

Education, Children and Families Committee

10am, Tuesday, 13 December 2016

Communities and Families Revenue Monitoring 2016/2017 – month five position

Item number	8.8
Report number	
Executive/routine	Executive
Wards	All

Executive summary

The report sets out the projected month five revenue budget monitoring position for Communities and Families. Significant service pressures continue to be managed. The total unfunded budget pressure is currently £5.7m. Mitigating management action has been identified to fully address the budget pressures, resulting in a net residual balanced budget position for 2016/2017.

Links

Coalition Pledges	P01 , P02 , P03 , P04 , P05 , P06 and P30
Council Priorities	CP1
Single Outcome Agreement	SO3

Communities and Families Revenue Monitoring 2016/2017 – month five position

Recommendations

- 1.1 It is recommended that the Education, Children and Families Committee notes :
 - 1.1.1 the balanced revenue budget position at month five;
 - 1.1.2 that approved savings in 2016/2017 total £12.9m; the savings programme is being closely monitored with action taken to address any highlighted risks of non delivery;

Background

- 2.1 The total 2016/17 revised net budget for Communities and Families is £337.8m
- 2.2 This report sets out the projected overall position for the Communities and Families revenue expenditure budget for 2016/17 at month five of the financial year.

Main report

- 3.1 Communities and Families continue to manage significant levels of budget pressure in many areas of the service, including a number of challenges relating to the delivery of approved savings.

Unfunded Budget Pressures - £5.7m

- 3.2 To date projected unfunded budget pressures of £5.7m have been assessed. The main service areas affected are out of Council residential placements and secure units. Further pressures have emerged from unachieved savings relating to the Schools and Lifelong Learning review and fostering services. Management action of £5.7m has been identified, inclusive of the use of reserves, staff vacancies, temporary use of Early years funding, and anticipated Scottish Government residual funding relating to the teachers' induction scheme. This is forecast to result in a net balanced budget position for 2016/17. Appendix 1 provides further details of the most significant areas of pressure and mitigating action.

Approved Budget Savings 2016/17 - £12.9m

- 3.3 The approved savings for Children and Families in 2016/17 total £12.9m. Progress in the delivery of the savings programme is reviewed regularly, with

replacement savings identified where difficulties in delivery have been recognised.

- 3.4 A red, amber, green (RAG) analysis has been undertaken in consultation with Heads of Service. At month five this indicated that £10.9m (84%) of savings were assessed as green. A further £2.0m of savings (16%) were assessed as red and unachievable in 2016/17. Unachieved savings are included in the forecast budget pressure for month five.

Further Management Action

- 3.5 The total projected budget pressure, including undelivered savings, is currently £5.7m. To date mitigating management action to deliver further savings of £5.7m has been identified, resulting in a forecast balanced budget. This also assumes full delivery of all green approved savings of £10.9m.
- 3.6 Many of the management actions which have already been identified are one-off in nature, meaning that, although they assist in addressing the immediate challenge in 2016/17, a permanent sustainable solution still needs to be identified. Work is ongoing to identify options to achieve a permanent solution.

Measures of success

- 4.1 The measure of success will be the achievement of a balanced revenue budget position for Communities and Families for 2016/17.

Financial impact

- 5.1 The report's contents project a balanced budget for the year. This position is subject to active monitoring and management of risks.

Risk, policy, compliance and governance impact

- 6.1 The delivery of a balance budget outturn for the year is the key target. The risks associated with cost pressures, increased demand and savings delivery targets 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 impacts on carbon, adaptation to climate change or sustainable development 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	<p>P01 - Increase support for vulnerable children, including help for families so that fewer go into care</p> <p>P02 - Hold the maximum P1 class size at 25 and seek to reduce class sizes in line with Scottish Government recommendations</p> <p>P03 - Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools</p> <p>P04 - Draw up a long-term strategic plan to tackle both over-crowding and under use in schools</p> <p>P05 - Seek to ensure the smooth introduction of the Curriculum for Excellence and that management structures within our schools support the new curriculum</p> <p>P06 - Establish city-wide childcare co-operatives for affordable childcare for working parents</p> <p>P30 - Continue to maintain a sound financial position including long-term financial planning</p>
Council priorities	<p>CP1 – Children and young people fulfil their potential</p>
Single Outcome Agreement	<p>SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential</p>
Appendices	<p>1 Forecast areas of budget pressures and management action</p>

Forecast Areas of Budget Pressure and Management Action

Area of pressure/(action)	£m	Notes
Out of Council Residential Care	1.6	Projection based on known cases and estimated leaving dates. Nothing has been included for potential new cases as alternative care packages are being explored.
Secure Care	1.5	The budgeted level of secure beds is 8 at present. The service has been operating at an average of 12 since the beginning of April although this has reduced to 7 at present. The forecast takes account, however, of the planned cessation of new admissions to the Guthrie secure unit from December which will impact on income. The forecast assumes usage will continue at 7 with no beds being sold to other authorities.
Schools and Lifelong Learning Review	0.9	The saving required is £2.8m in 16/17. £1.9m is deliverable this year but a pressure remains for 16/17. This is expected to be fully deliverable in 17/18 following the conclusion of the service review.
Fostering	0.5	Overall numbers are 30 below target which is delivering £600K in annual savings. However, a pressure remains due to the number of placements being purchased from independent agencies which is higher than the target set. This is being caused by the high number of permanent foster placements resulting in reduced levels of turnover. The saving requires turnover of independent places and new placements being made with CEC carers.
Other forecast pressures across a range of service areas	1.2	Reflects projected pressures of £0.5m or less, across a range of service areas
Total Gross Pressure	5.7	
Early Years	(1.3)	Staff vacancies/ estimated temporary unused funding for implementation of flexible hours.
Scottish Government Funding – teacher’s induction scheme	(0.4)	Estimated residual Scottish Government funding allocation
Special Schools	(0.8)	One off savings from lower than budgeted classes for April - June and additional savings from Panmure due to the reduced school roll.
Application of Reserves	(0.9)	Application of departmental reserves
Other forecast savings/ management action	(2.3)	Reflects forecast savings across a range of service areas
Net Residual Pressure	5.7	