
Report to: People Committee

Date of Meeting: 30 January 2020

Subject: Financial Performance 2019/20- October 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 October 2019.
- 1.2. 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 £0.787m, and
 - delivery of planned savings in the year forecasted to achieve 86.7%

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 £0.787m for the year ended 31st March 2020. This is a favourable movement of £0.372m since the last report to this committee in November 2019.

- 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 this Committee in November 2019.

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.

4.0 2019/20 Savings Progress

4.1 The 2019/20 budget incorporated approved savings of £4.810m. Of this total £1.626m is attributable to the People Directorate.

4.2 Based on analysis to date, savings of £1.410m (86.7%) are forecast to be achieved, with the remaining £0.217m (13.3%) forecast at risk or unachievable in 2019/20. This is a favourable movement of £0.012m.

4.3 Savings movements totalling £0.012m;

SCSR03 – Reprovision of community access points, £(0.012)m increase in saving achieved.

4.4 **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.

4.5 In addition to the savings above, within Corporate Services in the Performance & Partnership Directorate there is an unachievable Corporate saving of £(0.363)m, which relates to a deferred saving for People Directorate restructure. 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 £0.787m for the year.

5.2 Of the associated approved savings of £1.626m, £1.410m is forecast to be achieved with the remaining £0.217m being forecast as at risk or unachievable in 2019/20.

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 October 2019

Appendix 2- Variance's and movement at October 2019

Appendix 3- 2019/20 Savings progress at October 2019

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
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People Directorate
Financial Outturn as at 31st October 2019

Appendix 1

	<i>Annual Budget 2019/20 £'000</i>	<i>Forecast to March 2020 £'000</i>	<i>Variance Forecast to Budget £'000</i>	<i>Previous Forecast Variance £'000</i>	<i>Variance movement £'000</i>
Strategy & Customer Services	1,178	1,261	83	139	(56)
Executive Team	124	124	0	0	(0)
Development & Environmental	488	443	(45)	(61)	16
Education Service	55,890	55,385	(505)	(51)	(454)
Social Services	13,668	14,923	1,255	1,132	123
Directorate Expenditure	71,348	72,135	787	1,159	(372)
			Overspend	Overspend	Underspend

Place	Annual Budget 2019/20	Forecast to March 2020	Variance Forecast to Budget at October	Variance Forecast to Budget at August	Variance movement August to October	Narrative
	£'000	£'000	£'000	£'000	£'000	
Strategy & Customer Services	1,178	1,261	83	139	(56)	Strategy and Customer services, (Libraries & CAPS, Leisure management, civic halls, Community centres & PPP schools community use) is forecast to overspend by £0.083m which is a favourable movement of £(0.056)m. Within this area Customer Services are forecast to overspend by £0.043m, 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 the Alloa Leisure Bowl contract saving which is unachievable. The favourable movement of £(0.056)m relates to reduced staffing and increased income in Leisure of £(0.043)m and reduced employee expenditure in the Libraries of £(0.012)m.
Executive Team	124	124	0	0	0	No movement or variance
Development & Environmental	488	443	(45)	(61)	16	Staffing underspend of £(0.045)m which is a movement of £(0.0016)m due to death in service.
Education	55,890	55,385	(505)	(51)	(454)	At October devolved schools are forecast to be on budget as any underspends are carried forward. After realignment of staffing budgets for new academic year a £(0.400)m underspend in Primary has been transferred to Teachers Flexibility and is reported under Primary Non devolved. Early years are forecast to underspend by £(0.066m) which is a favourable movement of £(0.081)m. The underspend is due to staff turnover (£0.066m) in the core nursery staffing as staff transfer to the new nursery facilities, Additional support needs (ASN) is forecast to overspend by £0.090m which is a favourable movement of £(0.071)m. The overspend relates to £0.053m for travel escorts due to increased demand, £0.026m in additional teaching staff for ASD (Autism Spectrum Disorder) and other minor overspends of £0.011m. The movement of £(0.071)m relates to additional budget being allocated from Devolved staffing after reconfiguration of staffing for academic year 2019-20 to mitigate the pressure on ASD staffing budgets. Primary non devolved is forecast to underspend by £(0.436)m which is a favourable movement of £(0.350)m. An underspend of £(0.400m) is forecast within Teachers Flexibility, this is due to a reduction in devolved staffing, £(0.040)m on teachers supply costs and £(0.037)m on school clothing grants. An overspend is forecast on probationers of £0.023m and £0.018m on various other areas. The movement of £(0.350)m relates to DSM underspend £(0.400m) held within Teachers Flexibility, Teachers Supply £0.018m, Probationers waivers £0.020m and staffing £0.012m. Secondary non devolved is forecast to underspend by £(0.022)m which is a movement of £0.014m. The underspend relates to £(0.033)m on teachers supply, £(0.014)m on school clothing grants and various other minor variances of £(0.031)m, offset by underachieved income £0.056m for music tuition. The movement relates to Teachers supply £0.041m offset by staff turnover £(0.027)m. PPP is forecast to underspend by £(0.012)m due to agreed deductions with the contract provider partly offset by additional works at Alloa Academy. The movement of £0.015m is the additional works of £0.023m and £(0.008)m increase in the agreed deductions. Business management is forecast on budget, a movement of £0.003m. This is made up of £(0.031)m staffing offset by overspends within training £0.010m and £0.021m various small variances. Sports Development is forecasting an overspend and movement of £0.015m due to a reduction in Income from Rugby Development sponsorship, Ski Centre and Sports classes. Other areas are forecast to underspend by £(0.074)m. The underspend relates to mainly staffing within Psychology £(0.052)m, School crossing patrol £(0.016)m and Youth and adult services £(0.007)m.
Social Services	13,668	14,923	1,255	1,132	123	Childcare & Support are forecast to overspend by £0.398m which is a movement of £0.072m. The number of kinship and fostering payments has increased by 17 (+7%) since the start of the August. Main areas of overspend are; third party payments £0.135m, mainly within payments to voluntary organisations £0.118m, and payments to other local authorities for care placements £0.017m. Transfer Payments are forecast to overspend by £0.298m relating to Informal Kinship Payments £0.270m, Self Directed Support £0.028, which is a movement of £0.115m. Supplies and Services are overspent by £0.121m in relation to external fostering £0.065m and legal and professional expenses £0.056m. Transport costs are forecast to overspend by £0.018m, in relation to client transport including family contact. These overspends are offset by underspends in employee costs £(0.174)m mainly due to vacancies within the children's unit. Criminal Justice are forecast to overspend by £0.021m This is due to an overspend on payments to third parties and the contribution to Corporate costs of £0.130m. This is offset by an underspend on staffing of £0.054m and income of £0.058m over budget. There has been a favourable movement of £0.066m since August due to vacancies and an offset income forecast for Glenochil. Management and Service Strategy are forecast to overspend by £0.046m. The overspend is the result of forecast expenditure on payments to voluntary organisations exceeding the budget by £0.034m 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 £(0.036)m and small variances within Supplies and Services £(0.003)m. The movement of £(0.081)m relates mostly to a revised forecast in relation to payment to voluntary organisations £(0.073)m and a movement on employee costs £(0.008)m. Residential Placements are forecast to overspend by £0.790m There are currently 18 children in residential care which is an additional 3 placements since August, resulting in an increase in the forecast of £0.198m. This budget heading is extremely dynamic and the forecast makes no provision for any new placements.
Directorate Movement	71,348	72,135	787	1,159	(372)	

