

**HERTFORDSHIRE COUNTY COUNCIL**

**CHILDREN, SCHOOLS AND FAMILIES  
SCRUTINY COMMITTEE**

**WEDNESDAY 18 JUNE 2003 AT 10.00 A.M.**

Agenda Item  
No.

**6**

**BUDGET MONITOR FOR CHILDREN, SCHOOLS AND FAMILIES -  
April 2002 to February 2003**

Report of the Director of Children, Schools and Families

Author: - Mike Robinson Tel. 01992 555737

Executive Member: Robert Gordon

**Revenue**

1.1 Projected Out-turn Position

1.1.1 **Table 1 summarises the forecast out-turn position:**

**Table 1 Revenue Budget 2002/3 forecast out-turn**

Description	Amount £'000
<b>Original budget</b>	<b>708,573</b>
<b>Changes to original budget</b>	<b>955</b>
<b>Latest approved budget</b>	709,528
Forecast net expenditure	<b>710,511</b>
<b>Forecast net overspend</b>	<b>983</b>
<b>As % of latest approved budget</b>	<b>0.14%</b>
<b>Carry Forwards Requested into 2003/2004</b>	<b>0</b>

1.1.2 Table 2 shows in summary the composition of the net £0.983 million overspend.

**Table 2 Composition of net £0.983 million overspend**

Description	Total £'000	
<b>Overspends</b>	<b>1,272</b>	<b>2.3</b>
<b>Planned underspends</b>		<b>2.4</b>
<b>Unplanned underspends</b>	<b>(289)</b>	<b>2.5</b>
Net overspend	983	

## **2.1 Overspending budgets**

### **2.1.1 Local Services Transport - £250,000 or 21.4% Overspend**

The budget funds the transport of Looked After Children, Children with a Disability and young people supported under Section 17 of the Children's Act 1989.

The main reasons for overspending are that the budget reflects the increase in numbers of Looked After Children. In addition, there is evidence of increases in the anticipated number of journeys per child, greater use of taxi firms being necessary and the increased unit costs of taxi contractors as a result of new licensing laws.

Management action to address the overspend problem currently being considered includes, the reviewing of all longer term transport arrangements, establishing more secure processes for obtaining estimates of costs for each new journey, and reviewing transport options other than via taxi.

The forecast outturn assumes these management actions will have a small but significant impact in reducing the overspend.

### **2.1.2 Childcare Litigation Unit & Legal Fees - £477,000 or 55.1% Overspend**

The forecast overspend of £477,000 reflects the increased costs of child care litigation due to the volumes of work involved. The current forecast represents an increase in the overspend of £237,000 compared to that reported on the July monitor.

### **2.1.3 Maternity - £275,000 or 41.3% overspend**

The overspend reflects the current projection based upon the level of evidence of maternity cover so far this year. This level is consistent with last financial year when a similar overspend occurred. There is no scope for management action. The base budget for 2003/4 has been increased by £191,000 in the light of longer-term trend data.

### **2.1.4 Home to School Transport - Mainstream - £150,000 or 2.0% overspend**

The overspend is based upon the pattern of transport from September 2002 and is a consequence of the need to transport more children by taxi/minibus routes. Some journeys are for denominational schools, some in areas such as Lea Valley where there is a shortage of places and some relate to Consortium transport.

### **2.1.5 Licences - £120,000 or 55% overspend**

The overspend relates to legal fees incurred in relation to PPL (Phonographic Performance Limited) and licences for recorded music in schools. A total of £240,000 has been incurred in reaching an equitable agreement as to both arrears and ongoing payments. Half the fees have been met from a provision previously set aside for the purpose, but the remaining £120,000 is a charge in the current year.

## **2.2 Unplanned underspends**

### **2.2.1 Post-16 Collaboration - £89,000 or 17.1% underspend**

The Authority provides financial support to individual schools to enable sixth forms to operate on a collaborative basis. We anticipate that a small number of schools may not comply with the requirements for financial support.

