

The City of Edinburgh Council

10.00am, Thursday 17 September 2015

Revenue Monitoring 2015/16 – Month Three Position - referral report from the Finance and Resources Committee

Item number	8.3
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 27 August 2015 considered a report on the projected month three revenue monitoring position for the Council, based on period two data. The report has been referred to The City of Edinburgh Council for approval of the Spend to Save application for the Edinburgh Leisure web development project and the £9.8 million of savings referenced in paragraph 3.6 of the report to offset, in part, the forecasted overspend in Health and Social Care. The report would subsequently be referred to the Governance, Risk and Best Value Committee for consideration as part of its workplan.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Revenue Monitoring 2015/16 – Month Three Position

Terms of referral

- 1.1 The report represents the first of the quarterly revenue monitoring reports for 2015/16. Ongoing analysis of the revenue position was undertaken in line with agreed, risk-based principles, with any material changes reported in the intervening periods as required.
- 1.2 As of period three, the Council was projecting a balanced position for the year, albeit this was subject to both approval of a number of transitional savings measures and delivery of further savings within Health and Social Care. Most other service areas had, however, also highlighted a number of pressures and/or risks to achieving the projected outturns set out in Appendix 1 of the Chief Operating Officer and Deputy Chief Executive's report. Directors had implemented a range of management measures to control expenditure and work was ongoing to identify further actions to ensure identified pressures were contained. Service-specific issues amounting to over £20 million, and corresponding mitigating actions, were highlighted in Appendix 2 of the Chief Operating Officer and Deputy Chief Executive's report.
- 1.3 The Finance and Resources Committee agreed to:
 - 1.3.1 Note the projected balanced position at month three, subject to approval by Council of £9.8 million of transitional savings and delivery of additional savings within Health and Social Care as noted below.
 - 1.3.2 Note the Health and Social Care forecast overspend of £11.2 million and instruct the service to report further to the Finance and Resources Committee on 24 September 2015, setting out progress in both delivery of the agreed mitigating measures and development of additional proposals as necessary to deliver at least a further £1.4 million of net savings, and in doing so would return the service budget towards a sustainable position.
 - 1.3.3 Note the on-going risks and challenges in achieving the necessary offsetting projected underspends across other areas of the budget which would require further management actions and active scrutiny for the remainder of the year.

- 1.3.4 Note the balanced position projected on the Housing Revenue Account (HRA) after making a £17 million contribution towards the construction of new homes.
- 1.3.5 Refer the report by the Chief Operating Officer and Deputy Chief Executive to Council for approval of the Spend to Save application for the Edinburgh Leisure web development project and the £9.8 million of savings referenced in paragraph 3.6 of the report to offset, in part, the forecasted overspend in Health and Social Care.
- 1.3.6 Refer the report by the Chief Operating Officer and Deputy Chief Executive to the Governance, Risk and Best Value Committee as part of its workplan.

For Decision/Action

- 2.1 The Finance and Resources Committee has referred the report by the Chief Operating Officer and Deputy Chief Executive to The City of Edinburgh Council for approval of the Spend to Save application for the Edinburgh Leisure web development project and the £9.8 million of savings referenced in paragraph 3.6 of the report to offset, in part, the forecasted overspend in Health and Social Care, and for referral to the Governance, Risk and Best Value Committee for consideration as part of their workplan.

Background reading / external references

[Revenue Monitoring 2015/16 - Month 3 Position](#)

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10.00am, Thursday, 27 August 2015

Revenue Monitoring 2015/16 – month three position

Item number 7.6
Report number
Executive/routine
Wards

Executive summary

The report sets out the projected month three revenue monitoring position for the Council, based on period two data. The current full-year outturn forecast indicates significant pressures within Health and Social Care which shows an overall overspend of £11.2m after implementation of mitigating management actions identified to date.

