

Financial Monitoring 2020/21 – General Fund Revenue**Report by Gary Fairley, Chief Officer Corporate Solutions****Report for Noting****1 Recommendations**

- a) Note the projected financial position and the work which is in place to secure improvement and otherwise;
- b) Note the contents of the report.

2 Purpose of Report / Executive Summary

The purpose of this report is to provide Council with information on projections of performance against service revenue budgets in 2020/21 and details of material variances against budget. The projected budget performance figures shown in appendix 1 result in a projected net overspend of £1.190 million for the year which is 0.54% of the revised budget.

The report also incorporates the financial impact of the Covid- 19 Pandemic as outlined in the Covid-19 Financial Update also on today's agenda and provides a projection of the General Fund Balance at 31st March 2021.

Date: 20 August 2020**Report Contact:**

Gary Fairley, Chief Officer Corporate Solutions

gary.fairley@midlothian.gov.uk

0131 271 3110

3 Background

This report covers all performance against budget with the exception of the additional costs incurred and lost income experienced as a consequence of the Covid-19 pandemic. These are separately reported in the accompanying "Covid-19 Financial Update" report on today's agenda and the net impact incorporated in the reserves projection.

The main areas of projected variance projected at quarter 1 are outlined below and covered in more detail at appendix 2. As ever, projections early in a financial year are difficult in many areas and come with a degree of risk. The exceptional operating environment across all services during the first quarter has only added to this.

Projected Overspends

- There remains £2.502 million of Medium Term Financial Strategy (MTFS) cost reductions that remain to be fully and permanently delivered in 2020/21. Clearly the pandemic has impacted on progress but officers are now working to deliver these at pace;
- Lost income of £0.389 million from reduction of or lower demand for chargeable Council Services.

These are partly offset by favourable movements against budget:

- The impact of vacant posts across the Council of £1.072 million. Many of these are posts which are within the scope of the MTFS proposals and will be removed from the Council's staffing establishment as reviews are progressed to completion;
- Reduced running costs in some service areas of £0.391 million;
- Lower demand for short term emergency homeless places combined with further efficiencies in the service giving rise to a projected underspend of £0.250 million;
- Residential Respite places for Children of £0.174 million.

Relevant senior officers are required to deliver recovery actions at pace for the service areas that are projecting overspends and accordingly it is anticipated that the net projected overspend will reduce over the remainder of the year once the impact of the recovery action is validated.

Whilst experiencing a reduction in the year for income from Planning Applications, Building warrants and registration fees it is anticipated that these represent deferred income which will be recovered later this year or most probably into the next financial year. Accordingly the 2020/21 budget has been adjusted to reflect this deferment of income.

As referenced in the Covid-19 Financial Update following relaxations intimated by the Scottish Government resources have been redirected

from the Early Years expansion ring fenced grant to assist in offsetting the additional costs of providing Early Learning and Childcare for Key Workers. Members should note that there has been no increase in the specific grant provided to deliver the 1,140 hours provision and accordingly this exacerbates the funding challenge which already existed as a result of the use of the National Registrars for Scotland 2016 population projections when compared to that required based on or own population growth projections.

The table below provides a summary of the financial impact of the pandemic and associated funding:-

	Impact	Government Grant	Flexibilities	Net Impact
	£m	£m	£m	£m
Response Costs	3.488	(1.190)	(0.913)	1.385
Net Income Loss	4.342	0	0	4.342
General Grant Support	0	(3.446)	0	(3.446)
	7.830	(4.636)	(0.913)	2.281

As highlighted above the divergence from budget is currently projected at £7.830 million excluding costs association with school reopening and also the impact of slippage in savings programmes as a consequence of the pandemic as outlined in appendix 2. Government funding to mitigate the divergence from budget currently stands at £4.636 million with a further £0.913 million of funding redirected from Early Years expansion and Pupil Equity funding.

In addition an initial estimate of £2.200 million has been made in respect of further government funding for the proposed income support scheme. The actual support received will however be dependent on both the quantum of funding and the conditions of the scheme and accordingly this initial estimate will be subject to further refinement as further details of the scheme are made available.

In addition at this time it is also assumed that the costs associated with Schools reopening will be contained with the quantum of the education recovery funding.

