

**Adult Services****Revenue Expenditure 2010/11**

**Major variations in cash limited expenditure - underspending of £6,762,000 against the cash limit**

Budget heading	Variation £000	Adjusted cash limit £000	Reason
Service, Strategy and Regulation	-11	643	Lower expenditure on compensation claims than budgeted.
Older People (aged 65 or over) including mentally ill	-6,194	152,397	<p>The average number of packages for older people receiving a service (both in-house and purchased) was lower than originally budgeted for during the year (12,604 client packages budgeted, compared with 12,287 actual average packages).</p> <p>However, despite lower than budgeted packages for purchased services during the year (10,359 budgeted, compared with 10,315 actual average packages), there was an underlying overspend against these services in the region of £1.1m, indicating an increased unit cost of packages. These pressures were managed through one-off savings achieved, which included early achievement of some 2011/12 savings plans.</p> <p>The underlying underspend is primarily due to additional monies received from Health for reablement which were not expected at revised budget (£2m), higher than expected levels of income in respect of In-House services (£1.3m), and less than budgeted expenditure on management &amp; support functions as a result of in-year savings identified (£1.7m (net) including IT, Training, Performance, Workforce Development and Health and Safety).</p> <p>In addition, underspends were achieved against contingency funding that was not required (£1.1m).</p>
Adults under 65 years with physical or sensory disability	3,441	30,083	<p>This overspend primarily reflects pressures against domiciliary care (£713,000) and direct payment services (£1.3m) due to the increased number and cost of care packages (the actual average number of client packages during the year was 1,948, compared with original budgeted packages of 1,898). Budget pressures against other services account for the remaining variance (£1.4m net), including Occupational Therapy (£585,000) and planned expenditure above allocated budget on equipment to support</p>

## Appendix 1A

Budget heading	Variation	Adjusted cash limit	Reason
Adults under 65 year with learning disabilities	1,186	74,031	reablement (£850,000). The overspend occurred due to a higher number of care packages (direct payment and purchased domiciliary care in particular) being provided than planned (original budgeted average number of client packages was 3,564 compared with an actual average of 3,727), as well as an increase in the average cost of these packages. These pressures were partially off-set by savings achieved against in-house services and other planned underspends including expenditure against Advocacy contracts.
Adults under 65 years with mental health needs	-295	14,553	Increased package costs (e.g. for Aspergers and Section 117 detained Mental Health clients) were off-set by savings achieved from successful contract negotiations with providers. Additionally, savings have been realised against the in-house outreach service this year.
Other adult services (includes HIV and Substance Misuse Services)	-1,351	3,800	This underspend includes the anticipated savings achieved against the Learning Disabilities Campus closure programme, through reductions in expenditure associated with re-provisioning services. Additionally, final expenditure for centralised contracts for advocacy work was lower than budgeted.
Supported employment	-219	669	One-off savings were achieved during the year primarily as a result of service re-design undertaken with the intention of improving service delivery to clients.
Supporting people	-3,283	33,799	This variance represents the planned underspend against the Supporting People programme which will be carried-forward to 2011/12 (subject to Cabinet approval). This will allow a 'smoothed' approach to reducing programmes of care over the next three years following reductions in grant funding for supporting people contracted services.
Non-distributed costs	-37	368	Underspend on Compensatory Added Years