As previously intimated to Committee, the Corporate Leadership Group agreed in June to identify £5m of one-off funding across other services and corporate budgets to offset an element of this pressure which, subject to Council approval, would reduce the forecast underspend to £6.2m. Following further consideration, the Chief Executive has now instructed the identification of additional corporate and service-specific savings proposals to a combined value of £4.8m, reducing the projected residual overspend to £1.4m. The Chief Social Work Officer, on behalf of the Health and Social Care service, has furthermore been instructed to ensure that at least an additional £1.4m of previously-agreed mitigating actions, or agreed alternatives, be delivered. Subject to approval by Council of the £9.8m of transitional corporate funding and containment of other risks and pressures, this gives the potential for a balanced overall position to be delivered by the year-end.

Links

Coalition pledges [P30](#)
Council outcomes [CO25](#)
Single Outcome Agreement [SO1](#), [SO2](#), [SO3](#), [SO4](#)

Revenue Monitoring 2015/16 – month three position

Recommendations

- 1.1 Members of the Finance and Resources Committee are asked to:
 - 1.1.1 note the projected balanced position at month three, subject to approval by Council of £9.8m of transitional savings and delivery of additional savings within Health and Social Care as noted below;
 - 1.1.2 note the Health and Social Care forecast overspend of £11.2m and instruct the service to report further to the Committee's meeting on 24 September, setting out progress in both the delivery of the agreed mitigating measures and development of additional proposals as necessary to deliver at least a further £1.4m of net savings, in so doing returning the service budget towards a sustainable position;
 - 1.1.3 note the on-going risks and challenges in achieving the necessary offsetting projected underspends across other areas of the budget which will require further management actions and active scrutiny for the remainder of the year;
 - 1.1.4 note the balanced position projected on the Housing Revenue Account (HRA) after making a £17m contribution towards the construction of new homes;
 - 1.1.5 refer this report to the Governance, Risk and Best Value Committee as part of its work programme; and
 - 1.1.6 refer this report to Council for approval of (i) the Spend to Save application for the Edinburgh Leisure web development project and (ii) the £9.8m of savings referenced in paragraph 3.6 of this report to offset, in part, the forecast overspend in Health and Social Care.

Background

- 2.1 This report sets out the projected overall position for the Council's revenue expenditure budget for 2015/16 as at month three, based on analysis of period two data.

Main report

- 3.1 This report represents the first of the quarterly revenue monitoring reports for 2015/16. On-going analysis of the revenue position is undertaken in line with agreed, risk-based principles, with any material changes reported in the intervening periods as required. The introduction of monthly budget review and challenge meetings has also enhanced the focus on the prompt identification of, and development of appropriate mitigating action to address, service risks and pressures.

Overall position

- 3.2 As of period three, the Council is projecting a balanced position for the year, albeit this is subject to both approval of a number of transitional savings measures and delivery of further savings within Health and Social Care. Most other service areas have, however, also highlighted a number of pressures and/or risks to achieving the projected outturns set out in Appendix 1. Directors have implemented a range of management measures to control expenditure and work is ongoing to identify further actions to ensure identified pressures are contained. Service-specific issues amounting to over £20m, and corresponding mitigating actions, are highlighted in Appendix 2.

Health and Social Care

- 3.3 The report to this Committee on 4 June 2015 highlighted demand-led pressures within the 2015/16 Health and Social Care budget of £16.5m. The position set out at that time has altered slightly, with an overall pressure of £16.2m now forecast, comprising additional Third Party Payments expenditure of £11.5m for Care at Home, Residential and Nursing, Day Care and Direct Payments; Supplies and Services of £1.7m; staff costs of £1.6m for Care Homes and Home Care; an income shortfall of £0.8m related to respite charging; and transport and premises costs of £0.5m.
- 3.4 Potential savings resulting from the mitigating actions reported to this Committee on 4 June of £11.6m have been revised slightly to £11.8m and of these, £5.0m are expected to be delivered in full (Appendix 3). The remaining £6.8m of actions require further development to allow their deliverability to be built into the outturn forecast. A planned programme of mitigation, including a specific focus on demand management, is therefore being progressed in partnership with KPMG; at this stage, however, it is too early to quantify its financial impact in 2015/16.
- 3.5 Discussions concerning the provision of potential one-off Scottish Government funding to contribute to the re-establishment of a sustainable budget are also continuing. Receipt of such funding would, however, require additional expenditure compared to that included in this budget forecast. A further update will be brought to the next Finance and Resources Committee meeting on 24 September 2015.

