



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