4 Delegation of resources to Midlothian Integration Joint Board

The approved budget provided for the allocation of £45.026 million to the Midlothian Integration Joint Board (MIJB) for the provision of delegated services. Minor technical adjustments to this allocation during the year to date reduce the allocation to £44.984 million.

In accordance with the Integration Scheme the MIJB is required to deliver delegated services within the budget allocations from the Council and NHS Lothian and where any overspend is projected to put in place a recovery plan to address that. As a last resort the integration

scheme allows for the MIJB to seek additional financial support from its partners, either by way of an additional budget allocation or by “brokerage” (provision of additional resources in a year which are repaid in the following year).

Additional costs incurred by the MIJB in response to the Covid-19 pandemic are expected to be funded by government and accordingly at this time the expectation is that this together with action by the MIJB will address any projected overspend and so no provision has been made for an additional budget allocation from the Council.

The next meeting of the MIJB is on 27 August 2020 where a financial update will be provided and papers for this meeting will be available on the following link:–

<https://midlothian.cmis.uk.com/live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1181/Committee/11/SelectedTab/Documents/Default.aspx>

5 General Fund Reserve

The projected balance on the General Fund as at 31 March 2021 is as follows:

	£ million	£ million
Reserve as at 1 April 2020		13.428
Less earmarked reserves utilised in 2019/20		(7.838)
General Reserve at 1 April 2020		5.590
<i>Planned movements in reserves</i>		
Council Transformation Programme Costs	(0.304)	
Severance Costs	(0.219)	
Deferred income for Planning, Building Control and Registrars	(0.421)	
		(0.944)
Overspend per appendix 1		(1.190)
General Fund Balance at 31 March 2021		3.456
<u>Impact of COVID-19 Response</u>		
Net COVID-19 Response Costs	(1.385)	
Net Loss of Income	(4.342)	
General Government Funding Support	3.446	
		(2.281)
Estimate of Income Loss Scheme funding		2.200
General Fund Balance at 31 March 2021		3.375

An element of the General Fund is earmarked for specific purposes and this is shown below:

	£ million
General Fund Balance at 31 March 2021	3.375
<i>Earmarked for specific purposes</i>	
Budgets earmarked for Council Transformation	(0.155)
Enhancement to Reserves earmarked for training	(0.199)
Deferred income	0.421

General Reserve at 31 March 2021**3.442**

The Reserves Strategy approved by Council on 12 February 2019 needs the Council to maintain an adequate level of General Reserve to provide a contingency for unforeseen or unplanned costs and that in the financial context at that time approve the adoption of 2% of net expenditure (excluding resources delegated to the IJB) to be considered a minimum. This equates to £3.3 million. Council also agreed that where projections indicate that should the 2% minimum General Reserve balance be breached an immediate recovery plan be implemented to recover the position, failing which, the next available budget would need to provide for the restatement of reserve position.

The projected General Reserve of £3.442 million is marginally above the minimum set in the Reserves Strategy but will only remain that way if there is no further adverse performance against budget or any further draw on reserves. There is also the continued uncertainty over the financial impact of the pandemic and funding assumptions together with essential response costs relating to weather conditions during the winter period.

Similarly there is clear expectation that there will be a recovery in the service overspends projected at quarter 1. The impact of this recovery action will be reflected in future projections when they are validated.

6 Report Implications (Resource, Digital and Risk)**6.1 Resource**

The projected performance against budget set out in this report presents the initial projections for the year. Work continues across the council to reduce overspends and to progress at pace delivery of approved savings.

Whilst this report deals with financial issues there are no financial implications arising directly from it.

6.2 Digital

Increased reliance and investment in digital solutions and digital first solutions will be a key element of future plans.

6.3 Risk

Section 95 of the Local Government (Scotland) Act 1973 requires all Local Authorities in Scotland to have adequate systems and controls in place to ensure the proper administration of their financial affairs.

The assessment of performance against budgets by services is underpinned by comprehensive financial management and budgetary control arrangements. These arrangements are central to the mitigation of financial risk.

Ensuring that adequate systems and controls are in place minimises the risk of significant variances arising, and where they do arise they help to ensure that they are identified and reported on and that appropriate and robust remedial action is taken. The primary purpose

of this report is to provide an assessment of projected performance against budget for the full year based on activity in the first quarter of the year. The material variances detailed in appendix 2 highlight that the financial management and budgetary control arrangements require continual review and enhancement if financial risk is to be effectively mitigated during the year.

