

**The Highland Council**  
**ADULT & CHILDREN SERVICES COMMITTEE**  
**19 FEBRUARY 2014**

Agenda Item	4.
Report No	ACS/18/14

**Revenue Budget - budget monitoring position as at 31<sup>st</sup> December 2013 and year-end outlook**

**Report by Director of Education, Culture and Sport Service**

**Summary**

This report sets out the Revenue Budget monitoring position for the 9 months to 31<sup>st</sup> December 2013 and the year-end outlook position.

**1. HEALTH AND SOCIAL CARE SERVICE**

1.1 The Health and Social Care Service has responsibility for:

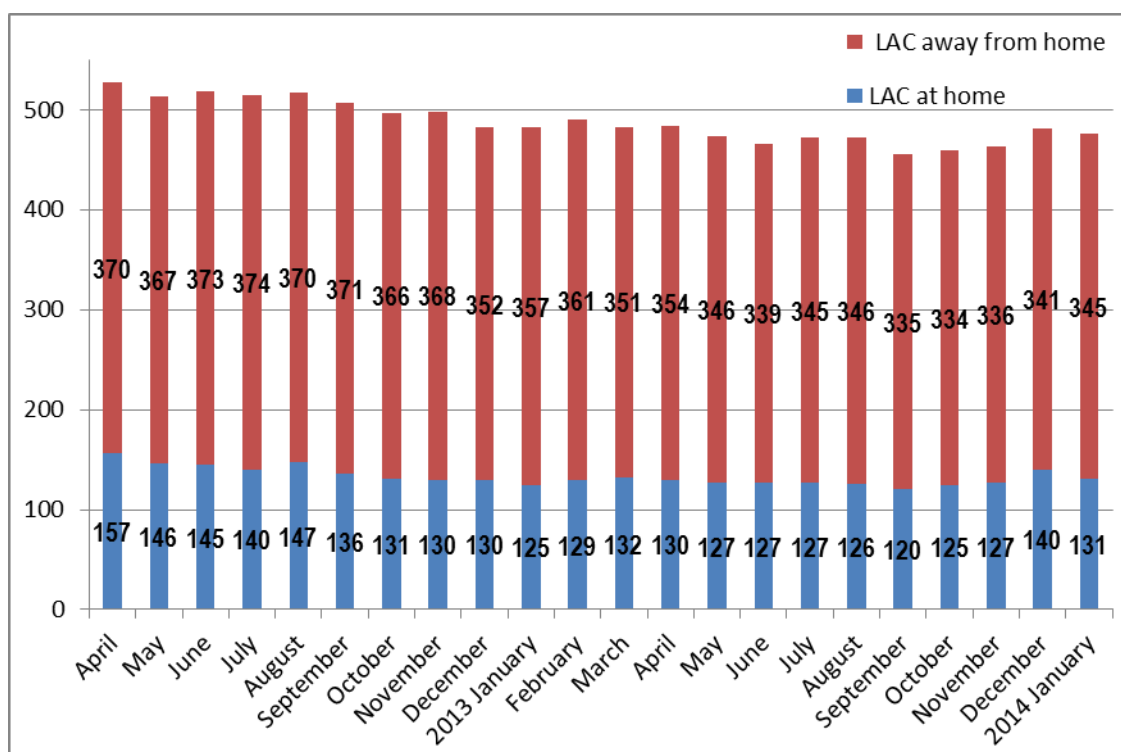
- Children's Services, including child health
- Criminal Justice Services
- Mental Health Officers
- Out-of-hours Social Work
- Social Work leadership
- The commissioning of adult social care from NHS Highland

1.2 The projection for the Health & Social Care revenue budget at the end of December for the year-end is £135.731m, as set out in Appendix One, which would involve an underspend of £0.238m. This represents an improvement of £0.002m on the November monitoring position.

1.3 All savings measures have been accounted for, albeit vacancy management is being used to achieve £0.025m of savings that are not possible through charging for Mental Health Officer Services.

