

Meeting of:	Learning and Culture Scrutiny Committee
Date of Meeting:	Tuesday, 12 March 2019
Relevant Scrutiny Committee:	Learning and Culture
Report Title:	Revenue and Capital Monitoring for the Period 1st April 2018 to 31st January 2019
Purpose of Report:	To advise Scrutiny Committee of the progress relating to revenue and capital expenditure for the period 1st April 2018 to 31st January 2019
Report Owner:	Report of the Director of Learning and Skills
Responsible Officer:	Operational Manager Accountancy
Elected Member and Officer Consultation:	Each Scrutiny Committee will receive a monitoring report on their respective areas
Policy Framework:	This is a matter for Executive decision.
<p>Executive Summary:</p> <ul style="list-style-type: none"> • The forecast for the 2018/19 revenue budget is currently projected to be an outturn on target, however, there are some areas of concern to highlight and there will be a drawdown from reserves. • It is anticipated that all savings will be achieved this year. • There have been a small number of changes to the capital programme including the addition of a Welsh Government Childcare Offer Capital Grant which will be £1.840m for the period 2019/20 to 2020/21. 	

Recommendations

1. That Scrutiny Committee consider the position with regard to the 2018/19 revenue and capital budgets

Reasons for Recommendations

1. That Members are aware of the projected revenue and capital outturn for 2018/19

1. Background

- 1.1 On 28th February 2018, Council approved the Revenue and Capital budgets for 2018/19 (minute nos. 746 and 745 respectively). Cabinet on 19th November 2018 approved the revised 2018/19 Revenue and Capital budgets (minute no C480 and C482 respectively). Reports monitoring expenditure are brought to this Committee on a regular basis.

2. Key Issues for Consideration

Revenue

- 2.1 The forecast for the services within this Committee's remit is shown in the following table.

	2018/19	2018/19	Variance
Directorate/Service	Amended Budget	Projected	(+)Favourable (-) Adverse
	£000	£000	£000
Learning and Skills			
Schools	84,458	84,458	0
Strategy, Culture, Community Learning & Resources	11,081	10,794	+287
Directors Office	232	199	+33
Achievement for All	4,650	5,125	-475
School Improvement	1,058	1,001	+57
Unplanned use of reserves to fund overspend	0	(98)	+98
Total	101,479	101,479	0

- 2.2 Schools** - The delegated budget relating to schools is expected to balance as any under/over spend is carried forward by schools.
- 2.3 Strategy, Culture, Community Learning & Resources** - It is anticipated that this budget will outturn with a favourable variance of £287k. There are favourable variances of £90k on staffing, £117k on Libraries, £10k on independent nursery placement costs, £30k relating to school repairs and £29k on the reversing of a commitment from a historic grant. There will also be a favourable variance on Catering of £124k due to grant maximisation. Premiums have been increased for the Schools Long Term Supply insurance scheme in order to repay the deficits from the previous years which have resulted in a favourable variance of £90k. This will be offset by an overspend of £133k on mainstream transport and legal fees of £70k. This transport overspend is mainly due to the increased price in certain contracts since a contractor's licence was revoked. These routes had to be retendered and there has been a general increase in prices. There will be planned transfers from reserves of £294k. £247k will be required from the Schools Rationalisation reserve to fund one off costs in relation to the transformation of secondary schools in Barry, £22k will be transferred from the School Deferred Pension reserve to fund in year pension strain costs of early retirement and £25k will be transferred from the Schools Invest to Save reserve to fund redundancy costs in schools.
- 2.4 Directors Office** - It is anticipated that this budget will outturn with a favourable variance of £33k due to a post being held vacant to partly mitigate the overspend elsewhere in the Directorate.
- 2.5 Achievement for All** - It is anticipated that this service will overspend by £475k at year end before a transfer of £98k from reserves to fund the adverse variance. The complex needs Out of County placements, independent placements and Looked After Children residential placements budget will overspend in total by £319k. There is an overspend of £104k relating to the resource bases and outreach teams and an overspend of £84k at the Pupil Referral Unit relating to staff and transport as a result of increased demand. There is also an overspend of £127k on the provision for pupils not educated at schools (EOTAS) of which £82k will be funded from the Youth Service reserve and in addition a £16k overspend on the Youth Service, due to one off restructuring costs, will also be funded from the Youth Services reserve. This adverse position will be offset by favourable variances of £120k relating to recoupment income and £55k in the Childrens and Youth Peoples Service as a result of maximising grant.
- 2.6 School Improvement** - It is anticipated that this budget will outturn with a favourable variance of £57k due to a senior post being held vacant to partly mitigate the overspend elsewhere in the Directorate.

