

# THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

CABINET 22 FEBRUARY 2007

## REPORT OF THE EXECUTIVE DIRECTOR FOR FAMILY & CHILDREN'S SERVICES

### BUDGET MONITORING 2006/07 – QUARTER 3 FAMILY AND CHILDREN'S SERVICES

#### SUMMARY

##### REVENUE BUDGET

Business Group spending to the end of Quarter 3 totals £17.720 million (39.18% of the annual budget). It is forecast at this stage that the Business Group will **under spend by £0.126** million (0.28%) by the year-end.

##### CAPITAL BUDGET

Capital spending to date amounts to £10.400 million (69.8% of the annual budget) and based on current phasing of the budget would result in an overspend of £250k at the year-end. It is, however, forecast that the Business Group, after re-phasing and slippage, will be **on budget** by the year-end.

**FOR INFORMATION**

#### 1 KEY ISSUES

- 1.1 The Family and Children's Services revenue budget approved by the Council for the start of the current financial year amounted to £51.003m. Since then it has decreased to £45.222m, due to increases of: £246k for carried forward unspent Standards Funds & £35k general underspending, £150k net transfers from other business groups, £151k due to increased pension contributions and a reduction of £6,363k, due to a change in accounting standards removing the interest element from capital charges.
- 1.2 The reported forecast overspend at Quarter Two was £273k, mainly due to an anticipated overspend on SEN transport of £203k. There has therefore been a favourable movement in the expected outturn of £399k in the Quarter.
- 1.3 The movement in the Quarter primarily relates to the final settlement of the bid for the Leaving Care Grant for 2005/06 by the DfES at a

substantially higher figure (£216k) than was prudently allowed for in that year's accounts. Also the anticipated overspend for SEN Transport has reduced by £70k. There are a number of other service areas identifying less significant under and overspends.

- 1.4 The Special Educational Needs transport overspend is eligible for funding from the corporate car parking reserve. Should the end of year position worsen then this option would be looked at again.
- 1.5 The Home Office is attempting to reclaim a total of £3.3 million of Asylum Seekers grant, £1.5 million of which relates to "right to remain" cases. We are currently submitting our evidence to rebut the Home Office estimate but until this is resolved there remains a budget risk.
- 1.6 The Business Group has, as can be demonstrated, taken management action to address all overspends and will continue to do so.

