



EDUCATION FOR LIFE SCRUTINY COMMITTEE – 3RD JULY 2018

SUBJECT: FINANCIAL PLAN EDUCATION AND LIFELONG LEARNING 2018/19

REPORT BY: CHIEF EDUCATION OFFICER

1. PURPOSE OF REPORT

- 1.1 To provide members with details of the Financial Plan for Education & Lifelong Learning for 2018/19.

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. The content of this report is in accordance with the budget and medium term financial strategy, considered and approved by Council on 22nd February 2018.
- 3.2 Effective financial planning and financial controls contribute to the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015. In particular as follows:

A healthier Wales, supporting vulnerable learners can improve their well-being and educational achievement.

A more equal Wales, a society that enables people to fulfil their potential no matter what their background is; and

A Wales of cohesive communities, improving quality of life with attractive, viable, safe and well connected communities.

4. THE REPORT

4.1 2018-19 Revenue Budget

- 4.1.1 The final 2018/19 Local Government Financial Settlement announced on the 20th December 2017 showed an increase in the Aggregate External Finance (AEF) of £3.613m (1.37%) for Caerphilly CBC. It should be noted that whilst the Final Settlement resulted in a cash increase for Caerphilly CBC, after adjusting for new responsibilities and grants transferred into and out of the settlement the new position is an effective cash reduction of £1.778m. Further details are available in Budget Proposals 2018/19 and Medium Term Financial Strategy 2018/2023 Report to Council (22nd February 2018).

4.1.2 Members will recall that as a consequence of the financial settlement a package of savings totalling £6.736m was agreed to enable the Council to deliver a balanced budget for the 2018/19 financial year. As part of the £6.736m, specific savings for Education & Lifelong Learning total £1.221m.

4.1.3 The approved 2018/19 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 2.2% (weighted average) for anticipated pay award costs, plus an uplift for the living wage and an increase of 2% for non-pay related inflation. In addition budgetary uplift was also provided to fund the 0.28% increase in pension contribution costs, this follows the most recent triennial valuation of the Pension Fund. These uplifts exclude Teachers and other school based staff.

4.2.2 In 2018/19 Schools have been allocated budgetary growth of £547k and will be required to manage their own pay and non pay inflationary increases, along with any other emerging pressures. The Individual Schools Budgets (£98m delegated directly through the formula & £4m Post 16 grant & revenue support grant funded) will need to fund any pay, price and other growth related pressures within the cash limited budget.

4.2.3 An updated MTFP for Schools is included in the Report to Council. This update assumes that schools will receive an annual uplift in funding of 1.25% from 2019/20 to 2022/23, but this will be subject to review as the Authority's savings requirements become clearer. Currently there is a shortfall of 1.68% for 2018/19, 1.15% for 2019/20, 0.90% for 2020/21, 1.10% for 2021/22 and 1.26% for 2022/23.

4.2.4 Members will be aware of the "No Public Impact" classification when reviewing savings proposals. The 2018-19 proposals for the Directorate include £828k of savings that are identified with a no public impact classification. The proposals in this category consist in the main of vacancy management, budget realignment and minor changes to service provision.

4.2.5 The balance of the savings target (£393k) for the Directorate in 2018/19 relates to the following specific savings proposals:

Maintenance of School Buildings (50/50 Funding with Schools)	£333k
Library Service – Book Fund Reduction	£25k
Library Service – Removal of Newspapers & Reduction in Online Subscriptions	£20k
Youth Service – Reduction in Funding to GAVO (Holiday Scheme Co-Ordinator Post)	£15k
Total	£393k

Full details of these savings, along with Equality Impact Assessments are included in the Report to Special Education for Life Scrutiny on 7th December 2017.

4.2.6 To advise Members, in 2017/18 the budget for Safeguarding (£125k) was vired (transferred) to Social Services. Similarly in 2017/18, the Non-Operational budget (for vacant properties & land) of £105k was vired to Property Services. In both instances the purpose of spend has not changed, simply line management responsibility.