Transitional corporate funding to address Health and Social Care overspend

- 3.6 The Corporate Leadership Group agreed in June to identify £5m of one-off funding across other service areas and corporate budgets to offset an element of the residual pressure within Health and Social Care. In acknowledging the scale of the financial challenges facing the service and the corresponding need for mitigating measures to be embedded over the medium-term, however, Directors were subsequently requested to identify a further £4.8m of savings capable of delivery in the current year. The impact of these proposals is reflected in Appendix 1, with underspends reflected against each area in accordance with its respective contribution towards the £9.8m of total one-off funding. The identification of these additional contributions re-emphasises the need for strict scrutiny and control of all areas of expenditure if a balanced overall position is to be achieved by year-end.
- 3.7 Onward referral of this report to Council is requested to seek approval of the £9.8m one-off savings identified to reduce the forecast pressure on the Health and Social Care budget. Details of the proposed mitigating measures are shown in Appendix 4, with additional information on the £0.995m of Corporate Governance-specific measures, and wider service position, included elsewhere on today's agenda.
- 3.8 Provision of the above additional transitional funding and management of all other existing risks and pressures would reduce the residual Council-wide overspend to £1.4m. The Chief Social Work Officer, on behalf of the Health and Social Care service, has therefore furthermore been instructed to ensure that at least an additional £1.4m of previously-agreed mitigating actions, or agreed alternatives, be delivered. A further progress update in this area will be provided to the Committee's meeting on 25 September.

Children and Families

- 3.9 The Director of Children and Families is forecasting a break-even position, albeit the service continues to be subject to a number of demand-led pressures in such areas as fostering, out-of-Council residential schools and units and various impacts of increasing pupil rolls. The Senior Management Team remains committed to putting in place additional measures as appropriate to ensure a balanced position is achieved by year-end.
- 3.10 The Director of Children and Families has been requested to identify £2.025m of measures as the service's contribution to address pressures within the Health and Social Care. Proposed measures identified include vacancy controls and postponement of planned additional flexibilities around early years learning and childcare provision.

Services for Communities

- 3.11 The Acting Director of Services for Communities is reporting a £1.65m underspend at period three, representing the service's share of the £9.8m

referred to above. Service-wide pressures of £9.9m have been identified, however, with mitigating actions in place to address £9.1m of these. It is anticipated that the remaining pressure will be managed through further senior management scrutiny of overspending areas to identify potential cost reductions and reviewing areas of underspend in 2014/15 for recurring savings and/or increased income.

- 3.12 The service's proposed £1.65m contribution towards the £9.8m one-off support to the Health and Social Care budget includes the drawing down against in-year expenditure of the earmarked funding put aside to provide a contingency against the impact of severe winter weather, reductions in consultancy spend and additional income resulting from increased planning fee volumes.

Housing Revenue Account

- 3.13 The Housing Revenue Account is forecasting a break-even position after making a £17m contribution towards housing investment, relative to an assumed budgeted contribution of £9m. The favourable movement is due to the delay in the implementation of temporary accommodation-related welfare reforms which has mitigated the reduction in income anticipated in this area and treasury management savings as a result of additional debt write-off made in 2014/15.

Savings delivery

- 3.14 On 12 February 2015, Council approved a budget for 2015/16 underpinned by the delivery of £39.903m of savings spanning all areas of Council activity. Prior to the beginning of the financial year, these savings were the subject of a comprehensive assurance assessment and delivery is now being tracked on a monthly basis by Senior Management Teams.
- 3.15 The assessments categorise progress with savings implementation on a red, amber, green status based on degree of certainty of delivery. The assessments at period three indicate that 78% of these are classified as green, with a further 12% on target subject to additional measures being taken to ensure delivery. A summary of the assessments by service area is shown in Appendix 5. Maximising delivery of savings will be crucial in mitigating other risks within the budget, including any pressures arising, for example, upon confirmation of the agreed level of employee pay award for 2015/16.

Spend to Save

- 3.16 The current level of funding within the Spend to Save Fund to take forward eligible projects is £4m.
- 3.17 Edinburgh Leisure has submitted an application for the use of £0.126m of Spend to Save funding for the development of its website application. The summary of this proposal is shown below, with further details included in Appendix 6.

