

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

CABINET 26 OCTOBER 2006

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

**BUDGET MONITORING 2006/07 – QUARTER 2  
FAMILY AND CHILDREN'S SERVICES**

**SUMMARY**

**REVENUE BUDGET**

Business Group spending to the end of Quarter 2 totals £10.787 million (21.04% of the annual budget). It is forecast at this stage that the Business Group will **over spend by £0.273 million (0.53%)** by the year-end.

**CAPITAL BUDGET**

Capital spending to date amounts to £3.05 million (20.8% of the annual budget) and it is forecast that the Business Group will **under spend by £0.863 million (5.88%)** 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 increased to £51.281m, due to: £246k for carried forward unspent Standards Funds & £35K general underspending, £46k from the HHASC business group due to realigned policy and performance functions and net transfers to Corporate Services of (£49K) for training, the transfer of 2 posts for reception duties and town twinning initiatives.
- 1.2 The greatest pressure area continues to be Special Educational Needs transport.
- 1.3 There are a number of other service areas identifying less significant overspends. The Business Group has and will continue to take management action to address overspends, as this stage, however, a net overspend at the end of the financial year of £273k is projected.

- 1.4 The reported forecast overspend at Quarter one was £278k, consisting of an anticipated overspend on SEN transport of £85k and an overspend of £193k due to grant uncertainty for children leaving care.
- 1.5 For quarter two the anticipated overspend for SEN Transport has increased due to additional routes being required and due to above inflation contract cost increases.
- 1.6 Since quarter one there has been an announcement confirming that Local Authorities will be receiving grant for children leaving care thus eliminating this potential shortfall.
- 1.7 The Management Committee of Westway Nursery Association have decided to close the under-threes service at Maxilla Nursery Centre on Friday 17 November, as it no longer has sufficient funding to run the under 3's services. Kensington and Chelsea Council will be offering all parents alternative places for their children during a period of temporary closure while it makes arrangements to secure the delivery of on-site childcare and family support services appropriate to the needs of the community in the longer term. As part of this review, this new provision will be structurally, managerially and operationally organised to ensure that it provides the highest possible standard of care in an integrated Children's Centre on the Maxilla site. The Council is presently reviewing its Children's Centre strategy through an all-party working group to ensure that the needs of all residents, but particularly the poorest and most vulnerable residents are met. The trustees of Westway Nursery Association are very pleased that they have been able to work with Kensington and Chelsea Council to ensure that childcare and family support services will remain at Maxilla as it moves towards becoming an integrated Children's Centre

## **2.0 REVENUE BUDGET**

- 2.1 The overall position for Family and Children's Services is presented in the following table.
- 2.2 SEN Transport continues to be the main pressure area, resulting from 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 The table below shows a number of other less significant overspending areas, which are compensated by savings in other budget areas. The main saving shown of £147k against Central Strategic Costs relates to underspends on growth funding added to the 2006/07 budget to cover additional staffing costs required to establish the new business group. It is still anticipated that as the restructuring of services unfolds this funding will be fully required for 2007/08.

