



SPECIAL EDUCATION FOR LIFE SCRUTINY COMMITTEE – 9TH DECEMBER 2019

**SUBJECT: MEDIUM TERM FINANCIAL PLAN – SAVINGS PROPOSALS FOR
2020/21**

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To provide Members with details of the Directorates 2020/21 savings proposals required to support the Authority's Medium Term Financial Plan (MTFP).

2. SUMMARY

- 2.1 The report provides details of savings proposals for 2020/21 relating to Education, Lifelong Learning and Schools only. These draft proposals were presented to Cabinet on 13th November 2019, allowing for a period of consultation prior to a final decision by Council on 20th February 2020.

3. RECOMMENDATIONS

- 3.1 Members of the Scrutiny Committee are asked to consider and comment on the range of savings proposals as outlined in this report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the views of Scrutiny Committee are considered prior to the savings proposals being presented to Cabinet on 12th February 2020 and then Council on 20th February 2020.

5. THE REPORT

- 5.1 The Directorates savings proposals for 2020/21, which includes schools, total £2.716m. A full listing of the proposals is included in Appendix 1. The savings proposals have been summarised into "themes", as detailed in the Cabinet report 13th November 2019:

Description	2020/21 Proposed Savings £m
Being More Efficient	0.471
Doing Things Differently	0.112
Service Reductions / Cuts	2.133
Total Savings Proposals	2.716

5.2 These savings proposals have been further classified (as per Cabinet Report 13th November 2019) with regards to **direct impact** on the public.

Description	£'000
Savings with no direct public impact	476
Minor Impact	
<ul style="list-style-type: none"> • Specialist Teacher – Vacant Post • Library Service – Delete 2 Community Librarian Posts • 2% Reduction Former KS2 Funding • 2% Reduction Addn Secondary Funding 	33 80 30 22
Moderate Impact	
<ul style="list-style-type: none"> • 2% Reduction School Budgets (ISB) • Youth Service Grant Top Ups 	2,060 15
Total Savings Proposals	2,716

5.3 The proposed savings of £2.716m include savings proposals of £476k that are not expected to impact on the public, as in previous years these proposals have been consolidated into a single line (nil public impact proposals – are listed in Appendix 2). [Medium Term Financial Plan Saving Proposal Templates are included where required for proposals in appendices 3 to 15].

5.4 **Proposals that will have a Public Impact**

5.4.1 The remaining savings proposals of £2.240m have been assessed as impacting on the public, although to varying degrees. The remainder of the report focuses on these proposals.

5.4.2 **Specialist Teacher Team – Non replacement of Vacant Post - £33k (Public Impact: Minor) [Refn. A09]**

The Specialist Teacher Team work with schools supporting children with specific difficulties. For those children / young people with the most complex needs and with a Statement of Special educational need (legal document), there are no consequences with regards to this aspect of support relating to this proposal. The provision of support would only be changed following a Statement Review.

This post saving was achieved as part of the Authority's corporate workforce remodelling exercise (in March 2019). This vacancy provides an opportunity to generate a saving and reduce the potential for a compulsory redundancy in the future. Current service delivery will be unaffected by the proposal as the post has been vacant for some time. Further details included in appendix 15.

5.4.3 Library Service – Community Librarian Posts reduced from 6 to 4 - £80k (Public Impact: Minor) [Refn. B01]

This proposal forms part of the remodelling of the Authority's Library Service, whilst maintaining provision across the Boroughs 18 static library sites. The proposal would see the removal of 2 Community Librarian posts, from a cohort of 6 full time officers.

The remaining 4 officers will cover the Boroughs 18 sites including the work formerly undertaken by the 2 officers that would be released. This will continue to ensure the local delivery of professional services.

No officer is at risk of redundancy as part of this proposal, as those affected can be accommodated within the Library Service (details included in appendices 10 & 16).

5.4.4 Schools (Primary) – 2% Reduction in the former Key Stage 2 funding - £30k (Public Impact: Minor) [Refn. C02]

In 2019/20 the budget for "Key Stage 2", formerly a grant from Welsh Government, is £1.4m. This funding provides additional financial support to the Authority's primary schools, the funding is pupil led to support class sizes of 30 pupils or less in key stage 2 (junior) phase of learning. The funding goes directly to our schools with key stage 2 provision. In 2019/20 the level of funding ranged from £7k for one of our smaller schools to £57k for our largest school. This 2% reduction will impact all schools but to varying degrees based on pupil numbers. (Further details included in appendices 14 and 19).

5.4.5 Schools (Secondary) – 2% Reduction in the Additional Secondary funding - £22k (Public Impact: Minor) [Refn. C03]

In 2019/20 the budget for "Secondary Additional Funding" is circa £1.1m, this is distributed on a formula basis to all secondary schools. The significant drivers for distribution of this funding are pupil numbers and free school meals. This budget was introduced a number of years ago to support our secondary schools and to assist with regards to reducing the number of redundancies [Secondary Schools fund 60% of any redundancy costs]. In 2019/20 the level of formula led funding ranged from £57k in one of our secondary schools to £167k in another. (Further details included in appendices 13 and 19).

