

## The Highland Council

### Education, Children and Adult Services Committee - 28 August 2014

Agenda Item	5
Report No	ECAS 21/14

### Revenue Budget Out-turn 2013/14 and Monitoring 2014/15

#### Report by Director of Care and Learning

#### Summary

This report provides details of the revenue financial out-turn for the financial year 2013/14 for the former Education, Culture & Sport, and Health & Social Care Services. The report also sets out the Care and Learning Service revenue monitoring position for 2014/15.

#### 1. Background

- 1.1 This report reflects the financial out-turn for 2013/14 for the former Education, Culture & Sport (ECS) and Health and Social Care (HSC) Service budgets. The figures are based upon the Council's unaudited financial statements for that financial year.
- 1.2 Due to the timing of the May Committee, this report represents the first out-turn projection for 2014/15 revenue budget monitoring. The statement is based upon the position to 30 June. The report highlights a number of issues and pressures in the current financial year, as well as proposed management actions.
- 1.3 The report also provides a commentary on progress in relation to budget savings for the current financial year, and an update in relation to supply cover for schools.

#### 2. Out-turn for 2013/14

- 2.1 **Appendices 1a and 1b** provide the out-turn monitoring statements for the former ECS and HSC Services respectively.

#### 2.2 Education, Culture and Sport

- 2.2.1 The ECS out-turn for 2013/14 was a net underspend of £0.079m representing a 0.03% variance. The overall position took account of a number of pressure areas which had been highlighted in reports to members during the year, offset by a number of mitigating underspends and management actions which brought the budget largely on target overall.

- 2.2.2 In relation to pressure areas, the main overspends were as follows:

- Secondary Education DSM £0.355m overspend – due to year end top ups of 8 school budgets which exceeded their maximum deficit carry forward.
- Additional Support Needs £0.955m overspend – due to an increased number of pupils with identified needs requiring additional staffing resource.
- School transport £0.287m overspend – due to an increased cost of routes.

- Catering, Cleaning and Facilities Management £0.284m overspend – due to increased food costs and difficulties in meeting challenging income targets.

2.2.3 The offsetting factors which resulted in the budget as a whole being a net underspend were as follows:

- Primary education DSM £0.270m underspend – due to 58 schools having a surplus which exceeded that allowable under the DSM scheme, and which was therefore returned to central funds.
- Schools general £0.832m underspend – due to a number of factors including probationer teacher funding, one-off rates revaluation appeals, and unused contingency budgets.
- Learning and Teaching £0.411m underspend – due to management actions to freeze non-essential expenditure and delay filling of vacant posts.
- Resources Teams £0.202m underspend – due to management action relating to freeze non-essential expenditure and delay filling of vacant posts.

## 2.3 Health and Social Care

2.3.1 The HSC out-turn for 2013/14 was a net overspend of £0.049m representing a 0.04% variance. The overall position took account of a number of pressure areas which had been highlighted in reports to members during the year, offset by a number of mitigating underspends and management actions which brought the budget largely on target overall.

2.3.2 The main areas of overspend were as had been highlighted during the course of the year, and were as follows:

- Disability teams and services £0.352m overspend on disability teams, residential care and respite.
- Fostering and adoption £0.256m overspend - pressure primarily attributed to independent placements.
- Looked after children £1.513m overspend – due to level of demand and cost of placements despite action taken to return young people to the Highlands where possible.
- Self directed support £0.249m overspend – increased demand.
- Management and planning £0.444m overspend – representing a saving target met from underspends in other areas of the children’s services budget.

2.3.3 The mitigating factors and management action taken to bring the budget as a whole in largely on target, were as follows:

- Specialist support for learning £0.652m underspend – largely due to vacancies, staff secondments and related budget savings.
- Early years/family resources £1.267m underspend – due to slippage from implementation of family team structures and staff vacancies.
- Health improvement £0.401m underspend – slippage in implementation of and recruiting to community health co-ordinators and healthy weight initiative.
- Nursing £0.431m underspend – underspend to offset saving target and other budget pressures.

2.4 In addition, there was £0.188m underspend on child health services provided as part of the commission with NHS Highland. In line with the Partnership Agreement, this sum has been carried forward into 2014-15 for consideration by the Partnership.

### **3. 2014/15 Revenue Monitoring**

3.1 Overall the Service forecasts a £1.682m overspend at this time, which represents a 0.4% variance against budget. **Appendix 2** sets out the monitoring statement for the period to 30 June.

3.2 The major pressure areas which resulted in budget overspends in the previous financial year, continue to present a financial challenge in 2014/15. There are also a number of 2014/15 budget savings which are 'red' in status, which increase pressure on the budget. Further information on progress in delivering savings is set out later within the report.

