

Report to: People Committee

Date of Meeting: 1 November 2018

Subject: Financial Performance 2018/19- August Outturn

Report by: Chief Accountant (Interim)

1.0 Purpose

1.1. This paper provides an update on the financial performance for the People Division of the Council in respect of revenue spend for the current financial year, 2018/19.

2.0 Recommendations

- 2.1. The Committee is asked to note, challenge and comment as appropriate on:
- The Division’s net service expenditure is forecasting an underspend of £(0.507)m for the year ended 31st March 2019.
 - Progress on delivering planned savings in the year.

3.0 Background

3.1. The following themes are within the remit of the People Division

Table 1

PEOPLE		
Child Care	Youth Services	Community Learning
Pre School	Employability	Libraries
School Education	Community Justice	Sport & Leisure
CARE & PROTECTION		
EDUCATION & LEARNING		
SUPPORT & WELL-BEING		

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

4.0 General Fund Revenue

- 4.1 The Division's net expenditure continues to be reported by Service Expenditure area and by the themes shown above until the final portfolio is agreed and can be reflected within the financial ledgers.
- 4.2 Overall the Division's net service expenditure is forecasting an underspend of £(0.507)m for the year ended 31st March 2019. All of the in year cash savings and underspends will be assessed to determine whether they can be taken as future budget savings.
- 4.3 Table 2 below provides an overview of the financial outturn position within each Service Expenditure area.

Table 2

	<i>Annual Budget 2018/19</i> £'000	<i>Forecast to March 2018</i> £'000	<i>Variance Forecast to Budget</i> £'000
Strategy & Customer Services	1,369	1,348	(20)
Development & Environmental	474	428	(46)
Education Service	48,983	48,758	(225)
Social Services	12,948	12,732	(216)
Division Expenditure	63,774	63,266	(507)

Underspend

- 4.4 The table below sets out the main variances which make up the table above:

Table 3 Variances

Service	Over/ (underspend) £000s	Total £000's	Narrative
Strategy & Customer Services			
Income		(20)	Leisure income overachieved £(23)k , Health and Policy income underachieved £3k
		(20)	Underspend
Development & Environment			
Payments to contractors	(40)		Clacks works underspend
Income	(6)		Economic development have increased funding due to higher throughput of clients
		(46)	Underspend
Education Services			
Early years non devolved	173		Staffing overspends £129k , shortfall in budgeted income £37k, supplies & services overspend £7k
Additional support needs	278		Assistance to pupils transport

			overspend £189k as a result of increased demand, overspend in Learning assistants £42k due to slippage in budgeted saving, inflationary increase for Speech & language therapy has resulted in an overspend of £34k, teachers staffing overspend £13k
Primary non devolved	(189)		Staffing underspend £(231)k , of which most relates to underspends in devolved schools. Various offsetting overspends £42k
Secondary non devolved	(274)		Supply teachers underspend £(263)k, transport £(39)k, shortfall in music tuition income £52k, various small underspends £(24)k
PPP	(67)		Rebate in insurance £(17)k, agreed deductions £(50)k
Sports development	(40)		Staffing underspends £(63)k, supplies & services underspends £(28)k resulting in a shortfall in income £51k
Other areas	(106)		Mainly relates to staffing underspends within Business management, Psychological Services, Crossing patrols and Youth services.
		(225)	Underspend
Social Services- Childcare and Criminal Justice			
Childcare & support	37		The service has a vacancy management target of £295k , it has achieved £149k of this resulting in an overspend on staffing of £146k. Underspends in third party payments £(115)k , various other small overspends £6k
Criminal Justice & Youth Services	29		payments to voluntary organisations overspend
Management and Service Strategy	78		The service has a vacancy management target of £232k , it has achieved £108k of this resulting in an overspend on staffing of £124k. Third party underspends £(36)k, various other underspends £(10)k
Residential schools	(360)		There are 13 children in care , 2 have moved to community based provision since April and this forecast reflects plans for a reduction of another 3 placements by the end of the year.
		(216)	Underspend
People total Underspend		(507)	Underspend

- .5 Table 3 below shows the net expenditure by the 3 themes within the People division of Care and Protection, Education & Learning and Support & Wellbeing:

