



## **SPECIAL EDUCATION FOR LIFE SCRUTINY COMMITTEE – 19TH JUNE 2014**

**SUBJECT: CAERPHILLY COUNTY BOROUGH EDUCATION MUSIC SERVICE  
MEDIUM TERM FINANCIAL PLAN 2015/17 – ITEMS FOR  
CONSIDERATION**

**REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE**

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### **1. PURPOSE OF REPORT**

- 1.1 To consider MTFP contributions from the Learning, Education and Inclusion Division in accordance with the Cabinet report – next stages of MTFP – 2015/16 and 2016/17 dated 16 April 2014.

### **2. BACKGROUND**

- 2.1 This report is put before Education for Life Scrutiny Committee to consider the County Borough Education Music Service's review options in assisting the Local Authority to meet its obligations in respect of the 2014/17 Medium Term Financial Plan, taking due note that:-

- i) The Councils MTFP requires estimated savings of £6.5m for the 2015/16 financial year and £6.9m for 2016/17.
- ii) Discretionary services are reviewed in full, including those areas of statutory provision where delivery exceeds the minimum required levels, with a view to identifying savings proposals totalling over £8m. Saving proposals are to be presented to Special Scrutiny Committees after April 2014 and before October 2014.
- iii) Further proposals for Members to consider in respect of up to 3% efficiency savings. These efficiency savings targets to be applied to those statutory and essential services that the Authority has to deliver, either directly or via a third party organisation. Reports to be presented to Special Scrutiny Committees after April 2014 and before October 2014.

- 2.2 Cabinet on 16<sup>th</sup> April 2014 agreed that 9 discretionary services will be considered by the Education for Life Scrutiny over three meetings:

- 19<sup>th</sup> June 2014
- 18<sup>th</sup> September 2014
- 22<sup>nd</sup> October 2014

- 2.3 The range of discretionary services are listed in Appendix 1 of the report, together with an approximate budget value.

2.4 The three service areas being reviewed at the Education for Life Scrutiny meeting of the 19<sup>th</sup> June 2014 are:

- (1) Library Services
- (2) Home to School Transport (discretionary element)
- (3) Music Service

### 3. LINKS TO STRATEGY

3.1 The work of Caerphilly County Borough Music Service contributes to a number of the Council's key strategic priority areas and plans including 'Caerphilly Delivers: The Single Integrated Plan 2013-2017', in particular with respect to:

- **Learning Caerphilly** – providing access to a range of resource, facilities and services that underpin basic skill development, qualification attainment and access to materials that support improved educational achievement among residents of all ages.

### 4. THE REPORT

#### 4.1 Music Service Reductions

4.1.1 There are a number of options that can be considered here:-

**Option 1:** To retain existing management arrangements .No annual savings

**Option 2:** To remove all discretionary support for Music to schools and cease all extra-curricular events such as Four Counties Orchestra. There is no statutory element within this service so all tuition would have to be funded by schools or parents. Annual saving of £700k. This is the full budget provision. Implementation costs would be the redundancy of up to 30 staff, along side significantly increased charges to schools to cover management and administrative functions.

**Option 3:** To adapt the management arrangements and review provision in line with schools' requirements. Annual saving of £100,000.in the first instance No additional cost for implementation. Management of vacancies will produce further savings over the next few years as provision is further refined.

**Option 4:** Increase the SLA charges to schools to fully fund existing provision without the subsidy. Annual saving as in Option 2. Cost transferred to schools and parents, equating to approximately £7000 per schools if all schools engaged. If there were fewer schools involved, there would be staff redundancies.

**Option 5:** To review the terms and conditions of staff within the service. Over recent years, as retiring teachers have left, newly appointed staff have been on tutor conditions and have been able to offer a new range of tuition. This has enabled the service to broaden its provision on offer and include more group and whole class teaching. This in turn has provided good value for money and has allowed the Service to become more responsive and flexible to need.

Currently 6 of the 31 staff are paid on Teachers' Pay and Conditions and the remainder are paid on Tutors' rate. Annual savings of £91,000 from 2016/ 2017 would be projected.

Salaries would be protected for 18 months, so the savings would come into effect in September 2016 and by then, workforce planning suggests that this saving is likely to reduce to £50,000.

