



EDUCATION SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: FINANCIAL PLAN EDUCATION AND LIFELONG LEARNING
2020/21**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND
CORPORATE SERVICES**

1. PURPOSE OF REPORT

- 1.1 To provide members with details of the Financial Plan for Education & Lifelong Learning 2020-21.

2. SUMMARY

- 2.1 The Financial Plan outlines the details of how the Directorate's available budget has been allocated for the financial year 2020/21.

3. RECOMMENDATIONS

- 3.1 Members are requested to note the contents of this report. This follows budget approval at Council on 20th February 2020.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are fully informed with regards to the details of the 2020/21 revenue budget position for Education & Lifelong Learning.

5. THE REPORT

- 5.1 2020/21 Revenue Budget

- 5.1.1 Details of the Authority budget position were outlined to Special Council (20th February 2020). The report outlined the Welsh Government revenue support grant (RSG) settlement, the general economic climate, together with Authority wide inflationary and other cost pressures. Council endorsed the revenue budget proposals for 2020/21 of £356.130m. This included growth to address specific pressures within the Authority together with savings targets.

5.1.2 Members will recall that as a consequence of the financial settlement a package of savings totalling £3.047m was agreed to enable the Council to deliver a balanced budget for the 2020/21 financial year. As part of the £3.047m, specific savings for Education & Lifelong Learning total £0.556m.

5.1.3 The approved 2020/21 budget for Education & Lifelong Learning totals £139m.

5.2 Education & Lifelong Learning

5.2.1 As part of the Authority's budget process the Directorate has been given budgetary uplift of 2.75% for the impact of the Teachers pay award (September 2019), with a further 2% uplift estimated from September 2020, 2% uplift for APT&C pay award costs, plus an uplift for the living wage and an increase of 1.7% for non-pay related inflation. The Authority has also uplifted the funding required linked to increasing employer pension costs for teachers from September 2019.

5.2.2 Growth of £875k has been allocated to Education to support a range of cost pressures within the service. Support for our most vulnerable learners in particular in relation to our EOTAS (Education Other Than At School) provision continues to be a pressure. There are also additional cost pressures linked to requirements around the Additional Learning Needs (ALN) Reform Bill and Well-Being. In addition there was £674k growth linked to schools. This included demographic increases at Trinity Fields and other financial pressures in schools (most notably floor area and National Non Domestic Rates (NNDR) & demographic changes in mainstream, additional costs linked to Free School Meal (FSM) numbers in respect of additional social needs funding in primary and secondary schools, plus additional FSM's costs in secondary schools).

5.2.3 In 2020/21 the 2% cut applied to schools in 2019/20 has been reinstated as part of the 2020/21 budget proposals (£2.126m). This follows a more favourable settlement than originally anticipated; a further proposed savings target of £2m (2% of ISB – "Individual School Budget") that was part of the Authority's initial savings targets for 2020/21 was also withdrawn. Very positive news for our schools in 2020/21.

5.2.4 Summary details of the Directorates savings for 2020/21 are as follows:

Being More Efficient

• Adult Education- delete vacant post	£42k
• 14-19 Transport – budget realignment	£25k
• Support Services – vacant post	£15k
• Library Service – vacant post	£50k
• Education Welfare Service – restructure	£28k
• Music Service – Curriculum Lead – vacant	£59k
• Music Service – Teacher posts vacant	£79k
• Libraries – back office	£18k
• Youth Service – vacant caretaker post	£11k
• Youth Service – vacant Admin. Post	£21k
• Youth Service – vacant Duty Officer post	£25k
• Youth Service – vacant part time Manger	£28k
• Early Years Team – efficiencies general	£15k
• Education Achievement Service – 1.5%	£15k
• SENCOM – Sensory & Communication Service – 1% reduction	£7k

Doing Things Differently

- Library Service – 2 Community Librarian Posts £80k
- Library Service – remodelling (part of 2019/20 budget full year effect) £32k

Service Reductions / Cuts

- Youth Service – withdrawal from Bedwas High site £6k

Total £556k

Full details of these savings, along with Equality Impact Assessments are included in the Report to Special Education for Life Scrutiny on 9th December 2019.

- 5.2.5 In total the Directorate's net budget for 2020/21 is £139m (excluding Central Support Service Apportionments) of which £117m (which includes £4m Post 16 funding) forms the Individual Schools Budgets (ISB). Members should note that following consultation with schools, the Key Stage 2 funding (circa £1.5m) and Secondary Additional Funding (circa £1.1m), has been moved from a Central Education budget line into the Individual Schools budget line. This is simply a realignment of budgets, it has not impacted the level of funding to schools or changed the established methodology of allocation. Including this funding within ISB provides a more transparent picture of direct funding to schools.

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

5.3 Conclusion

- 5.3.1 The financial position for 2020-21 will be monitored closely, with particular attention to emerging pressures and any subsequent implications. Consideration will also be given to any potential medium term financial savings for future years.

6. ASSUMPTIONS

- 6.1 All assumptions linked to the Authority's budget strategy for financial year 2020/21 are detailed in the Report agreed by Council on 20th February 2020.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 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 20th February 2020.

7.2 Corporate Plan 2018-2023.

Effective financial planning and financial controls contribute towards or impacts the Corporate Well-being Objectives, which are:

Objective 1 - Improve education opportunities for all

Objective 2 - Enabling employment

Objective 5 - Creating a county borough that supports a healthy lifestyle in accordance with the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015

Objective 6 - Support citizens to remain independent and improve their well-being

8. WELL-BEING OF FUTURE GENERATIONS

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

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh Language
- A globally responsible Wales

8.2 Effective financial management is also consistent with the five ways of working as defined within the sustainable development principle in the Act

- Long Term – The importance of balancing short-term needs with the need to safeguard the ability of future generations to meet their long-term needs
- Prevention - How acting to prevent problems occurring, or getting worse, may help public bodies meet their objectives
- Integration – Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies
- Collaboration – Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives
- Involvement – The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

9. EQUALITIES IMPLICATIONS

9.1 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the categories identified in Section 6 of the Council's Strategic Equality Plan. There is no requirement for an Equalities Impact Assessment Questionnaire to be completed for this report.

10. FINANCIAL IMPLICATIONS

10.1 As detailed throughout the report.

11. PERSONNEL IMPLICATIONS

11.1 In 2020/21 the Directorate will continue with the strategy of prudent vacancy management.

11.2 There are no direct personnel implications arising from this report

12. CONSULTATIONS

12.1 The 2020/21 budget process involved extensive consultation, as detailed in a report to Council on 20th February 2020.

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

13. STATUTORY POWER

13.1 Local Government Act 1972 and 2000.

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Appendices:

Appendix 1 Financial Plan 2020-21

Background Papers:

- Report to Council (20th February 2020) Budget Proposals for 2020/21 and Medium Term Financial Outlook
- Report of Education Scrutiny Committee (9th December 2019) Draft Budget Proposals 2020/21