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

- 1 Budget Monitoring 2021/22 (Period 7).



EDUCATION SCRUTINY COMMITTEE– INFORMATION ITEM

SUBJECT: BUDGET MONITORING 2021/22 (PERIOD 7)

**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 £973k. The projected outturn position for Corporate Services is an underspend of £917k, consequently overall the projected outturn position for Education and Corporate Services is an underspend of £1,890k.

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 spends 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 October 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 £973k is currently forecast for Education & Lifelong Learning, details are outlined below. The projected outturn position for Corporate Services is an underspend of £917k, consequently overall the projected outturn position for Education and Corporate Services is currently an underspend of £1,890k.
- 5.4 The main variances in Education in excess of £50k relate to the following:

	£'000 (Under / (Over))
Home to School / College Transport	357
Pension Costs School Based Staff	148
Psychology Service	54
Advisory Support Service	67
Vulnerable Learners	(61)
Early Years Central Team	189
Youth Service	130
Net Other (Details in Appendix 1)	89
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Total	973 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 has increased by just £6k from the previous update (Budget Monitoring Report – Period 5). Whilst this figure is sizeable, on a transport budget of £7.9m this percentage variance is relatively small.
- 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. This projected underspend has increased by £71k following the most recent update of information.
- 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 projection does allow for a level of “new” additional demand prior to the end of the financial year. There is minimal difference to the previous update.

5.4.5 The projected underspend on the Advisory Support Service has increased from £41k to £67k. This is due to longer staffing gaps than previously envisaged in year.

5.4.6 The projected underspend against the Early Years Central Team is largely due to the success of accessing grant funding to support the cost of a number of posts in the Team in this current financial year. The projected underspend has increased by £128k since the previous update and is due to the fact that we are able to support additional posts through grant funding, previously we'd anticipated being able to fund just 1 post.

5.4.7 The projected underspend for the Youth Service is due to a number of small individual variances for staffing, premises and resources costs, plus some additional rental income. The most significant one off variance relates to the finalisation of an insurance claim relating to Cross Keys Youth Centre (following the significant damage and loss of equipment and resources caused by the flooding in February 2020). The final settlement was £82k more than originally estimated. Overall the Youth Service is projecting an underspend of £130k. However there are a couple of uncertainties that we need to be mindful of at this point firstly with regards to the Authority vacating Crumlin Institute (25th December 2021), since the position with the Trustees is not fully resolved as yet; plus there are cost implications with regards to work required on the roof at Aberbargoed Youth Centre (The Hanger). The position with the roof is currently under review.

5.4.8 The second Budget Monitoring Report of this financial year (Education for Life Scrutiny on 2nd November 2021 - Information Item), projected an underspend for Education and Lifelong Learning of £551k, the movement is an increase of £422k. In summary the significant variances since the November report are as follows:

- Retirement Severance – School Based Staff £72k
- Early Years Central Team £128k
- Youth Service £130k

5.4.9 It is important to note that this projection excludes a forecasted outturn position for our schools. To advise Members, the Local Authority, including Schools are still able to claim (in line with current guidelines) from the Welsh Government Hardship Fund. It is currently anticipated that this will end March 31st 2022.

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 £973k. The most significant single variance is a projected underspend on the Home to School / College Transport budget (£7.9m) of £357k.

5.6.2 Full details are contained in the body of this Report.

6. ASSUMPTIONS

- 6.1 The projected outturn position is based on actual income and expenditure details to the end of October 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 £973k. This projection is an underspend on the Education & Lifelong Learning budget of £616k and an underspend on the Home to School / Collage Transport budget of £357k.
- 8.2 In 2021/22, to date, there are a number of one off savings in relation to in year staff vacancy gaps, plus additional support for posts through grant funding.
- 8.3 Overall the current projected outturn position for Education & Corporate Services is an underspend of £1,890k.

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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Cllr Ross Whiting, Cabinet Member for Learning and Leisure
Cllr Eluned Stenner, Cabinet Member for Performance, Economy and Enterprise
Cllr Teresa Parry, Chair of Education Scrutiny Committee
Cllr Carol Andrews, Vice Chair of Education Scrutiny Committee
Steve Harris, Head of Financial Services & S151 Officer
Dave Roberts, Interim Finance Manager
Mike Lewis, Principal Accountant Education
Julie Baker, Principal Finance Officer (Schools)
Lynne Donovan, Head of People Services
Rob Tranter, Head of Legal Services
Ros Roberts, Business Improvement Officer
Geraint Roberts, Team Leader Integrated Transport Unit

Appendices:

