

This report may be of interest to: All Members who have an interest in the work of the Community Learning Committee and its associated Committees

REVENUE BUDGET 1999/2000

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1. Purpose

- 1.1 To report on the latest forecast outturn against budget for the Community Learning Committee for the 1999/2000 financial year.

2. Summary

- 2.1 The Special Policy and Resources Committee on the 19 October 1999 approved the latest Community Learning Committee budget for 1999/2000 of £118.3M. This included new pressures identified of £726k and opportunities for savings of £177k, plus a further savings target of £69k to be achieved by the year end.
- 2.2 The latest forecast indicates that further cost pressures have arisen which add £799k to the likely net expenditure of the Committee. Most significantly these relate to the cost of placements in Children's Services, but also to other similar demand led budgets in Pupil Services. These increased costs have in part been off-set by rating re-evaluations of school premises and the actions being taken to review to use of Children's Services residential accommodation.

3. Recommendations

- 3.1 The Committee is recommended to note the latest forecast outturn for this Committee, and that officers are continuing to take what action possible to bring the financial outturn in line with the Latest Approved Budget.

4. Background

- 4.1 In line with this Committee's Strategic Plan a process has been put in place to monitor budgets at various levels, through the Directorate Management Team (DMT) and ultimately to report to this Committee. This report fulfils the latter part of that process.
- 4.2 The Policy and Resources Committee at its meeting in October agreed the Latest Approved Budget. This included the accommodation of a number of pressures on the Community Learning Committee's budget. However, since that point in time the Policy and Resources Committee has not resolved to increase the budget due to the Councils overall position.
- 4.3 Since the special meeting of the Policy and Resources Committee in October officers have continued to examine budgets carefully both for this and subsequent years. The consideration of later years appears in the report on the Strategic Plan for the Committee.

5. Issues and Choices

- 5.1 The Annex to this report sets out the latest anticipated outturn compared to the Latest Approved Budget for 1999/2000 of £118.3m. The major reasons for anticipated variation of £799k are given below.
- 5.2 As on previous occasions the most significant new pressure is the forecast increase in the total spent on placements in Children's Services. The current projection is that this will amount to £659k more than the Latest Approved Budget. Rigorous monitoring of placements is in hand, including an allocation of costs where appropriate to Pupil Services (still within the Community Learning Committee) and to Neighbourhood Services (still within the Council). In addition temporary staff costs are also causing increases in cost taking the total anticipated Children's Services overspend to £759k.
- 5.3 The cost of providing certain services to pupils has also come under pressure although the situation is now forecast to be a little better than previously.
- 5.4 The creation of the post of Business Development Manager has been included in the budget for 2000/2001 and beyond, but no budget exists for this post, or that of the temporary Budget Project Manager in 1999/2000. As a consequence expenditure of £24k in excess of the budget is anticipated. This initiative has already contributed towards the development of medium term financial planning for the directorate and will continue to do so in the future. The new post will also be significant in allowing the Directorate to support the Best Value process.

- 5.5 The savings identified result mainly from rating revaluations on school premises valued at £259k and changes to the way the Children's Service is delivered, most particularly the suspension from use of St. Georges Road as reported to the Children and Youth Committee estimated to be £50k in 1999/2000. Other savings materialise from staff vacancies in Children's Services (£25k) and reductions on the catering contract in schools (£65k).
- 5.6 The issues identified above were reported to the previous meeting of the Community Learning Committee in arriving at the then forecast outturn of a £671k overspend. However, a number of other issues have arisen which worsen the overall position. Members will be aware of the issues around asbestos. The budget of this Committee has been reduced by £35k in order to provide some corporate resource to deal with these issues. At the same time a number of specific issues have arisen at school sites which increase the costs falling on this Committee's repairs and maintenance budget. It is also now apparent that some of the costs associated with the sale of the former Denbigh school site are not capable of being set against the capital receipt and must therefore fall upon the revenue account of this Committee.
- 5.7 Expenditure on the Day Nurseries has been rigorously scrutinised and it is now forecast that reductions can be achieved to result in an underspend of approximately £50k. Unfortunately a similar figure is now forecast as an overspend on recruitment and retirement costs of teachers which are currently picked up by the LEA.
- 5.8 Officers have taken what management action they can to mitigate against this situation. Such actions have included holding vacant posts open a little longer than otherwise intended, deferring expenditure into the next financial year, as well as exploring the possibility of delivering services at lower cost by alternative arrangements. Actions will be the subject of formal reporting to Committee and subsequent arrangements under new political structures, as part of budget monitoring arrangements.

6. **Implications**

6.1 Environmental

No specific environmental implications have been identified.

6.2 Equalities

Beyond the fact that the services provided by this Committee are aimed at maximising individuals' potential there are no issues arising directly from this report.

6.3 Financial

These are contained in the body of the report.

6.4 Legal

None specifically identified.

6.5 Staff and Accommodation

Measures taken to address the financial position may well impact upon staff.

7. **Conclusions**

7.1 The latest forecast outturn for this Committee is £119.1M, which is £799k, or 0.7% above the Latest Approved Budget.

Background Papers: None