



## EDUCATION FOR LIFE SCRUTINY COMMITTEE - 24TH SEPTEMBER 2013

**SUBJECT: BUDGET MONITORING 2013-14**

**REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE**

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### **1. PURPOSE OF REPORT**

- 1.1 To outline the financial position for the Directorate, based on information available to the end of June / July 2013.

### **2. SUMMARY**

- 2.1 The report identifies any potential under / overspends currently forecast for 2013-14. The report considers the revenue position for the Directorate.

### **3. LINKS TO STRATEGY**

- 3.1 The report considers the use of resources within the Directorate to ensure that key strategies are achieved.

### **4. THE REPORT**

- 4.1 The report deals with the budget monitoring information for Education and Lifelong Learning (LL). The revenue position for the Directorate is summarised in Appendix 1, with a breakdown for the 3 service areas of Planning & Strategy; Learning, Education and Inclusion (LEI); and LL respectively.
- 4.2 The forecasted outturn position is based on actual income and expenditure details to the end of June / July 2013, together with data used to forecast income and expenditure. Account is also taken of the outturn position for 2012-13 and information available following discussions with Managers.

### **5. EQUALITIES IMPLICATIONS**

- 5.1 There are no direct equality implications to this information report, therefore no Equality Impact Assessment has been undertaken. All operational work undertaken to implement the Directorate's key strategies will be assessed individually as appropriate, in both Education and the Environment.

### **6. FINANCIAL IMPLICATIONS**

#### **6.1 Revenue 2013-14**

- 6.1.1 The report outlines the revenue budget position for Education & Lifelong Learning. The attached Appendix 1, provides projected revenue outturn figures for the financial year compared with the original budget to show anticipated under / (over) spends.

6.1.2 In summary a net underspend of £199k is currently forecast for the Directorate, this includes a projected £17k overspend in LEI. Planning & Strategy and Lifelong Learning are both projecting underspends of £159k and £57k respectively.

## 6.2 Planning & Strategy (Including Home to School Transport) – (Underspend £159k)

6.2.1 The main variances in this service area relate to the following :

	£'000
Administration	79
Pension Costs School Based Staff	40
School Meal Admin. & Utility Reimb.	20
Additional Recreation	20
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Total	159

6.2.2 The Administration budget variance relates principally to in year vacancies and additional income generation. The income is principally grant related.

6.2.3 The projected variance on the Early Retirement Pension Costs for School Based Staff is based on actual charges invoiced for 2012-13 plus an inflationary increase. This projection will require updating in October following receipt of information for the first 6 months of the year from Torfaen and Rhondda Cynon Taff Borough Councils.

6.2.4 The variance relating to the reimbursements made to schools for administration, utility and telephone costs in relation to school meals is consistent with recent trends. This is also the case with regards to additional recreation, which relates principally to ad hoc grounds maintenance work.

6.2.5 To advise that whilst the Home to School / College Transport budget is managed by the Engineering Division, Directorate of Environment, any variances are ring fenced to Education. A breakeven budget is currently projected, this will be reviewed following completion of contracts for the new academic year.

6.2.6 In summary the net projected variance for Planning & Strategy is an underspend of £159k.

## 6.3 Learning, Education & Inclusion – (Overspend £17k)

6.3.1 The most significant variances within LEI are as follows:

	£'000	£'000
<u>Social Inclusion</u>		
Psychological Service	32	
Education Welfare Service	14	46
<u>Additional Learning Needs</u>		
ALN Advisory Support Service	30	
Additional Support (Primary & Secondary)	(100)	
Language Support Primary	38	(32)
EOTAS		(71)
Service Support & Resources		51
Net Other		(11)
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Total		(17)

6.3.2 The projected underspend in the area of Social Inclusion relates principally to additional one off grant income for the Psychology Service.

- 6.3.3 The variance with regards to the Advisory Support Service relates to the secondment of 2 members of staff to Schools to the end of August. Similarly the variance on Language Support is linked to a secondment to a grant funded post. The projected variance against the Additional Support budget will need to be closely monitored in the Autumn Term, the projection is in line with an increase in spending in the Spring Term.
- 6.3.4 Recoupment will need to be reviewed in the Autumn Term, there are currently no indications that this area will be a budget pressure. As Members are aware, the cost of this provision can be very high for each child and at this early stage in the year there remains some uncertainty with regards to any potential new provision requirements.
- 6.3.5 The projected variance in relation to EOTAS (Education other than at School), is based on an increase in spend relating to Home Tutors. The projection is in line with our experience in the previous financial year.
- 6.3.6 The saving on the Central Support Team relates principally to a vacant post which forms part of the Directorates Medium Term Financial Strategy moving forward.
- 6.3.7 In summary, the net projected variance for Learning, Education & Inclusion is an overspend of £17k.

#### 6.4 **Life Long Learning & Leisure – (Underspend £57k)**

- 6.4.1 In 2013-14 the main budget variances are as follows:

	£'000
Community Education	20
Community Centres	17
Libraries	20
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Total	57

- 6.4.2 These variances relate principally to in year vacancy savings. In part these savings form part of the Directorates Medium Term Financial Planning Strategy and have been achieved in advance of the reduced budget requirement.
- 6.4.3 There are currently no other significant variances for Lifelong Learning.

#### 6.5 **Summary**

- 6.5.1 In summary, based on information currently available there is a projected revenue saving for the Directorate of £199k. In part some of these savings are linked to the Directorates Medium Term Financial Planning Strategy. The budget monitoring process is on-going.
- 6.5.2 In line with previous Cabinet decisions, service area reserves can be utilised to enhance service provision. For Members to be aware, Special Cabinet on the 23rd July agreed to the transfer of £600k of Education service reserves to the 21<sup>st</sup> Century Schools match funding provision.

### 7. **PERSONNEL IMPLICATIONS**

- 7.1 To note that efficiency savings through vacant posts are reflected in the financial figures reported. In 2013-14 the Directorate will continue with the strategy of prudent vacancy management.

## **8. CONSULTATIONS**

8.1 Consultation discussions and responses have been reflected in this report.

## **9. RECOMMENDATIONS**

9.1 Members are requested to note the contents of this report and the budget monitoring information in Appendix 1.

## **10. REASONS FOR THE RECOMMENDATIONS**

10.1 The Council Budget is based on the achievement of both expenditure and income targets. In order to ensure that these are met and the Council's financial integrity maintained Directors are required to review income and expenditure trends.

## **11. STATUTORY POWER**

11.1 Local Government Act 1972.

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Appendices:

Appendix 1: Projected Revenue Outturn Figures 2013-14.