



EDUCATION FOR LIFE SCRUTINY COMMITTEE – 24TH FEBRUARY 2015

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 December 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 December 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 underspend of £856k is currently forecast for the Directorate. The principal reason for this position relates to the release of £500k Out of County Reserves from previous financial years, this is a one off saving.
- 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 £105k)

- 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
Relief Supply Cover (Special Resource Bases)	60
Maintenance of Buildings	(23)
Net Other	8
<hr/>	
Total	105

- 6.2.2 The 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 The relief supply cover budget is volatile in nature as it relates to additional costs in respect of maternity across all School settings and sickness cover for staff in the Special Resource Bases attached to mainstream schools. This £60k budget underspend needs to be linked to an overspend on the Additional Support budget.
- 6.2.4 In summary the net projected variance for Planning & Strategy is an underspend of £105k.

6.3 Learning, Education & Inclusion – (Underspend £1,018k)

- 6.3.1 The most significant variances within LEI are as follows:-

	£'000
Behaviour Support Training	(50)
Additional Support (Primary & Secondary)	(240)
Recoupment (SEN Out of County / LAC / Inter Authority)	947
Early Years (Rising 3's)	(34)
Visually Impaired Service	60
Music Service	90
In Year Vacancies (across LEI)	208
Net Other	37
<hr/>	
Total	1,018

- 6.3.2 The investment in behaviour support training across all Primary & Secondary Schools 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. A one off investment requirement of £200k, funded from in year savings, had been identified and reported previously and is essential to assist in Medium Term Financial Plan savings targets moving forward. However, due to the timing of the procurement process it has not been possible for our schools to schedule all the training by the end of March 2015, as their School Improvement Plans were already set for academic year 2014-15. Consequently up to £50k will be spent by the end of March 2015, with the majority of this planned spend falling into academic year 2015-16. As a result it is likely that 2015-16 spend will need to be funded from the projected 2014-15 underspend, balances carried 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. The projection is based on the most recent data but is subject to on-going change as pupil needs and support is assessed.
- 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. The £947k variance includes the release of £500k Out of County reserves from previous financial years; this is a one off saving. The in year projected underspend should be reviewed against the level of overspend on additional support, as 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 or non maintained settings (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, Early Years Central Team, 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 £1,018k.

6.4 Life Long Learning – (Underspend £33k)

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

	£'000
Community Education	30
Community Centres	(11)
Central Administration	15
Net Other	(1)

Total 33

6.4.2 Whilst there are currently no significant variations specifically reported within this service area, the position with regards to Adult Community Learning is being closely monitored following the

funding reduction, as reported to Scrutiny 8th July 2014.

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 Due to the reduction in the Adult Learning programme there is also a redundancy impact in relation to Adult Tutors, again this position is being updated and reviewed regularly.
- 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 would 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, as reported previously there is no specific impact on the projected outturn position for 2014/15.

6.7 Summary

- 6.7.1 In summary, based on information currently available there is projected revenue underspend for the Directorate of £856k. However it is important to note that £500k relates to a one off saving and is not on-going.

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.

Author: Jane Southcombe, Senior Group Accountant Life Long Learning
Email: southj@caerphilly.gov.uk

Consultees: Education Directorate Senior Management Team
Councillor Rhianon Passmore, Cabinet Member for Education & Lifelong Learning
Nicole Scammell, Acting Director of Corporate Services & S151 Officer
Stephen R Harris, Acting Head of Corporate Finance
Councillor Keith Reynolds, Cabinet Member for Corporate Services Councillor
Mike Eedy, Finance Manager (Environment Directorate)
David A Thomas, Senior Policy Officer (Equalities & Welsh Language)
Sue Richards, Principal Finance Officer (Schools)
Mike Lewis, Principal Accountant Education
Lynne Donovan, HR Service Manager, Customer Services

Appendices:

Appendix 1 Projected Revenue Outturn Figures 2014-15

Appendix 2 Progress made against the 2014-15 Revenue Budget Savings Targets