3.3 There continue to be management actions being taken, as well as some mitigating factors which will offset many of the pressure areas shown, but at this early stage in the year, the extent of mitigating areas of underspend is not easy to project. Managers are also actively identifying other actions which could be progressed to address the forecast overspend.

#### **3.4 Pressure Areas**

3.4.1 The following section highlights some of the key pressure areas, many of which are recurring themes from the variances set out in section 2 for the 2013/14 financial year.

- School transport £0.577m overspend – the pressures on school transport contracts in 2013/14 continue, and the position has been added to by budget saving targets in the current year which remain as 'red status', while cross service work continues to identify and implement more cost effective arrangements for integrated transport.
- Catering, Cleaning and Facilities Management - School catering, as was the case in 2013/14, continues to experience budget pressures as a result of school food costs increasing, and a potential shortfall in income based on forecast meals served. An overspend of £0.290m is forecast. This position reflects current forecasts, and will require review to take account of costs and funding related to implementation of free school meals in P1-3 effective from January 2015. Facilities Management (FM) – an update report on FM rollout was considered by the May Committee and within that report was a forecast overspend of £0.3m for phases 1-5 of the rollout, related to additional staff travel costs, training, equipment and additional services. £0.050m relates to one-off staffing cost changes.
- Additional Support – as a result of the budget allocation model agreed by Committee and additional resource built into area budgets, that aspect of the budget is assumed to be within target at this time. However, special school budgets are the main pressure area within Additional Support – Schools and have a forecast overspend of £0.5m.
- Looked after children £1.5m overspend forecast – as set out below, the Council has made a number of significant achievements in identifying alternatives to out of authority placements, and returning children to be supported within the Highlands. However, the budget remains under pressure, despite steps taken.

### 3.5 **Looked After Children**

- 3.5.1 In relation to out of authority placements, work is on-going to identify appropriate accommodation within Highland for young people who are currently out of area.
- 3.5.2 Since the last report to Committee in May 2014, additional provision has been found within Highland for a further 3 young people. 2 had previously been out of authority and 1 would have gone out of area had a flexible solution not been coordinated. The provision utilised includes; a former housing service property, a private rented property, and a supported flat. In total it is estimated that a saving of £0.371m will be achieved full year compared to the cost of the 2 former out of authority placements. In addition an avoided cost of up to £0.250m has been achieved from the newly presented case.
- 3.5.3 Further cost effective returns to Highland are planned to take place in the period from August to October, through identifying additional suitable Highland provision and matching this with appropriate young people. Progress on these will be reported to the next Committee in November.
- 3.5.4 Further information and data relating to out of authority placements, and alternative Highland provision is set out on **Appendix 3**.

### 3.6 **Mitigating Actions and Underspends**

- 3.6.1 As highlighted at section 2, in 2013/14 there were a number of mitigating actions and one-off gains which assisted in offsetting these pressure areas in that year. While many of these mitigating factors were one-off in nature and therefore not available to the Service in the current financial year, there are likely to be savings as a result of the new care homes in Tain and Muir of Ord, as well as efficiencies in Education and Additional Support Needs, and vacancy management across the Service.
- 3.6.2 In terms of further management action that will be required to address the residual overspend position, this will be focused on a number of themes:
- Savings monitoring – regular review of progress in implementing current budget savings, and identification of alternative proposals or acceleration of future savings to offset savings not achieved in 2014/15.
  - Reviews and collaboration - as part of the Council's transformation initiatives, a cross sector working group has been established by the Director of Community Services to explore options for improved integration and cost effectiveness of school and community transport provision. Through that group, it is expected potential options will emerge for consideration which may relieve pressure on the school transport budget over the medium-term.
  - Cost reduction and cost avoidance – officers will review all opportunities to effect cost savings, and engage with budget holders across the Service as appropriate to put in place management action around vacancy management and to restrict any discretionary or non-essential spending where possible.
- 3.7 At this early stage in the financial year, the scale of the projected overspend is significant in cash terms, and as highlighted earlier many of the mitigating events in 2013/14 are not available to the Service in 2014/15. Further options to address the overspend are being identified by management, and members will be updated through reports to future Committees.

#### **4. Budget Savings 2014/15**

- 4.1 In relation to the current financial year, the Care and Learning Service has a total saving target for the year of £4.308m. A statement setting out the status of each saving, on a RAG (Red, Amber, Green) basis is enclosed at **Appendix 4**. In total, £1.852m savings are classified as red or amber, where there is some element of risk around delivery of the saving. There are however, some partial savings forecast, or alternative savings identified which offset the position.
- 4.2 In overall terms, the impact of delayed delivery or non-achievement of certain savings is £1.244m in the current year. This position is reflected within the revenue monitoring position for the year set out in section 3, with management action to address the position as summarised within that section.

