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Date: 9th December 2015

Dear Sir/Madam,

A Special meeting of the **Education for Life Scrutiny Committee** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Tuesday, 15th December, 2015** at **5.30 pm** to consider the matters contained in the following agenda.

Yours faithfully,

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

Chris Burns
INTERIM CHIEF EXECUTIVE

A G E N D A

	Pages
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 Medium Term Financial Plan - Savings Proposals for 2016/17. | |
|---|--|

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A greener place Man gwyrdach

Correspondence may be in any language or format | Gallwch ohebu mewn unrhyw iaith neu fformat



Circulation:

Councillors J. Bevan, P.J. Bevan, Mrs A. Blackman, W. David (Chair), H.R. Davies, C. Durham, C.J. Gordon, 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

And Appropriate Officers



SPECIAL EDUCATION FOR LIFE SCRUTINY COMMITTEE – 15 DECEMBER 2015

**SUBJECT: MEDIUM TERM FINANCIAL PLAN – SAVINGS PROPOSALS FOR
2016/17**

REPORT BY: CHIEF EDUCATION OFFICER

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Members with details of 2016/17 savings proposals within the Directorate of Education & Lifelong Learning to support the Authority's Medium-Term Financial Plan (MTFP).

2. SUMMARY

- 2.1 The report provides details of savings proposals for Members to consider prior to details being presented to Cabinet for final determination.

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 The Directorate's savings proposals for 2016/17 may be summarised as follows:

	£'000
NIL impact savings	
- 2016/17 proposals	1496
Low impact savings	
- Library book fund reduction	55
- Maintenance of school buildings (50/50 funding with schools)	329
Medium impact savings	
- Community Centres	64
- Contribution to GAVO Play Programme	20
Total savings proposals	<u>1,964</u>

4.2 Full Year Effect of Proposals Implemented in 2015/16

4.2.1 Included in the 2015/16 budget strategy previously agreed by Members was the proposal to reduce the library service opening hours. These were to be implemented part way through the 2015/16 financial year and as such would deliver a part year saving in 2015/16.

4.2.2 The proposals were duly implemented in 2015/16 and will deliver additional savings in 2016/17 as a result of the full year effect. The additional savings resulting from this full year are £67k.

4.3 Proposals that have no Public Impact

4.3.1 The total proposed savings of £1.964m include an amount of £1.496m that would have no direct impact upon the public. These savings can be achieved through a combination of budget realignment, structural reviews and vacancy management.

4.4 Proposals that will have a Public Impact

4.4.1 The remaining savings proposals of £0.468m will impact upon the public to varying degrees.

4.4.2 The remainder of this report focuses on these proposals.

4.4.3 Library Book Fund Reduction £55k (Public Impact: Low)

The County Borough Library Service proposes to reduce its book fund by a total of £105k between 2016 and 2018, amounting to £55k (2016/17) and a further £50k (2017/18) respectively. Following these proposed reductions, the remaining book fund budget will amount to £272k.

The proposed reduction protects public access to library facilities and all customer facing services and is considered a measured approach whilst offering a substantial contribution to the Authority's MTFP.

Members should note that the proposed reductions will weaken the Council's ability to meet the Welsh Government's Public Library Standards Framework 2014-2017, specifically, but at this stage we do not know the precise effect.

Welsh Public Library Standards Core Entitlements and Quality Indicators	Entitlement and Quality Indicator Description
Core Entitlement 3	Provide access to a range of services and resources to support lifelong learning, personal well-being and development, and community participation.
Core Entitlement 12	Provide access to high quality resources in a range of formats, including those in the Welsh language, reflecting changing forms of publication.
WPLSQI 8	Up to date reading material
WPLSQI 9	Appropriate reading material
WPLSQI 12	Supply of requests

Caerphilly County Borough Council Libraries are adjudged currently as one of the best performing services in Wales based on its 2014-2015 annual update return.

4.4.4 Maintenance of school buildings – 50/50 funding with schools £329k (Public Impact: Low)

Following the introduction of the Fair Funding regulations in 2000, the Directorate retained a residual revenue budget to assist with lower value capital schemes. In recent years this budget has typically been used to enhance the core capital programme by offering assistance on a 50/50 basis to support school projects. Schools presently submit bids annually in the Autumn term for consideration for the following financial year. This proposal will have little or no impact upon compliance with statutory maintenance but will adversely affect school condition survey works.

