

## The Highland Council

### Education, Children and Adult Services Committee 11 November 2015

Agenda Item	4.
Report No	ECAS 92/15

## Care and Learning Revenue Budget Monitoring 2015/16

### Report by Director of Care and Learning

#### Summary

This report provides an update in relation to the revenue budget for Care and Learning, and the monitoring position for the current year to 30 September 2015. The report also provides an update in relation to budget savings.

#### 1. Monitoring for the year to 30 September 2015

- 1.1 The monitoring position for the year to date is set out in **Appendix 1**, and reflects a projected underspend of £0.014m, which is an improvement against the £0.592m overspend reported to the October Committee.
- 1.2 The main factor in the improvement relates to out of authority placements and the looked after children budget. The spend on Out of Authority placements continues to be closely monitored and is subject to unplanned movements due to changes in placements for individual young people. Whilst the most recent financial forecast shows a reduced level of overspend, this may be superseded by recent placements. These new placement costs will be factored into the forecast reported to the January Committee. There is some continued uncertainty about the outcome of a legal dispute with another local authority and this has been remitted to the Sheriff Principal for a decision. A new approach is being trialled in a small sample of cases, whereby the budget will be accessed to support the return of young people to their home area or extended family, subject to the overall cost being less than the forecast cost of a continued Out of Authority placement.
- 1.3 Other parts of the budget remain broadly as previously reported, with a number of significant areas of variance, both positive and negative, as described below.
  - There are budget savings which will not be achieved in full within 2015-16. **Appendix 2** sets out the Quarter 2 RAG status of all savings.
  - There remain a number of recurring budget pressures from 2014-15 which remain unaddressed within the budget, including Facilities Management, repairs and servicing contracts, school hostels, special schools.
  - There are a number of areas of underspend, which are assisting with offsetting the budget pressure areas described above. The main areas of underspend are in children's services, and relate to vacancies in the family teams and due to the slower than anticipated take-up from eligible two year olds.
- 1.4 A factor which may influence the monitoring position in subsequent months is the updating of school budgets to reflect the latest school rolls for the new academic year, and if there are any resulting implications, these will be reflected within the next report to Committee.
- 1.5 In relation to the total budget for Care and Learning, this totals £390.845m net,

which represents a decrease of £0.025m from the last reported position. The reasons for this net change are as follows:

	£m
Transformational savings taken from the budget for temporary and relief staff	-0.124
Mobile telephony savings	-0.015
Savings resulting from the sale of Borrodale Primary School & Schoolhouse	-0.003
ICT Charges decrease in budget	-0.002
A budget increase following a transfer from the earmarked Strategic Change Development Fund in relation to secondments to enable transformational change within the service.	+0.114
A budget increase as a result of developers contributions towards fitness equipment in the Craig MacLean Centre and Aviemore Community Complex.	+0.005
<b>Total</b>	<b>-0.025</b>

## 2. Implications

2.1 **Resource** – are as set out within this report.

2.2 **Legal** - nothing to highlight at this time.

2.3 **Climate Change/Carbon Clever** - nothing to highlight.

2.4 **Risk** – the RAG status of saving proposals represents a risk assessment of deliverability, and this report and commentary on out-turn sets out mitigating actions being taken.

2.5 **Gaelic** – nothing to highlight.

2.6 **Rural** – nothing to highlight.

## 3. Recommendations

3.1 Members are asked to consider this report and

a) Agree the forecast out-turn based upon the year to 30 September;

b) Note the status of the agreed budget savings, and mitigating action being taken to address the forecast shortfall.

