

Subject: 2007/08 Final Outturn
Date of Meeting: 9 June 2008
Report of: Director of Children's Services
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Wards Affected: All

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This report details the final outturn figures for the CYPT, subject to audit. The table below shows an analysis of the main areas which show a final overspend to 31st March 2008 on the pooled budget of £732k.
- 1.2 The overspend of £732k relates to the Brighton & Hove City Council contribution and will be met by an additional contribution to the pooled budget by the City Council as part of the overall revenue outturn for 2007/08. The overspend will not therefore be carried forward as a reduction to the trust's budget for 2008/09.

The non-pooled underspend of £1,022k relates to City Council services funded by the Dedicated Schools Grant. This grant is payable by the DCFS under section 14 of the Education Act 2002 to fund the schools budget. The guidance issued by the DCFS states that this underspend must be carried forward to support the schools budget in future years.

1.3 CYPT budget analysis:

	Budget	Outturn	Variance
	£'000	£'000	£'000
DSG	0	-1,022	-1,022
Section 75 Pooled Budgets	50,138	50,870	732
Section 75 Restricted Budgets (support service charges)	7,270	7,270	0
Total	57,408	57,118	-290

The table below shows the sources of funding:

Budget	BHCC	South Downs Health Trust	PCT	Total
	£000	£'000	£'000	£'000
DSG	0	0	0	0
Section 75 Pooled Budgets	41,824*	6,872	1,442	50,138
Section 75 Restricted Budgets (support service charges)	5,782	1,488	0	7,270
Total	47,606	8,360	1,442	57,408

*The figures in the table above are net of Government Grant income and do not include year-end actuarial adjustments for pension costs. Since Month7 the overall budget for the Trust has decreased by £1,968k to £50,138k. The reasons for this are set out in the table below.

	BHCC	South Downs Health Trust	PCT	Total
	£'000	£'000	£'000	£'000
Budget at Month 7	44,474	6,792	840	52,106
Standards Fund carried forward to 2008/09	-3,267			-3,267
Additional contribution from PCT for unscheduled Specialist Placements			602	602
Additional contribution from South Downs Health to meet overspend		57		57
Planned Allocations from Contingency and Reserves	574	23		597
Other Adjustments	43			43
Budget at Outturn	41,824	6,872	1,442	50,138

2. RECOMMENDATIONS:

- (1) To note the total CYPT underspend of £290k including an overspend of £732k on pooled budgets and an underspend of £1.022m on Dedicated Schools Grant (DSG) items. The BHCC element of this overspend totals £732k (see table in paragraph 3.1).
- (2) To note the movements in budget since Month 7. (see table in paragraph 1.3).

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 The table below details the final overspend position in 2007/08:

Details	Total Variances	Non Sec 75	Total
	Final Outturn	Variances (DSG)	Pooled Variances Final Outturn
	£'000	£'000	£'000
	(a)	(b)	(a-b)
<u>Corporate Critical Budgets</u>			
Independent Foster Agency Payments	171	0	171
Residential Agency Placements	-297	0	-297
Disability Agency Placements/Palmeira	24	0	24
Secure Accommodation	45	0	45
In-House Foster Care	406	0	406
Leaving Care Payments	304	0	304
Educational Agency Placements	-303	-303	0
Total Corporate Critical	350	-303	653
<u>Departmental Critical Budgets</u>			
Home to School Transport	-25	0	-25
Area Social Work Teams	3	0	3
Legal Fees	124	0	124
Total Departmental Critical	102	0	102
<u>Other Departmental Budgets</u>			
Preventive Payments	147	0	147
Directors Budget	154	0	154
Adoptions	-84	0	-84
Early Years Visitors	-150	0	-150
Youth Advocacy & Participation	-51	0	-51
Other	-39	0	-39
Total Other	-23	0	-23
<u>Other DSG Budgets</u>			
Early Years 3 & 4 Year Old Payments	-284	-284	0
PRESENS	-50	-50	0
Schools Contingency	-115	-115	0
Sick Children	-53	-53	0

General EOTAS /Learning Supp Serv	-55	-55	0
Other	-162	-162	0
Total DSG	-719	-719	0
Brighton & Hove City Council	-290	-1,022	732
South Downs Health Budgets	0	0	0
Primary Care Trust	0	0	0
Total CYPT	-290	-1,022	732

3.2 The table below shows the net variance by service area:

	Budget	Outturn	Outturn Variance -Under/ Over	Variance %
	£'000	£'000	£'000	
Net				
DIRECTOR	897	1,050	153	17.06
EAST, EARLY YEARS & NHS COMM SERVICES	9,684	10,023	339	3.50
CENTRAL AREA & SCHOOL SUPPORT	9,407	9,459	52	0.55
Dedicated Schools Grant (DSG)	-118,096	-118,096	0	0.00
DSG Internal Recharges	1,465	1,465	0	0.00
Individual Schools Budgets	101,482	101,482	0	0.00
LEARNING & SCHOOLS	3,296	3,252	-44	-1.33
WEST AREA & YOUTH SUPPORT	4,685	4,596	-89	-1.90
SPECIALIST SERVICES	27,910	28,333	423	1.52

QUALITY & PERFORMANCE	1,094	992	-102	-9.32
BHCC TBM TOTAL	41,824	42,556	732	1.75
SOUTH DOWNS HEALTH	6,872	6,872	0	0.00
PRIMARY CARE TRUST	1,442	1,442	0	0.00
Total	50,138	50,870	732	1.46

3.3 Explanation of key variances

3.3.1 Corporate Critical Budgets

The year-end overspend on the CYPT corporate critical budgets was £653k.