4.2.7 In total the Directorate's net budget for 2018/19 is £125m (excluding Central Support Service Apportionments) of which £102m (which includes £4m Post 16 funding) forms the Individual Schools Budgets.

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

4.3 Medium-Term Financial Strategy 2018/2023

- 4.3.1 The Authority's potential savings requirement for the 5 year period 2018/19 to 2022/23 is £40.822m (as reported to Council on 22nd February 2018). This is a total of £34.085m for the 4 year period following 2018/19.
- 4.3.2 Detailed work will be undertaken by Officers during the coming months to review savings proposals that have previously been considered but not yet implemented, and to identify new savings proposals for consideration.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

6. EQUALITIES IMPLICATIONS

- 6.1 Equality Impact Assessments (EIA's) have been completed for all the savings proposals that are anticipated to have a public impact. The EIA's were appended to the Medium Term Financial Plans – Savings Proposals for 2018/19 Report, this was presented to Special Education for Life Scrutiny Committee on 7th December 2017.

7. FINANCIAL IMPLICATIONS

- 7.1 As detailed throughout the report.

8. PERSONNEL IMPLICATIONS

- 8.1 For schools there is likely to be a requirement to reduce school based posts by up to 7, the majority of which will be through voluntary redundancies and early retirements.
- 8.2 In 2018-19 the Directorate will continue with the strategy of prudent vacancy management.
- 8.3 The budget proposals include provision to pay the living wage, as agreed by Council.
- 8.4 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. The Council will also utilise other policies as appropriate e.g. voluntary severance.

9. CONSULTATIONS

- 9.1 The 2018/19 budget process involved extensive consultation, as detailed in a report to Council on 22nd February 2018.
- 9.2 There are no consultation responses that have not been reflected in this report.

10. RECOMMENDATIONS

- 10.1 Members are requested to note the contents of this report, following budget approval at Council on 22nd February 2018.

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Julie Baker, Principal Finance Officer (Schools)
Mike Lewis, Principal Accountant Education
Lynne Donovan, Head of People Services

Background Papers:

- Report to Council (22nd February 2018) – Budget Proposals 2018/19 and Medium Term Financial Strategy 2018/2023
- Report to Education For Life Scrutiny Committee (7th December 2017) – Medium Term Financial Plan – Savings Proposals 2018/19

Appendices:

Appendix 1: Financial Plan 2018-19

EDUCATION & LIFELONG LEARNING	Original Estimate 2017/18 £	Revised Estimate 2017-18 £	Original Estimate 2018-19 £
<u>SUMMARY</u>			
PLANNING and STRATEGY	105,508,829	105,433,829	104,976,523
LEARNING, EDUCATION and INCLUSION	15,061,442	14,936,873	15,237,131
LIFELONG LEARNING	4,422,605	4,392,605	4,350,049
TOTAL SERVICE EXPENDITURE (Revenue)	124,992,876	124,763,307	124,563,703

EDUCATION & LIFELONG LEARNING	Original Estimate 2017/18 £	Revised Estimate 2017-18 £	Original Estimate 2018-19 £
<u>PLANNING and STRATEGY</u>			
Individual Schools Budget	102,948,561	102,948,561	102,404,172
Post 16 Initiative (Grant Income)	(4,418,241)	(4,418,241)	(4,003,381)
Earmarked Formula Funding (inc. Joint Use Sites)	233,413	233,413	214,064
Schools LMS Contingencies	237,931	237,931	192,687
Other Direct School Related			
Learning Support Staff Registration Fee	19,304	19,304	19,690
PFI Funding Gap	312,432	312,432	322,117
PFI Building Maintenance	47,285	47,285	48,230
School Rationalisations	28,096	28,096	-
Former Key Stage 2 Grant	1,340,939	1,340,939	1,370,822
Secondary Additional Funding	1,038,709	1,038,709	1,059,471
School Meal Admin. Utility & Telephone	415,583	415,583	423,893
Relief Supply Cover (SRB's & Maternity)	457,920	457,920	467,077
Copyright and Licensing (Schools)	68,100	68,100	69,461
	3,728,368	3,728,368	3,780,761
Home to School/College Transport (Environment)			
Early Retirement Pension Costs of School Based Staff	1,780,301	1,780,301	1,815,907
Maintenance of Buildings & Vacant Properties	409,437	334,437	-
Management & Support Costs	589,059	589,059	572,313
<u>EXPENDITURE TO DIRECTORATE SUMMARY</u>	105,508,829	105,433,829	104,976,523

