



EDUCATION FOR LIFE SCRUTINY COMMITTEE - 22ND SEPTEMBER 2015

SUBJECT: BUDGET MONITORING 2015-16

REPORT BY: CORPORATE DIRECTOR EDUCATION & COMMUNITY SERVICES

1. PURPOSE OF REPORT

- 1.1 To outline the financial position for the Directorate based on information available to the end of July 2015.

2. SUMMARY

- 2.1 The report identifies any potential under / overspends currently forecast for 2015-16. Full details are attached in Appendix 1.
- 2.2 The report also identifies the 2015/16 savings targets and provides an update with regards to progress. Details are attached in Appendix 2.

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 July 2015, together with data used to forecast income and expenditure. Account is also taken of the outturn position for 2014-15 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, as will all future savings proposals under the Medium Term Financial Plan.

- 5.2 In setting the 2015-16 budgets the protections afforded to Education (Schools) through the pledge will serve to protect the most vulnerable groups for the purposes of Equalities Legislation. Consultation with residents through the Council Public Engagement Strategy and Equalities Consultation and Monitoring Guidance, also ensures that every resident, regardless of circumstances, has the opportunity to have their views heard and considered in the Council's decision making process.

6. FINANCIAL IMPLICATIONS

6.1 Revenue 2015-16

- 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 £422k is currently forecast for the Directorate. A significant factor is a £250k projected contract efficiency saving on Home to School / College Transport. This saving has been built into Medium Term Financial Plan savings moving forwards.
- 6.1.3 Details with regards to each of the service areas are outlined below.

6.2 Planning & Strategy (Including Home to School Transport) – (Underspend £281k)

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

| | £'000 |
|---|-------|
| Home to School / College Transport | 250 |
| Relief Supply Cover (SRB's & Maternity) | 30 |
| Net Other | 1 |
| <hr/> | |
| Total | 281 |

- 6.2.2 The only significant variation in this area relates to the Home to School College Transport Budget. As Members are aware this area of the budget is managed by the Engineering Division (with any variances ring fenced to Education), the variance relates to contract efficiency savings that form part of the Directorates Medium Term saving proposals in 2016-17.

- 6.2.3 In summary the net projected variance for Planning & Strategy is an underspend of £281k.

6.3 Learning, Education & Inclusion – (Underspend £208k)

- 6.3.1 The most significant variances within LEI are as follows:

| | £'000 |
|--|-------|
| Behaviour Support Training | (150) |
| Additional Support (Primary & Secondary) | (252) |
| Recoupment (SEN Out of County / LAC / Inter Authority) | 352 |
| In Year Vacancies (across LEI) | 155 |
| Net Other | 103 |
| <hr/> | |
| Total | 208 |

- 6.3.2 Investment in behaviour support training across all Primary & Secondary School's is essential to address behavioural issues that are giving rise to increasing cost pressures across Additional Support, EOTAS (Education Other Than At School's) and an increase in potential Tribunal cases. This investment commenced at the end of the previous financial year and is being funded from in year savings, it is targeted to assist in Medium Term Financial Plan savings targets moving forward.
- 6.3.3 The projected variance against the Additional Support budget continues to be closely monitored, this projection is subject to change as needs are assessed. In 2014-15 the outturn position was an overspend of £162k. The increase over the last 2 years 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. Moving forwards these 2 budget areas need to be realigned to reflect the current spend profile. Overall, on these 2 budget lines, there is currently a projected net underspend of £100k.
- 6.3.5 Across the service area there are a number of in year vacancies, whilst the financial savings are small individually, collectively this adds up to a more significant sum. The savings relate to a number of areas notably Behaviour Support, School Based Counselling, EOTAS (Education Other Than At School) and Central Support Services. Some of these savings form part of the Medium Term Financial Plan proposals moving forward.
- 6.3.6 To advise Members the EOTAS provision is currently under review, both internally and with regards to procured activity. Overall the provision is projected to be closely in line with budget, although there are variances within the detailed lines.
- 6.3.7 In summary, the net projected variance for Learning, Education & Inclusion is an underspend of £208k.

6.4 **Life Long Learning – (Overspend £66k)**

- 6.4.1 In 2015-16 the main budget variances are as follows:

| | £'000 |
|-----------|-------|
| Libraries | 66 |
| <hr/> | |
| Total | 66 |

- 6.4.2 The Libraries variance relates to one off costs associated with the loss of 8 posts within the Service. This restructure is part of the agreed Medium Term Financial Plan to reduce opening hours to the public.
- 6.4.3 Whilst there are currently no other significant variations specifically reported within this service area, there has been a further reduction in Adult Community Learning funding from Welsh Government and consequently the College Franchise Agreements for 2015-16 financial and academic year. The Adult Programme from September will reduce in line with the funding reductions. The full cost implications are being reviewed.

6.5 Progress Made Against the 2015/16 Revenue Budget Savings Targets

6.5.1 The 2015/16 revenue budget settlement for Education and Lifelong Learning included a specific savings target of £809k. Managers have progressed implementation of the targets set and only a couple of issues are currently projected in year. Any impact has been referenced in the current projected outturn position for 2015-16.

6.5.2 For ease of reference details of the savings targets and progress are included in Appendix 2.

6.6 Summary

6.6.1 In summary, based on information currently available there is projected revenue underspend for the Directorate of £422k. It should be noted that this includes projected transport contract efficiency savings of £250k.

6.6.2 Members are also advised that the following recommendations were agreed as per Cabinet Report 29th July 2015, details contained in Provisional Outturn Report 2014-15.

- £750k is utilised from the accumulated Education & Lifelong Learning service reserves to provide the 50% match funding required to support a £1.5m bid to Welsh Government as part of the Authority's 21st Century Schools Programme. The bid is for a permanent extension to Islwyn High School to accommodate 5 additional classrooms, additional toilet facilities and an extended dining hall.
- Up to £543k (over the next 3 years) is utilised from the Education & Lifelong Learning service reserves to meet the match funding requirements for 2 European projects which could attract up to circa £1.5m of European Social Fund grant income. Caerphilly CBC has been working with Torfaen CBC (Lead Sponsor) and other Partners to secure funding for the continuation of Bridges into Work (BIW) and Working Skills for Adults (WSFA). BIW (non-Communities First Areas) will work with participants aged 25 years and older who have been unemployed for at least 3 years or economically inactive. The Project aim is to support residents to achieve qualifications, access volunteering opportunities and gain paid employment. The WSFA project aims to upskill working people aged 16 years and over to gain accredited qualifications. These will include essential skills, ICT and relevant vocational qualifications.

7. PERSONNEL IMPLICATIONS

7.1 In 2015-16 the Directorate will continue with the strategy of prudent vacancy management.

7.2 The 2015-16 budget proposals include provision to pay the living wage, as agreed by Council.

7.3 Should employees be placed at risk, either through the achievement of any agreed budget savings or grant funding reductions, they will be supported via the appropriate Council policies relating to redeployment and ultimately redundancy if necessary.

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.

9.2 Members are asked to note the progress made against the savings targets for the Directorate in 2015/16, Appendix 2.

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 2015-16.
Appendix 2: Progress Made Against the 2015-16 Revenue Budget Savings Targets.