

Education, Children and Families Committee

10am, Tuesday, 4 March 2014

Children and Families Revenue Budget Monitoring 2013/14 – Month Nine Position

Item number	7.11
Report number	
Wards	All

Links

Coalition pledges	P30
Council outcomes	CO1-CO6 , CO25
Single Outcome Agreement	SO3

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Executive summary

Children and Families Revenue Budget Monitoring 2013/14 – Month Nine Position

Summary

The purpose of this report is to advise Committee of the current year revenue monitoring position for Children and Families at the nine month position.

A balanced overall outturn is projected. However this is subject to ongoing management of service budget pressures.

Recommendations

To recommend 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 nine the projected residual budget pressures for Children and Families totalled £1.4m;
3. that the £1.4m position has since improved to £0.3m, based on management action taken to the end of January 2014; and
4. that further management action will continue to be taken to offset the residual pressures and enable the delivery of a balanced budget.

Measures of success

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

There are no direct financial implications arising from this report.

Equalities impact

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

Sustainability impact

There are no sustainability impacts arising from this report.

Consultation and engagement

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

Background reading / external references

None

Children and Families Revenue Budget Monitoring 2013/14 - Month Nine position

1. Background

- 1.1 The purpose of this report is to advise Committee of the current year revenue monitoring position for Children and Families at the nine-month position.

2. Main report

2013-14 Revenue Budget Position

- 2.1 The total revised net budget for Children and Families is £392m.
- 2.2 At the end of month nine (to 31st December 2013) the revenue monitoring projection indicated that a balanced budget position will be delivered at the end of the financial year.
- 2.3 The level of pressures, assessed at £7.0m, presented a challenging position for the service to address. However, at that time, £5.6m of management action had been identified leaving a further £1.4m 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
<u>Division</u>	£m	£m	£m	£m	£m
Resources	15.5	0.9	(0.2)	16.2	0.7
Schools & Community Services :					
- Schools	226.8	1.4	(1.0)	227.2	0.4
- Non Schools	38.2	0.8	(0.5)	38.5	0.3
Planning & Performance	5.8	0	(0.3)	5.5	(0.3)
Support to Children & Young People	105.8	3.1	(1.8)	107.1	1.3
Directorate	0.4	0	0	0.4	0
Other, incl. centrally held funding and unallocated pressures	(1.4)	0.8	0	(0.6)	0.8
Sub-total Pressures	391.1	7.0	(3.8)	394.3	3.2
Balance on Reserves			(1.0)	(1.0)	(1.0)
Residual funding Teachers induction scheme	0.8		(0.8)	0	(0.8)
Total for Children & Families	391.9	7.0	(5.6)	393.3	1.4

Forecast Pressures

- 2.4 The budget pressures of £7.0m include a number of relatively small pressures which are more easily 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 - £1.4m

A forecast pressure of £1.4m relates to the full year impact of higher than budgeted growth levels in placements in 2012-13.

- Educational support 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 draw down of £0.5m for the costs of teacher conservation associated with the secondary schools management restructuring. A further £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 teacher conservations in 2014/15 and 2015/16.

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

This sum reflects a projected allocation of funding from the Scottish Government relating to residual sums from the teachers induction scheme.

Other areas of management action include:-

- Employee costs - £0.9m 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 nine, additional management action totalling £1.4m 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 16 January 2014. However in the intervening period to the end of January 2014, further

savings of £1.1m have been identified from additional management measures leaving an improved position of £0.3m. Other actions in place to ensure that a balanced budget can be achieved include:

- The continued application of vacancy management controls to facilitate delivery of additional staff cost savings; and
- Maintaining a freeze on discretionary spend across all service areas other than schools for which devolved budget management arrangements apply.

Approved Budget Savings

- 2.7 Net savings totalling £5.4m were approved as part of the 2013/14 revenue budget.
- 2.8 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 a result of delays and/or non-delivery of approved savings.

3. Recommendations

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 nine the projected residual budget pressures for Children and Families totalled £1.4m;
- 3.3 that the £1.4m position has since improved to £0.3m based on management action to the end of January 2014; and
- 3.4 that further management action will continue to be taken to offset the residual pressures and enable the delivery of a balanced budget.

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Director of Children and Families

Links

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