**2 Out of Authority Placements**

2.1 The overall number of looked after children in Highland has reduced over the past 20 months, albeit there was an increase in the last three months of 2013. In April 2012, there were 157 Looked after children at home, and 370 away from home. In January 2014, there were 131 and 345 respectively.



2.2 As previously reported, the definition of ‘out of authority placements’ that has been used over the years, no longer reflects the full use of this budget. This is because there are spot purchased placements in new, local independent children’s units within Highland, as well as commissioned placements in these units.

2.3 There are presently a total of 67 placements funded from the out of authority budget, which involve:

- Spot purchased care or care and education placements - 45
- Commissioned care placements - 16
- Education only placements - 6

2.4 During January 2014, an analysis was undertaken of 66 children out of area and in spot-purchased and commissioned beds within Highland to identify future intentions from their current and ongoing plans.

2.5 From the total of 66 children assessed, 44% (29) were in spot-purchased placements out with the Highland area. From these, 52% (15) had return plans in place. 38% (11 children) had nowhere suitable in Highland to return and 10% (3 children) had only recently gone into placement.

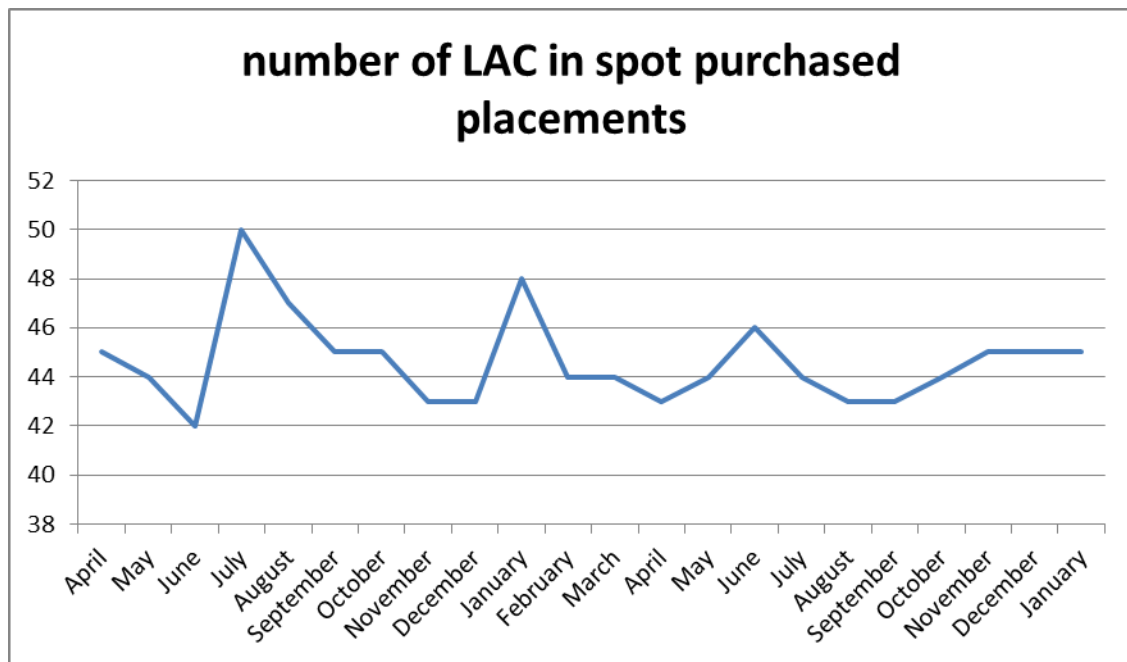
Percentage	Number	Description
51%	15	Exit plan to Highland in place
10%	3	Just gone out of area & situation being assessed
38%	11	No appropriate specialist provision in Highland
<b>100%</b>	<b>29</b>	<b>TOTAL</b>

2.6 There are currently 45 young people in spot purchased placements, from the following Areas of the authority

- Mid Area: 6, plus 6 in Disability team
- North Area: 3, plus 1 in Disability team
- South Area: 18, plus 3 in Disability team
- West Area: 8

