
Report to: People Committee

Date of Meeting: 3 October 2019

Subject: Financial Performance 2019/20- June Outturn

Report by: Chief Finance Officer

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, 2019/20. This is based on forecast information as at June 2019.

2.0 Recommendations

- 2.1. The Committee is asked to note, challenge and comment as appropriate on:
- the forecast General Fund revenue overspend relating to the People Division for the year of £0.464m, and
 - progress on delivering planned savings in the year.

3.0 Background

- 3.1. The following portfolios 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 Overall the Division's net service expenditure is forecasting an overspend of £0.464m for the year ended 31st March 2020.

4.2 Previous service descriptors have been used in the information below. As the Council transitions to the new structure these will be developed into People narratives as services are embedded.

4.3 Table 2 below provides an overview of the financial outturn position within each Service Expenditure area.

Table 2: Summary of Service Budget Variances

	<i>Annual Budget</i>	<i>Forecast to March 2020</i>	<i>Variance Forecast to Budget</i>
	<i>2019/20</i>	<i>2020</i>	<i>to Budget</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Strategy & Customer Services	1,221	1,251	30
Development & Environmental	474	422	(52)
Education Service	54,738	54,884	146
Social Services	12,920	13,258	338
Division Expenditure	69,352	69,816	464
			Overspend

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

Table 3: Division Variances

People	<i>Annual Budget 2019/20</i>	<i>Forecast to March 2019</i>	<i>Variance Forecast to Budget</i>	<i>Narrative</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
Strategy & Customer Services	1,221	1,251	30	Overspend due to shortfall in leisure income.
Development & Environmental	474	422	(52)	Staffing underspend £(0.052)m due to vacancies in Economic Dev & Clacks works

People	Annual Budget 2019/20	Forecast to March 2019	Variance Forecast to Budget	Narrative
Education Service	54,738	54,884	146	<p>Early years - staffing overspend £0.056m, this relates to ABC Nursery</p> <p>ASN - overspends in learning assistants £0.107m due to unachieved saving, the service continue to review delivery to address the overspend, ASN teachers overspent by £0.059m due to demand on support required, escorts overspent by £0.045m due to additional demands on the service. Speech, Language and Occupational therapy overspend £0.043m due to contract inflation and demand, other small overspends £0.005m.</p> <p>Primary non devolved - underspend £(0.037)m on staffing and other small overspends £0.005m</p> <p>Secondary non devolved - underspend on supply teachers £(0.074)m offset by unachieved income of £0.056m due to timing, other small overspends £0.002m.</p> <p>PPP - underspend of £(0.027)m on agreed contractor deductions.</p> <p>Other areas - Other staffing underspends of £(0.048)m relating to Psychology services, Youth services & School crossings.</p>
Social Services	12,920	13,258	338	<p>Children's Care & Support - Overspends of £0.368m on payments due to increased numbers and investment in alternatives to residential care. There is a net underspend on staffing and premises costs of circa £(0.162)m.</p> <p>Criminal Justice is forecast to overspend by £0.037m, Service are working to review delivery in line with reduced funding provision.</p> <p>Management & Strategy – Overspend of £0.095m due to ongoing work in relation to legacy senior management restructuring within the Shared services model.</p>

People	Annual Budget 2019/20	Forecast to March 2019	Variance Forecast to Budget	Narrative
Division Movement	69,352	69,816	464	Overspend

5.0 2019/20 Savings Progress

- 5.1 The 2019/20 budget incorporated approved savings of £4.810m. Of this total £1.626m is attributable to the People Division.
- 5.2 Based on analysis to date, savings of £1.489m (91.6%) are forecast to be achieved, with up to a further £0.137m (8.5%) forecast at risk or unachievable in 2019/20.
- 5.3 Table 4 below sets out the position for each of the savings categories.

Table 4: Budgeted 2019/20 savings progress

Summary By Type	2019/20 £	Achieved/Likely to be achieved £	Amber £	Red £
Management Efficiencies	1,130,420	1,070,420	60,000	0
Policy	60,000	20,000	0	40,000
Prior Years	435,894	399,034	36,860	0
Total Division	1,626,314	1,489,454	96,860	40,000
		91.6%	6.0%	2.5%

- 5.4 Appendix A provides further detail of the savings that have been identified as either Amber or Red. Services supported by the accountancy team will work to achieve the approved savings or identify compensatory savings by the end of the financial year.
- 5.5 Within Corporate Services in the Performance & Partnership Division there is an unachievable Corporate saving of (£0.452m), £(0.363)m of this relates to a deferred saving for People Division restructure. As this is part of the overall Council restructure it is being held corporately.

6.0 Conclusions

- 6.1 The Division's net service expenditure is forecasting an overspend of £0.464m for the year.
- 6.2 Of the associated approved savings of £1.626m, £1.489m is forecast to be achieved and up to a further £0.137m being forecast as at risk or unachievable in 2019/20.

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 – Amber & Red Savings


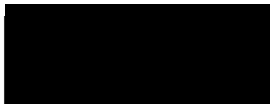
14.0 Background Papers

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
Lindsay Sim	Chief Finance Officer	
Fiona McOmish	Strategic Director People	

Detailed Schedule of Savings - People Division

Management Efficiencies

Service Reference	Division	Description of Saving	General ledger code	2019/20 £	Amber £	Red £	June outturn Accountancy comments
SSPD01	People	Investment in Internal Foster Care Service		60,000	60,000		Recruitment is in progress- position will be come clearer once first cohort have completed initial training and selection.
Total		Management Efficiencies		60,000	60,000	0	

0

Policy

Service Reference	Division	Description of Saving	General ledger code	2019/20 £	Amber £	Red £	June outturn Accountancy comments
LEIP01	People	Revised contract with Alloa Leisure Bowl	1061-1140-30101	60,000		40,000	As work has progressed on the detail of this saving, a saving of £20,000 has been identified as a more realistic proposition. At this stage, a compensatory saving of £40,000 has yet to be confirmed. Once this is complete, a further update will be reported.
Total		Policy		60,000	-	40,000	

Prior Years

Service Reference	Division	Description of Saving	General ledger code	2019/20 £	Amber £	Red £	June outturn Accountancy comments
EDUSR02	People	10% reduction in learning assistants		18,770	18,770		Service reviewing service delivery to meet reduction in budget
SCSR03	People	Re-provisioning of Community Access Points	Various	48,000	18,090		Service looking for compensatory savings to mitigate shortfall
Total		Prior Years		66,770	36,860	0	

Summary By Type			2019/20 £	Amber £	Red £
Management Efficiencies			60,000	60,000	0
Policy			60,000	-	40,000
Prior Years			66,770	36,860	0
Total Division			186,770	96,860	40,000

