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The following report is an Information Item for the Education Scrutiny Committee.

- 1 Budget Monitoring 2021/22 (Period 5).



## **EDUCATION SCRUTINY COMMITTEE – INFORMATION ITEM**

**SUBJECT: BUDGET MONITORING 2021/22 (PERIOD 5)**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND  
CORPORATE SERVICES**

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

1.1 To inform Members of the projected 2021-22 outturn position for the Directorate of Education and Lifelong Learning (LL) based on the most recent information available.

### **2. SUMMARY**

2.1 The report identifies projected under / overspends currently forecast for 2021-22 (full details attached in Appendix 1).

2.2 In summary the current projected outturn position for Education and Lifelong Learning is an underspend of £551k. The projected outturn position for Corporate Services is an underspend of £875k, consequently overall the projected outturn position for Education and Corporate Services is an underspend of £1,426k.

### **3. RECOMMENDATIONS**

3.1 Members are requested to note the contents of this report.

### **4. REASONS FOR THE RECOMMENDATIONS**

4.1 To ensure that Members are fully informed with regards to the 2021-22 projected revenue spend position for Education & Lifelong Learning.

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

## 5. THE REPORT

- 5.1 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 split across 3 areas, Schools Related, Education Related and Lifelong Learning (LL) related respectively.
- 5.2 The projected outturn position is based on actual income and expenditure details to the end of August 2021, together with data used to forecast income and expenditure. Account is also taken of the outturn position for previous years and information available following discussions with Managers.
- 5.3 A net underspend of £551k is currently forecast for Education & Lifelong Learning, details are outlined below. The projected outturn position for Corporate Services is an underspend of £875k, consequently overall the projected outturn position for Education and Corporate Services is currently an underspend of £1,426k.
- 5.4 The main variances in Education in excess of £50k relate to the following:

	£'000 (Under / (Over))
Home to School / College Transport	351
Pension Costs School Based Staff	76
Psychology Service	83
Vulnerable Learners	(59)
Early Years Central Team	60
Net Other (Details in Appendix 1)	40
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Total	551    Underspend

- 5.4.1 The projected underspend with regards to transport includes a number of assumptions in relation to contracts, additional demand and grant support from Welsh Government in relation to additional costs for contractor cleaning & PPE linked to covid. This projected underspend follows a review of the summer term spend. This position will be kept under review.
- 5.4.2 The projected underspend in pension costs for school based staff reflects a positive budget position for schools in academic year 2020-21.
- 5.4.3 The projected underspend in the Psychology Service is due primarily to a delay in recruitment which has created an in year saving.
- 5.4.4 The budget for our most vulnerable learners includes EOTAS (Educated Other Than At School), Additional Support and Out of County Placements. Whilst this area of spend has been a pressure in recent years, this variance is less than 1% of the budget and includes a number of assumptions based on potential additional demand for support in year. This position is obviously uncertain, our requirements for "new" support will become clearer as we progress through the new academic year.
- 5.4.5 The projected underspend against the Early Years Central Team is due to the success of accessing grant funding to support the cost of a post in this current financial year, plus a gap in recruitment to another post in the Team.

5.4.6 The first Budget Monitoring Report of this financial year (Education for Life Scrutiny on 21<sup>st</sup> September 2021 - Information Item), projected an underspend for Education and Lifelong Learning of £198k, the movement is an increase of £353k. This variance is largely attributable to the projected position on the Home to School / College Transport budget, a movement of £238k. Whilst this figure is sizeable, on a transport budget of £7.9m this percentage variance is relatively small. Since we are reporting on information available prior to the start of academic year 2021-22, we need to be cautious this early in the financial year. The next budget report will provide an update at the end of period 7.

5.4.7 It is important to note that this projection excludes a forecasted outturn position for our schools. To advise Members, Schools have recently been advised of changes in eligible spend that can be claimed from the Welsh Government Hardship Fund from 1<sup>st</sup> October 2021. These guidelines are in line with the Operational Guidelines for Schools that came into operation at the start of the new term.

## **5.5 Progress Made Against the 2021/22 Revenue Budget Savings Targets**

5.5.1 The 2021/22 revenue budget settlement for Education and Lifelong Learning included a specific savings target of £28k in relation to a reduction in the Education Achievement Service (EAS) main contract sum. This saving has been achieved in 2021-22.

