

# Education, Children and Families Committee

10.00am, Tuesday 3 March 2020

## Revenue Monitoring 2019/20 – month nine 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 £4.8m which remains at month nine;
  - 1.1.2 note that approved savings and operational efficiencies in 2019/20 total £4.334m, with £3.099m on track to be delivered in full; £0.200m assessed as amber, pending further detailed implementation plans and £1.035m 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.

**Alistair Gaw**

Executive Director of Communities and Families

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# Report

## Revenue Monitoring 2019/20 – month nine position

### 2. Executive Summary

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- 2.1 The report sets out the projected month nine revenue monitoring position for the Communities and Families service, based on analysis of actual expenditure and income to the end of December 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 £13.85m, partially offset by mitigations totalling £9.05m, resulting in a net residual budget pressure of £4.8m.
- 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.

### 3. Background

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- 3.1 The total 2019/20 net budget for Communities and Families is £419.5m
- 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 nine data.

### 4. Main report

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#### **Overall Position**

- 4.1 The Communities and Families service is projecting net budget pressures of £4.8m at month nine.

#### **Gross Budget Pressures and Management Action**

- 4.2 To date, projected gross budget pressures of £13.85m have been assessed. The main service areas affected include temporary accommodation, home-to-school transport, efficiency targets, secure services, community access to secondary schools and central costs relating to schools. Management action of £9.05m has been identified, which leaves a net residual budget pressure of £4.8m.

#### 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 by the Homelessness Strategy Programme Board 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 £2.1m 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 £1.0m 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. 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 forecast for UASC recoveries is based on cases which have been agreed by the Home Office as at the end of November and the number expected to be agreed by the end of March 2020.
- 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 and an examination of the scope to stop or reduce planned levels of expenditure.

### **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, £3.099m of savings and efficiencies are on track to be delivered in full (green); £0.200m, mainly relating to workforce controls, requires further work (amber); and £1.035m, 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 £4.8m 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
Home to School Transport - Additional Support Needs	2.300	0.500		1.800	Full year effect of 2018/19 pressure taking account of management action to date. Partial mitigation from actions implemented through panel and review of transport provision
Secure Services	1.300			1.300	ESS staff pressure and external placements
Residential Care	0.800			0.800	YPC staff pressure, additional spot purchases, Out-of-Council and Disability transition
Special Education Needs	0.600			0.600	SEN allocations to mainstream
Disability and Practice Teams SDS	0.300			0.300	Increased caseload and level of support
Children's Services			1.750	-1.750	One-off savings from additional ASL and counsellor investment from SG
UASC income			1.100	-1.100	Additional recoveries from Home Office
ASL Service			0.700	-0.700	Staff savings and recoveries from other authorities
Fostering, Kinship, Adoptions and day care			0.400	-0.400	Usage lower than budgeted provision
Schools – non-devolved costs	0.600			0.600	Maternity cover, grounds maintenance and other central costs
Schools	0.400	0.400	0.400	-0.400	Demographic pressures in DSM staff budgets due to rising school rolls. Mitigated by one-off funding from excess carry forwards
Edinburgh Leisure - Community Access to Secondary Schools	0.800			0.800	Projected shortfall in income from sports lets, pre-6pm lets and non-sports lets
Libraries - income	0.300	0.100		0.200	Ongoing pressure on fees, charges and room hire
Primary school lets	0.150			0.150	Reduced income from school closures for maintenance
Adult education	0.100			0.100	2018/19 pressure partially mitigated in 2019/20
Early Learning and Childcare			0.200	-0.200	Underspends on pre-expansion budgets
Safer & Stronger Communities – Temporary Accommodation	2.500	0.500	1.200	0.800	Increasing average length of stay due to lack of 'move-on' accommodation. Partial mitigation from additional Housing Benefit income, increase in Revenue Collection officers and slippage on Rapid Rehousing Transition Plan funding
Community Justice	0.700		0.500	0.200	Unfunded pay awards for s27 CJ staff offset by vacancies, and non-s27 underspends
SSC - Family & Household Support			0.200	-0.200	Staff vacancies
Corporate Transport Unit	0.550			0.550	Increase in transport and staff costs - further analysis ongoing
Home to School Transport - mainstream	0.250			0.250	Increase in transport costs - further analysis ongoing
Pupil and parent support			0.100	-0.100	Staff vacancies and one-off savings from additional investment
Efficiency and Management savings	2.000	1.000		1.000	Approved savings
ICT refresh costs	0.100			0.100	One-off recharge
Directorate	0.100			0.100	One-off charges
	<b>13.850</b>	<b>2.500</b>	<b>6.550</b>	<b>4.800</b>	

## Appendix 2

### 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>0.787</b>	<b>0.000</b>	<b>0.030</b>
<b>Total approved savings 2019/20</b>	<b>2.644</b>	<b>2.509</b>	<b>0.000</b>	<b>0.135</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>3.099</b>	<b>0.200</b>	<b>1.035</b>

**COMMUNITIES & FAMILIES**

Month 9 update

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