2018/19 Savings Targets

- 2.7** As part of the Final Revenue Budget Proposals for 2018/19, a savings target of £6.298m was set for the Authority. Attached at Appendix 1 is a statement detailing all savings targets relating to this Committee.
- 2.8** Each savings target has been given a RAG status. Green indicates that it is anticipated that the target will be achieved in full within the year, Amber indicates that it is considered that the saving in the year will be within 20% of the target and Red indicates that the saving to be achieved in year will be less than 80% of the target.
- 2.9** All savings for this Committee are planned to be achieved this year.

Capital

- 2.10** Appendix 2 details financial progress on the Capital Programme as at 31st January 2019.
- 2.11** Barry Island Primary WC - Delegated authority has been used to vire £6k from the Barry Island Primary WC scheme to the St Richard Gwyn Boiler scheme. The Barry Island scheme has underspent and following completion of the planned works to upgrade the boiler at St Richard Gwyn, additional works were identified when the boiler was being commissioned.
- 2.12** Jenner Park Primary Water Boiler -There has been a need to replace the hot water boiler at Jenner Park Primary at a cost of £14k after the boiler was condemned. It has been requested that the 2018/19 Capital Programme is increased by £14k which will be funded by a revenue contribution from Catering.
- 2.13** St Joseph's Primary Windows- The school has arranged to replace 5 large windows in the school. It has therefore been requested that the 2018/19 Capital Programme be increased by £25k to be funded by a revenue contribution from the school.
- 2.14** Disabled Access Improvement - Further works under this scheme are planned for August 2019 during the summer holidays. It has therefore been requested that £16k is carried into 2019/20 Capital Programme.
- 2.15** Childcare Offer Capital Grant (COCG) - The Council has been awarded a Welsh Government grant of £1.840m for the period 2019/20 to 2020/21. The purpose of the funding is to enable support to provide sufficient childcare places to meet demand generated by the Childcare offer. It has therefore been requested that £1.380m is included in the 2019/20 Capital Programme and a further £460k in the 2020/21 Capital Programme.

2.16 The following projects will receive the funding over the 2 year period:

Project	£000
Small Grant Scheme	90
Gladstone Primary School, Barry	650
Llanfair Primary School, Cowbridge	450
Welsh Medium Day Nursery, Llantwit Major	650

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The revenue and capital budgets have been set in order to support services in the delivery of the Council's Well-being objectives. It is therefore important for expenditure to be monitored to ensure that these objectives are being delivered.
- 3.2** The revenue and capital budgets have been set and are monitored to reflect the 5 ways of working.
- 3.3** **Looking to the long term** - The setting of the revenue and capital budgets require planning for the future and takes a strategic approach to ensure services are sustainable and that future need and demand for services is understood.
- 3.4** **Taking an integrated approach** - The revenue and capital budgets include services which work with partners to deliver services.
- 3.5** **Involving the population in decisions** – As part of the revenue and capital budget setting processes there has been engagement with residents, customers and partners.
- 3.6** **Working in a collaborative way** – The revenue budgets include services which operate on a collaborative basis
- 3.7** **Understanding the root cause of issues and preventing them** – Monitoring the revenue and capital budget is a proactive way of understanding the financial position of services in order to tackle issue at the source as soon as they arise

4. Resources and Legal Considerations

Financial

- 4.1** As detailed in the body of the report.

Legal (Including Equalities)

- 4.2** There are no legal implications.

5. Background Papers

None

Title of Saving	Description of Saving	Target Saving £000	Projected Saving	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
LEARNING AND SKILLS							
<u>Schools</u>							
Schools	General saving across all schools	824	824	Green	Allocated to schools via funding formula	Learning & Culture	Trevor Baker
Total Schools		824	824	Green	100%		
<u>Strategy, Culture, Community Learning & Resources</u>							
Reshaping Tranche 3 - Procurement	More efficient and effective procurement of goods and services	37	37	Green	Savings allocated and will be achieved in-year	Learning & Culture	Trevor Baker
Reshaping Services - Tranche 2	General saving across division	50	50	Green	Savings allocated and will be achieved in-year	Learning & Culture	Trevor Baker
Reshaping Services - Tranche 1	Additional Learning Needs saving reallocated to general service savings	26	26	Green	Savings allocated and will be achieved in-year	Learning & Culture	Trevor Baker
Reshaping Tranche 3 - Establishment Review	Review of various payments to staff and efficient utilisation of staff	22	22	Green	Savings allocated and will be achieved in-year	Learning & Culture	Trevor Baker
Total Strategy, Culture, Community Learning and Resources		135	135	Green	100%		
<u>School Improvement</u>							
Reshaping Services - Tranche 1	Additional Learning Needs saving reallocated to general service savings	77	77	Green	Savings allocated and will be achieved in-year	Learning & Culture	Trevor Baker
Reshaping Tranche 3 - Procurement	More efficient and effective procurement of goods and services	3	3	Green	Savings allocated and will be achieved in-year	Learning & Culture	Trevor Baker
Total School Improvement		80	80	Green	100%		
<u>Directors Office</u>							
Reshaping Tranche 3 - Procurement	More efficient and effective procurement of goods and services	8	8	Green	Savings allocated and will be achieved in-year	Learning & Culture	Trevor Baker
Total Directors Office		8	8	Green	100%		