EDUCATION & LIFELONG LEARNING	Original Estimate 2017/18 £	Revised Estimate 2017-18 £	Original Estimate 2018-19 £
<u>LEARNING, EDUCATION and INCLUSION</u>			
Social Inclusion			
Psychological Service	465,874	465,874	476,492
Behaviour Support	170,930	170,930	174,704
Education Welfare Service	419,218	419,218	404,597
Youth Offending Team	53,129	53,129	52,292
Safeguarding (Transferred to Social Services)	94,657	-	-
School Based Counselling	272,247	272,247	278,243
	1,476,055	1,381,398	1,386,328
Additional Learning Needs			
ALN Advisory Support Service	213,747	213,747	218,572
Learning Support	92,610	92,610	10,693
Professional/Statementing	59,510	59,510	63,760
Language Support Primary	484,020	484,020	428,848
Specialist Resources	60,973	60,973	42,239
ALN Improvement Initiative	92,355	92,355	349,478
Childrens Centre	45,981	45,981	46,900
SNAP Cymru	37,004	37,004	37,744
Outreach Trinity Fields	48,683	48,683	49,657
Speech Therapy	49,418	49,418	50,406
Hearing & Language Service	225,674		
ComIT	140,600		
VI Service	411,292		
SENCOM (Sensory Service)		777,566	715,647
Autism	166,504	166,504	198,962
Hospital Classes	3,605	3,605	-
	2,131,976	2,131,976	2,212,906
Additional Support & Out of County (Primary & Secondary)			
	5,338,902		
Learning Pathways Partnership & EOTAS			
14 - 19 Initiative (Transport Costs)	173,850	173,850	166,967
EOTAS (Tuition / Alternative Prov. / Learning Centre)	1,694,945		
	1,868,795	173,850	166,967
EOTAS, Additional Support & Out of County Provision			
		7,033,847	7,277,092
Early Years Provision & Support			
Early Years (Rising 3's)	868,508	868,508	865,868
Early Years Central Team	363,789	363,789	373,198
	1,232,297	1,232,297	1,239,066
LEI Service Provision			
Service Support & Resources	360,393	330,481	312,802
SACRE	2,441	2,441	2,490
Outdoor Education Advisor SLA	28,989	28,989	29,568
School Improvement	337,898	337,898	344,858
Music Service	488,475	488,475	499,949
WJEC & Subscriptions	35,004	35,004	35,704
	1,253,200	1,223,288	1,225,371

EDUCATION & LIFELONG LEARNING	Original Estimate 2017/18 £	Revised Estimate 2017-18 £	Original Estimate 2018-19 £
Education Achievement Service (EAS) & Regional Grant Match Funding			
Contribution to EAS Joint Working	1,113,750	1,113,750	1,070,012
Education Improvement Grant - Match Funding	646,467	646,467	659,389
	1,760,217	1,760,217	1,729,401
EXPENDITURE TO DIRECTORATE SUMMARY	15,061,442	14,936,873	15,237,131
<u>LIFELONG LEARNING</u>			
Community Education	1,673,692	1,673,692	1,663,832
Library Service	2,628,731	2,628,731	2,595,826
LLL Insurance & Non Operational Property/Land	120,182	90,182	90,391
<u>EXPENDITURE TO SERVICE SUMMARY</u>	4,422,605	4,392,605	4,350,049