



EDUCATION SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: FINANCIAL PLAN FOR EDUCATION, LIFELONG LEARNING
AND SCHOOLS 2021-22**

**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 2021/22.

2. SUMMARY

- 2.1 The Financial Plan provides an outline of how the Directorates available budget has been allocated for the financial year ahead. In 2021/22 the Directorates budget totals circa £142m, of which £115m relates to Schools and is distributed through the school funding formula.

3. RECOMMENDATIONS

- 3.1 Members are requested to note the contents of this report. This follows budget approval at Council on 24th February 2021.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are fully informed with regards to the details of the 2021/22 revenue budget position for the Directorate.

5. THE REPORT

5.1 Revenue Budget 2021/22

- 5.1.1 Details of the Authority budget position were outlined to Special Council (24th February 2021). The Report outlined details with regard to 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 2021/22 totalling £368m. This included growth to support specific pressures within the Authority together with savings targets.

- 5.1.2 Members will recall that as a consequence of the financial settlement and a package of savings totally £2m (which included savings in advance of £1.9m) this enabled the Council to deliver a balanced budget for the 2021/22 financial year. As part of the Authority's savings proposals there was just one specific savings target for Education. This related to an expected saving of £28k linked to the main contract sum for the Education Achievement Service (EAS). In 2021/22 there is no savings target for schools.
- 5.1.3 The approved budget for Education, Lifelong Learning and Schools totals £142m.

5.2 Education, Lifelong Learning & Schools

- 5.2.1 As part of the Authority's budget process the Directorate has been given budgetary uplift of 3.1% for the impact of the Teachers pay award (September 2020), with a further 1% uplift estimated from September 2021. In addition a 1% uplift for potential APT&C pay award costs, an uplift for the living wage and an increase of 0.75% for non-pay related inflation.
 - 5.2.2 Growth of £1.436m has been allocated to Education to support a range of cost pressures within the service. The most significant of these relate to school improvement, Additional Learning Needs (ALN), potential additional costs arising from the forthcoming renewal of contracts for Home to School / College Transport (£500k) and budget realignment to address the increasing cost pressure of maternity cover in schools (£200k). This growth also includes the re-instatement of £333k for a "50/50 Building Maintenance Budget with Schools". This budget was withdrawn 3 years ago to support MTFP savings requirements. Since the withdrawal of this budget financial support for this scheme has continued through the use of Education Reserves. The re-instatement of this budget is positive news for Education and Schools.
 - 5.2.3 In 2021/22 there is no savings target for schools, growth to address pressures has been supported to the value of £713k. These pressures include a second satellite class for Trinity Fields, floor areas and National Non-Domestic Rates (NNDR) changes, changes in free school meals numbers (FSM's) that impact social needs funding across all sectors and FSM catering costs in Secondary Schools.
 - 5.2.4 In total the Directorate's net budget for 2021/22 is £142m (excluding Central Support Service Apportionments) of which £119m (which includes circa £4m Post 16 funding) forms the Individual Schools Budgets (ISB).
 - 5.2.5 Details of the Directorates Financial Plan for 2021/22 are included in Appendix 1. In constructing this financial plan a few budgets lines have been re-aligned to support management reporting, the purpose of this realignment does not change the purpose of planned spend.
- ## 5.3 Conclusion
- 5.3.1 The financial position for 2021/22 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 2021/22 are detailed in the Report agreed by Council on 24th February 2021.
- 6.2 The 2021/22 Budget does not include additional costs or income losses associated with Covid-19, this is on the assumption that these costs will continue to be funded through a Welsh Government Grant.
- 6.3 A range of other assumptions have been made in setting the Authority's budget, this is in respect of pay and non-pay inflationary increases and in escapable service pressures.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 An IIA is not necessary for this Information Only Report.

8. FINANCIAL IMPLICATIONS

- 8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

- 9.1 In 2021/22 the Directorate will continue with the strategy of prudent vacancy management.
- 9.2 There are no direct personnel implications arising from this report.
- 9.3 The Trade Unions were consulted on the Authority's 2021/22 budget proposals.

10. CONSULTATIONS

- 10.1 The 2021/22 budget process involved extensive consultation, as detailed in a report to Council on 24th February 2021.
- 10.2 There are no consultation responses that have not been reflected in this report.

11. STATUTORY POWER

11.1 Local Government Act 1972 and 2000.

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Appendices:

Appendix 1 Financial Plan 2021/22