#### **5. Supply Cover**

- 5.1 In February members were updated on a number of initiatives which had been progressed in relation to Supply Cover for schools. Those initiatives could be analysed into two main themes; (1) administrative arrangements for booking supply cover, and (2) the pool of available supply cover.
- 5.2 In relation to administrative arrangements for supply cover, members will be aware of the out-of-hours pilot which commenced February 2014, with Highlife Highland administering the support and booking arrangements across 4 Associated School Groups (ASGs). The objective of the pilot was to provide out of hours cover as well as piloting the concept of improved efficiency and booking effectiveness from having a single booking function.
- 5.3 The pilot concluded at the end of the summer 2014 term, and an end of pilot review has taken place. Key comments arising from the pilot review are:
- While there are potential administrative benefits to be gained from a single booking service for supply cover, the main challenge remains lack of availability of supply cover staff.
  - The level of take-up of the Highlife Highland booking facility was variable, with 28% of the schools invited to participate, making some use of the facility. Many schools continued to make their own contact arrangements direct with supply cover staff.
  - While established on an out-of-hours basis, the vast majority (84%) of requests were actually received during the working day.
  - The level of fulfilment varied, with 23% of request fulfilled completely, and 50% of requests partly fulfilled.
  - The Highlife Highland facility was often used as a last resort, and after schools had already made their own efforts to secure supply cover in a number of cases. Anecdotally this may be a factor in the level of fulfilment, in addition to the issues with lack of available supply cover staff overall.
  - The availability of a system with real-time updating of supply cover availability would provide opportunities to significantly reduce the administrative burden.
- 5.4 In summary, the pilot has proven a useful exercise to explore alternative models for supply cover booking, and provided evidence to support the concept of a single function and real time data source to support supply cover booking. The pilot's success has however been constrained by the level of take up of the facility by

individual schools, and ultimately the level of supply cover staff ultimately available. Further feedback from schools within the pilot will be sought on their return, to identify any further improvement actions that could be considered.

5.5 The pilot has now been ceased. Further actions are proposed to tackle supply cover availability (see below), and further research will take place to identify what software solutions may be available to support supply cover booking, and assess the business case for any investment in new ICT solutions.

5.6 Given issues in relation to the pool of available supply cover, a further initiative being progressed relates to the appointment of 5 teachers on a full time basis to provide a pool which can be utilised to provide supply cover. The intention is this would be for a trial period during session 2014/15. Discussions are ongoing about location, management and booking arrangements for these posts. It is hoped that the 5 posts would be filled and operational following October holidays. A review of this trial approach would be undertaken to consider if this model merits further expansion.

## 6. Implications

6.1 **Resource implications** – as detailed in the preceding sections. At this time an overspend of £1.682m is forecast for 2014/15.

6.2 **Legal; Equalities; Climate Change/Carbon Clever; Risk and Gaelic and Rural implications** – nothing to highlight in relation to this report.

## 7. Recommendation

7.1 Members are asked to note:

- the out-turn position for 2014/15 for the former Education, Culture and Sport and Health and Social Care Services.
- the Care and Learning revenue monitoring statement for the period to 30 June 2014, financial pressures and mitigating actions as described within the report.
- that management will be pursuing further actions that can be considered in relation to the projected budget overspend for 2014/15.

Designation: Director of Care and Learning

Date: 15 August 2014

Author: Brian Porter, Head of Resources

<b>EDUCATION, CULTURE &amp; SPORT REVENUE OUTTURN REPORT</b>
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2013-14	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Variance
<b>BY ACTIVITY</b>			
Primary Education DSM	53,518	53,787	(270)
Secondary Education DSM	68,461	68,106	355
Special Education DSM	3,615	3,615	0
Nursery Education DSM	4,754	4,758	(4)
<b>TOTAL DSM</b>	<b>130,348</b>	<b>130,267</b>	<b>81</b>
Schools General	2,890	3,722	(832)
Learning & Teaching	2,693	3,103	(411)
Class Contact Reduction	3,200	3,286	(86)
PPP	25,283	25,336	(53)
Additional Support Needs	22,372	21,417	955
Hostels	1,013	1,009	4
Transport	13,538	13,251	287
Management Team	1,251	1,221	30
Pan Service	2,620	2,543	77
Resources Teams	2,323	2,525	(202)
Catering, Cleaning & Facilities Management	11,097	10,813	284
Client Manager & Retained Activities	1,821	1,936	(115)
HLH Management Fee	14,817	14,817	(0)
Grant & Management Fees	3,130	3,207	(78)
Gaelic	(267)	(246)	(20)
<b>TOTAL NON DSM</b>	<b>107,779</b>	<b>107,939</b>	<b>(160)</b>
<b>OVERALL TOTAL</b>	<b>238,127</b>	<b>238,206</b>	<b>(79)</b>

