



EDUCATION SCRUTINY COMMITTEE

SUBJECT: BUDGET MONITORING 2022/23 (PERIOD 9)

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

1.1 To inform Members of the projected 2022-23 outturn position for the Directorate of Education based on the most recent information available.

2. SUMMARY

2.1 The report identifies projected under / (overspends) currently forecast for 2022-23 (full details attached in Appendix 1).

2.2 In summary the current projected outturn position for Education and Lifelong Learning is an underspend of £1,059k. The projected outturn position for Corporate Services is an underspend of £554k, consequently overall the projected outturn position for Education and Corporate Services is an underspend of £1,613k.

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 2022-23 projected revenue spends position for Education.

4.2 The Council Budget is based on the achievement of both expenditure and income targets. 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 the Education Directorate. The revenue position 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 December 2022, 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 £1,059k is currently forecast for Education & Lifelong Learning, details are outlined below. The projected outturn position for Corporate Services is an underspend of £554k, consequently overall the projected outturn position for Education and Corporate Services is currently an underspend of £1,613k.
- 5.4 The significant variances in Education relate to the following:

	£'000 (Under / (Over))
School Covid Related	(286)
Pension Costs School Based Staff	333
Psychological Service	105
Language Support	119
Vulnerable Learners	305
Early Years Central Team	235
Net Other (Details in Appendix 1)	248
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Total	1,059 Underspend

- 5.4.1 Until 31st March 2022, Schools were able to submit claims to Welsh Government (through the Education Finance Team) against the Covid Hardship Fund Grant to support additional costs linked to Covid-19, in line with Welsh Government guidelines. Since 1st April 2022 this funding source has ended for schools, however 2 issues were raised by Headteachers as we transition. One was in relation to the additional mid-day clean in our schools (instigated in the recent 2 years due to Covid-19) and the other was in relation to supply cover costs relating to teaching staff who are 26+ weeks into their pregnancy, with guidance supporting a risk assessment for such staff members to work from home.
- 5.4.2 Following discussions with Headteachers and at a senior level within the Authority, schools were advised that the Authority would continue to support and fund the additional mid-day clean to the end of the summer 2022 term. Schools were also advised that if they wish to continue with this arrangement from September 2022 that this would need to be part of each individual school's financial planning. In July, Headteachers were advised that the guidance relating to the workplace and pregnancy had changed, with regards to the rule of automatically working from home after the 26 weeks. Schools have been issued with appropriate guidance with employers required to adopt an individualised approach to support pregnant workers through the risk assessment process. Consequently, schools have been advised that

the Authority will support supply cover costs for pregnant staff to the end of the summer term and then to the end of the Autumn Term, with each claim for cover costs during the Autumn Term needing to be supported by a risk assessment that supports this arrangement.

- 5.4.3 The current Covid-19 cost projection includes estimates to the end of December relating to supporting pregnancy related cover requirements. As part of the Authority's budget planning for the current financial year its Covid-19 Earmarked Reserve was topped up to £5m. Whilst this is a significant figure further discussions will take place with the Head of Financial Services & S151 Officer around capacity to support this schools related cost from this reserve against other competing pressures within the Authority.
- 5.4.4 The updated position includes a projected underspend in relation to the Authority's on-going liability linked to pension costs for school-based staff. This projection is a little higher than the £255k underspend position in financial year 2021/22. This position needs to be referenced against 2 years of growth against the Individual Schools Budget (ISB) / formula funding, together with additional grant funding to schools from Welsh Government.
- 5.4.5 The variance in relation to the Psychological Service relates to in year staff vacancy gaps. A staff turnover saving target of £50k (for this service) is part of the budget proposals for 2023/24. The proposal is based on experience of staff movement in this area of high demand for professionals. The underspend in relation to our Language Support Team is again linked to in year vacancies.
- 5.4.6 The underspend position with regards to support for our vulnerable learners is a small variance on a budget of £10m. An element of this underspend relates to a delay in the expansion of 2 classrooms at Glan Y Nant (Pupil Referral Unit), which has generated a level of revenue saving in year. The projected outturn position includes a level of estimate for the final 3 months of the financial year, since some costs can be quite significant.
- 5.4.7 The underspend in our Early Years Team is directly linked to staff time supporting the grant funded areas of Flying Start, Early Years Expansion and the Childcare Offer being funded from the grants. As part of the 2023/24 budget proposals a savings target of £100k has been identified against this budget for one year only.
- 5.4.8 It is important to note that the financial projections in this report exclude a forecast outturn position for our schools. It is also important to reference the fact that schools have been supported with budget growth in year (£3.9m) due to the higher than originally estimated pay awards for teaching and non-teaching staff.

5.5 **Conclusion**

- 5.5.1 The projected outturn position for Education is currently an underspend in 2022-23 of £1,059k.
- 5.5.2 Full details are contained in the body of this Report.

6. ASSUMPTIONS

- 6.1 The projected outturn position is based on actual income and expenditure details to the end of December 2022, 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 of £1,059k.
- 8.2 Overall the current projected outturn position for Education & Corporate Services is an overspend of £k.

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 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.

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Appendices:

Appendix 1 Projected Revenue Outturn Figures 2022-23