

Budget Monitoring Position – March 2017

Education

OVERALL NET POSITION	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	13,869	13,869	13,863	13,863	13,863	13,863	13,807	13,807	13,807	13,807	13,807	13,807
Forecast (£'000)	13,869	13,869	13,849	14,203	14,410	14,423	14,349	14,365	14,298	14,289	14,289	14,300
Variance (£'000)	0	0	-14	340	547	560	542	558	491	482	482	493

Key Elements of Budget Variances:

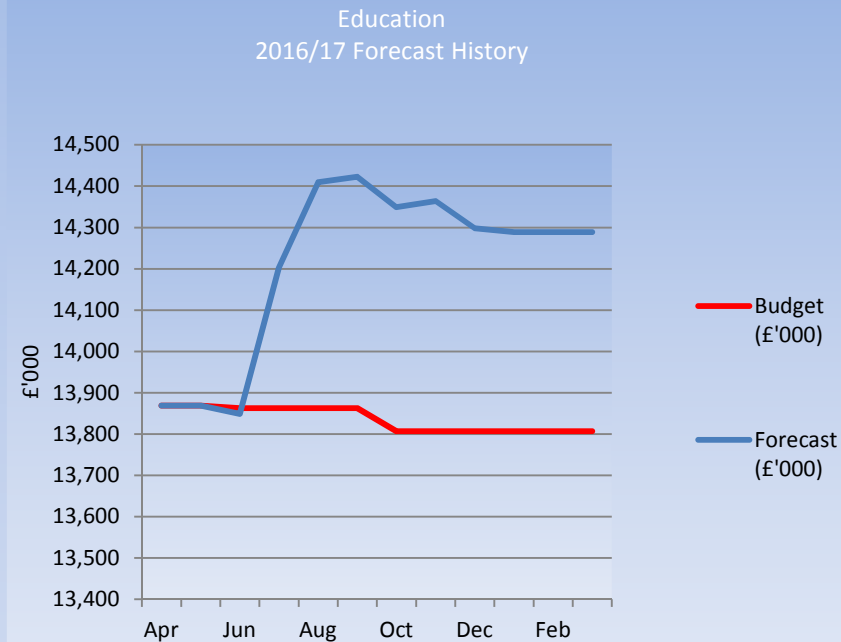
STAFFING	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	4,318	4,318	4,318	4,318	4,318	4,318	4,279	4,627	4,627	4,627	4,627	4,627
Forecast (£'000)	4,318	4,318	4,305	4,273	4,234	4,225	4,309	4,623	4,632	4,629	4,666	4,674
Variance (£'000)	0	0	-13	-45	-84	-93	30	-4	5	2	39	47

DELIVERY OF MTRP SAVINGS	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
MTRP Target (£'000)	60	60	60	60	60	60	60	60	60	60	60	60
Savings Realised cumulative (£'000)	60	60	60	60	60	60	60	60	60	60	60	60
Variance (£'000)	0	0	0	0	0	0	0	0	0	0	0	0
FIP Reconciliation period		MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR

AREAS OF RISK	Budget	Outturn	Variance	Status	Comment
	£'000	£'000	£'000		
SEN	3,777	4,677	900	Red	Additional contributions to Learning Resource Bases. Out of County placements and In-Year adjs higher than budget..
Redundancy	1,003	1,003	0	Green	Outturn includes transfer to reserve of £255k.
Transport	3,613	3,660	47	Red	Season ticket charges higher than anticipated.
Early Years	1,119	1,079	(40)	Green	Early Years placement funding less than budget.

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BMS Submission Data

% of cost centres submitted by budget holder deadline (exc schools)

%

N/A

Head of Service Commentary

Key Budget Variances/Issues for HOS to consider.

- SEN: Overspend of £900k. OOC placements overspend of £257k. In-Year adjustments overspend of £328k, this is less than previously forecast following an audit of existing statements which resulted in £80k recoupment from Schools. Recoupment income less than anticipated, final pressure of £78k. Additional contributions to Learning Resource Bases notified in March resulted in a total overspend of £188k. Overspend of £64k due to increase in therapy services and equipment required as part of statements.
- Transport overspend of £47k. Season tickets charges higher than anticipated as a number of Monmouthshire invoices were not originally forecast. Contract forecasts provided by Streetscene & City Services - regular meetings between them & Education colleagues are now taking place which will ensure a more robust forecast.
- Early Years: Take-up of placements less than budgeted hence a saving of £40k reported at year-end.