If this option were not employed as one intervention, the saving would still be achieved, albeit over a longer time frame. This would occur naturally as staff reach retirement age, and the full saving would merge.

The age profile of the six senior staff involved is likely to mean that by September 2016, the actual saving would be £50,000.

As new staff now have the suggested terms and conditions, savings will be limited to £50k for two years at the most.

NOTE: As part of every option, schools can continue to purchase Service Level Agreements (SLAs) for customised Music support packages

<b>Budget Title / Ref:</b>	<b>Music Service Reduction Option 1</b>
<b>Savings (£):</b> <b>Financial Year:</b> <b>Comment:</b>	Nil 2015/16 <b>Option 1:</b> Maintain current arrangements of provision
<b><u>Cost to Implement</u></b>	
<b>Staff Costs:</b> <b>Resource Costs:</b> <b>Additional Costs as a Consequence:</b>	Nil
<b><u>Estimated Timeframe to Implement</u></b>	
<b>Consultation:</b> <b>Statutory Process:</b>	None None
<b><u>Estimated Risks of Implementation</u></b>	
<b>Not Achieving Cost Savings:</b> <b>Not Achieving Timeframe:</b>	NA NA
<b><u>Estimated Employment Effects</u></b>	
<b>Redundancy:</b> <b>Redeployment:</b> <b>Redirected Resource:</b>	NA NA NA
<b><u>Other Issues:</u></b>	.
<b>Budget Title / Ref:</b>	<b>Music Service Reduction Option 2</b>
<b>Savings (£):</b> <b>Financial Year:</b> <b>Comment:</b>	700,000 2016/17 <b>Option 2:</b> To remove all discretionary support for Music to schools and cease all extra-curricular events such as Four Counties Orchestra.
<b><u>Cost to Implement</u></b>	
<b>Staff Costs:</b>	Redundancy for up to 30 staff.

<b>Resource Costs:</b>	None
<b>Additional Costs as a Consequence:</b>	None
<b><u>Estimated Timeframe to Implement</u></b>	
<b>Consultation:</b>	There would need to be wide spread consultation as undertaken with trade unions, schools and parents
<b>Statutory Process:</b>	None
<b><u>Estimated Risks of Implementation</u></b>	
<b>Not Achieving Cost Savings:</b>	Limited risk
<b>Not Achieving Timeframe:</b>	Dependent on consultation process/outcome/challenge this could be protracted.
<b><u>Estimated Employment Effects</u></b>	
<b>Redundancy:</b>	Up to 30 staff redundant
<b>Redeployment:</b>	Limited opportunities
<b>Redirected Resource:</b>	Not applicable
<b><u>Other Issues:</u></b>	
There would be significant concern raised over the lack of accessible music support for pupils, particularly those in our most deprived, isolated communities. Music makes a valuable contribution to an enriched curriculum and affects well-being and self esteem. Many talented musicians could not afford private music tuition.	
<b>Budget Title / Ref:</b>	
<b>Music Service Reduction Option 3</b>	
<b>Savings (£):</b>	100,000 with potential for further savings in future years
<b>Financial Year:</b>	2015/16
<b>Comment:</b>	<b>Option 3:</b> To adapt the management arrangements and review provision in line with schools' requirements.
<b><u>Cost to Implement</u></b>	
<b>Staff Costs:</b>	Nil
<b>Resource Costs:</b>	Nil
<b>Additional Costs as a Consequence:</b>	None
<b><u>Estimated Timeframe to Implement</u></b>	
<b>Consultation:</b>	None
<b>Statutory Process:</b>	None
<b><u>Estimated Risks of Implementation</u></b>	
<b>Not Achieving Cost Savings:</b>	None
<b>Not Achieving Timeframe:</b>	None

