

**Education  
Overview and Scrutiny Committee**

**DATE: 21 NOVEMBER 2023**

**CORPORATE FINANCIAL PERFORMANCE – QUARTER 2 FINANCIAL MONITORING  
POSITION FOR 2023/24**

**Ward(s)** All

**Portfolios:** Cllr M Statham – Education and Skills

**1. Aim**

- 1.1 To provide the budget monitoring position for Period 6 2023/24. The Chair requested that this item be considered by the Committee.

**2. Recommendations:**

The Committee are requested to:

- 2.1 Note the revenue and capital forecast for the financial year end 2023/24 for the services under the remit of the committee.

**3. Report detail - Know**

- 3.1 This report summarises the forecast revenue and capital financial position for 2023/24, based on the position to September 2023, for services within the remit of the Education Overview and Scrutiny Committee, as reported to Cabinet on 18 October 2023. The full Cabinet report can be accessed by the following link:

[Corporate Financial Performance 2023/24 - Cabinet 18 October 2023](#)

- 3.2 The forecast revenue outturn for 2023/24 for the services under the remit of the Education Overview and Scrutiny Committee is an overspend of £0.83m after the net use of reserves of £0.08m, as shown in **Table 1**. The forecast revenue outturn shown is based on actual information from the financial system as at the end of August 2023, and discussions with managers regarding year end forecast and achievement of approved savings.
- 3.3. For completeness, the forecast revenue overspend for services under the remit of the Children's Services Overview and Scrutiny Committee is an overspend of £2.45m. This gives a total forecast position of an overspend of £3.28m for Children's Services directorate as of 30 September 2023.

**Table 1: Forecast revenue analysis 2023/24 by Service**

Service	Annual Budget	Year End Forecast	Net Use of Reserves	Action Plan	Draft Outturn after use of and transfer to Earmarked Reserves	Variance to Budget
	£m	£m	£m	£m	£m	£m
Access & Inclusion	2.62	3.35	(0.03)	0.00	3.32	0.70
Home to School Transport	6.56	6.69	0.00	0.00	6.69	0.13
Education Funding - Accountable Body	(0.41)	(0.36)	(0.05)	0.00	(0.41)	0.00
<b>Total Services within remit of Committee</b>	<b>8.77</b>	<b>9.68</b>	<b>(0.08)</b>	<b>0.00</b>	<b>9.60</b>	<b>0.83</b>

3.4 The main variances are summarised in **Table 2** below.

**Table 2: Reasons for revenue outturn variance**

Service	Variance £m	Explanation of Year End Outturn
Access & Inclusion	0.70	Use of agency within the educational psychologist team to cover vacant posts and increased demand.
Home to School Transport	0.13	Unachieved savings due to increased demand over and above expected levels (estimated 10%, actual increase 14%). Benefit will be achieved in full in 2024/25.
Education Funding – Accountable Body	0.00	
<b>Total Services within remit of this Committee</b>	<b>0.83</b>	

### 3.5 Reasons for Movements

The June forecast position reported to Cabinet in July 2023 was an overspend of £0.82m therefore there is a net increase in the overspend of £0.01m over the period.

### 3.6 Reserves

The total allocated reserves for 2023/24 for services under the remit of this committee are £1.91m, of which (£0.24m) has been used or committed to date and £0.16m will be transferred to reserves at the year-end, ringfenced for expected spend in 2024/25.

The use of reserves below is predominantly made up of grants carried forward from prior years to fund expenditure incurred in this financial year where grant conditions allow.

**Table 4** below details the use of and transfer to reserves across the services within the remit of this committee.

Table 4: Summary of use of reserves and transfer to reserves				
Reserve Details	Allocated reserve	Use of reserve	Transfer to reserve	Balance of reserve
	£m	£m	£m	£m
Access & Inclusion	0.42	(0.03)	0.00	0.39
Home to School Transport	0.00	0.00	0.00	0.00
Education Funding – Accountable Body	1.49	(0.21)	0.16	1.44
<b>Total Reserves</b>	<b>1.91</b>	<b>(0.24)</b>	<b>0.16</b>	<b>1.83</b>

### 3.7 Risks

For the services under the remit of this committee, there are total risks of **£0.87m** which are not included in the above forecast. At this stage the risks are not a certainty and as such are not included in the monitoring position. There are high risks of £0.14m relating to Services within the remit of this committee. If any risks became a certainty, they would need to be included in the forecast position as an overspend, unless alternative action can be identified to mitigate these costs. A summary of the risk assessment is shown in **Table 5** below.

