



EDUCATION FOR LIFE SCRUTINY COMMITTEE – 12TH JANUARY 2016

SUBJECT: BUDGET MONITORING 2015-16

REPORT BY: CHIEF EDUCATION OFFICER

1. PURPOSE OF REPORT

- 1.1 To outline the financial position for the Directorate based on information available to the end of November 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 November 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 £419k is currently forecast for the Directorate. This is in line with the projection reported to Scrutiny in September, although there are some differences on the individual budget lines. 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 £300k)

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 | 20 |
| <hr/> | |
| Total | 300 |

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 £300k.

6.3 Learning, Education & Inclusion – (Underspend £185k)

6.3.1 The most significant variances within LEI are as follows:

| | £'000 |
|--|-------|
| Behaviour Support Training | (150) |
| Additional Support (Primary & Secondary) | (271) |
| Recoupment (SEN Out of County / LAC / Inter Authority) | 370 |
| In Year Vacancies (across LEI) | 246 |
| EOTAS | (210) |
| Early Years Provision & Support | 56 |
| Education Achievement Contract | 57 |

Net Other 87

Total 185

- 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 the Additional Support and Recoupment budgets will 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), Central Support Services and Community Focus Schools. Some of these savings form part of the Medium Term Financial Plan proposals moving forward.
- 6.3.6 To advise Members the EOTAS service is currently under review, both internally and with regards to procured activity. This provision, which accommodates learners who are unable to attend and learn through mainstream school has seen a recent increase in referrals for children with challenging behaviour. Consequently this provision is currently projecting an overspend of up to £210k.
- 6.3.7 The Authority provides funding for Rising 3's nursery provision in our schools and in Independent nursery settings, this is demand led and current projections suggest that there will be an underspend for this year. In addition the 2015-16 charge on the main contract with the Education Achievement Service is less than current budget provision.
- 6.3.8 In summary, the net projected variance for Learning, Education & Inclusion is an underspend of £185k.

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. There are currently no other significant variances.

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 a projected revenue underspend for the Directorate of £419k. It should be noted that this includes projected transport contract efficiency savings of £250k.

6.6.2 The projected outturn does not at this point include any potential redundancy and associated costs that could arise if some of the grant funded projects, within the Directorate, end as at 31st March 2016. This position will become clearer in the coming months.

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.

Author: Jane Southcombe, Senior Group Accountant Life Long Learning
E-mail: southj@caerphilly.gov.uk

Consultees: Chris Burns, Interim Chief Executive
Keri Cole, Chief Education Officer
Bleddyn Hopkins, Assistant Director 21st Century Schools
Councillor Rhianon Passmore, Cabinet Member for Education & Lifelong Learning
Stephen R Harris, Acting Head of Corporate Finance
Councillor Barbara Jones, Deputy Leader and Cabinet Member for Corporate Services
Mike Eedy, Finance Manager (Environment Directorate)
David A Thomas, Senior Policy Officer (Equalities & Welsh Language)
Sue Richards, Principal Finance Officer (Schools)
Mike Lewis, Principal Accountant Education
Lynne Donovan, Acting Head of HR and Organisational Development

Appendix 1: Projected Revenue Outturn Figures 2015-16.

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