

# Education, Children and Families Committee

10.00am, Tuesday 7 December 2021

## Revenue Monitoring 2021/22 – month six position

Executive/routine Wards Council Commitments	Routine City-wide
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### 1. Recommendations

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- 1.1 Members of the Education, Children and Families Committee are asked to:
- 1.1.1 note that a balanced overall monitoring position is forecast at month six, an improvement of £1.362 million from the previously reported position
  - 1.1.2 note that the temporary accommodation monitoring position will be reported to Housing, Homelessness and Fair Work Committee on 20 January 2022, and is not reported in the forecast balanced budget for Education and Children's Services,
  - 1.1.3 note that approved savings and operational efficiencies in 2021/22 total £2.584m. Further savings of £1.658m, relating to pressures from the delivery of prior year approved budget savings also require to be managed within the 2021/22 budget, resulting in a revised savings target of £4.242m. £3.195m on track to be delivered in full; £0.085m assessed as amber, pending further detailed implementation plans and £0.962m assessed as being at risk of not being delivered;
  - 1.1.4 note that a further update will be provided to Committee on 1 March 2022

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# Report

## Revenue Monitoring 2021/22 – month six position

### 2. Executive Summary

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- 2.1 The report sets out the projected month six revenue monitoring position for Education and Children's Services, based on analysis of actual income and expenditure to end of September 2021, and projections for the remainder of the year.
- 2.2 A review of pressures and savings within the budget indicates a projected overall balanced budget position, after assumed corporate provisions for continuing COVID impacts on the service.
- 2.3 An update on pressures within temporary accommodation is being reported to the Housing, Homelessness and Fair Work Committee, and pressures for this area are not included in the balanced budget forecast.
- 2.4 A further update will be provided to Committee at the meeting on 1<sup>st</sup> March 2022.

### 3. Background

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- 3.1 The total 2021/22 net budget for Education and Children's Services is £426.2m.
- 3.2 This report sets out the projected monitoring position for Education and Children's Services revenue expenditure budget for 2021/22, based on analysis of known pressures and mitigating savings identified to date.

### 4. Main report

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#### Overall Position

- 4.1 Education and Children's Services is projecting an overall balanced budget position at month six. Forecast pressures within the service, including out of council residential and secure accommodation, DSM budgets and red assessed savings are currently projected to be fully offset through savings elsewhere within the budget. A summary of these pressures and mitigations is included in appendix 1.

## **Forecast Pressures and Savings**

- 4.2 Significant costs continue to be incurred in out-of-council residential and secure accommodation, due in part to continuing Covid related delays in case planning, and capacity issues within CEC's residential and secure accommodation which has impacted on plans to return some young people from out of authority placements. Based on assessment of current placement numbers an estimated net residual pressure of £1.0m is forecast. The net residual pressure takes account of £1.8m of additional Covid funding which has been agreed previously for 2021/22. The forecast pressure is currently mitigated through savings elsewhere within Children's Services, including family based care. The continued duration of Covid and restrictions on ability to move young people from their current placements has impacted on progress in reducing pressures within the budget in 2021-22.
- 4.3 Forecast pressures have also been identified within DSM budgets, reflecting current pupil roll numbers. These may be recurring if pupil roll numbers continue to increase beyond that provided within existing budget allocations. Pressures are also forecast within the libraries service, as result of delays in the strategic service review and projected shortfalls in income budgets. Pressures in these areas have been mitigated in the current year from one-off savings in other areas of the School and Lifelong Learning budget, including savings in staff costs due to recruitment delays.
- 4.4 Home to school transport is subject to continued pressures relating to delivery of the transport review. Forecast pressures are currently being addressed from one-off underspends in other service areas.

## **Approved Savings and Reduction in Investment**

- 4.5 Elements of approved budget savings, or reductions in investment , in respect of (i) home to school and other transport, (ii) libraries strategic review, (iii) efficiency and management savings and (iv) fees and charges, totalling £0.962m, have also been assessed as red and at risk of not being delivered at this time, and are included in the forecast net pressure.

## **Other COVID related provisions**

- 4.6 Council has allocated a £39m provision within the budget for the anticipated continuing impact of the pandemic in respect of increased service expenditure, or reductions in income. This provision currently includes assumed reductions in income for the Council's outdoor centres, community access to schools and adult education programme.
- 4.7 The Executive Director of Education and Children's Services is fully committed to continuing to deliver mitigations to reduce the existing pressures, and to identify and implement management actions required to address these.

## **Savings Delivery – Approved Savings 2021/22 Budget**

- 4.8 Approved budget savings and operational efficiencies for Education and Children’s Services for 2021/22 total £2.584m. Further savings and reductions in investment, totalling £1.658m, relating to prior year budgets, also require to be managed within the 2021/22 budget resulting in a revised savings target of £4.242m. Progress in the delivery of the savings programme is reviewed regularly.
- 4.9 A red, amber, green (RAG) analysis has been undertaken in consultation with Heads of Service. This indicates that, based on actions planned or already undertaken, £3.195m of savings and efficiencies are on track to be delivered in full (green); £0.085m relating to fees and charges requires further work (amber); and £0.962m, relating to the transport review, libraries strategic review, management restructure and fees and charges income uplift is at risk of not being delivered. Further details are included in Appendix 2

## **5. Next Steps**

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- 5.1 Work is ongoing to identify mitigating measures to manage financial risks and take timely remedial action, where any further adverse variances become apparent.