There remains a risk that actual costs and income losses may increase as events unfold over the remainder of the year or if local or national restrictions are reintroduced.

There are a number of areas where effective forecasting of spend against budget is hindered due to ineffective feeder systems or incomplete service information which in previous years has resulted in previously unreported or significantly adjusted variances at the financial year end. In 2019/20 building repairs and maintenance, roads maintenance, waste disposal and home to school transport all fell into this category and they remain risk areas in the current financial year. Work continues to address the underlying issues and mitigate the risk associated with them.

The Council recognises the potential for compensation claims deriving from Scottish Government's Limitation (Childhood Abuse) (Scotland) Act 2017 which removes the three year time limit on claims of child abuse. Some claims will be historic and relate to Lothian Regional Council, Midlothian District Council or their predecessors and some will date post reorganisation and relate to Midlothian Council. In addition the extent to which the Council will be expected to contribute funding towards the National financial redress scheme is yet to be clarified. Both of these present a risk that would further reduce reserves from those currently projected. Further financial obligations may also arise as the implications associate with the United Nations Convention on the Rights of the Child Bill are more fully understood.

6.4 Ensuring Equalities

As changes to existing plans are developed the assessment of the impact of these proposals in relation to their impact on equalities and human rights will be carried out. This will help to ensure wherever possible that there are no negative impacts on equality groups or potential for infringement of individuals' human rights from the any of the proposals.

6.5 Additional Report Implications

See Appendix A

Appendices

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

The exiting financial plans support the delivery of the key priorities in the single Midlothian Plan. As the impact on the Council of the pandemic and recovery continues to unfold over the financial year any changes in the availability and allocation of resources will need to be considered in parallel to the actions proposed to continue to delivery key priorities.

A.2 Key Drivers for Change

Key drivers addressed in this report:

- Holistic Working
- Hub and Spoke
- Modern
- Sustainable
- Transformational
- Preventative
- Asset-based
- Continuous Improvement
- One size fits one
- None of the above

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- One Council Working with you, for you
- Preventative and Sustainable
- Efficient and Modern
- Innovative and Ambitious
- None of the above

A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value.

A.5 Involving Communities and Other Stakeholders

The development of the Medium Term Financial Strategy reflected a community consultation exercise carried out in 2019 which has also helped shape the drafting of the “Midlothian Promise” and the early development of the Council’s Longer Term Financial Strategy.

In addition there is continues engagement with the recognised Trade Unions on the financial position.

A.6 Impact on Performance and Outcomes

The Financial Strategy facilitates decision on how Council allocates and uses its available resources and as such has fundamental implications for service performance and outcomes. The financial consequences of the pandemic will impact on the availability and allocation of resources in pursuit of key outcomes as set out in the Single Midlothian Plan for both the immediate and longer term and therefore the ability of the Council to continue to deliver services in a financial sustainable manner.

A.7 Adopting a Preventative Approach

Maintaining the effectiveness of the Financial Strategy will support the prioritisation of resources to support prevention.

A.8 Supporting Sustainable Development

There are no direct sustainability issues arising from this report and we will work to mitigate as far as feasible any sustainability issues which arise as a consequence of any of the changes to existing plans.

Appendix 1-2 financial tables

MIDLOTHIAN COUNCIL

Appendix 1

GENERAL FUND 2020/21

Performance against budget (excluding COVID-19 response costs and loss of income)

