspend on transport spend which was not budgeted for.	5		
Procurement and Contracts income received exceeded amount budgeted		-32	
PIRS underspend on running costs for printing and design	-45		
Underspend in Performing Well budget allocated in 2009/10	-10		
Net underspend of £156,000			
SCHOOLS MEALS MANAGEMENT CONTRACT			
There was an increase in the income received from school meals; this was offset partly by the increase in spend	102	-185	
Net underspend of £83,000			
SCHOOLS QUALITY AND STANDARDS			
EARLY YEARS CHILDREN'S CENTRES			
Overachievement of Children's Centre income target		-246	
Additional staffing to cover the growth in numbers of children	105		
Net underspend of £141,000			
EARLY YEARS CENTRAL FUNCTIONS			
Additional Sure Start allowed us to fund Staff from the grant rather than RBKC funding		-39	
Budget set on the total available funding from the LDA but full allocation of places were not utilised and subsequently not claimed	-278	278	
Other minor variations	-14		
Net underspend of £53,000			
EARLY YEARS OUTREACH			
Other minor variations	-2	-4	
Net underspend of £6,000			
SCHOOLS STRATEGIC MANAGEMENT			
In year staff savings	-115		
Core ICT costs lower than budgeted due to smart procurement and lower than predicted uptake	-71		
ICT SLA income lower than expected due to lower than predicted uptake		27	
Savings made in Strategic Management service	-94		
Other minor variations	3		
Net underspend of £250,000			
FACILITATING SCHOOL IMPROVEMENT			
Savings made in the school improvement service	-46		
Cost of Federation of Music project and grant funding of this project	22	-22	
Reduction in services sold by the Language Development Service	-11	11	
Additional services sold by the City Learning Centres team	171	-171	
Additional services sold by the City Learning Centres team	20	-20	
Increase in grant income and expenditure relating to 14-19 education	-70	70	
Cost and income relating to sale of services to Chelsea Academy	31	-31	
Reduction in services sold by the Professional Development Centre. As a sold service this is reflected in the income	44	-44	
Increase in PDC course conferences. As a sold service the increase in cost is reflected in an increase in income	28	-28	
Reduction in services sold by the School Improvement Service. As a sold service this is reflected in the income	-15	15	
Savings made by the Language Development Service (staff)	-13		
Other minor variations		-3	
Net underspend of £62,000			
PLACEMENTS AND RECOUPMENT			
Increase in SEN statements and costs in other authority maintained and special schools (£360k). Increase in RBKC pupils educated in other authority hospital schools (£80k)	440		
Increase in number and value of pupils in special independent placements	853		
Health authority contribution towards 1 pupil in a high cost special independent school		-53	
Increase in SEN statements from other local authorities in RBKC schools		-480	
Net overspend of £760,000			
SPECIAL NEEDS TRANSPORT			
Unexpected increase in number of runs / number of pupils	308	-3	
Net overspend of £305,000			
PUPIL REFERRAL UNIT			
Premises agreement with RBKC school (and therefore recharged)	42	-42	
Other minor variations	5		
Net overspend of £5,000			
EDUCATION WELFARE			
Staff costs were higher than anticipated. Action has been taken to mitigate this in 2010-11	11		
Income target not achieved		37	
Net overspend of £48,000			
SCHOOL ADMISSIONS			
Staff costs were lower than budgeted due to a vacancy remaining empty for a portion of the year	-15		
Net underspend of £15,000			

	Exp Variations £'000	Income Variations £'000	Amount Carried Forward £'000
ACCESS AND INCLUSION (OTHER)			
Increased costs relating to 5 pupils in high cost ABA programmes	73		
Reduced staff costs in Education Psychology	-34		
Lower demand for the Pupil Support Service (Additional Work) service. Since this service is sold to schools this resulted in a reduction in income and expenditure	-416	421	
Cost of agency staff in the Pupil Support Service	93		
Higher than expected costs relating to peripatetic teachers and speech therapy from other local authorities (£205,000)	205		
Net overspend of £342,000			
DEDICATED SCHOOLS GRANT			
DSG income brought forward		-380	
Net underspend of £380,000			
DELEGATED SCHOOLS BUDGETS			
Schools Delegated Budgets Increased their Reserves carried forward into 10/11	-66		
Other minor variations	1		
Net underspend of £65,000			
CORPORATE AND DEMOCRATIC CORE			
One exchange visit to Cannes was cancelled leading to an under spend.	-4		
Net underspend of £4,000			