

# Education, Children and Families Committee

10.00am, Tuesday, 10 December 2019

## Revenue Monitoring 2019/20 – month six position

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

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- 1.1 The Education, Children and Families Committee is asked to:
- 1.1.1 note the net residual budget pressure of £4.45m which remains at month six;
  - 1.1.2 note that approved savings and operational efficiencies in 2019/20 total £4.334m, with £3.009m on track to be delivered in full; £0.320m assessed as amber, pending further detailed implementation plans and £1.005m assessed as being at risk of not being delivered;
  - 1.1.3 note that the Executive Director of Communities and Families is taking measures to reduce budget pressures and progress will be reported to the Finance and Resources Committee on 23 January 2020 and to the meeting of this committee on 3 March 2020.

#### Alistair Gaw

Executive Director of Communities and Families

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# Report

## Revenue Monitoring 2019/20 – month six position

### 2. Executive Summary

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- 2.1 The report sets out the projected month six revenue monitoring position for the Communities and Families service, based on analysis of actual expenditure and income to the end of September 2019, and expenditure and income projections for the remainder of the financial year.
- 2.2 The total projected (full year) gross budget pressure is currently £9.95m, partially offset by mitigations totalling £5.50m, resulting in a net residual budget pressure of £4.45m.
- 2.3 The Executive Director of Communities and Families is fully committed to making all efforts to identify management action to reduce the budget pressures. However, given the magnitude of these pressures, there is the potential for a significant level of overspend. Progress on the implementation of mitigation measures will be reported to the Finance and Resources Committee on 23 January 2020 and to this Committee at its meeting on 3 March 2020.

### 3. Background

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- 3.1 The total 2019/20 net budget for Communities and Families is £419.0m
- 3.2 This report sets out the projected overall position for the Communities and Families revenue expenditure budget for 2019/20, based on analysis of month six data.

### 4. Main report

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#### Overall Position

- 4.1 The Communities and Families service is projecting net budget pressures of £4.45m at month six.

#### Gross Budget Pressures and Management Action

- 4.2 To date, projected gross budget pressures of £9.95m have been assessed. The main service areas affected include temporary accommodation, home-to-school

transport, efficiency targets, community access to secondary schools and central costs relating to schools. Management action of £5.50m has been identified, which leaves a net residual budget pressure of £4.45m.

#### **4.3 Temporary accommodation**

The shortage of suitable temporary accommodation is leading to the service having to place individuals in bed and breakfast and shared accommodation. This is the costliest provision as the proportionate level of housing benefit the Council receives is low in comparison to other accommodation types. Mitigating action is being taken to reduce the use of bed and breakfast and shared accommodation and to deliver additional housing benefit.

#### **4.4 Home to School transport**

The costs to transport pupils have increased significantly in recent years. The increased costs relate primarily to the number of children with additional support needs receiving individual transport. To address the increase, work has been undertaken to refresh the transport policy, introduce a Travel Allocation Panel to assess all applications for transport, identify opportunities to share transport where possible and reduce the use of external providers and taxis and make use of existing internal capacity. This has stemmed the increase seen in recent years and made some reductions to overall expenditure. A reduction in individual taxis has reduced the in-year pressure, however, at this stage there is still expected to be a significant pressure of £1.8m in 2019/20 and work is ongoing to identify further measures that can accelerate savings opportunities.

#### **4.5 Efficiency and management savings**

The service has a target to achieve £0.2m of management savings and the service's direct share of the Council-wide efficiency of 1.55% is £1.797m. This is to be delivered from service-wide management savings and vacancy control, deletion of a number of vacancies within Safer and Stronger Communities and additional income. DSM funded posts, externally funded posts and essential child protection social work posts are exempt from vacancy control actions. Recurring savings to date total £0.9m and there will be full-year benefits delivered in 2020/21.

#### **4.6 Community access to secondary schools**

The net income target for community access has a pressure of £0.8m. Mitigating actions from working with Edinburgh Leisure to reduce PPP costs and increase income have yet to be delivered. Further actions are being considered to manage the pressure in future years. This includes enhanced marketing of under-utilised space and the continuation of price harmonisation with Edinburgh Leisure's other facilities.

#### **4.7 Central costs related to supporting schools**

Pressures exist on non-devolved school-related budgets including the costs of cleaning materials, refuse collection and grounds maintenance. Management of these areas is being reviewed to address the pressure, however, the scope to reduce costs significantly this financial year is limited.

- 4.8 Appendix 1 provides further details on these areas of pressure and mitigating action.
- 4.9 Financial risks in the Communities and Families revenue budget for 2019/20 include increased demands for home to school transport due to rising rolls, potential shortfall on workforce savings and delivery of mitigating actions related to temporary accommodation.
- 4.10 There is a further potential pressure relating to the number of Unaccompanied Asylum-Seeking Children (UASC) that have arrived in the city in recent months. There have been 20 new arrivals in the past three months mainly from Vietnam. The majority have been placed in our own residential provision but there has been the need to purchase a small number of placements from other providers. The service is currently assessing the financial implications of this increase for the short and longer term.
- 4.11 Communities and Families is fully committed to making all efforts to identify mitigations to reduce the existing pressures, and to identify and implement management actions required to address these. These include vacancy control measures, a review of reserves, identification of income generation opportunities, an examination of the scope to stop or reduce planned levels of expenditure, and the identification of any spend-to-save opportunities.

