



EDUCATION FOR LIFE SCRUTINY COMMITTEE - 2ND JULY 2019

SUBJECT: FINANCIAL PLAN EDUCATION AND LIFELONG LEARNING 2019/20

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To provide members with details of the Financial Plan for Education & Lifelong Learning for 2019/20.

2. SUMMARY

- 2.1 The Financial Plan outlines the details of how the Directorate's total available budget has been allocated for the financial year.

3. RECOMMENDATIONS

- 3.1 Members are requested to note the contents of this report, following budget approval at Council on 21st February 2019.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are fully informed with regards to the details of the 2019/20 revenue budget for Education & Lifelong Learning.

5. THE REPORT

5.1 2019-20 Revenue Budget

- 5.1.1 The final 2019/20 Local Government Financial Settlement announced on the 19th December 2018 showed an overall cash increase in Aggregate External Finance (AEF) of £1.37m for Caerphilly CBC. It should be noted that after adjusting for new responsibilities and grants transferred into and out of the settlement the new position is an effective cash increase of £549k. Further details are available in Budget Proposals 2019/20 and Medium Term Financial Strategy 2019/2024 Report to Council (21st February 2019).
- 5.1.2 Members will recall that as a consequence of the financial settlement a package of savings totalling £13.921m was agreed to enable the Council to deliver a balanced budget for the 2019/20 financial year. As part of the £13.921m, specific savings for Education & Lifelong Learning total £3.354m.
- 5.1.3 The approved 2019/20 budget for Education & Lifelong Learning totals £130m.

5.2 Education & Lifelong Learning

- 5.2.1 As part of the Authority's budget process the Directorate has been given budgetary uplift of 3.5% for the impact of the Teachers pay award (September 2018), 2.2% (weighted average) for APT&C pay award costs, plus an uplift for the living wage and an increase of 2.4% for non-pay related inflation. In addition budgetary uplift was also provided to fund the 1% increase in pension contribution costs for APT&C staff following the most recent triennial valuation of the Pension Fund. The Authority has also uplifted the funding required linked to increasing employer pension costs for teachers from September 2019. The Directorate also received funding of £237k linked to an increase in costs relating to the new pay and grading structure from April 2019.
- 5.2.2 Growth of £800k has been allocated to Education to support the on-going financial pressures linked to supporting our EOTAS (Education Other Than At School) pupils; £290k linked to demographic growth at Trinity Fields; £391k relating to financial pressures in schools (notably NNDR & demographic changes in mainstream).
- 5.2.3 Members will be aware of the "No Public Impact" classification when reviewing savings proposals. The 2019-20 proposals for the Directorate include £610k of savings that are identified with a no public impact classification. The proposals in this category consist in the main of vacancy management, budget realignment and minor changes to service provision. The details are included as part of the Report to Special Education for Life Scrutiny on 17th December 2018.
- 5.2.4 The balance of the savings target (£2.744m) for the Directorate in 2019/20 relates to the following specific savings proposals:

Low Impact

- | | |
|---|------|
| • Reduction – LMS Contingency | £40k |
| • Outdoor Education – Support to FSM Pupils | £17k |
| • Education Welfare Service | £46k |
| • Music Service | £50k |
| • Staffing Model in Libraries | £50k |

Medium Impact

- | | |
|---|---------|
| • Schools | £2,126k |
| • School Improvement Initiatives | £243k |
| • Reduction – LMS Contingency | £45k |
| • Sensory Service – SENCOM | £17k |
| • Library Book Stock | £85k |
| • Youth Service – removal of contribution to GAVO for Holiday Scheme post | £25k |

Total £2,744k

Full details of these savings, along with Equality Impact Assessments are included in the Report to Special Education for Life Scrutiny on 17th December 2018.

- 5.2.5 In total the Directorate's net budget for 2019/20 is £130m (excluding Central Support Service Apportionments) of which £103m (which includes £4m Post 16 funding) forms the Individual Schools Budgets.

The detailed Financial Plan pages are included in **Appendix 1**. Members will notice that the budget details have been re-classified in the Summary page against the following 3 budget headings – Schools Related; Education and Lifelong Learning. This is an update on previous financial plans that reported against – Planning & Strategy; Learning, Education & Inclusion and Lifelong Learning (originally linked to Heads of Service). To assist when reviewing, the “revised estimate 2018-19”, provide a comparison against the details for financial year 2019-20.

