

Education, Children and Families Committee

10am, Tuesday, 3 March 2015

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

Item number	7.11
Report number	
Executive/routine	Executive
Wards	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 nine, the period ended 31 December 2014.

A balanced outturn position is projected. Whilst considerable progress has already been made, at the time of concluding this report further management action is required to mitigate £0.3m of residual pressures. Children and Families remains committed to delivering a balance budget for the year.

Links

Coalition pledges	P30
Council outcomes	CO1 , CO2 , CO3 , CO4 , CO5 , CO6 , CO25
Single Outcome Agreement	SO3

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

Recommendations

- 1.1 It is recommended that the Education, Children and Families Committee note that :
 - 1.1.1 at month nine the projected residual budget pressures to be managed for Children and Families totalled £0.3m;
 - 1.1.2 in the last stages of the financial year expenditure restrictions will continue to be tightly applied and there will be an ongoing review and updating of projections;
 - 1.1.3 a balanced budget position is projected although a small risk of overspend remains.

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 nine.

Main report

2014/15 Revenue Budget Position

- 3.1 The total 2014/15 revised net budget for Children and Families is £387.3m.
- 3.2 During the financial year the level of budget pressures, assessed at £6.9m, has presented a challenging position for the service to address. At month 9 a residual pressure of £0.3m remains. Table 1 provides a divisional summary of the forecast residual budget pressures and the management action taken to address them.
- 3.3 A balanced budget position is projected for Children and Families, albeit that a small risk remains around £0.3m of residual budget pressures. The forecast assumes that all residual budget pressures are fully addressed through continued management action and Children and Families remains committed to achieving this.

Table 1 – Forecast Residual Budget Pressures and Management Action

	<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>
	<u>£'m</u>	<u>£'m</u>	<u>£'m</u>	<u>£'m</u>	<u>£'m</u>
Support to Children & Young People	108.5	4.4	(2.8)		110.1
Schools & Community Services					
- Non Schools	40.3	1.1	(1.7)		39.7
- Schools	220.1	1.1	(0.8)		220.4
Resources	13.0	0.5	(0.8)		12.7
Planning & Performance	4.9	0.1	(0.1)		4.9
Directorate	0.3	0.0	0.0		0.3
Other	0.2	0.0	(0.7)		(0.5)
To be addressed	0.0			(0.3)	(0.3)
Total for Service	387.3	7.2	(6.9)	(0.3)	387.3

3.3 Forecast Budget Pressures and Management Action

Further details of the £7.2m pressures and management action included within the projected residual pressures are noted in Table 2:

Table 2 – Main Areas of Pressure and Management Action

<u>Forecast Gross Budget Pressures</u>	£m	
Fostering, kinship and residence payments	2.1	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	1.7	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 actual out-turn for the 2013/14 financial year
Other forecast pressures across range of service areas	2.8	Reflects forecast pressures across a range of services areas including residential services (£0.8m), secure services (£0.6m) and property rationalisation (£0.2m)
<u>Forecast Savings/Management Action</u>		
Application of departmental reserves	(2.6)	Includes drawdown to offset costs of teacher conservation associated with secondary schools management restructuring, application of previously unutilised Early Years Change Funding, and drawdown of residual Children and Families reserves to offset projected pressures across departmental budgets
Other savings/ management action	(3.0)	Reflects forecast savings/management action across a range of service areas including PPP budgets (£0.5m), StC&YP Business Support (£0.3m), Early Years (£0.3m) and Pentland View closure (£0.4m)
Freeze on discretionary spend	(1.3)	Reflects additional savings from freeze on discretionary expenditure budgets across the Children and Family services identified as part of review of residual expenditure budgets for the half year report

Further Management Action

- 3.4 Children and Families is fully committed to delivering a balanced budget and will continue to seek further measures to address the projected residual pressures of £0.3m.
- 3.5 All areas of service spend continue to be scrutinised to assess further opportunities for savings; this includes controls on staff recruitment.

Approved Budget Savings 2014/15

- 3.6 Net savings totalling £16.3m were approved in arriving at the 2014/15 revenue Children and Families budget and require to be delivered.
- 3.7 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 any approved savings.

Measures of success

- 4.1 The achievement of a balanced revenue budget for Children and Families 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, many of which are new and expected to be recurring, 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