

Meeting of:	Learning and Culture Scrutiny Committee
Date of Meeting:	Thursday, 14 January 2021
Relevant Scrutiny Committee:	Learning and Culture
Report Title:	Revenue and Capital Monitoring for the Period 1st April to 30th November 2020
Purpose of Report:	To advise Scrutiny Committee of the progress relating to revenue and capital expenditure for the period 1st April to 30th November 2020
Report Owner:	Report of the Director of Learning and Skills
Responsible Officer:	Carys Lord Head of Finance/ Section 151 officer
Elected Member and Officer Consultation:	Each Scrutiny Committee will receive a monitoring report on their respective areas. This report does not require Ward Member consultation
Policy Framework:	This report is for executive decision by the Cabinet
<p>Executive Summary:</p> <ul style="list-style-type: none"> • The revenue position for 2020/21 is challenging with additional pressure for the service both operationally and financially as a result of the Covid 19 pandemic. This has impacted both as a result of incurring additional expenditure but also from a loss of income. Funding has been provided by Welsh Government to cover some of the issues. • An efficiency target for the year has been set at £45k with no savings target set for schools. • The currently approved capital budget has been set at £57.325m. 	

Recommendations

1. That Scrutiny Committee consider the position with regard to the 2020/21 revenue and capital budgets.

Reasons for Recommendations

1. That Members are aware of the projected revenue and capital outturn for 2020/21.

1. Background

- 1.1 Cabinet on 16th November 2020 approved the revised budget for 2020/21 (minute number c372).

2. Key Issues for Consideration

Revenue

- 2.1 The forecast for Learning and Skills is a breakeven position. The Education Pressures reserve has a current balance of £452k and therefore if this position deteriorates between now and the end of the financial year, funding will be transferred from the reserve.

	2020/21	2020/21	Variance
Directorate/Service	Amended Budget	Projected	(+)Favourable (-) Adverse
	£000	£000	£000
Schools	93,850	93,850	0
Strategy, Culture, Community Learning & Resources	8,146	8,396	-250
Directors Office	231	231	0
Additional Learning Needs & Wellbeing	2,731	2,680	+51
Standards and Provision	4,364	4,165	+199
Total	109,322	109,322	0

- 2.2** Schools - The delegated budget relating to schools is expected to balance as any under/over spend is carried forward by schools. As at 1st April 2020 schools reserve balances stood at £839k. However this year it is possible that total school deficit balances may exceed total school positive balances and the school's balances may fall into an overall deficit position. This will be closely monitored and reported on further as the year progresses.

Additional expenditure has been incurred in schools in respect of COVID-19, however, most of this expenditure to date will be grant funded. Hubs have been set up in schools over the past months to provide childcare for key workers during the lockdown period. Funding for this provision has been received from WG through the Hardship grant. Where possible, grant funding has been claimed from WG to cover additional expenditure incurred by Schools since their reopening in September.

- 2.3** Strategy, Culture, Community Learning & Resources - An adverse variance of £250k is projected at year end after a transfer of £125k from reserves.

School Transport is currently projecting an overspend of £392k. Local Education Authorities have a statutory duty to provide free school transport for pupils of statutory school age who reside beyond walking distance to the nearest appropriate school, in addition to a statutory duty to provide transport for pupils with additional learning needs who require access to specialist provision. The Council also provides discretionary support towards pupils in further education above the age of 16. The Learning and Skills Directorate is responsible for meeting the cost of any adverse variance against this budget even though the service is procured through the Environment and Housing Directorate. The following overspends are currently projected: Primary £17k, Secondary £122k, Further Education £40k and Additional Learning Needs (ALN) £213k.

