

# Education, Children and Families Committee

10.00am, Tuesday 2nd March 2021

## Revenue Monitoring 2020/21 – month nine 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 the net residual budget pressure of £13.1m which remains at month nine, of which £13.7m relates to the impact of the Covid-19 pandemic;
  - 1.1.2 note that approved savings and operational efficiencies in 2020/21 total £4.547m, with £4.141m on track to be delivered in full; £0.306m assessed as amber, pending further detailed implementation plans and £0.100m assessed as being not deliverable;
  - 1.1.3 note that measures are being taken to reduce budget pressures.

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Chief Executive

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# Report

## Revenue Monitoring 2020/21 – 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 2020, and expenditure and income projections for the remainder of the financial year.
- 2.2 The total projected (full year) gross budget pressure is currently £24.2m, partially offset by one-off mitigations totalling £11.1m, resulting in a net residual budget pressure of £13.1m.
- 2.3 Of this pressure, £13.7m relates to the impact of the Covid-19 pandemic.
- 2.4 Efforts are being made to identify management action to reduce the budget pressure, while addressing the impact of the pandemic, however, given the magnitude of these pressures, there is a significant level of overspend.

### 3. Background

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- 3.1 The total 2020/21 net budget for Communities and Families is £440.5m
- 3.2 This report sets out the projected overall position for the Communities and Families revenue expenditure budget for 2020/21, 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 £13.1m at month nine.

#### Gross Budget Pressures and Management Action

- 4.2 To date, projected gross budget pressures of £24.2m have been assessed. The main service areas affected include temporary accommodation, secure services, residential care, home to school transport, outdoor centres and community access to secondary schools. The majority of these pressures relate to the impact of Covid-19 which has

resulted in increased costs and reduced income. Non-recurring mitigations of £11.1m have been identified, which leaves a net residual budget pressure of £13.1m.

#### **4.3 Temporary accommodation**

The cost of temporary accommodation continues to grow, due to a shortage of suitable move-on accommodation and an increasing average length of stay. Due to Covid-19 restrictions, the number of allocations that could be made to permanent accommodation was temporarily reduced, however, the Council and its partners are now beginning to let homes again which is having a positive impact. The financial impact in 2020/21 will depend on the number of homeless presentations as restrictions are relaxed, and how quickly allocations to permanent accommodation can be made. The net pressure forecast for 2020/21 is currently £9.3m. This is based on the number of households currently in temporary accommodation, including those previously rough sleeping or using night shelters, and those with no recourse to public funds (NRPF). The forecast pressure allows for an element of growth in numbers over the remainder of the financial year.

#### **4.4 Secure Services, Residential Care and Out of Council residential schools**

Employee cost pressures have arisen within Secure Services and Young People's Centres due to the need for agency staff and locums to cover for staff absences related to Covid-19. Significant costs have also been incurred for out-of-authority secure placements, and pressures have arisen in out-of-council residential schools, due to Covid-related disruption to normal planning processes. The estimated pressure is £5.0m which is partially mitigated through additional income related to Unaccompanied Asylum Seekers of £1.1m, a number of which are accommodated within the Council's residential units. The forecast pressure provides for an element of additional placements over the remainder of the financial year.

#### **4.5 Outdoor Centres**

Covid-19 has resulted in significant losses of income in outdoor centres, which has been partially mitigated by cost reductions from furlough arrangements of £0.5m, which are reported corporately. The net pressure is estimated at £1.4m.

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

Recurring pressures of £0.4m have been further compounded by £0.5m of Covid-related income losses.

#### **4.7 Home to School Transport**

There has been an increase in the numbers of routes required in response to social distancing requirements. The forecast pressure of £0.9m is partially mitigated by one-off savings of £0.2m from reduced payments to providers, resulting in a net pressure of £0.7m.

#### **4.8 ASL & Special Schools**

One-off savings are forecast in the ASL & special schools budget, totalling £2.1m. This is partially as a result of reduced staffing costs due to Covid but also includes one-off savings from vacant posts and funding in the ASL budget, reflecting the part year impact of new classes, for which full year funding will be required for 2022-23.

