

Education, Children and Families Committee

10.00am, Tuesday, 12 December 2017

Revenue Monitoring 2017/18 – month five position

Item number	7.21
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

The report sets out the projected five-month revenue monitoring position for the Communities and Families Directorate, based on actual expenditure and income to the end of August 2017 and expenditure and income projections for the remainder of the financial year.

The report advises that a balanced overall position is projected for 2017/18. This position is, however, dependent upon management of a number of demand led pressures, including increased use of out of Council area placements linked to accommodating a number of unaccompanied asylum seeking children (UASC).

The total unfunded budget pressure is currently £5.1m. Mitigating management action totalling £4.4m has been identified to date, resulting in a net residual budget pressure of £0.7m. This position includes delivery of £1m of reduced expenditure in response to a request for the Director of Communities and Families to provide further savings to support the overall Council overspend identified at month three.

Communities and Families is fully committed to address the residual service budget pressure, and to develop options to support the Corporate revenue monitoring position in 2017/18.

Revenue Monitoring 2017/18 – month five position

1. Recommendations

- 1.1 Members of the Education, Children and Families Committee are asked to:
- 1.1.1 note the net residual budget pressure of £0.7m which remains at month five;
 - 1.1.2 note that approved savings in 2017-18 total £7.348m and are on track to be delivered in full;
 - 1.1.3 note that the Executive Director for Communities and Families has identified additional savings totalling £1m in 2017/18 to assist the delivery of an overall balanced budget position for the Council.

2. Background

- 2.1 The total 2017-18 revised net budget for Communities and Families is £341.818m.
- 2.2 This report sets out the projected overall position for the Communities and Families revenue expenditure budget for 2017/18, based on analysis of month five data.

3. Main report

Overall Position

- 3.1 As at month five, the Communities and Families Directorate is projecting a balanced budget position for 2017/18. This position is, however, dependent on management of a number of demand led service pressures.

Unfunded Budget Pressures - £5.1m

- 3.2 To date projected unfunded budget pressures of £5.1m have been assessed. The main service areas affected include increased use of out of Council area placements linked to accommodating a number of Unaccompanied Asylum Seeking Children (UASC) within the city, secure services and residential care. Management action of £4.4m has been identified, including projected savings within the fostering and day care and Early Years service areas, and application of funding from Home Office for UASC. This leaves a net residual budget pressure of £0.7m. Appendix 1

provides further details on the most significant areas of pressure and mitigating action.

Savings Delivery – Approved Savings 2017/18 Budget

- 3.3 The approved budget savings for Communities and Families for 2017/18 total £7.348m. Progress in the delivery of the savings programme is reviewed regularly.
- 3.4 A red, amber, green (RAG) analysis has been undertaken in consultation with Heads of Service. This indicates that, on the basis of actions planned or already undertaken, the savings are on track to be delivered in full.

4. Measures of success

- 4.1 The measure of success will be the achievement of a balanced revenue budget position for Communities and Families for 2017/18 and successful delivery of approved savings.

5. Financial impact

- 5.1 The report's contents project a balanced budget for the year. This position is subject to active monitoring and management of risks.

6. Risk, policy, compliance and governance impact

- 6.1 The delivery of a balanced budget outturn for the year is the key target. The risks associated with cost pressures, increased demand and savings delivery targets are regularly monitored and reviewed and management action is taken as appropriate.

7. Equalities impact

- 7.1 There are no negative equality or human rights impacts arising from this report.

8. Sustainability impact

- 8.1 There are no negative sustainability impacts on carbon, adaptation to climate change or sustainable development arising from this report.

9. Consultation and engagement

- 9.1 There has been no external consultation and engagement arising directly from this report.

10. Background reading/external references

10.1 None

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11. Appendices

1. Forecast areas of budget pressure and management action

Forecast Areas of Budget Pressure and Management Action

Area of pressure/(action)	£m	Notes
Out of Council Residential Care	2.2	Projection based on case by case assessment and expected movements
Additional Savings Contribution	1.0	Additional savings contribution to corporate deficit
School budgets	0.4	Forecast demographic pressures based on pre- August staffing position
Residential Care	0.4	Projected staff cost pressures
Other forecast pressures across a range of service areas	1.1	Reflects projected pressures of £0.2m or less, across a range of service areas
Total Gross Pressure	5.1	
Early Years	(1.0)	Staff vacancies
UASC	(0.6)	Home Office funding for UASC
One off additional investment	(0.6)	Uncommitted funding in 2017-18
Fostering and Day Care	(0.3)	Projected savings from lower than budgeted use
ASL and Special School Classes	(0.3)	Lower than budgeted capacity
Other forecast savings/ management action	(1.6)	Reflects forecast savings, inclusive of discretionary spend, across a range of service areas
Total Management Action	(4.4)	
Net Residual Pressure	0.7	