The proposal involves removing the budget of £329k in its entirety in 2016/17. It is acknowledged that this will have an adverse effect upon school buildings with the potential to accelerate their depreciation and worsen their general condition.

To mitigate this effect, it is proposed to consider that we utilise Local Management of Schools (LMS) contingency balances to support continued investment with schools in school buildings. It is specifically suggested that a sum of £750k be earmarked over 3 years (£250k per annum) to support schemes as bid/priorities with schools.

The letter requesting bids from schools for 2016-17 projects has already gone out on the basis of 50/50 funding. It is therefore suggested that the 50/50 commitment is retained for 2016-17 but funded from LMS contingency and that we give notice that for the following 2 years the split will be 70% (School) / 30% (Central Education).

This arrangement would have the benefit of still supporting school capital projects but utilising LMS contingency funds for the central education proportion, thereby fulfilling the MTFP proposals.

4.4.5 Community Centres £64k (Public Impact: Medium)

A Task and Finish group, made up of Members from the Scrutiny Committee, was established to review the Council's support of community centre provision throughout the County Borough and make any recommendations necessary under the Medium Term Financial Plan.

The group met on four occasions in the summer of 2015, and considered a range of issues, including:

- Community Centre locations
- Proximity of Community Centres
- Asset Transfer
- Operation and Performance of Community Centres including building condition and suitability for future delivery or local ownership and management by interested voluntary sector groups

The group subsequently made the following recommendations to achieve the MTFP savings target of £64k in 2016-2017:

- That the council cuts the budget for payment of water rates for community centres to achieve savings of £27k.
- That the council reduces its caretaking contribution from 12 hours per week to 11 hours per week for each community centre, and recharges each community centre for one hour per week to achieve savings of £14k.
- That up to three centres be put forward for closure, Rhymney Day, Tirphil and Channel View (Risca), to achieve savings of £18k.
- That miscellaneous items be cut from the Community Centre service budget to achieve savings of £5k.

Recommendations were presented to the Education and Lifelong Learning Scrutiny Committee on 22 September 2015. At that meeting Members moved the report. The intention is to report this matter to Cabinet, early in the new year, for final determination.

4.4.6 Contribution to GAVO play programme £20k (Public Impact: Medium)

The MTFP proposal is to reduce the Gwent Association of Voluntary Organisations (GAVO) contribution by £20k from its present £50k. The £50k annual grant funding of GAVO by CCBC Youth Service (since 2008) supports the employment of a full time Holiday Scheme Coordinator, whose function is to advise and support any groups considering the provision of School holiday period-specific activity for Children and young people between the ages of 8-18. While less effective in the first years of operation, this role has in the past 12 months has developed more positively. Although a steering group to inform this role has been in place since inception, this has not completely enabled the role to be as focussed on holiday-specific support as first envisaged. However, in recent times the present incumbent has nevertheless provided the types of support necessary to a number of partner groups, both statutory and voluntary in nature.

The current proposal of reducing the £50k grant by £20k to £30k is intended to strike a balance between making the necessary savings and enabling, in part, the continued support of a partner group. The present medium impact assessment is not in relation to the impact on service users but an indication that this funding arrangement has been in place for 6/7 years and is the Youth Service's most significant example of external (voluntary sector) funding support. There will be minimal impact on service users, as the Youth Service would take up any shortfall in capacity.

5. EQUALITIES IMPLICATIONS

- 5.1 An equalities impact assessment will be completed for the 2016/17 savings proposals that will have an impact on the public. This is to ensure that decisions that affect different individuals and groups are assessed at an appropriate and relevant level and at the correct stage in the process.
- 5.2 Consultation with residents, when done in accordance with the Council's Public Engagement Strategy and the Equalities Consultation and Monitoring Guidance, also ensures that every resident, regardless of circumstances, has the opportunity to have their views heard and considered in the Council's decision-making process.

6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications are detailed throughout the report.
- 6.2 Further details were reported to Cabinet on 14 October 2015.