Designation: Director of Care and Learning

Date: 29 October 2015

Author: Brian Porter, Head of Resources

## CARE AND LEARNING SERVICE REVENUE MONITORING REPORT- 2015-16

Sep-15	£'000 Actual YTD YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
<b>BY ACTIVITY</b>				
<b>Education Services</b>				
Secondary Schools	33,105	66,649	66,649	0
Primary Schools	27,599	57,415	57,139	(276)
Schools General	1,698	5,058	4,852	(206)
Learning and Teaching	1,222	1,660	1,660	0
	<b>63,625</b>	<b>130,782</b>	<b>130,300</b>	<b>(482)</b>
<b>Adult Services</b>				
Commissioned Adult Services	24,056	94,338	94,338	0
Commissioned HLH Services	6,959	13,946	13,946	0
Other Leisure Services	40	416	334	(82)
Services for Vulnerable Adults	1,817	3,110	3,246	136
Grants to Voluntary Organisations	1,758	3,012	2,826	(185)
	<b>34,629</b>	<b>114,821</b>	<b>114,690</b>	<b>(132)</b>
<b>Service Management and Resources</b>				
PPP	10,277	25,029	25,794	765
School Transport	4,241	14,083	14,055	(28)
Catering, Cleaning and Facilities Management	6,592	13,889	14,276	387
Pensions, Insurance and Other Pan-Service Costs	1,818	2,783	2,805	22
Resources Teams and Property Costs	2,007	4,415	4,970	555
Service Management Team and Support	2,035	2,254	2,008	(246)
Hostels	459	888	1,043	156
	<b>27,429</b>	<b>63,342</b>	<b>64,952</b>	<b>1,610</b>
<b>Children's Services</b>				
Looked After Children	10,551	20,281	20,950	669
Family Teams	7,408	16,344	15,544	(800)
Childcare and Early Learning	7,133	15,002	14,337	(665)
Other Services for Children	1,997	4,453	4,087	(366)
Commissioned Children's Services Income from NHS	(2,264)	(8,815)	(8,815)	0
	<b>24,824</b>	<b>47,266</b>	<b>46,103</b>	<b>(1,163)</b>
<b>Additional Support Services</b>				
Additional Support- Schools	13,323	27,289	27,459	170
Specialist Additional Support Services	3,591	7,345	7,327	(18)
	<b>16,914</b>	<b>34,634</b>	<b>34,786</b>	<b>153</b>
<b>TOTAL CARE AND LEARNING</b>	<b>167,421</b>	<b>390,845</b>	<b>390,832</b>	<b>(14)</b>
	<b>£'000 Actual YTD YTD</b>	<b>£'000 Annual Budget</b>	<b>£'000 Year End Estimate</b>	<b>£'000 Year End Variance</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	97,684	202,799	201,078	(1,720)
Other Costs	78,592	210,132	211,628	1,497
<b>Gross Expenditure</b>	<b>176,276</b>	<b>412,930</b>	<b>412,707</b>	<b>(224)</b>
Grants	(3,509)	(5,921)	(5,809)	112
Other Income	(5,346)	(16,164)	(16,066)	98
<b>Total Income</b>	<b>(8,855)</b>	<b>(22,085)</b>	<b>(21,875)</b>	<b>210</b>
<b>NET TOTAL</b>	<b>167,421</b>	<b>390,845</b>	<b>390,832</b>	<b>(14)</b>

2015/16 Savings Monitoring - Quarter 2  
Care and Learning

Ref.	Activity Heading	Savings Proposal	Savings			Comments
			2015/16 Agreed Budget Savings £m	Status R A Y G	2015/16 Projected Savings - Red & Amber Proposals £m	
1	Court Reports	Introduce charging for identified court reports undertaken by social workers, for example step-parent adoptions	0.010	Y	0.005	New income stream going ahead as intended- just slight uncertainty over whether actual level of income will be generated
2	Children's equipment	Reduced expenditure on small items of equipment	0.025	G	0.025	
3	Child's Plan Reviews	Reduced infrastructure support for Child's Plan Reviews	0.050	G	0.050	
5	Fostering and Adoption	Reduction in staff budget and in other fostering and adoption costs	0.047	G	0.047	
6	'Grow Your Own Professionals'	Convert identified posts into traineeships, assisting people to qualifications	0.100	G	0.100	
7	Youth Co-ordinators	Cease funding for three Police Officers who act as Youth Co-ordinators in Police Scotland	0.137	G	0.137	
8	Childcare and Early Learning	Rationalisation of provision	0.150	G	0.150	
9	Vacancy Management	Increase numbers of posts delayed when being filled on permanent basis, adding to existing accumulated vacancy management savings	0.200	G	0.200	
10	Care Homes	Savings achieved from establishment of new facilities in two communities	0.750	G	0.750	

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			Savings			
Ref.	Activity Heading	Savings Proposal	2015/16 Agreed Budget Savings £m	Status R A Y G	2015/16 Projected Savings - Red & Amber Proposals £m	Comments
11	Training for children's services	Reduction to training budget	0.020	G	0.020	
13	Major School Capital Projects	Savings arising from capital investment in new schools projects. Savings derive from staffing structures, energy efficiency improvements, and other school budgets.	0.150	A	0.075	Fort William Schools savings on programme. However Noss PS opening delayed which is expected to impact on savings in 15/16.
16	Estates Team	Review arrangements for charging of project specific support to the capital programme	0.150	G	0.150	
17	Office Premises Costs	4% budget saving target	0.022	G	0.022	
19	Information, Support & ICT Team	Remove project budget for current projects when complete (£250k phased), recharge staff time on capital ICT projects to capital budget (£20k)	0.220	G	0.220	
22	Catering Services	Increased income generation - with a focus on commercial opportunities and new income sources.	0.030	A	0.000	Opportunities being explored but impacted by loss of existing contracts e.g. Hospice contract while re-located
23A	Catering Services	4% budget saving target for the Catering function in 2015/16 - to be achieved through a combination of cost and production efficiency.	0.085	G	0.085	
23B	Cleaning Services	4% budget saving target for the Cleaning function in 2015/16 - To be achieved through a combination of cost efficiency and service reduction.	0.090	G	0.090	