Title of Saving	Description of Saving	Target Saving £000	Projected Saving	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
<u>Achievement for All</u>							
Reshaping Services - Tranche 1	Additional Learning Needs saving reallocated to general service savings	63	63	Green	Savings allocated and will be achieved in-year	Learning & Culture	Trevor Baker
Reshaping Tranche 3 - Procurement	More efficient and effective procurement of goods and services	22	22	Green	Savings allocated and will be achieved in-year	Learning & Culture	Trevor Baker
Reshaping Tranche 3 - Establishment Review	Review of various payments to staff and efficient utilisation of staff	12	12	Green	Savings allocated and will be achieved in-year	Learning & Culture	Trevor Baker
Total Achievement for All		97	97	Green	100%		
TOTAL LEARNING & SKILLS		1,144	1,144	Green	100%		

Green = on target to achieve in full

Amber = forecast within 20% of target

Red = forecast less than 80% of target

PROFILE TO DATE	ACTUAL SPEND 2018/19		APPROVED PROGRAMME 2018/19	PROJECTED OUTTURN 2018/19	VARIANCE AT OUTTURN 2018/19	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
		Directorate of Learning and Skills Education & Schools					
26	26	Llantwit Major Learning Community	79	79	0	P Ham	Works complete, retention still to be released
1,030	1,030	Romilly Primary	1,088	1,088	0	P Ham	Complete except snagging
532	532	Band B Ysgol Gymraeg Bro Morgannwg	1,000	1,000	0	P Ham	RIBA Stage 3 February 2019
677	677	Band B Whitmore and Pencoedtre High school	2,032	2,032	0	P Ham	RIBA Stage 3 February 2019
0	0	Band B Schemes Waterfront	23	23	0	P Ham	Survey work commenced.
0	0	Band B Schemes Primary Provision in the Western Vale	19	19	0	P Ham	Total scheme cost £4,185k.
0	0	Band B Schemes St Davids Primary School	4	4	0	P Ham	Consultation to start in February 2019
656	656	Band B Preparatory Works Changing Rooms etc.	750	750	0	P Ham	Works complete, retention outstanding.
0	0	Bryn Hafren Comprehensive School Water Mains Renewal	35	35	0	P Ham	Works nearing completion
16	16	Barry Island Primary WC Refurbishment	34	19	15	P Ham	Works completed under budget. £6k vired to St Richard Gwyn Boilers scheme
50	50	Holton Road Primary Electrical Rewire Phase 2	60	60	0	P Ham	Works complete
15	15	Peterston Super Ely Primary WC Refurbishment KS1	20	20	0	P Ham	Works complete
90	90	Pupil Referral Unit, KS3, Y Daith Site Security	75	90	(15)	P Ham	Works Complete except snagging. Additional Works £15K to be funded from an underspend within Learning & Skills
15	15	Pupil Referral Unit, KS4, Y Daith, Fire Precaution Works	25	25	0	P Ham	Nearing completion
13	13	Rhws Primary Windows Refurbishment Phase 3	30	30	0	P Ham	Works complete
13	13	St Illtyd Primary Fire Precaution Works	30	30	0	P Ham	Fire detection work completed with further fire barrier work to be undertaken during school holidays February 19
34	34	St Josephs Primary Boiler Upgrade	34	34	0	P Ham	Works complete.
28	28	St Richard Gwyn R/C High Boiler Upgrade	32	32	0	P Ham	Works complete. £6k vired from Barry Island Primary WC scheme
1	1	Y Bont Faen Primary Flat Roof Renewal Phase 1	5	5	0	P Ham	In discussions with school regarding the programming of the works. Planned start Easter 2019
65	65	Ysgol Pen Y Garth Electrical Rewire Phase 1	75	75	0	P Ham	Works complete
40	40	Ysgol Sant Curig KS1 WC Refurbishment	40	40	0	P Ham	Works complete
13	13	Asbestos Removal	18	18	0	P Ham	Some works were carried out over May half term and further works undertaken in school holidays.
11	11	Radon Monitoring	23	23	0	P Ham	Winter 2018 radon testing is due in 16 schools and another 19 schools to receive their first test. This work will be completed by the end of the financial year.
2	2	St Josephs Nursery and EIB	148	148	0	P Ham	Preferred contractor selected and work to commence on site in January 2019
0	0	Llansannor Extension	15	15	0	P Ham	Works to commence in 2019/20
465	465	Ty Deri	767	767	0	P Ham	Nearing completion
225	6	Wick Primary Nursery and Remodel of Building	788	788	0	P Ham	Finalising design and works. Preferred contractor identified. On site January 2019
1	1	Gwenfo Primary Extension	3	3	0	P Ham	Work is due to commence over Easter 2019
121	96	St Richard Gwyn R/C High Window Renewal Phase 1	121	121	0	P Ham	Complete