#### **Savings Delivery – Approved Savings 2019/20 Budget**

- 4.12 The approved budget savings and operational efficiencies for Communities and Families for 2019/20 total £4.334m. Progress in the delivery of the savings programme is reviewed regularly.
- 4.13 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, £3.009m of savings and efficiencies are on track to be delivered in full (green); £0.320m, mainly relating to workforce controls, requires further work (amber); and £1.005m, mainly relating to management savings and workforce controls 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 through continued workforce and discretionary expenditure controls 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 projected net budget pressures of £4.45m for 2019/20. 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 2019/20 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 forecast net revenue budget pressures;
- 9.2 Appendix 2 Summary of approved budget savings 2019/20

## Appendix 1

### Forecast Areas of Budget Pressure and Management Action

Service area	Forecast Pressures £m	Mitigation - Recurring £m	Mitigation - One-off £m	Net Residual Pressure £m	Description
Safer & Stronger Communities – Temporary Accommodation	2.500	0.500	1.200	0.800	The shortage of suitable temporary accommodation is leading to the service having to place individuals in B&B and Shared Accommodation. This is the most costly provision as the proportionate level of housing benefit the Council receives is low in comparison to other accommodation types. Recurring mitigating action is from expected additional housing benefit. One-off mitigation relates to additional income from Revenue Collection Officers and Rapid Rehousing Transition Plan funding
Home to School Transport	2.300	0.500	0.000	1.800	Expenditure on home to school transport increased from £5.5m in 16/17 to £7.4m in 18/19. In addition, approved savings of £0.4m in 2018/19 have not yet been delivered. Mitigating actions to reduce individual taxis based on routes in place from August has reduced the in-year pressure
Efficiency and Management savings	2.000	0.900	0.200	0.900	Further mitigation from vacancy control. Savings delivered to date total £0.9m and there will be full year benefits delivered in 20/21 to address the balance. Children's Services saving assumed to be one-off pending more detailed analysis
Edinburgh Leisure - Community Access to Secondary Schools	0.800	0.000	0.000	0.800	Projected shortfall in income from sports lets, pre-6pm lets and non-sports lets
Community Justice	0.700	0.000	0.500	0.200	Unfunded pay awards for s27 CJ staff partially mitigated by non-s27 and non-staff underspends
Schools – non-devolved costs	0.600	0.000	0.000	0.600	Grounds maintenance, refuse collection and cleaning materials
Schools	0.400	0.000	0.400	0.000	Demographic pressures in DSM staff budgets due to rising school rolls. Mitigated by one-off funding from excess carry forwards
Libraries - income	0.300	0.000	0.000	0.300	Ongoing pressure on fees, charges and room hire
Primary school lets	0.150	0.000	0.000	0.150	Reduced income from school closures for maintenance
Adult education	0.100	0.000	0.000	0.100	2018/19 pressure partially mitigated in 2019/20
Department-wide	0.100	0.000	0.100	0.000	One-off ICT refresh charges, mitigated by one-off savings from additional investment
Children's services	0.000	0.000	1.000	-1.000	One-off savings from additional investment
SSC - Family & Household Support	0.000	0.000	0.200	-0.200	Staff vacancies
	<b>9.950</b>	<b>1.900</b>	<b>3.600</b>	<b>4.450</b>	

## Appendix 2

### Summary of approved budget savings 2019/20 with RAG assessment

Proposal description/area	2019/20 approved saving	Saving RAG assessment		
		Green	Amber	Red
	£m	£m	£m	£m
<b>CHILDREN'S SERVICES</b>				
Efficiencies in the delivery of accommodated children's services	0.510	0.405		0.105
Support for Learning Management	0.200	0.200		
ASN adaptations to mainstream schools	0.100	0.100		
NHS commissioned services	0.100	0.100		
Carers' Act Funding	0.075	0.075		
	<b>0.985</b>	<b>0.880</b>	<b>0.000</b>	<b>0.105</b>
<b>SCHOOLS &amp; LIFELONG LEARNING</b>				
Edinburgh Leisure (Year 1 - Pay uplift)	0.350	0.350		
Enabling Educational Efficiencies – Third Party Grants (2018/19 additional spend)	0.250	0.250		
Library service - reduce book fund	0.200	0.200		
Heritage language	0.042	0.042		
	<b>0.842</b>	<b>0.842</b>	<b>0.000</b>	<b>0.000</b>
<b>SAFER &amp; STRONGER COMMUNITIES</b>				
Police funding	0.522	0.522		
Invest in Revenue Collection Officers	0.175	0.175		
Invest to reduce temporary accommodation voids rates	0.090		0.090	
Adoption of Scottish Government Framework for electricity and gas	0.030		0.030	
	<b>0.817</b>	<b>0.697</b>	<b>0.120</b>	<b>0.000</b>
<b>Total approved savings 2019/20</b>	<b>2.644</b>	<b>2.419</b>	<b>0.120</b>	<b>0.105</b>
<b>Efficiencies Workstream 2019/20</b>				
Management savings - Dept-wide	0.640	0.240		0.400
Workforce control - C&F	0.700		0.200	0.500
Workforce control - SSC	0.350	0.350		
	<b>1.690</b>	<b>0.590</b>	<b>0.200</b>	<b>0.900</b>
<b>Total approved savings and operational efficiencies</b>	<b>4.334</b>	<b>3.009</b>	<b>0.320</b>	<b>1.005</b>