## HEALTH AND SOCIAL CARE SERVICE REVENUE OUTTURN REPORT

FINANCIAL YEAR 2013/2014	Actual Year To Date £000	Annual Budget £000	Year End Variance £000
<b>BY ACTIVITY</b>			
<b>Specialist Support for Learning</b>			
Additional Support for Learning (All)	2,451	2,882	-431
Educational Psychology	1,042	1,263	-221
	<b>3,493</b>	<b>4,145</b>	<b>-652</b>
<b>Early Years/Family Resources</b>			
Family Resources	3,321	4,338	-1,017
Pre school Services	4,054	4,304	-250
	<b>7,375</b>	<b>8,642</b>	<b>-1,267</b>
<b>Children's Social Care</b>			
Children and Families Teams	8,207	8,398	-191
Disability Teams and Services	3,384	3,032	352
Fostering and Adoption	3,888	3,632	256
Health Improvement	41	442	-401
Looked After Children (Residential) In house	2,623	2,755	-132
Looked After Children (Residential) Independent / 3rd Sector	10,698	9,185	1,513
Looked After Children (Through care & aftercare)	781	722	59
Self Directed Support (Direct Payments)	596	347	249
Youth Action Teams	1,439	1,485	-46
Specialist Services - Vol Orgs	505	505	0
	<b>32,162</b>	<b>30,503</b>	<b>1,659</b>
<b>Commissioned Child Health</b>			
Child Protection Advisors	327	377	-50
Health Improvement	41	44	-3
Management and Planning	172	-272	444
Nursing	4,425	4,856	-431
Primary Mental Health Workers	437	433	4
Voluntary Organisations	37	37	0
Allied Health Professionals	2,740	2,847	-107
	<b>8,179</b>	<b>8,322</b>	<b>-143</b>
<b>Commissioned Adult Services</b>			
	<b>87,489</b>	<b>87,489</b>	<b>0</b>
<b>Retained Adult Services</b>			
Older People - Care Homes	2,298	2,125	173
Training	194	275	-81
Adult Support & Protection	1,049	958	91
Out of Hours Social Work	358	339	19
	<b>3,899</b>	<b>3,697</b>	<b>202</b>

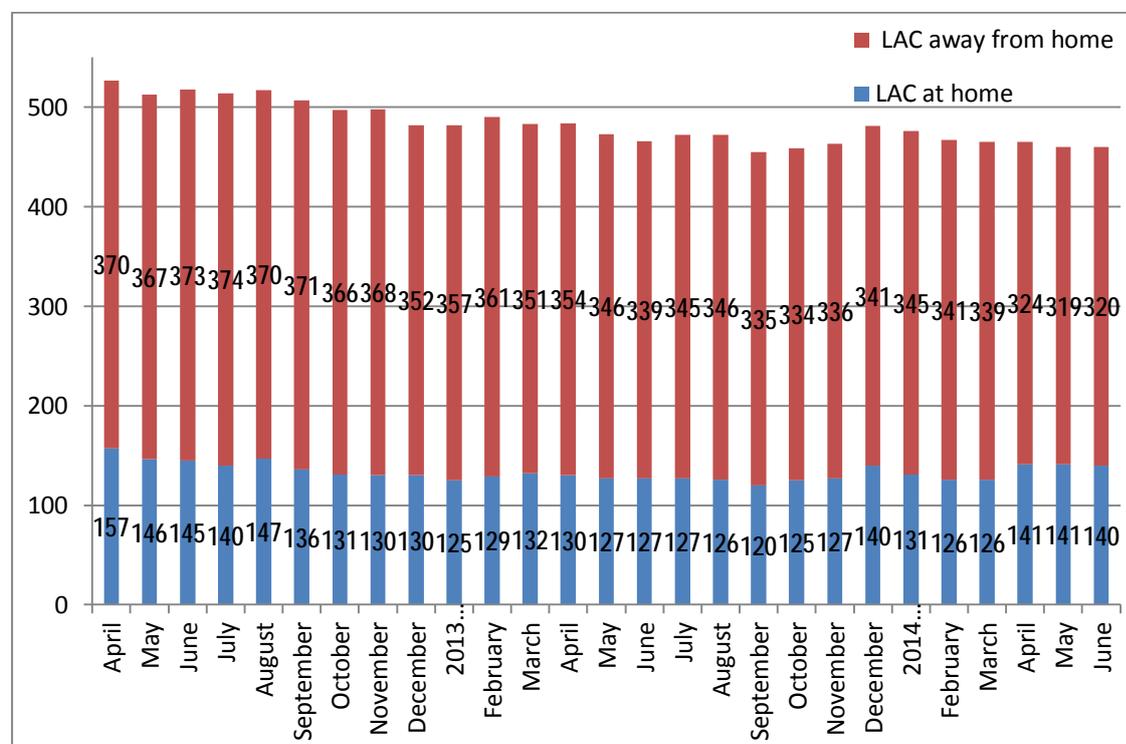
	<b>Actual Year To Date £000</b>	<b>Annual Budget £000</b>	<b>Year End Variance £000</b>
<b>Criminal Justice</b>			
Criminal Justice	91	30	61
People Misusing Drugs/Alcohol	44	55	-11
	<b>135</b>	<b>85</b>	<b>50</b>
<b>Mental Health Officers</b>	<b>1,094</b>	<b>997</b>	<b>97</b>
<b>Directorate &amp; Strategic Planning</b>			
Directorate & Service Business Support	1,039	1,045	-6
Pan Service (Insurance & Pension Costs)	243	62	181
Non Service Specific Property	557	629	-72
	<b>1,839</b>	<b>1,736</b>	<b>103</b>
<b>Income due from NHS for Child's Health Service</b>	<b>-8,483</b>	<b>-8,483</b>	<b>0</b>
<b>TOTAL HEALTH AND SOCIAL CARE</b>	<b>137,182</b>	<b>137,133</b>	<b>49</b>

