
Report to: People Committee

Date of Meeting: 17 January 2019

Subject: Financial Performance 2018/19- October 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.

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 £(0.508)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
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 £(0.508)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 £'000</i>	<i>Forecast to March 2019 £'000</i>	<i>Variance Forecast to Budget £'000</i>
Strategy & Customer Services	1,368	1,366	(2)
Development & Environmental	472	456	(16)
Education Service	50,713	50,345	(368)
Social Services	13,081	12,959	(122)
Division Expenditure	65,634	65,126	(508)

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			
Employee costs	(5)		Vacancies and delays in filling posts within Customer services
Income	3		Shortfall in income from FVH Board within Strategy and Performance
		(2)	
Development & Environment			
Third party payments and payments to contractors	(26)		Underspends within Clacks works payments to contractors and a timing underspend on payment to CAB.
Income	10		Unachieved income for Training Unit as a result of a recent assessment of the contract by SDS, assessment value was lower than anticipated.
		(16)	
Education Services			
Early Years non devolved			
Employee costs	183		ABC Nursery and Kidzone overspend £0.084m, Early years supply staffing overspend £0.117m, nursery vacancy management underspend £(0.018)m
Supplies & Services	(25)		Underspends within Nurseries
Income	48		ABC and Kidzone unachieved income £0.071m which includes an unachieved saving of £0.020. Additional income for

Service	Over/ (underspend) £000s	Total £000's	Narrative
			purchased nursery hours has generated additional income of £(0.023)m
ASN non devolved			
Employee costs	47		Overspends on Learning assistants due to saving timing £0.029m, Teachers overspend £0.018m
Assistance to pupils	175		Overspend in travel, this is demand led
Payments to third parties	34		Speech & Language therapy for unbudgeted inflationary increase.
Primary non devolved			
Employee costs	(444)		Underspends in RCCT staffing £(0.056)m, Supply staffing £(0.037)m and Teachers flexibility £(0.360)m which is a claw back from devolved schools in line with pupil roll.
Others	18		Overspends relating to move from St Mungo's primary to Alloa Academy and DDA at Coalsnaughton Primary unbudgeted costs
Training	32		Overspend on staff training
Secondary non devolved			
Employee costs	(312)		Teachers supply underspend as there continues to be a shortfall in availability
Assistance to pupils	(36)		Underspend in school travel costs
Income	52		Shortfall in income for non SQA Music tuition
Others	(24)		CfE underspend on supplies £(0.032)m and various small overspends £0.008m
PPP			
Various	(63)		Insurance rebate £(0.017)m, agreed deductions £(0.011)m and a surplus budget of £(0.035)m
Business Management			
Various	21		Staffing £0.006m overspend and £0.015m overspend due to supplies & services and training costs
Sports Development			
Employee costs	(63)		Underspends across various programs
Supplies & services	(15)		Various
Income	53		Underachieved income
Psychological serv's, School crossing, Youth Services	(49)		Mainly related to staffing underspends
		(368)	
Social Services- Childcare and Criminal Justice			
Childcare & Support	82		Overspends within Third Party Payments (payments to voluntary organisations) of £0.079m and Transfer Payments (foster

Service	Over/ (underspend) £000s	Total £000's	Narrative
			care payments) £0.072m and Income £0.24m offset by underspends within Staffing of £0.026m and Supplies and Services £(0.072)m. There are small variances within Premises and Transport amounting to £0.004m
Criminal Justice	79		Overspend in staffing
Management & Service Strategy	(215)		There are forecast underspends within staffing costs £(0.227)m offset by overspends within Third Party payments, £0.016 and Income, £0.010m. There are small underspends forecast within Transport and Supplies amounting to £(0.014).
Residential Schools	(68)		Third party payments
		(122)	
People total Underspend		(508)	

4.5 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			
Childcare & Support	161		Overspends within Third Party Payments (payments to voluntary organisations) of £0.079m and Transfer Payments (foster care payments) £0.072m and Income £0.24m , Staffing £0.053m offset by underspends within Supplies and Services £(0.072)m. There are small variances within Premises and Transport amounting to £0.004m
Management & Service Strategy	(215)		There are forecast underspends within staffing costs £(0.227)m offset by overspends within Third Party Payments, £0.016 and Income, £0.010m. There are small underspends forecast within Transport and Supplies amounting to £(0.014).
Residential Schools	(68)		Third party payments
Care & Protection Total		(122)	
Education & Learning			
Primary Non Devolved	(394)		Underspends in RCCT staffing £(0.056)m, Supply staffing £(0.037)m and Teachers flexibility £(0.360)m which is a claw back from devolved schools in line with pupil roll. Overspends relating to move from St