2.7 One of these children is in secure care.

2.8 The continuing trend in spot purchased placements is shown below:



2.9 There is further information about looked after children in out of authority placements, in a separate report to this meeting of the Committee

### 3.0 EDUCATION CULTURE & SPORT

3.1 **Appendix 2** contains details of net expenditure for the 9 month period until 31<sup>st</sup> December 2013 and the related year-end estimated outturn position for each sector. The current year-end estimated position is a projected over-spend totalling £0.603M (the corresponding figure reported to the January Committee was an over-spend totalling £0.681M). Further management actions are being progressed which may reduce this figure further during the remainder of the financial year.

3.2 Section four of the report provides commentary on the underlying issues that contribute towards the projected over-spend and also other factors which may have an adverse impact on the year-end outturn position.

3.3 Section five of the report provides details of the mitigating actions reflected within the December monitoring statement and other potential mitigating actions which may have a positive impact on the year-end outturn position.

- 3.4 Section six of the report provides Members with an update re the management actions being taken to address the non- availability of supply cover teachers and also proposed improvements in the administrative arrangements for securing absence cover in schools.
- 3.5 Progress with the 2013/14 budget savings is outlined in section four of the report with the related details provided in **Appendix 3**.

#### 4.0 ISSUES

- 4.1 The projected over-spend in the current financial year is attributable to the following sectors( projected pressures in excess of £0.100M):

	£M
○ Additional Support Needs	0.878
○ School Transport	0.423
○ Catering Cleaning & FM	0.497

**Additional Support Needs (ASN)** – the underlying reasons for the projected over-spend have been previously reported. At a strategic level the review of ASN provision in Highland is on-going and it is likely that final recommendations will be brought to this Committee in May 2014. In the interim period the main management activity is to identify the overall funding required to meet the existing service demands and the corresponding demands from August 2014. In addition, with increased capacity planned for St. Clements School and St. Duthus School during the second half of this calendar year, there will be a requirement to identify the funding to provide the additional staffing resources required in both facilities.

- 4.3 **School Transport** – the main activity in this sector continues to be the identification of alternative, more cost effective provision. With a dedicated resource now in post to carry out a detailed review of all high cost school transport routes it is anticipated that a number of proposals will be forthcoming over the coming months.
- 4.4 **School Catering** – the previously reported position remains unchanged and it is unlikely that this position can be improved directly in the short term.
- 4.5 The factors which may yet adversely impact on current year-end estimates are relatively few. The main financial risks relate to the costs of covering staff absences during the final quarter of the financial year. Also, whilst the winter weather to date has been relatively benign there are approximately six “school weeks” until the end of the financial year, it is possible therefore that a prolonged cold spell during this period could result in significant expenditure on snow clearing and gritting around schools.

## 5.0 PROPOSED MANAGEMENT ACTIONS

- 5.1 As reported to the previous Committee, there are two parallel, but related, work-streams being progressed in relation to budget management. The main focus in the current financial year is cost reduction and cost avoidance in order to provide the compensatory savings required to offset the underlying on-going budget pressures relating to ASN, school transport, food costs and unachieved savings. This approach will remain in place until the end of the financial year.
- 5.2 Looking forward to 2014/15, an analysis of known and potential budget pressures has identified the range of budget pressures which will require to be addressed as a priority before commitments are entered into for the new financial year. At the time of writing this report meetings have taken place with the ECS Management Team and representative Head Teachers to share this analysis with them and to discuss options that would provide compensatory savings and/or efficiencies to address the known and potential budget pressures. The outcome of these discussions will be shared with the Director of Finance.