Revenue Budget Monitoring - Family & Children's Services				SEPTEMBER 2006			
Budgets Controlled by Business Group: Service	Annual Budget £'000	Spend to Date £'000	Spend to Date %	Projected Outturn £'000	Variance £'000	Variance %	RAG Status
<b>Total Executive Director for Family &amp; Children's</b>	241	151	62.92%	241	-	0.00%	Green
<b>Schools Delegated Budgets</b>	42,758	15,310	35.81%	42,758	-	0.00%	Green
<b>Schools Central</b>	- 2,584	2,706	-104.69%	- 2,311	273	-10.57%	Red
<b>Delegated Schools Grant</b>	- 56,218	- 29,233	52.00%	- 56,218	-	0.00%	Green
<b>Director of Schools</b>							
Standards Funds	8,574	1,634	19.06%	8,514	- 60	-0.70%	Green
PDC Based Services	514	283	55.01%	597	83	16.10%	Green
School Improvement Services	822	- 141	-17.15%	827	5	0.62%	Green
Special Needs	4,534	- 83	-1.84%	4,534	-	0.00%	Green
Access & Inclusion	3,183	1,626	51.09%	3,247	64	1.99%	Green
Schools Admissions & Governance	429	189	44.05%	429	-	0.00%	Green
<b>Total Director of Schools</b>	18,057	3,508	19.43%	18,148	91	0.51%	Green
<b>Director of Community Learning &amp; Arts</b>							
Early Years Childcare, Play & After Hour Services	2,929	1,942	66.29%	2,929	-	0.00%	Green
Services to Young People	2,180	1,179	54.08%	2,207	27	1.24%	Green
Adult & Family Learning	253	- 448	-177.08%	247	- 6	-2.52%	Green
Community Education Management & Building Costs	980	659	67.21%	972	- 8	-0.77%	Green
Library Services	4,295	2,237	52.09%	4,295	0	0.00%	Green
<b>Total Director of Community Learning &amp; Arts</b>	10,637	5,568	52.35%	10,650	13	0.12%	Green
<b>Director of Family Services</b>							
Management & Support Services	3,147	1,210	38.46%	3,189	42	1.33%	Green
Service Strategy	175	-	0.00%	175	-	0.00%	Green
Services for Children & Families	17,925	8,177	45.62%	17,925	-	0.00%	Green
Asylum Service	60	518	865.17%	60	-	0.0%	Green
<b>Total Director of Family Services</b>	21,307	9,905	46.49%	21,349	42	0.20%	Green
<b>Head of Support Services</b>							
Head of Support Services	136	165	122.04%	136	-	0.00%	Green
Contracts & Catering	73	206	281.59%	73	-	0.00%	Green
Central Strategic Costs	489	127	26.00%	342	- 147	-29.99%	Red
IT	68	36	52.22%	68	-	0.00%	Green
Office Management & Stationery	116	53	45.83%	116	-	0.00%	Green
Finance	290	245	84.38%	290	-	0.00%	Green
Asset Management	199	154	77.54%	199	-	0.00%	Green
Training	9	1	7.90%	9	-	0.00%	Green
<b>Total Head of Support Services</b>	1,380	988	71.57%	1,233	- 147	-10.62%	Red
<b>Total Head of Policy Performance</b>	380	221	58.06%	380	-	0.00%	Green
<b>Corporate &amp; Democratic Core</b>	317	9	2.76%	317	-	0.00%	Green
<b>Total Budgets Controlled by Business Group</b>	36,274	9,132	25.18%	36,547	273	0.75%	Green

