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Date: 12th September 2014

Dear Sir/Madam,

A meeting of the **Education for Life Scrutiny Committee** will be held in the **Rhymney Room - Penallta House, Tredomen, Ystrad Mynach** on **Thursday, 18th September, 2014** at **5.30 pm** to consider the matters contained in the following agenda.

Yours faithfully,

A handwritten signature in black ink that reads 'Chris Burns'.

Chris Burns
INTERIM CHIEF EXECUTIVE

A G E N D A

- 1 To receive apologies for absence.
- 2 Declaration of interest
Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on this agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

To receive and consider the following Scrutiny reports: -

- 3 Caerphilly County Borough Community Centre Service Medium Term Financial Plan 2015/17- Items for Consideration;
- 4 Caerphilly Adult Community Learning Medium Term Financial Plan 2015/17- Items for Consideration;

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- 5 Caerphilly Youth Service Medium Term Financial Plan 2015/17- Items for Consideration;
- 6 The Medium Term Financial Plan 2015/17 - Items for Consideration.

Circulation:

Councillors P.J. Bevan, Mrs A. Blackman, W. David (Chair), H.R. Davies, C. Durham, C.J. Gordon, D.M. Gray, D. Havard, G. Johnston, M.P. James, Mrs G.D. Oliver, D.W.R. Preece, J. Pritchard (Vice Chair), J.E. Roberts, Mrs M.E. Sargent and R. Saralis

Co-opted Members:

Cardiff ROC Archdiocesan Commission for Education Representative (with voting rights on educational matters)

Mr M. Western

Parent Governor Representatives (with voting rights on educational matters) Mr A. Farina-Childs and Mrs A. Goss

Outside Body Representatives (without voting rights)

Mr P. Jones (NAHT), Mrs J. Havard (NUT), Mrs P. Ireland (NUT) and Mr J. Short (NASUWT)

Caerphilly Governors Association (without voting rights)

Mrs S. Evans (Caerphilly Governors Association)

And Appropriate Officers



EDUCATION FOR LIFE SCRUTINY COMMITTEE – 18TH SEPTEMBER 2014

**SUBJECT: CAERPHILLY COUNTY BOROUGH COMMUNITY CENTRE SERVICE
MTFP 2015/17 – ITEMS FOR CONSIDERATION**

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To consider Medium Term Financial Plan (MTFP) contributions from Caerphilly County Borough Community Centre in accordance with the Cabinet report – next stages of MTFP – 2015/16 and 2016/17 dated 16 April 2014.

2. SUMMARY

- 2.1 The Medium-Term Financial Plan agreed by Council on the 26th February 2014 identified an estimated savings requirement of £6.5m for 2015/16 and £6.9m for 2016/17. This was based on an indicative reduction in Welsh Government funding of 1.34% for 2015/16 and, in the absence of further guidance from WG, an assumed reduction of a further 1.34% for 2016/17.
- 2.2 The budget strategy agreed by Council for 2015/16 and 2016/17 is currently being taken forward via two main strands. The first of these is further savings proposals for Members to consider in respect of up to 3% efficiency savings. These efficiency targets require savings of circa £5m and will be applied to those statutory and essential services that the Authority has to deliver. The second stand of the agreed budget strategy is a review of discretionary services, including those areas of statutory provision where delivery exceeds the minimum required levels, with a view to identifying savings proposals totalling over £8m.
- 2.3 This report outlines savings options for the Council's Community Centre Service to support the agreed budget strategy.
- 2.4 Members of the Education for Life Scrutiny Committee will be aware of the letter from the Minister for Local Government on the 24th June 2014 informing Local Authorities that due to a range of emerging cost pressures, particularly in the NHS, further significant reductions in the Local Government financial settlement are now anticipated for 2015/16 and beyond. This has serious consequences as WG is now asking Local Authorities to consider how they would respond to funding reductions of up to 4.5%. A report was presented to Cabinet in the 16th July 2014, which identified that a cut in WG funding of 3% would increase the required savings for 2015/16 and 2016/17 from the current planning figure of £13.4m to £22.2m. A cut of 4.5% will increase the savings target to £30.1m. A further report will be presented to Cabinet early in the autumn when the position has been examined in more detail.
- 2.5 Five options for the future delivery of the Council's Community Centre Service form the basis of this report to Scrutiny Members. The options put forward are as follows:-

- (1) Maintain Present Community Centre Network 'as is' – status quo option.

- (2) Council withdraws from delivery of Community Centre provision - No service option.
- (3) Community Centre network is reconfigured to a smaller, more economically sustainable, number of venues in village and town centre locations - Reduced network option.
- (4) Community Centres are offered to local groups via some form of Asset Transfer approach where the economic model and suitable capacity of the Management Committee/Governance body can sustain - Alternative delivery option.
- (5) Community Centre Service transferred via grant aid arrangement wholly to a Third Sector lead body or equivalent - Delivered by others under client / contractor 'arms length' arrangement option.

2.6 Each option noted in 2.5 above takes account of the other areas of possible Community Centre Service saving identified in the long list of efficiencies presented to Members at a special MTFP seminar held on November 21st 2013 totalling £140,000, as detailed in section 4.4 below.

3. LINKS TO STRATEGY

- 3.1 Community Centres contribute to a number of the Council's core priorities including the key themes of its Community Strategy and Single Integrated Plan.
- 3.2 Community Centres act as a social hub, providing the opportunity for the promotion of a wide range of activities and events that further the educational, cultural and recreational needs of all sectors of the community.

4. THE REPORT

- 4.1 The County Borough Community Centre Service has prepared five possible future delivery options for Education for Life Scrutiny Member consideration and comment on.
- 4.2 Each option has been carefully considered to offer the best economic case for future Community Centre provision within the broader context of the Council's significant Medium Term Financial Planning constraints, as highlighted in section 2 above. For completeness two options, remain 'as is' (option 1), and withdrawal of provision (option 2), are provided to ensure Members can consider the widest range of measures that may be open to the Authority.
- 4.3 In each option considered due consideration has been given to the possible legal implications that each might entail should one or more be deemed appropriate to pursue further. The Authority is the Landlord at the vast majority of the Community Centre sites that form the Borough Network and works in close cooperation with each individual volunteer Management Committee to deliver provision on a local basis, any option deemed appropriate for further development will need to take these considerations and collaborative arrangements into account.
- 4.4 Members should note that included in each option under consideration are the long list of possible additional Community Centre Service efficiencies outlined to Members in the November 21st 2013 MTFP Seminar. The savings noted relate to 2015-16 and 2016-17 as highlighted in the long list provided to Members previously. For completeness the long list of possible savings relate to:

Possible Efficiency Area	2015-16	2016-17	Totals
Review Community Centres-Water Rates & Public Indemnity Insurance in conjunction with Management Committees		£50K	£50K
Review Community Centres-Repairs & Maintenance budget	£70K	£20K	£90K
Totals	£70K	£70K	£140K

4.5 Community Centre Service Review Options

4.5.1 Maintain Present Community Centre Network 'as is' - **Option 1** (status quo).

Budget Title / Ref:	Maintain Present Community Centre Network 'as is' - Option 1 (status quo).
Savings (£): Financial Year(s): Comment:	<p>Those already identified in the long list of possible savings within the 2014-17 MTFP = £140k for 2015-17 2015/17</p> <p>The savings outlined include a reduction in the Community Centres building maintenance budget that may impact directly on the condition and on-going suitability of some facilities within the Borough Network as the remaining funding allocation will be targeted at more urgent and statutory works.</p> <p>The savings proposed also include a withdrawal of the Community Centre Service management grants that support each facility to address their respective Water rates and Insurance fees on an annual basis. A sum of £600 per Centre has previously been grant aided for this purpose. The insurance fees, £24k in total per annum, cover public/employee liability and over relevant areas of protection required by Management Committees, but do not address building cover which the Authority corporately deals with presently as Landlord.</p> <p>Each Community Centre is currently leased or licensed to the respective local Management Committee. Under the terms of occupancy, committees are liable for energy costs however the Council as Landlord is presently liable to meet the cost of Water rates. It is proposed within this option that the cost of Water rates be passed onto local Management Committees, generating a saving of some £26k per annum.</p> <p>It important to note that any dispersal of Water rate fees and other similar costs to Management Committees will require mutual agreement locally as the legal obligation presently rest with the Authority as Landlord.</p>
<u>Cost to Implement</u>	
Staff Costs: Resource Costs: Additional Costs:	<p>N/A</p> <p>A £90k reduction in the Community Centre building maintenance budget comprising £70k in 2015/16 and £20k in 2016/17. For Member information the revised budget from 2016 onward, following the reductions noted above, will be £120k per annum.</p> <p>A £50k saving on Insurance fees and Water rates via the transfer of these charges to local Management Committees from 2016/17 onward.</p>
<u>Timeframe to Implement</u>	
Consultation: Statutory Process:	<p>Initial consultation with local Management Committee's has taken place in respect of the withdrawal of grant aid for insurance fees and Water rate costs. More detailed consultation linked to an implementation date would take approximately 3 to 6 months prior to any withdrawal of funding.</p> <p>N/A</p>

<u>Risks of Implementation</u>	
Not Achieving -	<p>The savings are achievable and are considered proportionate. The Authority's Community Centre Manager and Risk Officer team would continue to support and work with Management Committee's to assist in negotiating the best insurance terms achievable for each location as individual facilities adjust to the changes proposed.</p> <p>The impact of reductions to the Community Centre reactive building maintenance budget, during 2015-17 of £90k in total, will require a refocusing of the remaining Council allocation on statutory and high risk areas of work that will require careful prioritisation across the Network of facilities that the Authority has legal obligations toward, some 34 of the present 38 supported sites. It is anticipated that some facilities will receive less maintenance funding as unforeseen and urgent work will require prioritisation, this may in turn lead to future viability concerns at some locations.</p>
Savings:	As outlined above – relatively short implementation phase in each year of savings proposed in section 4.4.
Timeframe	
<u>HR Implications:</u>	
Redundancy:	N/A
Redeployment:	N/A
Redirected Resource:	N/A
<u>Other Options/Issues:</u>	
Legacy building maintenance and management issues could arise due to reduced funding being available to address key site repair requirements or ensure legal conformity of premises.	

