
Report to: People Committee

Date of Meeting: 21 November 2019

Subject: Financial Performance 2019/20- 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, 2019/20. This is based on forecast information as at August 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 Directorate for the year of £1.159m, and
 - delivery of planned savings in the year forecasted to achieve 86.0%

3.0 Background

- 3.1. 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)

4.0 General Fund Revenue

- 4.1 Overall the Directorate's net service expenditure is forecasting an overspend of £1.159m for the year ended 31st March 2020.

- 4.2 **Appendix 1** provides an overview of the financial outturn position within each Service Expenditure area.
- 4.3 **Appendix 2** sets out the main variances and movement since last reported.

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 being undertaken to ensure correct coding and therefore correct reporting going forward.

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 Directorate.

- 5.2 Based on analysis to date, savings of £1.398m (86.0%) are forecast to be achieved, with up to a further £0.228m (14.0%) forecast at risk or unachievable in 2019/20. This is a net movement of £0.091m.

- 5.3 Savings movements totalling £0.091m;

SSME01 - Residential schools previously reported as achieved £0.170m now unachieved.

SSPD01 - Invest in internal foster care previously reported as amber, now achieved £(0.060)m

EDUSR02 - Reduction in Learning Assistants previously reported as amber, now achieved £(0.019)m

- 5.4 **Appendix 3** provides details of budgeted 2019/20 savings progress and shows 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 Directorate there is an unachievable Corporate saving of (£0.452m), £(0.363)m of this relates to a deferred saving for People Directorate restructure. As this is part of the overall Council restructure it is being held corporately.

6.0 Conclusions

- 6.1 The Directorate's net service expenditure is forecasting an overspend of £1.159m for the year.

- 6.2 Of the associated approved savings of £1.626m, £1.398m is forecast to be achieved and up to a further £0.228m 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

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

8.4 *Staffing*

9.0 Exempt Reports

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

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 Appendix 1- Financial outturn position at August 2019
- Appendix 2- Variance's and movement at August 2019
- Appendix 3- 2019/20 Savings progress at August 2019

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
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**People Directorate
Financial Outturn as at 31st August 2019**

Appendix 1

	<i>Annual Budget 2019/20 £'000</i>	<i>Forecast to March 2020 £'000</i>	<i>Variance Forecast to Budget £'000</i>
Strategy & Customer Services	1,178	1,317	139
Executive Team	124	124	0
Development & Environmental	488	427	(61)
Education Service	55,957	55,906	(51)
Social Services	13,668	14,800	1,132
Directorate Expenditure	71,414	72,573	1,159
			Overspend

Place	Annual Budget 2019/20	Forecast to March 2020	Variance Forecast to Budget at August	Variance Forecast to Budget at June	Variance movement June to August	Narrative
	£'000	£'000	£'000	£'000	£'000	
Strategy & Customer Services	1,178	1,317	139	30	109	Strategy and Customer services,(libraries & CAPS, leisure management, civic halls, Community centres & PPP schools community use) is forecast to overspend by £0.139m which is a movement of £0.109m. Within this area Customer Services are forecast to overspend by £0.098m this relates to historic unachievable income where a saving was applied but not realised in full, this is a budget demand pressure for 2020/21. Leisure services is forecast to overspend by £0.040m relating to Wasp leisure contract saving not achievable. The movement of £0.109m relates to £0.040m for the Alloa Leisure Bowl contract saving and unachieved income £0.069m .
Executive Team	124	124	0	0	0	No movement or variance
Development & Environmental	488	427	(61)	(52)	(9)	Staffing underspend £(0.061)m which is a movement of £(0.009)m due to vacancies within Clacks works and Economic Development.
Education	55,957	55,906	(51)	146	(197)	<p>At August devolved schools are forecast to be on budget as any underspends are carried forward.</p> <p>Early years are forecast to overspend by £0.015m which is a favourable movement of £(0.041)m. The overspend is due to unachievable income for out of school care and the movement relates to early years workers now funded from Early years expansion funding.</p> <p>ASN (Additional support needs) is forecast to overspend by £0.161m which is a favourable movement of £(0.098)m. The overspend relates to £0.053m for travel escorts due to increased demand, £0.096m in additional teaching staff for ASD (Autism Spectrum Disorder) and other small overspends of £0.012m. The movement relates to £(0.107)m in learning assistants due to realignment of devolved school budgets and service action on recruitment to ensure the 19/20 saving is achieved, increased teaching costs within ASD £0.036m, additional escorts £0.008m and increase in accessibility equipment £0.010m.</p> <p>Primary non devolved is forecast to underspend by £(0.086)m which is a favourable movement of £(0.054)m. The underspend relates to £(0.052) on teachers supply costs, £(0.037)m on school clothing grants and a small overspend on probationers of £0.003m. The movement of £(0.054)m relates to school clothing grants £(0.037)m previously forecast on budget and staff vacancies within RCCT (Reducing class contact time), PE Team (Physical education team) and Probationers of £(0.017)m.</p> <p>Secondary non devolved is forecast to underspend by £(0.035)m which is a favourable movement of £(0.015)m. The underspend relates to £(0.074)m on teachers supply, £(0.014)m on school clothing grants and small variances of £(0.003)m, offset by underachieved income £0.056m.</p> <p>PPP is forecast to underspend by £(0.027)m this is due to reduced agreed deductions with the contract provider.</p> <p>Business management is forecast to underspend by £(0.003)m a movement of £0.039m. The underspend relates to £(0.035)m staffing offset by overspends within training £0.010, income shortfall £0.007m and £0.015m small variances. The movement relates to income shortfall £0.007m, training overspend £0.010m, small variances £0.020m.</p> <p>Other areas are forecast to underspend by £(0.075)m a movement of £(0.027)m. The underspend relates to mainly staffing within Psychology £(0.051)m, School crossing patrol £(0.014)m and Youth and adult services £(0.010)m. The movement of £(0.027)m relates to vacancy management due to staff turnover</p>