7. PERSONNEL IMPLICATIONS

- 7.1 The personnel implications of any agreed savings will be managed in accordance with the Council's HR Policies.

8. CONSULTATIONS

- 8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

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

10. REASONS FOR THE RECOMMENDATIONS

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

11. STATUTORY POWER

- 11.1 The Local Government Acts 1998 and 2003.
The 1964 Public Libraries and Museums Act.

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Keri Cole, Chief Education Officer
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Paul O'Neil, Community Education Manager (Youth)
Gareth H Evans, Senior Manager, Planning & Strategy (Libraries)
Steve Hawkins, Community Centres Service Manager.
Councillor Rhianon Passmore, Cabinet Member for Education & Lifelong Learning
Councillor Wynne David, Chair, Education for Life Scrutiny Committee
Councillor James Pritchard, Vice-Chair, Education for Life Scrutiny Committee
Headteachers
Gwent Association of Voluntary Organisations (GAVO)

Background Papers: Medium Term Financial Planning files (Education Finance and Directorate Management Team) – located in offices on 3rd floor, Penallta House
Community Centres Task & Finish Group report.

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SPECIAL EDUCATION FOR LIFE SCRUTINY COMMITTEE – 15TH DECEMBER 2015

SUBJECT: MEDIUM TERM FINANCIAL PLAN – SAVINGS PROPOSALS RELATING TO SCHOOLS FOR 2016/17

REPORT BY: CHIEF EDUCATION OFFICER

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Members with details of 2016/17 savings proposals which impact on the Authority's Schools.
- 1.2 The proposals outlined include not only those that originate within the Education and Lifelong Learning Directorate but also those from other areas of the Authority.

2. SUMMARY

- 2.1 The report provides details of savings proposals for Members to consider prior to details being presented to Cabinet for final determination.

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 The savings proposals that are presented in this report relate specifically to those that impact on Schools in 2016/17 financial year, some of which originate from other Directorates in the Authority. Consequently, these details are also included in other Medium Term Financial Plan Scrutiny Reports for the Authority, but for ease of access and consultation with School's encompassed in this one report.

The School related savings proposals for 2016/17 may be summarised as follows:

- Introduce charge to Schools for setting up sandwich places £174k
- Reduce operational Breakfast Clubs costs by 1 hour of staffing per day (£120k over 2 years) £60k
- Increase price of Secondary school meals by 10p from September 2016 (£2.15 to £2.25) £24k
- Increase price of Primary school meals by 10p from September 2016 (£1.90 to £2.00) £28k
- Update HR SLA charges (£200k over 2 years) £100k

- School Crossing Patrol site reduction £10k
- Removal of 50% one off contribution to one off school maintenance projects £329k
- Teachers Performance Management (£264k over 2 years) £154k
- Behaviour Support £35k
- ALN Advisory Support £41k
- Language Support Primary £150k
- Community Focus Schools £94k

4.2.1 Introduce charge to Schools for provision of sandwich places - £174k

The Catering Service provides a school meals service in 75 primary schools and in doing so currently sets out and clears away places for those pupils eating their own sandwiches, even disposing of any subsequent waste at the expense of Catering. It is proposed that a charge is introduced for this service which is currently provided free of charge amounting to 1 hour of staff time per day at each school. This amounts to approximately £2,200 per school each year.

Schools may choose to make their own arrangements for setting out and clearing away sandwich places, in which case the Catering Service will be able to reduce staffing hours and realise the saving identified.

4.2.2 Reduce Operational Breakfast Clubs Staff Cover by 1 Hour per Day - £60k

The Catering Services operates 68 breakfast clubs in our primary schools. This is a proposal to reduce the staffing hours by 1 hour per day in each breakfast club. The operating times of the breakfast clubs would be unchanged but the level of supervision of pupils throughout the breakfast club provision would reduce. It is proposed that the level of supervision will continue to be suitable and reasonable considering any risks or individual pupil's needs. Staff cover is difficult to arrange at short notice and in any circumstances where safe levels of supervision cannot be maintained due to sickness levels or unauthorised absences the breakfast club provision would be withdrawn until suitable staffing levels are able to be put in place. All current SLAs would need to be amended to incorporate this provision.

