
Report to: People Committee

Date of Meeting: 18 November 2021

Subject: Financial Performance 2021/22 August 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 August 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 £1.794m, 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. 4.1 Overall the Directorate's net service expenditure is forecasting an overspend of £1.794m for the year ended 31 March 2022. This is a favourable

movement of £(0.354)m since the June Outturn report to this Committee on 16 September 2021.

- 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 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 showing the breakdown of savings that have been identified as being achievable (Green) and the saving that is unachievable (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 is ongoing and the saving will be reviewed as part of this work.

6.0 Conclusions

- 6.1 The Directorate's net service expenditure is forecasting an overspend of £1.794m 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 August 2021

Appendix 2- Outturn variances at August 2021

Appendix 3- Summary Savings by Directorate at August 2021

14.0 Background Papers

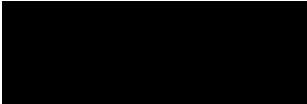
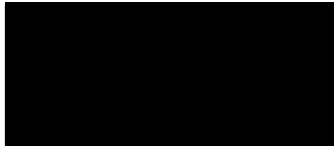
14.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Chief Finance Officer	
Lorraine Sanda	Strategic Director People	

People Summary 2021/22

Appendix 1

As at August 2021

	Annual Budget 2021/22 £'000	Forecast to March 2022 £'000	Variance Forecast to Budget £'000	Variance as at Jun-21 £'000	Variance Movement From Previous Forecast £'000
Strategy & Customer Services	1,603	1,703	100	122	(22)
Executive Team	64	65	1	1	0
Development & Environmental	499	462	(37)	(5)	(32)
Education Service	59,966	60,269	303	371	(68)
Social Services	15,429	16,856	1,427	1,659	(232)
	77,560	79,355	1,794	2,148	(354)

People	Annual Budget 2021/22	Forecast to March 2022	Variance Forecast to Budget at August	Variance due to Covid	Variance due to Non Covid	Variance Forecast to Budget at June	Movement in variance June to August	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Strategy & Customer Services	1,603	1,703	100	100	0	122	(22)	Libraries: forecast underspend of £(0.032)m,, movement of £(0.002)m from June due to reduced level of relief staff required. Leisure: forecast overspend of £0.132m, movement of £(0.020)m from June. Overspend due to shortfall in income of £0.154m. This still remains an area that could change before year end. Employee Expenditure is forecast to underspend by £(0.022)m an improvement of £(0.020)m from June due to staff leaving and low level of demand to fill posts. Posts being covered by current staff to offset reduced income.
Executive Team	64	65	1	0	1	1	0	Small forecasted overspend
Development & Environmental	499	462	(37)	(15)	(22)	(5)	(32)	Economic Development: £(0.037)m underspend, £(0.032)m movement - £(0.015)m underspend, £(0.010)m movement due to reduced volume of clients as a result of Covid; £(0.022)m underspend, £(0.022)m movement in the training unit as there is no more planned uptake through this as it is winding down.
Education								
Devolved Schools	31,279	31,279	0	0	0	0	(0)	Devolved Schools: forecast on budget as any under or overspends are carried forward. The current estimated overspend of £0.007m is reflected within Primary Non devolved flexibility, this consists of: (£0.375m) Primary, £0.123m Secondary and £0.259m ASN.
Early Years	9,576	9,710	134	39	95	243	(109)	Early Years: forecast to overspend by £0.134m made up as follows: Kidzone Out of School care £0.038m overspend relating to reduction in Income due to reduction in client numbers part offset by reduction in both staffing & non staffing costs. ABC Nursery is £0.086m overspent due to historic unachievable Income budget part offset by reduction in both staffing & non staffing costs as the facility is now closed, there is a projected overspend of £0.010m in mainstream nursery provision with forecast overspends in both 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. The movement of £(0.109)m is reduction in income at Kidzone £0.015m offset by staff turnover in mainstream nursery provision of £(0.124)m
ASN Non Devolved	5,452	5,538	86	0	86	65	21	ASN Non Devolved: forecasted overspend of £0.086m. £0.089m overspend in Learning Assistants due to increasing demand, building works at Lochies £0.010m, legal costs £0.009m, Accessibility strategy £0.018m and £0.004m others. Partly offset by £(0.044)m underspend in other staffing budgets due to staff turnover & vacant posts. The movement of £0.021m is Accessibility strategy £0.018m, Lochies building works £0.004m, legal costs £0.009m and staff turnover £(0.010)m.
Primary Non Devolved	(450)	(400)	50	0	50	16	34	Primary Non Devolved is currently forecasting an overspend of £0.050m. Within the core Primary non devolved budgets a £0.043m overspend consists of staff turnover (£0.016m), Probationers waivers £0.027m and £0.032m non staffing overspend (Parent Pay charges , Seemis, Equipment & property works less unallocated per capita budget). Within Teachers "flexibility" a £0.007m overspend for DSM is being forecast. It should be noted that until devolved staffing budgets are re-aligned to reflect Academic Year 21-22 schools staffing requirements there will be a degree of uncertainty around balances in "flexibility". The movement of £0.034m relates to an increase in DSM overspend £0.006m, Probationers £0.027m and others £0.001m.