Corporate Critical Budgets	Variance
	£'000
Independent Foster Agency Placements	171
Residential Placements	-297
Disability Agency Placements/Palmeira	24
Secure Accommodation	45
In-House Foster Placements	406
Leaving Care Payments/Ex Asylum seekers	304
Educational Agency Placements	0
Total	653

See Appendix 1 for details re unit costs.

The 2007-08 budget for Child Agency Placements and In House Foster Care is £14.786m. The final outturn 2007/08 expenditure for these areas amounted to £15.134m which represents an overspend of £0.349m. An analysis of this is shown in the table below.

<u>Type of Placement</u>	2007/2008 Budgeted FTE	2007/2008 Base Budget £'000	Number of Placements as at 31/3/08	2007/2008 Revised Projected Placements	2007/2008 outturn Spend £'000	Variance £'000

Disability	8.00	1,090	8.00	8.73	1,114	24
Foster Care (IFA)	91.00	3,912	94.00	90.19	4,083	171
Residential/Schools	40.00	5,205	40.00	42.42	4,908	-297
Secure Accommodation	1.00	233	2.00	1.59	278	45
AGENCY TOTAL:	140.00	10,441	144.00	142.93	10,383	-57
In-House Foster Care	324.00	4,345	330.00	330.58	4,751	406
TOTAL:	464.00	14,786	474.00	473.51	15,134	349

Leaving Care & Ex Asylum Seekers Payments

The Post 16 Service, Leaving Care and Ex Asylum Seekers Payments budget has ended the year with an overspend of £304k. This overspend is due to £273k for Accommodation costs; £28k for Ex Asylum Seekers; and Other £24k together with underspends of -£16k on Post 16 fostering allowances and -£5k on living costs.

Educational Agency Placements

The final position showed an underspend of -£303k due mainly to additional DSG funding allocated during the year and a reduction in numbers.

As this budget area forms part of the DSG, the underspend of -£303k will be carried forward at the year-end.

3.3.2 Departmental Critical Budgets

Home to School Transport

The final underspend was £25k which was mainly due to the effects of the new contracts.

Area Social Care Teams

The overall position on the Social Care Area teams was a small overspend of £3k.

Legal Fees

The Legal Fees budget ended the year with an overspend of £124k. There are likely to be some budget pressures over the next year due to the increase in court fees, for which there has been some central government funding, but insufficient to cover the likely cost of issuing care proceedings or the costs of hearings already listed under transitional arrangements.

3.3.3 Other Departmental Budgets

Preventive Payments

The final overspend on Preventive Payments was £147k which is mainly due to spending on homeless families.

Director's Budget

The final position on the Director's budget showed an overspend of £154k which was due mainly to costs in relation to the recruitment for the Director, interim director costs and meeting the shortfall on the Equal project.

Adoptions

Lower than anticipated activity in Adoption Allowances resulted in an underspend of £84k.

Early Years Visitors

This grant funded area of the budget was underspent by £150k. In order to maximise the use of the General Surestart grant, the AD-East previously requested that expenditure be transferred to replace more of the Early Year's Visitors Local Authority funding. This is to be 'one off' only in this financial year and next year's budget therefore reflects this and is fully allocated.

The details of the underspend are as follows:

The delayed opening and recruitment of the phase 3's will give a forecast underspend of -£44k.

A successful publicity drive has increased Roundabout's fee income by -£36k.

General prudent spending across all of the children's centres will give a forecast underspend of approx. -£70k.

Youth Advocacy & Participation

A number of vacancies were filled later than that had been hoped, which resulted in an underspend of £51k. There was a possibility that these funds would be required for an external contract but this proved not to be the case.

Other

This includes all the other directorate variances and the final position showed an underspend of -£39k.

3.3.4 South Downs Health Budgets

South Downs Health budgets within the CYPT pooled budget were £57,000 overspent at the end of 2007/08.

South Downs Health have agreed to make an additional non-recurrent contribution to the pooled budget to make up the shortfall in 2007/08. This does not necessarily mean that this is how potential overspends will be treated in future years.

The overall position is made up as follows:-

Health Budgets (South Downs Health)	£'000
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Enteral feeds (due to high demand)	68
Orthoses overspend	16
Unachieved savings	36
Other small overspends	20
Vacancies in School Nursing & Health Visiting	-83
Total	57
Additional Non-recurrent Contribution - South Downs Health	-57
Final Position 2007/08	0

3.3.5 Primary Care Trust 2007/08

The Primary Care Trust expenditure in 2007/08 was on target compared with the budget of £1,442,434. This is after an additional contribution to the pooled budget of £602,000 by the PCT in relation to unscheduled specialist placements.

4. CONSULTATION

- 4.1 No specific consultation has been undertaken in relation to this report.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 Included within the body of the report.

Legal Implications:

- 5.2 The overspend and underspend is being managed in accordance with the Section 75 pooled budget arrangements and statutory guidance and should not therefore significantly impact on the ability of the Trust to meet its statutory duties to children and young people.

Hilary Priestley Acting Senior Lawyer 23/05/08

SUPPORTING DOCUMENTATION

Appendices:

1. Corporate Critical Budget Analysis

Documents In Members' Rooms

1. None

