



## EDUCATION FOR LIFE SCRUTINY COMMITTEE – FOR INFORMATION

**SUBJECT: FINANCIAL PLAN EDUCATION AND LIFELONG LEARNING 2016/17**

**REPORT BY: CHIEF EDUCATION OFFICER**

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

- 1.1 To provide members with details of the Financial Plan for Education & Lifelong Learning for 2016/17.

### **2. SUMMARY**

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

### **3. LINKS TO STRATEGY**

- 3.1 The report identifies how the Directorate intends using the allocated resources to ensure that key strategies are achieved.
- 3.2 The report also supports the Learning theme of "Caerphilly Delivers", the local service board single integrated plan.

### **4. THE REPORT**

#### **4.1 2016-17 Revenue Budget**

- 4.1.1 The Welsh Government's Revenue Support Grant (RSG) for Caerphilly CBC for the 2016/17 financial year is a reduction of 0.9%. This reduction factors in the transfer into the RSG of the Outcome Agreement Grant (£1.876m) and results in an overall net cash reduction of £2.275m compared to 2015/16 financial year.
- 4.1.2 Members will recall that as a consequence of the financial settlement a package of savings totalling £11.117m was agreed to enable the Council to deliver a balanced budget for the 2016/17 financial year and in part to assist with delivering a balanced budget in 2017/18. Within the £11.117m, specific savings for Education & Lifelong Learning amounted to £1.609m.
- 4.1.3 The approved 2016/17 budget for Education & Lifelong Learning totals £125m.

## 4.2 Education & Lifelong Learning

- 4.2.1 As part of the Authority's budget process the Directorate has been given budgetary uplift of 1.2% (weighted average) for potential pay award costs, plus an uplift for the living wage and an increase for the April 2016 rise in employer national insurance costs. These uplifts exclude Teachers and other school based staff. In addition 1.85% budgetary growth has been allocated to meet the Schools Pledge (£1.938m). The Individual Schools Budgets (£97m delegated directly through the formula & £5m Post 16 grant & revenue support grant funded) will need to fund any pay, price and other growth related pressures within the cash limited protected budget.
- 4.2.2 The medium term financial plan assumes that the Authority will continue to honour the schools "pledge". As stated the "pledge" requires schools to manage their own cost pressures and resulting savings requirements. The projection for schools in 2016/17 is a shortfall of 1.60%, with growth in the subsequent 4 years (0.89% in 2017/18; 0.17% in 2018/19; 0.38% in 2019/20 and 0.41% in 2020/21).
- 4.2.3 The Directorate also received a sum of £19k growth, to address the cost of Education Workforce Council registration fees. School and FE Teachers already register with the EWC. Registration does not depend on a job title and in general if a role supports learning and teaching, workers will need to be registered with the EWC. Following a consultation, the Welsh Government has set a fee for learning support staff of £15 for 2016/17. The Council currently pays the cost of registration with a specific registration body if there is a requirement by law to be registered in order to practice. Learning support staff will now fall into this category resulting in a cost to the Authority of £19k per annum.
- 4.2.4 Members are aware that savings proposals have been reviewed subject to an impact assessment to determine whether there would be an impact on service users and / or the public. Proposals were categorised with a nil, low, medium and high impact.
- 4.2.5 With the exception of just one of the 2016-17 proposals within the Directorate, all were identified with a nil impact classification. In total, savings to the value of £1,563k were identified with a nil public impact. The proposals in this category consist in the main of vacancy management, structural reviews, budget realignment and minor changes to service provision.
- 4.2.6 The exception was a £46k budget reduction in relation to the Authority's community centres. This reduction was categorised with a medium public impact. At its meeting on 20<sup>th</sup> January 2016, Cabinet considered a report on a Task & Finish Group review of community centres. Following consideration of the report Cabinet agreed the following proposed savings:
- A cut in the budget for payment of water rates for community centres to achieve savings of £27k.
  - A reduction in the Council's caretaking contribution from 12 hours per week to 11 hours per community centre, with each centre being recharged one hour per week to achieve savings of £14k.
  - A reduction in miscellaneous items of £5k.
- 4.2.7 In addition to specific Directorate efficiencies, a saving of £169k has been achieved in relation to Whole Authority / Corporate savings proposals. This relates to a reduction in employer superannuation costs, a reduction in risk management costs and a reduction to the casual mileage allowance.
- 4.2.8 To advise Members the budget for the Families First Central Team has been vired (transferred) to Social Services Directorate following a change in line management responsibilities during 2015-16 financial year.

- 4.2.9 In total the Directorate's net budget for 2016/17 is £125m (excluding Central Support Service Apportionments) of which £102m (which includes £5m Post 16 funding) forms the Individual Schools Budgets.

The detailed Financial Plan pages are included in **Appendix 1**.