						<p>Childcare & Support are forecast to overspend by £0.389m which is a movement of £0.184m. Main areas of overspend are Third party payments £0.442m mainly within Day Care £0.241m and Continuing Care (Step Up/Step Down where there are five places against a budget to support four) £0.201m. Transfer payments overspend £0.183m relating to Fostering & kinship £0.148m, where the number of payments being made has increased by 4 (+4.5%) since the start of the year and £0.035m in SDS (Self directed support) . There is a shortfall in income from other LA's within the Disability team of £0.023m and an overspend on transport costs £0.018m. These are offset by underspends in employee costs £(0.154)m mainly due to vacancies within the childrens unit and supplies and services £(0.122)m mainly within external foster care.</p> <p>Criminal Justice are forecast to overspend by £0.087m which is a movement of £0.050m, overspends in third party payments of £0.082m and other small overspend variances of £0.005m. The movement of £0.050m relates to additional spend on third party payments not previously forecast. Management and Service Strategy are forecast to overspend by £0.063m which is a movement of £(0.032)m. The overspend is the result of forecast expenditure on payments to voluntary orgainsations exceeding the budget by £0.044m and a shortfall in income of £0.051m, which relates to the loss of income for shared services. These are partially offset by underspends in staffing £(0.027)m and small variances of £(0.005)m. The movement of £(0.0.32)m relates to employee costs £(0.041)m and £0.009m following an updated forecast in relation to payment to voluntary organisations.</p> <p>Residential Schools has seen a significant increase in the forecast and is now forecasting an overspend of £0.592m, compared to a balanced position in June. There are currently 15 children in residential care which is an additional 5 placements since last reported, in addition to this the overspend also relates to the extension of 2 placements originally forecast to end in June. This budget heading is extremely dynamic and the forecast makes no provision for any new placements that may occur between September and March.</p>
Social Services	13,668	14,800	1,132	338	794	
Directorate Movement	71,414	72,573	1,159	462	697	

Management Efficiencies

Service Reference	Directorate	Description of Saving	2019/20 £	Achieved/Likely to be achieved £	Amber £	Red £	August outturn Accountancy comments -
SSME01	People	Residential Schools- budget realignment in line with forecast demand	170,000			170,000	Previously reported as achieved but now 5 additional placements ,make achievement less likely. This is reflected in the forecast
SSPD01	People	Investment in Internal Foster Care Service	60,000	60,000			Now achieved as three placements have moved internally from external foster care and external provider
EDME01	People	Reduction in Secondary school supply budget	250,000	250,000			
EDME03	People	Primary school class configuration	256,250	256,250			
EDME02	People	Management time reduction (Snr) Early Years	19,170	19,170			
EDME04	People	PPP Rebate Cash Saving	75,000	75,000			
EDME05	People	DSM Cash Saving	300,000	300,000			
Total		Management Efficiencies	1,130,420	960,420	-	170,000	

0

Policy

Service Reference	Directorate	Description of Saving	2019/20 £	Achieved/Likely to be achieved £	Amber £	Red £	August outturn Accountancy comments -
LEIP01	People	Revised contract with Alloa Leisure Bowl	60,000	20,000		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	20,000	-	40,000	

0

Prior Years

Service Reference	Directorate	Description of Saving	2019/20 £	Achieved/Likely to be achieved £	Amber £	Red £	August outturn Accountancy comments
EDUP02	People	Peripatetic Early Years Teachers model	60,000	60,000			
EDUP03	People	Revised Primary school class configurations	141,810	141,810			
EDUP07	People	Sports development	32,751	32,751			
EDUSR02	People	10% reduction in learning assistants	18,770	18,770			Service have realigned vacant posts and achieved saving
SCSSR16	People	Stop - Life Skills Coach - CHL	13,500	13,500			
SSR03	People	Redesign within Management/Strategy - deletion of 2 posts	34,876	34,876			
SCSR03	People	Re-provisioning of Community Access Points	48,000	29,910	18,090		Service looking for compensatory savings to mitigate shortfall
SCSR05	People	Community Asset Transfer for Cochrane Hall Alva, Dollar Civic Centre and tullibody Civic Centre	86,187	86,187			
Total		Prior Years	435,894	417,804	18,090	0	

0

Summary By Type	2019/20 £	Achieved/Likely to be achieved £	Amber £	Red £
Management Efficiencies	1,130,420	960,420	-	170,000
Policy	60,000	20,000	-	40,000
Prior Years	435,894	417,804	18,090	0
Total Directorate	1,626,314	1,398,224	18,090	210,000

86.0% 1.1% 12.9%