
Report to: People Committee

Date of Meeting: 26 November 2020

Subject: Financial Performance 2020/21 August Outturn

Report by: Chief Finance Officer

1.0 Purpose

1.1. This paper provides an update on the financial performance for the People Directorate of the Council in respect of revenue spend for the current financial year, 2020/21. This is based on forecast information as at August 2020.

1.2. Recommendation

1.2.1 The Committee is asked to note, challenge and comment as appropriate on:

- the forecast General Fund revenue overspend relating to the People Directorate for the year of £2.787m, and
- delivery of planned savings in the year forecasted to achieve 97.7%

2.0 Background

2.1. The following portfolios are within the remit of the People Directorate

Table 1

PEOPLE
CARE & PROTECTION
EDUCATION & LEARNING
SUPPORT & WELL-BEING

Source: General Services Revenue & Capital Budget 2018-19 (amended June 2018)

3.0 General Fund Revenue

3.1 Overall the Directorate's net service expenditure is forecasting an overspend of £2.787m for the year ended 31st March 2021. This forecast is broadly in line with the overspend reported to committee in September 2020 however there

has been a favourable movement within Education which is offset by an adverse movement in Social Services.

- 3.1. The impact of COVID has had a significant impact on the areas within the People Directorate and work is ongoing to identify the impact of COVID included within the forecasts. Where this is known this is noted within the variances in Appendix 2.
- 3.2 **Appendix 1** provides an overview of the financial outturn position within each Service Expenditure area.
- 3.3 **Appendix 2** sets out the main variances and movement since the last report to Council on 24th September 2020.

Within the narrative historic service areas are mentioned that do not reflect the current structure. Accountancy are supporting the service to realign budgets to reflect the current management structure and to make reporting more meaningful. A full review of spend is still ongoing to ensure correct coding and therefore correct reporting going forward.

4.0 2020/21 Savings Progress

- 4.1 The 2020/21 budget incorporated approved savings of £3.343m. Of this total £1.345m is attributable to the People Directorate.
- 4.2 Based on analysis to date, savings of £1.314m (97.7% previously 60.9%) are forecast to be achieved, with the remaining £0.031m (2.3% previously 39.1%) forecast at risk or unachievable in 2020/21. This is a favourable movement of £0.494m.
- 4.3 Savings movements totalling £0.494m;
PEED8- £0.350m favourable movement. Cash saving achieved through DSM budget realignment.
PESW8- £0.084m favourable movement. Budget realignment with Criminal Justice.
SSPD01- £0.060m favourable movement. Investment in internal Foster Care Service.
- 4.4 **Appendix 3** provides details of budgeted 2020/21 savings progress and shows further detail of the savings that have been identified as either Amber or Red. At August 2020 there are no savings forecast as unachievable. Services supported by the accountancy team continue to work to achieve the approved savings or identify compensatory savings by the end of the financial year.
- 4.5 In addition to the savings above, within Corporate Services in the Performance & Partnership Directorate there is an unachievable Corporate saving which relates to a deferred saving for People Directorate restructure. This restructure is in progress with the appointment of the Strategic Director of People, As this is part of the overall Council restructure it is being held corporately.

5.0 Conclusions

- 5.1 The Directorate's net service expenditure is forecasting an overspend of £2.787m for the year.
- 5.2 Of the associated approved savings of £1.345m, £1.314m is forecast to be achieved with the remaining £0.031m being forecast as at risk in 2020/21.

6.0 Sustainability Implications

6.1 None

7.0 Resource Implications

7.1 *Financial Details*

7.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

7.3 Finance has been consulted and have agreed the financial implications as set out in the report. Yes

7.4 *Staffing*

8.0 Exempt Reports

8.1 Is this report exempt? Yes (please detail the reasons for exemption below) No

9.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

- Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all
- Our families; children and young people will have the best possible start in life
- Women and girls will be confident and aspirational, and achieve their full potential
- Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies** (Please detail)

10.0 Equalities Impact

10.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes No

11.0 Legality

11.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

12.0 Appendices

12.1 Appendix 1- Financial outturn position at August 2020

Appendix 2- Variance's and variance movement at August 2020

Appendix 3- 2020/21 Savings progress at August 2020

13.0 Background Papers


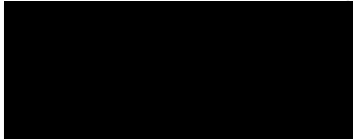
13.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Chief Finance Officer	
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People Summary 2020/21