4.5.2 Council withdraws from delivery of Community Centre provision - **Option 2**

Budget Title / Ref:	Council withdraws from delivery of Community Centre provision - Option 2 (No service)
Savings (£):	Total Community Centre Budget = £558k .
Comment:	<p>Option 2: Complete withdrawal of Community Centre Service delivered by the Local Authority.</p> <p>Whole service closure administration and consultation costs would be significant. The legal implications alone are anticipated to be considerable and complex.</p> <p>Impact on individual management committees, local communities supported by services provided/accessed at specific Centres, partner services (Flying Start, Meithrin groups, Youth Clubs, etc), residents, staff, and support agencies (HR/Finance/IT etc).</p> <p>It is important to note that this option is the least likely to be progressed as part of the Medium Term Financial Planning process but has been included for comparability.</p>

<u>Cost to Implement</u>	
Additional Costs:	<p>Legal and possible compensatory costs are anticipated to be high and difficult to quantify at this stage with a considerable level of local variation.</p> <p>Possible grant funding claw-back at a number of locations including:</p> <ul style="list-style-type: none"> • Senghenydd Community Centre - £300k Community Facilities fund (CFAP) • Tiryberth Community Hall - £400k Big Lottery Funding (BLF) <p>The 38 Community Centres are in a varying state of repair and suitability – possible capital receipt(s) or risks of dilapidation of a number of premises and fees related to demolition where required.</p>
<u>Timeframe to Implement</u>	
Consultation: Statutory Process:	<p>Detailed consultations in line with Equality Impact Assessment's (EIA) obligations.</p> <p>Legal obligations under charity law for the dissolution of management committees, the removal of trustees and the dispersal/transfer of assets where no incentive or option for asset transfer exists.</p>
<u>Risks of Implementation</u>	
Not Achieving -	See above – closure of whole service would have a significant impact on residents access to a diverse range of facilities and agencies at a local level.
Savings: Timeframe:	£558k 12-18 months minimum dependent on consultation process and complications in decommissioning specific sites and management committee structures / contractual commitments.
<u>HR Implications:</u>	
Redundancy: Redeployment: Redirected Resource:	<p>Redundancy / redeployment costs for two full time officers and 33 permanent part-time caretaking staff.</p> <p>Redeployment may be an option for the two centralised management officers, subject to appropriate alternative roles becoming available. Opportunity to redeploy present caretaking staff less certain and dependent on local opportunities that might arise within the Authority's Cleaning Section or other Council premises in the geographic areas they live within.</p>

<u>Other Options/Issues:</u>	<p>Total service closure – most significant impact of all options under consideration though least likely to take place.</p> <p>Withdrawal of the Authority’s Community Centre Network would have a significant impact on the delivery of local services and the access that many residents have to such valued amenities. Community Centres provide important social spaces for a wide range of activities, including:</p> <ul style="list-style-type: none"> • Under 5 services (Meithrin, crèche space, Playgroup space) • Adult Education classes and IT skill development where equipment is present • Meeting and social spaces for groups, events, and private functions • Youth Club areas <p>The impact on 350 volunteer management committee members cannot be understated who presently contribute to their local areas through their involvement in coordinating Community Centres.</p>

4.5.3 Community Centre network is reconfigured to a smaller more sustainable number of venues in village and town centre locations - **Option 3** (Reduced network option).

Budget Title / Ref:	Community Centre network is reconfigured to a smaller, more economically sustainable, number of venues in village and town centre locations - Option 3 (Reduced network option based on sustainability of each site, relative proximity to other provision, and utilisation information)
Savings (£): Financial Year: Comment:	<p>£244k (includes £140k see section 4.4 as part of overall option) 2016/17</p> <p>Reduce the Community Centre network by 25% or approximately 9 sites close and/or are transferred in totality to the respective committee’s via Asset Transfer arrangements.</p> <p>This option could be considered as part of a mix of permutations including partial asset transfer, third sector participation, or simply facility closure.</p> <p>Selection criteria for site identification would need Council Member buy-in and adoption by all management committee’s to assess their individual performance and future viability. A mix of site assessment (physical asset), utilisation, and proximity to other similar community operated service points would seem an appropriate starting position for an initial long list of possible Centres that may be less sustainable in the present economic situation.</p>
<u>Cost to Implement</u>	
Staff Costs: Resource Costs: Additional Costs:	<p>£5,733 per officer caretaker/cleaner costs or £51,600 at 9 Centres where the Council employs the officer, e.g. they are not grant aided.</p> <p>Redundancy costs of circa £2k per caretaker, £18-20k in total.</p> <p>Total savings per site closed of approximately £11.6k based upon average maintenance spend per site and caretaking / employee costs.</p> <p>Likely grant claw-back at a number of sites due to Lottery or Welsh Government funding schemes.</p>

<u>Timeframe to Implement</u>	
Consultation:	Consultation process required will determine the timescale constraints enforced. Public consultation on the dissolution of the Charity and the disposal of assets will be necessary (see below).
Statutory Process:	<p>Each Community Centre Management Committee is a constituted charity. Each Centre is leased or licensed to the charity, some for a term of 25 years or longer. Closure of a Centre might therefore necessitate the termination of a lease. In some instances external grant funding has been awarded to a Management Committee on the basis that the security of a long term lease is in place.</p> <p>Closure of a Centre would also necessitate a process required under charity law to address the probable dissolution of the charity and the proper disposal of its financial and other assets which would include fixtures, fittings, furniture and equipment. This process must be undertaken by public meeting.</p>
<u>Risks of Implementation</u>	
Not Achieving -	Likely to be local resident challenges to any proposed closure of Community Centres.
Savings:	Redundancy costs of circa £2k per caretaker, £18-20k in total.
Timeframe:	12 months dependent on level of local consultation and outcome(s) of each Equality Impact Assessment and any mitigating work required as part of the review process.
<u>HR Implications:</u>	
Redundancy:	Redundancy and/or redeployment costs for up to 9 Caretaking staff dependent upon the Centres identified for possible closure or transfer. Opportunities to redeploy caretaking staff less certain and dependent on local opportunities that might arise within the Authority's Cleaning Section and at a community level.
Redeployment:	
Redirected Resource:	
<u>Other Options/Issues:</u>	

4.5.4 Community Centres are offered to local groups via some form of Asset Transfer approach - **Option 4** (Alternative delivery method – Asset Transfer of Centres where the economic model and suitable capacity of the Management Committee/Governance body can sustain).

Budget Title / Ref:	Community Centres are offered to local groups via some form of Asset Transfer approach - Option 4 (Alternative delivery method – Asset Transfer of Centres where the economic model and suitable capacity of the Management Committee/Governance body can sustain).
Savings (£):	Dependent on the level of Asset Transfer buy-in from Community Centre Management Committees and/or other local groups.

<p>Financial Year:</p> <p>Comment:</p>	<p>Based on previous considerations of Asset Transfer by the Council it is highly unlikely to be adopted as an option of choice by any Community Centre Management Committee in the Borough.</p> <p>It important to note that the 35 Centres in Council ownership are already leased or licensed to their respective Management Committee, however the operating and maintenance fees assigned to each facility presently rest with the Authority.</p> <p>£140k (see section 4.4) plus any resultant savings from this option. 2016/17</p> <p>See above, possibly at best a 'part option' to be considered alongside other delivery proposals for the future Community Centre service provision where Council funding support ceases.</p>
<p><u>Cost to Implement</u></p>	
<p>Staff Costs:</p> <p>Resource Costs:</p> <p>Additional Costs:</p>	<p>Transfer of caretaking staff under TUPE arrangements to the local Management Committee.</p> <p>The Authority would be required to present each asset transfer site in a suitable state of repair to assist in mitigating the risks that the respective Management Committee would undertake.</p>
<p><u>Timeframe to Implement</u></p>	
<p>Consultation:</p> <p>Statutory Process:</p>	<p>In order to release a building by asset transfer, the Authority would need to give notice of its intention, and invite business plans from bona fide organisations, properly constituted to manage a community building.</p>
<p><u>Risks of Implementation</u></p>	
<p>Not Achieving -</p>	<p>Based on present the income levels being recorded by Community Centre Management Committees it is highly unlikely that asset transfer would prove successful in the current climate.</p> <p>The risk of transferring an asset to one or more Management Committee who subsequently foreclosed is high – placing a renewed obligation on the Council to take a location back into its facility stock at additional expense.</p>
<p>Savings:</p> <p>Timeframe:</p>	<p>Yet to be determined</p> <p>2016/17</p>
<p><u>HR Implications:</u></p>	
<p>Redundancy:</p> <p>Redeployment:</p> <p>Redirected Resource:</p>	<p>N/A</p> <p>Caretaking staff would be required to transfer under TUPE alongside the building to the new managing organisation. Currently only 2 of the 38 Management Committees are legally structured to allow the safe employment of staff.</p>
<p><u>Other Options/Issues:</u></p>	

4.5.5 Community Centre Service transferred via grant aid arrangement wholly to Third Sector lead body or an equivalent organisation - **Option 5** (Delivered by others under client / contractor arrangement).

Budget Title / Ref:	Community Centre Service transferred via grant aid arrangement wholly to Third Sector lead body or equivalent - Option 5 (Delivered by others under client / contractor arrangement).
Savings (£):	Difficult to ascertain – dependent on the grant subsidy value agreed in order that a third sector body could deliver a comparable level of service to present network of 38 facilities or a suitable number of Centres across the County Borough. Minimum saving of two full time Community Centre Officer posts, circa £78k plus the efficiency savings noted in section 4.4, £140k. A total of £218k .
Financial Year:	2016/17 if the principle was endorsed by the Authority at a sufficiently early stage and the process of specifying the service package, consultation route, and tender arrangements for outsourcing were progressed as a matter of urgency with finance, HR, and Legal Services.
Comment:	See above Yet to be proven if any third party body could deliver the present or similar level of service at a reduced operating cost to make the principle of outsourcing viable whilst generating a meaningful saving for the Authority.
<u>Cost to Implement</u>	
Staff Costs:	Current caretaking costs.
Resource Costs:	Known costs areas that any new entity would be required to address would include caretaking, site maintenance, oversight and management expense and a marketing/promotional budget.
Additional Costs:	
<u>Timeframe to Implement</u>	
Consultation:	The establishment of a new 'parent' body to oversee the delivery of the Community Centre network on behalf of the Council as Landlord (client) and working alongside local committees would require considerable planning by any new contractor/delivery organisation. There may be resistance from management committees and communities to this option that make it untenable or too complex to adopt.
Statutory Process:	
<u>Risks of Implementation</u>	
Not Achieving -	Least suitable option due to the level of complexity involved and financial benefit to either client or contractor/delivery agency who was successful in undertaking the operation of the Community Centre Service for Caerphilly County Borough.