## 6.0 SUPPLY COVER

- 6.1 In recent months there have been concerns about the non-availability of supply cover teachers in the Highland Council area. To address this issue the Service has initiated a number of management actions. In parallel, a review of the administrative arrangements for contacting supply teachers to provide cover has been progressed.
- 6.2 The initial focus has been to increase the pool of supply cover teachers available. The main priority is to undertake a recruitment drive to increase the supply cover pool in Highland by placing a series of “advertorials” in local and national newspapers (as shown at **Appendix 4**).
- 6.3 The initial advertorial was placed in local newspapers across the Highlands in December 2013. This resulted in attracting expressions of interest from 52 teachers who are now going through the recruitment process in order to use them as supply teachers. A similar exercise is currently being carried out with advertorials appearing in both local and national newspapers at the beginning of the month. The cost of this recruitment campaign was funded from within existing budgets. The relative importance of increasing the number of teachers within the supply cover pool justifies this investment. A further update on this initiative will be reported to Members at the May Committee when the full impact has been measured and analysed.
- 6.4 Head Teachers have expressed concerns about the amount of administrative effort required to contact supply teachers to cover absences in their schools. For this reason a review of the current administrative arrangements is underway. The following initiatives are being progressed:
- An “out of hours” service will be available early morning (07:00 to 08:30), late afternoon/early evening (15:30 to 20:30) and Sunday afternoons (14:00 to 16:00) where two dedicated administrative staff will contact and

place supply teachers on behalf of Head Teachers. This service will be provided by colleagues in High Life Highland for a pilot period in 4 associated school groups until the end of the current academic session. There will continuous evaluation and modification of this service throughout the pilot period with a formal evaluation at the end of the pilot.

- The SEEMIS management information system which will be available in all schools from August 2014 includes a supply cover module which includes functionality for contacting supply teachers by SMS and recording when supply teachers have been allocated to a school. This functionality appears to offer significant advantages over the current manual arrangements and therefore will be implemented as a priority early in the new academic session following the rollout and initial training in the SEEMIS system.

## **7.0 BUDGET SAVINGS 2013-14 – PROGRESS REPORT**

7.1 **Appendix 3** provides details of the savings achieved to date, including a risk analysis relating to the relative deliverability of each savings target.

7.2 The updated RAG analysis indicates that the following financial values reside within each category:

- Red - £0.133M – it is unlikely that any savings will be achieved and therefore alternative savings will have to be identified;
- Amber - £0.435M – it is likely that savings will be partially achieved and the figure achievable has been included within the analysis;
- Green - £2.056M – the budget saving has been achieved in full and the amounts in question have been removed from the appropriate budget headings.

## **8.0 IMPLICATIONS**

8.1 There are no legal, equality or climate change implications arising from this report. The resource and risk implications are as set above.

## **9.0 RECOMMENDATIONS**

9.1 The Committee is asked to:-

- Approve the monitoring statements and to note the current year-end position and the commitment to identify further compensatory savings in order to further improve upon the reported position;
- Note the management actions being progressed to increase the size of the supply cover teacher pool in Highland and the initiatives relating to improve the related administrative arrangements;
- Note the progress being made with achievement of budget savings in the current financial year.

Designation: Director of Education, Culture and Sport

Date: 10<sup>th</sup> February 2014

Author: Ron MacKenzie, Head of Support Services, Education, Culture and Sport

**Background Papers:**

**Appendix 1** - the Health & Social Care Revenue Budget monitoring statement for the 9 months to 31<sup>st</sup> December 2013.

**Appendix 2** - the Education Culture & Sport Service Revenue Budget monitoring statement for the 9 months to 31<sup>st</sup> December 2013.

