Title: Children Services in year overspend

Report of the Chief Finance Officer

Open

Wards Affected: None

Key Decision: No

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Accountable Director: Jonathan Bunt, Chief Finance Officer

Summary:

Following consideration of the work programme at the meeting held in November 2014, Members asked for an update on the in year financial position regarding Children’s Services budgets. This item was held over from the December meeting and consequently the summary sets out the position as it was at the time of the last budget monitoring report (April to September 2014) as presented to Cabinet on 18 November 2014

Children’s Services

<table>
<thead>
<tr>
<th>Directorate Summary</th>
<th>2013/14 Outturn £000</th>
<th>2014/15 Budget £000</th>
<th>2014/15 Forecast £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Expenditure</td>
<td>65,016</td>
<td>61,849</td>
<td>66,501</td>
</tr>
<tr>
<td>Projected over/(under)spend</td>
<td></td>
<td></td>
<td>4,652</td>
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</tbody>
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The budget monitoring report outlined that overall the Service was forecasting in 2014/15 an over spend of £4.652m taking into account the remaining Children’s Service reserve of £1.5m. This principally related to overspending within the area of children’s social care where there were and have been continual pressures on services and budgets due in the main to the demographic growth in the Borough. The other divisions within Children’s Services are endeavouring to mitigate this overspend using existing resources and work has been underway to review all costs to ameliorate the increase in demand within Social Care and quantify the service demand and changes in unit costs since the budget was set. In the months leading up to the November budget monitoring report a total reduction of £1.1m was identified to prevent the overspend increasing. Further anticipated reductions were also investigated aimed at making further potential savings of £0.35m.

Forming part of the then monitoring report the Cabinet were presented with a range of options for significantly reducing or eliminating the adverse budget position including steps taken over the past few years to achieve an overall balanced budget within the directorate while also contributing to the Council’s savings targets in the coming year(s). As part of this work more radial options have been developed to address the overspending including the cessation of non-statutory case file audit activity as well as
non-statutory SEN transport which were proposed for immediate implementation. The Corporate Director of Children Services continues to hold weekly management budget meetings and pursuing other activities to drive down costs.

An update on the latest budget position will be reported at the meeting.

**Recommendation(s)**

Members are asked to note the contents of the report