



INFORMATION REPORT FOR EDUCATION SCRUTINY COMMITTEE - 28TH NOVEMBER 2023

SUBJECT: EDUCATION BUDGET MONITORING 2023/24 (PERIOD 5)

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

1. PURPOSE OF REPORT

1.1 To inform Members of the projected 2023-24 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 2023-24 (full details attached in Appendix 1).

2.2 In summary the current projected outturn position for Education is an overspend of £340k.

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 2023-24 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 August 2023, 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 overspend of £340k is currently forecast for Education, details are outlined below.
- 5.4 The larger variances in Education relate to the following:

	£'000 (Under / (Over))
Home to School / College Transport	(1,008)
Pension Costs School Based Staff	198
Management & Support Service Costs	138
Behaviour Support Services	56
Early Years Central Team	264
Adult Education	73
Youth Service	(63)
Net Other (Details in Appendix 1)	2
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Total	(340) Overspend

- 5.4.1 The projected outturn position for Home to School Transport represents the worse case scenario based on current contracts. The expectation is that there is likely to be a reduction in demand across the academic year as transport needs change. The projected position will be updated in 2 further budget monitoring reports in the financial year. A significant pressure within this overspend position relates to special education transport provision across all sectors of education.
- 5.4.2 Over the last 2 financial years there has been an underspend on the budget for the Authority's on-going pension liability linked to pension costs for school-based staff. This position is linked to budget growth for schools as part of the Authority's budget planning and additional grant funding from Welsh Government. Whilst this underspend position is expected to continue in this current financial year, it is expected that this budget is unlikely to be sufficient as we move into future financial years and the number of posts in schools reduce. Any reductions in staffing numbers would be linked to reducing pupil numbers and or budget pressures.
- 5.4.3 The variance against Management and Support Services relates to circa £95k of in year salary savings, one linked to a secondment to the end of the financial year and one due to a delay in recruitment as the requirements of the post were reviewed. Additional grant income of £42k has also been received to support work linked to the ALN Reform, this funding ends in 2023-24.

- 5.4.3 The variance in relation to the Behaviour Support Team relates to in-year staff vacancy gaps. This budget is part of the capacity required to support our vulnerable learners through our EOTAS (Education Other Than at School) Strategy going forwards.
- 5.4.4 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. This variance relates to an opportunity to fund some of our staff costs from these grants in 2023-24.
- 5.4.5 In reference to the variance on our Adult Education provision, this is largely due to capacity through in year grant funding and some small savings across the service.
- 5.4.6 The projected overspend with regards to the Youth Service relates primarily to costs associated with Crumlin Institute. Members will recall that the Youth Service vacated this premise in December 2021, however Caerphilly County Borough Council currently remains contractually bound by the terms of the lease until a surrender is agreed with the landlord and legally executed.
- 5.4.7 It is important to note that the financial projections in this report exclude a forecast outturn position for our schools. The impact of the 5% Teachers pay award September 2023 (1.5% above the budgeted inflationary uplift) and the APT&C pay award 2023 (not yet confirmed) are cost pressures that will require consideration by the Authority.

5.5 **Conclusion**

- 5.5.1 The projected outturn position for Education is currently an overspend in 2023-24 of £340k.
- 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 August 2023, 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 overspend for Education of £340k.

9. PERSONNEL IMPLICATIONS

9.1 In 2023-24 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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Keri Cole, Chief Education Officer
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Cllr Carol Andrews, Cabinet Member for Education and Communities
Cllr Eluned Stenner, Cabinet Member for Finance and Performance
Cllr Teresa Parry, Chair of Education and Social Services Scrutiny Committee
Cllr Brenda Miles, Vice Chair of Education and Social Services Scrutiny Committee
Steve Harris, Head of Financial Services and S151 Officer
Dave Roberts, Interim Finance Manager
Julie Baker, Principal Finance Officer (Schools)
Nicola Hooper, Senior Accountant Education
Lynne Donovan, Head of People Services
Rob Tranter, Head of Legal Services and Monitoring Officer
Ros Roberts, Business Improvement Officer
Clive Campbell, Transportation Engineering Manager

Appendices:

Appendix 1 Projected Revenue Outturn Figures 2023-24