Table 5: Revenue Risks 2023/24				
Risk	Value £m	Ongoing £m	One Off £m	Actions to manage risk
High	0.14	0.14	0	Risk of increased demand for Education Psychologist assessments over and above expected demand.
Medium	0.63	0.32	0.39	One off risk of increased agency rates for Educational Psychologists – this risk will be reduced as permanent staffing structure is recruited to. Risk of increased demand for home to school transport services over and above expected demand.
Low	0.10	0.10	0	Risk of reduced traded income as schools convert to academies
<b>Total</b>	<b>0.87</b>	<b>0.87</b>	<b>0.39</b>	

### 3.8 Service Transformation Plan Benefits

Included within the budget for 2023/24 for services within the remit of this Committee are £0.40m of approved savings. **Table 7** gives an update on progress towards implementing these benefits:

**Table 7: Delivery of 2023/24 approved savings – services within the remit of this Committee**

Saving	Total savings £m	Delivered £m	To be delivered by 31/03/23 £m	Not fully guaranteed £m	At High risk of non-delivery £m
OP2 – Home to School Transport review of contracts and route optimisation	(0.30)	-	(0.17)	-	(0.13)
OP3 – Increase top slice of Basic Need Capital Funding	(0.10)	(0.10)	-	-	-
<b>Total approved savings for services within remit of Committee</b>	<b>(0.40)</b>	<b>(0.10)</b>	<b>(0.17)</b>	<b>-</b>	<b>(0.13)</b>

Each benefit is “BRAG” categorised as follows:

- Blue (delivered);
- Green (on track to be delivered with no issues at year end of 2023/24);
- Amber (not guaranteed at this stage but no major issues expected, some management action needed to ensure delivery) or,
- Red - (at high risk of not being achieved either in part or in full and therefore either alternative actions are required or a plan to ensure delivery is put back on track).

### 3.9 Capital Forecast

The capital programme for the services under the remit of the Education Overview and Scrutiny Committee, as at the end of September 2023, is £13.30m. As at September, it was expected that all £13.30m will be fully spent within the current financial year. A list of schemes within the remit of this committee is shown in **Table 8**.

**Table 8: Capital Outturn 2023/24 – Services within the remit of this Committee**

Scheme	Approved Budget £m	Actual year to date £m	Forecast Outturn £m	Year End Variance £m	Proposed Carry Forward to 2024/25 £m	Variance Over / (Under) £m
<b>Council Funded schemes</b>						
School Estate Condition Survey	0.25	0.00	0.25	0.00	0.00	0.00
School Temporary Classrooms	0.17	0.11	0.17	0.00	0.00	0.00
<b>Total Council Funded Schemes</b>	<b>0.42</b>	<b>0.11</b>	<b>0.42</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Externally Funded Schemes</b>						
Devolved Formula Capital	2.49	0.81	2.49	0.00	0.00	0.00
Capital Maintenance	4.03	3.91	4.03	0.00	0.00	0.00
Basic Need	2.31	0.16	2.31	0.00	0.00	0.00

High Needs Provision Allocation	3.70	2.20	3.70	0.00	0.00	0.00
Academies	0.35	0.00	0.35	0.00	0.00	0.00
<b>Total Externally Funded Schemes</b>	<b>12.88</b>	<b>7.08</b>	<b>12.88</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Capital – Services within the remit of this Committee</b>	<b>13.30</b>	<b>7.19</b>	<b>13.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

#### **4. Financial information**

4.1 The financial implications are as set out in the main body of this report. The council has a statutory responsibility to set a balanced budget and to ensure it has an adequate level of reserves. The council will take a medium-term policy led approach to all decisions on resource allocation.

#### **5. Reducing Inequalities**

5.1 Services consider and respond to equality issues in setting budgets and delivering services. Irrespective of budgetary pressures, the Council must fulfil equal opportunities obligations.

#### **6. Decide**

6.1 To note the recommendations as set out in this report.

#### **7. Respond**

7.1 The Executive Director for Children's Services, with finance in support will be working with Directors and Heads of service to review the forecast, to continue to implement mitigating actions for any further forecast overspends and to consider these financial implications in line with the council's budget setting process.

#### **8. Review**

8.1 Regular monitoring reports are presented to Cabinet to inform them of the financial forecast for 2023/24, including an update on risks and impact on the budget for 2024/25 and beyond.

**Background papers:** Various financial working papers

#### **Contact Officers:**

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