



EDUCATION SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: FINANCIAL PLAN FOR EDUCATION, LIFELONG LEARNING
AND SCHOOLS 2022-23**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE
SERVICES**

1. PURPOSE OF REPORT

- 1.1 To provide Members with details of the Financial Plan for Education and Lifelong Learning 2022-23. The Financial Plan is the key document for budget monitoring in this new financial year.

2. SUMMARY

- 2.1 The Financial Plan provides details of how the Directorates available budget has been allocated for financial year 2022-23. The Directorates budget totals circa £147.5m, of which £119.2m relates to the Authority's Schools and is distributed through the school funding formula.

3. RECOMMENDATIONS

- 3.1 Members are requested to note the contents of this report. The Financial Plan follows approval of the Authority's budget 2022-23 at Council on 24th February 2022.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are fully informed with regards to the 2022-23 revenue budget position for the Directorate.

5. THE REPORT

5.1 Revenue Budget 2022-23

- 5.1.1 Details of the Authority budget position were outlined to Special Council (24th February 2022). The Report outlined details with regards to the Welsh Government

revenue support grant (RSG) settlement, the general economic climate, together with Authority wide inflationary and other cost pressures. Council endorsed the revenue budget proposals for 2022-23 totalling £395m. This included growth to support specific pressures within the Authority together with any savings targets.

5.1.2 The approved budget for Education, Lifelong Learning and Schools totals £147.5m.

5.2 Education, Lifelong Learning & Schools

5.2.1 The Directorate, including schools has been given budgetary uplift of 1.75% for the impact of the Teachers pay award (September 2021), with a further 3% estimated for September 2022. In addition, there has been a 3% uplift for potential APT&C pay award costs, a 1.25% employers national insurance (NI) uplift for all staff, a 1% uplift on APT&C employer superannuation costs and an increase of 4% on non-pay related inflation.

5.2.2 Growth of £341k has been allocated to Education to support specific pressures within the service. The details are as follows:

- 2 Additional Classes PRU (from Sept 2022) £170k
- Health & Safety Capacity for Pupil Assessment £25k
- Sensory Service (SENCOM) £90k
- Psychology Service £56k

5.2.3 In 2022-23 there is no savings target for schools and growth to the value of £5.7m was approved to support identified pressures. Significantly this includes pay and non-pay associated cost pressures, floor area changes; additional pupils at Trinity Fields along with associated transport costs, further costs from formula changes linked to updated free school meals data.

5.2.4 In total the Directorates net budget for 2022-23 is £147.5m, of which £122.8m (which includes circa £3.6m Post 16 funding) forms the Individual Schools Budgets (ISB).

5.3 Conclusion

5.3.1 The financial position for 2022-23 will be monitored closely, with particular attention to emerging pressures and any subsequent implications. Consideration will also be given to any potential medium term financial savings for future years.

5.3.2 The Directorate budget for 2022-23 includes no specific budgetary uplift for “covid” associated costs. The impact of any potential on-going costs linked to covid will be monitored and are already being discussed at a senior level. The position remains uncertain as guidelines are updated, thus making it very difficult to project ahead. The Authority has identified a level of funding to support covid related costs in 2022-23, but again this will need to be closely monitored and spend prioritised. In addition, the impact of the significant increase in energy prices is already under review as the position has changed dramatically since the Authority’s budget was approved in February.

6. ASSUMPTIONS

6.1 All assumptions linked to the Authority’s budget strategy for financial year 2021/22 are detailed in the Report agreed by Council on 24th February 2022.

- 6.2 The Education, Lifelong Learning & Schools budget 2022-23 does not include any additional costs or income losses associated with Covid-19. Over the last 2 years our schools have been able to access significant financial support for additional covid associated costs through the Welsh Government Hardship Fund. The Hardship Fund ended on 31st March 2022. However, Welsh Government has been supportive with other funding to our schools over this period, which in part is reflected in an increased balances position as of 31st March 2022. As an Authority a sum of circa £2.5m has been approved as part of the Authority's budget strategy for 2022/23, to support covid related issues. Consequently, the Covid Earmarked Reserve totals £5m at the start of the new financial year.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 An IIA is not necessary for this Information Only Report.

8. FINANCIAL IMPLICATIONS

- 8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

- 9.1 In 2022-23 the Directorate will continue with the strategy of prudent vacancy management.
- 9.2 There are no direct impact on existing staff arising from the 2022/23 Budget Proposals.
- 9.3 Details of the Authority's Draft Budget Proposals 2022-23 were shared with Trade Unions.

10. CONSULTATIONS

- 10.1 The 2022-23 budget process involved extensive consultation, as detailed in the report to Council on 24th February 2022.
- 10.2 There are no consultation responses that have not been reflected in this report.

11. STATUTORY POWER

- 11.1 Local Government Act 1972 and 2000.

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Appendices:

Appendix 1 Financial Plan 2022-23