## CARE AND LEARNING SERVICE REVENUE MONITORING REPORT

Jun-14	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
<b>BY ACTIVITY</b>				
<b>Education Services</b>				
Secondary Schools	19,604,443	63,948,872	63,948,872	0
Primary Schools	14,514,874	53,003,084	53,003,084	0
Schools General	(394,031)	9,610,829	9,589,831	(20,997)
Learning and Teaching	668,827	2,611,372	2,611,372	0
	<b>34,394,113</b>	<b>129,174,158</b>	<b>129,153,160</b>	<b>(20,997)</b>
<b>Adult Services</b>				
Commissioned Adult Services	571,075	92,471,090	92,471,090	0
Commissioned HLH Services	3,611,725	14,251,770	14,251,770	0
Other Leisure Services	283,899	1,773,226	1,773,226	0
Services for Vulnerable Adults	1,076,244	4,443,174	3,733,026	(710,148)
Grants to Voluntary Organisations	1,483,627	3,110,649	3,110,649	0
	<b>7,026,570</b>	<b>116,049,909</b>	<b>115,339,761</b>	<b>(710,148)</b>
<b>Service Management and Resources</b>				
PPP	4,322,916	25,716,180	25,709,864	(6,316)
School Transport	2,483,722	12,934,941	13,511,958	577,017
Catering, Cleaning and Facilities Management	2,783,797	11,261,485	11,843,241	581,757
Pensions, Insurance and Other Pan-Service Costs	1,070,777	2,636,614	2,628,464	(8,150)
Resources Teams and Property Costs	681,579	3,144,695	3,350,119	205,424
Service Management Team and Support	691,936	2,568,867	2,462,406	(106,461)
Hostels	238,119	864,526	999,330	134,804
	<b>12,272,844</b>	<b>59,127,308</b>	<b>60,505,382</b>	<b>1,378,074</b>
<b>Children's Services</b>				
Looked After Children	5,640,180	18,320,202	19,820,408	1,500,206
Family Teams	3,526,805	15,670,159	15,935,730	265,571
Childcare and Early Learning	2,628,449	12,162,212	11,694,766	(467,446)
Other Services for Children	1,018,259	5,478,188	5,323,657	(154,531)
Commissioned Children's Services Income from NHS	0	(8,675,252)	(8,675,252)	0
	<b>12,813,693</b>	<b>42,955,510</b>	<b>44,099,310</b>	<b>1,143,800</b>
<b>Additional Support Services</b>				
Additional Support- Schools	6,599,000	25,992,554	26,565,000	572,000
Specialist Additional Support Services	1,675,000	7,875,976	7,195,000	(681,000)
	<b>8,274,000</b>	<b>33,868,530</b>	<b>33,760,000</b>	<b>(109,000)</b>
	0	0	0	0
<b>TOTAL CARE AND LEARNING</b>	<b>74,781,220</b>	<b>381,175,415</b>	<b>382,857,614</b>	<b>1,681,729</b>
	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
<b>BY SUBJECTIVE</b>				
Staff Costs	47,447,864	198,677,441	198,301,724	(375,448)
Other Costs	31,346,665	205,798,064	207,321,067	1,523,425
<b>Gross Expenditure</b>	<b>78,794,528</b>	<b>404,475,505</b>	<b>405,622,791</b>	<b>1,147,977</b>
Grants	(2,092,943)	(6,647,473)	(6,630,131)	17,410
Other Income	(1,920,364)	(16,652,617)	(16,135,047)	516,342
<b>Total Income</b>	<b>(4,013,307)</b>	<b>(23,300,090)</b>	<b>(22,765,178)</b>	<b>533,752</b>
<b>NET TOTAL</b>	<b>74,781,221</b>	<b>381,175,415</b>	<b>382,857,614</b>	<b>1,681,729</b>

## Looked after Children

The overall number of looked after children in Highland has continued to reduce. In April 2012, there were 157 Looked after children at home, and 370 away from home. In June 2014, there were 140 and 320 respectively.