## **2.2.2 Vacancies (various divisions) - £200,000 underspend**

There remains pressure to recruit professional staff across the service. Our current forecasts are that despite the recruitment initiatives we are pursuing and the high costs of deploying agency staff, we will underspend across all staffing budgets, although the figure is a relatively small proportion of non-schools staffing budgets.

### **3. Out of County Placements**

The previously projected overspend of £1,700,000 is no longer included in this monitor, since the additional expenditure will be met outside the CSF budget. (The projected overspend figure represents additional placements over and above forecast numbers. The spending pressure comes primarily from placements which are joint funded or sole funded Social Services placements. Management action is continuing, and although every effort is being made to use foster placements where possible, there is still a shortage of suitable carers to meet the demand.)

### **4. General Commentary**

A number of budgets relating to Special Educational Needs provision are under pressure and continue to be tightly reviewed.

## **CSF Slippage/Expenditure Brought Forward Items**

### **Capital Monitor: April to February 2003**

#### **2002/03 St Albans Basic Need Schemes – slippage £440,000**

Discussions are continuing to take place with all the secondary headteachers in St Albans to establish how and where to provide the additional accommodation, which has delayed the start of these schemes. A recommendation will be brought forward for member consideration in due course.

#### **2001/02 Harpenden Basic Need Schemes – expenditure brought forward £450,000**

Schemes have been designed at both Sir John Lawes and Roundwood Park schools and both projects are now completed. Slippage on the 2002/03 St Albans Basic Need schemes offered the opportunity to bring forward expenditure on the Harpenden schemes to enable both Harpenden schools to admit 180 pupils to year 7 from this Sept (2002). Ring-fenced Basic Need funding must be used for Basic Need schemes alone and total expenditure in 2002/03 will be within the amount approved for Basic Need in the 2002/03 programme.

#### **2002/03 Major Schemes (Sheredes) – expenditure brought forward £150,000**

The scheme at Sheredes is a fairly small major works scheme (£172,000 and approximately 7 weeks on site only) to convert a former lecture theatre into two teaching spaces and has been designed and is ready to go out to tender (no planning permission is needed). The cost is likely to rise if we wait until next financial year before the work is completed when there would also be pressure on pupil numbers.

If completed this year, the scheme is expected to be carried out within budget and any expenditure brought forward into the current year will be met from slippage in other areas of the CSF capital programme.

#### **2002/03 Major Schemes (Round Diamond) – slippage £1,230,000**

Work is being carried out later than originally planned following delays earlier in the life of the scheme around finalising the detailed budgets and funding sources of this part self-financed scheme. Under the contemporaneous contract for the Round Diamond scheme all expenditure forecast to occur in 2002/03 (£2,340,000) can now be financed from receipts. The £1,230,000 of borrowing approvals in the capital programme for 2002/03 will not be required until the 2003/04 financial year.

**2002/03 Major Schemes (Care Standards Act) – slippage £100,000**

There have been delays in putting the programme together but this has now been finalised subject to final member approval.

**2002/03 Annual Provisions for Structural Repairs and Maintenance – expenditure brought forward £500,000**

It is estimated that £500,000 of expenditure in 2002/03 on structural repairs and maintenance will take place in advance of the original budgeted cash flow.

**2001/02 Major Schemes (Bowmansgreen) – expenditure brought forward £450,000**

The Bowmansgreen scheme was brought forward because of the expected development of the former Napsbury Hospital site for housing. The school will increase from an intake of 51 per year to 60 (2FE) when the houses are built (using Section 106 funding from the developer) and it was necessary to carry out these improvement works to replace the five mobile classrooms ahead of the expansion works.

**1999/00 Major Schemes (Francis Combe) – slippage £150,000**

Delays early on in the life of this £4 million scheme, which is now on site, mean that a sum of around £150,000 will not be required until 2003/04, to cover any final items arising after the main construction has been completed.

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TOTAL VARIANCES DESCRIBED ABOVE	(370,000)
Other Variances of less than £50k each	(115,000)
<b>TOTAL VARIANCE REPORTED</b>	<b>(485,000)</b>