

Education, Children and Families Committee

10am, Thursday, 11 September 2014

Children and Families Revenue Budget Monitoring 2014-15 – Month Two Position

Item number

Report number

Executive/routine

Wards

Executive

All

Executive summary

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

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

Links

Coalition pledges P30

Council outcomes C01, C02, C04, C05, C06, C025

Single Outcome Agreement S03

Children and Families Revenue Budget Monitoring 2014-15 – Month Two Position

Recommendations

- 1.1 It is recommended that the Education, Children and Families Committee note :
 - 1.1.1 that at month two the projected residual budget pressures to be managed for Children and Families totalled £2.0m;
 - 1.1.2 that further management action is being implemented to address the residual pressures to enable the delivery of a balanced budget

Background

- 2.1 The purpose of this report is to advise Committee of the projected revenue budget monitoring position for Children and Families at month two.

Main report

- 3.1 2014-15 Revenue Budget Position

The total revised net budget for Children and Families is £394.2m.
- 3.2 At month two the revenue monitoring forecast indicates that Children and Families will deliver a balanced budget position at the end of the financial year. At this early stage in the year the forecast assumes that all anticipated budget pressures are fully addressed through management action.
- 3.3 The level of budget pressures, assessed at £4.4m, presents a challenging position for the service to address. However, £2.4m of management action has already been identified leaving a further £2.0m to be determined. Table 1 provides a divisional summary of the forecast residual budget pressures and management action across the Children and Families budget:

Table 1 – Forecast Residual Budget Pressures and Management Action - mth 2

All figures in £m	<u>Revised Budget 2014- 15</u>	<u>Forecast Gross Budget Pressures</u>	<u>Forecast Savings/ Mgt Action</u>	<u>Savings/ Mgt Action to be developed</u>	<u>Forecast Out-turn 2014-15</u>
Support to Children & Young People	108.8	3.0	(1.5)	(1.5)	108.8
Schools & Community Services					
- Non Schools	38.8	0.5	0.0	(0.5)	38.8
- Schools	228.2	0.5	(0.5)	(0.0)	228.2
Resources	13.0	0.3	(0.3)	(0.0)	13.0
Planning & Performance	4.9	0.1	(0.1)	(0.0)	4.9
Directorate	0.3	0.0	0.0	(0.0)	0.3
Other	0.2	0.0	0.0	(0.0)	0.2
Total for Department	394.2	4.4	(2.4)	(2.0)	394.2

3.4 Forecast Budget Pressures and Management Action

The budget pressures of £4.4m include a number of relatively small pressures, which are being offset, in part, through savings from tight budgetary controls which continue to be applied across all areas of the service.

Significant areas of pressure and management action included within the projected residual pressure are noted in Table 2 :

Table 2 – Main Areas of Pressure and Management Action- Mth 2

<u>Forecast Gross Budget Pressures</u>	£m	
Fostering, kinship and residence payments	1.9	Includes projected pressures relating to 18+ foster placements; unachieved savings from reduced use of independent fostering agencies and higher than budgeted growth within kinship and residence placements
Employee cost pressures in Schools & Community Services	1.0	Projected staff cost pressures, including conservation costs associated with secondary management restructuring
Home to School Transport – Additional Support Needs	0.6	Projected pressure based on out-turn for 2013-14
<u>Forecast Savings/ Management Action</u>		
Application of departmental reserves	(1.6)	Includes drawdown to offset costs of teacher conservation associated with secondary schools management restructuring and application of previously unutilised Early Years Change Funding

3.5 Further Management Action

Additional management action still requires to be developed and implemented to offset the projected residual pressure of £2.0m and enable the delivery of a balanced budget position.

Children and Families is fully committed to delivering a balanced budget position. However, the level of further savings to be delivered (£2.0m) does present a significant challenge. Progress towards this will be reported to the December meeting of the Education, Children and Families Committee.

3.6 Approved Budget Savings 2014-15

Net savings totalling £16.3m were approved for the 2014-15 revenue budget.

The 2014-15 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

Measures of success

- 4.1 The measure of success will be the achievement of a balanced budget position for the Children and Families revenue budget for 2014-15.

Financial impact

- 5.1 There are no direct financial implications arising from this report.

Risk, policy, compliance and governance impact

- 6.1 The delivery of a balanced budget for the year is the key target. The risk associated with cost pressures and increased demand are regularly monitored and reviewed and management action is taken as appropriate.

Equalities impact

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

Sustainability impact

- 8.1 There are no sustainability impacts arising from this report.

Consultation and engagement

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

Background reading/external references

None

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Links

Coalition pledges	P30. Continue to maintain a sound financial position including long-term financial planning
Council outcomes	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
Single Outcome Agreement	SO3. Edinburgh's children and young people enjoy their childhood and fulfil their potential
Appendices	None