**Appendix 3** – Progress report with the achievement of the 2013/14 savings targets.

**Appendix 4** – an example of the “advertorial” placed in newspapers

HEALTH AND SOCIAL CARE SERVICE REVENUE MONITORING REPORT				
DECEMBER 2013	Actual Year To Date	Annual Budget	Year End Estimate	Year End Variance
BY ACTIVITY	£000	£000	£000	£000
<b>Specialist Support for Learning</b>				
Additional Support for Learning (All)	1,758	2,822	2,536	-286
Educational Psychology	788	1,263	1,126	-137
	<b>2,546</b>	<b>4,085</b>	<b>3,662</b>	<b>-423</b>
<b>Early Years/Family Resources</b>				
Family Resources	2,087	4,162	3,278	-884
Pre school Services	3,234	4,304	3,919	-385
	<b>5,321</b>	<b>8,466</b>	<b>7,197</b>	<b>-1,269</b>
<b>Children's Social Care</b>				
Children and Families Teams	6,114	8,481	8,385	-96
Disability Teams and Services	2,537	3,174	3,297	123
Fostering and Adoption	2,949	3,632	3,861	229
Health Improvement	29	440	190	-250
Looked After Children (Residential) In house	1,887	2,755	2,608	-147
Looked After Children (Residential) Independent / 3rd Sector	7,911	9,185	10,395	1,210
Looked After Children (Through care & aftercare)	511	722	725	3
Self Directed Support (Direct Payments)	467	347	640	293
Youth Action Teams	994	1,485	1,480	-5
Specialist Services - Vol Orgs	405	514	514	0
	<b>23,804</b>	<b>30,735</b>	<b>32,095</b>	<b>1,360</b>
<b>Commissioned Child Health</b>				
Child Protection Advisors	241	399	350	-49
Health Improvement	29	44	40	-4
Management and Planning	144	-172	144	316
Nursing	3,286	4,782	4,444	-338
Primary Mental Health Workers	322	518	517	-1
Voluntary Organisations	30	37	37	0
Allied Health Professionals	1,956	2,437	2,261	-176
	<b>6,008</b>	<b>8,045</b>	<b>7,793</b>	<b>-252</b>
<b>Commissioned Adult Services</b>	<b>39,640</b>	<b>86,253</b>	<b>86,253</b>	<b>0</b>
<b>Retained Adult Services</b>				
Older People - Care Homes	1,282	2,125	2,075	-50
Training	147	275	217	-58
Adult Support & Protection	922	974	1,079	105
Out of Hours Social Work	253	339	343	4
	<b>2,604</b>	<b>3,713</b>	<b>3,714</b>	<b>1</b>
<b>Criminal Justice</b>				
Criminal Justice	61	30	30	0
People Misusing Drugs/Alcohol	33	55	51	-4
	<b>94</b>	<b>85</b>	<b>81</b>	<b>-4</b>
<b>Mental Health Officers</b>	<b>820</b>	<b>997</b>	<b>1,069</b>	<b>72</b>
<b>Directorate &amp; Strategic Planning</b>				
Directorate & Service Business Support	512	866	886	20
Pan Service (Insurance & Pension Costs)	194	123	303	180
Non Service Specific Property	412	539	616	77
	<b>1,118</b>	<b>1,528</b>	<b>1,805</b>	<b>277</b>
<b>Income due from NHS for Child's Health Service</b>	<b>-5,948</b>	<b>-7,938</b>	<b>-7,938</b>	<b>0</b>
<b>TOTAL HEALTH AND SOCIAL CARE</b>	<b>76,007</b>	<b>135,969</b>	<b>135,731</b>	<b>-238</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	23,806	33,932	31,662	-2,270
Other Costs	61,711	114,645	116,677	2,032
Gross Expenditure	85,517	148,577	148,339	-238
Grants	-2,706	-3,515	-3,515	0
Other Income	-6,804	-9,093	-9,093	0
Gross Income	-9,510	-12,608	-12,608	0
	<b>76,007</b>	<b>135,969</b>	<b>135,731</b>	<b>-238</b>