- 3.18 The business case provided by Edinburgh Leisure is based on extra revenue being generated across a number of activities together with a reduction in administrative costs. The Spend to Save Fund will be reimbursed over two years by a reduction in the annual service payment made to Edinburgh Leisure.

Bidder	Project	Funding Required 2015/16	Payback Period
Edinburgh Leisure	Website development	£126,000	2 Years – 2016-18 £63,000 per annum

Measures of success

- 4.1 Achieving a balanced overall budget outturn position for 2015/16 and successful delivery of approved savings.

Financial impact

- 5.1 The report's contents point to a balanced overall position for the year as a whole, although this is dependent upon Council approval of £9.8m of additional savings measures, delivery of further savings within Health and Social Care and management of other risks and pressures.

Risk, policy, compliance and governance impact

- 6.1 The delivery of a balanced budget outturn for the year is the key target. The risks associated with cost pressures, increased demand and savings delivery targets are regularly monitored and reviewed and management action is taken as appropriate.
- 6.2 Ongoing communications by the Council's section 95 Officer have reinforced the respective responsibilities of Directors to maintain expenditure within approved budgets in accordance with the Financial Regulations. Directors also have a requirement to ensure that savings identified are both achievable and delivered to maintain a sustainable budget across the Council. With this in mind, structured plans are in place for review and feedback on current and future years' savings proposals.

Equalities impact

- 7.1 While there is no direct additional impact of the report's contents, all budget proposals are now subject to an initial Equalities and Rights Impact Assessment.

The equalities and rights impacts of any substitute measures identified to address savings shortfalls are similarly assessed.

Sustainability impact

- 8.1 While there is no direct additional impact of the report's contents, the Council's revenue budget includes expenditure impacting upon carbon, adaptation to climate change and contributing to sustainable development. In addition, all budget proposals are now subject to an upfront Carbon Impact Assessment.

Consultation and engagement

- 9.1 There is no external consultation and engagement arising directly from this report, although the Council's budget continues to be subject to a process of annual consultation and engagement.

Background reading/external references

[Health and Social Care 2015/16 Budget – Further Progress Report](#) – Finance and Resources Committee - 4 June 2015

Service monitoring statements for Period two

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Links

Coalition pledges	P30 – Continue to maintain a sound financial position including long term financial planning
Council outcomes	CO25 – The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	SO1 – Edinburgh's economy delivers increased investment, jobs and opportunities for all SO2 – Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 – Edinburgh's children and young people enjoy their childhood and fulfil their potential SO4 – Edinburgh's communities are safer and have improved physical and social fabric

Appendices

Appendix 1 – Period three service analysis

Appendix 2 – Significant pressures, key risks and mitigating actions

Appendix 3 – Health and Social Care: progress in delivery of mitigating actions

Appendix 4 – Proposed mitigating corporate and service-specific actions to address Health and Social Care pressures