Savings:	Yet to be proven or identified – apart from savings on centrally based Community Centre staff (circa £78k less redundancy fees).
Timeframe:	2016/17+
<u>HR Implications:</u>	
Redundancy:	£28.5k (single redundancy payment) for two centrally based Community Centre Officers.
Redeployment:	
Redirected Resource:	
<u>Other Options/Issues:</u>	
See above	

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 Community Centre 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 Community Centre Review option considered as part of this report have been noted where known at present in section 4 above. The full cost implications of the option, or options, 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. To summaries at this stage the following indicative savings may be possible from each option outlined, subject to any redundancy / redeployment costs, and grant claw-back that may apply in certain cases:

Community Centre Review Option	Estimated level of saving	Possible additional financial pressures linked to this option
Option 1 - Maintain Present Community Centre Network 'as is'	£140,000	Impact of reduced building maintenance budget on Community Centre facility stock – may lead to greater costs to sustain in longer term.
Option 2 - Council withdraws from delivery of Community Centre provision - (No service)	£558,000	Redundancy/redeployment Service closure expense, legal fees, site decommissioning/demolition. Minimum Welsh Government and Big Lottery grant claw-back of £700,000. Possible capital receipt(s) for any sites sold may offset some costs.

Option 3 - Community Centre network is reconfigured to a smaller, more economically sustainable, number of venues in village and town centre locations - (Reduced network option)	£244,000	Redundancy/redeployment costs for Caretaking staff at identified sites. Legal and property related fees costs in closing Centres governed by Charity Law. A mix of asset transfer, site closure, or third sector management of one or more facilities could be included in this option if locally feasible.
Option 4 - Community Centres are offered to local groups via some form of Asset Transfer approach - (Alternative delivery method – Asset Transfer of Centres where the economic model and suitable capacity of the Management Committee/Governance body can sustain)	Not possible to specify at this time	TUPE related costs and other related fees in asset transferring service to Management Committee(s).
Option 5 - Community Centre Service transferred via grant aid arrangement wholly to Third Sector lead body? - (Delivered by others under client / contractor 'arms length' arrangement).	£218,000 minimum	TUPE related costs and setup fee support for any third party body who undertook to deliver the Community Centre Service for the County Borough. Legal, procurement, and other related expense in devising an appropriate tender specification and selection process for the transfer of the Community Centre Service to a third party body.

6.2 The anticipated general Medium Term Financial Plan efficiency savings required of the Borough Community Centre Service, between 2015/17, are detailed in section 4.4 above and total £140k. These overarching savings have been incorporated into each of the five review proposals considered to ensure that the maximum efficiencies can be realised.

7. PERSONNEL IMPLICATIONS

7.1 A number of the Community Centre Service options outlined in section 4 of this report have 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 The views of the Scrutiny Committee are sought in relation to the suggested savings from the Education and Lifelong Learning Directorate's Community Centre Service.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that Scrutiny Members' views are taken into account in the future budget setting process.

Author: Gareth Evans, Interim Manager Community Education
Steve Hawkins, Community Leisure Officer

Consultees: Sandra Aspinall, Acting Deputy Chief Executive
Tony Maher, Assistant Director, Education and Lifelong Learning
Corporate Management Team
Education Senior Management Team
Kathryn Davies, Acting Principal Personnel Officer
Cllr R Passmore, Cabinet Member, Education and Lifelong Learning
Jane Southcombe, Principal Accountant



EDUCATION FOR LIFE SCRUTINY COMMITTEE – 18TH SEPTEMBER 2014

**SUBJECT: CAERPHILLY ADULT COMMUNITY LEARNING MEDIUM TERM
FINANCIAL PLAN 2015/17 – ITEMS FOR CONSIDERATION**

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To consider Medium Term Financial (MTFP) contributions from Caerphilly County Borough Adult Education Service in accordance with the Cabinet report – next stages of MTFP – 2015/2016 and 2016/17 dated 16th April 2014.

2. SUMMARY

- 2.1 The Medium-Term Financial Plan (MTFP) agreed by Council on the 26th February 2014 identified an estimated savings requirement of £6.5m for 2015/16 and £6.9m for 2016/17. This was based on an indicative reduction in Welsh Government (WG) funding of 1.34% for 2015/16 and, in the absence of further guidance from WG, an assumed reduction of a further 1.34% for 2016/17.
- 2.2 The budget strategy agreed by Council for 2015/16 and 2016/17 is currently being taken forward via two main strands. The first of these is further savings proposals for Members to consider in respect of up to 3% efficiency savings. These efficiency targets require savings of circa £5m and will be applied to those statutory and essential services that the Authority has to deliver. The second stand of the agreed budget strategy is a review of discretionary services, including those areas of statutory provision where delivery exceeds the minimum required levels, with a view to identifying savings proposals totalling over £8m
- 2.3 This report outlines savings options for the Council's Adult Community Learning Service to support the agreed budget strategy.
- 2.4 Members of the Education for Life Scrutiny Committee will be aware of the letter from the Minister for Local Government on the 24th June 2014 informing Local Authorities that due to a range of emerging cost pressures, particularly in the NHS, further significant reductions in the Local Government financial settlement are now anticipated for 2015/16 and beyond. This has serious consequences as WG is now asking Local Authorities to consider how they would respond to funding reductions of up to 4.5%. A report was presented to Cabinet in the 16th July 2014, which identified that a cut in WG funding of 3% would increase the required savings for 2015/16 and 2016/17 from the current planning figure of £13.4m to £22.2m. A cut of 4.5% will increase the savings target to £30.1m. A further report will be presented to Cabinet early in the autumn when the position has been examined in more detail.
- 2.5 Four options for the future delivery of the Council's Adult Community Learning Service form the basis of this report to Scrutiny Members. The options put forward are as follows:-

- (1) Maintain Present Adult Service Network 'as is' – status quo option.
- (2) Council removes a senior management layer of the Adult Community Learning Service structure – reduced infrastructure option.
- (3) Close some buildings and further reduce all levels of management and administration staffing – reduced infrastructure option.
- (4) Council withdraws from delivery of Adult Community Learning Service provision - No service option.

2.5 Each option noted in 2.5 above takes account of the other areas of Adult Community Learning Service savings as a result of reduced Welsh Government funding recorded in section 4.3 below.

3. LINKS TO STRATEGY

- 3.1 The report links directly the 'Learning' section of the Single Integrated Plan for Caerphilly, linking into the L1 - Improve the level of basic skills and the number of achieved qualifications (formal and non-formal) to improve the life opportunities for families, L2 - Develop a multi-agency approach to address the impact of poverty on pupil attainment, and L3 - Children, young people and families have the skills and resources to access job opportunities.
- 3.2 This report also links with H2 (Improve lifestyles of the population in the county borough so that people recognise and take responsibility for their own health and well-being, and make use of the opportunities and support available to them) and H5 (Ensure people are supported to live in their own communities to lead safe, fulfilled and independent lives) of the Healthier strand and P3 (Provide support to enable local people to compete for all employment opportunities) of the Prosperous strand of the Single Plan.
- 3.3 All proposals directly deliver the Welsh Government Delivering Community Learning for Wales (Published November 2010) which provides a policy statement that sets the direction of travel for Adult Community Learning to 2015.
- 3.4 Support the Delivery of the vision statement for the on the 5 County Gwent Adult Community Learning Partnership, which links to the Welsh Government document above.
- 3.5 Welsh language training provision under the Council's Welsh Language Scheme 2012, the Youth Service Strategy and the Welsh Government Health, Social Care and Social Services strategy "More Than Just Words" (Published 2012).

4. THE REPORT

- 4.1. Adult Community learning in Caerphilly currently engages 2760 unique learners on a range of courses. It also provides facilities and support for an additional 700 in clubs and societies using facilities within our buildings. Adult Community Learning is managed and delivered by 7 full-time and 140 part-time staff, operating in up to 25 different locations, 7 of which are specific premises that house Adult Community Learning staff and resources. ACL has been the sole match funding source for the 2 very successful European projects of Bridges into Work and Working Skills for Adults which have supported over 7,500 participants, generated 4,000 qualifications and helped 296 people into work over the past 5 years
- 4.2 The core Adult Community Learning Service budget is £258,605 and is extensively matched to other external annual funding sources:

European Social Fund	£732,364
Family Learning grant	£101,240
Learning and Play grant	£74,470

Families First	£208,000
Total	£1,116,074

As well as funding from the Welsh Government and franchise partners

Welsh Government Direct Grant	£322,321
Coleg Gwent franchise	£246,002
Coleg Cymoedd franchise	£44,950
Welsh for Adults franchise	£91,515
Total	£704,788

These budgets provide a platform for the development of a broad range of Adult Community Learning linked to the Welsh Governments priority areas of Adult Basic Skills, employability including digital literacy and Welsh for Adults.

- 4.3 Adult Community Learning has had significant reductions in budgets from Welsh Government and franchise partners for delivery in academic year 2014/15.(see table below)

Table 1 – Reduction in funding via Welsh Government for Adult Community Learning 2014-15

Adult Community Learning					
	Welsh Government Direct Grant	Coleg Gwent Franchise	Coleg Cymoedd	Welsh for Adults Centre	Total
13/14	£430,479 financial year	£394,674 academic year	£71,344 academic year	£136,057 academic year	£1,032,554
14/15	£322,321 financial year	£246,002 academic year	£44,950 academic year	£91,515 academic year	£704,788
Funding reduction in academic year 2014/15	£108,158 Could increase dependent on WG grant April 2015	£148,672	£26,394	£ 37,122	£327,766
Impact in Financial Year 2014/15	£108,158	£89,203	£22,273	£15,836	£242,890

- 4.4 Members should note that efficiencies have already been identified in order to meet the savings required from the reduction in Welsh Government money for ACL in 2014/15 financial year. (See table below)

To achieve the £327,766 a further saving of £57,993 needs to be identified through further staff restructure within the 2014/15 academic year.

