

Budget Monitoring Position – July 2017

Education

OVERALL NET POSITION	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	14,878	14,878	14,878	14,878	14,878	14,878	14,878	14,878	14,878	14,878	14,878	14,878
Forecast (£'000)	14,878	14,878	15,449	16,076	16,076	16,076	16,076	16,076	16,076	16,076	16,076	16,076
Variance (£'000)	0	0	571	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198

Key Elements of Budget Variances:

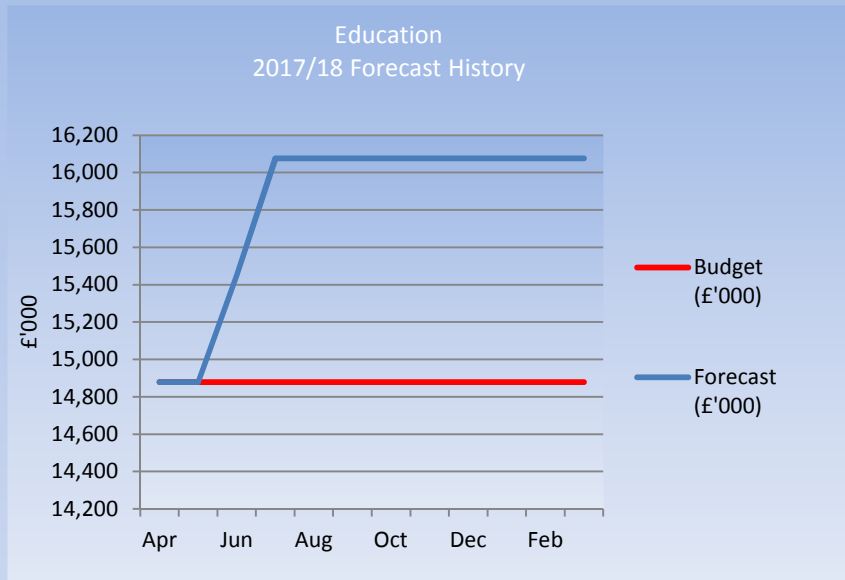
STAFFING	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246
Forecast (£'000)	6,246	6,246	6,295	6,104	6,104	6,104	6,104	6,104	6,104	6,104	6,104	6,104
Variance (£'000)	0	0	49	-142	-142	-142	-142	-142	-142	-142	-142	-142

DELIVERY OF MTRP SAVINGS	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
MTRP Target (£'000)	395	395	395	395								
Savings Realised cumulative (£'000)	395	395	395	395								
Variance (£'000)	0	0	0	0								
FIP Reconciliation period		MAY	JUN	JUL								

AREAS OF RISK	Budget	Forecast	Variance	Status	Comment
	£'000	£'000	£'000		
Special Educational Needs (SEN) (Independents & LA)	3,446	4,507	1,061	R	Additional OOC placements.

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Head of Service Commentary

Key Budget Variances/Issues for HOS to consider.

- SEN: Additional SEN Pressure (Increase of £561k) total £1.1 million overspend.
- Out of County (OOC) Placements have reduced from 173 in 2016-17 to 144 to date (financial year 2017-18), however the type of pupils requiring OOC placements are 'high end' resulting in higher costs per place.
- A review of OOC placements has taken place to attempt to recoup £300K however £163k seems largely possible.
- A service area spending freeze is in place to attempt to recoup as many costs as possible.

BMS Submission Data	%
% of cost centres submitted by budget holder deadline (exc schools)	79%

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OTHER SIGNIFICANT VARIANCES	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Bridge Achievement Centre - schools income	0	0	60	60								
Early Years & Conclusion of Nursery Reorganisation			-36	-36								
Bridge Achievement Centre - NNDR	0	0	0	-9								
SEN Equipment & Resources	0	0	0	5								
SEN Recoupment	0	0	0	138								
SEN Local Provision Development	0	0	0	43								
Catering Overall	0	0	0	22								
Other	0	0	0	36								
Total			24	259								

Current & Emerging Risks / Opportunities

(Including non delivery of MTRP savings)



Redundancy – The current position is the budget is on line with transfer from reserves up to full value at the current time, this may reduce with the use of invest to save funds from MTRP saving proposals.



SEN – OOC Placements' forecast is demand led and projections may change monthly. Although these placements are small in terms of numbers, the financial costs associated are significant.

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Head of Service Commentary

Head of Service comments/ summary:

Due to a significant number of OOC places being required over summer term, there has been vast increase in forecast overspend. A data analysis shows that the total number of OOC places has reduced from 2016-17 (173 places) to 2017-18 (144 places), however the additional OOC placements are for 'high end' needs which are very costly. The average cost of an independent placement for a high end need is £50k per pupil per year. SEN OOC placements were £500k overspent at the beginning of the financial year. This month shows a further £561k addition resulting in a £1.1 million total overspend to date. This is a mid-year position and additional places granted (under the local authorities legal duties) would further expand this overspend. Due to the significant overspend, Education Services are taking the following steps to reduce and prevent further overspend:

Next Steps:

1. OOC placements are linked to specialist provision, expertise and therapies. Due to the need to achieve a balanced budget; a review of OOC placements has taken place to find out if more cost effective provision can be found. A list of pupils who present the lowest risks in returning to Newport has been determined. The SEN Manager and Head of Inclusion will meet with all associated parents to discuss this alternative provision. Parental agreement is essential or the LA will be at risk of SEN Tribunal. To date £300k worth of potential savings have been earmarked however at this point at £163K is largely possible. If parents agree and alternative placements are not successful, pupils will need to return to their current higher cost provision.
2. The Head of Inclusion will make the final decision on all OOC placements.
3. A spending freeze throughout the service area will support the prevention of further overspend.

Strategic Director Commentary

Strategic Director comments:

SD on Annual Leave