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

- 1 Budget Monitoring 2022/23 (Period 5).



EDUCATION SCRUTINY COMMITTEE – INFORMATION ITEM

SUBJECT: BUDGET MONITORING 2022/23 (PERIOD 5)

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

1. PURPOSE OF REPORT

1.1 To inform Members of the projected 2022-23 outturn position for the Directorate of Education based on the most recent information available.

2. SUMMARY

2.1 The report identifies projected under / (overspends) currently forecast for 2022-23 (full details attached in Appendix 1).

2.2 In summary the current projected outturn position for Education and Lifelong Learning is an underspend of £107k. The projected outturn position for Corporate Services is an overspend of £220k, consequently overall the projected outturn position for Education and Corporate Services is an overspend of £113k.

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 2022-23 projected revenue spends position for Education.

4.2 The Council Budget is based on the achievement of both expenditure and income targets. 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 the Education Directorate. The revenue position 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 2022, 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 £107k is currently forecast for Education & Lifelong Learning, details are outlined below. The projected outturn position for Corporate Services is an overspend of £220k, consequently overall the projected outturn position for Education and Corporate Services is currently an overspend of £113k.
- 5.4 The larger variances in Education relate to the following:

	£'000 (Under / (Over))
School Covid Related	(269)
Pension Costs School Based Staff	173
Behaviour Support	31
Language Support	34
Vulnerable Learners	35
Net Other (Details in Appendix 1)	103
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Total	107 Underspend

- 5.4.1 Until 31st March 2022, Schools were able to submit claims to Welsh Government (through the Education Finance Team) against the Covid Hardship Fund Grant to support additional costs linked to Covid-19, in line with Welsh Government guidelines. Since 1st April 2022 this funding source has ended for schools, however 2 issues were raised by Headteachers as we transition. One was in relation to the additional mid-day clean in our schools (instigated in the recent 2 years due to Covid-19) and the other was in relation to supply cover costs relating to teaching staff who are 26+ weeks into their pregnancy, with guidance supporting a risk assessment for such staff members to work from home.
- 5.4.2 Following discussions with Headteachers and at a senior level within the Authority, schools were advised that the Authority would continue to support and fund the additional mid-day clean to the end of the summer 2022 term. Schools were also advised that if they wish to continue with this arrangement from September 2022 that this would need to be part of each individual school's financial planning. In July, Headteachers were advised that the guidance relating to the workplace and pregnancy had changed, with regards to the rule of automatically working from home after the 26 weeks. Schools have been issued with appropriate guidance with employers required to adopt an individualised approach to support pregnant workers through the risk assessment process. Consequently, schools have been advised that the Authority will support supply cover costs for pregnant staff to the end of the summer term and then to the end of the Autumn Term, with each claim for cover

costs during the Autumn Term needing to be supported by a risk assessment that supports this arrangement.

- 5.4.3 At this point in time, it is difficult to quantify the actual cost of supporting the pregnancy related supply cover costs to the end of the Autumn Term. The current Covid-19 cost projection includes an estimated cost of £118k for cleaning and £151k for supporting pregnancy related cover requirements. This figure will be updated over the coming budget monitoring reports. As part of the Authority's budget planning for the current financial year its Covid-19 Earmarked Reserve was topped up to £5m. Whilst this is a significant figure further discussions will take place with the Head of Financial Services & S151 Officer around capacity to support this schools related cost from this reserve against other competing pressures within the Authority.
- 5.4.4 The updated position includes a projected underspend in relation to the Authority's on-going liability linked to pension costs for school-based staff. This projection is consistent with an underspend position in financial year 2021/22.
- 5.4.5 The variances in relation to the Behaviour Support and Language Support Teams relate largely to in year staff vacancy gaps. However, the position with regards to support for our vulnerable learners is a small variance on a budget of £10m.
- 5.4.6 It is important to note that the financial projections in this report exclude a forecast outturn position for our schools.
- 5.4.7 At this early point in the financial year, it is important to reference the fact that there are several areas of concern, where the potential financial impact is not currently quantified within this report. Further work needs to be undertaken to understand the potential impact and quantify, most notably the following:
- End of the Welsh Government Hardship Fund – uncertainty with regards to the potential impact of Covid-19 over the winter months.
 - Increasing energy prices – a particular issue for our schools, the issue across the Authority is currently under review.
 - Impact of free school meal numbers going forwards.
 - Impact of the 2022 pay award for Teaching & Non-Teaching Staff – albeit that funding has been identified and approved from reserves to meet the additional cost of the current pay offer in the 2022/23 financial year.
- 5.4.8 To update Members, the period 3 budget monitoring report included details of a projected £460k overspend on the Home to School Transport budget, the consequence of the required procurement exercise to renew contracts on 98 of our bus routes. Over a full financial year, the additional cost is estimated at £689k, circa £230k a school term. As part of the 2021/22 budget process, growth of £500k was provided to support an estimated increase in the anticipated forthcoming renewal of contracts (taxis and buses). Whilst the taxi contracts were renewed for September 2021 the bus contracts were extended for a further year and have been renewed recently for September 2022. In 2021/22, the outturn position for this budget reported an underspend of £240k, consequently it is anticipated that there is some capacity within the existing budget provision to support some of this additional cost. In the previous monitoring report, the "worse" case scenario was reported with further work required to review anticipated spend. On review and update the projected outturn position is an overspend of £257k. The recent outturn report 2021/22 (to Council 4th October) supported up to £460k from corporate reserves to support this budget pressure in year. Consequently, this report now assumes a breakeven position

against this budget.

5.5 Conclusion

5.5.1 The projected outturn position for Education is currently an underspend in 2022-23 of £107k.

5.5.2 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 August 2022, 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 of £107k.

