

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date of Decision:	25 March 2013
Decision Title:	Budget Monitoring - 2012/13 Quarter 3
Decision Reference:	4647
Report From:	Director of Corporate Resources – Corporate Services and Director of Children's Services

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1. Forecast Position

- 1.1. This report outlines the budget monitoring position as at the end of quarter 3 (31 December 2013).
- 1.2. The projected outturn for 2012/13 is a net underspend of £878,000 (£282,000 overspend on the schools budget and £1,160,000 underspend on the non-schools budget). The forecast variance by each branch, and by schools and non-schools budgets is as follows:

	Current budget £000	Forecast outturn £000	Forecast variance £000	%
Access, Performance & Resources (A,P&R)	656,512	654,497	(2,015)	(0.3)
Education & Inclusion (E&I)	89,910	87,354	(2,556)	(2.8)
Children & Families (C&F)	115,088	118,781	3,693	3.2
Total	861,510	860,632	(878)	(0.1)
<i>Broken down by:</i>				
Schools budget	698,432	698,714	282	-
Non-schools budget	163,078	161,918	(1,160)	(0.7)
Total	861,510	860,632	(878)	(0.1)

- 1.3. The schools budget overspend consists of an increasing pressure on

the payments for free education provision for 3 and 4 year olds and a number of other smaller variances.

- 1.4. On the non-schools budget, the main pressures are on Children Looked After (CLA), Youth Support Service, Commissioning and Social Work and Youth Justice offset by significant underspends within Services for Young Children, Home to School Transport and Management and Support – Access, Performance and Resources.
- 1.5. In this quarter the budget for the corporate apprenticeships scheme (£800,000) has been transferred from Policy and Resources to Children's Services. The forecast underspend of £650,000 reflects the numbers of placements being lower than originally planned.
- 1.6. A more detailed breakdown on the budget and forecast variations is shown in Appendix 1.
- 1.7. **Key corporate risk issues highlighted in this quarter are:**

Youth Support Services – Following a review of the Careers Advice and Guidance Service anticipated income is lower than previously expected because the size of the market is significantly smaller than the level of demand that was generated when the service was free to schools. Management are taking steps to align resources to income levels throughout the rest of the year with early actions already taking effect to start to reduce the pressure.

Children Looked After – There are continuing significant pressures on purchased residential placements and fostering with activity above the budgeted placements. Whilst every effort is being made to manage down the number of children entering care through prevention work, there is still an upward local and national trend which is putting pressure on resources.

The number of children in care in Hampshire has risen from 1,023 in March 2008 to 1,107 at the end of December 2012: an 8.1% increase. Nationally the DfE has reported that there has been a 13% increase of children in care during the same period.

The rate of looked after children in Hampshire is 40 per 10,000 which is significantly lower than comparative authorities. This low rate reflects historical strong performance in ensuring that children are only brought into care when absolutely necessary.

For 2012/13 the pressure against this budget has been managed within the overall cash limit without need to call on the corporate contingency, largely through earlier achievement of other planned savings. However, given the current levels of children looked after and the continuing increases both in terms of demographics and complexity of cases, the base budget will be adjusted for 2013/14 to reflect current activity levels and costs. Provision for the increase in

2013/14 and future years has already been factored into the forecasts within the Medium Term Financial Strategy (MTFS), as agreed by Cabinet on 17 December 2012. This creates a more stable picture for the future.

Services for Young Children (SfYC) – 3&4 Year Olds – The overspend on this schools budget, which is funded from specific grant (Dedicated Schools Grant), relates to the significant increase in free entitlement hours claimed compared to the hours originally budgeted. The increase in hours is due mainly to the following:

- Increased accessibility through longer opening hours, the ‘stretched offer’ (which means the hours can be taken over more than the standard 38 weeks) and the 15 hours being able to be taken across two days rather than the previous minimum of three
- Increased take-up at more expensive settings i.e. those with higher quality and more flexibility

These changes are a positive move towards the Government’s aim of maximising the take-up of the 15 hours free entitlement for all three and four year olds in good and outstanding provisions. However, this has caused a budget pressure, the long term effect of which has been taken into account in the 2013/14 schools budget setting process.

2. Efficiency Savings

- 2.1. The 2012/13 efficiency savings target for Children’s Services of £10.4m has been successfully delivered.

3. Recommendation

- 3.1. Note the forecast position for the revenue budget as at the end of quarter 3.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	Yes
Corporate Business plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
	<u>Reference</u>	<u>Date</u>
Revenue Budget for Children's Services 2012/13	3560	18 January 2012
Budget Monitoring - 2012/13 Quarter 1	4246	26 September 2012
Budget Monitoring - 2012/13 Quarter 2	4341	6 December 2012
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	
None		

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1 Equalities Impact Assessment:

- 1.1 There are no equality and diversity objectives that are considered to be adversely affected by any proposals in this report.

2 Impact on Crime and Disorder:

- 2.1 The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime.
- 2.2 The proposals in this report have no proven impact on the prevention of crime.

