

Budget Monitoring Position – November 2016

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	14,365	14,365	14,365	14,365
Variance (£'000)	0	0	-14	340	547	560	542	558	558	558	558	558

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	4,279	4,279	4,279	4,279
Forecast (£'000)	4,318	4,318	4,305	4,273	4,234	4,225	4,309	4,623	4,295	4,295	4,295	4,295
Variance (£'000)	0	0	-13	-45	-84	-93	30	-4	-4	-4	-4	-4

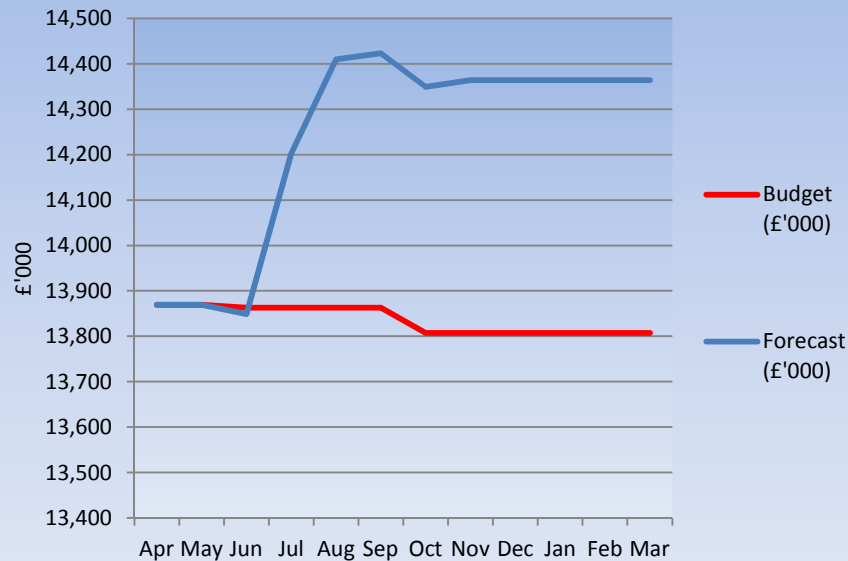
DELIVERY OF MTRP SAVINGS	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
MTRP Target (£'000)	60	60	60	60	60	60	60	60	60	60	60	60
Savings Realised cumulative (£'000)	60	60	60	60	60	60	60	60	60	60	60	60
Variance (£'000)	0	0	0	0	0	0	0	0	0	0	0	0
FIP Reconciliation period		MAY	JUN	JUL	AUG	SEP	OCT	NOV				

AREAS OF RISK	Budget	Forecast	Variance	Status	Comment
	£'000	£'000	£'000		
SEN	3,715	4,561	847	Red	Additional OOC Independent placements and In Year Adjs higher than budget.
Redundancy	1,003	1,003	0	Green	Current position shows budget on line , any over/under spends will be a transfer to/from reserves.
Transport	3,613	3,613	0	Green	Transport costs anticipated to be in line with budget however forecast review will confirm position in November.
Early Years	1,119	1,076	(43)	Green	Early Years placement funding less than budget.

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Education
2016/17 Forecast History



BMS Submission Data

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

%

97

Head of Service Commentary

Key Budget Variances/Issues for HOS to consider.

- SEN: Pressure of £847k. OOC Placements' pressure of £218k. In Year Adjustments' actuals as at November are over and above budget, current pressure reported at £500k. An INCLUDE group has started at a cost of £87K to the service, the service is currently looking at options in order to mitigate this pressure within the service. Recoupment income less than anticipated, pressure of £133k reported.
- Note prepared for HOS/CD on the overspend and it may lead to a pressure for incorporation in MTRP for 17/18.
- Transport forecast is in line with budget. Adjacent accountancy team have provided contract forecasts. Confirmation of additional expenditure will be confirmed in December
- Early Years: The anticipated take up of placements is less than budgeted. Rising 3s forecast for Spring Term assumed at the highest figure over the last three years for forecast purposes. Forecast in November has been based on provisional admission numbers for Spring Term hence no further savings are anticipated.






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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				
Joint Services				-101	-101	-91	-86	-86				
SEN OOC Placements (Budget revised in Oct)				479	564	415	172	218				
SEN – Statement Adjustments				150	361	500	500	500				
SEN – Income (Budget revised in Oct)				-100	-200	-150	-	133				
Early Years (Budget revised in Oct)						-86	-40	-43				
Bridge Achievement Centre							24	-10				
GEMS								-34				
EIG								-50				
Other (inc staffing)					-29	20	-28	-5				
Total				380	547	560	542	558				

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Changes since last month	Current & Emerging Risks / Opportunities <i>(Including non delivery of MTRP savings)</i>
	<p>Redundancy – There is a potential transfer to reserves of £329k. Current Teacher Safeguarding costs are at the highest levels . No additional redundancy costs expected as at end of November.</p>
	<p>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. There are potentially three additional OOC placements to be formalised. Following a Learning Resource Base (LRB) review a new INCLUDE group project at a cost of £87K 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 the service is currently looking at options to mitigate this pressure within the service. In-Year adjustment charges are currently at £558k with only April to November figures. Recoupment income is not as high as initially anticipated and additional income previously accounted for on this account has not materialised hence we are currently reporting a pressure of £133k. We are currently awaiting confirmation of income levels which could potentially reduce this pressure. The additional pressure on SEN has been mitigated within the Education Service.</p>
	<p>Transport – Demand led budget. Expenditure forecast currently in line with budget.</p>
	<p>Catering – Current pressure in Breakfast Clubs (options need to be examined here) is offset by savings in the Free School Meals’ budgets. Potential future risk if the need for repairs and maintenance is higher than budget.</p>
	<p>Early Years - The anticipated take up of placements is less than budgeted. Rising 3s forecast for Spring Term assumed at the highest figure over the last three years for forecast purposes, this will be revised in November with provisional admission numbers .</p>

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Head of Service Commentary

Head of Service comments/ summary:

Current projection of £558k overspend has increased £16k month on month, primarily due to the continuing underlying pressures with regard to SEN budgets.

As previously stated mitigation has been applied across the service to lower the forecast spend. This will continue at every opportunity.

Budgets have now been permanently re-aligned as stated last month and has seen the pressures with regard to OOC placements being lowered against a revised budget, although the anticipated additional SEN income has now been lowered giving a pressure on this budget.

The position with regard to in-year adjustments still remains as previous months comments. However following previous monitors an alternative method of dealing with ALN funding is being developed.

Actions that have been put in place are:

- Continue to develop options for dealing with all aspects of ALN funding through the ISB, this will likely be January 2017.
- These options to be developed for presentation to schools forum at the meeting in January 2017
- Options to be discussed with ESMT/SLT prior to January meeting.
- Service area to address issues with regard to Transport & Season Ticket forecasts with some urgency to ensure forecast are confirmed.
- Issue with potential Breakfast Clubs pressures and options for future years to be discussed in January 2017.

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Strategic Director Commentary

Strategic Director comments:

Present projection shows an overspend of £558k at the year end which represents a slight increase on the previous month. The overspend relates to out of county placements and new/reviewed statements. These can be very expensive for example up to £200k at the top end for school placements. Key spreadsheets are now consistently updated and data is reliable.

Key SEN Budgets are overspending by around £851k and this is mitigated by underspending in other areas.

Mike the Group Accountant is working on more detailed trend analysis and a cycle of monthly reporting on high risk budgets that will report every month in the year. There may be some capacity issues here and this will be examined over the course of the next months.

Mike has confirmed that the data he has received from the service is acceptable.