Function	Approved Budget	Revised Budget Expenditure	Revised Budget Income	Revised Budget Net £	Outturn £	(Underspend) / Overspend £
Management and Members	1,799,964	2,009,487	(40,000)	1,969,487	1,939,487	(30,000)
Place						
Corporate Solutions	20,079,449	45,285,273	(24,992,093)	20,293,179	20,144,179	(149,000)
Place	28,471,902	41,133,549	(11,454,110)	29,679,439	30,616,439	937,000
Central Costs	1,077,662	2,030,571	0	2,030,571	2,562,571	532,000
People and Partnerships						
Midlothian Integration Joint Board	45,026,459	61,437,379	(16,453,826)	44,983,553	44,983,553	0
Non-Delegated Services - Sport and Leisure, Community Safety and Welfare Rights	2,166,657	7,617,493	(5,391,548)	2,225,945	2,140,945	(85,000)
Childrens Services, Partnerships and Communities	18,993,828	20,102,022	(530,699)	19,571,323	19,556,323	(15,000)
Education	98,415,896	120,840,777	(17,174,463)	103,666,314	103,666,314	0
Lothian Valuation Joint Board	572,441	572,441	0	572,441	572,441	0
Non Distributable Costs	1,238,688	1,238,688	0	1,238,688	1,238,688	0
GENERAL FUND SERVICES NET EXPENDITURE	217,842,947	302,267,681	(76,036,739)	226,230,941	227,420,941	1,190,000
Loan Charges	5,296,106	5,296,106	0	5,296,106	5,296,106	0
NDR Discretionary Relief	70,300	70,300	0	70,300	70,300	0
Investment Income	(560,736)	0	(560,736)	(560,736)	(560,736)	0
Allocations to HRA, Capital Account etc.	(5,140,617)	(5,140,617)	0	(5,140,617)	(5,140,617)	0
	217,508,000	302,493,470	(76,597,475)	225,895,995	227,085,995	1,190,000
less Funding:						
Scottish Government Grant	(163,031,000)	0	(163,067,775)	163,067,775	163,067,775	0
Council Tax	(54,477,000)	0	(54,477,000)	54,477,000	54,477,000	0
Utilisation of Reserves	0	302,493,470	(294,142,250)	8,351,220	9,541,220	1,190,000

Financial Monitoring 2020/21 – General Fund Revenue – Material Variances

Management and Members

Description of Variance	Reason for Variance	Quarter 1 £000	Additional information / Action taken
Vacancies and performance factor	Projected underspend due to vacancies and cost of Members.	(30)	
Net Underspend		(30)	

Place Directorate

Corporate Solutions

Description of Variance	Reason for Variance	Quarter 1 £000	Additional information / Action taken
Savings Targets / Vacancies	<p>A range of approved savings totalling £0.550 million are predicated on implementing permanent reduction in the staffing establishment as follows:</p> <ul style="list-style-type: none"> The balance associated with the Integrated Service Support Delivery Plan of £0.258 million; Realising savings of £0.040 million from a reduction in the contact centre staffing establishment from securing a reduction in failure demand relating to Waste Services. A savings target for Digital Lead Library Service of £0.100 million which will be realised from a reduction in the library service staffing establishment; A savings target for Revenues efficiencies of £0.106m which will be met by releasing posts from the establishment; 	(142)	<ul style="list-style-type: none"> Delivery plans are in place and will be completed and changes formally consolidated into the staffing establishment in this financial year; Improvement actions continue in conjunction with Waste Services to reduce the level of calls in respect of missed bins etc and further improvements will be supported by the replacement of the existing CRM system. A reduction in the staffing establishment has been achieved and is reflected in the vacancies noted below. Consolidation of these savings by formally reducing the staffing establishment will be completed by the end of the calendar year. A reduction in the staffing establishment has been achieved and is reflected in the vacancies noted below. Consolidation of these savings by formally reducing the staffing establishment will be completed by the end of the calendar year.

Description of Variance	Reason for Variance	Quarter 1 £000	Additional information / Action taken
	<ul style="list-style-type: none"> A Council wide target of £0.075 million for the introduction of Digital Solutions with £0.046 million consolidated into the staffing establishment <p>Vacancies across Services to a value of £0.692 million have been secured and held pending implementation of reviews and subsequent removal of posts from the establishment.</p>		<ul style="list-style-type: none"> A further reduction in the staffing establishment will be progressed over the remainder of the financial year. <p>These savings will be consolidated by formal changes to the service staffing establishment as noted above.</p>
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Service.	(7)	
Net Underspend		(149)	

