

2007-08 Financial Summary for Cabinet & Final Accounts Report

Learning & Care

The 2007-08 financial year was the first full year for the new Learning & Care Directorate. The significant structural changes arising from the consolidation of the Social Services and the Education Directorates had a considerable impact on the budget, and the delivery of savings from the restructure was a challenge for the new Directorate, especially in this first year. The Directorate reports that it has succeeded in containing expenditure within its budget and reports an underspend of £845k on controllable costs, (excluding DSG) for the year, representing 1.3% of the gross expenditure budget, or 2.0% of the net budget.

The following summary analyses the Directorate by looking at Management, Strategy & Support; Housing; Social Care services, the Individual School's Budget (ISB); the Local Authority's share of the Dedicated School's Grant (DSG) budget; and finally the Local Authority's Children's services budget (non-DSG) including Youth & Community.

The Management, Strategy & Support budgets, including training, gross £2.8M. These budgets took most of the impact of the restructure and associated savings requirement, and therefore it is reassuring that there are no significant variances to report.

The Housing budget, gross £2.9M reports a £69k (2.4%) overspend due to a combination of minor variations in the staffing, homelessness and supporting people budgets.

The Social Care budget for people with a learning disability totals £9M. This budget was set in the context of several years of increasing demand for services, however a number of issues arose in 2007/8 that impacted favourably on the budget in that year resulting in an underspend of £918k on the base budget, £584k on the approved estimate. The favourable issues included savings of £85k from reviewing the contractual position with the Learning & Skills Council, savings of £110k from a favourable settlement of a contractual issue with another local authority, and savings arising from a higher than anticipated number of temporary & permanent transfers of service users to NHS funding. Lower than expected calls on the expenditure budget were experienced in that anticipated entrants into high cost residential care were able to remain in their family home for longer than expected.

The Social Care budget for elderly, £15M, was underspent by £344k due mainly to fewer placements in residential & nursing care than budgeted, and a higher than budgeted contribution rate from services users towards their care. In addition the raising of the Free Nursing Care reimbursement rates provided more income than anticipated. Linked to the lower requirement for residential care was an increase in demand for homecare, and as a result the home care budget overspent.

The Social Care budget for people with Mental Health problems, £2M underspent by circa £200k due mainly to a small reduction in the number of service users requiring high cost residential services.

Throughout the Social care budget underspends arose in staffing budgets due to difficulties in recruiting. A range of budgets funded from specific grant income underspent, in particular the Preventative Technology Grant, Contact Point Grant and Emergency Respite Care Grant, and as a result these underspends will be carried forward to 2008/9.

The School's ISB represents that part of the DSG that is fully delegated to schools. Variances from budget are carried forward to the following years budget for each school. Like most authorities RBWM schools have credit balances, there was a net reduction of £270k in these balances over the year, and balances of £2.2M will be carried forward to 2008/9, this represents 3.6% of their annual budget.

The share of the DSG controlled by the Local Authority totals £10M. This budget was boosted by an actual allocation of DSG £145k above estimate and this has led to an underspend of £163k for carry forward to 2008/9. Special Educational Needs (SEN) net recoupment payments in respect of RBWM SEN pupils in other Authority's and Independent Special Schools, and, were £285k below budget. This sum, aggregated with minor underspends on Early Years nursery placements and staff budgets for both the Sensory Consortium and the Pupil referral units, have been used to underpin the capital budget for the replacement of Holyport Manor Special school.

The Local Authority's Children's Services Budget, outside the DSG, totals £17M. Underspends on staffing budgets of £96k were offset by overspends on Home to School Transport of £110k. Other net variances, including an income shortfall in Youth & Community due in part to the planned transfer of activities to Marlow Road resulted in a final spend £51k over budget.

SERVICE MONITORING

It is still early in the 2008/9 financial year and it is not yet possible to determine trends at this time. However the following items impacting in 2007/8 are expected to have an impact in 2008/9.

- external homecare, demand led overspend could well continue.
- Elderly service user income, higher contribution rates expected due in part to improved administrative processes
- Learning Disability underspend should not continue as two new supported living schemes are planned to open early in the year, however some initial saving are anticipated in the short term.
- Grant funded budgets carried forward from 2007/8 are expected to be used in full in 2008/9.
- Elderly residential & nursing budgets will continue to underspend early in the year, however levels of demand are reported to be increasing.
- Savings arising from a Directorate restructure could be delayed, and the full year effect not be achieved in 2008/9. This is due to the need to ensure full consideration of, and appropriate consultation on, all proposals. It is anticipated that any delay in achieving these saving could be offset in full by underspends and savings arising from the matters noted above.
- No significant variations are anticipated on Children services budgets.
- The DSG underspends for 2006/7 & 2007/8 will need to be assigned to budgets for 2008/9.