As previously reported, the definition of ‘out of authority placements’ that has been used over the years, no longer reflects the full use of this budget. This is because there are spot purchased placements in new, local independent children’s units within Highland, as well as commissioned placements in these units.

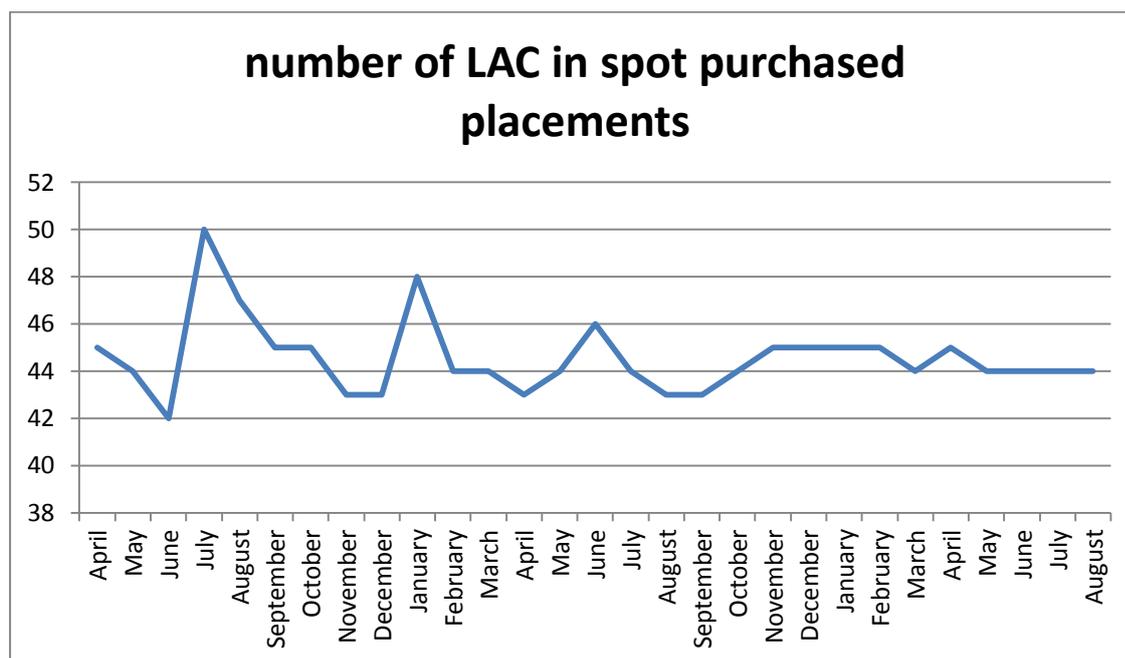
There are presently a total of 61 placements funded from the out of authority budget, which involve:

- Spot purchased care or care and education placements - 41
- Commissioned care placements - 17
- Education only placements - 2
- Secure Placement - 1

These involve 44 young people in spot purchased placements, from the following Areas of the authority.

- Mid Area: 3, plus 4 in Disability team
- North Area: 5, plus 1 in Disability team
- South Area: 19, plus 4 in Disability team
- West Area: 6, plus 2 in Disability team

The continuing trend in spot purchased placements is shown below:



During January 2014, a full analysis was undertaken of the 67 children who were out-of-area or in spot-purchased and commissioned beds within Highland to identify future intentions for their on-going plans. This included the children in residential schools, as well as others in independent care placements within the authority.

In July 2014, further assessment found that from the 67 original young people only 21 (31%) were out with the Highland area and from these 11 have return plans whilst 10 are deemed to have no suitable provision to return to in area.

In addition to the 3 young people returned to new local resources reported to Committee in May 2014 at a saving of £0.420M, additional provision has been found within Highland for a further 3 young people. 2 had previously been out of authority and 1 would have gone out of area had a flexible solution not been coordinated. The provision utilised includes; a former housing service property, a private rented property, and a supported flat. In total it is estimated that a saving of £0.371m will be achieved full year compared to the cost of the 2 former out of authority placements. In addition an avoided cost of up to £0.250m has been achieved from the newly presented case.

Further cost effective returns to Highland are planned to take place in the period from August to October, through identifying additional suitable Highland provision and matching this with appropriate young people. Progress on these will be reported to the next Committee in November.