Appendix 5 – Progress assessment of savings delivery

Appendix 6 – Spend to Save proposal - Edinburgh Leisure

REVENUE MONITORING 2015-16

PERIOD 2 REPORT

SERVICE ANALYSIS

Account	Revised Budget £000	Budget to Date £000	Actual to Date £000	Variance to Date		Projected Outturn £000	Projected Variance	
				£000	%		£000	%
Children and Families	396,205	60,127	60,514	387	0.6%	394,181	-2,025	-0.5%
Corporate Governance	75,686	22,364	22,405	41	0.2%	74,691	(995)	-1.3%
Economic Development	11,679	2,924	3,062	138	4.7%	11,429	(250)	-2.1%
Health and Social Care	201,147	46,054	48,015	1,961	4.3%	210,932	9,785	4.9%
Services for Communities	133,305	19,134	19,692	558	2.9%	131,655	(1,650)	-1.2%
Valuation Joint Board Requisition	3,744	624	624	0	0.0%	3,744	0	0.0%
Direct Service Expenditure	821,767	151,227	154,312	3,085	2.0%	826,632	4,865	0.6%
Council-wide - Energy Costs	774	0	0	0	n/a	774	0	0.0%
Council-wide - Living Wage	1,032	0	0	0	n/a	1,032	0	0.0%
Council-wide - Non-Domestic Rates	468	0	0	0	n/a	468	0	0.0%
General Fund Services Subtotal	824,040	151,227	154,312	3,085	2.0%	828,906	4,865	0.6%
Net Cost of Benefits	(62)	(10)	3,520	3,530	n/a	(62)	0	0.0%
Modernising Pay and related employee cost and other contingencies	5,278	0	0	0	n/a	4,478	(800)	-15.2%
Pension Auto Enrolment	226	0	0	0	n/a	226	0	0.0%
Pension Fund - Lump Sum Payment	3,064	511	511	0	0%	3,064	0	0.0%
Non-Domestic Rates - Discret. Relief	350	0	0	0	n/a	350	0	0.0%
Carbon Tax	1,200	1,200	1,218	18	1.5%	1,200	0	0.0%
Insurance Excesses	175	0	0	0	n/a	175	0	0.0%
Loans Charges / Interest on Rev Bals	119,153	0	0	0	n/a	116,473	(2,680)	-2.2%
Dividend and Investment Income	(5,000)	0	0	0	n/a	(5,000)	0	N/a
Unallocated budget motion funding	182	0	0	0	n/a	182	0	N/a
Prior Year and Other Adjustments	4,221	0	0	0	n/a	4,036	(185)	-4.4%
Total General Fund	952,828	152,928	159,561	6,633	4.3%	954,028	1,200	0.1%
Funding								
General Grant Funding	(337,538)	(125,919)	(125,919)	0	0%	(337,538)	0	0.0%
Non Domestic Rates	(404,108)	(67,351)	(67,351)	0	0%	(404,108)	0	0.0%
Council Tax	(237,113)	(39,519)	(39,519)	0	0%	(238,113)	(1,000)	0.4%
Less: Council Tax Reduction Scheme	27,152	4,525	4,525	0	0%	27,152	0	0.0%
Operating Deficit / (Surplus)	1,221	(75,336)	(68,703)	6,633	n/a	1,421	200	n/a
Contribution to / (from) Reserves								
Earmarked Reserves								
- BT Efficiencies Fund	1,662	0	0	0	n/a	1,662	0	0.0%
- Dilapidations Fund	717	0	0	0	n/a	717	0	0.0%
- Council Priorities Fund	(3,600)	0	0	0	n/a	(3,800)	-200	5.6%
Total Contribution to / (from) Reserves	(1,221)	0	0	0	n/a	(1,421)	-200	n/a
In-year Deficit / (Surplus)	n/a					0	0	n/a
Housing - HRA	0	(8,254)	(9,108)	(854)	n/a	0	0	n/a

Note: Net cost of Benefits variance reflects expenditure that will be recovered from the Department for Work and Pensions at period six or seven.

Service Area	Significant Pressures	Mitigating Actions/Key Risks
<p>Children and Families</p>	<p>There are budget pressures in many areas of the service and a number of challenges relating to delivery of approved savings. Areas of significant budget pressure include:</p> <ul style="list-style-type: none"> - out-of-Council residential schools and secure units; - fostering, adoption and kinship placements; and - demographic pressures within the schools budget 	<p>Mitigating management actions have been put in place to address the projected pressures, however currently, a net £3m pressure (aside from the £2.025m of savings addressing corporate pressures) remains.</p> <p>The Senior Management Team remains committed to identifying further actions to address these. There remains a high risk, however, of overspend in relation to vulnerable children, which will require identification of corresponding savings in other areas of the service budget.</p>
<p>Corporate Governance</p>	<p>No pressures are currently foreseen in this service area which cannot be contained within the approved budget.</p>	<p>A service-specific contingency has been created to mitigate budget pressures, including meeting £0.128m related to increased demands on Health and Safety services.</p> <p>One-off or accelerated savings proposals have been developed to meet the service support commitment for Health and Social Care agreed by Corporate Leadership Group.</p> <p>There is a risk of demand for payment of Discretionary Housing Payments exceeding available resources. This will continue to be monitored.</p>
<p>Economic Development</p>	<p>No pressures are currently foreseen in this service area which cannot be contained within the approved service budget.</p>	
<p>Health and Social Care</p>	<p>A number of significant pressures amounting to £16.2m have been identified, including:</p> <ul style="list-style-type: none"> - Care at Home, Residential and Nursing, Day Care and Direct Payments - £11.5m - Supplies and Services - £1.7m - Care Homes and Home Care staff costs - £1.6m - Respite income shortfall - £0.8m - Transport and Premises costs - £0.5m 	<p>£11.8m of mitigating actions have been identified, of which £5.015m are expected to be delivered in full.</p> <p>A planned programme of mitigation is being progressed in partnership with KPMG, including demand management. However at this stage it is too early to quantify the impact of this work in addressing the expenditure pressures identified.</p> <p>Corporate Leadership Group has agreed that one-off funding of up to £9.8m will be identified to assist with the pressures.</p>

