



EDUCATION FOR LIFE SCRUTINY COMMITTEE - 15TH JANUARY 2013

SUBJECT: BUDGET MONITORING 2012-13

REPORT BY: CORPORATE DIRECTOR OF EDUCATION AND LIFE LONG LEARNING

1. PURPOSE OF REPORT

- 1.1 To outline the financial position for the Directorate, based on information available to the end of October 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 (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 October 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.
- 4.3 As advised in the September budget monitoring report to Scrutiny, this update now excludes the areas of service that have transferred in year to the Directorate of the Environment. The financial position for Leisure Services (including Outdoor Education), Sports and Arts are now reported through Scrutiny for the Directorate of the Environment. The transfer of these service areas accounts for a budget transfer in excess of £4m. In addition, Members are advised that as part of the Authority's Asset Management Strategy, approximately £570k of rental & buildings repairs and maintenance budgets, within Libraries, has now transferred to Corporate Services, Property & Performance. This budget will now be managed in conjunction with the Library Service. Details of the Directorates revised budget are included in Appendix 1.

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.

6. FINANCIAL IMPLICATIONS

6.1 Revenue 2012-13

- 6.1.1 The report outlines the revenue budget position for Education & Life Long Learning. The attached Appendix 1, provides projected revenue outturn figures for the financial year compared with the revised budget to show anticipated under / (over) spends.
- 6.1.2 In summary an underspend of £1,071k 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 £351k, Learning, Education & Inclusion a variance of £480k and Life Long Learning a variance of £240k.

6.2 Planning & Strategy (Including Home to School Transport) – (Underspend £351k)

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

	£'000
Pension Costs School Based Staff	150
Additional Recreation	53
School Meal Admin/Utility/Telephone Reimb.	39
Other	(31)
Home to School / College Transport	140
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Total	351

- 6.2.2 The projected variance on the Early Retirement Pension Costs for School Based Staff has recently been updated following the receipt of information for 2012-13 from Torfaen Borough Council. An estimate is included for charges from Rhondda Cynon Taff Borough Council based on 2011-12 figures plus an inflationary increase.
- 6.2.3 The variance with regards to additional recreation, which relates principally to ad hoc grounds maintenance and outdoor education, is consistent with recent years. The variance relating to reimbursements made to schools for administration, utility & telephone costs in relation to school meals, is also consistent with trends.
- 6.2.4 A projected underspend of £400k was previously reported in relation to the Home to School / College Transport budget (managed by the Engineering Division, Directorate of Environment). This level of underspend is still projected, however following a Report to Council 23rd October 2012, regarding the temporary relocation of Cwmcarn High School, this variance is now ring fenced towards the additional transport costs in relation to the School. It is anticipated that the underspend on transport is now reduced to £140k, in year, due to the impact of additional costs to 31st March 2013. In addition an amount of £200k has been made available from Local Management of Schools contingencies, towards the additional Cwmcarn High School costs.
- 6.2.5 In summary the net projected variance for Planning & Strategy is an underspend of £351k, this includes a projected £140k on Home to School / College Transport.

6.3 Learning, Education & Inclusion – (Underspend £480k)

6.3.1 The most significant variances within LEI are as follows :

	£'000	£'000
<u>Social Inclusion</u>		
Psychological Service	34	
Behaviour Support	18	
Education Welfare Service	12	
Include	11	75
<u>Additional Learning Needs</u>		
ALN Advisory Support Service	127	
Learning Support	(34)	
Additional Support (Primary & Secondary)	13	
Language Support Primary	10	
Hearing & Language Service / ComiT	(33)	
Inter Authority Recoupment Post 16	(41)	42
<u>Recoupment</u>		
Looked After Children Out of County	(3)	
SEN Out of County Placements	174	171
Active Pathways		54
Education Achievement Service		(77)
Music Service		191
Net Other		24
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Total		480

- 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, 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.
- 6.3.4 There is currently a projected underspend of £174k 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.
- 6.3.5 The projected variance in relation to Active Pathways is the direct consequence of a reduced need for one course being delivered from Ystrad Mynach College, for this group of pupils.
- 6.3.6 The variance of £77k in relation to the new Education Achievement Service relates to the part year effect (September to March) of a contribution towards administration, building rental and Human Resource support costs. These cost pressures are being reviewed as part of the medium term financial planning for 2013-14.

- 6.3.7 The variance on the Music Service, relates principally to in year staff savings and SLA additional income.
- 6.3.8 In summary, the revised net projected variance for Learning, Education & Inclusion is an underspend of £480k.

6.4 **Life Long Learning – (Underspend £240k)**

- 6.4.1 Further to the recent budget virements to the Directorate of the Environment, the updated budget variance position for Life Long Learning are as follows :

	£'000
Community Education	70
Community Centres	35
Libraries	148
Other (Net)	(13)
Total	240

- 6.4.2 The variance in relation to Community Education relates to a vacant post which forms part of the Directorates medium term financial plan for 2013-14. The variance on the Community Centres budget relates principally to a one off part year saving on a Principal Officer post.
- 6.4.3 The projected Library Service saving relates primarily to the growth in the 2012-13 budget for the new Caerphilly Library development. Since this development will not now open in 2012-13, this is a one off full year saving of the growth allocated. It is currently anticipated that the new development will be operational towards the end of financial year 2013-14.
- 6.4.4 There are no other significant variances for Life Long Learning and the projected underspend is estimated at £240k.

6.5 **Summary**

- 6.5.1 In summary, based on information currently available there is a projected revenue saving for the Directorate of £1,071k. In part some of these savings are linked to the Directorates Medium Term Financial Planning Strategy. The budget monitoring process is on-going.

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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Appendices:
Appendix 1 Projected Revenue Outturn Figures 2012-13