	Annual Budget 2021/22	Forecast to March 2022	Variance Forecast to Budget at August	Variance due to Covid	Variance due to Non Covid	Variance Forecast to Budget at June	Movement in variance June to August	Narrative
People	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Secondary Non Devolved	1,493	1,558	65	0	65	70	(5)	Secondary Non Devolved: forecasted overspend of £0.065m. £0.064m relates to shortfall in Music income for Academic Year 21-22 as fees can no longer be charged. It is anticipated that funding to help mitigate this will not cover the full shortfall, amount to be confirmed. The remaining £0.001m overspend is a combination of small variances. The movement of £(0.006)m relates to staff turnover
PPP Budget	8,507	8,507	0	0	(0)	0	(0)	PPP Schools Budget is currently forecasting on budget
Pupil Equity Funding	2,469	2,469	0	0	(0)	0	(0)	Pupil Equity Funding (PEF) is allocated on an Academic Year basis and any underspend is carried forward with the requirement that it is fully spend by July of the following year.
Business Management	683	662	(21)	0	(21)	(41)	20	Business Management: forecasted underspend of £(0.020)m. Vacant post and staff turnover £(0.054)m, Training £0.013m, long service awards £0.006m, NHS Income shortfall £0.006m and Council contribution to Raising Aspirations in Science Education (RAISE) £0.009m. The movement of £0.020m is due to RAISE £0.009m previously forecast on budget and staff turnover £0.011m.
Sports Development	187	197	10	45	(35)	39	(29)	Sports Development: forecasted overspend of £0.010m. A reduction in Income in various programs due to COVID £0.135m less associated savings of casual sports coaches and equipment of £(0.090)m, part offset by underspend due to discontinuation of some programs £(0.035)m. Movement of £(0.029)m: £(0.016)m due to increase in forecasted ski income less associated costs and staff turnover of £(0.013)m.
Other Areas	770	749	(21)	0	(21)	(21)	0	In other areas, underspend of £(0.021)m mainly within staffing across: Psychology Service £(0.005)m, School Crossing Patrols £(0.014)m, and Youth and Adult Services £(0.002)m.
Service Total	59,966	60,269	303	84	219	371	(68)	

People	Annual Budget 2021/22	Forecast to March 2022	Variance Forecast to Budget at August	Variance due to Covid	Variance due to Non Covid	Variance Forecast to Budget at June	Movement in variance June to August	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Social Services								
Children's Commissioned Services	686	836	150	0	150	150	0	Overspend relates to payments to third sector organisations.
Corporate Parenting	7,234	7,846	612	425	187	871	(259)	The main pressure points contributing to the forecasted overspend are: External Fostering £0.450m and Kinship Payments £0.162m. There are 66 children in external fostering placements, an increase of 11 since the start of the year. External Foster placements increased by 18 during 2020/21, many of these being related to Covid19. 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. There has been a positive movement since June as a result of slippage in recruitment £(0.074)m, additional income £(0.070)m and a reduced forecast for Day Care £(0.085)m.
Fieldwork Children And Families	2,072	2,135	63	0	63	(101)	164	Forecast overspend of £0.063m as a result of pressures within Section 22 spend £0.120m and a shortfall in income £0.060m offset by an underspend on staffing of £(0.117)m. The movement is due to a increased forecast for staffing following recruitment £0.045m together with a revised forecast for Section 22 payments of £0.100m.
Residential Placements	2,702	3,334	632	1,100	(468)	790	(158)	At the end of August there were 20 children in educational placements (6 Education only, 14 Social Care/Education) with a forecast overspend of £0.572m The favourable movement is the result of Numbers falling by 3 since the start of the year. There are six ongoing placements related to Covid 19 at a cost of £1.100m. Overall there are some signs that the number of children in high cost external residential placements is on a downward trajectory, with two young people planning to move into their own tenancies Oct - Dec. Expenditure on out of area education is forecast to overspend by £0.060m. 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 increases are expected form the remaining 13 providers at the start of the new academic year.
Strategy And Planning	479	474	(5)	0	(5)	78	(83)	Underspend as a result of staffing vacancies with the movement the result of increased forecast for income.
Management Support	869	715	(154)	0	(154)	(146)	(8)	Underspend due to staffing vacancies with movement the result of additional income
Criminal Justice Service	1,387	1,516	129	0	129	17	112	The overspend is expected to be covered by short term Scottish Government Covid funding once spending plans are confirmed.
Total Social Services	15,429	16,856	1,427	1,525	(98)	1,659	(232)	
Directorate Total	77,561	79,355	1,794	1,694	100	2,148	(354)	

Management Efficiencies

Service Reference	Description of Saving	2021/22 £	Achieved/Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £	Service Updates
PEMGT2	External recharges to Regional Improvement Collaborative - CASH	79,830	79,830				Saving achieved
PEMGT3	Devolved school management savings	40,009	40,009				Saving likely to achieve
PEMGT5	Saving on subscription- Community L&D	3,600	3,600				Saving achieved
PEMGT6	Saving on Book Fund	5,000	5,000				Saving achieved
PEMGT7	PPP insurance rebate	7,000	7,000				Saving likely to achieve
PEMGT8	Speech & Language therapy	37,000	37,000				Saving likely to achieve
PEMGT9	Devolved underspend- CASH	100,000	100,000				Saving achieved
PEMGT10	Educational Psychology post into mental health	30,000	30,000				Saving likely to achieve
PEMGT11	Care cubed- 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	Description of Saving	2021/22 £	Achieved/Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £	Service Updates
PEMGT1	Transforming secondary curriculum	247,275	247,275				Saving likely to achieve
	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
Transformation	279,275	279,275	0	0	0
Total Division	681,714	581,714	0	100,000	0

85.3% 0.0% 14.7% 0.0%