**Summary of 2014/15 Agreed Savings Measures  
Care & Learning as at end July 14**

**APPENDIX 4**

Ref.	Activity Heading	Savings Proposal	Savings			
			2014/15 Agreed Budget Savings £m	Status R A G	2014/15 Projected Savings £m	Comments
H&SC/1	Youth Justice	Reduction of one Team Manager	0.025	G	0.025	
H&SC/2	Support Work	Redesign and reorganisation of Support Work	0.100	G	0.100	
H&SC/5	Mental Health Officers	Charge for Mental Health Officer Services, including for persons outwith Highland	0.025	R	0.025	Being achieved through non-filling of a post
H&SC/6	Social Work Training	Efficiencies in training across Health & Social Care	0.045	G	0.045	
H&SC/7	Womens Aid	Equalisation of housing support provision for Womens Aid, bringing it into line with support provided to other organisations	0.013	G	0.013	
H&SC/8	Educational Psychology	Reorganisation of Education Psychology provision	0.030	G	0.030	
H&SC/9	Childcare	Efficiencies in delivery by childcare providers	0.050	G	0.050	
H&SC/10	Health Promoting Schools	Mainstreaming of Health Promoting Schools leading to removal of support budget	0.075	G	0.075	
H&SC/11	Service redesign (care)	Reduce social care staffing, achieved through service redesign	0.075	G	0.075	
H&SC/12	Service redesign (ASL)	Reduce specialist Support for Learning staffing, achieved through service redesign	0.050	G	0.050	
H&SC/13	Throughcare & Aftercare	Reduce cost of Barnardo's Throughcare & Aftercare Service.	0.010	G	0.010	
H&SC/14	Drugs Alcohol Services	New funding arrangements within Highland Drug and Alcohol Partnership (HADP) from August 2013	0.108	R	0.108	Being achieved through non-filling of additional preventative spend substance misuse posts, and still being discussed with HADP

**Summary of 2014/15 Agreed Savings Measures  
Care & Learning as at end July 14**

**APPENDIX 4**

Ref.	Activity Heading	Savings Proposal	Savings			
			2014/15 Agreed Budget Savings £m	Status R A G	2014/15 Projected Savings £m	Comments
H&SC/15	Out of authority placements	Target to reduce number of placements - 2014/15	0.400	R	0.400	Saving non achievement offset by savings in expected cost increase of existing contracts.
ECS/1	Primary Devolved	Utilities - positive impact of bio-mass boilers and improved efficiency of existing heating systems, leading to lower energy costs	0.125	G	0.125	
ECS/2	Secondary Devolved	Utilities - positive impact of bio-mass boilers and improved efficiency of existing heating systems, leading to lower energy costs	0.115	G	0.115	
ECS/7	Vehicles	Replacement schedule for vehicles based on out-right purchase via Capital, leading to cost savings	0.080	R	0.000	Reviewing current vehicle replacement schedule to identify where opportunities exist to purchase vehicles outright
ECS/10	Curriculum Support	Conclusion of ICT Strategy implementation in schools by March 2014. Reduction in budget as project completed.	0.069	G	0.069	
ECS/12	Schools Lets	Reduce costs including overtime and increase income from school lets	0.050	G	0.050	
ECS/14	Gaelic Culture	Reduce budget for Gaelic grants by 3% per annum, with 2013/14 implemented 1 August. No impact on Adult Gaelic Education budget.	0.013	G	0.013	
ECS/15	Grants and Management Fees	Reduce Community Facility Grant budget by 3% p.a., with 2013/14 implemented 1 August	0.010	G	0.010	
ECS/16	Primary Devolved	Mothballing schools where low rolls give rise to concerns re educational and social opportunities.	0.060	R	0.000	There are no schools scheduled to be moth-balled this financial year and therefore alternative savings will need to be identified
ECS/17	Devolved budgets	Supply Cover - further impact of revised terms and conditions	0.067	R	0.000	Terms and conditions revised nationally during financial year 2013/14 which means that this saving cannot be achieved

**Summary of 2014/15 Agreed Savings Measures  
Care & Learning as at end July 14**

**APPENDIX 4**

Ref.	Activity Heading	Savings Proposal	Savings			
			2014/15 Agreed Budget Savings £m	Status R A G	2014/15 Projected Savings £m	Comments
ECS/18	Additional Support Needs	1% efficiency saving from August 2014	0.133	G	0.133	
ECS/19	Hostels	Saving for 2013/14 to be achieved by reducing operational budgets (training, equipment, bedding, furnishings etc) in all Hostels. Saving for 2014/15 to be achieved by cost reduction target of 10% including staffing	0.100	A	0.025	Operational costs are currently being reviewed to identify opportunities for further savings
ECS/21	Special Devolved	Revised staffing formulae to introduce reduction equivalent to 3% with effect from August 2013.	0.032	G	0.032	
ECS/23	School Transport	For those routes with significant unit costs, identify where alternative provision could be made including consolidation of routes.	0.420	R	0.000	The Integrated Transport project will take forward the identification of savings. At this stage the assumption is that no savings will be delivered this financial year.
ECS/24	Absence Management	Reduce absence rate by providing increased support for staff through closer liaison with Personnel service, Occupational Health and Employee Development Unit.	0.057	R	0.000	With improved management information there is the potential to reduce absenteeism. However, at the moment the assumption is that no savings will be achieved in this financial year.
ECS/25	Primary Devolved	Introduce group school Head Teacher post to manage larger groupings of schools.	0.350	R	0.000	This savings proposal is currently under review mainly as a result of the revised management/supervision levels required at an individual school level if this model is implemented.
ECS/26	Resource Management	Restructure resource management structures and related operational budgets in line with future business needs	0.158	G	0.158	