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OTHER SIGNIFICANT VARIANCES	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Non Delegated Budget (Budget revised in Oct)				-48	-48	-48	-	-65	-65	-65	-65	-74
Joint Services				-101	-101	-91	-86	-86	-86	-86	-131	-131
SEN OOC Placements (Budget revised in Oct)				479	564	415	172	218	218	218	279	257
SEN – Statement Adjustments				150	361	500	500	500	370	370	370	328
SEN – Local Provision Development / Equipment									186	173	176	253
SEN – Income (Budget revised in Oct)				-100	-200	-150	-	133	78	78	78	79
Early Years (Budget revised in Oct)						-86	-40	-43	-41	-38	-38	-40
Bridge Achievement Centre							24	-10	-10	-10	26	39
GEMS								-34	-44	-44	-44	-42
EIG								-50	-50	-50	-50	-58
Transport									-25	-25	-18	47
Education Management A/c									-15	-14	-79	-77
Service Development / Admissions									-26	-29	-32	-32
PDG												-22
Other					-29	20	-28	-5	1	4	10	-34
Total				380	547	560	542	558	491	482	482	493

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Changes since last month	Current & Emerging Risks / Opportunities <i>(Including non delivery of MTRP savings)</i>
	<p>Redundancy – Transfer to reserves of £255k. Current teacher safeguarding costs are at their highest levels. High risk in 17/18 due to potential school-based redundancies.</p>
	<p>SEN – OOC placements overspend of £257k. Forecast is demand-led and projections may change monthly. Although these placements are small in terms of numbers, the associated financial costs can be significant. Potential risk that pressure will continue into 17-18. Following a Learning Resource Base (LRB) review a new INCLUDE group project at a cost of £132K in 16/17 has started, which will avoid specific out-of-county future costs and allows learners to remain in Newport. The cost up-front is an added pressure to the service and will continue to be in 17/18. In-Year adjustment overspend of £328k is less than previously forecast following an audit of existing statements which resulted in £80k recoupment from Schools. In-Year funding adjustments now sit within the Individual School Budget (ISB) so this will not be an added pressure in 2017/18. Recoupment income pressure of £79k is a potential recurring risk for 17/18. Additional contributions to Learning Resource Bases notified in March resulted in a total overspend of £188k. Overspend of £64k due to an increase in therapy services and equipment required as part of statements.</p>
	<p>Transport – Demand-led budget. Overspend of £47k which will potentially continue into 17/18. In line with MTRP, budget cut of £60k (final year) as savings are expected due to home to school transport distance changing from the discretionary three miles to the statutory limit of two miles in September 2014. It only applies to new pupils as they enter Secondary school.</p>
	<p>Catering – Current pressure in Breakfast Clubs (options need to be examined here) is offset by savings in the Free School Meals' budgets. Catering budgets have been re-aligned to reflect outturn levels however Breakfast Club charges do not include full year charges in 16/17 hence potential pressure in 17/18.</p>
	<p>Early Years - The anticipated take-up of placements was less than budgeted. There is potential for this trend to continue in 17/18 however it is not possible to confirm at this stage and could change on a termly basis hence potential risk for 17/18.</p>

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Head of Service Commentary

Head of Service comments/ summary:

Although the outturn is in line with the latest forecasts there have been movements within budget headings. Additional pressure variances relate to the following:

- SEN – This will be a recurring risk due to the volatile nature of the service however the pressure should be reduced in 2017/18 following the transfer of the In Year Funding Adjustment's budget to the Individual School Budget. An added pressure at year end resulted from the contributions made to different Learning Resource Bases . Also there was an increase in therapy services and equipment required as part of statements.
- Transport - Whilst Education/Finance now in receipt of transport forecasts the final outturn was significantly overspent, this was not forecast. This budget has been cut by £60k in 17/18 in line with MTRP savings and there are concerns the savings will not be achieved.
- Bridge Achievement Centre: This received unexpected utility charges and STEP charges were also committed late in the year. The agency charges (which also includes home tuition related charges) were unusually high this financial year. Finance will work with the service team to ensure more accurate forecasting.

The above additional pressures were offset by NNDR credits, VI charges less than anticipated (notified late in year) and EAS Income which we were not anticipating.

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Strategic Director Commentary

Strategic Director comments:

Present projection shows an overspend of £493k at the year end which represents a slight increase on the previous month (£11k). The overspend relates to a turnaround in transport projections from a modest underspend to an over spend of £63k .Out of county placements and new/reviewed statements overspending actually reduced from the previous month by around £60k

The overspend represents 3.6% of budget and relates to Out of Authority placements and SEN. There will be further work to understand why the transport budget swung to an overspend in the last month.