<b>EDUCATION, CULTURE &amp; SPORT REVENUE MONITORING REPORT</b>
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Dec-13	£'000	£'000	£'000	£'000
	Actual YTD	Annual Budget	Year End Estimate	Year End Variance
<b>BY ACTIVITY</b>				
Primary Education DSM	37,754	52,895	52,895	0
Secondary Education DSM	49,773	66,662	66,662	0
Special Education DSM	2,547	3,461	3,461	0
Nursery Education DSM	3,430	4,541	4,541	0
<b>TOTAL DSM</b>	<b>93,504</b>	<b>127,559</b>	<b>127,559</b>	<b>0</b>
Schools General	2,168	6,341	5,851	(490)
Learning & Teaching	2,232	3,133	2,886	(247)
Class Contact Reduction	2,322	3,286	3,203	(82)
PPP	16,362	25,336	25,310	(27)
Additional Support Needs	16,334	21,360	22,239	878
Hostels	699	1,001	989	(11)
Transport	6,836	13,420	13,843	423
Management Team	902	1,221	1,227	5
Pan Service	1,971	2,543	2,627	84
Resources Teams	1,478	2,001	1,693	(308)
Catering, Cleaning & Facilities Management	8,282	10,509	11,006	497
Client Manager & Retained Activities	878	1,936	1,886	(50)
HLH Management Fee	10,900	14,637	14,637	0
Grant & Management Fees	2,818	3,399	3,359	(40)
Gaelic	(573)	(247)	(277)	(30)
<b>TOTAL NON DSM</b>	<b>73,610</b>	<b>109,876</b>	<b>110,479</b>	<b>603</b>
<b>OVERALL TOTAL</b>	<b>167,113</b>	<b>237,434</b>	<b>238,038</b>	<b>603</b>

	£'000	£'000	£'000	£'000
	Actual YTD	Annual Budget	Year End Estimate	Year End Variance
<b>BY SUBJECTIVE</b>				
Staff Costs	119,029	161,623	162,605	982
Other Costs	54,997	86,610	86,936	326
<b>Gross Expenditure</b>	<b>174,026</b>	<b>248,233</b>	<b>249,541</b>	<b>1,308</b>
Grants	(2,348)	(3,782)	(4,670)	(887)
Other Income	(4,565)	(7,017)	(6,834)	183
<b>Total Income</b>	<b>(6,913)</b>	<b>(10,799)</b>	<b>(11,504)</b>	<b>(705)</b>
<b>NET TOTAL</b>	<b>167,113</b>	<b>237,434</b>	<b>238,038</b>	<b>603</b>