- 4.9 Appendix 1 provides further details on these areas of pressure and mitigating action.
- 4.10 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, identification of income generation opportunities and an examination of the scope to stop or reduce planned levels of expenditure. Work is ongoing to change the current mix of temporary accommodation, reducing the reliance on expensive and unsuitable accommodation, and to achieve the aims of the Rapid Rehousing Transition Plan.

### **Savings Delivery – Approved Savings 2020/21 Budget**

- 4.11 The approved budget savings and operational efficiencies for Communities and Families for 2020/21 total £4.547m. Progress in the delivery of the savings programme is reviewed regularly.
- 4.12 A black, red, amber, green (BRAG) analysis has been undertaken in consultation with Heads of Service. This indicates that, based on actions planned or already undertaken, £4.141m of savings and efficiencies are on track to be delivered in full (green); £0.306m, mainly relating to fees and charges, requires further work (amber); and £0.100m, relating to library services is not forecast to be 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 £13.1m for 2020/21, of which £13.7m relates to the impact of the Covid-19 pandemic. 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 2020/21 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 2020/21

## Appendix 1

### Forecast Areas of Budget Pressure and Management Action

Service area	Pressures	Mitigation One-off	Net Residual Pressure	COVID	Non-COVID	Description
Children's Services	£m	£m	£m	£m	£m	
Secure Services	2.3		<b>2.3</b>	0.4	1.9	Estimated staff cost pressures, and costs for out of authority secure placements. Increase in usage is forecast to continue for remainder of the year. £0.4m of staff costs COVID related and £0.2m for therapeutic support, the latter to seek to be funded from SG grant
Out of Council residential schools	2.0		<b>2.0</b>	0.5	1.5	Delays in case planning and need to make new placements. 9 new placements in November / December
Residential Care	0.7		<b>0.7</b>	0.4	0.3	Estimated staff cost pressures within YPCs, with increased costs for locums and agency staff providing cover for staff absences due to Covid
Home to School Transport - Additional Support Needs	0.9	0.2	<b>0.7</b>	0.7	0.0	One-off savings relate to April - June reduced payments to providers. Increase in routes for 21/22 in response to distancing requirements
Support for Children with Disabilities	0.6	0.5	<b>0.1</b>	0.1	0.0	Estimated pressures in SDS budget, partially offset by staff cost savings from vacant posts
Other Minor Variances	0.2	0.1	<b>0.1</b>	0	0.1	Estimated pressures YPS & TCAC, partially offset by savings in FBC
ASL & Special Schools		2.1	<b>-2.1</b>	--0.8	-1.3	Includes one-off savings in SEN audit allocation (£0.6m), staff savings from vacant posts (£0.5m), Special Schools & classes (£0.7m) and Psychological Services (£0.2m)
Unaccompanied Asylum-Seeking Children - income		1.1	<b>-1.1</b>	0.0	-1.1	Recoveries for existing UASC cases agreed with Home Office
Children's Services- Counselling in Schools		0.6	<b>-0.6</b>	0.0	-0.6	Savings based on recruitment to full complement of 23 FTE counsellors (GR6), for period Sept – March 2021
Winter Funding Vulnerable Children		0.2	<b>-0.2</b>	-0.2	0.0	Application of funding to core budget pressures in YPCs and FBC
<b>Schools &amp; Lifelong Learning - Schools</b>						
Schools – non-devolved costs	0.8		<b>0.8</b>	0.0	0.8	Costs of cleaning materials, grounds maintenance and refuse collection. Additional costs for Microsoft Licences
Schools	0.3	0.2	<b>0.1</b>	0.0	0.1	Demographic pressures in DSM staff budgets due to rising school rolls. Mitigated by one-off funding from excess carry forwards
<b>Schools &amp; Lifelong Learning - Non-schools</b>						
Outdoor Centres	1.9	0.5	<b>1.4</b>	1.4	0.0	Assumes no income during 2020/21 with partial mitigation from furlough
Edinburgh Leisure - Community Access to Secondary Schools	1.2	0.3	<b>0.9</b>	0.5	0.4	£0.4m recurring pressure, £0.5m April – Mar net COVID impact. £0.3m non-sports lets pressure. £0.3m PPP and janitorial savings