4.2.3 Increase Price of School Meals at Secondary Schools - £24k (£48k over 2 years)

It is proposed to increase the price of a Secondary school meal from September 2016 by 10p, from £2.15 to £2.25. There will be some impact upon parent / carers amounting to an increased cost of 50p per week per child. However, Caerphilly CBC has one of the lowest prices for a school meal in Wales. The Caerphilly Catering school meal service is fully Appetite for Life compliant and relies upon pupils choosing to stay for a meal, ever increasing high street competition, schools not operating a closed gate policy and reduced lunch times all impact upon take-up.

The projected additional income of £24k has been adjusted to account for an estimated 10% reduction in take up as a result of the price increase. This figure is part year, as the proposed increase would be implemented at the start of the school year in September 2016. There would therefore be an additional £24k in 2017/18 (i.e. £48k in total).

4.2.4 Increase Price of School Meals at Primary Schools - £28k (£56k over 2 years)

It is proposed to increase the price of a Primary school meal from September 2016 by 10p, from £1.90 to £2.00. There will be some impact upon parents / carers amounting to an increased cost of 50p per week per child. However, Caerphilly CBC has one of the lowest prices for a school meal in Wales. The Caerphilly Catering school meal service is fully Appetite for Life compliant and relies upon pupils choosing to have a cooked meal.

The projected additional income of £28k has been adjusted to account for an estimated 10% reduction in take up as a result of the price increase. This figure is part year as the proposed increase would be implemented at the start of the school year in September 2016. There would be an additional £28k in 2017/18 (i.e. £56k in total).

4.2.5 Update HR SLA charges to Schools - £100k (£200k over 2 years)

Over a number of years the demands on the Service in supporting our Schools has necessitated an increase in staffing levels. There are currently 13.6 FTE's supporting schools in all HR issues relating to 4,500 teaching and non teaching staff.

Consequently there is currently a gap of circa £300k between the cost of the service and the funding received from Schools through the SLA's. This differential is not sustainable in the current climate and whilst it is recognised that this creates a cost pressure for Schools the increasing demands on the service have driven costs up over a number of years.

To reduce the funding gap it is proposed that the SLA charges to schools are increased by £200k, but tapered over the next 2 years.

The cost implications are as follows:

	Primary	Secondary / TF
2015/16	£1,721	£2,834
2016/17	£2,724	£4,485
2017/18	£3,727	£6,136

This increase will still mean that the HR support to schools remains supported by the Authority by over £100k.

4.2.6 School Crossing Patrol site reduction - £10k (£20k over 2 years)

The identified saving for school crossing patrol sites relates to the application of the national criteria and guidelines for the assessment of SCP sites (based on the number of children crossing and the number of vehicles recorded over a given time period am and / or pm). This is applied to requests for new sites or when sites become vacant through retirement or resignation. The £10k saving applies specifically to the later case and has been applied over the last 2 years resulting in a reduction in the number of sites operated. There is sufficient turnover of sites which do not meet criteria to meet the £10k figure on a yearly basis.

4.2.7 Maintenance of school buildings – 50/50 funding with schools £329k

Following the introduction of the Fair Funding regulations in 2000, the Directorate retained a residual revenue budget to assist with lower value capital schemes. In recent years this budget has typically been used to enhance the core capital programme by offering assistance on a 50/50 basis to support school projects. Schools presently submit bids annually in the autumn term for consideration for the following financial year.

The proposal involves removing the budget of £329k in its entirety in 2016/17. It is acknowledged that this will have an adverse effect upon school buildings with the potential to accelerate their depreciation and worsen their general condition.

To mitigate this effect, it is proposed to consider that we utilise LMS contingency balances to support continued investment with schools in school buildings. It is specifically suggested that a sum of £750k be earmarked over 3 years (£250k per annum) to support schemes as bid/priorities with schools.

The letter requesting bids from schools for 2016-17 projects has already gone out on the basis of 50/50 funding. It is therefore suggested that the 50/50 commitment is retained for

2016-17 but funded from LMS contingency and that we give notice that for the following 2 years the split will be 70% (School) / 30% (Central Education).

This arrangement would have the benefit of still supporting school capital projects but utilising LMS contingency funds for the central education proportion, thereby fulfilling the MTFP proposals.