Table 3

Service	Over/ (underspend) £000s	Total	Narrative
Care & Protection			
Residential Schools	(360)		Reduced use of residential placements
Children's Care and Support	66		Staffing overspend £146k , underspends in third party payments and supplies £(118)k , various other small overspends £24k payments to voluntary organisations overspend £14k
Management Support and Strategy	78		Staffing overspends £124k as the service struggles to meet the vacancy management target. Third party underspends £(36)k, various other underspends £(10)k
Care & Protection Total		(216)	
Education & Learning			
Primary Non Devolved	(189)		Staffing underspends in Devolved schools (200)k, Supply cover £(38)k, other staffing £7k Supplies & Services £42k
Secondary Non Devolved	(274)		Supply cover £(263)k, Bus contract £(39)k, CfE £(31)k, offset by Music tuition Income £52k, and other minor £7k
Early Years Non Devolved	173		Staffing £129k, unachieved income £37k, supplies & services £7k
A.S.N Non Devolved	278		Assistance to Travel £189k, Speech & Language contract £34k and Staffing £55k
P.P.P	(67)		Insurance reimbursement, agreed contractor deductions
Other areas	(146)		Staffing turnover and vacant post
Education & Learning Total		(225)	
Support & Wellbeing			
Income target	(20)		Leisure income overachieved £(23)k , Health and Policy income underachieved £3k

D&E	(41)		Clacks Works underspend on payments to contractors
Economic Development	(6)		Increased client throughput
Additional Special Needs			
Support & Wellbeing Total		(66)	
People Total Underspend		(507)	Underspend

5.0 2018/19 Savings Progress

5.1 The 2018/19 budget incorporated approved savings of £7.376m. Of this total £3.333m is attributable to the People Division. This is a change to dsavings reported in June as some services have moved division. Based on analysis to date, savings of £2.559m (77%) are forecast to be achieved, with up to a further £0.698m (21%) likely to be achieved in the year. Table 5 below sets out the position for each of the savings categories.

5.2

Table 5: Budgeted 2018/19 savings progress

<i>Savings Category</i>	<i>Savings full year</i>			
	<i>18/19 £000</i>	<i>Green £000</i>	<i>Amber £000</i>	<i>Red £000</i>
Policy Savings	1,619	931	612	77
Management Efficiencies	431	399	32	0
Service Redesign	767	713	54	0
17-18 cash savings year 2	208	208	0	0
18-19 cash savings	308	308	0	0
Total	3,333	2,559	698	77
		<i>76.8%</i>	<i>20.9%</i>	<i>2.3%</i>

From the table of Savings above £2.559m (76.7%) have already been achieved with a further £0.698m (20.1%) likely to be achieved.

5.3 Where the saving is at risk of not being achieved in year the Accountancy team will be working in conjunction with the Services, to identify compensatory savings. At August, £0.077m of savings are forecast as not being achieved the details are in Appendix B to this report.

EDUPO1 relates to Music tuition where numbers using the service have reduced. £0.017m has been achieved but £0.052m is forecast as not achievable. It is anticipated that uptake will increase again in 2019/20

EDUSR01 relates to Out of school care £0.020m, this is in respect of income not achieved, it is worth noting that although the income budget is not achieved , overall Kidzone is underspending in staffing due to recruitment issues. This would impact the ability to generate additional income.

SCSSR16 relates to Life Skills Coach – CHL , £0.004m this is a partial non realisation of the saving due to timing. This will be moved into 2019/20 for full realisation.

- 5.4 Appendices A to E provide further detail of the progress on delivering savings within each service.

6.0 Conclusions

- 6.1 The Division's net service expenditure is forecasting an underspend of £(0.507)m for the year ended 31st March 2019.
- 6.2 Of the associated approved savings of £3.333m, £2.559m is forecast to be achieved and up to a further £0.698m is likely to be achieved in the year.
- 6.3 Services and the accountancy team are working to ensure the full savings are achieved by the end of the financial year.

