



Haringey Council

Report for:	CYPS Scrutiny Panel 21.1.2013	Item Number:	
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Title:	Budget Update 2012-13 – up to and including Period 7
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Report Authorised by:	Libby Blake, Director of Children and Young People’s Service
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Lead Officer:	Wendy Sagar, Interim Head of CYPS Finance
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Ward(s) affected: All	Report for Key/Non Key Decisions:
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1. Describe the issue under consideration

1.1 To update Scrutiny Committee on the forecast financial revenue and capital outturns for 2012-13 based on actual performance up to the end of October 2012 (Period 7).

2. Cabinet Member introduction

2.1 The budget for 2012-13 requires the delivery of a significant level of savings on top of those already successfully delivered in 2011-12. The Government’s front loaded austerity programme continues to unjustly penalise the Borough and its residents, and in that context the delivery of a balanced projection as set out in this report is to be commended.

2.2 Members should be aware of the financial pressures and risks contained within the medium term financial plan. The budget pressures in Children’s Social Care have so far been contained, although the budget is volatile and will be monitored closely during the remainder of the year.

3. Recommendations

3.1 Scrutiny is recommended to note the report and the projected outturn position against the approved 2012-13 revenue and capital budget.



4. Other options considered

- 4.1 A corporate risk based approach to budget monitoring has been developed in order to manage the finances in a time of economic and financial uncertainty. Quarterly reports to cabinet on the Council's overall financial position are an important element of the overall Medium Term Financial Planning process.

5. Revenue Budget Projection

- 5.1 As at the end of the period 7 there is a projected balanced position for the year-end compared to the approved budget £83.8m. Spending on Looked after Children (LAC) continues to be contained within budget, with the numbers of children in the system continuing to be less than in the previous financial year.
- 5.2 There continues to be budget pressures with legal costs and the budget for clients with 'No Recourse to Public Funds'.

6. Capital Programme

- 6.1 The capital programme revised budget for the Children and Young People's Service is £17.6m. As at the end of period 7, the programme is projecting a £1.2m underspend by the year-end. The budget was reviewed by Cabinet on 16th October 2012, and a range of capital virements were agreed to realign budgets to reflect the amended capital programme which included Rhodes Avenue.
- 6.2 The Rhodes Avenue project commenced in 2008 with an original budget of £8.9m. The project comprised three phases of work, and was originally intended to complete in 2012.
- 6.3 Delays have occurred on Phases 1 and 2 which have now pushed the completion date for phase 2 back to February 2013, at a projected cost of £10.9m. In order to mitigate the Council's exposure to further delays and cost increases a decision has been made to separate these phases from the final Phase 3, which is going to be re-procured as a design and build contract. The pre-tender estimate for the total project costs of this final phase is £3.3m, and the planned completion date of Phase 3 is December 2013.
- 6.4 The school are fully apprised of the situation and have programmed the further cohort intake and continued delivery of education from September 2013 based on the revised completion date.
- 6.5 The report to cabinet in October also referenced the work being done to prepare a claim against the relevant parties undertaking the contract with the aim of recovering the majority of additional costs suffered on this project.
- 6.6 The following table sets out the virements over £100k approved by Cabinet.



Capital Virements			
Original Capital Budget	Virement current year	Revised Capital Budget	Project
£'000	£'000	£'000	
5,736	- (2,075)	3,661	Secondary School Capital Programme
14,357	- (3,728)	10,629	Primary Capital Programme
1,872	- (451)	1,421	School Planned condition works
800	- (209)	591	Devolved School capital
2,300	- (1,000)	1,300	CYPS Programme Delivery

7. Comments of the Chief Finance Officer and financial implications

7.1 As the report is primarily financial in its nature, comments of the Chief Financial Officer are contained throughout the report.

8. Head of Legal Services and legal implications

8.1 There are no specific legal implications in this report.

9. Equalities and Community Cohesion Comments

9.1 Equalities issues are a core part of the Council's financial and business planning process.

10. Head of Procurement Comments

10.1 Not applicable.

11. Policy Implication

There are no specific policy implications in this report.

12. Use of Appendices

13. Local Government (Access to Information) Act 1985

The following background papers were used in the preparation of this report|:

- Budget management papers
- Business plans