Costs	2013/14	2014/15
Management	£304,801	£234,801
Administration	£189,816	£157,165
Tutor costs	£275,930	£180,000
Caretaking/cleaning	£35,469	£30,469
Premises	£239,192	£184,000
Supplies and services	£55,538	£45,538
Transport	£5,760	£4,800
Total	£1,106,506	£836,733
Overall saving of :		£269,773

- 4.5 Members should also note that further reduction in funding from Welsh Government is expected in 2015/16 financial year and from franchise partners in 15/16 academic year.

Currently we have no firm figures but it is estimated that this could be of a similar figure to 13/14.

- 4.6 The County Borough Adult Community Learning Service has prepared 4 possible options for Members to consider and comment on with regard to MTFP savings.
- 4.7 Each option has been carefully considered to offer the best economic case for future of Adult Community Learning within the broader context of the Council's Medium Term Financial Plan.

Option 1: To retain the core budget of £258,605

Option 2: To remove 20% of the core budget resulting in a saving of £47,000

Option 3: To remove 50% of the core budget resulting in a saving of £129,302

Option 4: To remove 100% of the core budget resulting in a saving of £258,605

- 4.8 Options for MTFP savings.

4.8.1

1	Budget Title	Option 1: Retain Core budget
	Savings(£)	None
	Financial Year	15/16
	Comment	To retain the core budget due to the budget pressures in making the required savings for Welsh Government and franchise reductions. The revised staffing structure would then be retained
	Cost to implement	
	Staff Costs:	None
	Resource Costs:	None
	Additional Costs:	These will come from making the required savings from the Welsh Government (WG) and franchise partner reductions. There could be redundancy payments if alternative suitable employment cannot be found.
	Time frame to Implement	April 2015
	Consultation:	Staff affected by making the WG and franchise partner savings
	Statutory Process:	Non Statutory
	Risk of Implementation	
	Not achieving	Additional workload for staff members remaining and additional duties

	Savings:	None for MTFP
	HR Implications	
	Redundancy	For staff involved with making necessary savings from the WG grant and franchise reductions. Including lead tutor, tutors, administration and operational management posts
	Redeployment	Wherever possible
	Redirected Resource	Not applicable
	Other Options/Issues:	There could be further reductions in Welsh Government and franchise budgets for 15/16 which will impact on the volume of delivery and the viability of staff and buildings needed for delivery. Staff structure will be further revised to meet the challenges faced.
	Benefits:	This will allow the service to continue to operate, hit all targets for the 14/15 academic year and avoid claw back.

4.8.2

2	Budget Title	Option 2: To remove 20% of the core budget via Removing a Senior Management layer of the structure
	Savings(£)	£47,000
	Financial Year	15/16
	Comment	This would be an option which least affects front line services with regard to amount of delivery.
	Cost to implement	
	Staff Costs:	Possible redundancy costs £26,600 if redeployment not possible
	Resource Costs:	Responsibilities of line management of ACL operational managers would need to be transferred to another senior level post.
	Additional Costs:	None
	Timeframe	April 2015
	Consultation	Staff member affected by making this saving
	Statutory Process	Non statutory service
	Risk of Implementation	Inability to maintain the same level of scrutiny and monitoring of the quality of Adult Community Learning across the borough and as part of the 3 partnerships.
	Not achieving	
	Savings:	£47,000 a year with a possible one year cost of £26,600
	HR Implications	
	Redundancy:	£26,600
	Redeployment:	Staff member to be directed to the redeployment pool in first instance
	Redirected Resource:	N/A
	Other Options/Issues:	There could be further reductions in Welsh Government and franchise budgets for 15/16 which will impact on the volume of

		delivery and the viability of staff and buildings needed for delivery. Staff structure will be further revised to meet the challenges faced.
	Benefits:	Front line delivery would be relatively unaffected and a 20% contribution would be made to the MTFP. Could incur redundancy costs but no claw back from underachievement of targets.

4.8.3

3	Budget Title	Option 3 To remove 50% of the core budget via closing some buildings and further reduce all levels of management and administration staffing
	Savings(£)	£129,302
	Financial Year	2015/16
	Comment	<p>Delivers savings which would affect the front line delivery of the Adult Learning Service.</p> <p>Withdraw from lease of Bedwas Workman's Institute: Saving £22,000. Deliver some provision from other local venues (Number and type of courses would need to be reviewed due to suitability and resources available) Costs would be incurred for early release from lease. Release date November 2015</p> <p>Withdraw from Crumlin Institute. Saving £18,000 Courses delivered in other venues locally would cost less in venue costs however Youth Service would bear the costs as this is a joint use and joint financed building.</p> <p>Withdraw from Oxford House Risca: Saving £24,000. Would be difficult to find an alternative venue for Independent Learning Skills learners currently based there. Other courses could be located in other alternative venues but number and type of courses would need to be reviewed and reduced.</p> <p>Possible additional capital receipt from the sale of Oxford House</p> <p>There would be additional savings with regard to maintenance costs from withdrawal from all buildings however some of this would be offset in the cost of renting local venues for delivery of courses.</p> <p>Further reduce management and administration. Locate remaining staff team (with the exception of the Adult Basic Education team) centrally in Ty Penallta. Saving £65,000</p> <p>Currently over 700 residents use Community Education venues to run clubs and societies and many of these would be affected if venues close</p>
	Cost to implement	
	Staff Costs:	Possible redundancy costs should other suitable alternative work not be found.
	Resource Costs:	
	Additional Costs:	Additional costs to youth service for withdrawal from Crumlin of £18,000
	Timeframe to implement	July 2015 onwards
	Consultation	Consultees will include learners, service users staff, unions, Elected Members, Town and Community Councils, Community Partnerships, Partner organisations

	Statutory process	Non statutory provision
	Risk of Implementation	<p>Challenging option, elements of the service will be partly achieved and this option would have a direct impact on front line delivery. Grant/franchise claw back for non- achievement of targets. This could amount to a maximum of £382,465 for funding received from:</p> <p>Coleg Gwent Franchise: £246,000 Coleg Cymoedd Franchise: £44,950 Welsh for Adults franchise: £91,515</p> <p>Claw back of franchise funding could be avoided for academic year 2014/15 if commitment could be secured for 15/16 financial year MTFP and this option was implemented for savings from the 16/17 MTFP.</p> <p>Other contractual obligations that may have a material cost. Consideration include the Council's contribution to clubs and societies use of Adult Education and Community Education premises at a competitive rate</p> <p>There will be a lot of local opposition to ACL venues closing.</p> <p>Limited ability to be able to deliver the Adult Community Learning Strategy in full for future years. Limited ability to continue to support learners in Welsh Government Priority areas and deliver courses to support learning and well-being on a self-funded basis.</p> <p>Limited ability to increase the number of adults securing qualifications and accreditations within Welsh Government priority areas and contribute to the poverty agenda. This would include the delivery of Adult Basic Education courses</p>
	Savings:	£129,302
	HR Implications	
	Redundancy:	Administration and operational management posts. Difficult to specify at this time as the service does not know who would be successful in gaining remaining posts.
	Redeployment:	Staff to be directed to the redeployment pool in first instance.
	Redirected Resource:	N/A
	Other Options/Issues:	There could be further reductions in Welsh Government and franchise budgets for 15/16 which will impact on the volume of delivery and the viability of staff and buildings needed for delivery. Staff structure will be further revised to meet the challenges faced
	Benefits:	Significant contribution to the MTFP of 50% of core budget although there could be significant claw back and redundancy costs.

2	Budget Title	Option 4: Council withdraws from delivering Adult Community Learning Service provision
	Savings(£)	£258,605
	Financial Year	2015/16
	Comment	This financial year falls within the 2014/15 academic year. Franchise arrangements have already been agreed and signed for 14/15 academic year. Projects extend to March 31 st 2016
	Cost to implement	
	Staff Costs:	Potential redundancy Adult Education staff costs of £432,400 should other work not be found
	Resource Costs:	Whole service closure administration and consultation costs would be significant. This potentially could have an effect on staff in finance, HR etc
	Additional Costs:	Grant/franchise claw back for non- achievement of targets. This could amount to a maximum of £590,465 for funding received from: Families First Tender: £208,000 Coleg Gwent Franchise: £246,000 Coleg Cymoedd Franchise: £44,950 Welsh for Adults franchise: £91,515 Costs of early termination of Bedwas Lease Costs of early termination of Crumlin Lease or increased budget pressure on youth centre to keep this premises open. Other contractual obligations that may have a material cost. Consideration include the Council's contribution to clubs and societies use of Adult Education and Community Education premises at a competitive rate
	Time frame to Implement	July 2015
	Consultation:	Detailed consultations in line with the Council's Constitution Consultees will include residents, staff, unions, Elected Members, Town and Community Councils, Community Partnerships, Partner organisations.
	Statutory Process:	Non statutory service
	Risk of Implementation	
	Not achieving	Closure of whole service would have significant impact in achieving council objectives, especially with the strong links to learning, health and prosperous strands of the Single Plan. Inability to maintain any Adult Education provision, including Family Learning funded from a separate Welsh Government grant and from Families First. There are no management costs within either of these projects. This currently is core funded. Inability to deliver the WG Adult Community Learning Strategy 2010-2015. Inability to deliver to the vision statement of the 5 County Gwent Adult Community Learning Partnership

		Inability to increase the numbers of learners engaged in Basic Skill learning and learning to enhance employment opportunity linked to the poverty agenda. Inability to contribute to the well-being agenda for adult learners of all ages. Inability to be able to use funding as match to any future ESF skills projects.
	Savings:	£258,605 (though the cost to implement, redeploy, decommission and pay back grant monies are likely to result in significant costs up front to the Borough. This could be up to a maximum of £1,022,865.
	HR Implications	
	Redundancy:	Potential redundancy costs of £432,400 should other work not be found
	Redeployment:	This could be implemented where suitable alternative employment could be sourced
	Redirected Resource:	One scale 11 management post (£50,000) matched to projects Some of the work could be redirected to another service area to continue to project funded work of Families First Continuation grants for Family Learning, Learning and Play (if awarded in financial year 15/16) would need to be redirected to another service area
	Other Options/Issues:	There could be further reductions in Welsh Government and franchise budgets for 15/16 which will impact on the volume of delivery and the viability of staff and buildings needed for delivery. Staff structure will be further revised to meet the challenges faced
	Benefits:	Ability to meet 100% of MTFP required savings. However due to possible significant claw back and redundancy costs the savings may not be realised for 4 years.