### **4.3 Future Years Savings Requirements**

- 4.3.1 The Authority's potential savings requirement for the 5 year period 2016/17 to 2020/21 is £36.252m (as reported to Council on 24<sup>th</sup> February 2016). This means that all the £21.342m savings proposals identified in the October 2015 Cabinet Report will be required and further savings proposals will also need to be identified.

- 4.3.2 Work is on-going to re-profile existing savings proposals and further work will be required to identify new proposals to address the additional savings that are likely to be required. This work will be led by the Corporate Management Team in consultation with appropriate Cabinet Members. Heads of Service will be heavily involved throughout the process with support from colleagues in Finance. Areas for consideration will include:

- Further "back office" efficiencies
- Potential collaborations
- Further channel shift
- Asset rationalisation
- Review of Treasury Management activities
- Review of Leisure Services
- Review of Youth Services
- Review of Library Services

The list is not exhaustive and Heads of Service will also be asked to review all budgets to identify potential future savings.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 The protections afforded to Education (Schools) through the pledge will serve to protect the most vulnerable groups for the purposes of Equalities Legislation.
- 5.2 Consultation with residents through the Council's Public Engagement Strategy and 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.
- 5.3 Equality Impact Assessments have been undertaken for all savings that impact on the public and / or service users. In Education an EIA was completed for the saving proposal in relation to Community Centres, as reported to Council 24<sup>th</sup> February 2016.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 As detailed throughout the report.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 For schools there is likely to be a requirement to reduce school based posts by up to 35, the majority of which will be through voluntary redundancies and early retirements.

- 7.2 In 2016-17 the Directorate will continue with the strategy of prudent vacancy management.
- 7.3 The budget proposals include provision to pay the living wage, as agreed by Council.
- 7.4 Should employees be placed at risk through the achievement of any of the agreed budget savings, they will be supported via the appropriate Council policies relating to redeployment and ultimately redundancy if necessary.

## **8. CONSULTATIONS**

- 8.1 The 2016/17 budget process involved extensive consultation, as detailed in a report to Council on 24<sup>th</sup> February 2016.
- 8.2 There are no consultation responses that have not been reflected in this report.

## **9. RECOMMENDATIONS**

- 9.1 Members are requested to note the contents of this report, following budget approval at Council on 24<sup>th</sup> February 2016.

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Appendix 1: Financial Plan 2016-17

<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2015/16 £</b>	<b>Revised Estimate 2015-16 £</b>	<b>Original Estimate 2016-17 £</b>
<b><u>SUMMARY</u></b>			
<b>PLANNING and STRATEGY</b>	102,995,903	103,000,253	104,523,362
<b>LEARNING, EDUCATION and INCLUSION</b>	15,852,517	15,852,517	15,193,327
<b>LIFELONG LEARNING</b>	5,327,463	5,327,463	5,073,314
<b>TOTAL SERVICE EXPENDITURE (Revenue)</b>	<b>124,175,883</b>	<b>124,180,233</b>	<b>124,790,003</b>

<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2015/16 £</b>	<b>Revised Estimate 2015-16 £</b>	<b>Original Estimate 2016-17 £</b>
<b><u>PLANNING and STRATEGY</u></b>			
<b>Individual Schools Budget</b>	<b>100,346,618</b>	<b>100,346,618</b>	<b>102,190,459</b>
<b>Post 16 Initiative (Grant Income)</b>	<b>(4,793,308)</b>	<b>(4,793,308)</b>	<b>(4,713,584)</b>
<b>Earmarked Formula Funding</b>	<b>269,869</b>	<b>269,869</b>	<b>269,785</b>
<b>Schools LMS Contingencies</b>	<b>234,184</b>	<b>234,184</b>	<b>234,184</b>
<b>Other Direct School Related</b>			
Teachers Performance Management	267,325	267,325	116,533
Learning Support Staff Registration Fee	0	0	19,000
PFI Funding Gap	307,511	307,511	307,511
PFI Building Maintenance	46,540	46,540	46,540
School Rationalisations	27,654	27,654	27,654
Former Key Stage 2 Grant	1,294,856	1,294,856	1,322,351
Secondary Additional Funding	1,006,985	1,006,985	1,022,351
School Meal Admin. Utility & Telephone	402,333	402,333	408,784
Relief Supply Cover (SRB's & Maternity)	594,003	594,003	451,131
Copyright and Licensing (Schools)	50,083	50,083	54,522
	<b>3,997,290</b>	<b>3,997,290</b>	<b>3,776,377</b>
<b>Home to School/College Transport (Environment)</b>			
<b>Early Retirement Pension Costs of School Based Staff</b>	<b>1,741,772</b>	<b>1,741,772</b>	<b>1,762,673</b>
<b>Maintenance of Buildings</b>	<b>402,989</b>	<b>402,989</b>	<b>402,989</b>
<b>Management &amp; Support Services</b>	<b>796,489</b>	<b>800,839</b>	<b>600,479</b>
<b><u>EXPENDITURE TO DIRECTORATE SUMMARY</u></b>	<b>102,995,903</b>	<b>103,000,253</b>	<b>104,523,362</b>