Service Area	Significant Pressures	Mitigating Actions/Key Risks
		<p>There is a further emerging pressure from 20 high-cost packages of care currently awaiting approval with an associated estimated full-year cost of £2.9m which is not included in the forecast.</p>
<p>Services for Communities (SfC)</p>	<p>The most significant budget pressures within the service are:</p> <ul style="list-style-type: none"> - Corporate Property £5.5m - mainly related to £7.7m of unachieved iPFM savings, offset in part by increased income and reserves drawdown - Waste Services £2.2m, driven by additional landfill tax, removal of food waste grants, staffing budget pressures, vehicle costs, recycling redesign delays, increasing waste volumes and delays in implementation of savings in public conveniences. 	<p>One-off budget reductions of £4.3m have been made across the SfC budget to create a contingency to manage an element of the pressures.</p> <p>There is £2.6m available within ear-marked reserves to address shortfalls in the internal improvement plans.</p> <p>Further management action is required to balance the overall budget position, which will include:</p> <ul style="list-style-type: none"> - cost reductions in areas currently projecting overspends; - review areas of underspend from 2014/15; and - further cost reduction exercises if required. <p>There are potential further risks which have not been reflected in the pressures above:</p> <ul style="list-style-type: none"> - EBS - potential shortfall of £2m against budgeted contribution due to reduced level of housing repairs and reduced productivity following removal of bonus scheme; - Mortenhall Crematorium - temporary closure for essential repairs, resulting in loss of income; and - Repairs and Maintenance - risk that additional funding of £2m will not be sufficient to cover health and safety and wind and watertight expenditure demands. <p>Management action and assessments are ongoing to contain these potential risks.</p>

Ref	Mitigating Action	Mitigating	Mitigating	Reason
		Action F&R 4th June	Action status as of July	
		£'000	£'000	
1	Use remaining unallocated demography monies	(1,330)	(1,330)	Demography monies for older people (£470k), learning disabilities (£400k), and mental health problems and assessment (£460) have been used for existing unfunded care at home packages, not new demand in year: increase in waiting lists.
2	Additional Housing Revenue Account (HRA) contribution to telecare	(550)	(550)	Agreed increase in Housing Revenue Account's contribution to TeleCare.
3	Use unallocated Integrated Care Fund monies	(400)	(465)	Agreement reached in June with NHS and Third Sector partnership
4	Do not fill Home Care and Reablement vacancies as they arise in year	(700)	(700)	Impact of cessation of temporary NHS/SG funding for additional Reablement staff in 2014/15. Loss of 1,100 hours of Home Care & Reablement service by end of year: negative impacts on delayed discharge and waiting lists.
5	Cease purchased of 20 Step Down Beds via natural turnover	(720)	(720)	Transfer funding for 20 purchased step down beds (as people are discharged) to reduce care at home budget pressures. Agreed by Integrated Care Fund Core Group, 16/6/15. Assumes phased bed reduction completed by November: 13 achieved to date.
6	Constrain new purchased Residential/Nursing Home places to available budget	(800)	(800)	Full year effect of 2014/15 overspend reduces budget available for new care home placements – some impact likely on delayed discharges
7	CEC share (8%) of £10m Scottish Government funding for National Care Home Contract fees increase	(800)	(800)	Scottish Government is paying funding to councils via Health Boards. Sum confirmed: awaiting payment.
8	Scottish Government Funding for Delayed Discharge	(725)	(725)	Scottish Government delayed discharge funding to NHS Lothian included £2.457m for Edinburgh - £1.1m is being used to fund social care for 55 people being discharged from RVH by end of June: NHSL may need to use £632k to fund RVH wards in April, May and June, leaving £725k for transfer to Council. Under discussion.
9	Procurement saving - Additional Monies from Intensive Housing Benefit	(400)	(400)	Saving from reducing purchased care for amount of IHB that can be claimed to fund certain services is larger than estimate already included in 2015/16 savings
10	Procurement savings	(385)	(150)	Contract management savings
11	Further procurement savings	-	(262)	Contract management savings
12	Integration - Transition Fund	-	(160)	Share of one-off Scottish Government funding for Health and Social Care implementation planning
13	Reprovision of Silverlea Care home	(420)	(420)	Reprovision 11 remaining long-stay beds. Relocate residents to vacancies in CEC Care Homes as they arise, and staff redeployed. Saving assumes completed by August: on track.

