



EDUCATION FOR LIFE SCRUTINY COMMITTEE – 11TH JULY 2017

SUBJECT: FINANCIAL PLAN EDUCATION AND LIFELONG LEARNING 2017/18

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 2017/18.

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.
- 3.2 Caerphilly Delivers does not exist anymore. In this section, you need to reference the Well-being of Future Generations Act (Wales) 2015 and relate the content of the report to the 7 Well-being Goals – Prosperous Wales, Resilient Wales, Healthier Wales, More Equal Wales, a Wales of Cohesive Communities, A Wales of vibrant culture and thriving Welsh Language and a Globally Responsible Wales.
- 3.3 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 add 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 (in the context of improving quality of life with attractive, viable, safe and well connected communities).

4. THE REPORT

4.1 2017-18 Revenue Budget

- 4.1.1 The final 2017/18 Local Government Financial Settlement announced on the 21st December 2016 showed an increase in the Aggregate External Finance (AEF) of £0.326m (0.12%) 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 £0.342m. Further details are available in Budget Proposals 2017/18 and Medium Term Financial Strategy 2017/2022 to Council (22nd February 2017).

4.1.2 Members will recall that as a consequence of the financial settlement a package of savings totalling £9.046m was agreed to enable the Council to deliver a balanced budget for the 2017/18 financial year and in part to assist with delivering a balanced budget in 2017/18. As part of the £9.046m, specific savings for Education & Lifelong Learning amounted to £867k.

4.1.3 The approved 2017/18 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 1.2% (weighted average) for potential pay award costs, plus an uplift for the living wage and an increase of 1.6% for non-pay related inflation. In addition budgetary uplift was also provided to fund the 0.5% Apprenticeship Levy on payroll costs (introduced by the UK Government from April 2017) and Additional Holiday pay for staff working variable hours. These uplifts exclude Teachers and other school based staff. In addition 1.25% budgetary growth has been allocated to Schools (£1.334m). The Individual Schools Budgets (£99m 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.

4.2.2 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%, but this will be subject to review as savings requirements are firmed up. Currently there is a shortfall of 0.28% for 2017/18, 0.35% for 2018/19, 0.48% for 2019/20, 0.35% for 2020/21 and 0.47% for 2021/22.

4.2.3 Members will be aware of the "Nil Impact" classification when reviewing savings proposals. The 2017-18 proposals within the Directorate, all were identified with a nil impact classification. In total, savings to the value of £867k were identified with a nil public impact. The proposals in this category consist in the main of vacancy management, budget realignment and minor changes to service provision.

4.2.4 To advise Members, the budget for the Community Centres has been vired (transferred) to Community and Leisure Services following a recent change in line management responsibilities.

4.2.5 In total the Directorate's net budget for 2017/18 is £125m (excluding Central Support Service Apportionments) of which £103m (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 2017/2022

4.3.1 The Authority's potential savings requirement for the 5 year period 2017/18 to 2021/22 is £37.835m (as reported to Council on 22nd February 2017). This is a total of £28.789m for the 4 year period following 2017/18.

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 An Equality Impact Assessment (EIA) screening has been completed in accordance with the Council's Strategic Equality Plan 2016-2020 and supplementary guidance (as part of the Report to Council 22nd February 2017). No potential for unlawful discrimination and / or low level or minor negative impact has been identified regarding the Report to Council, therefore a full EIA has not been carried out.

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 11, the majority of which will be through voluntary redundancies and early retirements.
- 8.2 In 2017-18 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.

9. CONSULTATIONS

- 9.1 The 2017/18 budget process involved extensive consultation, as detailed in a report to Council on 22nd February 2017.
- 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 2017.

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Appendices:

Appendix 1

Financial Plan 2017-18