## **5.6 Conclusion**

5.6.1 The projected outturn position for Education and Lifelong Learning is currently an underspend of £551k. This is largely due to a projected underspend on the Home to School / College Transport budget (£7.9m) of £351k.

5.6.2 It remains early in the financial year, an updated projection will be reported for the end of October 2021 (end of period 7 in the financial year).

## **6. ASSUMPTIONS**

6.1 The projected outturn position is based on actual income and expenditure details to the end of August 2021, together with data used to forecast future income and expenditure. Account is also taken of the outturn position for previous years and information available following discussions with Managers.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

7.1 An IIA is not necessary for this Information Only Report.

## **8. FINANCIAL IMPLICATIONS**

8.1 In summary, based on information currently available there is projected revenue underspend for Education & Lifelong Learning of £551k. This projection is largely impacted by an underspend on the Home to School / College transport budget.

8.2 In 2021/22, to date, there are a number of one off savings in relation to in year staff vacancy gaps.

8.3 Overall the current projected outturn position for Education & Corporate Services is an underspend of £1,426k.

## **9. PERSONNEL IMPLICATIONS**

9.1 In 2021-22 the Directorate will continue with the strategy of prudent vacancy management.

9.2 There are no direct personnel implications arising from this report

## **10. CONSULTATIONS**

10.1 There are no consultation responses that have not been reflected in this report.

## **11. STATUTORY POWER**

11.1 Local Government Act 1972 and 2000.

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Lynne Donovan, Head of People Services  
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Appendices:

Appendix 1 Projected Revenue Outturn Figures 2021-22

<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2021-22 £</b>	<b>Estimated Outturn 2021-22 £</b>	<b>Variance Under (Over) 2021-22 £</b>
<b><u>SUMMARY</u></b>			
<b>SCHOOLS RELATED</b>	<b>120,795,230</b>	<b>120,706,030</b>	<b>89,200</b>
<b>EDUCATION</b>	<b>17,313,683</b>	<b>17,203,577</b>	<b>110,106</b>
<b>LIFELONG LEARNING</b>	<b>3,828,967</b>	<b>3,828,183</b>	<b>784</b>
<b>TOTAL SERVICE EXPENDITURE (Revenue)</b>	<b>141,937,880</b>	<b>141,737,790</b>	<b>200,090</b>
<b>Home to School / College Transport (Economy &amp; Environment)</b>	<b>7,923,081</b>	<b>7,571,682</b>	<b>351,399</b>
<b>TOTAL SERVICE EXPENDITURE (Revenue)</b>	<b>149,860,961</b>	<b>149,309,472</b>	<b>551,489</b>

<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2021-22 £</b>	<b>Estimated Outturn 2021-22 £</b>	<b>Variance Under (Over) 2021-22 £</b>
<b><u>SCHOOLS RELATED</u></b>			
<b>Individual Schools Budget</b>	<b>118,658,252</b>	<b>118,982,392</b>	<b>(324,140)</b>
<b>Post 16 Initiative (Grant Income)</b>	<b>(3,693,650)</b>	<b>(4,017,790)</b>	<b>324,140</b>
<b>Earmarked Formula Funding (inc. Joint Use Sites)</b>	<b>223,355</b>	<b>198,541</b>	<b>24,814</b>
<b>Schools LMS Contingencies</b>	<b>160,414</b>	<b>160,414</b>	<b>0</b>
<b>Other Direct School Related</b>			
Learning Support Staff Registration Fee	20,660	20,660	0
PFI Funding Gap	353,013	353,013	0
PFI Building Maintenance	50,605	50,605	0
Repairs & Maint. 50/50 Scheme (Re-instated)	333,000	333,000	0
School Meal Admin. Utility & Telephone	434,735	434,735	0
Relief Supply Cover (SRB's & Maternity)	710,457	727,661	(17,204)
Police Checks	62,323	60,508	1,815
Copyright and Licensing (Schools)	72,880	72,880	0
Total Other Direct School Related	<b>2,037,673</b>	<b>2,053,062</b>	<b>(15,389)</b>
<b>Early Years (Rising 3's)</b>	<b>857,253</b>	<b>853,559</b>	<b>3,694</b>
<b>Education Improvement Grant - Match Funding</b>	<b>645,043</b>	<b>645,043</b>	<b>0</b>
<b>Early Retirement Pension Costs of School Based Staff</b>	<b>1,906,890</b>	<b>1,830,809</b>	<b>76,081</b>
<b><u>EXPENDITURE TO DIRECTORATE SUMMARY</u></b>	<b>120,795,230</b>	<b>120,706,030</b>	<b>89,200</b>

