



EDUCATION AND SOCIAL SERVICES SCRUTINY COMMITTEE - 11TH MARCH 2025

SUBJECT: EDUCATION BUDGET MONITORING 2024/25 (PERIOD 9)

REPORT BY: CHIEF EXECUTIVE

1. PURPOSE OF REPORT

1.1 To inform Members of the projected 2024-25 outturn position for the Directorate of Education, based on the most recent information available.

2. SUMMARY

2.1 The report identifies projected under / (overspends) currently forecast for 2024-25 (full details in Appendix 1).

2.2 In summary the current projected outturn position for Education is an overspend of £1.435m, an increase of £0.389m from the update at the end of period 7. It is important to note that this financial projection excludes a forecast outturn position for our schools. Information with regards to the school's financial position is included in the body of this report.

2.3 The report also provides an update with regards to progress against the Directorates savings target of £1.319m for the year (excludes schools).

3. RECOMMENDATIONS

3.1 Members are requested to note the contents of this report.

4. REASONS FOR THE RECOMMENDATIONS

4.1 To ensure that Members are fully informed with regards to the 2024-25 projected revenue spends position for Education.

4.2 The Council Budget is based on the achievement of both expenditure and income targets. To ensure that these are met, and that the Council's financial

integrity is maintained Directors are required to review income and expenditure trends.

5. THE REPORT

- 5.1 The report deals with the budget monitoring information for the Education Directorate. The revenue position is summarised in Appendix 1, with a breakdown split across 3 areas, Schools Related, Education Related and Lifelong Learning (LL) related respectively.
- 5.2 The projected outturn position is based on actual income and expenditure details to the end of December 2024, together with data used to forecast income and expenditure. Account is also taken of the outturn position for previous years and information available following discussions with Managers.
- 5.3 A net overspend of £1.435m is currently forecast for Education, details are outlined below.
- 5.4 The larger variances in Education relate to the following:

	£m (Under / (Over))	
Home to School / College Transport	(2.347)	
Relief Supply Cover – Maternity in Schools	0.061	
Rising 3's (Demand Led by Families)	0.062	
On-going Retirement Pension Costs School Based Staff	0.187	
Management & Support Service Costs	0.094	
Advisory Teacher Team	0.096	
Vulnerable Learners	(0.210)	
Early Years Central Team	0.277	
Library Service	0.113	
Net Other (Details in Appendix 1)	0.232	
Total	(1.435)	Overspend

- 5.4.1 Members will be aware that a significant financial pressure for the Authority relates to our Home to School / College transport provision. A significant pressure relates to special education transport provision across all sectors of education. Education related transport is currently under review as part of the Mobilising Team Caerphilly programme, with the Authority consulting on changing to the statutory minimum distance of 2 miles for primary aged children (currently 1.5 miles) and 3 miles for secondary aged children (currently 2 miles). Officers continue to work hard to ensure the most appropriate and most cost-effective provision is provided for pupils. Over the summer many of the taxi and mini-bus contracts were due for renewal and

this has resulted in an increase in prices from contractors. In Education there is an increasing pressure with regards to pupils with additional learning needs (ALN) and this often impacts pressure on the transport budget. The projected overspend on this budget has increased by £0.274 since the last update. This increase relates to transport contracts for ALN pupils.

- 5.4.2 In-year maternity absences in schools are always uncertain and variable, the projected position is an underspend for the current financial year. This budget funds the costs of the maternity absence for the school, allowing the school to engage staff to cover the staff absence.
- 5.4.3 The Early Years (Rising 3's) budget, supports Rising 3 places primarily in Caerphilly maintained schools but also in the non-maintained sector. This funding supports placements in the term before a child turns 4 years of age and starts in a school nursery setting. The request for places is demand led by families, the next application round will relate to January 2025, so demand remains uncertain to the end of the current financial year. The costs associated with the spring term have been estimated at £0.350m, this position will be reviewed and updated once the application and placement details are finalised.
- 5.4.4 There is currently an in-year projected underspend in relation to the budget for the Authority's on-going pension liability linked to pension / exit costs for school-based staff. This budget is expected to be insufficient in the coming years, the consequence of a need to reduce posts in schools, linked to reducing pupil numbers and or budget pressures.
- 5.4.5 The variance against Management & Support Services relates to a mix of salary related savings and some additional income. The underspend with regards to the Advisory Teacher Team relates to additional income late in the year.
- 5.4.6 The overspend relating to our Vulnerable Learners (Education Other Than at School, Additional Support & Out of County Places), is largely due to one-off costs linked to the transition to a new model for school-based support (September 2024). This provision was previously part of EOTAS. This is not anticipated to be an on-going pressure in financial year 2025-26.
- 5.4.7 The Early Years Central Team budget is required to support the continuation of grant funding into the Authority of circa £10m in the current financial year. These management roles are not eligible for inclusion within the grant funding plan. However, where there are in-year grant funded post vacancies while recruiting, opportunities are taken to charge costs to the grant where Central Team staff are covering the vacancies. This flexibility reduces when staff turnover is low and year on year as the grant funding is cash limited with no annual increase for the impact of pay awards.
- 5.4.8 The Library Service projected underspend relates to a mix of in-year staff savings (vacancies etc) of circa £55k, a savings on premises related spend on