## 2.0 REVENUE BUDGET

Revenue Budget Monitoring - Family & Children's Services DECEMBER 2006								
Service	Annual Budget £'000	Spend to Date £'000	Spend to Date %	Projected Outturn £'000	Variance £'000	Variance %	RAG Status	
<b>Budgets Controlled by Business Group</b>								
Total Executive Director of Family & Children's	292	343	117.27%	292	-	0.00%	Green	
<b>Schools Delegated Budgets</b>								
Schools Central	43,113	20,433	47.39%	43,113	-	0.00%	Green	
Delegated Schools Grant	-	2,853	-51.94%	2,650	203	-7.12%	Red	
	56,218	40,477	72.00%	56,218	-	0.00%	Green	
<b>Director of Schools</b>								
Standards Funds	8,145	2,102	25.80%	8,115	-	30	-0.37%	Green
PDC Based Services	513	395	76.96%	568	56	10.85%	Green	
School Improvement Services	829	178	21.42%	834	5	0.62%	Green	
Special Needs	4,534	1,430	31.53%	4,534	-	0.00%	Green	
Access & Inclusion	3,349	2,371	70.81%	3,413	64	1.90%	Green	
Schools Admissions & Governance	453	275	60.68%	453	-	0.00%	Green	
<b>Total Director of Schools</b>	<b>17,822</b>	<b>6,750</b>	<b>37.87%</b>	<b>17,917</b>	<b>94</b>	<b>0.53%</b>	<b>Green</b>	
<b>Director of Community Learning &amp; Arts</b>								
Early Years Childcare, Play & After Hour Services	2,948	2,242	76.05%	2,819	-	129	-4.39%	Amber
Services to Young People	2,305	1,714	74.35%	2,336	30	1.31%	Green	
Adult & Family Learning	257	341	-133.06%	227	-	30	-11.69%	Green
Community Education Management & Building Costs	980	840	85.73%	950	-	30	-3.06%	Green
Library Services	4,312	3,219	74.66%	4,368	56	1.30%	Green	
<b>Total Director of Community Learning &amp; Arts</b>	<b>10,802</b>	<b>7,674</b>	<b>71.04%</b>	<b>10,699</b>	<b>-</b>	<b>103</b>	<b>-0.96%</b>	<b>Green</b>
<b>Total Director of Family Services</b>								
Management & Support Services	3,244	1,783	54.97%	3,244	-	0.00%	Green	
Service Strategy	175	-	0.00%	175	-	0.00%	Green	
Services for Children & Families	17,971	13,249	73.73%	17,715	-	256	-1.42%	Green
Asylum Service	61	817	1348.02%	61	-	0.0%	Green	
<b>Director of Family Services</b>	<b>21,450</b>	<b>15,849</b>	<b>73.89%</b>	<b>21,194</b>	<b>-</b>	<b>256</b>	<b>-1.19%</b>	<b>Green</b>
<b>Support Services</b>								
Head of Support Services	137	222	162.76%	131	-	6	-4.21%	Green
Contracts & Catering	137	796	580.33%	137	-	0.00%	Green	
Central Establishment Charges	448	209	46.72%	448	-	0.00%	Green	
IT	137	77	56.20%	137	-	0.00%	Green	
Office Management & Stationery	114	94	82.29%	114	-	0.00%	Green	
Finance	288	374	130.05%	273	-	15	-5.21%	Green
Asset Management	197	233	117.98%	197	-	0.00%	Green	
Training	9	3	28.49%	5	-	4	-42.66%	Green
<b>Total Head of Support Services</b>	<b>1,467</b>	<b>2,008</b>	<b>136.87%</b>	<b>1,442</b>	<b>-</b>	<b>25</b>	<b>-1.67%</b>	<b>Green</b>
<b>Total Head of Policy Performance</b>	<b>384</b>	<b>322</b>	<b>83.99%</b>	<b>354</b>	<b>-</b>	<b>30</b>	<b>-7.82%</b>	<b>Green</b>
<b>Corporate &amp; Democratic Core</b>	<b>317</b>	<b>9</b>	<b>2.88%</b>	<b>307</b>	<b>-</b>	<b>10</b>	<b>-3.16%</b>	<b>Green</b>
<b>Total Budgets Controlled by Business Group</b>	<b>36,576</b>	<b>14,392</b>	<b>39.35%</b>	<b>36,450</b>	<b>-</b>	<b>126</b>	<b>-0.35%</b>	<b>Green</b>
<b>Budgets controlled by other Business Groups</b>	<b>6,067</b>	<b>3,283</b>	<b>54.10%</b>	<b>6,067</b>	<b>-</b>	<b>0.00%</b>	<b>Green</b>	
<b>Capital charges</b>	<b>2,578</b>	<b>45</b>	<b>1.74%</b>	<b>2,578</b>	<b>-</b>	<b>0.00%</b>	<b>Green</b>	
<b>Total</b>	<b>45,222</b>	<b>17,720</b>	<b>39.18%</b>	<b>45,096</b>	<b>-</b>	<b>126</b>	<b>-0.28%</b>	<b>Green</b>

**RAG Status (on net budget):**

Red = £100k+ variance and over +/-5%

Amber = £100k+ variance and between +/-3-5%

Green = under £100k variance or under +/-3%

- 2.1 The overall position for Family and Children's Services is presented in the table above.
- 2.2 SEN Transport continues to be the main pressure area, overspending by £203k due to the need to schedule new routes to support the statements for individual children.
- 2.3 The Family and Children's Services Business Group already does a great deal to minimise costs through effective and efficient routing of vehicles. Significant increases in SEN Transport costs are also occurring in many other local authorities, however, in order to ensure that all reasonable steps are being taken to control costs an independent consultant is to be commissioned to undertake a review. The aim will be to ensure that we maximise efficiencies and benefit from any best practices that other Local Authorities are undertaking.
- 2.4 Family Services show an underspend of £256k. This is mainly the result of the claim for the Leaving Care Grant for 2005/06 being settled in full. A claim of £416k was made for that year, however the DfES indicated at the time that there was only a fixed amount of overall funding available. If total claims received were in excess of this funding then LA's would only receive a percentage of their bids. Given this was the first year of operation of the grant and with no information as to the likely level of the overall claims a prudent estimate of roughly 50% of the amount bid for (£200k) was accrued in 2005/06.
- 2.5 The table shows a number of other less significant overspending areas, which are more than compensated by savings in other budget areas. The main saving shown of £129k against Early Years relates to underspends on Nursery Education Grant claims. These are payments to private, voluntary and independent nursery providers and reflects a lower than anticipated take up of places at these providers.

### **Progress on growth and savings**

- 2.6 All savings and growth proposals within the revenue budget are on track.

