



EDUCATION FOR LIFE SCRUTINY COMMITTEE - 4TH NOVEMBER 2014

SUBJECT: BUDGET MONITORING 2014-15

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To outline the financial position for the Directorate based on information available to the end of September 2014.

2. SUMMARY

- 2.1 The report identifies any potential under / overspends currently forecast for 2014-15. Full details are attached in Appendix 1.
- 2.2 The report also identifies the 2014/15 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 September 2014, together with data used to forecast income and expenditure. Account is also taken of the outturn position for 2013-14 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.

6. FINANCIAL IMPLICATIONS

6.1 Revenue 2014-15

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 overspend of £151k is currently forecast for the Directorate. The principal reason for this position relates to potential in year issues with regards to redundancy costs arising largely from the end of some significant European grant funding. The position remains unclear as redeployment opportunities are explored and with some potential costs chargeable against the grants.

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 £40k)

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

| | £'000 |
|--|-------|
| Additional Recreation / Grounds Maint. | 10 |
| Teachers Performance Management | 30 |
| School Meal Admin, Utility & Telephone | 20 |
| Maintenance of Buildings | (23) |
| Net Other | 3 |

| | |
|-------|----|
| Total | 40 |
|-------|----|

6.2.2 There are currently no significant variations to report. Projected savings with regards to Additional Recreation / Grounds Maintenance, Teachers Performance Management and the reimbursement of School Meal Admin, Utility and Telephone costs also form part of the Directorates Medium Term savings in 2015-16.

6.2.3 In summary the net projected variance for Planning & Strategy is an underspend of £40k.

6.3 Learning, Education & Inclusion – (Underspend £94k)

6.3.1 The most significant variances within LEI are as follows:

| | £'000 |
|--|-------|
| Behaviour Support Training | (200) |
| Additional Support (Primary & Secondary) | (331) |
| Recoupment (SEN Out of County / LAC / Inter Authority) | 396 |
| Early Years (Rising 3's) | (33) |
| Visually Impaired Service | 56 |
| Music Service | 62 |
| In Year Vacancies (across LEI) | 144 |

| | |
|-------|----|
| Total | 94 |
|-------|----|

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 is being funded from in year savings and is essential 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 in-line with the 2013-14 outturn. The increase over the last 18 months 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.
- 6.3.5 The spend on Early Years (Rising 3's) is very much dependant on the pupil age profile and the uptake of places in Primary School's (nursery placements in the term following the child's 3rd birthday). In 2013-14 there was a minimal overspend of £2k, but numbers and uptake is projected to increase in 2014-15.
- 6.3.6 Projected savings with regards to the Visually Impaired and Music Services are very much consistent with recent years and form part of savings in advance for the Medium Term Financial Plan.
- 6.3.7 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 Psychology Service, Behaviour Support, Education welfare Service, School Based Counselling, Advisory Support Service, Central Support and Families First Central Admin. Team. Some of these savings form part of the Medium Term Financial Plan moving forward.
- 6.3.8 In summary, the net projected variance for Learning, Education & Inclusion is an underspend of £94k.

6.4 **Life Long Learning – (Underspend £15k)**

- 6.4.1 In 2014-15 the main budget variances are as follows:

| | £'000 |
|------------------------|-------|
| Central Administration | 15 |
| <hr/> | |
| Total | 15 |

- 6.4.2 Whilst there are currently no significant variations specifically reported within this service area, there has been a significant reduction in Adult Community Learning funding from Welsh Government and consequently the College Franchise Agreements for 2014-15 financial year. A detailed report was provided to Scrutiny 8th July 2014 and the Adult Programme from September has reduced in line with the funding reductions. Due to the large number of Adult Tutors, there could be a significant redundancy impact, however this will not become clear for a little while yet when we review take up of adult courses.

6.5 **Directorate Wide – (Potential Overspend £300k)**

- 6.5.1 In 2014-15 there are a number of our European Grant Funded projects coming to an end, this includes Prevent (14-19), Bridges into Work, Working Skills for Adult and Real Opportunities (Trinity Fields). Should we be in a position where staff have not been able to secure alternative employment by the end of the Projects the Authority could have a redundancy cost to meet. It is possible that some costs, should they arise, can be met from the grants, the position is under regular review.

6.5.2 As reported earlier there is also likely to be a redundancy impact in relation to Adult Tutors which at this point cannot be clearly quantified.

6.5.3 The £300k is an estimate based on a worst case scenario at this point and the expectation would be that this cost pressure will reduce as redeployment opportunities arise and some costs, if necessary, are met from the grants themselves.

6.6 Progress Made Against the 2014/15 Revenue Budget Savings Targets

6.6.1 The 2014/15 revenue budget settlement for Education and Lifelong Learning included a specific savings target of £1.202m. Managers have progressed implementation of the targets set and no significant issues have arisen in year. Consequently there is no specific impact on the projected outturn position for 2014/15.

6.6.2 For ease of reference details are included in Appendix 2.

6.7 Summary

6.7.1 In summary, based on information currently available there is projected revenue overspend for the Directorate of £151k. The expectation is that this position will improve as the year progresses and that the potential redundancy pressures reduce.

6.7.2 The Directorate has identified funding within the Directorates carried forward balances should this projected overspend position arise.

7. PERSONNEL IMPLICATIONS

7.1 To note that efficiency savings through vacant posts are reflected in the financial figures reported. In 2014-15 the Directorate will continue with the strategy of prudent vacancy management. There are no direct personnel implications arising from this report.

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 2014/15, 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 2014-15.

Appendix 2: Progress Made Against the 2014-15 Revenue Budget Savings Targets.