



EDUCATION SCRUTINY COMMITTEE – INFORMATION ITEM

SUBJECT: BUDGET MONITORING 2021/22 (PERIOD 5)

**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 £551k. The projected outturn position for Corporate Services is an underspend of £875k, consequently overall the projected outturn position for Education and Corporate Services is an underspend of £1,426k.

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 August 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 £551k is currently forecast for Education & Lifelong Learning, details are outlined below. The projected outturn position for Corporate Services is an underspend of £875k, consequently overall the projected outturn position for Education and Corporate Services is currently an underspend of £1,426k.
- 5.4 The main variances in Education in excess of £50k relate to the following:

	£'000 (Under / (Over))
Home to School / College Transport	351
Pension Costs School Based Staff	76
Psychology Service	83
Vulnerable Learners	(59)
Early Years Central Team	60
Net Other (Details in Appendix 1)	40
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Total	551 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 follows a review of the summer term spend. This position will be kept under review.
- 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.
- 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 position is obviously uncertain, our requirements for "new" support will become clearer as we progress through the new academic year.
- 5.4.5 The projected underspend against the Early Years Central Team is due to the success of accessing grant funding to support the cost of a post in this current financial year, plus a gap in recruitment to another post in the Team.

5.4.6 The first Budget Monitoring Report of this financial year (Education for Life Scrutiny on 21st September 2021 - Information Item), projected an underspend for Education and Lifelong Learning of £198k, the movement is an increase of £353k. This variance is largely attributable to the projected position on the Home to School / College Transport budget, a movement of £238k. Whilst this figure is sizeable, on a transport budget of £7.9m this percentage variance is relatively small. Since we are reporting on information available prior to the start of academic year 2021-22, we need to be cautious this early in the financial year. The next budget report will provide an update at the end of period 7.

5.4.7 It is important to note that this projection excludes a forecasted outturn position for our schools. To advise Members, Schools have recently been advised of changes in eligible spend that can be claimed from the Welsh Government Hardship Fund from 1st October 2021. These guidelines are in line with the Operational Guidelines for Schools that came into operation at the start of the new term.

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 £551k. This is largely due to a projected underspend on the Home to School / College Transport budget (£7.9m) of £351k.

5.6.2 It remains early in the financial year, an updated projection will be reported for the end of October 2021 (end of period 7 in the financial year).

6. ASSUMPTIONS

6.1 The projected outturn position is based on actual income and expenditure details to the end of August 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 £551k. 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 £1,426k.

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.

Author: Jane Southcombe, Finance Manager (Education, Lifelong Learning & Schools) southj@caerphilly.gov.uk

Consultees: Christina Harray, Chief Executive
Richard Edmunds, Corporate Director, Education and Corporate Services
Keri Cole, Chief Education Officer
Sue Richards, Head of Education Planning & Strategy
Sarah Ellis, Lead for Inclusion & ALN
Sarah Mutch, Early Years Manager
Paul Warren, Strategic Lead for School Improvement
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