5. EQUALITIES IMPLICATIONS

- 5.1 There are Equalities implications to options listed in Section 4 that must be recognised in order for proper consideration of the options to be made. It is likely that despite these issues, difficult decision will have to be made due to the current need to make such significant savings; however these implications must be recognised and understood as part of the process.
- 5.2 Any reduction in provision will potentially have a greater risk for people in minority groups in the community as service reductions could potentially increase their sense of isolation and vulnerability, by reducing their ability to interact with people from different backgrounds.
- 5.3 Any wider consultation on service reductions will have to be made in line with the Council's approved Public Engagement Strategy and the guidance in the Equalities Consultation and Monitoring document to ensure that the views of those potentially affected are taken into account in the decision-making process.
- 5.4 The Adult Service demonstrates its contribution to the Council's Strategic Equality Objectives through targets, consultation and monitoring in the Single Plan, Gwent 5 County Adult Community Learning Partnership Self -assessment and Action Plan, the Directorate's Service Improvement Plans and information provided for inclusion in the annual monitoring and improvement reports for Equalities and Welsh language to the relevant Commissions.

6. FINANCIAL IMPLICATIONS

- 6.1 Adult Community Learning Review options outlined in section 4 of this report have significant financial implications that will require detailed consideration, consultation and costing dependant on which proposals Members elect to take forward. The full cost implications of the option, or options, to be considered will have redundancy implications and will form a key part of future reports to Members as and when required.

Adult Community Learning Review Option	Estimated level of saving	Possible additional financial pressures linked to this option
Option 1 - To retain the core budget	£0	Redundancy/redeployment, legal fees as a result of the Welsh Government budget cuts.
Option 2 - To remove 20% of the core budget	£47,000	Redundancy/redeployment Service closure expense, legal fees for key managers of the Service.
Option 3 – To remove 50% of the core budget	£129,302	Redundancy/redeployment Service closure expense, legal fees to significantly reduce the senior and middle management of the Service. Welsh Government claw back for commissioned provision £382,465
Option 4 – To remove 100% of the core budget	£258,605	Redundancy/redeployment Service closure expense, legal fees, site decommissioning/demolition. Welsh Government claw back for commissioned provision £590,465. Possible capital receipt(s) for any sites sold may offset some costs.

7. PERSONNEL IMPLICATIONS

- 7.1 Adult Community Learning options outlined in section 4 of this report have significant personnel implications that will require detailed consideration, consultation and costing dependant 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 Committee consider the Adult Community Learning Service Review options detailed in this report and give their views.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that Scrutiny Members' views are taken into account in the future budget setting process.

11. STATUTORY POWERS

11.1 Adult Community Learning is not a statutory requirement for the Council.

Author: Lyn Travis Senior Community Education Manager
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Consultees: Sandra Aspinall, Acting Deputy Chief Executive
Tony Maher, Assistant Director, Education and Lifelong Learning
Corporate Management team
Councillor Passmore, Cabinet Member for Education and Lifelong Learning
Gareth Hardacre and Lynne Donovan, HR
Principal Solicitor - Gail Williams
David Thomas, Senior Policy Officer (Equalities and Welsh Language)
Finance Division – Nicole Scammell

Appendices:
Appendix 1 - Current Adult Education Structure

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CURRENT ADULT EDUCATION STRUCTURE JUNE 2014

Key:

- Core Funded Posts
- Grant Funded Posts

Youth, Adult and Community Manager
 Grade Soulbury Points 20-23
 £74k (under LEI currently)

Senior Community Education Manager (Adult Education)
 F/T Grade 12 £47k

Area Community Education Manager & Agored Cymru Quality Manager
 F/T Grade 11 £50k

Basic Skills Manager
 F/T Grade 11 £50k

Area Community Education Manager
 F/T Grade 11 £49k

European Social Fund Coordinator
 F/T Grade 10 £45k

Community Education Worker
 13 hrs
 Grade 10
 £16k

Adult Education Coordinator
 22 hrs
 Grade 8
 £22k

Family Learning / Language & Play Project Development Officer
 FTE 0.88
 Grade 10 SCP 40
 £30k

ILS Co-ordinator
 20 hrs
 Grade 7
 £14k

Area Community Education Worker
 27.5 hrs
 Grade 10
 £31k

Area Community Education Worker
 22.5 hrs
 Grade 10
 £27k

Bridges into Work/Working Skills for Adults Coordinator
 F/T Grade 10

Family Learning Coordinator
 FTE 0.76
 Grade 9 SCP 33
 £21k

Language and Play Coordinator
 TTO 0.88
 Grade 9
 £27k

Community Family Learning Coordinator
 FTE 0.90
 Grade 9 SCP 33
 £28k

Adult Education Coordinator
 F/T TTO 39 wks
 Grade 7

Team of Adult Advisors

Family Learning and LAP/NAP Team

Programme Area Lead Tutors

ABE Lead Tutor – 6 hrs 0.12 FTE £5k	Art & Craft Lead Tutor - 6 hrs 0.12 FTE £6k	General Education Lead Tutor – 4 hrs 0.08 FTE £4k
ILS Lead Tutor - 5 hrs 0.10 FTE £4k	ILS Support Tutor - 4 hrs 0.07 FTE £3.5IT	Lead Tutor – 6 hrs 0.12 FTE £6k
Languages Lead Tutor – 6 hrs 0.12 FTE £6k	CACHE Lead Tutor –2 hrs 0.04 FTE £2k	
Welsh for Adults – Sarah Meek 4 hrs		

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EDUCATION FOR LIFE SCRUTINY COMMITTEE - 18TH SEPTEMBER 2014

**SUBJECT: CAERPHILLY YOUTH SERVICE MEDIUM TERM FINANCIAL PLAN 2015/17
– ITEMS FOR CONSIDERATION**

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To consider Medium Term Financial (MTFP) contributions from Caerphilly County Borough Youth Service in accordance with the Cabinet report – next stages of MTFP – 2015/2016 and 2016/17 dated 16 April 2014.

2. SUMMARY

- 2.1 The Medium-Term Financial Plan (MTFP) agreed by Council on the 26th February 2014 identified an estimated savings requirement of £6.5m for 2015/16 and £6.9m for 2016/17. This was based on an indicative reduction in Welsh Government (WG) funding of 1.34% for 2015/16 and, in the absence of further guidance from WG, an assumed reduction of a further 1.34% for 2016/17.
- 2.2 The budget strategy agreed by Council for 2015/16 and 2016/17 is currently being taken forward via two main strands. The first of these is further savings proposals for Members to consider in respect of up to 3% efficiency savings. These efficiency targets require savings of circa £5m and will be applied to those statutory and essential services that the Authority has to deliver. The second strand of the agreed budget strategy is a review of discretionary services, including those areas of statutory provision where delivery exceeds the minimum required levels, with a view to identifying savings proposals totalling over £8m.
- 2.3 This report outlines savings options for the Council's Youth Service to support the agreed budget strategy.
- 2.4 Members of the Education for Life Scrutiny Committee will be aware of the letter from the Minister for Local Government on the 24th June 2014 informing Local Authorities that due to a range of emerging cost pressures, particularly in the NHS, further significant reductions in the Local Government financial settlement are now anticipated for 2015/16 and beyond. This has serious consequences as WG is now asking Local Authorities to consider how they would respond to funding reductions of up to 4.5%. A report was presented to Cabinet in the 16th July 2014, which identified that a cut in WG funding of 3% would increase the required savings for 2015/16 and 2016/17 from the current planning figure of £13.4m to £22.2m. A cut of 4.5% will increase the savings target to £30.1m. A further report will be presented to Cabinet early in the autumn when the position has been examined in more detail.

2.5 Five options for the future delivery of the Council's Youth Service form the basis of this report to Scrutiny Members. The options put forward are as follows:-

- (1) Maintain Present Youth Service Network 'as is' but undertake £77,900 efficiency savings – status quo option.
- (2) Council withdraws from delivery of Youth Service provision and saves £1,588,570 - No service option.
- (3) Council withdraws the additional Youth Service allocation in 2013/14 to provide youth provision throughout the year and save £100,000 - Reduced network option.
- (4) Council withdraws delivery of the Connecting Communities Service and saves £93,546 - Alternative delivery option.
- (5) Council withdraws 17 youth club provision and saves £206,755 – Reduced network option.

2.6 Each option noted in 2.5 above takes account of the other areas of possible Youth Service savings identified in the list of efficiencies detailed in section 4.4 below.

3. LINKS TO STRATEGY

3.1 The report links directly to the 'Learning' section of the Single Integrated Plan for Caerphilly, linking into the L1 - Improve the level of basic skills and the number of achieved qualifications (formal and non-formal) to improve the life opportunities for families, L2 - Develop a multi-agency approach to address the impact of poverty on pupil attainment, and L3 - Children, young people and families have the skills and resources to access job opportunities.

3.2 All proposals directly deliver the Welsh Government National Youth Service Strategy 2014-2018 and Youth Engagement and Progression Framework.

3.3 The United Nations Convention on the Rights of the Child and Welsh Government Extending Entitlement Guidance in terms of ensuring opportunities for young people to participate and influence the development of services.

4. THE REPORT

4.1 Background

4.1.1 The statutory Youth Service in Caerphilly currently engages over 7,800 young people predominantly between the ages of 10 to 19 which is equivalent to 20% of the youth population. Youth provision is managed and delivered by 31 full-time and 200 part-time staff, operating in up to 100 different locations, 27 of which are premises that house youth centre and club provision.