<b>Estimated Employment Effects</b>	
<b>Redundancy:</b>	Not applicable,.
<b>Redeployment:</b>	Not applicable
<b>Redirected Resource:</b>	Not applicable
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<b>Other Issues:</b>	
This management model has been in place as an interim arrangement since October 2013 and has been very successful. Feedback from staff and schools has been positive.	
<b>Budget Title / Ref:</b>	<b>Music Service Reduction Option 4</b>
<b>Savings (£):</b>	700,000
<b>Financial Year:</b>	2016/17
<b>Comment:</b>	<b>Option 4:</b> Increase the SLA charges to schools to fully fund existing provision without the subsidy.
<b>Cost to Implement</b>	
<b>Staff Costs:</b>	Redundancy for up to 30 staff, depending on uptake by schools and parents
<b>Resource Costs:</b>	None
<b>Additional Costs as a Consequence:</b>	None
<b>Estimated Timeframe to Implement</b>	
<b>Consultation:</b>	. There would need to be wide spread consultation as undertaken with trade unions, schools and parents
<b>Statutory Process:</b>	This would need to be stringently followed and fully documented and risk assessed. None
<b>Estimated Risks of Implementation</b>	
<b>Not Achieving Cost Savings:</b>	High risk as take –up by schools is unknown.
<b>Not Achieving Timeframe:</b>	Dependent on consultation process/outcome/challenge this could be protracted.
<b>Estimated Employment Effects</b>	
<b>Redundancy:</b>	Redundancy for up to 30 staff, depending on uptake by schools and parents
<b>Redeployment:</b>	Limited opportunities
<b>Redirected Resource:</b>	Not applicable
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<b>Other Issues:</b>	
Schools currently contribute approximately £260,000 towards additional music support. They would now need to contribute an additional £700,000 based on the current model.	

<b>Budget Title / Ref:</b>	<b>Music Service Reduction Option 5</b>
<b>Savings (£):</b>	50,000
<b>Financial Year:</b>	2016/17
<b>Comment:</b>	To review the terms and conditions of staff within the service.
<b><u>Cost to Implement</u></b>	
<b>Staff Costs:</b>	None
<b>Resource Costs:</b>	None
<b>Additional Costs as a Consequence:</b>	None
<b><u>Estimated Timeframe to Implement</u></b>	
<b>Consultation:</b>	There would need to be wide spread consultation as undertaken with trade unions and staff.
<b>Statutory Process:</b>	None
<b><u>Estimated Risks of Implementation</u></b>	
<b>Not Achieving Cost Savings:</b>	None
<b>Not Achieving Timeframe:</b>	Dependent on consultation process/outcome/challenge.
<b><u>Estimated Employment Effects</u></b>	
<b>Redundancy:</b>	None
<b>Redeployment:</b>	None
<b>Redirected Resource:</b>	N/A
<b><u>Other Issues:</u></b>	
	If this option were not employed as one intervention, the saving would still be achieved, albeit over a longer time frame. This would occur naturally as staff reach retirement age, and the full saving would merge.

## 5. EQUALITIES IMPLICATIONS

- 5.1 Dependent on which option, or options, Members wish to explore further appropriate Equality Impact Assessments will be prioritised as part of the next stage in the formal review process. Where required the detailed Equality Impact Assessments undertaken will form part of subsequent reports to Members for their information and consideration.

## 6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications of each review area considered as part of this report have been noted where known at present in section 4 above. The full cost implications of each area that Members may wish to take forward will be prepared as part of the next stage in the process and included in a further report to Education for Life Scrutiny Committee and Cabinet in due course.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 A number of the Music Review options outlined in section 4 of this report have significant personnel implications that will require detailed consideration, consultation, and costing dependent on which proposals Members elect to take forward. The full HR implications of the option, or options, to be considered further will form a key part of future reports to Members as and when required.

## **8. CONSULTATIONS**

- 8.1 The views of all consultees listed have been incorporated in this report.

## **9. RECOMMENDATIONS**

- 9.1 That Education for Life Scrutiny Members consider the Music Service options detailed in this report and identify which proposal, or proposals, they consider merit further investigation as part of the Council's Medium Term Financial Planning strategy for 2014/17.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To ensure that the views of the Scrutiny Committee are considered prior to the report being presented to Cabinet.

## **11. STATUTORY POWER**

- 11.1 1996 Education Act

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Consultees: Sandra Aspinall, Acting Deputy Chief Executive  
Corporate Management Team  
Education Senior Management Team  
Mr. Ken Hunt, Interim Manager, Music Service  
Mrs. Jacquelyn Elias, Service Manager, Additional Learning Needs  
Cllr R Passmore, Cabinet Member, Education and Lifelong Learning  
Cllr W. David, Chair of Education for Life Scrutiny Committee  
Jane Southcombe, Principal Accountant

### Appendices

Appendix 1 Initial list of discretionary services to be reviewed