Place

Description of Variance	Reason for Variance	Quarter 1 £000	Additional information / Action taken
Management Review	There is an outstanding Management Review Target of £0.891m. It is anticipated that vacancies held pending the review will mitigate this by £0.600m.	291	<p>Management Review proposals have been drafted and the formal Management of Change process has commenced in consultation with the staff in scope and unions.</p> <p>Delivery date: implementation forecast by Q3 2020/21</p>
Efficiency Target	A number of savings proposals not now deemed to be achievable have been incorporated instead into the Place Efficiency Target which totals £0.796m. Operational savings of £0.219 have been identified at this stage.	577	<p>Savings Plans have been submitted and validation continues to achieve the remaining balance of the efficiency target.</p> <p>Delivery date: implementation forecast by Q3 2020/21</p>
Commercial Properties	Shortfall of rental income partially offset by some cost savings.	83	It is difficult at present to forecast the impact of the COVID-19 pandemic on local business's capacity to meet their rental obligations.
Parking	A £0.066m increase in the car parking charges budget was approved by Council. Charges were suspended due to lockdown and are expected to be impacted for some time to come.	66	There is no change in charges or in the roll out of chargeable car parks.
Land & Countryside	Income from Burials.	178	A further review of the service offer will take place as benchmarking of our charges demonstrates that these are at the higher level and more cremations are taking place.
Homelessness	Works to convert Jarnac Court have been delayed due to construction restrictions.	63	Additional project measures requiring Council approval are reported on 25 August.

Description of Variance	Reason for Variance	Quarter 1 £000	Additional information / Action taken
			Delivery date: implementation forecast by Q2 2021/22
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Service.	29	
Gross Overspend		1,287	
<i>Offset by:</i>			
Catering Service	Financial Discipline across the Catering service not directly attributable to COVID-19.	(100)	
Housing & Homelessness	Increased provision at Eastfield supported temporary accommodation has resulting in increased service charge income. The number of Bed and Breakfast places taken up is lower than the 45 that was budgeted.	(136) (114)	From 1 st October there is a regulatory requirement to reduce the usage of B&B spaces, with stays of up to a maximum of 7 night's permitted thereafter this date. The plan in place is to reduce the number we currently use from 45 down to 5 from now until that date, reducing at a rate of 4 per week and budgeting for maximum 5 from 1 st October onwards as a contingency.
Net Overspend		937	

Central Costs

Description of Variance	Reason for Variance	Quarter 1 £000	Additional Information / Action taken
Savings Targets	Progress on delivering cost reductions relating to joint working and digital efficiencies across the Council are reliant on other partners and progress was hampered by Covid in the first quarter.	650	Work on joint working and digital service provision restarted in June with public and private sector partners with a follow up to the Council report of December 2019 now being prioritised.
Non Domestic Rates	Emergency measures introduced for COVID-19 lessens the Non Domestic Rates burden on the Council for owned premises.	(118)	
Net Overspend		532	

People and Partnerships Directorate

Health and Social Care - Non-Delegated Services - Sport and Leisure, Community Safety and Welfare Rights

Description of Variance	Reason for Variance	Quarter 1 £000	Additional information / Action taken
Wrap around care provision - holiday club	Income target of £0.075m is not yet delivered.	75	Active schools staff having been working in school hubs over the summer and plans are being finalised to deliver school holiday and after school programmes. With services being day provided in the October 2020 school holiday.
Management Review	There is an outstanding Management Review target of £0.151m. Delayed implementation has had a negative impact.	41	This saving will be achieved in full in 2021/22. Three management posts have already been removed from the structure, and a full bottom up review is underway.
Other Non-Material Variances	Miscellaneous over and underspends covering the remaining areas of the Service.	5	
Gross Overspend		121	
<i>Offset by:</i>			
Leisure Services running costs	Projected underspend in running costs of £0.185m.	(185)	It is very difficult to tell how changing behaviours will impact on this budget particularly given the current situation. <i>Any changes to expected opening dates will result in significant impact in this figure.</i>
Community Safety	A projected underspend on staffing within the Resolution and Mediation Team.	(21)	
Net Underspend		(85)	

Childrens Services, Partnerships and Communities

Description of Variance	Reason for Variance	Quarter 1 £000	Additional information / Action taken
Children's Services			
Family Placements	Placements previously with external agencies have moved to Midlothian Carers resulting in a significant saving.	46	Whilst the number of children that are being accommodated have actually increased the vast majority of cases have been picked up by Kinship Carers. At this stage it is too early to say if this is a growing trend but one that will continue to be monitored.
Residential and Day	There has been an increase in residential placements than	89	Individual placements can be both uncertain and expensive. As

