

Corporate Director's summary: Children and Young People Month 9

Overview

CYP are forecasting £116k over spend, which is a slight decrease on £123k overspend reported in period 8. This is after the £219k in year ABG cut and the £200k recruitment freeze.

Education is currently forecasting £106k overspend (mainly due to £100k underspend showing in period 8 re Connexions, being offset against Youth & Commissioning savings targets). There is a forecast overspend of £136k in Children's Services.

Savings are currently forecast in the Corporate Directors cost centre (£17K), Youth & Commissioning (£98k, re Connexions) and Customer Services (£11k)

The MVF for the Directorate is £688,690. MVF for is on track for Youth & Commissioning and Customer Services. Education is expected to have a shortfall of c£100k (this has been built into Education forecast), Children's Services is expected to have a shortfall of c£90k and on the Director's cost centre (£6k).

There has been a clear MVF strategy in place for profiling and monitoring the delivery of the MVF. Managers have been aware of the savings required and all vacancies were scrutinised by the relevant Head of Service before they were filled.

Pressures on the 2010-11 budget

Overspends in Education mainly relate to inability to meet MVF, agency staff costs within the Disabled Children's Team and the Speech and Language Therapy Team. These overspends have been offset by savings elsewhere within the Service.

The overspend in Children's Services which has increased from £113k in period 8 to £136k in period 9, relates to higher cost agency staff being employed to cover social worker vacancies and maternity leave within the Referral & Assessment, East and West Central Locality Teams and demand for Residential Care services. These are reduced by savings in Kinship Carers, Special Guardianship, Adoption Placements and In-house Fostering.

There is an ongoing pressure within Children's Services and Education due to cost of agency staff to cover vacancies and maternity leave.

Progress against the recruitment freeze

There is also now a Council wide recruitment freeze, in order to deliver 10/11 in-year savings following central Government's announcements re cuts in funding.

All posts in CYP which fall vacant are scrutinised not only by Head of Service but also SMT, Director and Portfolio Holders as well as BUMP before they can be filled. A number of posts remain vacant as a result of this process. The 200k recruitment freeze target remains a challenge.

Management action taken to address emerging pressures

Heads of Service are looking across all budgets to find savings to meet the overspends in their area. Grants are being reviewed to see whether additional costs could be grant funded. It is difficult to reduce the pressures on Speech and Language therapy, as this is a statutory requirement and failing to meet these costs could lead to judicial review.

Risks identified

In respect of Children's Services there remains a risk to the year-end budget position regarding the financial impact of increasing numbers of Looked After Children.

The placement budgets within Children's Services overall are coming under increasing pressure as a consequence of increased numbers of looked after children and thus no vacancies within the in house fostering service. Currently both the Residential care and Independent Fostering Agencies both have an inbuilt factor of one placement each.

The Youth Services budgets are coming under increasing pressure due to the current economic climate impacting upon the service's ability to achieve income targets.

The Residential budget held by the Disabled Children's Team remains under pressure and managers continue to liaise with the Continuing Care Panel to determine what proportion of the costs can be met by Health. The nature of this budget makes it difficult to anticipate full year costs.

Director's summary: Capital

In-year budget cuts have resulted in nearly £1m being removed from the original 10/11 budget allocations. The in-year reductions and considerable uncertainty around future funding levels from both government and West Berkshire have resulted in project delays, and thus lower than anticipated spend. This has created a subsequent pressure in meeting DfE capital grant spend deadlines.

Because of these project delays explained above and the need to spend certain government grants before their deadlines, Council funded spend of approximately £4.2 million is expected to be reprofiled into 2011/12 and later years.

The new government strategy on Academies, and the uncertainty around take up, will also contribute to the challenges faced by the directorate.

There are a total of five feasibility studies being carried this year, nine projects are in pre-construction or are about to start, and six projects are in construction.