Service area	Pressures	Mitigation One-off	Net Residual Pressure	COVID	Non-COVID	Description
Wester Hailes Education Centre	0.5	0.2	0.3	0.3	0.0	Loss of income £0.5m and savings from vacancies not filled £0.2m
Adult education	0.7	0.5	0.2	0.2	0.0	Pressure assuming no income in current financial year. £0.7m loss of income, £0.5m tertiary staff and other savings.
Primary school lets	0.3	0.3	0.0	-0.3	0.3	Lost income pressure, net of FM saving
Libraries - income	0.6	1.0	-0.4	-0.4	0	Income pressure due to COVID (£0.5m) assuming 7 libraries opened from Oct-Dec and all libraries closed Q4. Savings from vacancies and FTC not extended £0.8m plus other savings £0.2m. Approved saving for book transfers not delivered (£0.1m)
Other minor variances S&LL	0.1	0.5	-0.4	0.1	-0.5	Includes net savings in localities (£0.2m), IMS (£0.1m) and SG funded sanitary products
Early Learning and Childcare	0.0	1.1	-1.1		-1.1	Pre-expansion vacancies
<b>Safer &amp; Stronger Communities</b>						
Temporary Accommodation	10.1	0.8	9.3	9.3	0.0	Continuing growth due to a shortage of suitable move-on accommodation. Due to Covid-19 restrictions, there has been a further increase in average length of stay and a reduction in allocations being made to permanent accommodation. Pressures offset by underspend in PSL accommodation and £0.8m of funding towards food costs
Community Justice - non-section 27	0.0	0.3	-0.3	0.0	-0.3	Staff and non-staff underspends
Family & Household Support	0.2	0.3	-0.1	0.0	-0.1	Staff vacancies, pressure on HRA recharges
<b>Operational Support</b>						
Home to School Transport - mainstream	0.2	0.2	0.0	0.0	0.0	One-off savings relate to estimated April - June reduced payments to providers
CTU	0.2		0.2	0.2	0.0	Additional agency driver costs in response to COVID absences
School Estate Planning	0.0	0.1	-0.1	0.0	-0.1	Employee costs capitalised
<b>Department-wide</b>						
Efficiency and Management savings	0.4		0.4	0.0	0.4	Approved saving 2019/20
<b>TOTAL</b>	<b>24.2</b>	<b>11.1</b>	<b>13.1</b>	<b>13.7</b>	<b>-0.6</b>	

## Appendix 2

### Approved budget savings 2020/21 with RAG assessment

Proposal description/area	2020/21 approved saving	Saving RAG assessment			
		£m	Green	Amber	Red
<b>SCHOOLS &amp; LIFELONG LEARNING</b>					
School Efficiencies (DSM)	1.200	1.200			
Early Years (restructure of staffing)	0.600	0.600			
Edinburgh Leisure Service Payment	0.500	0.500			
Quality Improvement Officers	0.120	0.120			
Library service	0.100				0.100
Heritage language	0.021	0.021			
	<b>2.541</b>	<b>2.441</b>	<b>0.000</b>	<b>0.000</b>	<b>0.100</b>
<b>SAFER &amp; STRONGER COMMUNITIES</b>					
Police funding	1.600	1.600			
Adoption of Scottish Government Framework for electricity and gas	0.060		0.060		
Night Noise Team	0.100	0.100			
	<b>1.760</b>	<b>1.700</b>	<b>0.060</b>	<b>0.000</b>	<b>0.000</b>
<b>DEPARTMENT-WIDE</b>					
Increase in fees and charges by RPI + 2%	0.246		0.246		
	<b>0.246</b>	<b>0.000</b>	<b>0.246</b>	<b>0.000</b>	<b>0.000</b>
<b>Total approved savings</b>	<b>4.547</b>	<b>4.141</b>	<b>0.306</b>	<b>0.000</b>	<b>0.100</b>