14	Cease Carers payment	(200)	(200)	One-off payments have been made for the past two years to carers to assist them with their mental health and well-being and to support them in a caring role.
15	Proposed change to contribution-based charging policy	(230)	(230)	Committee agreed three month consultation to replace the current service-based charging policy with a contribution-based policy, whereby people with sufficient income will be asked to make a contribution to the cost of their personal budget. Consultation concluded July 2015 and responses being analysed for report and final equalities impacts assessment. HSCH Committee will be asked to make a decision in the autumn.
16	Equivalency model for supporting people at home	(250)	(250)	New policy proposal that care at home packages would usually not exceed equivalent cost of residential care. (Based on practice in many English LAs and in at least one Scottish council). Savings estimate is for 6 months only - to be clarified following further implementation planning currently underway. The HSCH Committee will be asked to make a decision in late 2015.
17	Revised practitioner guidance for new cases and reviews	(1,450)	(1,450)	Revised practitioner guidance intended to reinforce current eligibility criteria and reduce the cost of care packages has been issued, and further revised following workshops with managers and staff.
18	Review packages of care	(2,000)	(2,000)	Four sector review teams have been established to review cases including Direct Payments, day care, and mid/high-cost care at home packages, using revised practitioner guidance - commencing last week of May. (This saving, and the one above, also require some recalibration of the Financial Allocation System which derives indicative budgets from the assessment information to assist personalised care planning. This work is in two phases, one completed, the second underway).
19	Respite Policy - reduce annual maximum respite from 42 days to 35 days	(200)	(200)	Any carer assessed as requiring more respite care than 35 days in a year will require this package to be approved by a senior manager.

Red	(4,175)	(4,375)
Amber	(3,300)	(2,422)
Green	(4,085)	(5,015)
	<u>(11,560)</u>	<u>(11,812)</u>

Revenue monitoring - three-month update*(based on period two data)*

	£m	£m
Pressures within Health and Social Care		16.162
Less: Potential savings and mitigating actions <i>(with RAG status of green)</i>		<u>(5.015)</u>
Net Pressure		11.147
Direction from Corporate Leadership Group:		
1. Health and Social Care to deliver further mitigating actions		(1.362)
2. Transitional Corporate Funding <i>(see details below)</i>		
Children and Families	(2.025)	
Corporate Governance	(0.995)	
Economic Development	(0.250)	
Services for Communities	(1.650)	
Corporate Funding		
- Council Tax	(1.000)	
- Loan Charges	(2.680)	
- Residual funding from Modernising Pay budget for sleepover costs	(0.800)	
- Council Priorities Fund	(0.200)	
- Residual unallocated funding within approved 2015/16 budget	<u>(0.185)</u>	
		(9.785)
Projected year-end position, subject to approval of above savings and delivery of additional mitigating actions within Health and Social Care		<u><u>0.000</u></u>