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			Savings			
Ref.	Activity Heading	Savings Proposal	2015/16 Agreed Budget Savings £m	Status R A Y G	2015/16 Projected Savings - Red & Amber Proposals £m	Comments
24	School Meals/Catering	Increase school meal prices over the next 4 years by 10p per meal per annum in addition to the inflationary increase	0.142	G	0.142	
27	School Lets	Additional income generation from more consistent application of the existing 2009 school lets policy	0.020	Y	0.010	Some drop off in level of letting activity occurring as charges have increased. Will be considered as part of review of school lets charging policy, to review what remedial action can be taken.
29	PPP1	Estimated saving from renegotiation and refinancing of contract	0.350	A	0.035	Discussions ongoing with PPP providers around renegotiation of contract terms, with August Committee agreeing in principle to ongoing discussions around proposals. Slippage against expected implementation timescale and significant implications for overall level of saving expected to be delivered, as major savings from re-financing or buy-out appear unlikely.
30	PPP2	Estimated saving from renegotiation and refinancing of contract	0.500	A	0.050	
31	Learning & Teaching	Remove Curriculum Development Secondments	0.315	G	0.315	
32	Learning & Teaching	Review of budget provision for teacher training and CPD, including conferences	0.020	G	0.020	
33	Quality Improvement	Reduce Quality Improvement Officers by 2 FTE	0.120	G	0.120	
34	Secondary Education	Remove any over entitlement teaching posts	0.520	R	0.000	Work is ongoing to reduce over entitlement posts in particular schools, however, with the requirement now to maintain teacher numbers overall, there will not be a net reduction in teacher posts across Highland. At individual school level, all over entitlement posts will be removed by August 2016

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			Savings			
Ref.	Activity Heading	Savings Proposal	2015/16 Agreed Budget Savings £m	Status R A Y G	2015/16 Projected Savings - Red & Amber Proposals £m	Comments
36	Schools with continuous DSM deficit	Management action to address those schools which exceed the DSM deficit carry forward limits and require a budget top up (this represents removal of all budget provided for budget top-ups)	0.250	A	0.125	Some progress being made with schools in deficit but not all issues likely to be resolved in 15-16
37	Schools staffing budgets - centrally held	Remove contingency budget for teaching staffing costs traditionally met centrally (this represents 100% removal of this budget)	0.175	A	0.050	Ongoing cost pressures against this budget mean achieving saving in current year is unlikely.
38	Schools DSM centrally held budgets	Reduce contingency budget to provide for school budget top ups arising from staffing and other matters (this current contingency budget is £0.500m)	0.200	G	0.200	
39	Nursery Staffing - Centrally Held Budget Top Ups	Remove contingency budget for nursery teaching staffing top ups (this represents complete removal of this budget)	0.200	G	0.200	
41	Secondary Education	Introduce a standard timetabling structure across Highland secondary schools, based on 33 periods, which is the optimal staffing and timetabling model	0.150	R	0.000	Having considered the impact of additional school transport costs, implementation of the 33 period week is not now expected to deliver a net saving. Where implementation has benefits for operational/education reasons, this will still be considered.
45A	Highlife Highland	4% reduction in funding for HLH in 2015/16 and a 1% reduction in the following three financial years	0.560	G	0.560	
45B	Inverness Leisure	4% reduction in funding for Inverness Leisure in 2015/16 and a 1% reduction in the following three financial years	0.034	G	0.034	

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			Savings			
Ref.	Activity Heading	Savings Proposal	2015/16 Agreed Budget Savings £m	Status R A Y G	2015/16 Projected Savings - Red & Amber Proposals £m	Comments
45C	Eden Court	4% reduction in funding for Eden Court in 2015/16 and a 1% reduction in the following three financial years	0.025	G	0.025	
47	Management of Secondary School Facilities	Transfer of management of secondary school community use to HLH	0.017	A	0.000	Pilot at Lochaber HS underway which will be used to inform future arrangements. Amber pending assessment of that pilot.
50	Area Management	Implementation of new Area management structure for the Service	0.075	G	0.075	
52	Resource Manager Youth Justice	Delete post	0.025	G	0.025	
53	Residential Social Workers	Do not implement plans to have residential social workers in each children's unit	0.026	G	0.026	
<b>Total</b>			<b>5.960</b>		<b>4.138</b>	