<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2015/16 £</b>	<b>Revised Estimate 2015-16 £</b>	<b>Original Estimate 2016-17 £</b>
<b><u>LEARNING, EDUCATION and INCLUSION</u></b>			
<b>Social Inclusion</b>			
Psychological Service	542,567	542,567	458,596
Behaviour Support	207,530	207,530	163,313
Education Welfare Service	459,251	459,251	435,116
Youth Offending Team	52,292	52,292	52,292
Safeguarding	88,999	88,999	91,031
School Based Counselling	296,545	296,545	267,972
	<b>1,647,184</b>	<b>1,647,184</b>	<b>1,468,320</b>
<b>Additional Learning Needs</b>			
ALN Advisory Support service	291,099	291,099	259,785
Learning Support	92,177	92,177	94,469
Professional/Statementing	129,001	129,001	61,455
Additional Support Primary & Secondary	3,598,375	3,598,375	
Language Support Primary	806,559	806,559	599,900
Specialist Resources	65,532	65,532	60,015
ALN Improvement Initiative	100,268	100,268	78,000
Childrens Centre	45,138	45,138	45,266
SNAP Cymru	31,807	31,807	35,585
Outreach Trinity Fields	47,392	47,392	47,961
Speech Therapy	48,640	48,640	48,640
Hearing & Language Service	222,120	222,120	222,120
ComIT	138,386	138,386	138,386
VI Service	406,741	406,741	431,519
Autism	163,882	163,882	163,882
Hospital Classes	13,548	13,548	3,548
	<b>6,200,665</b>	<b>6,200,665</b>	<b>2,290,531</b>
<b>Recoupment (SEN Out of County / LAC / Inter Auth.)</b>			
	<b>1,640,506</b>	<b>1,640,506</b>	
<b>Additional Support &amp; Out of County (Primary &amp; Secondary)</b>			
			<b>5,294,674</b>
<b>Learning Pathways Partnership &amp; EOTAS</b>			
14 - 19 Initiative (Transport Costs)	203,113	203,113	203,113
EOTAS (Tuition / Alternative Prov. / Learning Centre)	1,635,389	1,635,389	1,688,874
	<b>1,838,502</b>	<b>1,838,502</b>	<b>1,891,987</b>
<b>Early Years Provision &amp; Support</b>			
Early Years (Rising 3's)	854,830	854,830	854,830
Early Years Central Team	340,179	340,179	351,845
	<b>1,195,009</b>	<b>1,195,009</b>	<b>1,206,675</b>
<b>LEI Service Provision</b>			
Service Support & Resources	255,482	255,482	314,632
SACRE	2,384	2,384	2,405
Contribution to Outdoor Education Advisor	23,549	23,549	23,549
School Improvement Initiatives / Outcome Agreement	251,493	251,493	251,493
Music Service	609,313	609,313	530,111
WJEC	44,453	44,453	34,453
	<b>1,186,674</b>	<b>1,186,674</b>	<b>1,156,643</b>

<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2015/16 £</b>	<b>Revised Estimate 2015-16 £</b>	<b>Original Estimate 2016-17 £</b>
<b><i>Education Achievement Service (EAS) &amp; Regional Grant Match Funding</i></b>			
Contribution to EAS Joint Working	1,187,211	1,187,211	1,187,211
Education Improvement Grant - Match Funding (Welsh)	131,684	131,684	131,684
Education Improvement Grant - Match Funding	558,895	558,895	565,602
	<b>1,877,790</b>	<b>1,877,790</b>	<b>1,884,497</b>
<b><i>Other</i></b>			
Families First Central Admin & Monitoring (Now in Social Services)	171,631	171,631	0
Community Focus Schools	94,556	94,556	0
	<b>266,187</b>	<b>266,187</b>	<b>0</b>
<b><i>EXPENDITURE TO DIRECTORATE SUMMARY</i></b>	<b>15,852,517</b>	<b>15,852,517</b>	<b>15,193,327</b>
<b><u>LIFELONG LEARNING</u></b>			
<b>Community Education</b>	<b>1,854,086</b>	<b>1,854,086</b>	<b>1,758,871</b>
<b>Community Centres</b>	<b>534,959</b>	<b>534,959</b>	<b>496,895</b>
<b>Library Service</b>	<b>2,789,927</b>	<b>2,789,927</b>	<b>2,701,671</b>
<b>LLL Insurance &amp; Non Operational Property/Land</b>	<b>148,491</b>	<b>148,491</b>	<b>115,877</b>
<b><u>EXPENDITURE TO SERVICE SUMMARY</u></b>	<b>5,327,463</b>	<b>5,327,463</b>	<b>5,073,314</b>