Description of Variance	Reason for Variance	Quarter 1 £000	Additional information / Action taken
Education Placement	provided for in the budget.		a consequence there is a risk of the forecast changing significantly during the remainder of 2020/21.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the service budget.	4	No impact on frontline services
Gross Overspend		139	
<i>Offset by:</i>			
Non-residential services commissioned and provided for Children with and without disabilities	Taxi costs for children without disabilities.	(35)	A review of all taxi spend across Childrens Services and Education is underway. This will give a clearer picture of what is driving spend, what options exist for efficiencies and the outcome that taxis are only used when there is no other alternative available.
	Residential Respite	(174)	
Net Underspend		(70)	
Partnerships and Communities			
Vacancies and Performance Factor	There is a forecast overspend mainly relating to casual tutor staffing alongside non achievement of the Employee Performance Factor.	81	A review of all casual staffing and contracts will be carried out to establish terms and conditions. It has also been agreed to review which staff are directly linked with generating income.
Income shortfall for Community and Lifelong Learning	It has not been possible to generate income at budgeted levels.	62	
Gross Overspend		143	
CLL Running Costs	Due to some services not operating running costs will be lower than budgeted.	(88)	
Net Overspend		55	
Service Net Underspend		(15)	

Education

Description of Variance	Reason for Variance	Quarter 1 £000	Additional information / Action taken
Charging for Music Tuition	A projected under recovery on SQA charging to schools for Music tuition. Impact of schools being closed during the emergency	175	More detailed projections will be available once the 2020/21 school year starts and an update will be provided at Quarter 2. However initial assumptions based on 2019/20 experience are

Description of Variance	Reason for Variance	Quarter 1 £000	Additional information / Action taken
	response period and inability to deliver service.		for a further reduction in uptake given the ongoing national advice on the delivery of this type of instruction. The service is preparing to adapt its delivery model as a result of national advice and digital devices and risk assessments of suitable spaces within school buildings are underway. It is anticipated this service will restart from October 2020.
Visually Impaired Service	New contract with Royal Blind School lower than last years arrangement but still significantly higher than the budget set based on arrangements prior to 2019/20.	79	The new contract with the Royal Blind School is providing more effective support to children and young people. It is our statutory duty to provide this service and as such a supplementary estimate should have been sought to increase the funding allocated when the arrangements changed.
Savings Targets	The 20/21 budget provided for £2.983m of savings for the Education Service comprising of an efficiency target of £1.751 million alongside approved savings of £1.232 million. The current year impact is mitigated by planned underspends in schools as shown below.	2,335	Given the scale of the savings targets these can only be delivered through significant changes to our education delivery model which require statutory consultation. As a result of the lockdown period the service has been unable to progress any proposals which required formal consultation with a range of stakeholders, for example, P1/P2 school day, DSM review, denominational school review. The service is planning actively a revised timeframe for taking forward saving proposals and has taken steps to mitigate the impact of not achieving the identified savings.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the service budget.	61	
Gross Overspend		2,650	
<i>Offset by:</i>			
Schools	Schools are projected to underspend by £2.340 million. In accordance with current DSM rules allowing a carry forward of up to 1% for each school, £0.183 million of this would available for carry forward to 2021/22.	(2,340)	<p>Within the £2.340 million is:</p> <ol style="list-style-type: none"> 1) A 1% carry forward of £0.183 million; 2) Budget of £1.962 million not currently allocated to schools under the DSM scheme which can be considered for contributing towards the Education Efficiency target; 3) Term 3 staff savings due to COVID of £0.269 million. <p>Projections of spend against budget for schools are in advance</p>

Description of Variance	Reason for Variance	Quarter 1 £000	Additional information / Action taken
			<p>of the commencement of the 2020/21 school session thus have potential for significant change. At full Council 16 June the council agreed the appointment of additional staff to support the reopening of schools and children's learning. Funding from the Scottish Government does not cover fully the budget required and these additional costs will be factored into the school funding.</p> <p>An update on progress in delivering approved savings will be provided at Q2.</p>
Vacancies and Performance Factor	There are a number of vacancies across the Education service.	(310)	Strict vacancy control is applied with management action in place to minimise any impact on frontline service provision.
Net Overspend		0	