



INFORMATION REPORT FOR EDUCATION SCRUTINY COMMITTEE – 20TH JUNE 2023

**SUBJECT: FINANCIAL PLAN FOR EDUCATION, LIFELONG LEARNING
AND SCHOOLS 2023-24**

**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 2023-24. The Financial Plan is the key document for budget monitoring in this new financial year.

2. SUMMARY

- 2.1 The Financial Plan provides details of how the Directorates available budget has been allocated for financial year 2023-24. The Directorates budget totals £164m, of which circa £130m relates to the Authority's Schools and is distributed through the school funding formula. In addition, a budget of £9.6m for Home to School / College Transport is managed by the Authority's Infrastructure Division.

3. RECOMMENDATIONS

- 3.1 Members are requested to note the contents of this report. The Financial Plan follows approval of the Authority's budget 2023-24 at Council on 23rd February 2023.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are fully informed with regards to the 2023-24 revenue budget position for the Directorate.

5. THE REPORT

5.1 Revenue Budget 2023-24

5.1.1 Details of the Authority budget position were outlined to Special Council (23rd February 2023). The Report outlined details with regards 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 2023-24 totalling £438.722m. This included growth to support specific pressures within the Authority together with specific savings targets.

5.1.2 The approved budget for Education, Lifelong Learning and Schools totals £163.6m. This report provides a summary of the Authority's agreed budget for Education & Schools.

5.2 Education, Lifelong Learning & Schools

5.2.1 The Directorate, including schools has been given budgetary uplift of 5% for the impact of the Teachers pay award (September 2022), with a further 3.5% estimated for September 2023. In addition, there has been a 5% uplift for potential APT&C pay award costs, a 1% uplift on APT&C employer superannuation costs and an increase of 5% on general non-pay related inflation (this inflationary uplift was greater in relation to energy, fuel, and food & drink).

5.2.2 School cost pressures supported in the budget are as follows.

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|---|-----------------|
| • Teachers Pay Award | £4.423m |
| • Non-teaching Pay Award | £0.935m |
| • Increase in Employer Pension Contributions (non-teaching) | £0.163m |
| • Non-Pay Inflation | £5.524m |
| • Other Service Pressures | £1.509m |
| Total | £12.555m |

5.2.3 Other service pressures includes pay and non-pay associated cost pressures, floor area changes; additional pupils at Trinity Fields along with associated transport costs, further costs from formula changes linked to updated free school meals data.

5.2.4 Growth of £2,265k has been allocated to Education to support specific pressures within the service. The details are as follows:

| | |
|--|---------|
| • Home to School College Transport <i>(Increase in prices following renewal of bus contracts)</i> | £589k |
| • Additional Learning Needs <i>(Pressure linked to demand and the ALN Reform Act)</i> | £319k |
| • Vulnerable Learners (EOTAS) <i>(To support additional capacity)</i> | £122k |
| • Impact of additional leave <i>(1 additional day from 22/23 pay award and 5 days additional leave endorsed by Cabinet 14th December 2023)</i> | £1,235k |

5.2.5 In addition to the £319k growth to support ALN, an amount of £681k was agreed to

be vired from the Miscellaneous Finance Budget (an amount held specifically for schools). This provides new growth of £1m in total.

5.2.6 The following savings proposals were agreed for Education in 2023-24.

5.2.6.1 Permanent Savings

- Reduction in mileage, new ways of working £35k
- Reduction in Local Management of Schools (LMS) Contingency budget £60k
- Reduction in equipment & IT related spend £20k
- Deletion of vacant part time post £14k
- Redesign of support for Health & Safety Assessments £35k
- Music Service £42.6k
- Budget realignment of subscription charges £25k
- Budget realignment – internal SLA £11k
- 10% reduction to Education Achievement Service (EAS) £98k
- Schools – 50% of estimated energy increase £2,341k

5.2.6.2 Temporary Savings (to be reviewed)

- 50/50 Repairs & Maintenance Fund £346k
Funded through LMS Contingency Reserve in 2023-24.
- Budget realignment – Rising 3's £15k
- Psychology Service – vacancy management £50k
- Early Years Central Team – grant funding to support £100k
- Youth Service £125k
- Library Service – 20% reduction in book fund £57k

5.2.7 In total the Directorates net budget for 2022-23 is £163.6m, of which circa £136m (which includes circa £3.9m Post 16 funding) forms the Individual Schools Budgets (ISB).

5.3 Conclusion

5.3.1 The financial position for 2023-24 will be monitored closely, with particular attention to emerging pressures and any subsequent implications. Consideration will need to be given to medium term financial savings for future years. The Budget Report identified a potential Authority savings requirement of £48.335m for the 2-year period 2024/25 to 2025/26.

6. ASSUMPTIONS

6.1 All assumptions linked to the Authority's budget strategy for financial year 2023/24 are detailed in the Report agreed by Council on 23rd February 2023.

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 2023-24 the Directorate will continue with the strategy of prudent vacancy management.

9.2 Where staffing reductions are required as a consequence of savings proposals the Council will firstly try to achieve this through 'natural wastage' and not filling vacancies. However, where this is not possible the Council will utilise agreed HR policies and compulsory redundancies will only be considered as a last resort after all other options have been fully exhausted.

9.3 The Trade Unions will be fully engaged in proposals to reshape services moving forward.

10. CONSULTATIONS

10.1 The 2023-24 budget process involved extensive consultation, as detailed in the report to Council on 23rd February 2023.

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.

Author: Jane Southcombe, Finance Manager (Education, Lifelong Learning and Schools) southj@caerphilly.gov.uk

Consultees: Richard Edmunds, Corporate Director, Education and Corporate Services
Keri Cole, Chief Education Officer
Sue Richards, Head of Education Planning and Strategy
Sarah Ellis, Lead for Inclusion and ALN
Sarah Mutch, Early Years Manager
Paul Warren, Strategic Lead for School Improvement
Cllr Carol Andrews, Cabinet Member for Education and Communities
Cllr Eluned Stenner, Cabinet Member for Finance and Performance
Cllr Teresa Parry, Chair of Education Scrutiny Committee
Cllr Jo Rao, Vice Chair of Education Scrutiny Committee
Steve Harris, Head of Financial Services and S151 Officer

Julie Baker, Principal Finance Officer (Schools)
Lynne Donovan, Head of People Services
Rob Tranter, Head of Legal Services and Monitoring Officer
Ros Roberts, Business Improvement Officer

Appendices:

Appendix 1 Financial Plan 2023-24