



## EDUCATION FOR LIFE SCRUTINY COMMITTEE – 6TH MARCH 2014

**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 December 2013 / January 2014.

### **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 December 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 £487k is currently forecast for the Directorate, this includes a projected underspend in all 3 service areas. The variances are £206k in Planning & Strategy, £12k in Learning Education & Inclusion and £269k in Lifelong Learning.

## 6.2 Planning & Strategy (Including Home to School Transport) – (Underspend £206k)

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

	£'000
Administration	57
Pension Costs School Based Staff	50
Relief Supply Cover (Special Resource Bases)	80
Additional Recreation / Grounds Maint.	60
Net Other	(41)
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Total	206

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 consistent with the outturn position for 2012-13. This projection follows an update from Torfaen Borough Council on charges for the year.

6.2.4 The relief / supply cover budget funds the school costs of sickness in the Special Resource Bases and maternity leave. The nature of this budget means that there is a level of uncertainty, however based on current data this level of underspend is realistic.

6.2.5 The additional recreation / grounds maintenance budget is reporting a variance which in part is consistent with previous years. However, it also includes a one off £18k saving due to the 9 month closure of Cwmcarn Leisure Centre. Elements of this budget form part of the medium term savings in 2014-15.

6.2.6 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. No significant variance is currently projected (this excludes the additional transport costs associated with the temporary relocation of Cwmcarn High School, which is reported separately).

6.2.7 In summary the net projected variance for Planning & Strategy is an underspend of £206k.

## 6.3 Learning, Education & Inclusion – (Underspend £12k)

6.3.1 The most significant variances within LEI are as follows:

	£'000	£'000
<u>Social Inclusion</u>		
Psychological Service	35	
School Based Counselling	42	
		77
<u>Additional Learning Needs</u>		
ALN Advisory Support Service	60	
Additional Support (Primary & Secondary)	(416)	
Language Support Primary	50	(306)

Recoupment (SEN Out of County / LAC)	340
EOTAS	(140)
Performance Incentive Initiatives (Literacy & Numeracy)	(81)
Families First Central Admin. Team	45
Net Other	77
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Total	12

- 6.3.2 The projected underspend in the area of Social Inclusion relates principally to additional one off grant income for the Psychology Service and an in year vacancy due to a maternity absence in the School Based Counselling Team.
- 6.3.3 The variance with regards to the Advisory Support Service relates to the secondment of 2 members of staff in Schools. Similarly the variance on Language Support is linked to a secondment to a grant funded post. The projected variance against the Additional Support budget is being closely monitored, as spend has increased significantly over the last 12 months. The increase is closely linked to an increase in Statements around ASD (Autistic Spectrum Disorder), which is a national trend.
- 6.3.4 The underspend on the Recoupment budget (Special Educational Needs and Looked After Children), is significant. This projected saving is based on current placements and an estimate for additional need, but remains uncertain due to the often emergency nature of the placement. Whilst the level of spend on the additional support budget has increased, this cost is significantly less than the cost of a child placed in an Out of County School on either a daily or residential placement.
- 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 and placements.
- 6.3.6 The additional spend on literacy and numeracy initiatives are directly related to a corresponding saving on the Advisory Support Service and Language Support Service.
- 6.3.7 In summary, the net projected variance for Learning, Education & Inclusion is an underspend of £12k.

#### 6.4 **Life Long Learning & Leisure – (Underspend £269k)**

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

	£'000
Community Education	120
Early Years Team	97
Libraries	35
Community Centres	17
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Total	269

- 6.4.2 The principal variance, within Community Education, relates to a one off variance of £90k in relation to the Genesis II Project, which ran from October 2008 to September 2013. This follows clarification from Welsh Government around the eligibility of match funding expenditure included in previous claims. This saving offsets an overspend position in 2012-13.

6.4.3 In 2013-14 an element of staff time within the Authority's Early Years Team has been directed towards the priorities of the Flying Start agenda. Consequently funding for 2.5 full time equivalent posts is eligible to be charged to the Flying Start Grant. This intervention will have a positive impact on the transition for children from Early Year's provision into schools. In part this saving forms part of the Directorates Medium Term Financial Planning Strategy and has been achieved in advance of the reduced budget requirement.

6.4.4 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 £487k. 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 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