

Education, Children and Families Committee

10.00am, Tuesday, 10 October 2017

Revenue Monitoring 2017/18 – month three position

Item number	8.5
Report number	
Executive/routine	Routine
Wards	
Council Commitments	

Executive Summary

The report sets out the projected three-month revenue monitoring position for the Communities and Families Directorate, based on actual expenditure and income to the end of June 2017 and expenditure and income projections for the remainder of the financial year.

The report advises that a balanced overall position is projected for 2017/18. This position is, however, dependent upon management of a number of demand led pressures, including increased use of out of Council area placements linked to accommodating a number of unaccompanied asylum seeking children (UASC).

The total unfunded budget pressure is currently £4.1m. Mitigating management action totalling £3.0m has been identified to date, resulting in a net residual budget pressure of £1.1m. The Finance and Resources Committee, at its meeting on 5 September 2017, considered a report by the Executive Director of Resources on the Council wide revenue monitoring position at month 3. Following from this the Executive Director of Communities and Families has been asked to identify opportunities for additional savings to contribute towards the Council projected £5m overspend for 2017/18.

Communities and Families is fully committed to address the residual service budget pressure, and to develop options to support the Corporate revenue monitoring position in 2017/18.

Revenue Monitoring 2017/18 – month three position

1. Recommendations

- 1.1 Members of the Education, Children and Families Committee are asked to:
 - 1.1.1 note the net residual budget pressure of £1.1m which remains at month three;
 - 1.1.2 note that approved savings in 2017-18 total £7.348m and are on track to be delivered in full;
 - 1.1.3 note that the Executive Director for Communities and Families has been asked to identify proposals to deliver additional savings in 2017/18 to offset the projected deficit in the Council wide budget.

2. Background

- 2.1 The total 2017-18 revised net budget for Communities and Families is £341.812m.
- 2.2 This report sets out the projected overall position for the Communities and Families revenue expenditure budget for 2017/18, based on analysis of month three data.

3. Main report

Overall Position

- 3.1 As at month three, the Communities and Families Directorate is projecting a balanced budget position for 2017/18. This position is, however, dependent on management of a number of demand led service pressures.

Unfunded Budget Pressures - £4.1m

- 3.2 To date projected unfunded budget pressures of £4.1m have been assessed. The main service areas affected include increased use of out of Council area placements linked to accommodating a number of Unaccompanied Asylum Seeking Children (UASC) within the city, secure services and residential care. Management action of £3.0m has been identified, including projected savings within the fostering and day care and Early Years service areas, and application of funding from Home Office for UASC. This leaves a net residual budget pressure of £1.1m. Appendix 1

provides further details on the most significant areas of pressure and mitigating action.

Savings Delivery – Approved Savings 2017/18 Budget

- 3.3 The approved budget savings for Communities and Families for 2017/18 total £7.348m. Progress in the delivery of the savings programme is reviewed regularly.
- 3.4 A red, amber, green (RAG) analysis has been undertaken in consultation with Heads of Service. This indicates that, on the basis of actions planned or already undertaken, the savings are on track to be delivered in full.

Additional Savings Contribution 2017/18 Budget

- 3.5 A report on the Corporate monitoring position was presented to Finance and Resources Committee on 5 September 2017. The report included a recommendation that Executive Directors whose Directorates are projecting a balanced or underspend position be asked to identify opportunities for additional savings to contribute towards the projected Council wide budget deficit (£5m).
- 3.6 Officers are currently reviewing options for delivery of the additional savings contribution.

4. Measures of success

- 4.1 The measure of success will be the achievement of a balanced revenue budget position for Communities and Families for 2017/18 and successful delivery of approved savings.

5. 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.

6. Risk, policy, compliance and governance impact

- 6.1 The delivery of a balanced 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.

7. Equalities impact

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

8. Sustainability impact

- 8.1 There are no negative sustainability impacts on carbon, adaptation to climate change or sustainable development arising from this report.

9. Consultation and engagement

- 9.1 There has been no external consultation and engagement arising directly from this report.

10. Background reading/external references

- 10.1 None

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11. Appendices

- 1 Forecast areas of budget pressure and management action

Forecast Areas of Budget Pressure and Management Action

Area of pressure/(action)	£m	Notes
Out of Council Residential Care	1.9	Projection based on case by case assessment and expected movements
School budgets	0.4	Forecast demographic pressures based on pre- August staffing position
Secure Services	0.3	Forecast based on usage to date
Residential Care	0.3	Projected staff cost pressures
Other forecast pressures across a range of service areas	1.2	Reflects projected pressures of £0.2m or less, across a range of service areas
Total Gross Pressure	4.1	
UASC	(0.6)	Home Office funding for UASC
Fostering & Day Care	(0.5)	Projected savings from lower than budgeted use
Early Years	(0.4)	Staff vacancies
Other forecast savings/ management action	(1.5)	Reflects forecast savings of £0.3m or less , across a range of service areas
Total Management Action	(3.0)	
Net Residual Pressure	1.1	