4.1.2 The core Youth Service budget is £1,588,570 and the following table provides a financial summary on how this is allocated.

	Funding Element	Budget
1	Full time staff	£578,525
2	Part Time staff	£741,610
3	Premises	£193,645
4	Resources	£74,790
Total		£1,588,570

4.1.3 The Youth Service budget is extensively matched to secure external funding from a wide range of sources which include Community First, Family First and Welsh Government which total

£1,296,513. The following table provides a financial summary of current allocation together with the timescales for delivery.

	Source	Budget	Timescale
1	Community First	£591,946	2013 - 2015
2	Youth Crime Prevention	£54,000	2013 - 2015
3	Family First	£492,001	2013 - 2015
4	Welsh Government Youth Work Strategy Grant	£158,566	2013 - 2019
Total		£1,296,513	

All local authorities are required to provide a Youth Service but the Welsh Government does not specify the extent of provision. Caerphilly Youth Service therefore utilise the above core and external sources innovatively to provide a broad and progressive range of youth work methods in response to young people needs. The Service is also delivered through an extensive partnership structure to maximise expertise and avoid duplication.

4.2 The County Borough Youth Service has prepared five possible options for Members to consider and comment on.

4.3 Each option has been carefully considered to offer the best economic case for future Youth Service provision within the broader context of the Council's Medium Term Financial Plan.

- Option 1 Maintain Present Youth Service Network 'as is' but undertake £77,900 efficiency savings – status quo option.
- Option 2: Council withdraws from delivery of Youth Service provision and saves £1,588,570 - No service option.
- Option 3: Council withdraws the additional Youth Service allocation in 2013/14 to provide youth provision throughout the year and save £100,000 - Reduced network option.
- Option 4: Council withdraws delivery of the Connecting Communities Service and saves £93,546 - alternative delivery option.
- Option 5: Council withdraws 17 youth club provision and saves £206,755 – Reduced network option.

4.4 In addition to the options detailed Members should note that there is a list of possible efficiencies under consideration. These include:

	Possible Efficiency Area	2015-16	2016/17	Total
1	Use of Premises formula revised – Bedwas	£5,000		£5,000
2	Use of Premises formula revised – Blackwood	£7,000		£7,000
3	Use of Premises formula revised – St Cenydd	£4,000		£4,000
4	Closure of premises – Fleur De Lys	£4,400		£4,400
5	Part Time Manager – Resigned	£7,500		£7,500
6	Allocation to GAVO for Summer Play and Youth activities		£50,000	£50,000
	Total	£27,900	£50,000	£77,900

4.5 Youth Service Options

4.5.1 To maintain Present Delivery (status quo)

	Budget Title	Option 1 Maintain Present Youth Service Network 'as is' but undertake £77,900 efficiency savings – status quo option.
1	<p>Savings(£):</p> <p>Financial Year(s):</p> <p>Comment:</p>	<p>The core Youth Service budget is £1,588,570 and is extensively matched to other funding sources from Community First, Family First and Welsh Government funding £1,296,513. This budget provides a platform for the development of a broad and progressive range of youth work methods which are delivered through an extensive partnership structure.</p> <p>The statutory Youth Service in Caerphilly currently engages over 7,800 young people predominantly between the ages of 10 to 19 which is equivalent to 20% of the youth population.</p> <p>Those already identified in the list of possible efficiency savings for 2015/17 MTFP (4.4) = £77,900</p> <p>2015/17</p> <p>Option 1: Deliver efficiency savings which do not affect the front line delivery of the Youth Service and ensure best value use of resources and ability to match to partnership or external funding.</p> <p>This option will:-</p> <ul style="list-style-type: none"> • Ensure minimal impact on front line delivery and ensure the continued number of young people engaged and benefiting from youth work intervention.
	Cost to implement	
	Staff Costs:	None
	Resource Costs:	None
	Additional Costs:	None
	Timeframe to implement	
	<p>Consultation:</p> <p>Statutory Process:</p>	<p>In line with the efficiency savings recoded in 4.4:</p> <p>Consult Headteachers of 3 schools on the revise use of premises formula.</p> <p>Consult Asset Management on the closure of the Fleur De Lys building</p>
	Risk of Implementation	
	Not achieving:	Least challenging option, elements partly achieved and have a minimum impact on front line delivery.
	Savings:	Savings can be realised within the timescales noted – elements are

		already in place.
	Timeframe:	Achievable by March 2015
	HR Implications	
	Redundancy:	N/A
	Redeployment:	N/A
	Redirected Resource:	N/A
	Other Options/Issues:	
	Benefits:	<p>Ability to maintain current provision</p> <p>Ability to deliver the National Youth Service Strategy and continue to respond to the Extending Entitlement Guidance.</p> <p>Ability to deliver the Caerphilly Youth Service Strategy 2014/19</p> <p>Ability to increase the numbers of young people engaged by the Youth Service to reduce the barriers to learning and aid school achievement</p> <p>Ability to contribute to the reduction of anti social behaviour</p> <p>Ability to contribute to the reduction of youth crime</p> <p>Ability to reduce the numbers of young people at risk or who are NEET</p>

4.5.2 To withdraw from delivering Youth Service Provision

2	Budget Title	Option 2 Council withdraws from delivery of Youth Service provision and saves £1,588,570 - No service option.
	Savings(£):	£1,588,570
	Financial Year(s):	2016/17
	Comment:	Complete withdrawal of Youth Service and back office support.
	Cost to implement	
	Staff Costs:	Whole service staffing saving and impact of significant redundancy costs will be developed should this option be the preferred one.
	Resource Costs:	Whole service closure administration and consultation costs would be significant, including potential legal fees associated with any High Court challenge and the requirement to fund the service withdrawal and personnel changes.
	Additional Costs:	<p>Impact on young people, partner services, staff and support services (HR/Finance/IT etc).</p> <p>Grant claw back of £1,296,513 for funding received from:</p> <p>Communities First £645,946</p>

		<p>Families First £492,001 Welsh Government £158,566</p> <p>Costs of closure to key Youth Centre premises:</p> <ol style="list-style-type: none"> 1. Aberbargoed 2. Crosskeys 3. Crumlin 4. Rhymney 5. Risca <p>Costs of withdrawing youth provision from the following Leisure Centre premises:</p> <ol style="list-style-type: none"> 1. Heolddu 2. New Tredegar <p>Costs of withdrawal from school premises:</p> <ol style="list-style-type: none"> 1. Bedwas 2. Blackwood 3. Panside 4. St Cenydd 5. Ynysddu <p>Costs of withdrawal from Community Centres:</p> <ol style="list-style-type: none"> 1. Abertyswg 2. Cefn Hengoed 3. Deri 4. Fochriw 5. Graig Yr Rhacca 6. Lansbury Park 7. Llanbradach 8. Machen 9. Penllwyn 10. Tyn Y Wern <p>Costs of withdrawal from Voluntary Sector premises</p> <ol style="list-style-type: none"> 1. Bargoed YMCA 2. Trinant 3. Ystrad Mynach Boys and Girls Club <p>Other contractual obligations that may have a material cost and include the Council's contribution to the voluntary sector – Urdd Gobaith Cymru.</p>
	<p>Time frame to Implement</p> <p>Consultation:</p> <p>Statutory Process:</p>	<p>Detailed consultations in line with the Council's Constitution and Extending Entitlement requirement for a statutory Youth Service.</p> <p>Consultees will include young people, staff, unions, public, Elected Members, Town and Community Councils, Community Partnerships, Partner organisations.</p> <p>Full Service withdrawal would contravene the Extending Entitlement requirement for all authorities to provide a Youth Service. Difficult to</p>

		determine the nature of any legal or government led challenge to a full service closure as no Welsh local authority has undertaken this action to date.
	Risk of Implementation	
	Not achieving:	Closure of whole service could lead to the Authority being required to pay a neighbouring service or the voluntary sector to take on this role or have the function administered by Welsh Government appointed consultants at a cost to the Borough. This withdrawal would involve the closure of all provision many of which are in highly deprived areas. Inability to deliver the statutory responsibility to provide a Youth Service Inability to deliver the Welsh Government National Youth Service Strategy and respond to the Extending Entitlement Guidance Inability to deliver the Youth Service Strategy 2014-2019 Potential increase in anti social behaviour Potential increase in youth crime Potential increase in drug and alcohol abuse Potential increase in numbers of young people becoming NEET
	Savings:	£1,588,570 (though the cost of implementation, redeploy, decommission and pay back monies are likely to result in significant costs up front to the Borough).
	Timeframe:	12-18 months to fully realise – subject to any legal challenges that may occur.
		£1,588K (though the cost to implement, redeploy, decommission and pay back grant monies are likely to result in significant costs up front to the Borough)
	HR Implications	
	Redundancy:	Whole service staffing saving and impact of significant redundancy costs will be developed should this option be the preferred one.
	Redeployment:	
	Redirected Resource:	N/A if no service remains. If WG or neighbouring LA take over the service there would be a requirement to retain some or all of the present staffing insitu.
	Other Options/Issues:	
	Benefits:	Most significant and high profile damage might occur if this option were implemented. Total service closure Ability to meet MTFP required savings