Ref.	Activity Heading	Savings Proposal	Savings	
			2013/14 £m	SAVINGS ACHIEVED
1	Primary Devolved	Utilities - positive impact of bio-mass boilers and improved efficiency of existing heating systems, leading to lower energy costs	0.198	0.198
2	Secondary Devolved	Utilities - positive impact of bio-mass boilers and improved efficiency of existing heating systems, leading to lower energy costs	0.165	0.165
3	Schools General	Nursery non devolved - remove unused budget	0.003	0.003
4	Schools General	Parent Council - realign budget for administrative support to expenditure	0.025	0.025
5	Schools General	Conclusion of Service Development Project Fund and PPP transitional sports pitch funding at Dingwall Academy and Millburn Academy, as projects complete	0.029	0.029
6	Schools General	Student placement scheme - realign budget based on recent expenditure trend.	0.020	0.020
7	Vehicles	Replacement schedule for vehicles based on out-right purchase via Capital, leading to cost savings	0.080	0.025
8	PPP	A saving of £0.030M from 2013 onwards in relation to flexible use hours.	0.030	0.030
9	Schools General	Savings from efficiencies relating to changed service delivery arrangements for training.	0.015	0.015
11	Schools General	Gifted Children Bursaries - discontinue scheme based on uptake. Future applications would still be considered on an exceptional basis on merit.	0.032	0.032
12	Schools Lets	Reduce costs including overtime and increase income from school lets	0.100	0.100
13	CLL	Reduce budget for independent museum support, including removal of 0.2 FTE vacant post	0.008	0.008
14	Gaelic Culture	Reduce budget for Gaelic grants by 3% per annum. No impact on Adult Gaelic Education budget.	0.006	0.006
15	Grants and Management Fees	Reduce Community Facility Grant budget by 3% per annum, with 13/14 saving implemented 1 August	0.005	0.005
16	Primary Devolved	Mothballing schools where low rolls give rise to concerns re educational and social opportunities.	0.100	0.050
17	Devolved budgets	Supply Cover - further impact of revised terms and conditions	0.133	0.000
19	Hostels	Saving for 2013/14 to be achieved by reducing operational budgets (training, equipment, bedding, furnishings etc) in all Hostels. Saving for 2014/15 to be achieved by cost reduction target of 10% including staffing	0.040	0.040
20	Schools General	In consultation with the Housing and Property Service realign the budget for the Skye handyman with the current level of service provision.	0.013	0.013
21	Special Devolved	Revised staffing formulae to introduce reduction equivalent to 3% with effect from August 2013.	0.064	0.064
22	Schools General	SQA recharge contingency no longer required based on recent expenditure trend	0.042	0.042
23	School Transport	For those routes with significant unit costs, identify where alternative provision could be made including consolidation of routes.	0.100	0.010
24	Absence Management	Reduce absence rate by providing increased support for staff through closer liaison with Personnel service, Occupational Health and Employee Development Unit.	0.050	0.000
26	Resource Management	Restructure resource management structures and related operational budgets in line with future business needs	0.208	0.208
27	School Transport	Introduce charging for those pupils not entitled to transport provision	0.080	0.025
28	Curriculum Support	Align Determined to Succeed budget with future need. The budget to be targeted at specific areas of activity.	0.145	0.145
29	Curriculum Support	Align Learning & Teaching budget with projected future need.	0.040	0.040
30	CLL	Reduce the repairs and maintenance budget by 20%.	0.026	0.026
36	Grants and Management Fees	Reduce grants to Eden Court and Inverness Leisure by 3% per annum with effect from April 2013.	0.047	0.047
37	Income generation	Income generation through targeted sponsorship arrangements between schools and local companies to be explored, with links to employability opportunities for pupils where possible e.g. the sustainable energy industry	0.025	0.000
38	High Life Highland	Target of 3% pa efficiency for Highlife Highland funding arrangement	0.385	0.385
41	Secondary Devolved	A 1% efficiency saving from secondary staffing through changes to the staffing formula. This saving can be achieved without detrimental impact on the national teacher numbers agreement.	0.350	0.350
42	Cleaning	A 2% p.a. efficiency saving target for the building cleaning budget. To be achieved on a managed basis through vacancies/turnover of staff.	0.060	0.060

	<b>2.624</b>	<b>2.166</b>
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0.133	0.000
0.435	0.110
2.056	2.056

2.624

2.166

# Supply Teachers Urgently Needed for Highland Schools...

In December last year the Highland Council ran some press coverage around shortages of supply teachers to cover absences in their schools. To date, around 50 teachers have responded, and they have begun the process of registering as supply teachers in Highland. While this is a very positive response, in order to address the shortages in every part of Highland, the Highland Council would like to hear from others who may be interested in registering for supply teaching work but have not yet been in touch.

Shortages are currently being experienced in both primary and secondary schools and also in Gaelic Medium classes. Primary and secondary teachers, including those able to teach through the medium of Gaelic, are urgently needed.

Teachers who register can be asked to undertake supply teaching at both short and advance notice, and periods of supply can vary from one day to several weeks or months depending on the kind of absence to be covered. Even if

teachers can only make themselves available for one day a week, or at certain times of the year, the Highland Council would like to hear from them.

This may be of particular interest to teachers who are currently not working, and who have perhaps not worked for some years. If necessary, training will be provided for any teachers who feel that they would benefit from this. Applications are welcome from all teachers who may be available to work in Highland schools.

Anyone interested in finding out more should contact the Education, Culture & Sport Service Workforce Planning Team on 01463 702735/702734 or email [ECSStaffing.Teaching@highland.gov.uk](mailto:ECSStaffing.Teaching@highland.gov.uk) Applications can be made on [www.myjobscotland.gov.uk](http://www.myjobscotland.gov.uk)