## Children's Services

### Revenue Expenditure 2010/11

**Major variations in cash limited expenditure – Nil variance against the cash limit**

Budget heading	Variation £000	Adjusted cash limit £000	Reason
<b>Schools' Budget</b>			
School-specific Contingencies	-4,649	9,845	The final rents and rates allocations were lower than budgeted (rents were £705,000 less and the reduction in rates revaluations of schools resulted in £1.741m due to be recovered from delegated budgets). Other significant underspends include £656,000 against nursery payments due to lower numbers of pupils than budgeted, £119,000 earmarked for additional outreach and £70,000 for protected salaries which were not required, £111,000 against Children in Care payments to Schools, £43,000 for Newly Qualified Teacher payments, £50,000 for Emergency Payments and £505,000 on Individual School Budget (ISB) provision. The final position also includes £531,000 earmarked for Equal Pay and £66,000 of claw back from school balances previously agreed to be carried forward to 2011/12. Other minor variations account for the remaining underspend (£52,000).
14-19 Initiatives	-664	4,159	Diploma costs (including transport) were lower than budgeted due to the number of diploma students being less than originally anticipated.
Schools – support services recharge	-808	5,024	This primarily relates to the anticipated underspend against the Miscellaneous Other Budget (£658,000). Other underspends include the Combined Budget for the Locality Teams (£105,000), and the Schools Budget funded element of Building Schools for the Future (£100,000).
Supply cover (not sickness)	-113	927	This underspend primarily relates to the budget for suspended staff (£57,000). There was also an underspend of £41,000 on the union, public duties and supply cover, and £15,000 underspend in respect of Headteacher Conferences.
Education Inclusion Service (EIS)	-117	8,223	This mainly relates to a higher level of funding being transferred from schools delegated budgets to EIS than budgeted in respect of emotionally vulnerable and unwell children who

Budget heading	Variation	Adjusted cash limit	Reason
Provision for pupils with statements	-1,587	10,087	were educated by EIS. This budget relates to costs of additional support to SEN pupils with statements both within and outside Hampshire, net of income from other authorities' pupils in Hampshire schools. This underspend has mainly arisen due to an increased level of support being provided to other local authority pupils with Special Educational Needs (SEN), resulting in higher levels of income being received than originally expected. One-off savings also arise from delays in starting an SEN Early Years resource provision and from lower payments being made to schools for Learning Support Assistants than budgeted.
Independent and voluntary special schools (Out County Special Schools)	-373	9,534	This consists of an underspend of £179,000 on special schools placements and an underspend against pre-school placements for 3 and 4 year olds of £194,000. The actual average number of pupils educated in special school placements was slightly higher than budgeted (234 actual average pupils during 2010/11 compared with 231 budgeted). The underspend was achieved as a result of slightly lower placement costs, primarily resulting from successful fee negotiations during the year.
Inter-authority recoupment	783	775	This includes recoupment of fees (not additional support) for placements at special schools and SEN resourced provisions (£700,000), as well as hospital recoupment for tuition at Leigh House (£83,000). The overspend has mainly arisen due to a slight increase in the number of Hampshire pupils attending other local authority schools (an average of 203 pupils during 2010/11 compared with 200 during 2009/10), as well as a reduction in the number of other local authority pupils attending Hampshire schools (an average of 122 during 2010/11 compared with 135 in 2009/10), resulting in both higher costs and lower levels of income generated than originally budgeted.
Early Years places (3 and 4 year olds)	-486	38,670	The underspend reflects a lower than budgeted number of claims being received for nursery provision.
Services for Young Children	-997	26,786	This underspend reflects savings achieved against the Early Education Childcare Unit and Children's Centres budgets as a result of the recruitment freeze and through the review and reprioritisation of expenditure plans.

Budget heading	Variation	Adjusted cash limit	Reason
Ethnic Minority and Traveller Achievement Service (EMTAS)	-113	1,150	The underspend primarily relates to one-off savings from vacant positions, including those held pending confirmation on future funding and delays in recruiting casual staff.
Teachers' Pay Reform payments	199	19,900	The overspend reflects an increased number of claims in the spring term.
Other Minor Variations	-133	692,269	The cash limit includes the individual schools' budgets and Standards Fund devolved to schools (£641.750m), Schools Standards grant (£35.076m), School Meals Grant budgets (£1.701m), support services recharges for Special Education and Early Years (£4.423m), Standards Funds not devolved to schools (£6.099m), Assistance to Voluntary and Private Providers (£2.506m) and a number of other small budgets (£0.714m).
Carry Forward of Dedicated Schools Grant (DSG)	9,058	-9,058	<p>Department for Education (DfE) require that DSG funds be applied in the year in which they are used. This sum is part of the total DSG to be carried forward of £22.051m. The other major components of the carry forward consist of:</p> <ul style="list-style-type: none"> <li>• £7.908m of planned carry-forward from previous years as agreed with Schools Forum</li> <li>• £4.907m of capital expenditure from revenue which had not been spent by 31 March 2011</li> <li>• £178,000 of unallocated DSG</li> </ul> <p>Schools Forum will review proposals for use of any unplanned carry-forward.</p>
<b>Non Schools Budget</b>			
Home to school and college transport	-430	25,947	This underspend is a combination of an underspend against school escort costs (£144,000), contract costs (£298,000), and more income received for privilege places and denominational transport received than budgeted (£5,000), offset by an overspend against season ticket costs (+£17,000).
School Development	-477	4,021	This includes a number of centrally held strategic budgets including Primary and

