

Education, Children and Families Committee

10.00am, Tuesday, 6 March 2018

Revenue Monitoring 2017/18 – month eight position

Item number	7.14
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

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

The report advises that the Executive Director of Communities and Families is committed to delivering a £1m underspend in 2017/18. This is to assist the delivery of a balanced budget position for the Council overall, given projected overspends in other service areas. Attainment of this position is, however, dependent upon the management of a number of demand led pressures, including a marked recent increase in the use of out of Council residential placements.

At month eight the total service specific budget pressures are projected to be £5.8m. Mitigating management action totalling £5.3m has been identified to date, resulting in a net residual budget pressure of £0.5m. However £1.5m of further actions are required to deliver the £1m corporate underspend by year end.

Further mitigations are being explored, including continue tracking of savings from employee vacancies, tight controls around discretionary spend and the use of reserves. However, as the financial year end approaches and given the increase in demand led services, there may now be a risk to the Service's scope to deliver the full corporate underspend required.

Revenue Monitoring 2017/18 – month eight position

1. Recommendations

- 1.1 Members of the Education, Children and Families Committee are asked to:
 - 1.1.1 note the net residual service specific budget pressure of £0.5m which remains at month eight;
 - 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 continues to seek further savings to delivery a £1m underspend to support the Council's overall revenue position. However due to internal services pressures there is a risk to the delivery of the full underspend.

2. Background

- 2.1 The total 2017-18 revised net budget for Communities and Families is £341.081m.
- 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 eight data.

3. Main report

Overall Position

- 3.1 As at month eight, the Communities and Families Directorate is projecting to deliver a £1m underspend. This position is, however, dependent on management of a number of demand led service pressures.

Unfunded Budget Pressures - £5.8m

- 3.2 To date projected unfunded budget pressures of £5.8m 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, residential care and Home to School transport. Management action of £5.3m has been identified, including projected savings within the Early Years, fostering and day care service areas, and

application of funding from Home Office towards the cost of UASC. This leaves a net residual budget pressure of £0.5m. 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.

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 projects a £1m underspend for 2017/18. 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. In 2017/18 the target reflects a commitment to delivery of a £1m underspend. 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	3.4	Projection based on case by case assessment and expected movements
Residential Care	0.5	Projected staff cost pressures
Home to School Transport	0.5	Based costs to date
Other forecast pressures across a range of service areas	1.4	Reflects projected pressures of £0.2m or less, across a range of service areas
Total Gross Pressure	5.8	
Early Years	(2.0)	Staff vacancies
One off additional investment	(0.7)	Uncommitted funding in 2017-18
Sports & Lifelong Learning	(0.4)	Projected underspends in Arts & Learning, and CLD budgets
UASC	(0.3)	Home Office funding for UASC
Fostering and Day Care	(0.3)	Projected savings from lower than budgeted use
ASL and Special School Classes	(0.3)	Lower than budgeted capacity
Other forecast savings/management action	(1.3)	Reflects forecast savings, inclusive of discretionary spend, across a range of service areas
Total Management Action	(5.3)	
Net Residual Pressure	0.5	