



**EDUCATION FOR LIFE SCRUTINY COMMITTEE –  
25TH SEPTEMBER 2012**

**SUBJECT: BUDGET MONITORING 2012-13**

**REPORT BY: CORPORATE DIRECTOR – EDUCATION & LIFELONG LEARNING AND  
LEISURE**

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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 2012.

**2. SUMMARY**

- 2.1 The report identifies any potential under / overspends currently forecast for 2012-13. 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 Life Long Learning & Leisure (LLL). 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 LLL respectively.
- 4.2 The forecasted outturn position is based on actual income and expenditure details to the end of June / July 2012, together with data used to forecast income and expenditure. Account is also taken of the outturn position for 2011-12 and information available following discussions with Managers.

## 5. FINANCIAL IMPLICATIONS

### 5.1 Revenue 2012-13

5.1.1 The report outlines the revenue budget position for Education & Leisure. The attached Appendix 1, provides projected revenue outturn figures for the financial year compared with the original budget to show anticipated under / (over) spends. The Report includes details for all Service areas that it has recently been agreed will transfer to the Directorate of the Environment. Timescales have not allowed for these changes to be fully implemented in the financial ledger but we will be looking to make these changes in time for the next Education Scrutiny Report. Consequently, the next report will not include Leisure Services (including Outdoor Education), Sports and Arts, these will be reported through Scrutiny for the Directorate of the Environment.

5.1.2 In summary an underspend of £1,448k is currently forecast for the Directorate, which consists of an underspend in all 3 service areas. Planning & Strategy (including Home to School / College Transport) is projecting a variance of £710k, Learning, Education & Inclusion a variance of £227k and LLL a variance of £511k.

### 5.2 Planning & Strategy (Including Home to School Transport) – (Underspend £710k)

5.2.1 The significant variances in this service area relate to the following :

	£'000
Pension Costs School Based Staff	100
Administration	199
Other	11
Home to School / College Transport	400
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Total	710

5.2.3 The projected variance on the Early Retirement Pension Costs for School Based Staff is based on actual charges invoiced for 2011-12 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.

5.2.4 The Administration underspend relates predominantly to in year vacancies, additional income generation and a projected saving on general office costs. The post vacancies are in line with the Authority's vacancy management policy and form part of the Directorates Medium Term Financial Planning moving forward.

5.2.5 The Home to School / College Transport budget is managed by the Engineering Division, Directorate of Environment, the projected variance of £400k is ring fenced to Education and is therefore included as part of the Directorates projected underspend for the year.

5.2.6 In summary the net projected variance for Planning & Strategy is an underspend of £710k, of which £400k relates to Home to School / College transport.

### 5.3 Learning, Education & Inclusion – (Underspend £227k)

5.3.1 The most significant variances within LEI are as follows :

	£'000	£'000
<u>Social Inclusion</u>		
Psychological Service	27	
Education Welfare Service	7	
Learning Centre	17	
Include	10	61
<u>Additional Learning Needs</u>		
ALN Advisory Support Service	98	
Learning Support	(33)	
Additional Support (Primary & Secondary)	44	
Inter Authority Recoupment Post 16	(60)	49
<u>Recoupment</u>		
Looked After Children Out of County	(28)	
SEN Out of County Placements	135	107
Early Years		(77)
Music Service		140
Net Other		(53)
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Total		227

- 5.3.2 The projected underspend in the area of Social Inclusion relates principally to additional one off grant income for the Psychology Service.
- 5.3.3 The variance with regards to the Advisory Support Service relates to the secondment of 2 members of staff to Schools, this is a one off saving. The projected variance against the Additional Support budget is a direct consequence of measures instigated and in recent years this has formed a significant element of the Directorates Medium Term Financial Strategy. As reported in the previous financial year it is anticipated that this saving will now level off. The variance with regard to the Post 16 Recoupment is the consequence of Welsh Government currently advising that 90% of funding is confirmed. In recent years funding has been typically been at 100% but the Authority has not had this confirmed until late in the financial year.
- 5.3.4 There is currently a projected underspend of £107k on the cost of Out of County Recoupment. As Members are aware the cost of this provision is very high for each child and there remains some uncertainty with regards to any potential new provision requirements.
- 5.3.5 The projected variance in relation to Early Years is the direct consequence of a significant increase in the number of pupils (rising 3's). This is being closely monitored.
- 5.3.6 The variance on the Music Service, relates principally to in year staff savings and SLA additional income. This projection is consistent with an underspend in 2011-12.
- 5.3.7 In summary, the net projected variance for Learning, Education & Inclusion is an underspend of £227k. This level of under spend is consistent with a target, for this area of service, of £280k as per the Medium Term Financial Plan for 2013-14.

## 5.4 Life Long Learning & Leisure – (Underspend £511k)

5.4.1 In 2012-13 the significant budget variances for LLL are as follows :

	£'000
Leisure Centres / Service	193
Play & Outdoor Leisure	(89)
Libraries	394
Other (Net)	13
<b>Total</b>	<b>511</b>

5.4.2 The variance with regards to the Leisure Centres relates primarily to vacant posts and an end to the repayment of recent investment initiatives. These savings form part of the Directorates Medium Term Financial Planning Strategy and have been achieved in advance of the reduced budget requirement.

5.4.3 The projected overspend on Outdoor Leisure is principally due to a one off spend required with regards to the Senghenydd multi use games area.

5.4.4 The projected saving with regards to the Library Service relates primarily to the £395k growth provided to the Directorate in the 2012-13 budget for the new Caerphilly Library development. Since this development is not expected to open in 2012-13, this is a one off full year saving of the growth allocated.

5.4.5 Currently there are no other significant variances for Life Long Learning & Leisure and the projected underspend is estimated at £511k of which £395k relates to the growth for Caerphilly Library.

## 5.5 Summary

5.5.1 In summary, based on information currently available there is a projected revenue saving for the Directorate of £1,448k. In part some of these savings are linked to the Directorates Medium Term Financial Planning Strategy. The budget monitoring process is on-going.

5.5.2 In line with previous Cabinet decisions, service area reserves can be utilised to enhance service provision. For Members to be aware, Cabinet on the 17<sup>th</sup> July agreed to the transfer of £800k of Education service reserves to the 21<sup>st</sup> Century Schools match funding provision. In addition a proposal to transfer £1.2m of General Fund reserves, again for 21<sup>st</sup> Century match funding, is to be referred to Council for approval.

## 6. EQUALITIES IMPLICATIONS

6.1 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.

## 7. PERSONNEL IMPLICATIONS

7.1 To note that efficiency savings through vacant posts are reflected in the financial figures reported. In 2012-13 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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Appendix 1: Projected Revenue Outturn Figures 2012-13.