Budget heading	Variation	Adjusted cash limit	Reason
and Improvement – non devolved			Secondary National Strategies (£409,000), as well as other minor variations. These underspends primarily relate to one-off savings achieved in respect of vacancies.
Services for Young People	-1,001	15,343	The planned underspend on the Integrated Youth Service mainly relates to higher income generated from external sources than budgeted as well as management of staff vacancies across the service, as part of the overall budget strategy.
Support Services Recharges (includes Access, Special Education, School Improvement and Strategic Management)	-1,746	27,740	A number of planned underspends (e.g. vacancy management) to mitigate other emerging pressures across the department contribute toward the overall position for Strategic Management. These include: Information Technology (£390,000), Workforce Development (£178,000), the Early Education and Childcare Unit (£453,000), Support Services (£258,000, including admin and finance), Performance and Partnership Team (£165,000) and the Commissioning and Co-ordination Unit (£121,000). Other minor variations account for the remaining £181,000 underspend.
Rent, Rates	117	208	This budget includes income received from property rentals, and the overspend reflects a decline in the number of houses being rented to teachers and caretakers. In addition, a loan has been repaid to Hart District Council relating to teachers' housing in Fleet.
Commissioning and Social Work	184	20,634	The overspend reflects budget pressures experienced as a result of agency staff being used to support teams in areas which continue to experience difficulties in recruiting qualified social workers. In addition, delays in implementing savings included in the 2010/11 budget strategy in respect of Family Group Conferences resulted in the department not achieving the full-year saving previously anticipated.
Children Looked After	2,562	37,772	This represents a continuing pressure on fostering (£1.127m) and residential services (£1.506m) across County Council provision (both in-house and externally purchased). This is offset by an underspend (£71,000) against other Children Looked After budgets which includes supported lodgings placements for young people who remained looked after by the authority, but who were supported toward achieving independence.

Budget heading	Variation	Adjusted cash limit	Reason
Family Support Services (social care)	373	13,023	<p>The overall number of full-time 'Children Looked After' has reduced during the 2010/11 financial year (from 1,118 as at March 2010 to 1,089 as at March 2011, a net reduction of 29). The average number of children looked after during the year was 1,098, which was 55 above the average budgeted activity of 1,043.</p> <p>Over the year the actual number of children placed in residential care has increased, with the number of children placed in high-cost non-county placements increasing from 56 as at March 2010 to 72 as at March 2011.</p> <p>The number of children placed with independent fostering providers has remained relatively stable reducing by one placement (net) from 191 as at March 2010 to 190 as at March 2011.</p> <p>The number of children placed with Hampshire foster carers has reduced during the year from 644 as at March 2010 to 589 as at March 2011. This reduction mainly relates to fewer children being (or remaining) placed with 'Friends and Family' foster carers, with many being supported instead within Special Guardianship Order placements (see Family Support Services).</p> <p>For 2010/11 the average number of in-house and independent foster placements was higher than budgeted (average number of in-house foster care placements during 2010/11 was 600, compared with a budgeted number of 620, and for independent foster care placements the average number was 196, compared with a budgeted 180).</p> <p>Provision has been made within the 2011/12 budget to reflect sustained levels of activity.</p> <p>This budget relates to providing preventative services and support to children and their families in need and on the edge of care, as well as children with disabilities and their families.</p> <p>The overspend primarily relates to the cost of children placed within alternative arrangements such as kinship care, residence orders and special guardianship placements (which have prevented children from becoming looked after) is also met from this budget. The average number of children supported in these types of arrangements increased from 290 in 2009/10 to 328 in 2010/11 (11.5%).</p>
Other	-115	8,636	This budget includes services to Care Leavers,

