

# Education, Children and Families Committee

10am, Tuesday, 10 December 2013

## Children and Families Revenue Budget Monitoring 2013/14 – Month Five Position to 31 August 2013

Item number	7.12
Report number	
Wards	All

### Links

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Coalition pledges	<a href="#">P30</a>
Council outcomes	<a href="#">CO1-CO6</a> , <a href="#">CO25</a>
Single Outcome Agreement	<a href="#">SO3</a>

### Gillian Tee

Director of Children and Families

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# Executive summary

## Children and Families Revenue Budget Monitoring 2013/14 – Month Five Position to 31st August 2013

### Summary

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

### Recommendations

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It is recommended that the Education, Children and Families Committee notes:

1. the content of this report and the currently projected balanced budget position for 2013/14;
2. that at month five the projected residual budget pressures for Children and Families Department totalled £1.9m;
3. that the £1.9m position has since improved to £1.4m, based on management action taken between period five and the end of November 2013; and
4. that further management action, excluding schools, is being implemented to address the residual pressures to enable the delivery of a balanced budget.

### Measures of success

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The measure of success will be the achievement of a balanced budget position for the Children and Families revenue budget for 2013/14.

### Financial impact

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There are no direct financial implications arising from this report.

### Equalities impact

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There are no negative equality or human rights impacts arising from this report.

## **Sustainability impact**

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There are no sustainability impacts arising from this report.

## **Consultation and engagement**

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As is the norm, there has been no external consultation or engagement in producing this report.

## **Background reading / external references**

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None

## Children and Families Revenue Budget Monitoring 2013/14 - Month Five position to 31 August 2013

### 1. Background

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

### 2. Main report

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#### 2013-14 Revenue Budget Position

- 2.1 The total revised net budget for the Children and Families Department is £391m.
- 2.2 At the end of month five (to 31 August 2013) the revenue monitoring forecast indicated that the department will deliver a balanced budget position at the end of the financial year.
- 2.3 The level of pressures, assessed at £6.3m, presented a challenging position for the service to address. However, at that time £4.4m of management action had been identified leaving a further £1.9m to be determined. Table 1 provides a divisional summary of the estimated residual budget pressures across the Children and Families budget:

Table 1 – Forecast net residual budget pressures

	Budget 2013- 14	Projected Pressure 2013-14	Projected Savings/ Mgt Action 2013-14	Projected Out-turn 2013-14	Projected Residual Net Pressure 2013-14
<b><u>Division</u></b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Resources	15.5	0.9	(0.2)	16.2	0.7
Schools & Community Services :					
- Schools	226.3	1.1	(0.6)	226.8	0.5
- Non Schools	38.3	0.9	(0.3)	38.9	0.6
Planning & Performance	5.8	0.0	(0.1)	5.7	(0.1)
Support to Children & Young People	106.0	2.6	(1.4)	107.2	1.2
Directorate	0.4	0	0	0.4	0
Other, incl. centrally held funding and unallocated pressures	(1.3)	0.8	0.0	(0.5)	0.8
<b>Sub-total Pressures</b>	<b>391.0</b>	<b>6.3</b>	<b>(2.6)</b>	<b>394.7</b>	<b>3.7</b>
Balance on Reserves			(1.0)	(1.0)	(1.0)
Residual funding Teachers induction scheme			(0.8)	(0.8)	(0.8)
<b>Total for Children &amp; Families</b>	<b>391.0</b>	<b>6.3</b>	<b>(4.4)</b>	<b>392.9</b>	<b>1.9</b>

#### Forecast Pressures

- 2.4 The budget pressures of £6.3m include a number of relatively small pressures which can be managed through existing tight budgetary controls. Planned longer term management action is also in place to address teacher conservation costs

(£0.5m) through the use of reserves. However, there are areas of more significant pressure which present a greater challenge. These include:

- Fostering, adoption and kinship placements - £1.0m

A forecast pressure of £1.0m relates to the full year impact of higher than budgeted growth levels in placements in 2012-13.

- Educational support for children in foster care in other local authorities - £0.4m

This pressure relates to payments to other local authorities for foster children in the City of Edinburgh Council's care who have foster placements outwith the city and who have additional educational support needs.

- Property Related Costs - £0.9m

Budget pressures associated with PPP contract inflation, surplus site security and prudential framework arrangements.

#### Management Action

2.5 Planned measures to address the budget pressures include:

- Application of reserves - £1.5m

This includes a planned draw down of £0.5m for the costs of teacher conservation associated with the secondary schools management restructuring. A further planned draw down of £1m will be applied as a one off measure in 2013/14 only. The residual reserves of £0.6m will be retained to address the estimated costs of residual teacher conservations in 2014/15 and 2015/16.

- Application of residual funding for teachers' induction scheme - £0.8m

Children and Families received an additional allocation of funding from the Scottish Government in 2012/13 relating to residual sums from the teachers induction scheme. Details relating to residual funding allocation from the Scottish Government for 2013/14 will not be known until later in the financial year. However, the month five projection assumed that a similar level of funding will be received in 2013/14.

Other areas of management action include:-

- Employee costs - £1.0m achieved largely through vacancy controls with smaller savings relating to historical strain cost budgets and part year implementation of working time staffing arrangements
- Maintaining small areas of underspend across a range of services areas.

2.6 At month five, additional management action totalling £1.9m required to be developed and implemented by Children and Families to offset the projected residual budget pressure and enable delivery of a balanced budget position. This position is consistent with that reported in the Council's overall revenue monitoring position to the Finance and Resources Committee on 31 October

2013. However in the intervening period between the end of month 5 and the end of November 2013, further savings of £0.5m have been identified from additional management measures leaving an improved position regarding net remaining pressures of £1.4m. Proposals are currently being implemented to ensure that a balanced budget can be achieved including:

- The continued application of vacancy management controls (excluding schools and social work) to facilitate delivery of additional staff cost savings;
- Implementing a freeze on discretionary spend across all service areas other than schools for which devolved budget management arrangements apply; and
- Reviewing the scope for additional and/or accelerated savings across the service budget.

2.7 Children and Families remains fully committed to delivering a balanced budget position.

#### Approved Budget Savings

2.8 Net savings totalling £5.4m were approved as part of the 2013/14 revenue budget.

2.9 The 2013/14 savings programme is closely monitored and is largely on track to be delivered. Management action has been put in place to address any budget pressures that have emerged as result of delays and/or non-delivery of approved savings.

### **3. Recommendations**

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To recommend that the Education, Children and Families Committee notes:

- 3.1 the content of this report and the currently projected balanced budget position for 2013/14;
- 3.2 that at month five the projected residual budget pressures for Children and Families Department totalled £1.9m;
- 3.3 that the £1.9m position has since improved to £1.4m based on management action taken between period five and the end of November 2013; and
- 3.4 that further management action, excluding schools, is being implemented to offset the residual pressures to enable the delivery of a balanced budget.

## **Gillian Tee**

Director of Children and Families

## Links

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<b>Coalition pledges</b>	P30. Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	CO1. Our children have the best start in life, are able to make and sustain relationships and are ready to succeed CO2. Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities CO3. Our children and young people at risk, or with a disability, have improved life chances CO4. Our children and young people are physically and emotionally healthy CO5. Our children and young people are safe from harm or fear of harm, and do not harm others within their communities CO6. Our children and young people's outcomes are not undermined by poverty and inequality CO25. The Council has efficient and effective services that deliver on objectives
<b>Single Outcome Agreement</b>	SO3. Edinburgh's children and young people enjoy their childhood and fulfil their potential
<b>Appendices</b>	None