	<i>Annual Budget 2020/21 £'000</i>	<i>Actual to August £'000</i>	<i>Forecast to March 2021 £'000</i>	<i>Variance Forecast to Budget £'000</i>
Strategy & Customer Services	1,554	715	1,793	239
Executive Team	130	(31)	129	(0)
Development & Environmental	503	318	577	73
Education Service	58,641	24,197	58,770	129
Social Services	13,853	5,523	16,199	2,346
Division Expenditure	74,681	30,722	77,468	2,787

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People	Annual Budget 2020/21	Forecast to March 2021	Variance Forecast to Budget at August	Variance due to Covid	Variance due to Non Covid	Variance Forecast to Budget at June	Variance movement June to August	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Strategy & Customer Services	1,554	1,793	239	191	48	210	29	Strategy and Customer Services, (Libraries & Leisure) is forecast to overspend by £0.239m. Leisure Services is forecast to overspend by £0.259m which is offset by the Libraries forecast underspend of £(0.020)m particularly in relief staff. In Leisure an overspend of £0.067m is expected on payments for Alloa Leisure Bowl, while the closure of facilities is expected to reduce income by £0.235m. This has increased by £0.043m from June with continued uncertainty around opening and user numbers. This shortfall in income is offset by an underspend of (£0.044m) on employee expenditure due to the reduced requirement for casual and sickness cover.
Executive Team	130	130	0	0	0	(11)	11	Strategic Director now appointed and budget adjusted to reflect this.
Development & Environmental	503	577	73	109	(36)	109	(36)	Economic Development: Overspend £0.073m, movement of £(0.036). Overspend of £0.109 due to lower throughput of clients due to Covid. Partially offset by a underspend and movement in funding from Fair Start and SDS.
Education Devolved Schools	29,385	29,385	0	0	0	0	0	Devolved Schools are forecast on budget as any under or overspends are carried forward. The current estimated overspend of £0.319m is reflected within Primary Non devolved flexibility this includes additional teaching resources of 11 FTE from August 20 estimated cost £0.330m. The SG funding for this is also held within Primary Non Devolved
Early Years	9,061	8,995	(66)	184	(250)	(101)	35	Early Years are forecast to underspend by (£0.066m) The underspend is due to Nursery Teacher vacancies and transfers to primary schools (£0.105m), staff turnover in core nurseries as staff move to new facilities (£0.092m) and reduction in income due to COVID 19 and ABC closure £0.072m (Covid), ABC closure £0.059m . The 1140hrs funding of £4.523m is forecast on budget as any underspend can be carried forward however it is likely to be fully utilised this financial year. The movement of £0.035m is further Income reduction due to ABC Nursery not re-opening
Additional Support Needs (ASN)	5,223	5,303	80	(9)	89	151	(71)	Additional support needs (ASN) is forecast to overspend by £0.080m. Overspends of £0.019m for travel escorts and £0.025m pupil transport due to increased demand, Accessibility Strategy is £0.015m overspent, the NHS OT & physio contract is forecasting an underspend of (£0.096m) due to COVID 19 non delivery of contract and there is a underspend of (£0.065m) on the Additional support for Additional Learning SG funding as staffing in place from August 20 only, Learning Assistants NHS Income is under recovered by £0.087m due to COVID 19 non delivery and staffing costs are projecting a £0.160m overspend due to increasing demand, Inclusion Support is (£0.065m) underspent due to reduction in Teachers from Aug 20. The movement of (£0.071m) is mainly in relation to the Inclusion Support Teachers transferring to Primary for the new academic year (£0.065m).
Primary Non Devolved	1,294	1,298	4	0	4	328	(324)	Primary non devolved is forecast to overspend by £0.004m. Within the core Primary Non devolved areas a £0.020m overspend is made up from Clothing Grants (£0.023m), staffing £0.004m and £0.039m in non staffing expenditure (Parent pay charges, cleaning, Seemis). Within "Flexibility" an underspend of (£0.016m) reflects the current Devolved schools overspend including 11 FTE additional resource teachers less estimated SG funding for this. The movement of (£0.324m) reflects additional SG funding, changes in Devolved forecasts and DSM 19-20 carryforward draw down
Secondary Non Devolved	1,556	1,589	33	28	5	27	6	Secondary non devolved is forecast to overspend by £0.033m. Underspends within SQA Fees (£0.010m), EMA admin fees (£0.013m) and School Transport (£0.029m) are offset by a projected shortfall in Music income due to reduction in uptake following a previous year increase in fees, further compounded by COVID 19 non delivery of lessons totalling £0.078m and non staffing expenditure in central areas £0.007m.
PPP Schools	8,404	8,371	(33)	0	(33)	(33)	(0)	PPP is forecasting an underspend of (£0.033m), higher than expected payments to the contractor of £0.013m are offset by estimated agreed deductions, surplus budget (£0.033m)
Pupil Equity Funding (PEF)	2,081	2,081	(0)	0	(0)	(0)	0	Pupil Equity Funding (PEF) is forecast on budget. Funding is allocated on an Academic Year basis and any underspend is carried forward to next year

