
Report to: People Committee

Date of Meeting: 16 September 2021

Subject: Financial Performance 2021/22 June 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, 2021/22. This is based on forecast information as at June 2021.

2.0 Recommendation

- 2.1 The Committee is asked to note this report, commenting and challenging as appropriate on:
- the forecast General Fund revenue overspend relating to the People Directorate for the year of £2.149m, and
 - delivery of planned savings in the year forecasted to achieve 85.3%

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 £2.149m for the year ended 31 March 2022.

- 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 for the year.
- 4.4 Covid19 continues to impact the delivery of Services as we move through the Recovery phase of the pandemic. Elements of the variances attributable to Covid19 are shown within the appendix. The Council received funding during 2020/21 and 2021/22 and will look to allocate this funding to cover overspends relating to Covid19 as appropriate.

5.0 2021/22 Savings Progress

- 5.1 The 2021/22 budget incorporated approved savings of £2.126m. Of this total £0.682m is attributable to the People Directorate.
- 5.2 Based on analysis to date, savings of £0.582m (85.3%) are forecast to be achieved, with the remaining £0.100m (14.7%) forecast as unachievable in 2021/22.
- 5.3 **Appendix 3** provides details of budgeted 2021/22 savings progress and shows further detail of the savings that have been identified as either Green or Red. Services supported by the accountancy team continue to work to achieve the approved savings or identify compensatory savings by the end of the financial year.
- 5.4 In addition to the savings above, within Corporate Services in the Performance & Partnership Directorate there is an unachievable corporate saving which relates to a deferred saving for People Directorate restructure. This restructure continues and 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 £2.149m for the year.
- 6.2 Of the associated approved savings of £0.682m, £0.582m is forecast to be achieved with the remaining £0.100m being forecast as unachievable in 2021/22.

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 has 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

11.1 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 June 2021

Appendix 2- Forecast Variances at June 2021

Appendix 3- Summary Savings by Directorate at June 2021

14.0 Background Papers

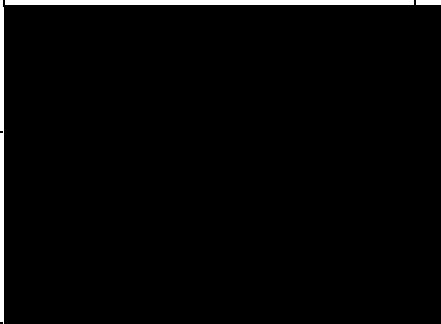
14.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Chief Finance Officer	
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People Summary 2021/22

at 30 June 2021

	<i>Annual Budget 2021/22 £'000</i>	<i>Forecast to March 2022 £'000</i>	<i>Variance Forecast to Budget £'000</i>
Strategy & Customer Services	1,604	1,726	123
Executive Team	64	65	1
Development & Environmental	499	494	(5)
Education Service	59,965	60,336	372
Social Services	15,429	17,088	1,659
	77,560	79,709	2,149