## **6. Financial impact**

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- 6.1 The report highlights a projected overall balanced budget for 2021/22. This position is subject to active monitoring, management of risks and identification of further mitigation.

## **7. Stakeholder / Community Impact**

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- 7.1 There is no direct relevance to the report’s contents. The Council undertook a budget engagement exercise when developing the 2021/22 revenue budget.
- 7.2 There is no direct relevance of the report’s contents to impacts on carbon, adaptation to climate change and sustainable development. The Council’s revenue budget includes expenditure impacting upon carbon, adaptation to climate change and contributing to sustainable development. In addition, all budget proposals are now subject to an upfront assessment across these areas.

## **8. Background reading / external references**

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- 8.1 None

## **9. Appendices**

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- 9.1 Appendix 1 Summary of Month 6 pressures and mitigations
- 9.2 Appendix 2 Summary of approved budget savings 2021/22

**FORECAST AREAS OF BUDGET PRESSURES AND  
MANAGEMENT ACTION**

Service area	Pressure	Mitigation	Net Residual Pressure	COVID	Non-COVID	Description
<b>Children's Services</b>						
Out of Council Residential and Secure placements	1.0		1.0		1.0	Pressure based on current placement numbers continuing for the year with any known changes.
Family Based Care - adoptions		(0.4)	(0.4)		(0.4)	One off income from retrospective charges now agreed
<b>Community Justice</b>						
CJ - Non S27	0.1	(0.3)	(0.2)		(0.2)	Temporary vacancies from recruitment delays
<b>Family &amp; Household Support</b>		(0.3)	(0.3)		(0.3)	Estimated staff vacancies of £0.6m, reduction in HRA recharge
<b>Schools/Early Years</b>						
Vacancies in Early Years Core Positions		(0.7)	(0.7)		(0.7)	Temporary vacancies resulting from recruitment delays
<b>Sports &amp; Lifelong Learning</b>						
Outdoor Centres	0.8		0.8	0.8		Fixed costs that need to be covered and the impact of reduced numbers affecting income levels.
Community Access to Schools	0.7		0.7	0.7		Pressure on non-sports lets as not assumed to re-start this year. Reduced income on Edinburgh Leisure managed sports lets
Adult Education	0.3		0.3	0.3		Covid income pressure, net of staff savings,
Libraries	0.3	(0.1)	0.2		0.2	Pressure of £300K due to approved saving not delivered offset by staff savings
Re-opening of community centres and libraries	0.1		0.1	0.1		Re-opening costs for CO2 monitors, signage etc
Various		(0.4)	(0.4)		(0.4)	Savings on ancillary budgets
<b>Operational Support</b>						
Home to school transport	0.4		0.4		0.4	Estimate based on routes in place at September
Corporate Transport Unit	0.1		0.1	0.1		Estimate of COVID related support
<b>Department-wide</b>						
Efficiency and Management savings	0.4		0.4		0.4	Balance of management and efficiency savings to be identified
	<b>4.1</b>	<b>(2.1)</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>	

## Appendix 2

### Approved budget savings 2021/22 with RAG assessment

Summary: Communities and Families		Mitigation Plan required	Savings Plans Required			Current savings assessment		
Saving	Pressures Remaining from 2020/21	Investment Payback 2021/22	Pre-Approved Saving 2021/22	Approved New Saving 2021/22	Total 2021/22	Green	Amber	Red
	£m	£m	£m	£m	£m	£m	£m	£m
Early Years (restructure of staffing)			0.300		<b>0.300</b>	0.300		
Edinburgh Leisure Service Payment			0.380		<b>0.380</b>	0.380		
Police Funded Officers			0.478		<b>0.478</b>	0.478		
Instrumental Music Service			0.150		<b>0.150</b>	0.150		
Quality Improvement Officers			0.120		<b>0.120</b>	0.120		
Strategic Service Reviews: Libraries and Adult Learning			0.250		<b>0.250</b>			0.250
Library Opening Hours			0.050		<b>0.050</b>			0.050
School Efficiencies (DSM)			0.600		<b>0.600</b>	0.600		
Mainstream DSM	0.300				<b>0.300</b>	0.300		
Transport Review	0.400	0.500			<b>0.900</b>	0.600		0.300
Efficiencies - Mgt Savings	0.358				<b>0.358</b>	0.081		0.277
Night Noise Team	0.100				<b>0.100</b>	0.100		
Fees and Charges average 5% uplift			0.256		<b>0.256</b>	0.086	0.085	0.085
<b>TOTAL</b>	<b>1.158</b>	<b>0.500</b>	<b>2.584</b>	<b>0.000</b>	<b>4.242</b>	<b>3.195</b>	<b>0.085</b>	<b>0.962</b>