

# Children and Families Department Revenue Budget Monitoring 2011/12 Month Three Position - 30 June 2011

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## Education, Children and Families Committee

13 September 2011

### 1 Purpose of report

- 1.1 The purpose of this report is to advise Committee of the 2010/11 final outturn position and the 2011/12 month three revenue monitoring position for the Children and Families Department.

### 2 Summary

- 2.1 Following continued year on year improvements in its financial performance, the Children and Families Department's final outturn position for 2010/11 was an underspend of £0.767m.
- 2.2 At month three, the Children and Families Department is projecting a balanced budget position for 2011/12.
- 2.3 In arriving at the month three position budget pressures totalling £1.9m have been identified. However, these are supported by a programme of both implemented and planned management action which is targeted to deliver savings which will fully offset the pressures identified.
- 2.4 The department's approved programme of savings totalling £7.8m in 2010/11 is largely on track to be fully delivered, with ongoing review and assessment of the secondary schools management and business support savings.

### 3 Main Report

#### **2010/11 Outturn - £0.767m underspend**

- 3.1 In 2010/11, the Children and Families Department achieved an underspend of £0.767m.
- 3.2 The outturn provided for £1.3m of contingency which has been set aside within reserves in recognition of potential future phasing pressures relating to delivery of departmental savings and improvement plans.
- 3.3 The end year balance on the Devolved School Management (DSM) reserve is £2.1m, an increase of £1.1m from 2009/10.

### 2011/12 Revenue Budget

- 3.4 The total revised net budget for the Children and Families Department is £385.7m. This includes budget virements totalling £2.0m which have been processed during the first three months of 2011/12, mainly comprising transfer of former Fairer Scotland Funding budgets from the Services for Communities Department.
- 3.5 Approved budget savings for 2011/12 total £7.8m.

### 2011/12 Period 3 Revenue Monitoring

- 3.6 A divisional budget analysis and projected outturn is shown in table 1.

**Table 1 - Projected Outturn by Division**

	----- 2011/12 -----		
	Revised	Projected	Projected
Division	Budget	Outturn	Variance
	£m	£m	£m
Resources	18.0	18.0	0.0
Planning and Performance	6.3	6.3	0.0
Schools and Community Services			
Schools	219.9	219.9	0.0
Other	37.7	37.7	0.0
Support to Children and Young People	102.4	102.4	0.0
Directorate	0.4	0.4	0.0
Centrally Held Funding	1.0	1.0	0.0
<b>Total for Department</b>	<b>385.7</b>	<b>385.7</b>	<b>0.0</b>

The overall balanced budget position shown includes £1.9 million of pressures which are currently projected to be fully addressed through management action.

- 3.7 Key Pressures include:

- Out of Council Residential Placements, £0.4m. The projection reflects anticipated pressures associated with new placements, which have averaged 8-10 placements per year;
- Other minor variances within the Support to Children and Young People budget including independent secure placements £0.1m, Wellington School income budget £0.1m, spot purchase adoptions £0.1m, kinship assessments £0.1m, commissioned services £0.1m and legal fees £0.1m;
- Surplus site security costs, £0.3m. Estimated cost pressures reflect projected recurring security and utility costs for vacant properties;
- Early Years and Childcare, £0.2m, mainly due to demolition, security and surplus staff costs associated with closures within nursery and children and families centre budgets.

### Management Action

- 3.8 The programme of management action is largely based on savings from staff turnover and vacancy control, and maintaining a small number of projected budget underspends.

## **4 Savings Approved per Act of Council**

4.1 Savings totalling £7.8m were approved as part of the 2010/11 revenue budget.

4.2 The 2010/11 savings programme is largely on track to be delivered in full. However there are two areas of savings, where the phasing of the delivery of savings may vary. This is due to the detailed and complex nature of the review and implementation process involved.

Specifically these are:

- (i) Secondary School business support costs - £184k in 2010/11 and a further £551k in 2012/13;
- (ii) Secondary school management costs - £1.492m in 2010/11 and a further £845k in 2012/13. As previously reported to Committee, it is anticipated that the saving will be achieved in full but that the phasing of the delivery of the saving will vary in accordance with the pace of implementation of new management arrangements.

The final quantified position for these savings may not be known until closer to the end of the calendar year. Any resultant changes in the phasing of budget savings will be addressed through budgetary flexibility in the overall Children and Families budget as part of the monitoring process.

## **5 Equalities Impact**

5.1 The financial position described in this report has no direct correlation with the Equality Act 2010 general public sector equality duty. However, the Children and Families Department's spending contributes significantly to the delivery of that duty, which requires the Council to (i) tackle unlawful discrimination, harassment and victimisation, (ii) advance equality of opportunity and (ii) foster good community relations.

5.2 The equalities relevance score for the recommendations described in this report was assessed as of low relevance. Consequently, no full equalities impact assessment is required. However, it should be noted that there are robust equalities impact assessment arrangements with regard to financial decision making.

## **6 Environmental Impact**

6.1 There are no adverse environmental impacts arising from this report.

## **7 Conclusions**

7.1 This report presents the Children and Families Department's 2011/12 month three monitoring as a balanced budget position with budget pressures, totalling £1.9m, being addressed through a programme of implemented and planned management actions.

7.2 Other budget pressures arising as a result of changes to the phasing of approved savings will be managed by the department through the monitoring process.

## 8 Recommendations

8.1 It is recommended that the Committee notes:

- a) the contents of this report and the projected balanced budget position for the Children and Families Department at month three;
- b) the ongoing assessment of the delivery of secondary business support and management savings.

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Appendices:	None.
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Wards affected	All
Single Outcome Agreement	Supports National Outcome 3 - 'We are better educated, more skilled and more successful, renowned for our research and innovation' Supports National Outcome 4 - 'Our young people are successful learners, confident individuals, effective contributors and responsible citizens' Supports National Outcome 5 - 'Our children have the best start in life and are ready to succeed' Supports National Outcome 7 - 'We have tackled the significant inequalities in Scottish Society' Supports National Outcome 8 - 'We have improved the life chances for children, young people and families at risk' Supports National Outcome 15 - 'Our public services are high quality, continually improving, efficient and responsive to local people's needs'

Background Papers