

Agenda Item	7.
Report No	CLH 21/18

## HIGHLAND COUNCIL

**Committee:** Care, Learning and Housing Committee

**Date:** 22 August 2018

**Report Title:** Care and Learning Revenue Budget Monitoring 2018/19

**Report By:** Head of Resources

### 1. Purpose/Executive Summary

- 1.1 This report sets out the first revenue monitoring position for the year to 30 June 2018, and shows a projected over spend of £2.772m (0.8%) for the year.
- 1.2 The report also provides members with an update regarding the agreement with MacDonald Aviemore Hotel and Resort for swimming pool access.

### 2. Recommendations

- 2.1 Members are asked to:
  - i. Agree the revenue budget projected over spend position for the year to 30 June 2018.
  - ii. Note the update provided regarding Aviemore pool.

### 3. Revenue Monitoring

- 3.1 **Appendix 1** sets out the first monitoring statement of the financial year, for the quarter to 30 June 2018. The over spend of £2.772m represents 0.8% of budget. Explanation of the key variances, by function, are summarised below.
- 3.2 Education Services – At this stage in the year, there is a small surplus predicted. It is not expected that this will be sustained throughout the year.
- 3.3 Adult Services - At this stage in the year, there is no variance projected.
- 3.4 Education Support – the main variances relate to the costs of disclosure checking of staff, which are projected to be in excess of the budget available, but will be offset by staff turnover savings across the Service.
- 3.5 Service Management and Resources – An overspend on property costs is forecast, albeit offset by projected underspends on management team and business support staffing.
- 3.6 Unallocated Corporate Savings – this represents the cumulative effect of corporate savings allocated against the Service over a number of years. These savings are held centrally, with management action and savings, including staff turnover across the Service, being used to offset.
- 3.7 Children’s Services – it is too early in the year to be clear about the likely outturn on out of authority placements, as many individual placements are susceptible to change. At current levels, the overspend could be at £4.481m, but this has been mediated by £1.5m to take account of developments through the year, including as a consequence of the change programme reported separately to this meeting of the Committee. This will be reviewed at the September monitoring.
- 3.8 Additional Support Services – The Area ASN budgets have been allocated to meet existing need, and a balanced budget is predicted at this stage. However, changes in need always occur during the school session, which ASN managers will address as they emerge. The budget pressure currently is with the increased pupil rolls and consequent staffing levels in the special schools, which is offset by vacancies elsewhere in ASN teams.
- 3.9 At this early stage in the year, a prudent view should be taken regarding the out-turn projection, as there are a considerable number of assumptions about what might happen between now and the end of the year. However, there are only eight months of the year left to implement measures which will reduce overspend and achieve balance. Accordingly, as with all Services, a budget recovery plan is being developed, and will be included in a report to the Corporate Resources Committee on 29 August.
- 3.10 As has been the case in past years, ongoing pressure areas continue to be Looked After Children and Out of Authority placements, and a significant overspend can be expected again this financial year. An action plan has been approved by Committee, and additional capital investment to support returning children to the Highland Area. These actions will however take place over a 2-3 year period.
- 3.11 In relation to budget savings, **Appendix 2** sets out the status of the Care and Learning Service Savings, and allocated Corporate savings, for the current financial year.

#### **4. Macdonald Highland Aviemore Pool**

- 4.1 At the last Committee members received a report advising that the existing agreement with Aviemore MacDonald Hotels and Resorts for public/Highlife access to the resort swimming pool ended 31 May 2018, and were verbally updated that agreement had been reached for a temporary extension on existing terms to 31 July 2018, to give further time for parties to conclude discussions.
- 4.2 Discussions with the resort have been continuing, and a further 1 month extension to 31 August has been agreed, to try and conclude discussions. A verbal update will be provided at Committee on the latest position.

#### **5. Implications**

- 5.1 Resource – as set out within the report and accompanying appendices.
- 5.2 Legal – nothing to highlight regarding this report.
- 5.3 Community (Equality, Poverty and Rural) – nothing to highlight.
- 5.4 Climate Change / Carbon Clever – nothing to highlight in this report.
- 5.5 Risk – Nothing to highlight.
- 5.6 Gaelic - nothing to highlight in this report.

Designation: Director of Care and Learning

Date: 13 August 2018

Author: Brian Porter, Head of Resources

Background Papers:

<b>CARE AND LEARNING SERVICE REVENUE MONITORING REPORT- 2018-19</b>
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	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Outturn	£'000 Year End Variance
<b>1st April 2018 to 30th June 2018</b>				
<b>BY ACTIVITY</b>				
<b>Education Services</b>				
Secondary Schools	16,260	66,918	66,918	0
Primary Schools	15,361	63,215	63,169	(46)
Schools General	1,046	1,483	1,483	0
Learning and Teaching	296	1,189	1,189	0
	<b>32,963</b>	<b>132,805</b>	<b>132,759</b>	<b>(46)</b>
<b>Adult Services</b>				
Commissioned Adult Services	203	94,323	94,323	0
Commissioned HLH Services	(546)	15,279	15,279	0
Other Leisure Services	17	307	276	(31)
Services for Vulnerable Adults	855	2,660	2,624	(36)
Grants to Voluntary Organisations	438	1,125	1,125	0
	<b>967</b>	<b>113,694</b>	<b>113,627</b>	<b>(67)</b>
<b>Service Management and Resources</b>				
School Crossing Patrollers and Escorts	133	726	675	(51)
Pensions, Insurance and Other Pan-Service Costs	959	2,506	2,506	0
Resources Teams and Property Costs	713	2,945	3,059	114
Service Management Team and Support	794	3,030	3,075	45
Hostels	246	1,025	1,025	0
Unallocated Corporate Savings	0	(940)	(150)	790
	<b>2,845</b>	<b>9,292</b>	<b>10,190</b>	<b>898</b>
<b>Children's Services</b>				
Looked After Children	5,685	20,706	23,687	2,981
Family Teams	4,046	16,956	16,561	(395)
Childcare and Early Learning	4,458	15,359	15,015	(344)
Other Services for Children	803	4,365	4,110	(255)
Commissioned Children's Services Income from NHS	0	(9,672)	(9,672)	0
	<b>14,992</b>	<b>47,714</b>	<b>49,701</b>	<b>1,987</b>
<b>Additional Support Services</b>				
Additional Support - Schools	7,566	29,471	29,471	0
Specialist Additional Support Services	1,578	7,263	7,263	0
	<b>9,144</b>	<b>36,734</b>	<b>36,734</b>	<b>0</b>
<b>TOTAL CARE AND LEARNING</b>	<b>60,911</b>	<b>340,239</b>	<b>343,011</b>	<b>2,772</b>

	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Outturn	£'000 Year End Variance
<b>BY SUBJECTIVE</b>				
Staff Costs	49,413	199,876	199,298	(578)
Other Costs	15,252	161,250	164,323	3,073
<b>Gross Expenditure</b>	<b>64,665</b>	<b>361,126</b>	<b>363,621</b>	<b>2,495</b>
Grants	(3,223)	(8,483)	(8,458)	25
Other Income	(531)	(12,404)	(12,152)	252
<b>Total Income</b>	<b>(3,754)</b>	<b>(20,887)</b>	<b>(20,610)</b>	<b>277</b>
<b>NET TOTAL</b>	<b>60,911</b>	<b>340,239</b>	<b>343,011</b>	<b>2,772</b>

**2018/19 Savings Proposals  
Care & Learning**

**Appendix 2**

<b>Date Agreed</b>	<b>Ref.</b>	<b>Budget Heading</b>	<b>Name of Savings Proposal</b>	<b>Agreed Savings £m</b>	<b>Category R A G</b>	<b>Comments</b>
HC 18/12/14 Amended HC 25/06/15 & HC 16/02/17	48	3rd Party Grants and Payments	Reduction of in grants and support to 3rd party organisations providing culture, leisure and learning services	0.181	<b>G</b>	
ECAS 18/11/16		3rd Party Grants and Payments	Add : 2018/19 impact of previous decisions	0.142	<b>G</b>	
HC 25/02/16	Ed/7	Secondary Education	Re-job sizing secondary school promotion structures	0.100	<b>G</b>	
HC 25/02/16 Amended HC 16/02/17 & HC 15/02/18	Ed/9	Primary and Secondary Education	Efficiency saving from revised school management	0.040	<b>G</b>	
HC 16/02/17	8	Hostels	Integration of Staffin respite centre and additional income	0.015	<b>A</b>	Estimate £0.010m saving. Addressing property issues over the past year has reduced level of additional income achieved.
HC 15/02/18	CL6	Family Teams	Reduce staffing in Family Teams	0.125	<b>G</b>	
HC 15/02/18	CL8	Other Leisure Services	Reduction in Eden Court Funding	0.200	<b>G</b>	
HC 15/02/18	CL10	Services for Adults	Reduce budget for adult support services	0.144	<b>G</b>	

HC 15/02/18	CL14	Childcare and Early Learning	Income from wraparound care based on 10% increase	0.100	G	
HC 15/02/18	CL15	Adult Services	Change call handling for out of hours Social Work	0.050	G	
HC 15/02/18	CL16	Service-wide	Reduce training budgets	0.150	G	
HC 15/02/18	CL17	Childcare and Early Learning	Reduce financial support to childcare providers	0.200	G	
HC 15/02/18	CL19	Grants to Voluntary Organisations	Caithness Horizons	0.015	G	
HC 15/02/18	CL20	Music	BLAS festival	0.007	G	
HC 15/02/18	CL22	Service-wide	Management & administration	0.252	G	
<b>Total</b>				<b>1.721</b>		

#### Allocation of TSP & Corporate Savings

Date Agreed	Ref.	Description	Total Savings for Service Allocation (inc 17/18 c/fwd) £m	C&L Allocations to Date £m	Category R A G	Comments
HC 15/02/18		Redesign	2.250	0.000	N/A	N/A
HC 15/02/18	CR9	Insurance	0.311	0.132	G	
HC 15/02/18	CS31	Travel Desk	0.060	0.035	G	

HC 15/02/18	DI8	Property Asset Management (including £0.076m c/fwd from 2017/18)	0.226	0.000	N/A	N/A
		Procurement (c/fwd from 2017/18)	1.127	0.035	G	
<b>Total</b>			<b>3.974</b>	<b>0.202</b>		