## **2 CAPITAL**

Capital Budget Monitoring - Family & Children's Services								
Quarter 3 - 2006/07								
Description	Original Budget £'000	Current Annual Budget 2006/07 £'000	Budget Profile to Q3 £'000	Actual Exp To Date £'000	% of annual budget spent	Forecast Outturn £'000	Forecast Variance £'000	Proposed Slippage into 2007/08 £'000
<b>Conditioned Projects</b>								
Nursery Schools	68	68	51	7	10.3%	65	- 3	
Primary Schools	471	471	353	206	43.7%	447	- 24	
Secondary Schools	20	20	15	19	95.0%	20	-	
Special Schools	151	151	113	63	41.7%	111	- 40	40
Non-School Buildings	180	170	128	188	110.6%	225	55	
Libraries	90	90	68	10	11.1%	90	-	
School Kitchens	60	60	45	59	98.3%	60	-	
<b>Total Condition Projects</b>	<b>1,040</b>	<b>1,030</b>	<b>773</b>	<b>552</b>	<b>53.6%</b>	<b>1,018</b>	<b>-12</b>	<b>40</b>
<b>Suitability Projects</b>	<b>488</b>	<b>679</b>	<b>509</b>	<b>222</b>	<b>32.7%</b>	<b>298</b>	<b>- 381</b>	<b>381</b>
<b>Sufficiency Projects</b>								
New Schools	6,961	7,660	5,745	6,530	85.2%	9,056	1,396	163
West Chelsea Play & Youth	485	485	364	30	6.2%	250	- 235	235
<b>Total Sufficiency Projects</b>	<b>7,446</b>	<b>8,145</b>	<b>6,109</b>	<b>6,560</b>	<b>80.5%</b>	<b>9,306</b>	<b>1,161</b>	<b>398</b>
<b>Access Projects</b>	<b>377</b>	<b>402</b>	<b>302</b>	<b>330</b>	<b>82.1%</b>	<b>395</b>	<b>- 7</b>	
<b>Minor Works Projects</b>	<b>75</b>	<b>73</b>	<b>55</b>	<b>91</b>	<b>124.7%</b>	<b>93</b>	<b>20</b>	
<b>Miscellaneous Projects</b>	<b>1,794</b>	<b>2,534</b>	<b>1,901</b>	<b>1,685</b>	<b>66.5%</b>	<b>2,462</b>	<b>- 72</b>	<b>130</b>
<b>Family Services Projects</b>	<b>857</b>	<b>2,030</b>	<b>1,523</b>	<b>960</b>	<b>47.3%</b>	<b>1,571</b>	<b>- 459</b>	<b>360</b>
<b>New Nursery Initiative Projects</b>								
<b>Total Business Group</b>	<b>12,077</b>	<b>14,893</b>	<b>11,170</b>	<b>10,400</b>	<b>69.8%</b>	<b>15,143</b>	<b>250</b>	<b>1,309</b>
<b>Financed By</b>								
General Resources	4,606	5,616				4,705	-911	911
Standards Funds	1,044	1,206				1,206		
Other DfES Grants	200	1,273				1,273		
Other Grants - NOF etc	601	1,325				1,325		
Internal Cash Funding	5,521	5,368				6,529	1,161	398
Car Parking Reserve	105	105				105		
<b>Total</b>	<b>12,077</b>	<b>14,893</b>				<b>15,143</b>	<b>250</b>	<b>1,309</b>

## Commentary on Variances

- 3.1 The £250k overspend and the proposed slippage of expenditure of £1,309k into the 2007/08 budget would give a cumulative overspend of £1,559k in 2006/07. The Capital Programme report elsewhere on the agenda proposes to re-phase the budget for the Academy by £1.559m reflecting the purchase of the Heatherley's site in December 2006, which brings this overall budget into line. In other words £1.559m of expenditure is being brought forward to be expended in 2006/07 rather than later years as had been originally budgeted for.
- 3.2 The suitability projects underspend of £381k relates to delays in projects at Bevington School and the central library. The school delay has been at the request of the school and the Library delay has been due to the lengthy process needed to appoint consultants under OJEU procedures.