7.0 Sustainability Implications

- 7.1 None

8.0 Resource Implications

8.1 *Financial Details*

- 8.2 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 X
- 8.3 Finance have been consulted and have agreed the financial implications as set out in the report. Yes X

8.4 *Staffing*

9.0 Exempt Reports

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

10.0 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)

11.0 Equalities Impact

- 11.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
 Yes No

12.0 Legality

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

13.0 Appendices

- 13.1 Appendices A-E savings

14.0 Background Papers

- 14.1 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
Paula Tovey	Chief Accountant (Interim)	
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Schedules of Savings							
Management Efficiencies							
APPENDIX A							
Service Reference		Description of Saving	2018/19	Achieved	Likely to be achieved	Amber	Red
EDUME01	PEOPLE	Additional full year impact of 2017/18 savings	134,418	134,418	-		
EDUME02	PEOPLE	Early Years Seniors include in ratios	225,640		225,640		
SSME01	PEOPLE	Staff travel. Increased use of lease cars	15,000	-	15,000		
SSME02	PEOPLE	Development of Call Handling Approach	0			-	-
SSME03	PEOPLE	Budget realignment childcare income	32,000			32,000	
DEME10	PEOPLE	Modern Apprentice Scheme Ending March 18	13,450	13,450			
SCSME02 prev 3	PEOPLE	Budget realignment of health policy officer budget	10,000	10,000		-	
Total			430,508	157,868	240,640	32,000	-

Schedules of Savings

Policy

APPENDIX B

Service Reference		Description of Saving	2018/19	Achieved	Likely to be achieved	Amber	Red
EDUP01	PEOPLE	Cessation of Music Tuition Service	69,090	-	17,000	-	52,090
EDUP02	PEOPLE	Peripatetic Early Years Teachers	100,000	-	100,000		
EDUP03	PEOPLE	Revised Primary school class configurations	366,750			366,750	
EDUP05	PEOPLE	Removal or full cost recovery breakfast clubs	11,640	-	11,640		
EDUP07	PEOPLE	Removal or full cost sport development	54,584	-	54,584	-	
EDUSR01	PEOPLE	Removal or full cost recovery Kidzone Out of School Care	20,000	-	-	-	20,000
EDUSR02	PEOPLE	20% reduction learning assistants	218,810	-	173,810	45,000	
SSP01	PEOPLE	Residential Schools: Develop local community based alternatives. Reduce no. of places by 9. (net saving after allowing for re-providing in local services)	500,000	-	300,000	200,000	
SSP02	PEOPLE	Development of Self Directed Support	5,000	5,000			
SCSSR16	PEOPLE	Stop - Life Skills Coach - CHL	13,500		9,000		4500
CORPP01	PEOPLE	Health & social care decrease in RT 2018/19	138,000		138,000		
DESR01	PEOPLE	Funding for Clackmannanshire Business	23,000	5750	17,250		
DESR02	PEOPLE	Funding for Tourism	10,500	10500			
SCSSR12	PEOPLE	Reduce Book Budget	5,000	5,000			
SCSSR15	PEOPLE	Stop - Decomission Clackmannanshire Healthier Lives	83,495	83495			
Total			1,619,369	109745	821,284	611,750	76,590

Schedules of Savings

Redesign

APPENDIX C

Service Reference		0	2018/19	Achieved	Likely to be achieved	Amber	Red
EDUR01	PEOPLE	Education Assets Team	52,640	-	52,640	-	
SSR01	PEOPLE	Remove Assistant Team manager Posts (3fte) Note: some posts lost through VR.	150,000	150,000		-	
SSR02	PEOPLE	Child Psychology Assessment Team (CPAT) Payment to NHS	68,000	68,000			
SSR03	PEOPLE	Redesign within Management/Strategy - deletion of 2 posts	60,124	-	60,124	-	
SSR04	PEOPLE	Early years redesign: commission service from third sector and transfer of staff to education. Net saving	290,000	290,000			
SSR05	PEOPLE	Replace External Agency Foster Carers with In House Carers X 4 Places	146,000	38,000	54,000	54,000	
Total			766,764	546,000	166,764	54,000	0

Schedules of Savings

Cash savings 2018/19

APPENDIX D

Reference		Saving description	2018/19 saving	Achieved	Likely to be achieved	Amber	Red
CASH	PEOPLE	Education staff budget - CASH	258,000		258,000	-	
CASH	PEOPLE	Education budget realignment	50,250		50,250		
Total			308,250	-	308,250	-	-

Year 2 savings (2018/19 savings agreed in 2017/18)

APPENDIX E

Reference		Saving description	2018/19 saving	Achieved	Likely to be achieved	Amber	Red
Managed contraction Education	PEOPLE		33,983	33,983			
Managed contraction SCS	PEOPLE		174,275		174,275		
Total			208,258	33,983	174,275	0	0