Contract prices rose following the tendering of all school transport services in September 2019. From September 2020, additional mainstream routes have been required due to safety concerns and no transport provided in certain areas which has resulted in an increase in costs. Additional services are running as pupils are unable to attend their catchment school. There has been another significant increase in cost following the decision of one of the operators to hand back all the services that they were carrying out and there has been a need to set up additional ALN routes for September 2020. Transport costs to Ysgol Y Deri have increased while others have remained consistent with transport to some schools ceasing, such as St Illtyds Primary and Ysgol Bryn Derw and new transport requirements to schools such as Riverbank and Cowbridge Comprehensive. Some pupils with ALN have extremely complex needs and can require, at short notice, a change of transport, either because they have issues with other pupils, they have a change in their behaviour or a minor issue on transport means they can no longer travel on a certain route. There have only been an additional six pupils added to Ysgol Y Deri services since September 2019 but the addresses of

the pupils are as far reaching as Llantwit and Ogmore, which in itself increases costs.

When schools were closed during the period April to June, the Council continued to pay school transport providers 75% of their contract to ensure that the service would be available when schools reopened, however, WG has offset this saving by reducing the funding they have provided for lost income.

Libraries are projecting an underspend of £47k. There are staffing underspends of £87k as a result of vacancies. It had been anticipated that £18k of the underspend would be used to offset the cost of implementing Openplus at Cowbridge and Llantwit Libraries and the provision of card payment machines in Libraries and software purchases of £12k. However, due to the COVID 19 pandemic Openplus will not be installed this financial year and it is therefore proposed that £30k is transferred into the Libraries reserves to fund this project during 2021/22. £10k will also be spent on the transformation of Penarth Library.

Adult Community Learning –The service is currently projecting that it will outturn with an underspend of £75k after transferring £37k to reserves. Vale Courses are projecting a £44k deficit. WG have provided funding for loss of income for quarter 1 and 2. The Get Back On Track programme is currently projecting a favourable variance of £76k due to staffing underspends and additional Cardiff and Vale College (CAVC) funding for skills@work. The CAVC Franchise is projecting a £13k underspend from the staffing budget. The CAVC Skills Development programme will also underspend by £30k. Welsh for Adults is due to underspend by £37k and it is proposed that this is transferred into reserves at year end. The reserve will be used to cover increasing costs and any potential future redundancy costs in light of the static/reduced grant over the 3 year contract and any possible grant claw back due to reduced enrolment numbers.

Schools Non Delegated expenditure – This budget is projected to underspend by £20k. Regular annual pension payments are made to Cardiff County Council and the Teachers Pension Agency in respect of teachers and support staff who were allowed to retire early during local government reorganisation in 1996. Some of these costs are reducing year on year and savings of £20k are currently projected for this year. There is currently an underspend of £65k against the Early Retirement/Voluntary Redundancy (ER/VR) budget. The intention is that this will be transferred to the Schools Invest to Save reserve at year end. It is a statutory requirement that redundancy costs are funded centrally. There is also a planned transfer of £125k from the School Rationalisation Reserve to fund transitional costs in relation to the 21st Century Schools programme.

2.4 Directors Office - It is anticipated that this area will outturn on target.

- 2.5** Additional Learning Needs & Wellbeing - This service continues to face significant pressures due to the increasing needs of pupils within the Vale. However, a favourable variance of £51k is currently projected. Children's Placements is currently projected to underspend by £49k based on current information, however this will be reviewed based on any changes in placements. There is a favourable variance of £20k in the Prevention & Partnership budget and also a favourable £20k variance on the Complex Needs budget, both relating to staffing budgets. There is currently an adverse variance of £33k relating to Recoupment income and a £5k adverse variance against Additional Learning Needs.
- 2.6** Standards and Provision - A net favourable variance of £199k is anticipated across the Standards and Provision Service due to savings on employee costs in both the Youth Engagement and Progression service of £74k and in the Schools Improvements budget of £22k. There is currently a favourable variance of £91k projected in the budget which provides support for out of school tuition (OOST) for pupils whose medical needs mean they are unable to attend which is as a result of a reduction in the number of pupils receiving the service. The Inclusion & Wellbeing budget is projected to outturn with a £12k underspend mainly as a result of savings on staff costs.

2019/20 Efficiency Targets

- 2.7** As part of the Final Revenue Budget Proposals for 2020/21, an efficiency target of £45k was set for the Committee. Attached at Appendix 1 is a statement detailing all efficiency targets for 2020/21 and it is anticipated that this will be achieved in full by year end.

