

MONITORING REPORT FROM DIRECTORS OF CHILDREN'S SERVICES AND ADULT AND COMMUNITY SERVICES

DATE: 22 January 2009

PURPOSE

To update members on activity within the Children's Services and Adult and Community Service's Directorates during the period to 31 December 2008. This report refers to those services previously within the Learning and Care Directorate.

BACKGROUND

The total former Learning and Care Budget is projected to be overspent by £154k. This is an increase of £30k from the previous month arising mainly from an increase in projected expenditure on Elderly and Physical Disability Services and Housing Services, offset by a reduction in projected expenditure mainly on Children's Safeguarding.

SPECIFIC AREAS FOR ATTENTION

Revenue Budget

Children & Young People – Central Schools Budget (DSG)

The forecast expenditure funded by the Dedicated Schools Grant (DSG) is now expected to be overspent by £427k, an increase of £128k on the £299k reported last month. £80k of this increase relates to a new out-borough special school placement in the last month, further adding to this year's untypically large net increase in the number of children placed. Underspends elsewhere in the DSG funded Schools Budget, most notably in the contingency set aside for in-year school costs arising from a reassessment of rateable values in schools, continue to help offset some of the overspend on the SEN placement budget. Any over- or underspends against the ring-fenced DSG at the end of the year is carried forward into the following year's Schools Budget, and does not affect the Local Authority funded budget.

Children & Young People – LA funded Budget

The LA funded Children and Young People's budget currently shows a projected overspend of £428k, a decrease of £55k on the £483k forecast overspend reported last month. The main pressures remain, as before, in high-cost demand-led budgets such as Home to School Transport, and residential care for vulnerable children. The main change from last month relates to a reduction in the forecast cost of disbursements of childcare lawyers. This is a joint arrangement run by Reading Borough Council on behalf of all the Berkshire authorities.

Adult Social Care

Adult Social Care currently shows an underspend of £219k, a net increase in expenditure of £60k on the reported underspend last month of £279k. Income from service users and third party contributions for Residential and Nursing Placements have continued to increase above budgeted levels, however expenditure on Residential and Nursing Care Spot placements has risen, contributing to an overall £16k unfavourable change to the previously reported net underspend of £150k. There has been an increase in the projected cost of External Homecare provision due to the use of higher cost spot providers in order to meet demand within available capacity. Current projections of homecare income indicate that there are increased numbers of higher need service users which gives rise to a lower proportion of paid for hours. Overall this results in a £48k unfavourable variance to the previously reported overspend of £110k on the Homecare service.

Housing Services

There has been an increase in activity on Interest Free Loans for deposits on rental property combined with additional demand for temporary accommodation from larger families, which has resulted in extended stays in bed and breakfast accommodation while suitable rental premises are identified. This has increased pressure on the Housing Policy budget by an estimated £25k in the current year.

Capital Budget

There has been little change in the position of the former Learning and Care Directorate's capital programme. Since last month the Directorate's approved gross expenditure budget has increased by £11k from £19.917 million to £19.928. (This includes schools devolved formula capital projects and other devolved funding totalling £3.589 million). The additional budget relates to an increase of £11k in devolved capital to schools.

The projected outturn for the former Learning and Care Directorate's capital budget remains unchanged from last month at £16k above budget. This is mainly due to a handful of projects where the tender costs have come in higher than expected. The main contractor tenders are now in for the new Holyport Manor special school. The quotes received are still containable within budget

Slippage has increased by a further £77k this month to £1,155k. This relates to a part of the Extended Schools capital programme which now looks unlikely to be spent before Spring 2009.