Appendix 1 Projected Revenue Outturn Figures 2021-22

EDUCATION & LIFELONG LEARNING	Original Estimate 2021-22 £	Estimated Outturn 2021-22 £	Variance Under (Over) 2021-22 £
<u>SUMMARY</u>			
SCHOOLS RELATED	120,795,230	120,579,396	215,834
EDUCATION	17,313,683	17,087,823	225,860
LIFELONG LEARNING	3,828,967	3,654,913	174,054
TOTAL SERVICE EXPENDITURE (Revenue)	141,937,880	141,322,132	615,748
Home to School / College Transport (Economy & Environment)	7,923,081	7,565,927	357,154
TOTAL SERVICE EXPENDITURE (Revenue)	149,860,961	148,888,059	972,902

EDUCATION & LIFELONG LEARNING	Original Estimate 2021-22 £	Estimated Outturn 2021-22 £	Variance Under (Over) 2021-22 £
<u>SCHOOLS RELATED</u>			
Individual Schools Budget	118,658,252	118,982,392	(324,140)
Post 16 Initiative (Grant Income)	(3,693,650)	(4,017,790)	324,140
Earmarked Formula Funding (inc. Joint Use Sites)	223,355	198,541	24,814
Schools LMS Contingencies	160,414	160,414	0
Other Direct School Related			
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	397,949	36,786
Relief Supply Cover (Maternity)	710,457	721,099	(10,642)
Police Checks	62,323	56,745	5,578
Copyright and Licensing (Schools)	72,880	72,880	0
Total Other Direct School Related	2,037,673	2,005,951	31,722
Early Years (Rising 3's)	857,253	845,537	11,716
Education Improvement Grant - Match Funding	645,043	645,043	0
Early Retirement Pension Costs of School Based Staff	1,906,890	1,759,308	147,582
<u>EXPENDITURE TO DIRECTORATE SUMMARY</u>	120,795,230	120,579,396	215,834

EDUCATION & LIFELONG LEARNING	Original Estimate 2021-22 £	Estimated Outturn 2021-22 £	Variance Under (Over) 2021-22 £
<u>EDUCATION</u>			
Management & Support Service Costs	1,277,466	1,294,666	(17,200)
Social Inclusion			
Psychological Service	820,574	766,892	53,682
Behaviour Support	184,758	170,674	14,084
Education Welfare Service	372,461	367,507	4,954
Youth Offending Team	54,209	54,209	0
Safeguarding & LAC	254,507	254,309	198
School Based Counselling	381,429	376,071	5,358
Total Social Inclusion	2,067,938	1,989,662	78,276
Additional Learning Needs			
ALN Advisory Support Service	284,111	216,902	67,209
Professional/Statementing	295,152	284,063	11,089
Language Support Primary	428,992	438,761	(9,769)
Specialist Resources	44,511	44,511	0
ALN Improvement Initiative	3,463	3,463	0
Childrens Centre	34,017	30,020	3,997
SNAP Cymru	47,661	46,925	736
Outreach Trinity Fields	54,601	54,601	0
Speech Therapy	59,854	57,550	2,304
SENCOM (Sensory Service)	695,322	695,322	0
Autism	208,755	208,755	0
Total Additional Learning Needs	2,156,439	2,080,873	75,566
Learning Pathways Partnership			
14 - 19 Initiative (Transport Costs)	132,618	122,618	10,000
Total Learning Pathways Partnership	132,618	122,618	10,000
EOTAS, Additional Support & Out of County Provision	9,774,650	9,836,041	(61,391)
Early Years Provision & Support			
Early Years Central Team	366,763	178,145	188,618
Total Early Years Provision & Support	366,763	178,145	188,618

EDUCATION & LIFELONG LEARNING	Original Estimate 2021-22 £	Estimated Outturn 2021-22 £	Variance Under (Over) 2021-22 £
LEI Service Provision			
SACRE	2,665	2,665	0
Outdoor Education Advisor SLA	31,024	31,024	0
School Improvement	75,375	110,375	(35,000)
Music Service	402,618	415,627	(13,009)
WJEC & Subscriptions	40,536	40,536	0
Total LEI Service Provision	552,218	600,227	(48,009)
Education Achievement Service (EAS)			
Contribution to EAS Joint Working	985,591	985,591	0
Total Education Achievement Service	985,591	985,591	0
EXPENDITURE TO DIRECTORATE SUMMARY	17,313,683	17,087,823	225,860
LIFELONG LEARNING			
Adult Education	76,739	32,906	43,833
Youth Service	1,281,073	1,150,852	130,221
Library Service	2,378,812	2,378,812	0
LLL Insurance & Non Operational Property/Land	92,343	92,343	0
EXPENDITURE TO SERVICE SUMMARY	3,828,967	3,654,913	174,054