Capital

- 2.8** Appendix 2 details financial progress on the Capital Programme as at 30th November 2020. The following changes have been made to the Capital Programme since the last report to Committee.
- 2.9** Education Asset Renewal Contingency Budget - Delegated authority has been used to vire £5k from this scheme to the Ysgol Pen Y Garth Roof Renewal scheme. New canopies were specified and initially quoted for at £18.5k. Following a more detailed inspection of the site, it was found that the shallow soffit overhang required the installation of a goalpost frame with posts fixed to the brickwork to achieve a sensible pitch on the canopy otherwise water will sit on top of the polycarbonate and likely cause issues in the future. This led to the cost increasing to £20.5k to accommodate these design requirements. The £5k that has been requested includes a small contingency.
- 2.10** St Cyres Hygiene Room - The school have paid for works to be carried out to the hygiene room and central education has agreed to reimburse the school for

these costs. The total costs of the works is £18k. Emergency powers have been used to include a new scheme in the 2020/21 Capital Programme with a £4k contribution from the ALN Resources Pupil Support revenue budget and £14k from the School Organisation repairs and maintenance revenue budget.

- 2.11** Pendoylan C/W Primary School Render - The school have been awarded a Capital Repairs and Maintenance Programme grant through the Diocese to contribute towards the removal of loose render and to re-render the external perimeter walls. The total cost of the works is anticipated to be £19.5k and the grant is for 85% of this cost. Emergency powers have been used to include this new scheme in the 2020/21 Capital Programme with £16.5k to be funded by grant and a £3k revenue contribution from the school.
- 2.12** Childcare Offer Capital grant - Small Grant Scheme COVID 19 - The Council has been awarded an additional sum of £40k towards the capital Small Grant Scheme. The funding relates to the period 2020/21 and must be utilised in full by 31st March 2021. This grant can be used to specifically support childcare providers to buy extra capital items and/or to undertake physical adaptations to premises, to enable them to operate in a Covid-secure manner. Emergency powers have been used to include this scheme in the 2020/21 Capital Programme called Small Grant Scheme – COVID-19 allocation with a budget of £40k, to be funded by a grant from Welsh Government.
- 2.13** Childcare Offer Capital Grant - Education have decided to commence with the original scheme for Llanfair. The scheme has been out to tender and the preferred contractor has been identified. The delay on the decision of which size scheme to commence has resulted in the contractor not being instructed in time to meet the development timescales originally planned. Construction is now due to take place during the summer holidays 2021. It has been requested that £441k is carried forward into the 2021/22 Capital Programme.
- 2.14** Llanfair Primary Playground Repairs - This scheme is going to be carried out alongside the Llanfair Childcare Offer Grant Capital scheme mentioned above. As this will not be until the Summer 2021 it has been requested that £10k is carried forward into the 2021/22 Capital Programme.
- 2.15** Albert Primary External Repairs - It has been requested to carry forward this £28k budget into the 2021/22 Capital Programme due to the party wall issues and the restrictions on site. This scheme is anticipated to be carried out during the summer holidays 2021.
- 2.16** Albert Primary School, new classroom block - The plans for this scheme have been submitted for consideration and the process should take up to six weeks for approval. It is anticipated this scheme will commence on site in February 2021. The full budget will not be able to be spent this financial year and the scheme will run into 2021/22. It has therefore been requested to carry forward £54k into the 2021/22 Capital Programme.

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

- 3.1** The revenue budget has 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 budget has been set and is monitored to reflect the 5 ways of working.
- 3.3** **Looking to the long term** - The setting of the revenue budget requires 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 budgets include services which work with partners to deliver services e.g. Health via ICF.
- 3.5** **Involving the population in decisions** – As part of the revenue budget setting process 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 e.g. Shared Regulatory Service, Vale Valleys and Cardiff Adoption Service.
- 3.7** **Understanding the root cause of issues and preventing them** – Monitoring the revenue 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.

Employment

- 4.2** There are no employment implications.

Legal (Including Equalities)

- 4.3** There are no legal implications.

5. Background Papers

None