5.3 Medium-Term Financial Strategy 2018/2023

- 5.3.1 The Authority’s potential savings requirement for the 5 year period 2019/20 to 2023/24 is £57.353m (as reported to Council on 21st February 2019). This is a total of £43.907m for the 4 year period following 2019/20.
- 5.3.2 Further work is currently being undertaken with regards to developing proposals in order to address the significant financial challenges in future years.

6. ASSUMPTIONS

- 6.1 All assumptions linked to the Authority’s budget strategy for financial year 2019/20 are detailed in the Report agreed by Council on 21st February 2019.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The report identifies how the Directorate intends using the allocated resources to ensure that key strategies are achieved. The content of this report is in accordance with the budget and medium term financial strategy, considered and approved by Council on 21st February 2019.
- 7.2 Effective financial planning and financial controls contribute to the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015. In particular as follows:

A healthier Wales, supporting vulnerable learners can improve their well-being and educational achievement.

A more equal Wales, a society that enables people to fulfil their potential no matter what their background is; and

A Wales of cohesive communities, improving quality of life with attractive, viable, safe and well connected communities.

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

9. EQUALITIES IMPLICATIONS

- 9.1 Equality Impact Assessments (EIA’s) have been completed for all the savings proposals that are anticipated to have a public impact. The EIA’s were appended to the Medium Term Financial Plans – Savings Proposals for 2019/20 Report, this was presented to Special Education for Life Scrutiny Committee on 17th December 2018, they are also available on the Councils website.

10. FINANCIAL IMPLICATIONS

- 10.1 As detailed throughout the report.

11. PERSONNEL IMPLICATIONS

- 11.1 For schools there is likely to be a requirement to reduce a small number of school based posts the majority of which will be through voluntary redundancies and early retirements.
- 11.2 In 2019-20 the Directorate will continue with the strategy of prudent vacancy management.
- 11.3 The budget proposals include provision to pay the living wage and provide growth to support the new pay and grading structure, as agreed by Council.
- 11.4 Where staff reductions are required as a consequence of savings proposals the Council will firstly try to achieve this through “natural wastage” and not filling vacancies. However where this is not possible then every opportunity will be taken to find alternative employment through the Council’s redeployment policy. The Council will also utilise other policies as appropriate e.g. voluntary severance.

12. CONSULTATIONS

- 12.1 The 2019/20 budget process involved extensive consultation, as detailed in a report to Council on 21st February 2019.
- 12.2 There are no consultation responses that have not been reflected in this report.

13. STATUTORY POWER

- 13.1 Local Government Act 1972.

Author: Jane Southcombe, Finance Manager (Education, Lifelong Learning & Schools)
E-mail: southj@caerphilly.gov.uk

Consultees: Richard Edmunds, Corporate Director, Education and Corporate Services
Keri Cole, Chief Education Officer
Sue Richards, Head of Service – Education, Planning & Strategy
Sarah Ellis, Lead for Inclusion & ALN
Sarah Mutch, Early Years Manager
Paul Warren, Strategic Lead for School Improvement
Councillor Philippa Marsden, Cabinet Member for Education and Achievement
Steve Harris, Interim Head of Business Improvement Services & Section 151
Rob Tranter, Head of Legal Services
Councillor Barbara Jones, Deputy Leader and Cabinet Member for Finance, Performance and Governance
Mike Eedy, Finance Manager (Environment Directorate)
Anwen Cullinane, Senior Policy Officer (Equalities & Welsh Language)
Julie Baker, Principal Finance Officer (Schools)
Mike Lewis, Principal Accountant Education
Dave Roberts, Principal Accountant (Financial Advice and Support)
Lynne Donovan, Head of People Services

Background Papers:

- Report to Council (21st February 2019) – Budget Proposals 2019/2020 and Medium Term Financial Strategy 2019/2024
- Report to Education For Life Scrutiny Committee (17th December 2018) – Medium Term Financial Plan – Savings Proposals 2019/20

Appendices:

Appendix 1: Financial Plan 2019-20