	Annual Budget 2021/22	Forecast to March 2022	Variance Forecast to Budget at June	Variance due to Covid	Variance due to Non Covid	Narrative
People	£'000	£'000	£'000	£'000	£'000	
Strategy & Customer Services	1,604	1,726	122	162	(40)	The extended closure of the Leisure Facilities along with the restricted methods of operation continue to have a major impact on the services ability to generate the expected income budget. The June Forecast is that there will be a shortfall of £0.178m in income for this financial year. As a consequence of the above there has been a reduction in the requirement of relief staff to cover the opening of the facilities along with reduced performing rights expenses. This has produced an underspend of £(0.055)m to partially mitigate the loss of income. The Service continues to look at ways of reducing the impact of the loss of income.
Executive Team	64	65	1	0	1	
Development & Environmental	499	494	(5)	(5)	0	Economic Development: forecast underspend £(0.005)m due to reduced volume of clients as a result of Covid.
Education						
Devolved Schools	31,279	31,279	0	0	0	Devolved Schools are forecast on budget as any under or overspends are carried forward.
Early Years	9,576	9,820	243	24	219	Early Years are forecast to overspend by £0.243m made up as follows, Kidzone Out of School care £0.024m overspend relating to reduction in Income due to reduction in client numbers part offset by reduction in staffing & non staffing costs due to Covid restrictions. ABC Nursery is £0.087m overspent due to historic unachievable Income budget part offset by reduction in staffing & non staffing expenditure as the facility is now closed. There is a projected overspend of £0.132m in Nursery provision with forecast overspends in staffing and non staffing budgets part offset by underspend in supply costs. The 1140hrs funding of £5.045m is forecast on budget as any underspend can be carried forward however it is likely to be fully utilised this financial year.
ASN Non Devolved	5,419	5,484	65	0	65	ASN Non Devolved is forecasting an overspend of £0.065m. This mainly relates to a £0.089m overspend in Learning Assistants due to increasing demand part offset by a £(0.024)m underspend in other staffing budgets due to staff turnover and vacant posts.
Primary Non Devolved	219	235	16	0	16	Primary Non Devolved is currently forecasting an overspend of £0.016m within the core budget which consists of staff turnover £(0.028)m and £0.044m non staffing overspend (Parent Pay charges , Seemis, Equipment & property works less unallocated per capita budget). Within Teachers "flexibility" a balanced budget is being forecast. It should be noted that until devolved staffing budgets are re-aligned to reflect Academic Year 2021-22 schools staffing requirements there will be a degree of uncertainty around balances in "flexibility".
Secondary Non Devolved	1,493	1,563	70	12	58	Secondary Non Devolved is forecast to overspend by £0.070m. £0.064m relates to Music income as for Academic Year 2021-22 fees can no longer be charged and although there will be funding available to help mitigate this it is anticipated it will not cover all budgeted income which was increased by £0.069m in 2018-19 as a savings proposal based on an increase in charges, (£0.012m of this is related to Covid non delivery of lessons), the remaining £0.006m overspend is a combination of small variances.
PPP Budget	8,507	8,507	(0)	0	(0)	PPP Schools Budget is currently forecasting on budget
Pupil Equity Funding	1,832	1,832	(0)	0	(0)	Pupil Equity Funding (P.E.F) is allocated on an Academic Year basis and any underspend is carried forward with the requirement that it is fully spent by July of the following year.
Business Management	683	642	(41)	0	(41)	Business Management is reporting an underspend of £(0.041)m. Made up of; vacant post and staff turnover £(0.066)m, Training £0.013m , long service awards £0.006m and NHS Income shortfall £0.006m.