3 Climate Change:

- a. How does what is being proposed impact on our carbon footprint / energy consumption?

No impact
- b. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No impact

Appendix 1 - Forecast outturn – Quarter 3

Position as at 31 December 2012 across services

Description	Current Budget	Quarter 3 forecast variance ⁱ	
	£000	£000	%
Access, Performance & Resources Branch			
Schools Budget			
School Budget Shares	583,607	-	-
Central Provisions	10,521	(188)	(1.8)
Pupil Premium and Additional Grants for Schools	17,029	-	-
Supply Cover (not sickness)	614	(125)	(20.4)
Admissions	887	40	4.5
Premature Retirement	650	80	12.3
Headteachers' Conferences	140	(8)	(5.7)
Copyright and Licensing	326	3	0.9
14 - 19 Commissioning	500	-	-
Early Years Grants to Vol Orgs	293	-	-
Miscellaneous Other	790	(9)	(0.9)
	615,357	(207)	-
Non-Schools Budget			
Home to School / College Transport	27,813	(1,201)	(4.3)
Learning & Development	2,022	(180)	(8.9)
Miscellaneous Other	(1,064)	(27)	2.5
Pupil Support	375	(42)	(11.2)
Performance & Partnerships	953	(38)	(4.0)
Unallocated	(165)	(30)	18.2
Local Children's Partnerships	198	-	-
Information Technology & Systems Maintenance	1,041	81	7.8
Management and Support A,P&R	4,159	(391)	(9.4)
Premature Retirement - Schools	2,488	32	1.3
Premature Retirement - Non-School	793	(26)	(3.3)
Children's Services Procurement Unit	1,878	(19)	(1.0)
Strategic Planning & School Organisation	664	33	5.0
	41,155	(1,808)	(4.4)
Total Access, Performance and Resources Branch	656,512	(2,015)	(0.3)

Description	Current Budget	Quarter 3 forecast variance ⁱ	
	£000	£000	%
Education and Inclusion Branch			
Schools Budget			
14-19 Budgets (Schools Budget)	94	3	3.2
Education Inclusion Service	9,657	(153)	(1.6)
Ethnic Minority Achievement Service	1,200	(2)	(0.2)
Olympic Legacy etc	87	(27)	(31)
Hospital Recoupment	145	140	96.6
Services for Young Children - 3&4 Year Olds	41,902	1,200	2.9
Services for Young Children- Other (incl.Portage)	3,185	(14)	(0.4)
Behaviour Support Team	1,854	(58)	(3.1)
	58,124	1,089	1.9
Non-Schools Budget			
Community Education	413	-	-
Community Language Service	31	-	-
Education of CLA	1,091	(82)	(7.5)
Music - Pupil Support	176	-	-
Outdoor Education	361	-	-
Services for Young Children	22,952	(2,975)	(13.0)
Apprenticeships	800	(650)	(81.3)
14-19 Budgets (Non-Schools)	681	(41)	(6.0)
Standards and Improvements	4,691	84	1.8
Management and Support E&I	375	19	5.1
Adult Learning	215	-	-
	31,786	(3,645)	(11.5)
Total Education and Inclusion Branch	89,910	(2,556)	(2.8)
Children and Families Branch			
Schools Budget			
Special Educational Needs & Statemented Pupils	9,307	(192)	(2.1)
Inter Authority Recoupment	1,980	(26)	(1.3)
Fees to Independent Schools for Pupils without SEN	-	160	-
Independent and Non-Maintained Special Schools	9,267	(267)	(2.9)
Combined Budget - Locality Teams	1,499	(32)	(2.1)
Specialist Teacher Advisory Service	2,073	(85)	(4.1)
Independent Investigations	10	-	-
Careers Advice and Guidance	338	-	-
Youth Support Service - NEET Tracking	333	(141)	(42.3)
PRISM - Educational Psychology	144	(17)	(11.8)
	24,951	(600)	(2.4)

Description	Current Budget	Quarter 3 forecast variance ⁱ	
	£000	£000	%
Non-Schools Budget			
Special Educational Needs Service	2,266	(211)	(9.3)
Educational Psychology	2,835	(19)	(0.7)
Youth Support Service	5,171	391	7.6
Locality Teams (Education Welfare & Pupil Support)	1,420	(11)	(0.8)
Commissioning and Social Work	13,384	211	1.6
Children Looked After	36,861	4,438	12.0
Family Support Services	12,633	(333)	(2.6)
Youth Justice	2,128	345	16.2
Other Children's Services	7,979	(253)	(3.2)
Management & Support	5,356	(192)	(3.6)
Parenting	104	(73)	(70.2)
	90,137	4,293	4.8
Total Children and Families Branch	115,088	3,693	3.2
Total Schools	698,432	282	-
Total Non-schools	163,078	(1,160)	(0.7)
Total Schools and Non-schools	861,510	(878)	(0.1)

ⁱ These figures are forecasts of the 2012/13 year end position, based on actual figures as at 31 December 2012, together with known commitments and the estimated impact of future demand and management actions