national non-domestic rates (NNDR) of circa £31k and additional rental income, for 2 of our key sites, of £43k. The Library Service is currently under review as part of Mobilising Team Caerphilly.

5.4.9 The central Education budget for 2024-25 includes savings targets of £1.319m. In our current projections, it is assumed that the £1.319m savings target will be achieved and this position is reviewed in Appendix 2. There remains a level of uncertainty linked to vacancy management and staff turnover, however currently there is not a concern that this won't be achieved. Savings linked to vacancy gaps in our Early Years Central Team (linked to grant posts) has significantly supported projected savings in year.

5.4.10 As a Directorate there are a few posts that are supported by the approved use of reserves and whilst there are no real concerns for the current financial year, the position will need to be reviewed for future years. This review will also be necessary in relation to grant funded posts which is quite normal. It is important to mention that the funding for the current Multiply Project (managed under the umbrella of our Adult Education Service) is due to end on 31st March 2025. Multiply is a UK government funded project that aims to improve the functional numeracy of adults (19+) and to offer qualifications up to level 2 (GCSE A – C grade). We currently have circa 16 FTE's supporting delivery of the project. The Multiply Project also funds the Families Learning Together Project (4 staff), there is no alternative funding currently identified for financial year 2025-26. Our schools and pupils also benefit from the support of the Inspire Project (formally Inspire to Achieve), again funded through the Shared Prosperity Fund. This supports 14 staff in total, with each of our secondary schools having an officer to support pupils remaining in schools and reducing pupils not in education and training (NEETs).

5.4.11 It is important to note that the financial projections in this report exclude a forecast outturn position for our schools.

5.4.12 At the end of financial year 2023-24, the collective balances position for our 85 schools was a surplus of £5.3m. It's important to note that the balances position will look different for each of our schools. Indeed, at the end of financial year 2023-24, we had 21 of our schools reporting a deficit balance at outturn. It was reported to School Budget Form (SBF) (5th December 2024), that the anticipated schools' balances position at the end of financial year 2024-25 was a collective projected deficit balances position of £1.68m. This estimate includes 38 schools reporting a projected deficit balances position at the end of the current financial year. It is important to advise that in late December, schools were advised of some additional in-year grant funding from Welsh Government, this is likely to have a positive impact on this projection. The individual school level position will be reviewed as part of the normal budget monitoring cycle with each school.

5.5 Conclusion

5.5.1 The projected outturn position for Education is currently an overspend in 2024-25 of £1.435m. Full details are contained in the body of this Report.

5.5.2 It is currently projected (December 2024) that there will be a collective deficit balances position for schools at the end of financial year 2024-25 of £1.68m.

6. ASSUMPTIONS

6.1 The projected outturn position is based on actual income and expenditure details to the end of December 2024, together with data used to forecast future income and expenditure. Account is also taken of the outturn position for previous years and information available following discussions with Managers.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 An IIA is not necessary for this Information Only Report.

8. FINANCIAL IMPLICATIONS

8.1 In summary, based on information currently available there is projected revenue overspend for Education of £1.435m.

	£'m (Under / (Over))
Home to School / College Transport	(2.347)
Education (excluding schools)	0.912
Total Projected Overspend	(1.435)

8.2 In-year savings in central Education have mitigated some of the impact of the cost pressure linked to the projected overspend on home to school / college transport.

9. PERSONNEL IMPLICATIONS

9.1 In 2024-25 the Directorate will continue with the strategy of prudent vacancy management.

9.2 There are no direct personnel implications arising from this report.

10. CONSULTATIONS

10.1 All consultation responses have been incorporated into this report.

11. STATUTORY POWER

11.1 Local Government Act 1972 and 2000.

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Appendices:

Appendix 1 Projected Revenue Outturn Figures 2024-25

Appendix 2 Savings Targets 2024-25 – Projections for Financial Year