People	Annual Budget 2020/21	Forecast to March 2021	Variance Forecast to Budget at August	Variance due to Covid	Variance due to Non Covid	Variance Forecast to Budget at June	Variance movement June to August	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Business Management	692	710	17	114	(97)	(14)	31	Business management is forecasting an overspend of £0.017m. Chief Officers part year vacancy (£0.053m) part offset by additional staffing resource digital learning £0.014m, Business Support vacancy (£0.030m) and £0.100m digital learning costs (Covid recovery) and various minor (£0.014m). The movement of £0.031m consists of Digital Learning Contract £0.100m less Digital Learning co-ordinator staffing costs transferred to SAC.
Sports Development	162	314	152	152	0	136	16	Sports Development is forecasting an overspend of £0.152m due to a reduction in Income in various programs due to COVID 19 totalling £0.176m less associated savings of (£0.024m) in casual sports coaches and equipment . The movement of £0.016m relates to further Income reduction around uncertainty of when facilities can operate normally.
Other Areas	781	722	(59)	0	(59)	(50)	(9)	In other areas , Psychology Service (£0.020m), School Crossing Patrols (£0.014m), and Youth and Adult Services (£0.025)m combines to an underspend of (£0.059m) which is mainly staff turnover
Total Education	58,639	58,768	129	469	(340)	444	(315)	
Social Services								
Childrens Commissioned Services	228	414	186	24	162	94	92	Children's Commissioned Services are forecast to overspend by £0.186m. The overspend relates to payments to third sector service providers. The movement since June does not reflect increased expenditure but is the result of the re-alignment of costs to reflect revised reporting groupings
Corporate Parenting	5,934	6,599	665	424	241	947	(282)	Corporate Parenting is forecast to overspend by £0.665m. The main pressure points are: External Fostering payments £0.556m; Internal Fostering £0.026m; Residence Orders £0.049m and Direct Payments £0.050m . The number of External Foster placements has increased by 12 since the start of the year, many of these being related to Covid19. External foster care is high cost and an area that is being actively addressed through the use of Family Group Decision Making, Restorative Practice and the more bespoke and targeting of commissioned services. Transport (including family contact) and Premises costs are forecast to underspend by (£0.016m). There has been a favourable movement of £0.282m since June as result of two young people taking up their own tenancies (£0.117m) and a revised forecast for professional fees (£0.024m.and residence orders (£0.014m). In addition the staffing forecast has been scaled back to reflect updated recruitment plans £0.127m)
Fieldwork Children And Families	2,823	3,217	394	7	387	365	29	Fieldwork Children and Families are forecast to overspend by £0.394m. This service is experiencing pressures across Kinship Payments, £0.480m There are offsetting underspends across Employees (£0.079m) and Transport (£0.007m). There has been an adverse movement of £0.029m since June as a result of additional pressure within Kinship payments.
Other Residential	2,044	3,000	956	1,079	(122)	536	420	Other Residential Placements is forecast to overspend by £0.956m. There are currently 21 children in residential placements (7 Education only, 9 Social Work Care only and 5 Joint Education and Care)with a forecast to overspend by £0.806m.Numbers have risen by 4 since the start of the year and there are currently six placements related to Covid 19 at a cost of £1.079m. Out of area education expenses are forecast to overspend by £0.150m.This budget relates to 23 children receiving educational support from other local authorities. The has been an adverse movement in the forecast since June as a result of two new residential placements, both related to Covid 19. This budget heading is extremely dynamic and the forecast makes no provision for any future new placements.
Management Support	891	855	(36)	0	(36)	(28)	(8)	Management Support are forecast to under spend by (£0.036m). This relates to staffing vacancies (£0.018m) together with small underspends across Transport and Supplies and Services. The movement since June relates to updated recruitment plans for staff.