4.2.8 Teachers Performance Management - £154k (£264k over 2 years)

This budget provided funding for supply costs to allow for classroom observation and performance review. This funding was previously a Welsh Government Grant that transferred into the Authority's revenue support grant, over 10 years ago. To date it has continued to be allocated to Schools, based on the same allocation criteria but without any specific requirement for the school to evidence how this money is spent.

The allocation per school is in respect of teacher numbers (circa £226 per teacher). It ranges from £1k (smallest school) to £5k (largest school) a year in our primary schools and £4k to £13k in our secondary schools.

Whilst it is recognised that this reduction in funding will impact on schools, it is also recognised that the ethos of this funding is embedded into the culture of our schools. It is proposed that the impact of the reduction is tapered over 2 years, 7/12th in 2016/17 and 5/12th in 2017/18.

4.2.9 Behaviour / ALN Advisory & Language Support Services - £226k

These services are largely discretionary but have been supporting schools for some statutory elements and some early intervention. As vacancies have occurred staff have not been replaced, as the statutory function could still be delivered. The emphasis is now upon building capacity within schools and the Authority has funded comprehensive training programmes to assist this process. Most recently a £200k investment has been made in behaviour training for school based staff. This savings proposal relates to the non filling of vacancies.

This approach will continue into 2017/18, with further proposals in these areas.

4.2.10 Community Focus Schools - £94k

The Connecting Communities Strategy provides a framework for working with both Primary and Secondary schools throughout the Borough. The Connecting Communities budget funds 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. This is not a statutory provision and the proposal would see the complete removal of the service. Connecting Communities Officers have been very proactive in securing additional sources of funding with and for Schools.

5. **EQUALITIES IMPLICATIONS**

- 5.1 An equalities impact assessment will be completed for the 2016/17 savings proposals that will have an impact on the public. This is to ensure that decisions that affect different individuals and groups are assessed at an appropriate and relevant level and at the correct stage in the process.
- 5.2 Consultation with residents, when done in accordance with the Council's Public Engagement Strategy and the Equalities Consultation and Monitoring Guidance, also ensures that every resident, regardless of circumstances, has the opportunity to have their views heard and considered in the Council's decision-making process.

6. FINANCIAL IMPLICATIONS

6.1 The financial implications are detailed throughout the report.

7. PERSONNEL IMPLICATIONS

7.1 The personnel implications of any agreed savings will be managed in accordance with the Councils HR policies.

8. CONSULTATIONS

8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

9.1 Members of the Scrutiny Committee are asked to consider and comment upon the range of savings proposals outlined in this report.

10. REASONS FOR THE RECOMMENDATIONS

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

11. STATUTORY POWER

11.1 The Local Government Acts 1998 and 2003.

APPENDIX 1. Schools Medium-Term Financial Plan 2016/17 to 2018/19.

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Councillor Rhianon Passmore, Cabinet Member for Education & Lifelong Learning

Councillor Wynne David, Chair, Education for Life Scrutiny Committee

Councillor James Pritchard, Vice-Chair, Education for Life Scrutiny Committee

Headteachers

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Schools Medium-Term Financial Plan 2016/17 to 2018/19

	<u>2016/17</u> <u>£m</u>	<u>2017/18</u> <u>£m</u>	<u>2018/19</u> <u>£m</u>
Funding to meet the “pledge”	0.629	0.632	0.636
Inflationary Pressures			
Pay award - teachers (1%, 1%, 1%)	0.672	0.684	0.691
Pay award – APT&C (1%, 1%, 1%)	0.121	0.122	0.123
Non-pay (0%, 0%, 1.5%)	0.000	0.000	0.283
Superannuation (2.3% increase from 01/09/15)	0.589	0.000	0.000
NI increase – Contracted-out staff	1.680	0.000	0.000
Service Pressures			
Premises related changes (i.e. floor area) & FSM	0.220	0.160	0.160
Demographic increase	0.120	0.120	0.120
TOTAL PRESSURES	3.402	1.086	1.377
Less “pledge” monies	0.629	0.632	0.636
Projected Shortfall	2.773	0.454	0.741
Percentage Reduction in Total Budget	2.92%	0.49%	0.81%

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