Transitional Corporate Funding**Children and Families**

Vacancy controls and discretionary spend (service-wide)	(0.740)
Early Years - postpone flexibility increase for Early Years and Childcare provision	(0.700)
Reprovisioning of Hillview Respite Care Unit	(0.200)
Post-adoption support allowances	(0.125)
Early Years - reduce refurbishment budget	(0.100)
Community Services - Creative Learning	(0.060)
Additional Support for Learning - Queen Margaret University	(0.050)
Community Services - tertiary/sessional work	<u>(0.050)</u>
	<u><u>(2.025)</u></u>

Corporate Governance

Acceleration of savings from transformation programme	(0.200)
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Increased income from venues and one-off ICT contract savings	(0.200)
Further controls over discretionary spending	(0.200)
Release of contingency budget	(0.195)
Council Tax Reduction Scheme, reflecting current demand	(0.100)
Channel Shift marketing budget	(0.100)
	<u>(0.995)</u>

Economic Development

Employability - reduction of 40 training starts	(0.120)
Reduction in grants to incubation projects	(0.040)
Reduction in funding for Marketing Edinburgh	(0.030)
Reduction in discretionary spending	(0.025)
Reduce activity on investment and talent promotion	(0.023)
Business partnerships - reduction in Business Improvement District funding	(0.012)
	<u>(0.250)</u>

Services for Communities

Winter weather budget	(0.607)
Additional planning income	(0.300)
Festival Wheel income (<i>re-direction from planned reinvestment in parks</i>)	(0.245)
Reduction in Transport consultancy budget	(0.193)
Additional parking income	(0.155)
Delay full implementation of shared repairs service	(0.100)
Reduction in transport Learning and Development budget	(0.050)
	<u>(1.650)</u>

Approved Budget Framework savings 2015/16 - assurance assessment

Appendix 5

Services	Total £000	RAG Status			Notes and/or actions
		Red £000	Amber £000	Green £000	
Children and Families	(14,075)	(300)	(1,777)	(11,998)	The current "red" status saving relates to a partial shortfall in increased budgeted income resulting from greater and more efficient community and other use of school facilities and is reflected as a pressure within the overall service monitoring. Risks around full delivery have also been identified for an element of the savings associated with the looked-after children transformation plan. A number of green savings are being achieved through substitutes and one-off solutions which will require long-term plans to allow them to be addressed on a sustainable basis.
Corporate Governance	(6,969)	0	0	(6,969)	The full value of the service's approved savings is projected to be delivered during the year.
Economic Development	(869)	0	0	(869)	The full value of the service's approved savings is projected to be delivered during the year.
Health and Social Care	(7,515)	(704)	(641)	(6,170)	A number of green savings are being achieved through substitutes and one-off solutions. Management actions are being taken to progress delivery of red and amber savings (most of which relate to organisational review-dependent, or other workforce control-related, savings) or identify alternative options.
Services for Communities	(10,475)	(2,765)	(2,518)	(5,192)	Red status savings, the majority of which relate to the Corporate Property functions, are incorporated in pressures in monitoring. There are some delays in progressing savings options and ongoing negotiations with staff on deliverability. Mitigating actions have been developed to manage the red status savings on a one-off basis.
Total	(39,903)	(3,769)	(4,936)	(31,198)	
		9.4%	12.4%	78.2%	

Where applicable, Directors will report further details for consideration at relevant Executive Committees.

Spend to Save proposal - Edinburgh Leisure website development

Project	Description	Outcome	Coalition Pledges and Council Outcomes	Funding	Risk	Payback Period
Website Development	Development of the website application to make improvements to customer access to information, easier booking and improved accuracy of customer data	Increased income generation, through improved access to booking systems and information, with 24 hour access. Ability to book and pay for services online better meets customers' expectations. Improving the reach of future communications and engagement opportunities. Additional administrative savings estimated of £41,000 annually through reduction in staff time on administration of customer data and booking process.	P42 - Continue to support and invest in our sporting infrastructure P43 Invest in healthy living and fitness advice for those in most need P30 Continue to maintain a sound financial position including long term financial planning CO4 - Our children and young people are physically and emotionally healthy CO20 - Culture, sport and major events - Edinburgh continues to be a leading cultural city where culture and sport play a central role in the lives and futures of citizens	£126,000	Low	2 Years