Service	Over/ (underspend) £000s	Total	Narrative
			Mungo's primary to Alloa Academy and DDA at Coalsnaughton Primary £0.018m unbudgeted costs and training overspend of £0.032m.
Secondary Non Devolved	(320)		Teachers supply £(0.312)m underspend as there continues to be a shortfall in availability . Underspend in school travel costs £(0.036)m. Shortfall in income for non SQA Music tuition £0.052m. CfE underspend on supplies £(0.032)m and various small overspends £0.008m
Early Years Non Devolved	206		ABC Nursery and Kidzone overspend £0.084m, Early years supply staffing overspend £0.117m, nursery vacancy management underspend £(0.018)m.
A.S.N Non Devolved	256		Overspends on Learning assistants due to saving timing £0.029m, Teachers overspend £0.018m, Overspend in travel £0.175m, this is demand led and an overspend of £0.034m on Speech & Language therapy.
P.P.P	(63)		Insurance rebate £(0.017)m, agreed deductions £(0.011)m and a surplus budget of £(0.035)m
Business Management	21		Staffing £0.006m overspend and £0.015m overspend due to supplies & services and training costs
Other areas	(49)		Mainly related to staffing underspends within Psychological , Youth Services and Crossing patrols.
Sports Development	(25)		Underspends in employee costs and supplies and services £(0.078)m offset by unachieved income £0.053m.
Education & Learning Total		(368)	
Support & Wellbeing			
Income	13		Shortfall in income from FVH Board within Strategy and Performance £0.003m Unachieved income for Training Unit as a result of a recent assessment of the contract by SDS, assessment value was lower than anticipated £0.010m
Employee costs	(5)		Customer services staffing
Economic development	(26)		Underspends within Clacks works payments to contractors and a timing underspend on payment to CAB.
Support & Wellbeing Total		(18)	
People Total Underspend		(508)	

4.6 Since the last reported forecast the Service and Accountancy have completed an extensive realignment of the Social Services Child Care budget to address the unallocated vacancy management target. This has resulted in £0.212m being realigned from the underspend in Residential schools leaving a residual underspend of £(0.068)m. The realignment will ensure that the budgets better reflect the actual spend of the Service.

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. Based on analysis to date, savings of £2.941m (88.3%) are forecast to be achieved which is an 11% increase on those reported in October, with up to a further £0.315m (9.5%) 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

Savings Category	Savings full year			
	18/19 £000	Green £000	Amber £000	Red £000
Policy Savings	1,619	1,314	229	77
Management Efficiencies	430	398	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	2,941	315	77
		88.3%	9.5%	2.3%

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 October, £0.077m of savings are forecast not to be achieved, these are detailed in Appendix B to this report and summarised below:

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. However, 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 £(0.508)m for the year ended 31st March 2019.

6.2 Of the associated approved savings of £3.333m, £2.941m is forecast to be achieved and up to a further £0.315m 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

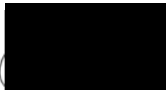
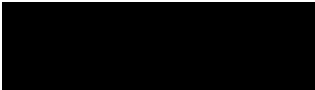
14.0 Background Papers

- 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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Paula Tovey	Chief Accountant (Interim)	

Approved by

NAME	DESIGNATION	SIGNATURE
Paula Tovey	Chief Accountant (Interim)	
Nikki Bridle	Chief Executive	

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		-	
			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	296,293	70,457		
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	-	189,810	29,000	
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	17250	5,750		
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			
			1,619,369	417,538	896,241	229,000	76,590

Schedules of Savings

Redesign

APPENDIX C

Service Reference		Description of Saving	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	
SCSR07	PEOPLE	Redesign Leisure Services on Expiry of ALB Contract September 2019	0				
			766,764	598,640	114,124	54,000	0

Schedules of Savings

Cash savings 2018/19

APPENDIX E

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		
			308,250	-	308,250	-	-

Schedules of Savings

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		
			208,258	33,983	174,275	0	0