**Summary of 2014/15 Agreed Savings Measures  
Care & Learning as at end July 14**

**APPENDIX 4**

Ref.	Activity Heading	Savings Proposal	Savings			
			2014/15 Agreed Budget Savings £m	Status R A G	2014/15 Projected Savings £m	Comments
ECS/27	School Transport	Introduce charging for those pupils not entitled to transport provision	0.040	A	0.020	On-going discussions with colleagues in Community Services who are managing this project on behalf of Care & Learning Service
ECS/28	Curriculum Support	Align Determined to Succeed budget with future need. The budget to be targeted at specific areas of activity.	0.320	G	0.320	
ECS/29	Curriculum Support	Align Learning & Teaching budget with projected future need.	0.090	G	0.090	
ECS/31	Grants and Management Fees	Reduce Arts Grant budget by 3% pa, with 2013/14 implemented 1 August	0.005	G	0.005	
ECS/32	Grants and Management Fees	Reduce Sports Grants and Management Fees budget by 3% pa, with 2013/14 implemented 1 August	0.016	G	0.016	
ECS/33	Grants and Management Fees	Reduce Museums & Heritage Grants budget by 3% p.a., with 2013/14 implemented 1 August	0.008	G	0.008	
ECS/34	Grants and Management Fees	Reduce Youth and Adult Grants budget by 3% pa, with 2013/14 implemented 1 August	0.003	G	0.003	
ECS/35	Grants and Management Fees	Reduce funding from completed H2007 legacy, with effect from April 2014.	0.100	G	0.100	
ECS/36	Grants and Management Fees	Reduce grants to Eden Court and Inverness Leisure by 3% per annum with effect from April 2013.	0.046	G	0.046	
ECS/37	Income generation	Income generation through targeted sponsorship arrangements between schools and local companies to be explored, with links to employability opportunities for pupils where possible e.g. the sustainable energy industry	0.025	R	0.000	Discussions on on-going with CIP team re the opportunities to generate additional income
ECS/38	High Life Highland	Target of 3% pa efficiency for Highlife Highland funding arrangement	0.385	G	0.385	
ECS/39	Secondary Devolved	Develop all-through 3 to 18 school model through consultation	0.040	G	0.040	

Summary of 2014/15 Agreed Savings Measures  
Care & Learning as at end July 14

APPENDIX 4

Ref.	Activity Heading	Savings Proposal	Savings			Comments
			2014/15 Agreed Budget Savings £m	Status R A G	2014/15 Projected Savings £m	
ECS/40	Primary Devolved	Sustain Gaelic Medium provision - via consolidation of existing units within Associated School Groupings effective from August 2014.	0.060	R	0.000	The review of GM provision is ongoing. Any opportunities to consolidate provision will be progressed, although the timescales are longer than originally envisaged
ECS/41	Secondary Devolved	A 1% efficiency saving from secondary staffing through changes to the staffing formula. This saving can be achieved without detrimental impact on the national teacher numbers agreement.	0.175	G	0.175	
ECS/42	Cleaning	A 2% p.a. efficiency saving target for the building cleaning budget. To be achieved on a managed basis through vacancies/turnover of staff.	0.090	G	0.090	
ECS/43	Hostels	Merge the Portree Hostel into a single building (subject to capital investment)	0.060	R	0.030	Consolidation of pupils into a single facility, the Margaret Carnegie Hostel building, has taken place. Only partial savings achieved due to costs of former building until demolished.
<b>TOTALS</b>			<b>4.308</b>		<b>3.064</b>	

<b>SHORTFALL BETWEEN AGREED SAVINGS AND PROJECTED OUT-TURN</b>	<b>1.244</b>
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<b>Mitigating budget actions assumed within revenue monitoring report to end July 14</b>	
- Forecast variance on probationer teachers	0.936
- Underspend on childcare and early learning budget re 600 hours implementation	0.216
- Other miscellaneous savings (balance)	0.092

REDS	1.712
AMBERS	0.140
GREENS	2.456