Budget heading	Variation	Adjusted cash limit	Reason
Children's Services (social care)			Adoption Support, and other Children's Services (e.g. social care transport costs). The net underspend primarily relates to higher than budgeted expenditure on social care transport, which has been partially offset by an underspend against Care Leavers Services due to the original budget requirement being over estimated.
Unallocated contingency	-242	242	This underspend represents the unallocated contingency budget.
Other Minor Variations	-182	15,824	The cash limit includes: Premature retirement compensation (£2.980m), Community Education (£7.296m), LEA Initiatives (£525,000), Pupil Support (£553,000), Teachers Pay Reform Payments (£442,000), Continuing Education (£572,000), Securities & Insurance (£409,000) and Youth Justice (£2.587m). Various minor variations account for the net underspend of £182,000.
Cost of Redundancies , excluding voluntary enhancement	4,759	0	
Less additional corporate funding	-3,802	3,802	

**Environment****Revenue Expenditure 2010/11**

**Major variations in cash limited expenditure** – underspending of £225,000 against the cash limit

Budget heading	Variation	Adjusted cash limit	Reason
	£000	£000	
Highways maintenance (excluding winter maintenance)	22	26,639	Additional expenditure on routine highways maintenance
Road safety education	-28	392	Repayment of previous years contribution to Village 30 initiative
School Crossing Patrols	6	1,210	Higher expenditure on publicity related budgets
Traffic Surveys	-8	251	Additional income relating to a higher number of data collection traffic surveys
Public Transport	-12	6,457	Lower expenditure on Community Transport due to 'Getting About' Guides not reprinted
Waste Management Non-Contract Services	-32	994	Lower expenditure on abandoned vehicles
Staffing and Support Costs	-174	19,805	Staff recharges to capital higher than anticipated

## Policy and Resources

### Revenue expenditure 2010/11

**Major variations in cash limited expenditure** – underspending of £2,838,000 against the cash limit

Budget heading	Variation £000	Adjusted cash limit £000	Reason
<b>Chief Executive</b>			
Departmental budget	-594	7,225	Planned saving on staffing from reductions in management and the recruitment moratorium. Additional income generated by Legal Services.
Communications	-207	350	Moratorium on spending pending the outcome of the review of communications functions across the Council.
Economic development	-359	1,887	Planned carry forward on various projects plus senior management vacancy for a full year
Hampshire Direct	-335	2,837	Saving on staffing from senior management post and vacancy management from need to recruit in batches
Performance management	-63	92	Systems development put on hold pending review of performance management arrangements
HR	-229	5,674	Underspendings in Resourcing Centre from vacancy management and rationalisation of business processes, reflecting reduced demand during recruitment moratoria, also resulting in reduced spending on recruitment advertising.
<b>CCBS</b>			
Property, Business and Regulatory Services	-315	26,088	Planned underspending to be carried forward on Hampshire Workstyle ( -£282,000), increased income from backdated property rent reviews ( -£80,000), planned lower spending on Regulatory Services ( -£187,000), offset by higher spending on security costs ( £44,000)

**Other budgets**

External audit fee	-53	314	Reduction in audit fee as a result of reduced charge for grants claim audit and abolition of Comprehensive Area Assessment
Members Devolved grants	-94	1,047	Members grant allocations not fully taken up
Grants to voluntary organisations	-27	1,446	
Members support costs	-199	2,038	Lower spending on special responsibility allowances, IT, travelling and training
County Council elections	-87	76	Final cost of 2009 County Council election lower than estimated

### High risk demand led budgets

1. Spending on demand led budgets was £4.1m ( 1.0%) higher than budgeted, mainly as a result of higher spending on adult social care (£4.8m) and looked after children ( £1.3m), offset by an underspending of £2.0m on demand led budgets within the schools block. At the end of the third quarter, the projected overspending had been £8.3m (2.0%), so that management action in the final quarter was successful in bringing spending more closely in line with the budget. Activity and spending levels on the relevant budgets are summarised graphically in Annex 1.

### Employee budgets

2. Overall spending on employees was £12.8m ( 3.5%) below the budget, excluding the cost of redundancy payments. The average number of staff in post ( excluding Schools) fell by about 2.0% during the year. Reduced spending on staffing demonstrates the impact made by vacancy management policies and the corporate recruitment controls introduced in September 2010. Annex 2 summarises the variation at departmental level between actual and budgeted staff numbers and between employee budgets and actual spending on employees in 2010/11.