CAPITAL MONITORING
FOR THE PERIOD ENDED 31st JANUARY 2019

APPENDIX 2

PROFILE TO DATE	ACTUAL SPEND 2018/19		APPROVED PROGRAMME 2018/19	PROJECTED OUTTURN 2018/19	VARIANCE AT OUTTURN 2018/19	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
0	0	Education Asset Renewal - Contingency	30	30	0	P Ham	Contingency budget.
36	31	Oakfield/Ysgol Gwaun Y Nant Community Garden Project	37	37	0	M Goldsworthy	Scheme complete
35	35	Cowbridge Comprehensive school Block A Boilers	39	39	0	P Ham	Works complete
28	28	Dinas Powys Primary -External learning area and internal alterations	35	35	0	P Ham	Phase 1 complete
0	0	Holton Road Primary Toilets	31	31	0	P Ham	Scheme to improve toilet facilities, funded by WG grant
7	7	Schools IT Loans	200	200	0	P Ham	Cost of IT equipment to be reimbursed by the school.
		Slippage					
9	9	Legionella Control	21	21	0	P Ham	Some work undertaken during summer holiday with further work to be undertaken
24	24	St Cyres Lower School Marketing & Disposal	33	33	0	P Ham	Sale completed
13	13	Eagleswell Marketing & Disposal	17	17	0	P Ham	Ongoing marketing of site
6	6	Jenner Park Multi Use Games Area	7	7	0	P Ham	Scheme complete.
533	533	Victorian Schools	790	790	0	P Ham	Works progressing
0	0	Cogan Primary Boiler Renewal	1	1	0	P Ham	Scheme complete, funding to settle final account.
7	7	St Brides Expansion	10	10	0	P Ham	Scheme complete, funding to settle final account.
15	15	Cadoxton Primary Water Heater	16	16	0	P Ham	Works complete
30	30	Ysgol Iolo Morgannwg Boiler Renewal	38	38	0	P Ham	Works complete
0	0	Sully Primary Boiler Renewal	4	4	0	P Ham	Scheme complete, funding to settle final account.
0	0	Palmerston Primary Electrical Rewire	2	2	0	P Ham	Scheme complete, funding to settle final account.
0	0	Holton Primary Electrical Rewire Phase 1	2	2	0	P Ham	Scheme complete, funding to settle final account.
4	4	Ysgol Bro Morgannwg Renew Sewage Pumps	10	10	0	P Ham	No tenders received, considering procurement options. To be tendered as part of Band B scheme in 19/20
0	0	St Cyres Comprehensive Grounds Maintenance Store	1	1	0	P Ham	Scheme complete, funding to settle final account.
0	0	Fairfield Nursery Adaptions	2	2	0	P Ham	Scheme complete, funding to settle final account.
3	3	Disabled Access Improvement	20	4	16	P Ham	Request to carry forward £16k into 2019/20 to carry out further works during summer holidays
12	3	Penarth Learning Community	12	12	0	P Ham	£12k will be spent on changing facilities. Design process is underway.
0	0	Modular Building Resiting Ysgol Dewi Sant	5	5	0	P Ham	Some minor works outstanding
0	0	Barry Comprehensive Art Block	2	2	0	P Ham	Scheme complete.
1	1	Fire Precaution Works	5	5	0	P Ham	Some minor works outstanding
4,903	4,645		8,743	8,727	16		
		Library Service					
185	130	Barry Library Boilers	185	185	0	P Ham	Nearing completion
5,088	4,776	COMMITTEE TOTAL	8,928	8,912	16		