4.5.3 To withdraw the additional budget for the Youth Service that was provided in 2013/14.

3	Budget Title	Option 3 Council withdraws the additional Youth Service allocation in 2013/14 to provide youth provision throughout the year and save £100,000 - Reduced network option.
	Savings(£): Financial Year: Comment:	£100,000 2015/16 Withdraw the additional funding allocated by Members in 2013/14. Could be considered alongside elements of savings from option 4 and/or 5.
	Cost to implement	
	Staff Costs: Resource Costs: Additional Costs:	<p>This reduction would reduce the part time staff contracts from 45 weeks to 30 weeks. This would include both centre/club based and outreach youth workers and impact on the following:</p> <p>Inability to deliver the summer programme Inability to upgrade premises Inability to provide additional resources to expand the youth work curriculum in the following centres and clubs</p> <p>Centre and Clubs</p> <ol style="list-style-type: none"> 1. Abertyswg 2. Cefn Hengoed 3. Crosskeys 4. Crumlin 5. Fochriw 6. Lansbury 7. Pantside 8. Penllwyn 9. Risca 10. Tyn Y Wern 11. Ynysddu <p>Outreach and Detached</p> <ol style="list-style-type: none"> 1. Aberbargoed 2. Abercarn 3. Bedwas 4. Blackwood 5. Caerphilly town centre 6. Cwmcarn 7. Nelson 8. Phillipstown 9. Senghenydd <p>The Update Report on the Youth Service Strategy will be presented to Members on the 23rd September.</p>
	Time frame to Implement	
	Consultation:	<p>Detailed consultations in line with the Council's Constitution</p> <p>Consultees will include young people, staff, unions, public, Elected Members, Town and Community Councils, Community Partnerships, Partner organisations.</p>

	Statutory Process:	All local authorities are required to provide a Youth Service but the Welsh Government does not specify the extent of provision. The closure of this provision would not therefore negate our statutory responsibility.
	Risk of Implementation	
	Not achieving:	Inability to deliver the Council priority as identified in the Improvement Plan (IO3) Closure of key centres, clubs and withdrawal of the outreach service would have an impact on communities throughout the Borough. Inability to deliver the Youth Service Strategy 2014-2019 fully Potential increase in anti social behaviour Potential increase in youth crime Potential increase in drug and alcohol abuse Potential increase in numbers of young people becoming NEET
	Savings:	Savings can be realised within the timescales noted.
	Timeframe:	Achievable by March 2015
	HR Implications	
	Redundancy:	Part time staff contracts are issued to staff on the onset of the academic term. The summer employment is in addition to this and will not incur redundancy costs.
	Redeployment:	N/A
	Redirected Resource:	N/A
	Other Options/Issues:	
	Benefits:	Ability to meet MTFP required savings Maintain the statutory function to provide a Youth Service. Ability to deliver the Welsh Government National Youth Service Strategy and respond to the Extending Entitlement Guidance Ability to partly deliver the Caerphilly Youth Service Strategy 2014-2019

4.5.4 To withdraw the delivery of the Connecting Communities Service

4	Budget Title	Option 4 Council withdraws delivery of the Connecting Communities Service and saves £93,546 - alternative delivery option.
	Savings(£):	£93,546
	Financial Year(s):	2015/16
	Comment:	Complete withdrawal of Connecting Communities Service. The Connecting Communities Strategy (CCS) provides a framework

	<p>for working with both Primary and Secondary Schools throughout the Borough.</p> <p>The Connecting Communities budget is £93,546. This budget employs two full time members of staff to provide a platform for the development of a broad and progressive range of out of school hours learning for children, young people and adults.</p> <p>In 2013/14 a sum of £142,850 was generated for schools during the financial year. Schools utilise this additional funding to enhance the formal learning process and highly value the contribution from the two officers to achieve this.</p> <p>Could be considered alongside elements of savings from option 3 and/or 5.</p>
	Cost to implement
	<p>Staff Costs: Whole service staffing saving and impact of redundancy costs, two staff @ £45,523 = £91,046.</p> <p>Resource Costs: Mileage = £2,000 Office costs = £500</p> <p>Whole service closure.</p> <p>Impact on children, young people and adults, schools and partner services.</p> <p>Additional Costs: Potential risk of small grant claw back received from a wide range of funding sources if unspent by schools on intended programme. Connecting Communities Officers are very proactive in securing additional sources to fund out of school hours learning for children and young people.</p>
	Time frame to Implement
	<p>Consultation: Detailed consultations in line with the Council's Constitution.</p> <p>Consultees will include children, young people and adults, staff, schools, unions, public, Elected Members, Town and Community Councils, Community Partnerships, Partner organisations.</p> <p>Statutory Process: The Connecting Communities Service is not statutory provision.</p>
	Risk of Implementation
	<p>Not achieving: Closure of whole service would have reputational damage and affect the authority's ability to work closely with schools to enhance the formal learning process during out of school hours.</p> <p>Inability to deliver the Connecting Communities Strategy Potential increase in anti social behaviour Potential increase in youth crime Potential increase in drug and alcohol abuse Potential increase in numbers of young people becoming NEET</p> <p>Savings: £93,456 (though the cost of implementation, redeploy,</p>

		decommission and pay back monies are likely to result in additional costs to the Borough). Savings can be realised within the timescales noted. Achievable by March 2016
	Timeframe:	12-18 months to fully realise.
	HR Implications	
	Redundancy:	2 Full time staff are highly likely to face redundancy and/or redeployment
	Redeployment:	Current staff will be given full support in line with the CCBC redeployment process to secure alternative employment.
	Redirected Resource:	
	Other Options/Issues:	
	Benefits:	Ability to meet MTFP required savings

4.5.5 To maintain 9 Centres of Excellence but withdraw funding for 17 youth clubs.

5	Budget Title	Option 5 Council withdraws 17 youth club provision and saves £206,755 – Reduced network option.
	Savings(£):	Approximately £206,755 for part time staff but need to include loss of full time managers in line with this.
	Financial Year(s):	2016/17
	Comment:	This withdrawal would involve the closure of all small community based facilities many of which are in highly deprived areas. It would also reduce the numbers of young people engaged by the Youth Service significantly – potentially lower than 10% of the youth population compared to the current level of 20%. A detailed criteria for identifying these facilities would need to be developed including an impact analysis on poverty and deprivation should Members wish to pursue this option. Could be considered alongside elements of savings from option 3 and/or 4.
	Cost to implement	
	Staff Costs:	Staffing savings above and impact of redundancy costs which will be developed should this option be the preferred one.
	Resource Costs:	This would involve the closure of circa 60% of the current front line delivery.
	Additional Costs:	Impact on young people, partner services, staff and support services (HR/Finance/IT etc).
	Timeframe to implement	
	Consultation:	Detailed consultations in line with the Council's Constitution.

	Statutory Process:	<p>Consultees will include young people, staff, unions, public, Elected Members, Town and Community Councils, Community Partnerships, Partner organisations.</p> <p>All local authorities are required to provide a Youth Service but the Welsh Government does not specify the extent of provision. The closure of this provision would not therefore negate our statutory responsibility.</p>
	Risk of Implementation	
	<p>Not achieving:</p> <p>Savings:</p> <p>Timeframe:</p>	<p>The reduction of a large part of the service would have a significant impact on the Youth Service ability to engage young people.</p> <p>Impaired ability to deliver the Youth Service Strategy 2014-2019 Potential increase in anti social behaviour Potential increase in youth crime Potential increase in drug and alcohol abuse Potential increase in numbers of young people becoming NEET</p> <p>Approximately £206.755 for part time and full time staff (though the cost of implementation, redeploy, decommission and pay back monies are likely to result in significant costs up front to the Borough).</p> <p>12-18 months to fully realise.</p>
	HR Implications	
	<p>Redundancy:</p> <p>Redeployment:</p> <p>Redirected Resource:</p>	<p>The redundancy costs will be developed should this option be the preferred one.</p> <p>The significant reduction of part time staff would reduce the ability to redeploy post holders.</p>
	Other Options/Issues:	
	Benefits:	<p>Ability to meet MTFP required savings Maintain the statutory function to provide a Youth Service. Ability to partly deliver the Welsh Government National Youth Service Strategy and respond to the Extending Entitlement Guidance Ability to partly deliver the Caerphilly Youth Service Strategy 2014-2019</p>

5. EQUALITIES IMPLICATIONS

- 5.1 There are Equalities implications to options listed in Section 4 that must be recognized in order for proper consideration of the options to be made. It is likely that despite these issues, difficult decision will have to be made due to the current need to make such significant savings, however these implications must be recognized and understood as part of the process.
- 5.2 Any reduction in provision will potentially have a greater risk for those young people in minority groups in the community as service reductions could potentially increase their sense of isolation and vulnerability, by reducing their ability to interact with young people from different backgrounds.
- 5.3 Any wider consultation on service reductions will have to be made in line with the Council's approved Public Engagement Strategy and the guidance in the Equalities Consultation and Monitoring document to ensure that the views of those potentially affected are taken into account in the decision-making process.
- 5.4 The Youth Service demonstrates its contribution to the Council's Strategic Equality Objectives through targets, consultation and monitoring in the Youth Service Strategy, the Directorate's Service Improvement Plans and information provided for inclusion in the annual monitoring and improvement reports for Equalities and Welsh language to the relevant Commissions.

6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications of each Youth Service Review option considered as part of this report have been noted where known at present in section 4 above. The full cost implications of the option, or options, 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. To summarise at this stage the following indicative savings may be possible from each option outlined, subject to any redundancy / redeployment costs, and grant claw-back that may apply in certain cases:

Youth Service Review Option	Estimated level of saving	Possible additional financial pressures linked to this option
Option 1 – Maintain Present Youth Service Network 'as is'	£73,900	None the efficiency savings provided in 4.4 ensure minimum impact to front line delivery and costs.
Option 2 – Council withdraws from delivery of Youth Service provision – (No service)	£1,588,570	Redundancy/redeployment Service closure expense, legal fees, site decommissioning/demolition. Welsh government clawback £1,296,513 Possible capital receipt(s) for any sites sold may offset some costs.
Option 3 – Additional Youth Service allocation withdrawn	£100,000	Reduced hours for part time staff at identified sites.

Option 4 – Council withdraws from delivering Connecting Communities provision – (No service)	£93,546	Redundancy/redeployment costs for two members of staff.
Option 5 – Council withdraws delivery of Youth Service provision in 17 youth clubs	£206,755	Redundancy/redeployment costs for part time staff at identified sites.

6.2 The anticipated general Medium Term Financial Plan efficiency savings required of the Youth Service, between 2015/17, are detailed in section 4.4 above and total £73,900k. These overarching savings have been incorporated into each of the five review proposals considered to ensure that the maximum efficiencies can be realised.

7. PERSONNEL IMPLICATIONS

7.1 A number of the Youth Service Review options outlined in section 4 of this report have significant personnel implications that will require detailed consideration, consultation and costing dependant 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 Committee consider the Youth Service Review options detailed in this report and give their views.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure that Scrutiny Members' views are taken into account in the future budget setting process.

