

# Education, Children and Families Committee

10.00am, Tuesday 24 August 2021

## Revenue Monitoring 2021/22 – month three 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 estimated net residual budget pressure of £2.562m at month three,
  - 1.1.2 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. £2.895m on track to be delivered in full; £0.685m assessed as amber, pending further detailed implementation plans and £0.662m assessed as being at risk of not being delivered;
  - 1.1.3 note that the Interim Director of Communities and Families is taking measures to reduce the residual budget pressures.

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# Report

## Revenue Monitoring 2021/22 – month three position

### 2. Executive Summary

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- 2.1 The report sets out the projected month three revenue monitoring position for the Communities and Families service.
- 2.2 An initial review of pressures within the budget indicates estimated net pressures of £2.562m, after assumed corporate provisions for continuing COVID impacts on the service. This estimate is based on analysis of known pressures within the 2021/22 budget. A more detailed review of the budget is on-going and an update will be reported as part of the month four monitoring report to October Committee.
- 2.3 The Interim Director of Communities and Families is fully committed to making all efforts to identify management action to reduce the budget pressure.

### 3. Background

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- 3.1 The total 2021/22 net budget for Communities and Families is £470.5m.
- 3.2 This report sets out the projected monitoring position for the Communities and Families revenue expenditure budget for 2021/22, based on analysis of known pressures identified to date.

### 4. Main report

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#### Overall Position

- 4.1 The Communities and Families service is projecting net budget pressures of £2.562m at month three. The main service areas impacted include temporary accommodation and out of council residential and secure accommodation, with elements of approved savings relating to home to school transport, efficiency and management savings, and fees and charges also assessed as red and at risk of delivery at this time.
- 4.2 **Temporary accommodation**

The number of households in temporary accommodation increased month on month during 2020/21, increasing from 3,570 in March 2020 to 4,431 in March 2021. This rate of

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annual increase increased annual costs by approximately £14m and additional funding of £12m was identified through the 2021/22 budget process.

Numbers have stabilised in recent months but have yet to reduce which is what is required to operate within the funding provided. The impact is partly mitigated through negotiation of reduced prices for bed and breakfast accommodation, which results in an estimated residual pressure of £1.2m.

Although the numbers presenting as homeless are lower than pre-pandemic the pandemic has affected the supply of suitable move-on accommodation resulting in 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 Council identified additional funding of £0.4m in the 2021/22 budget process which has been added to some additional one-off Scottish Government rapid re-housing transitional plan (RRTP) funding of £0.563m to implement additional preventative services. These services are fully operational and the service will track the benefits as the year progresses.

The forecast pressure is based on the numbers in temporary accommodation as at May 2021. Further factors may affect the numbers positively or negatively as the year progresses such as the end of the ban on evictions, the new legislation on the removal of local connection, the end of the furlough scheme, the impact of the new preventative services and the increase in suitable move-on accommodation.

Work is ongoing to change the current mix of temporary accommodation, reducing the reliance on expensive and unsuitable accommodation and increasing the use of the Private Sector Leasing (PSL) scheme.

#### **4.3 Out of Council residential schools and secure placements**

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. Based on assessment of current placement numbers an estimated net pressure of £0.7m is forecast. The requirement for staff to self-isolate continues to impact on internal capacity within CEC's residential and secure accommodation, and plans to return some young people to CEC accommodation. Currently, there are no young people in Secure accommodation outwith Edinburgh. There have, however, been 3 new presentations of Unaccompanied Asylum Seeking Children (UASCs) in recent weeks, and there is a risk that the easing of Covid-related travel restrictions results in additional presentations and places additional pressures on internal capacity. Any increase in numbers will result in increased cost pressures, although the service continue to develop plans for alternative provision, to reduce demand for places within CEC Young People Centres. A working group has been set up to develop proposals for managing demand within available resources, including use of host families and additional supported accommodation to create capacity within CEC Young People's Centres, enhanced supports for family networks and parenting to enable more children to be supported at home, review of referral routes and processes for

out of council placements , and the development of a pathway process for new UASC arrivals.

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

Elements of approved budget savings, or reductions in investment , in respect of (i) home to school and other transport, (ii) efficiency and management savings and (iii) fees and charges, totalling £0.662m, have also been assessed as red and at risk of delivery at this time, and are included in the forecast net pressure.

#### 4.5 **Other COVID related provisions**

Council has allocated £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 and community access to schools.

4.6 The interim Director is 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. A further update will be included in the revenue monitoring report to Committee on 12 October.

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

4.7 Approved budget savings and operational efficiencies for Communities and Families for 2020/21 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.

4.8 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, £2.895m of savings and efficiencies are on track to be delivered in full (green); £0.685m, mainly relating to delivery of DSM efficiencies and libraries strategic review , requires further work (amber); and £0.662m, relating to the transport review, management restructure and fees and charges income uplift is at risk of not being delivered. Further details are included in Appendix 1.

## **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. An update on the revenue monitoring forecast will be reported to Committee on 12 October.

## **6. Financial impact**

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- 6.1 The report highlights projected net budget pressures of £2.562m 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 Summary of approved budget savings 2021/22

## Appendix 1

### 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)			0.3		0.300	0.300		
Edinburgh Leisure Service Payment			0.380		0.380	0.380		
Police Funded Officers			0.478		0.478	0.478		
Instrumental Music Service			0.150		0.150	0.150		
Quality Improvement Officers			0.120		0.120	0.120		
Strategic Service Reviews: Libraries and Adult Learning			0.250		0.250		0.250	
Library Opening Hours			0.050		0.050		0.050	
School Efficiencies (DSM)			0.600		0.600	0.600		
Mainstream DSM	0.300				0.300		0.300	
Transport Review	0.400	0.500			0.900	0.600		0.300
Efficiencies - Mgt Savings	0.358				0.358	0.081		0.277
Night Noise Team	0.100				0.100	0.100		
Fees and Charges average 5% uplift			0.256		0.256	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>2.895</b>	<b>0.685</b>	<b>0.662</b>