

Report of the Director of Adults, Children & Education and the Director of Communities & Neighbourhoods

**2011/12 FIRST QUARTER FINANCIAL MONITORING REPORT –  
LIFELONG LEARNING & CULTURE AND CHILDREN & YOUNG  
PEOPLE’S SERVICES**

**Summary**

- 1 This report analyses the latest performance for 2011/12 and forecasts the outturn position by reference to the service plan and budgets for all of the relevant services falling under the responsibility of the Director of Adults, Children & Education and the Director of Communities & Neighbourhoods.

**Financial Analysis**

- 2 Communities & Neighbourhoods are predicting early financial pressures within Lifelong Learning & Culture of £176k. This is primarily due to a projected overspend within Arts and Culture Education (£187k) and is a result of the restructure going live from the beginning of the academic year and one off redundancy costs.
- 3 In order to mitigate the pressures, the directorate is limiting expenditure to a minimum, however it is unable to do so in all circumstances, for example where contractual obligations prohibit this. Service managers are also drawing up proposals, some of which may require a political decision and will therefore be brought before the appropriate committee when necessary.
- 4 There are a further £661k of net pressures within Children & Young People's budgets, made up of the following significant variations:
  - There has been an increase in the number of children under the care of the council in 2011/12 compared to the numbers being projected at the time the 2011/12 budget was set. This has put significant pressure on a number of social care budgets. In particular:

- The number of children in local foster placements has increased from 162 when the budget for 2011/12 was set to 175 currently creating a pressure of £209k.
  - The number of children in Independent Fostering Agency (IFA) placements is currently at 19 compared to 14 at the time the budget was set creating a pressure of £327k.
  - There are currently 25 Special Guardianship Orders in place compared with an average of 22 during 2010/11 creating a pressure of £47k.
  - An overspend of £100k is being projected on the external legal fees budget.
- The restructure of Early Years, Children's Centres & Extended Services is being implemented. An ongoing shortfall was reported in the recent report to the Cabinet Member approving the restructure. As the restructure is only being implemented part way through the year, the full saving will not be delivered in 2011/12. However, some additional one-off income available in 2011/12 can be used to offset some of this additional spend resulting in a net projected overspend of £115k.
  - An amount of grant (£200k) in excess of the amount required to fund the School Improvement Service for the first four months of 2011/12 (prior to the new restructure being implemented) was brought forward from 2010/11. This additional amount can now be used to offset the projected directorate overspend.
- 5 As well as a vacancy freeze and a moratorium on non essential expenditure, the directorate is also assessing 2012/13 savings proposals that could be brought forward in order to help bring the budget back in line by the end of the financial year.

### **Corporate Priorities**

- 6 The information included in this report demonstrates progress on achieving the council's corporate strategy (2009-12) and the priorities set out within it.

### **Implications**

- 7 The financial implications are covered within the main body of the report. There are no significant human resources, equalities, legal, information technology, property or crime & disorder implications arising from this report.

## **Risk Management**

- 8 A number of budgets are under pressure. On going work within the directorates may identify some efficiency savings in services that could be used to offset these cost pressures before the end of the financial year. It will also be important to understand the level of investment needed to hit performance targets and meet rising demand for key statutory services. Managing within the approved budget for 2010/11 will be a challenge and both management teams will continue to review expenditure across their directorates.

## **Recommendations**

- 9 As this report is for information only there are no specific recommendations.

Reason: To update the committee on the latest finance position for 2011/12.

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Report  
Approved

  
Y

Date 16 September 2011

**Specialist Implications Officer(s)** None

**Wards Affected:** *List wards or tick box to indicate all*

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**For further information please contact the author of the report**

### Background Papers

First finance and performance monitor for 2011/12, Cabinet 6 September 2011

### Annexes

None