



EDUCATION SCRUTINY COMMITTEE – INFORMATION ITEM

SUBJECT: BUDGET MONITORING 2020/21 (PERIOD 3)

**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.
- 1.2 To update Members with regards to details of recently approved proposals for the use of balances at the end of financial year 2020-21.

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 £198k. The projected outturn position for Corporate Services is an underspend of £814k, consequently overall the projected outturn position for Education and Corporate Services is an underspend of £1,012k.

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 June 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 £198k is currently forecast for Education & Lifelong Learning, details are outlined below. The projected outturn position for Corporate Services is an underspend of £814k, consequently overall the projected outturn position for Education and Corporate Services is an underspend of £1,012k.
- 5.4 The main variances in Education in excess of £25k relate to the following:

	£'000 (Under / (Over))
Home to School / College Transport	113
Management & Support Service Costs	29
Psychological Service	43
Music Service	(27)
Net Other (Details in Appendix 1)	40
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Total	198 Underspend

- 5.4.1 The projected underspend with regards to transport includes a number of assumptions in relation to contracts, additional demand and additional grant support from Welsh Government in relation to additional costs for contractor cleaning & PPE linked to covid. This position will and projections will be kept under review.
- 5.4.2 The projected underspend in Support Services and the Psychology Service are largely due to an in year staff vacancy gap.
- 5.4.3 The projected overspend on the Music Service will be monitored, with the service working towards achieving a break-even position over the coming months.
- 5.4.4 It is important to note that this projection excludes a forecasted outturn position for our schools.
- 5.5 **Recent Approval for Use of Reserves**
- 5.5.1 The Provisional Revenue Budget Outturn Report for 2020-21 (Council 13th July 2021) included details with regards to the use of usable service reserves. The summary details for Education are as follows, with further details of the larger values:

Description	Amount £'000
Expansion of Glan Y Nant	270
ALN Covid-19 Grant displaced expenditure	226
Leadership Development Programme for Schools	100
Dilapidation Costs Termination of Lease Crumlin Institute	195
Post 16 Education Provision Review Work	42
Extension of H&S Post to Support Schools	41
Contribution to Drainage Works at Sue Noakes	10
Software Development – PDG Access Grant	13
Software Development – Education Data System	32
Contribution to Post 16 School Improvement	72
Additional Computer Monitors Secondary Schools	32
Additional Chromebooks for EOTAS Pupils	15
Additional Laptops for EOTAS Teachers	11
PC Upgrades in Public Libraries	75
Expressive Arts Practitioner (1 Year Fixed Term)	60
Elective Home Educated Post (1 Year Fixed Term)	55
Pupil Learning Opportunity	70
Total	1,319

5.5.2 Due to the current and increasing demand for specialist provision (for pupils who are unable to access mainstream provision) there is a need to increase the capacity at the Learning Centre, Glan Y Nant. As part of the Directorates capital budget an amount of £442k has previously been identified to support a double classroom extension and play area. In addition an amount of £60k has been allocated in the capital programme for the sites car park. The additional £270k will support this programme of development, which will include a new toilet block, storeroom and cloakroom, lobby area and covered walkway to the main school building.

5.5.3 On the 18th February 2021 the Authority received late notification of funding in relation to Additional Learning Needs (ALN) Covid-19 Support (£554k). The terms and conditions of this grant award stipulated that spend had to be incurred by 31st March 2021. Whilst it was possible to displace some funding in relation to spend against other grants (and carry the displaced grant underspend into the summer term) it was not possible to do that for the whole of the £544k. Consequently, core spends in relation to Education Psychologists, School Based Counselling and the Statutory Team was charged against the grant to ensure that this funding was retained by the Authority. The level of core spend displaced was £226k, this has been earmarked to support ALN provision during the 2021-22 academic year. This will greatly assist with support for young people.

5.5.4 A further £100k for the expansion of the Leadership Development Programme across Caerphilly schools, will enable wider access to leadership development training. Whilst a sum of £195k has been ring-fenced for potential dilapidation costs arising from the termination of the lease at Crumlin Institute (approved by Cabinet 9th June 2021).

5.6 Progress Made Against the 2021/22 Revenue Budget Savings Targets

5.6.1 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.

5.7 Conclusion

- 5.7.1 The projected outturn position for Education and Lifelong Learning is currently an underspend of £198k. This is largely due to a projected underspend on the Home to School / College Transport budget (£7.9m) of £113k.
- 5.7.2 It is very early in the financial year, an updated projection will be undertaken at the end of August 2021 (end of period 5 in the financial year).

6. ASSUMPTIONS

- 6.1 The projected outturn position is based on actual income and expenditure details to the end of June 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.
- 6.2 Issues relating to Covid have been quantified or identified in the body of the report.

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 £198k. 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 £1,012k.

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

13.1 Local Government Act 1972 and 2000.

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Julie Baker, Principal Finance Officer (Schools)
Lynne Donovan, Head of People Services
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Appendices:

Appendix 1 Projected Revenue Outturn Figures 2021-22