## Progress on growth and savings

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

### 3 CAPITAL

Capital Budget Monitoring - Family & Children's Services								
Quarter 2 - 2006/07								
Description	Original Budget £'000	Current Annual Budget 2005/06 £'000	Budget Profile to Q2 £'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	34	4	5.9%	68	-	-
Primary Schools	471	471	236	142	30.1%	465	-	6
Secondary Schools	20	20	10	19	95.0%	20	-	-
Special Schools	151	151	76	59	39.1%	135	-	16
Non-School Buildings	180	150	75	90	60.0%	161	11	-
Libraries	90	90	45	11	12.2%	90	-	-
School Kitchens	60	60	30	49	81.7%	60	-	-
<b>Total Condition Projects</b>	<b>1,040</b>	<b>1,010</b>	<b>505</b>	<b>374</b>	<b>37.0%</b>	<b>999</b>	<b>-11</b>	
<b>Suitability Projects</b>	<b>488</b>	<b>679</b>	<b>340</b>	<b>108</b>	<b>15.9%</b>	<b>316</b>	<b>-</b>	<b>363</b>
<b>Sufficiency Projects</b>								
New Schools	6,961	7,660	3,830	973	12.7%	7,405	-	255
West Chelsea Play & Youth	485	485	243	28	5.8%	250	-	235
<b>Total Sufficiency Projects</b>	<b>7,446</b>	<b>8,145</b>	<b>4,073</b>	<b>1,001</b>	<b>12.3%</b>	<b>7,655</b>	<b>-</b>	<b>490</b>
<b>Access Projects</b>	<b>377</b>	<b>367</b>	<b>184</b>	<b>123</b>	<b>33.5%</b>	<b>386</b>	<b>-</b>	<b>19</b>
<b>Minor Works Projects</b>	<b>75</b>	<b>83</b>	<b>42</b>	<b>37</b>	<b>44.6%</b>	<b>83</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous Projects</b>	<b>1,794</b>	<b>2,537</b>	<b>1,269</b>	<b>753</b>	<b>29.7%</b>	<b>2,466</b>	<b>-</b>	<b>71</b>
<b>Family Services Projects</b>	<b>857</b>	<b>1,859</b>	<b>930</b>	<b>646</b>	<b>34.7%</b>	<b>1,907</b>	<b>-</b>	<b>48</b>
<b>New Nursery Initiative Projects</b>				<b>5</b>		<b>5</b>	<b>-</b>	<b>5</b>
<b>Total Business Group</b>	<b>12,077</b>	<b>14,680</b>	<b>7,340</b>	<b>3,047</b>	<b>20.8%</b>	<b>13,817</b>	<b>-</b>	<b>863</b>
<b>Financed By</b>								
General Resources	4,606	5,616				5,243	-373	516
Standards Funds	1,044	1,206				1,206		
Other DfES Grants	200	1,202				1,202		
Other Grants - NOF etc	601	1,133				1,133		
Internal Cash Funding	5,521	5,418				4,928	-490	235
Car Parking Reserve	105	105				105		
<b>Total</b>	<b>12,077</b>	<b>14,680</b>				<b>13,817</b>	<b>-863</b>	<b>751</b>

### Commentary on Variances

3.1 The suitability projects underspend of £363k 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 OJOU procedures.

- 3.2 Other underspends requiring a re-phasing of budgets into next year include the following projects: new schools, the integrated pupils database, Westfield park and Flashpoint.