	Annual Budget 2021/22	Forecast to March 2022	Variance Forecast to Budget at June	Variance due to Covid	Variance due to Non Covid	Narrative
People	£'000	£'000	£'000	£'000	£'000	
Sports Development	187	226	39	74	(35)	Sports Development is reporting an overspend of £0.039m. A reduction in Income in various programs due to COVID less associated savings of in casual sports coaches and equipment of £0.074m part offset by underspend due to discontinuation of some programs £(0.035)m.
Other Areas	770	748	(21)	0	(21)	Forecast outturns in other areas include; Psychology Service is forecast on budget, School Crossing Patrols is forecasting an underspend of £(0.011)m, and Youth and Adult Services forecasting an underspend of £(0.010)m all mainly as a result of staffing vacancies.
Total Education	59,964	60,336	372	110	262	
Social Services						
Children's Commissioned Services	686	836	150	0	150	Overspend relates to payments to third sector organisations.
Corporate Parenting	6,915	7,878	962	425	537	The main pressure points are: External Fostering forecast overspend - £0.331m; There are currently 56 external foster placements, numbers increased by 18 during 2020/21, many of these being related to Covid19, representing additional costs of £0.425m. The number of internal foster cares has remained stable at 31. External foster care is high cost and an area that is being actively addressed through the use of Family Group Decision Making, Restorative Practice and the more bespoke and targeting of commissioned services. Kinship Payments forecast overspend - £0.241m Volume of Kinship payments has increased by 10% since February 2021, rising from 82 to 90. Although this increases the cost against budget, increasing Kinship payments should be seen as a favourable outcome, both from a LAAC and a financial point of view as it avoids higher cost alternatives. Children with Disability/Self Directed Support is forecasting an overspend of £0.160m in relation to high cost demand led care and £0.180m on Section 22 Payments.
Fieldwork Children And Families	2,091	1,990	(101)	0	(101)	Forecast to underspend by £(0.101)m as a result of staffing vacancies.
Residential Placements	2,802	3,592	790	1,100	(310)	At the end of June there were 23 children in residential placements (6 Education only, 17 Social Care/Education) with a forecast overspend of £0.744m. Numbers have risen by 3 since the start of the year with 6 placements related to Covid 19 at a cost of £1.100m. Overall there are signs that number of children in high cost external residential placements is on a downward trajectory. Since June 2021 there have been two discharges from external placements and a further discharge is due to take place imminently. In addition a further two young people are the focus of planned discharges. The financial impact of these moves will be factored in to the August outturn when the details of the new placements are confirmed. Expenditure on out of area education is forecast to overspend by £0.046m. This budget relates to 20 children receiving educational support from other local authorities. The budget allowed for an inflationary increase of 1% (£30,000). To date four providers have notified the Council of fee increases ranging from 1% to 4% at a total cost of £27,000 - further increase are expected from the remaining 13 providers at the start of the new academic year.
Permanence Team	290	198	(92)	0	(92)	The Permanence Team has a specific focus on establishing long term arrangements for children and young people and is forecast to underspend by £(0.092)m due to staffing vacancies.
Strategy And Planning	379	457	78	0	78	Overspend as a result of a shortfall in income from other local authorities.

	<i>Annual Budget 2021/22</i>	<i>Forecast to March 2022</i>	<i>Variance Forecast to Budget at June</i>	<i>Variance due to Covid</i>	<i>Variance due to Non Covid</i>	<i>Narrative</i>
People	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
Management Support	879	733	(146)	0	(146)	Underspent as a result of staffing vacancies
Criminal Justice Service	1,387	1,405	17	0	17	Forecast overspend of £0.017m within mainstream activities. At this point it is unclear whether this will be covered by additional Scottish Government funding.
Total Social Services	15,429	17,088	1,659	1,525	134	
Directorate Total	77,560	79,709	2,149	1,792	357	

Management Efficiencies

Service Reference	Division	Description of Saving	2021/22 £	Achieved/Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £	Service Updates
PEMGT2	People	External recharges to Regional Improvement Collaborative - CASH	79,830	79,830				Saving achieved Education & Executive Team
PEMGT3	People	Devolved school management savings	40,009	40,009				Saving likely to be achieved
PEMGT5	People	Saving on subscription- Community L&D	3,600	3,600				Saving achieved
PEMGT6	People	Saving on Book Fund	5,000	5,000				Saving achieved
PEMGT7	People	PPP insurance rebate	7,000	7,000				Saving likely to be achieved
PEMGT8	People	Speech & Language therapy	37,000	37,000				Saving likely to be achieved
PEMGT9	People	Devolved underspend- CASH	100,000	100,000				Saving achieved
PEMGT10	People	Educational Psychology post into mental health	30,000	30,000				Saving likely to be achieved
PEMGT11	People	Review of high cost placements	100,000			100,000		There is currently a review of Commissioned Services for Children underway and this saving will not be achieved in 21/22 but will move to 22/23
Total		Management Efficiencies	402,439	302,439	0	100,000	0	

Transformation

Service Reference	Division	Description of Saving	2021/22 £	Achieved/Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £	Service Updates
PEMGT1	People	Transforming secondary curriculum	247,275	247,275				Saving likely to be achieved
	People	Transforming Early Years Curriculum	32,000	32,000				Saving achieved
			279,275	279,275	0	0	0	

Summary By Type	2021/22 £	Achieved/Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £
Management Efficiencies	402,439	302,439	0	100,000	0
Policy	0	0	0	0	0
Prior Years	0	0	0	0	0
Transformation	279,275	279,275	0	0	0
Total Division	681,714	581,714	0	100,000	0