8.2 Overall the current projected outturn position for Education & Corporate Services is an overspend of £113k.

9. PERSONNEL IMPLICATIONS

9.1 In 2022-23 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 Eluned Stenner, Cabinet Member for Finance and Performance
Cllr Teresa Parry, Chair of Education Scrutiny Committee
Cllr Jo Rao, Vice Chair of Education Scrutiny Committee
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Nicola Hooper, Senior Accountant Education
Lynne Donovan, Head of People Services
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Appendices:
Appendix 1 Projected Revenue Outturn Figures 2022-23

EDUCATION & LIFELONG LEARNING	Original Estimate 2022-23 £	Estimated Outturn 2022-23 £	Variance Under (Over) 2022-23 £
<u>SUMMARY</u>			
SCHOOLS RELATED	125,260,474	125,329,478	(69,004)
EDUCATION	18,361,829	18,180,983	180,846
LIFELONG LEARNING	3,966,606	3,971,297	(4,691)
TOTAL SERVICE EXPENDITURE (Revenue)	147,588,909	147,481,758	107,151
HOME TO SCHOOL / COLLEGE TRANSPORT (Infrastructure Division)	8,332,247	8,332,247	0
TOTAL SERVICE EXPENDITURE (Revenue) Including Transport	155,921,156	155,814,005	107,151

EDUCATION & LIFELONG LEARNING	Original Estimate 2022-23	Estimated Outturn 2022-23	Variance Under (Over) 2022-23
	£	£	£
<u>SCHOOLS RELATED</u>			
Individual Schools Budget	122,872,495	122,872,495	0
Post 16 Initiative (Grant Income)	(3,589,997)	(3,589,997)	0
Earmarked Formula Funding (inc. Joint Use Sites)	232,085	234,778	(2,693)
Schools LMS Contingencies	166,830	166,830	0
Other Direct School Related			
Learning Support Staff Registration Fee	21,486	21,486	0
PFI Funding Gap	367,134	367,134	0
PFI Building Maintenance	52,629	52,629	0
Repairs & Maint. 50/50 Scheme (Re-instated)	346,320	346,320	0
School Meal Admin. Utility & Telephone	449,512	467,187	(17,675)
Relief Supply Cover (Maternity)	724,521	706,214	18,307
Police Checks	64,816	64,816	0
Copyright and Licensing (Schools)	75,795	75,795	0
Schools Covid Related - Post 1st April 2022		268,719	(268,719)
Total Other Direct School Related	2,102,213	2,370,300	(268,087)
Early Years (Rising 3's)	891,544	862,696	28,848
Education Improvement Grant - Match Funding	645,043	645,043	0
Early Retirement Pension Costs of School Based Staff	1,940,261	1,767,333	172,928
<u>EXPENDITURE TO DIRECTORATE SUMMARY</u>	125,260,474	125,329,478	(69,004)

EDUCATION & LIFELONG LEARNING	Original Estimate 2022-23 £	Estimated Outturn 2022-23 £	Variance Under (Over) 2022-23 £
<u>EDUCATION</u>			
Management & Support Service Costs	1,383,415	1,372,989	10,426
Social Inclusion			
Psychological Service	963,985	955,573	8,412
Behaviour Support	191,341	160,257	31,084
Education Welfare Service	385,126	375,415	9,711
Youth Offending Team	56,377	56,377	0
Safeguarding & LAC	263,434	260,390	3,044
School Based Counselling	393,730	376,372	17,358
Total Social Inclusion	2,253,993	2,184,384	69,609
Additional Learning Needs			
ALN Advisory Support Service	293,277	280,139	13,138
Professional/Statementing	304,687	297,247	7,440
Learning Support	47,199	52,601	(5,402)
Language Support Primary	444,055	410,329	33,726
Specialist Resources	71,171	71,171	0
ALN Improvement Initiative	3,602	3,602	0
Childrens Centre	35,328	35,328	0
SNAP Cymru	49,567	46,925	2,642
Outreach Trinity Fields	55,949	55,949	0
Speech Therapy	62,248	62,248	0
SENCOM (Sensory Service)	813,135	813,135	0
Autism	217,105	217,105	0
Total Additional Learning Needs	2,397,323	2,345,779	51,544
Learning Pathways Partnership			
14 - 19 Initiative (Transport Costs)	137,923	137,923	0
Total Learning Pathways Partnership	137,923	137,923	0
EOTAS, Additional Support & Out of County Provision	10,222,719	10,187,547	35,172
Early Years Provision & Support			
Early Years Central Team	377,850	363,755	14,095
Total Early Years Provision & Support	377,850	363,755	14,095

EDUCATION & LIFELONG LEARNING	Original Estimate 2022-23 £	Estimated Outturn 2022-23 £	Variance Under (Over) 2022-23 £
Other Service Provision			
SACRE	2,741	2,741	0
Outdoor Education Advisor SLA	32,265	32,265	0
School Improvement	104,192	104,192	0
Music Service	426,588	426,588	0
WJEC & Subscriptions	42,157	42,157	0
Total Other Service Provision	607,943	607,943	0
Education Achievement Service (EAS)			
Contribution to EAS Joint Working	980,663	980,663	0
Total Education Achievement Service	980,663	980,663	0
EXPENDITURE TO DIRECTORATE SUMMARY	18,361,829	18,180,983	180,846
<u>LIFELONG LEARNING</u>			
Adult Education	94,505	103,905	(9,400)
Youth Service	1,323,834	1,324,632	(798)
Library Service	2,455,496	2,449,989	5,507
LLL Insurance & Non Operational Property/Land	92,771	92,771	0
<u>EXPENDITURE TO SERVICE SUMMARY</u>	3,966,606	3,971,297	(4,691)