## 4 KEY TRENDS, COST DRIVERS AND LEAD INDICATORS

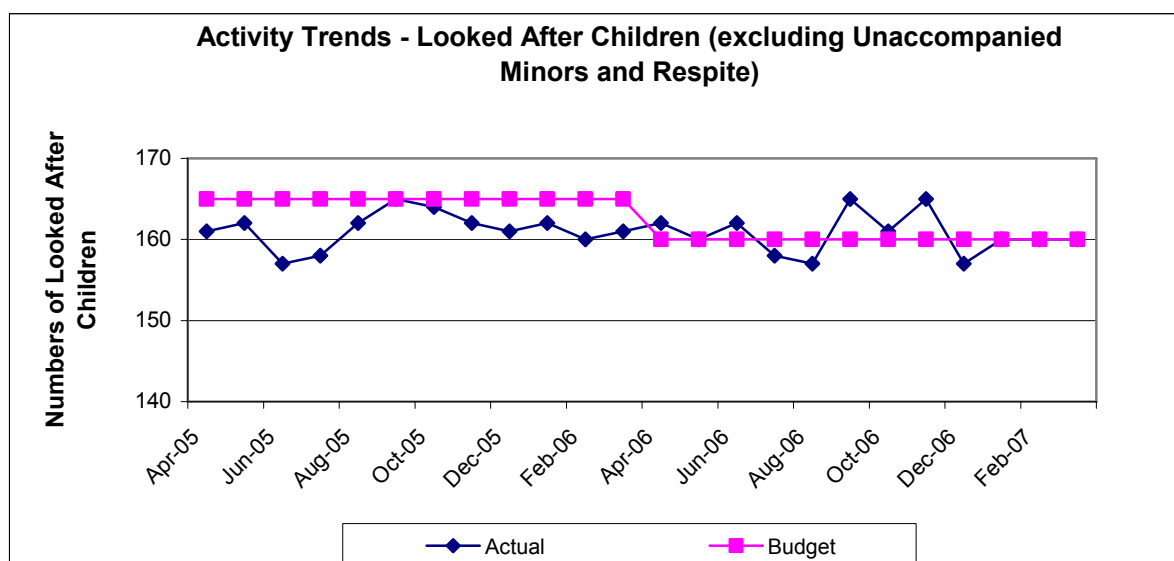
### 4.1 Staffing Trend:

#### Staff Costs Budget Monitoring - Family & Children's Services December 2006

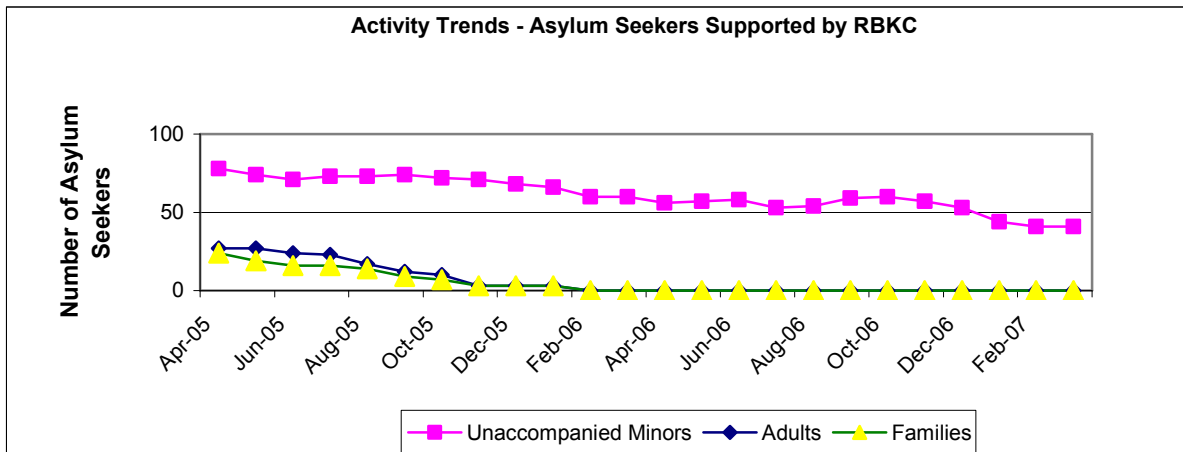
Service	Annual Budget £'000	Budget to date £'000	Spend to date £'000	Variance budget to date £'000	Variance budget to date %	Agency Staff & Overtime Spend £'000	Agency Staff & Overtime as % of total %
Research & Directorate	640	480	468	(12)	-2.5%	10	2.1%
Support Services	1,431	1,073	1,055	(18)	-1.7%	243	23.0%
Schools Support**	6,747	5,060	5,489	429	8.5%	395	7.2%
Community Education	5,591	4,193	4,272	79	1.9%	117	2.7%
Family & Children's Services	13,990	10,493	10,174	(319)	-3.0%	845	8.3%
Libraries	3,153	2,365	2,324	(41)	-1.7%	271	11.7%
<b>Total</b>	<b>31,552</b>	<b>23,664</b>	<b>23,782</b>	<b>118</b>	<b>0.5%</b>	<b>1,871</b>	<b>7.9%</b>

\*\* Includes SF where budgets not allocated to salaries

### 4.2 Trend for looked after children:



### 4.3 Trend for asylum seekers:



## 5 PERFORMANCE INDICATORS

5.1 Percentage of supplier invoices paid within 30 days (BVPI 8).

Q1 06/07	Q2 06/07	Q3 06/07	Q4 06/07	Cum. Yr to Date
78.5%	75.8%	<b>85.7%</b>		<b>80.0%</b>

**Anne Marie Carrie**  
**EXECUTIVE DIRECTOR FOR FAMILY AND CHILDREN'S SERVICES**