	<i>Annual Budget 2020/21</i>	<i>Forecast to March 2021</i>	<i>Variance Forecast to Budget at August</i>	<i>Variance due to Covid</i>	<i>Variance due to Non Covid</i>	<i>Variance Forecast to Budget at June</i>	<i>Variance movement June to August</i>	<i>Narrative</i>
People	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Strategy and Planning	450	543	93	0	93	38	55	Strategy and Planning are forecast to overspend by £0.093m. The main pressures in this area are a shortfall in income from other local authorities of £0.061 and employees £0.032m. There has been an adverse movement since June as a result of re-aligning the forecast for third sector providers.
Criminal Justice Service	1,483	1,571	88	17	71	87	1	Criminal Justice Services are forecast to overspend by £0.088m. There is a forecast overspend of £0.125m within payments to third sector providers and other local authorities. Supplies and Services are forecast to overspend by £0.042m in relation to IT equipment £0.017m and an unachievable saving of £0.025m. In addition there are small overspends forecast across Property, £0.003m and Transport £0.008m. Staffing is forecast to underspend by (£0.132m), with £0.042m of this relating to Glenochil Prison which is matched by a reduction in income received from the Scottish Prison Service.
Social Services	13,853	16,198	2,346	1,550	795	2,039	307	
	74,679	77,466	2,787	2,319	467	2,790	(4)	

Management Efficiencies

Service Reference	Division	Responsible officer	Description of Saving	General ledger code	2020/21 £	Achieved/Likely to be achieved £	Amber £	Red £	Service Updates
	People		PPP Rebate		75,000	75,000			Saving is achieved
PEED5	People		Transforming Early Years Curriculum		53,600	53,600			Saving is achieved
PESW7	People		Criminal Justice alignment with Grant Offer		31,000		31,000		Will be partly achieved spending pressure remains in CJ, despite additional funding.
PESW8	People		Budget realignment within Criminal Justice		84,453	84,453			Saving is achieved
PESW6	People		Redesign Independent Reviewing Officer role		35,000	35,000			Saving is achieved
PEED8	People		Budget realignment DSM (permanent)		350,000	350,000			Saving is achieved
PEED8	People		Budget realignment DSM (CASH)		350,000	350,000			Dependant on additional cost of Education recovery
PEED7	People		Budget Reduction in photocopying charges due to contract changes		20,000	20,000			Saving is achieved
PES&P1	People		People Services Efficiencies		20,000	20,000			Saving is achieved
Total			Management Efficiencies		1,019,053	988,053	31,000	0	

Prior Years

Service Reference	Division	Responsible officer	Description of Saving	General ledger code	2020/21 £	Achieved/Likely to be achieved £	Amber £	Red £	Service Updates
SSPD01	People		Investment in Internal Foster Care Service		60,000	60,000.00			Additional Foster carers have been recruited and will shortly be approved, resulting in savings. However, given increasing need for foster carers as a result of Covid this saving is hidden with overall financial pressures facing the Service.
EDME03	People		Primary school class configuration		153,750	153,750			Saving is achieved
EDME02	People		Management time reduction (Snr) Early Years		57,520	57,520			Saving is achieved
EDME04	People		PPP Rebate - Cash Saving		55,000	55,000			Saving is achieved
Total			Prior Years		326,270	326,270	-	0	

Summary By Type	2020/21 £	Achieved/Likely to be achieved £	Amber £	Red £
Management Efficiencies	1,019,053	988,053	31,000	0
Policy	0	0	-	0
Prior Years	326,270	326,270	-	0
Total Division	1,345,323	1,314,323	31,000	0

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