Management Efficiencies

Service Reference	Directorate	Description of Saving	2019/20 £	Achieved/Likely to be achieved £	Amber £	Red £	October outturn Accountancy comments -
SSME01	People	Residential Schools- budget realignment in line with forecast demand	170,000			170,000	Previously reported as achieved but there have been an additional 5 placements which makes achievement less likely. This is reflected in the forecast
SSPD01	People	Investment in Internal Foster Care Service	60,000	60,000			Reported as achieved as foster carers moved to internal provision but achievement of saving has been offset by increased demand
EDME01	People	Reduction in Secondary school supply budget	250,000	250,000			Achieved
EDME03	People	Primary school class configuration	256,250	256,250			Achieved due to realignment of devolved teachers staffing budgets for new academic year
EDME02	People	Management time reduction (Snr) Early Years	19,170	19,170			Delivered through EYW reconfiguration and 1140hrs funding
EDME04	People	PPP Rebate Cash Saving	75,000	75,000			Achieved
EDME05	People	DSM Cash Saving	300,000	300,000			Achieved due to realignment of devolved teachers staffing budgets for new academic year
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 £	October 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 £	October outturn Accountancy comments -
EDUP02	People	Peripatetic Early Years Teachers model	60,000	60,000			Delivered through EYW reconfiguration and 1140hrs funding
EDUP03	People	Revised Primary school class configurations	141,810	141,810			Achieved due to realignment of devolved teachers staffing budgets for new academic year
EDUP07	People	Sports development	32,751	32,751			Achieved
EDUSR02	People	10% reduction in learning assistants	18,770	18,770			Service have realigned vacant posts to achieve saving
SCSSR16	People	Stop - Life Skills Coach - CHL	13,500	13,500			Achieved
SSR03	People	Redesign within Management/Strategy - deletion of 2 posts	34,876	34,876			Achieved
SCSR03	People	Re-provisioning of Community Access Points	48,000	41,260	6,740		Service looking for compensatory savings to mitigate shortfall
SCSR05	People	Community Asset Transfer for Cochrane Hall Alva, Dollar Civic Centre and tallboy Civic Centre	86,187	86,187			Achieved
Total		Prior Years	435,894	429,154	6,740	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	429,154	6,740	0
Total Directorate	1,626,314	1,409,574	6,740	210,000
		86.7%	0.4%	12.9%