10.2 To ensure that the Scrutiny Committee are aware of the implications and potential benefits of each option.

11. STATUTORY POWERS

11.1 Extending Entitlement: supporting young people in Wales.

11.2 The Learning and Skills Act 2000. All local authorities are required to provide a Youth Service.

11.3 Local Government (Wales) Measure 2010, Equalities Act 2010 (Statutory Duties) (Wales)

Regulations 2011, Welsh Language Measure (Wales) 2011.

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Consultees: Sandra Aspinall, Acting Deputy Chief Executive
Tony Maher, Assistant Director, Education and Lifelong Learning
Corporate Management team
Councillor Passmore, Cabinet Member for Education and Lifelong Learning
Gareth Hardacre and Lynne Donovan, HR
Principal Solicitor - Gail Williams
David Thomas, Senior Policy Officer (Equalities and Welsh Language)
Finance Division – Nicole Scammell



EDUCATION FOR LIFE SCRUTINY COMMITTEE – 18TH SEPTEMBER 2014

SUBJECT: THE MEDIUM TERM FINANCIAL PLAN (MTFP)

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To consider the Medium Term Financial Plan (MTFP) contributions from the Directorate of Education and Lifelong Learning in accordance with the Cabinet report – Next Stages of MTFP – 2015/16 and 2016/17 dated 16th April 2014.

2. SUMMARY

- 2.1 The Medium-Term Financial Plan (MTFP) agreed by Council on the 26th February 2014 identified an estimated savings requirement of £6.5m for 2015/16 and £6.9m for 2016/17. This was based on an indicative reduction in Welsh Government (WG) funding of 1.34% for 2015/16 and, in the absence of further guidance from WG, an assumed reduction of a further 1.34% for 2016/17.
- 2.2 The budget strategy agreed by Council for 2015/16 and 2016/17 is currently being taken forward via two main strands. The first of these is further savings proposals for Members to consider in respect of up to 3% efficiency savings. These efficiency targets require savings of circa £5m and will be applied to those statutory and essential services that the Authority has to deliver. The second stand of the agreed budget strategy is a review of discretionary services, including those areas of statutory provision where delivery exceeds the minimum required levels, with a view to identifying savings proposals totalling over £8m.
- 2.3 Members of the Education for Life Scrutiny Committee will be aware of the letter from the Minister for Local Government on the 24th June 2014 informing Local Authorities that due to a range of emerging cost pressures, particularly in the NHS, further significant reductions in the Local Government financial settlement are now anticipated for 2015/16 and beyond. This has serious consequences as WG is now asking Local Authorities to consider how they would respond to funding reductions of up to 4.5%. A report was presented to Cabinet in the 16th July 2014, which identified that a cut in WG funding of 3% would increase the required savings for 2015/16 and 2016/17 from the current planning figure of £13.4m to £22.2m. A cut of 4.5% will increase the savings target to £30.1m. A further report will be presented to Cabinet early in the autumn when the position has been examined in more detail.
- 2.4 The Education for Life Scrutiny Committee has recently reviewed a number of discretionary service areas and this report focuses on these areas of savings not discussed previously.

3. LINKS TO STRATEGY

- 3.1 The budget setting process encompasses all the resources used by the Council to deliver services and meet priorities.

4. THE REPORT

- 4.1 Members will be aware that the Education for Life Scrutiny Committee has recently reviewed a number of discretionary service areas operating within the Directorate of Education and Lifelong Learning. The MTFP strategy is requiring further additional saving proposals to be highlighted, which may be required to achieve the overall savings target for the Council.
- 4.2 This report summarises these saving proposals in Table 1 (on page 3). They are further developed in Appendix 1 and 2 which includes a comprehensive impact assessment: -
- 1) Red - High impact;
 - 2) Amber - Medium impact;
 - 3) Green- Low impact.
- 4.3 In addition, the savings proposals in Appendix 1 has been categorised into four key areas:
- 1) Realignment of Budgets (R)
 - 2) Vacancy Management/Service Review (V)
 - 3) Redirection of roles to grant funded areas (G)
 - 4) Service reduction (S)
- 4.4 Appendix 2 “Education & Lifelong Learning List of Potential Savings and Efficiencies - Previously considered by Scrutiny Committee” details the proposed saving identified from service areas presented to the Education for Life Scrutiny Committee by way of separate reports.
- 4.5 The views of the Scrutiny Committee are sought in order that a balanced budget can be set for 2015/16 and 2016/17, and to ensure that proposals are prioritised to address the financial position in future years.
- 4.6 To assist in the discussions, Members will receive a presentation detailing the proposals, together with an assessment of the impact on the service overall.

Table 1

SERVICE AREAS PROPOSED FOR SAVING OPTIONS

Description	Impact	2015-16 £'000
Realignment of Budget		
Earmarked Formula Funding	Green	10
Teacher Performance Management	Green	40
School Meals Admin, Utility & Telephones	Green	20
Lifelong Learning Admin	Green	15
Visually Impaired Service	Green	30
WJEC Contributions	Green	10
Vacancy Management / Service Review		
Administration	Amber	83
Behaviour Support	Green	35
Language Support Primary	Green	35
Psychology Service	Amber	22
Redirection of Roles to Grant Funded areas		
Early Years Central Team	Green	31
Service Reduction		
School Improvement Initiatives	Amber	50
Total		381

Previously Considered Reports		
Community Centres	Amber	70
Library Services	Amber	114
Home to School Transport (Savings would commence 16/17)	Red	0
Community Education	Red	27
Music Services	Green	100
Total		311

Key

Code

- R - Realignment of Budgets
- V - Vacancy Management / Service Review
- G - Redirection of roles to grant funded areas
- S - Service Reduction

Impact

- Green - Low Impact
- Amber - Medium Impact
- Red - High Impact

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 Community Centre 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 As identified throughout the report.

7. PERSONNEL IMPLICATIONS

- 7.1 The personnel implications for all agreed savings will be carefully managed and staff will be fully supported to identify redeployment opportunities wherever possible.

8. CONSULTATIONS

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

9. RECOMMENDATIONS

- 9.1 The Education for Life Scrutiny Members consider the proposals outlined in the report and identify which proposal, or proposals, they consider merit further investigation as part of the Council's MTFP strategy for 2015/17.

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 The Local Government Act 1998 and the Local Government Act 2003

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Consultees: Sandra Aspinall, Acting Deputy Chief Executive

Corporate Management Team

Education Senior Management Team

Kathryn Davies, Acting Principal Personnel Officer

Cllr R Passmore, Cabinet Member, Education and Lifelong Learning

Jane Southcombe, Principal Accountant

Appendices:

Appendix 1 - Education & Lifelong Learning List of Potential Savings and Efficiencies

Appendix 2 - Education & Lifelong Learning List of Potential Savings and Efficiencies –
Previously considered by Scrutiny Committee

Appendix 1
Education & Lifelong Learning List of Potential Savings and Efficiencies

Description	Action Required	Impact	Impact	2015-16 £'000	14/15 £'000 budget
Realignment of Budget					
Earmarked Formula Funding	In line with current spending patterns	Low impact		10	276
Teacher Performance Management	In line with current spending patterns	Low impact		40	230
School Meals Admin, Utility & Telephones	In line with current spending patterns	Low impact		20	417
Lifelong Learning Admin	In line with current spending patterns	Low impact		15	30
Visually Impaired Service	In line with current spending patterns	Low impact based on recent trends		30	423
WJEC Contributions	In line with recent spending patterns	Low impact		10	54
Realignment of Budget Total				125	
Vacancy Management / Service Review					
Administration	Not filling 2 fixed term posts	Will have minor impact on timelines		83	888
Behaviour Support	15/16 - 1 vacant post	Low impact		35	227
Language Support Primary	15/16 - Vacancy management	Low impact		35	834
Psychology Service	15/16 - vacancy management (1 post)	Low impact		22	541
Vacancy Management / Service Review Total				175	
Redirection of Roles to Grant Funded areas					
Early Years Central Team	Can be funded from increase in Flying Start Grant	Low impact		31	366
Redirection of Roles to Grant Funded areas Total				31	
Service Reduction					
School Improvement Initiatives	Amount available to support schools in difficulties reduced	Medium impact		50	100
Service Reduction Total				50	
Total				381	

Key

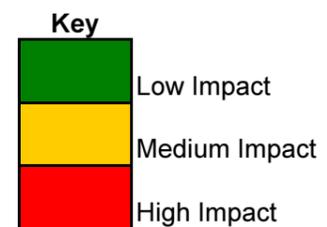
	Low Impact
	Medium Impact
	High Impact

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Appendix 2

Education & Lifelong Learning List of Potential Savings and Efficiencies - Previously considered by Scrutiny Committee

Description	Action Required	Impact	Impact	2015-16 £'000	14/15 £'000 budget
Community Centres					
Water rates; Insurances	Will require negotiations with Management committees	Could have a significant impact on financial position of Management Committee	Yellow		596
Repairs and Maintenance	Reduction in budget	Could impact on standards of buildings over the longer term	Red	70	
Libraries					
Automated Delivery (3 vacant posts p/t)	Vacant posts	Low impact	Green		2464
Book Fund - Libraries	Reduction in budget	Could impact adversely on standards	Yellow		
Vacancy Management - 2 posts	Vacant posts	Low impact	Green	91	
Supplies and Services	Reduction in budget	Low impact	Green	13	
Relocation of Acquisitions Team	Change in work base	Low impact	Green	10	
Potential reduction in opening hours	Need to consult on libraries involved with parents/pupils	Minor impact	Yellow		
Community Education					
Community Education	15/16 - Reduction in charges for premises in conjunction with headteachers.	Low impact.	Green	20	1847
Community Education	16/17 -Negotiations with Voluntary Sector	Will impact on voluntary sector and service delivery	Red		
Community Education	Vacant Post	Low impact.	Green	7	
Home to School Transport					
Home to School/College Transport	Reduction in support to schools	Will impact significantly	Red	0	6460
Music Service					
Music Service	Vacancy management	Low impact	Green	100	703
Total				311	



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