5.4.6 Schools - £2,060k (Public Impact: Moderate) [Refn. C01]

The 2% savings target of £2.060m for schools is against the 2019/20 Individual Schools Budget (ISB) allocation of £103m. Schools account for approximately 30% of the Authority's budgetary spend, consequently this savings proposal does provide a level of protection to schools. This 2% reduction is in-line with scenarios that Finance Officers have been working on with schools over the current financial year (assumptions based on the 5 year MTFP projected savings requirements reported to Council in February 2019).

The proposals in the Budget Report 2020/21 include budgetary growth for schools with regards to costs pressures relating to Teachers / APT&C pay and superannuation costs, non pay inflationary pressures and specific school pressures of circa £5.6m. Consequently the net position on the Individual Schools Budget (ISB) is additional funding of circa £3.5m. The position remains a real terms budget reduction for our schools.

Schools are required under their delegated powers to balance their own individual budgets, consequently they will be required to identify budget savings to cover the £2.060m. How schools deal with this pressure will vary from school to school. School budgets are typically 80% staff related, hence it is expected that there will be a reduction in staff numbers in schools.

Since schools are responsible for setting their individual budget, the impact will vary from school to school. The Authority has established processes in place to support schools and any issues would be picked up as part of normal process. (Further details included in appendices 12 and 18).

5.4.7 Youth Service – Withdrawal of “grant top up” - £15k (Public Impact: Moderate) [Refn. C04]

This proposal would see the cessation of what has been an annual contribution from the Youth Services core budget to “shore up” delivery gaps linked to external grant orientated elements of the youth service. The “top up” support has not been eligible for funding from the grant.

The loss of this resource capacity will restrict opportunities for the timely engagement with up to 45 of our most vulnerable young people. This “top up” supports more timely preventative work following a referral, aiming to reduce the potential of an escalation in need. (Further details included in appendices 11 & 17).

6. ASSUMPTIONS

- 6.1 These draft savings proposals for Education, Lifelong Learning & Schools form part of the Authority’s draft budget proposals for 2020/21. These draft proposals were presented to Cabinet on 13th November 2019; all assumptions are detailed within the Cabinet Report.

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.
- 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 Screenings have been undertaken for all the draft 2020/21 savings proposals and Equality Impact Assessments (EIA's) have been completed where required. This is to ensure that decisions that affect different individuals and groups with protected characteristics are assessed at an appropriate and relevant level and at the correct stage in the process. Completed EIA's are available on the Councils website and for this Directorates proposals detailed in the appendices attached.

10. FINANCIAL IMPLICATIONS

- 10.1 As detailed throughout the report.

11. PERSONNEL IMPLICATIONS

- 11.1 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 the Council will utilise agreed HR policies and compulsory redundancies will only be considered when all other options have been fully exhausted.
- 11.2 The Trade Unions will be fully consulted on the 2020/21 draft budget proposals.

12. CONSULTATIONS

- 12.1 This report to Scrutiny forms part of the Authority's consultation process.
- 12.2 The Education Senior Management Team (SMT) have met with a small group of representative Heads to discuss in detail the Directorates financial position and the draft savings proposals for 2020/21.
- 12.3 The Corporate Director for Education & Corporate Service and Chief Education Officer have met with Secondary Heads in November 2019 to discuss the schools savings target.
- 12.4 Details of the Directorates draft budget savings proposals 2020/21 have been shared with Headteachers in the November 2019 Regional meetings.
- 12.5 The Authority's wider budget consultation is running from 18th November 2019 to 13th January 2020, as detailed in the draft budget report to Cabinet 13th November 2019.

13. STATUTORY POWER

- 13.1 Local Government Act 1972.

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Appendices:

Appendix 1 : Full list of Directorate MTFP Savings Proposals 2020/21
Appendix 2 : List of Nil Public Impact Savings Proposals 2020/21
Appendix 3 : MTFP Template – A01 – Adult Education Vacant Post
Appendix 4 : MTFP Template – A02 / A15/ C05 – Budget Realignments
Appendix 5 : MTFP Template – A03 – Management Support Vacant Post
Appendix 6 : MTFP Template – A06 / A07 / A08 – Music Service Vacant Posts
Appendix 7 : MTFP Template – A11 / A12 / A13 / A14 – Youth Service Vacant Posts
Appendix 8 : MTFP Template – A05 – Education Welfare Service Vacant Post
Appendix 9 : MTFP Template – A17 – Sensory Service – 1% Savings Target
Appendix 10 : MTFP Template – B01 / A04 / A10 / B02 – Library Service Proposals
Appendix 11 : MTFP Template – C04 – Youth Service – “Top Ups”
Appendix 12 : MTFP Template – C01 – 2% ISB Schools
Appendix 13 : MTFP Template – C03 – 2% Secondary Additional Funding
Appendix 14 : MTFP Template – C02 – 2% Key Stage 2 Funding
Appendix 15 : MTFP Template – A09 – Specialist Teacher Team Vacant Post
Appendix 16 : EIA – B01 – Community Librarians
Appendix 17 : EIA – C04 – Youth Service – “Top Ups”
Appendix 18 : EIA – C01 – 2% ISB Schools
Appendix 19 : EIA – C03 – Secondary Additional Funding
Appendix 20 : EIA – C02 – Key Stage 2 Funding