<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2021-22 £</b>	<b>Estimated Outturn 2021-22 £</b>	<b>Variance Under (Over) 2021-22 £</b>
<b><u>EDUCATION</u></b>			
<b>Management &amp; Support Service Costs</b>	<b>1,277,466</b>	<b>1,271,972</b>	<b>5,494</b>
<b>Social Inclusion</b>			
Psychological Service	820,574	737,385	83,189
Behaviour Support	184,758	172,858	11,900
Education Welfare Service	372,461	371,201	1,260
Youth Offending Team	54,209	54,209	0
Safeguarding & LAC	254,507	254,309	198
School Based Counselling	381,429	379,484	1,945
<b>Total Social Inclusion</b>	<b>2,067,938</b>	<b>1,969,446</b>	<b>98,492</b>
<b>Additional Learning Needs</b>			
ALN Advisory Support Service	284,111	242,914	41,197
Professional/Statementing	295,152	283,619	11,533
Language Support Primary	428,992	461,994	(33,002)
Specialist Resources	44,511	44,511	0
ALN Improvement Initiative	3,463	3,463	0
Childrens Centre	34,017	34,017	0
SNAP Cymru	47,661	46,925	736
Outreach Trinity Fields	54,601	54,601	0
Speech Therapy	59,854	57,551	2,303
SENCOM (Sensory Service)	695,322	695,322	0
Autism	208,755	208,755	0
<b>Total Additional Learning Needs</b>	<b>2,156,439</b>	<b>2,133,672</b>	<b>22,767</b>
<b>Learning Pathways Partnership</b>			
14 - 19 Initiative (Transport Costs)	132,618	122,618	10,000
<b>Total Learning Pathways Partnership</b>	<b>132,618</b>	<b>122,618</b>	<b>10,000</b>
<b>EOTAS, Additional Support &amp; Out of County Provision</b>	<b>9,774,650</b>	<b>9,833,724</b>	<b>(59,074)</b>
<b>Early Years Provision &amp; Support</b>			
Early Years Central Team	366,763	306,473	60,290
<b>Total Early Years Provision &amp; Support</b>	<b>366,763</b>	<b>306,473</b>	<b>60,290</b>



<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2021-22 £</b>	<b>Estimated Outturn 2021-22 £</b>	<b>Variance Under (Over) 2021-22 £</b>
<b>LEI Service Provision</b>			
SACRE	2,665	2,665	0
Outdoor Education Advisor SLA	31,024	31,024	0
School Improvement	75,375	75,375	0
Music Service	402,618	430,481	(27,863)
WJEC & Subscriptions	40,536	40,536	0
<b>Total LEI Service Provision</b>	<b>552,218</b>	<b>580,081</b>	<b>(27,863)</b>
<b>Education Achievement Service (EAS)</b>			
Contribution to EAS Joint Working	985,591	985,591	0
<b>Total Education Achievement Service</b>	<b>985,591</b>	<b>985,591</b>	<b>0</b>
<b>EXPENDITURE TO DIRECTORATE SUMMARY</b>	<b>17,313,683</b>	<b>17,203,577</b>	<b>110,106</b>
<b>LIFELONG LEARNING</b>			
<b>Adult Education</b>	<b>76,739</b>	<b>77,038</b>	<b>(299)</b>
<b>Youth Service</b>	<b>1,281,073</b>	<b>1,280,726</b>	<b>347</b>
<b>Library Service</b>	<b>2,378,812</b>	<b>2,378,076</b>	<b>736</b>
<b>LLL Insurance &amp; Non Operational Property/Land</b>	<b>92,343</b>	<b>92,343</b>	<b>0</b>
<b>EXPENDITURE TO SERVICE SUMMARY</b>	<b>3,828,967</b>	<b>3,828,183</b>	<b>784</b>