

ABERDEEN CITY COUNCIL

COMMITTEE	Education & Children's Services
DATE	1st of June 2017
REPORT TITLE	2016/17 Fund Revenue & Capital Budget Monitoring
REPORT NUMBER	ECS/17/034
DIRECTOR	Gayle Gorman
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1. PURPOSE OF REPORT:-

The purpose of this report is to bring to Committee Members notice the draft financial general fund revenue and capital budget performance for 2016-17 for the Services which relate to this Committee;

2. RECOMMENDATION(S)

2.1 It is recommended that the Committee:

- i) consider and note this report and the information on management action and risks that is contained herein; and
- ii) note that these figures are still subject to audit.

3. BACKGROUND/MAIN ISSUES / OTHER HEADINGS AS APPROPRIATE

3.1 The Service revenue monitoring reports and associated notes are attached at Appendix 1.

Financial Position and Risks Assessment

General Fund Revenue

3.2 The significant areas contributing to the overall funding pressure are as follows:

	£'000
a) Staff costs (Excluding Escorts)	(790)
b) Escorts costs	180
c) Teachers Long term Absence budgets	(500)
d) Out Of Authority Placements	
- Children's Social Work	2,400
- Inclusion	1,700
e) Energy	(700)
f) Water costs	(600)
g) Unitary Charge Payments	(180)
h) Direct Payments	

- Carer Support	230
- Home Care	140
- Day Care	140

(a) Staff Costs

The staff underspend reflects the vacancy levels within the service. These may vary as staff posts are filled and others become vacant.

(b) Escorts Costs

The School escorts budget was £185k over budget. A review of processes to evaluate the requirement for an escort has been completed and shared with colleagues in schools. It is anticipated that this will reduce future spend on escorts in line with the reduction in transport costs. Linked with the reduction in the numbers of children requiring to be transported across the city to have their needs met, this budget should reduce in line with the reduction in transport costs

(c) Teachers Long Term Absence budgets

This budget provides cover for situations where cover is required for teachers who are absent from school for over 10 teaching days. Reasons for such cover include maternity, paternity and illness cover. This is very much needs led budget which fluctuates on a month to month basis. The final expenditure level was £500k less than budget at £1.85m

(d) Out of Authority Placements

The budget has recently been re-profiled to reflect demographic changes and increases in residential fees and charges, which had not been taken into account in previous years. The financial position at 31 March 2017 - the period prior to the re-profiling of the budget - is an overspend of £4.1m, (Children's Social Work £2.4M and Inclusion £1.7m).

Officers from across the directorate are undertaking a rigorous review of case files, systems and processes. Children's social work has commissioned evidence based work, based on successes in two Scottish Authorities, to identify and return a number of young people to Aberdeen. These young people will require support in education to maintain them in the City, and this necessitates close working between social work and the inclusion team. In addition, the re-design of our children's homes, combined with a foster care recruitment drive will ensure we are better able to meet the needs of some of our most vulnerable young people within Aberdeen City.

It should be noted that this budget is subject to external factors outwith our direct control. This includes decisions made by Children's Hearing Panel, the Sheriff and the need to respond to children and young people who present harm to themselves and or others and require specialist care.

(e) Energy

Energy costs were £700k less than budget. It should be noted that these figures reflect a continuing period of mild winters, and this could change if there was a prolonged cold spell.

(f) Water costs

Water budgets are £600k less than budget which is made up of reduced charges reflecting water consumption and contractual changes as well as the release of provision for outstanding historical charges which are no longer now required.

(g) Unitary Charge Payments

The Unitary Charge Budget was £180K under budget mainly as a result of reduced insurance costs, plus contractual monitoring efficiencies.

(H) Direct Payments

The three areas of overspend, relate to children with disabilities and are both needs led as well as being specifically linked to the assessment of individual children's levels of care.

Non Housing Capital Programme

- 3.3 The Service Determined Minimum Required is assessed every month by services with support from the SIP Programme Manager and officers from the Programme Management Office, Asset Management and Finance. New governance arrangements implemented in December have introduced a more robust milestone approach to project monitoring which is driving financial re-profiling exercises across the capital plan.
- 3.4 Appendix 2 shows a breakdown by project of spend to date and applicable supporting information.

4. FINANCIAL IMPLICATIONS

General Fund Revenue

- 4.1 The total revenue budget amounts to £208.6m net expenditure. The final unaudited position was an overspend £2.3m
- 4.2 Further details of the financial implications are set out in section 5 and appendix 1 attached.

General Fund Capital

- 4.3 The monies required to fund these projects are achieved through external borrowing, capital receipts and grant income. These projects are all accommodated within the Non-Housing Capital Programme. Any underspend, carry forward or overspend will have implications for the programme. As part of the Council's five year business plan, capital expenditure is now monitored within a five year timescale where appropriate. This has given budget holders the ability to profile across the full five years. In year monitoring will continue, alongside monitoring the complete Capital Programme.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of

6. MANAGEMENT OF RISK

General Fund Revenue

To ensure that a balanced budget is achieved the service will need to consider options available to reduce net expenditure.

7. IMPACT SECTION

Economy

- 7.1 The Council has a duty to ensure that best value is considered in all of its operations and this report helps to inform that process.

People

- 7.2 An Equality and Human Rights Impact Assessment was completed and it concluded that the proposal did not disproportionately impact on persons with protected characteristics compared to persons without such characteristics.

Place

- 7.3 There are no implications with respect to Place.

Technology

- 7.4 This report is a status report therefore has no impact on further advances technology for the improvement of public services and/ or the City as a whole.

8. BACKGROUND PAPERS

Financial ledger data extracted for the period. Financial ledger data extracted for the period.

9. APPENDICES

The following appendices are attached to this report.

Appendix 1- Service Monitoring Reports
Appendix 2- Non Housing Capital Report

10. REPORT AUTHOR DETAILS

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