

Children and Families Department Revenue Budget Monitoring 2011/12 Month Five Position – 31 August 2011

Education, Children and Families Committee

15 November 2011

1 Purpose of report

- 1.1 The purpose of this report is to advise Committee of the month five revenue monitoring position for the Children and Families Department.

2 Summary

- 2.1 At month five, the Children and Families Department is projecting a balanced budget position for 2011/12.
- 2.2 In arriving at the month five position budget pressures totalling £2.4m 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.
- 2.3 The department's approved programme of savings totalling £7.8m in 2011/12 is largely on track to be delivered, with ongoing review and assessment of the secondary schools management.

3 Main Report

2011/12 Revenue Budget

- 3.1 The total revised net budget for the Children and Families Department is £386.5m. This includes budget virements totalling £2.8m which have been processed during the first five months of 2011/12, mainly comprising transfer of former Fairer Scotland Funding budgets (£2.0m) from the Services for Communities Department and additional funding (£0.8m) which has been provided by the Scottish Government to support changes to teachers' pay and conditions.
- 3.2 Approved budget savings for 2011/12 total £7.8m.

2011/12 Period 5 Revenue Monitoring

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

Table 1 - Projected Outturn by Division

Division	----- 2011/12 -----		
	Revised Budget	Projected Outturn	Projected Variance
	£m	£m	£m
Resources	16.0	16.0	0.0
Planning and Performance	6.3	6.3	0.0
Schools and Community Services :			
Schools	222.5	222.5	0.0
Other	37.8	37.8	0.0
Support to Children and Young People	102.5	102.5	0.0
Directorate	0.4	0.4	0.0
Centrally Held Funding	1.0	1.0	0.0
Total for Department	386.5	386.5	0.0

The overall balanced budget position shown includes £2.4 million of pressures which are currently projected to be fully addressed through management action.

3.4 Key Pressures include:

- a) Family Based Care placements, including fostering, adoption, residence and kinship, £0.9m. The forecast assumes that current placements will continue for the remainder of the financial year, and in addition includes provision of £0.5m for projected growth in fostering placements. This is based on assessment of growth for the period from 1 October 2010, which has seen an increase of 53 placements;
- b) Independent Secure Placements, £0.3m. This forecast is based on analysis of current spend;
- c) Other minor variances within the Support to Children and Young People budget including Wellington School income budget £0.1m, spot purchase adoptions £0.1m, commissioned services £0.1m and legal fees £0.1m;
- d) Surplus site security costs, £0.3m. Estimated cost pressures reflect projected recurring security and utility costs for vacant properties;
- e) 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

- 3.5 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 2011/12 revenue budget.
- 4.2 The 2011/12 savings programme is largely on track to be delivered in full. However there is one area of savings, within secondary school management costs, where it remains difficult to quantify the level of saving deliverable. The approved savings target is £1.492m in 2011/12 and a further £845k in 2012/13. As previously reported to Committee, it is anticipated that the saving will be achieved in full over two years but that the phasing of the delivery of the saving will vary in accordance with the pace of implementation of new management arrangements. Progress on the review of management structures is subject to a separate report to this Committee. It is anticipated that the new management model will be in place towards the end of this year and that savings will begin to be released at that stage.
- 4.3 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 There is no relationship between the matters described in this report and the public sector general equality duty.
- 5.2 There are no equalities implications arising from this report.

6 Environmental Impact

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

7 Conclusion

- 7.1 This report presents the Children and Families Department's 2011/12 month five monitoring as a balanced budget position with budget pressures, totalling £2.4m, 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 the contents of this report and the projected balanced budget position for the Children and Families Department at month five.

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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