

ABERDEEN CITY COUNCIL

COMMITTEE	Education and Children's Services
DATE	29 January 2015
DIRECTOR	Gayle Gorman
TITLE OF REPORT	2014/15 Revenue Budget Monitoring
REPORT NUMBER:	ECS/15/003

1. PURPOSE OF REPORT

1.1 The purpose of this report is to

- i) bring to Committee members attention the current year revenue budget performance for the services which relate to this Committee; and
- ii) advise on any areas of risk and management action.

2. RECOMMENDATION(S)

2.1 It is recommended that the Committee:

- i) Note this report on the near actual figures on the revenue budget and the information on areas of risk and management action that is contained herein;
- ii) Instruct that officers continue to review budget performance and report on service strategies;

3. FINANCIAL IMPLICATIONS

3.1 The revised total Education, Culture & Sport revenue budget amounts to around £170.9M net expenditure.

3.2 Based upon present forecasts it is anticipated that the financial performance of the service for 2014/15 will result in a net underspend of £110K. This position will be reflected in the overall financial monitoring for the Council when it is reported to Finance and Resources Committee at the end of this Committee cycle.

3.3. Further details of the financial implications are set out in section 4 and the appendix attached to this report.

4. OTHER IMPLICATIONS

- 4.1 Every organisation has to manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by Members. This report is part of that framework and has been produced to provide an overview of the current operating position.

5. BACKGROUND/MAIN ISSUES

- 5.1 This report informs Members of the current year ECS revenue budget performance to date, and provides a high level summary for the consideration of Members, to period 8 (to end of November 2014). It also outlines whether or not there are any cost pressures that are immediately identifiable from the expenditure incurred to date and actions being undertaken to manage these.
- 5.2 The Directorate's revenue budget report and associated notes are attached at Appendices A to F.

Financial Position

- 5.3 The current forecast revenue out-turn is an underspend of £110K. This is an excellent overall position given the scale of the Service budget and the Service is to be commended for their management of budgets. The following areas of operation are highlighted together with any management action being taken where appropriate.

(a) Centrally Held Teaching Staffing Salaries

Through the efficient management of the Probationer budget, it is projected that there will be an underspend of £100K by the academic year end. This is in line with innovative practice which minimises the additional cost to the Council when matching Probationers to vacant teaching posts.

(b) School Administrators Review and Proposal for Regrading

Provision has been made within the forecast to meet the potential costs arising out of the above. It is intended the business case for this will be referred to the Finance, Policy & Resources committee in February 2015.

(c) Unitary Charge Payments

The Unitary Charge Budget is estimated to be £150K under budget as a result of contract compliance reductions, savings arising from reduced vandalism costs.

(d) CLD Management Committee Funds

At the time of writing this report, a total of £380K has been transferred to the five independent community associations. These are Beacon, Cornhill, Dyce, Loirston and Northfield.

(e) Out of Authority Placements

This is an aligned budget with Social Care and Wellbeing to fund those costs associated with educating and accommodating children in specialist schools not run by Aberdeen City Council. The total aligned budget is £5.1M. The Education and Children's Services part of this budget totals £2.6M.

The financial position at 30 November 2014 is that the Education and Children's Services element has an over-commitment of £710K. This is little changed from the situation reported to committee in December 2014.

Officers from Education and Children's Services are continuing to work on short and long term strategies to reduce the number and duration of out of authority placements. This includes a series of rigorous case reviews and a review of current processes and alternative provision. It should be noted that this budget is subject to external factors out of our direct control: the council is required to fund placements instructed by the Children's Panel and needs to respond to the needs of children and young people in crisis this will on occasion require services outwith the authority.

6. IMPACT

- 6.1 As a recognised top priority the Council must take the necessary measures to balance its revenue budget. Therefore Committees and Directorates are required to work within a financial constraint. Every effort is being focused on delivering services more efficiently and effectively.

7. BACKGROUND PAPERS

Financial ledger data extracted for the period.

8. REPORT AUTHOR DETAILS

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Additional contributions to analysis of risks and management action by
Director & Heads of Service – Education, Culture & Sport.