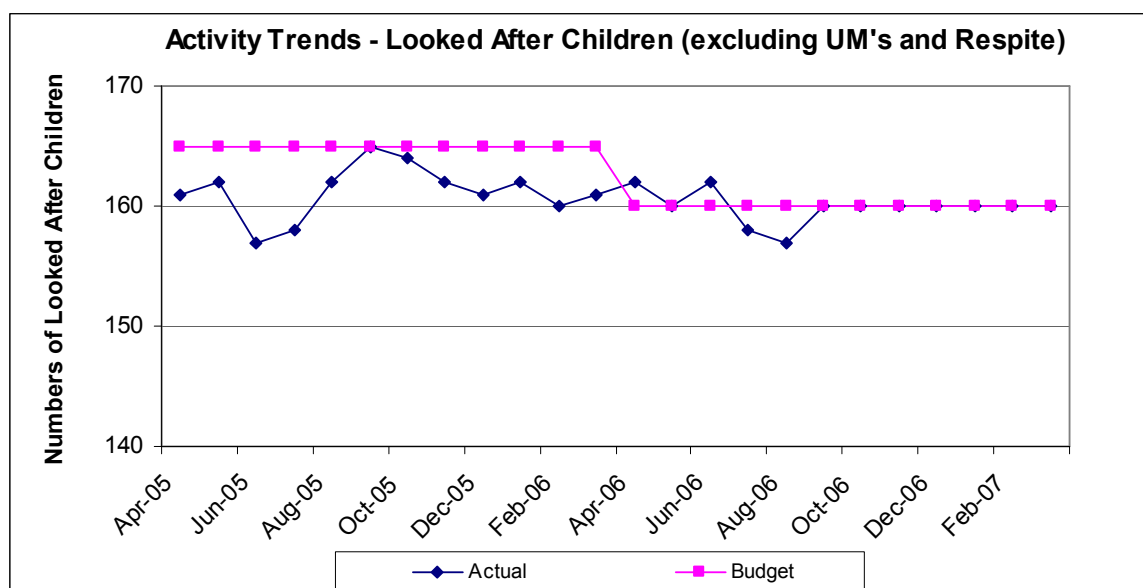
## 4 KEY TRENDS, COST DRIVERS AND LEAD INDICATORS

### 4.1 Staffing Trend:

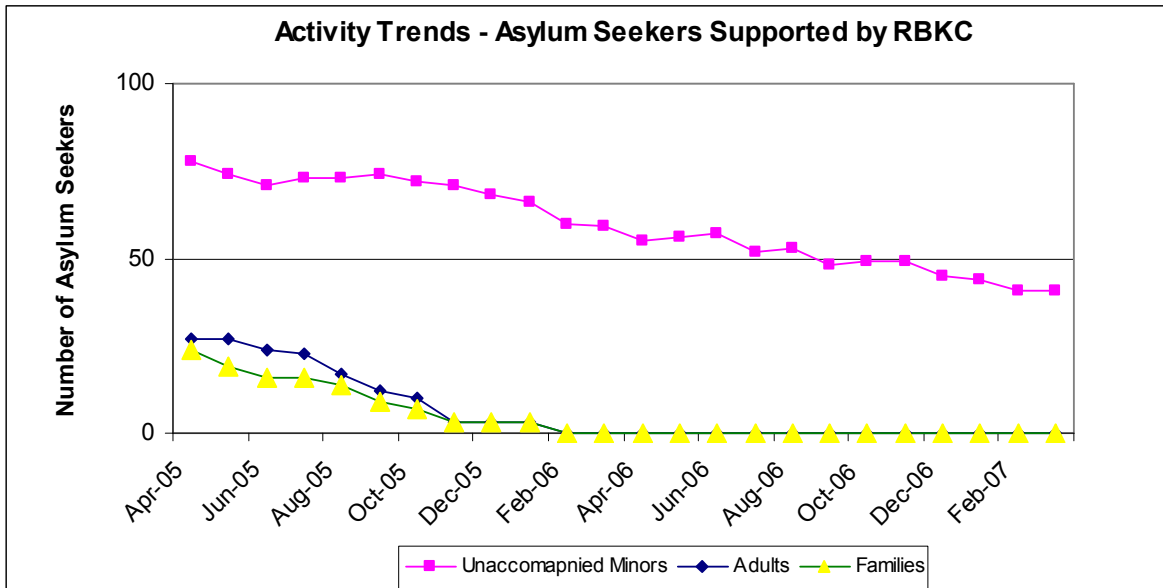
Staff Costs Budget Monitoring - Family & Children's Services September 2006							
Service	Annual Budget £'000	Budget to date £'000	Spend to date £'000	Variance budget to date £'000	Variance budget to date %	Agency Staff & Overtime Spend £'000	Agency Staff & Overtime as % of total %
Research & Directorate	640	320	312	(8)	-2.5%	-	0.0%
Support Services	1,454	727	687	(40)	-5.5%	150	21.8%
Schools Support**	6,747	3,374	3,638	265	7.8%	237	6.5%
Community Education	5,553	2,777	2,879	103	3.7%	69	2.4%
Family & Children's Services	13,990	6,995	6,836	(159)	-2.3%	460	6.7%
Libraries	3,153	526	492	(34)	-6.4%	28	5.7%
<b>Total</b>	<b>31,537</b>	<b>14,718</b>	<b>14,844</b>	<b>127</b>	<b>0.9%</b>	<b>944</b>	<b>6.4%</b>

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

### 4.1 Trend for looked after children:



#### 4.2 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%	<b>75.8%</b>			<b>77.2%</b>

**Anne Marie Carrie**  
**EXECUTIVE DRECTOR FOR FAMILY AND CHILDREN’S SERVICES**