



EDUCATION FOR LIFE SCRUTINY COMMITTEE - 7TH JULY 2015

SUBJECT: FINANCIAL PLAN EDUCATION AND LIFELONG LEARNING 2015/16

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To provide members with details of the Financial Plan for Education & Lifelong Learning for 2015/16.

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 The report also supports the Learning theme of "Caerphilly Delivers", the local service board single integrated plan.

4. THE REPORT

4.1 2015-16 Revenue Budget

- 4.1.1 The Welsh Government's Revenue Support Grant (RSG) for Caerphilly CBC for the 2015/16 financial year is a reduction of 3.3% after adjusting for new responsibilities and transfers in i.e. a cash decrease of £8.892m.
- 4.1.2 Members will recall that as a consequence of the financial settlement a package of savings totalling £11.96m was agreed to enable the Council to deliver a balanced budget for the 2015/16 financial year. Specific savings for Education & Lifelong Learning amount to £809k.
- 4.1.3 The approved 2015/16 budget for Education & Lifelong Learning totals £124m.

4.2 Education & Lifelong Learning

- 4.2.1 As part of the Authority's budget process the Directorate has been given budgetary growth of 1.2% for potential pay award costs, excluding Teachers and other school based staff. There has also been a 1.5% increase (net of 1.5% fees and charges increases) for non pay budgets. In addition 0.6% budgetary growth has been allocated to meet the Schools Pledge (£665k). The Individual Schools Budgets (£95m delegated directly through the formula & £5m Post 16 grant & revenue support grant funded) will need to fund any pay, price and other growth related pressures within the cash limited protected budget.

4.2.2 The Directorate's specific savings target for 2015-16, agreed by Council on the 25th February 2015, is £809k. The table below provides a list of the agreed savings, details of which have been provided to Education for Life Scrutiny and Council previously:

DIRECTORATE SAVINGS	£'000
Budget Realignment:	
- Earmarked Formula Funding	10
- Teacher Performance Management	40
- School Meals Admin., Utility & Telephones	20
- Lifelong Learning Admin.	15
- Visually Impaired Service	30
- WJEC Contributions	10
Vacancy Management / Service Review:	
- Administration	83
- Behaviour Support	35
- Language Support Primary	35
- Psychology Service	22
Redirection of Roles to Grant Funded Areas:	
- Early Years Central Team	31
Service Reduction:	
- School Improvement Initiatives	50
Community Centres	70
Library Service	181
Community Education	27
Music Service	100
SEN Recoupment	50
TOTAL	809

4.2.3 In addition to specific Directorate efficiencies, a saving of £12k has been achieved in relation to Whole Authority / Corporate savings proposals. This relates to the casual mileage reduction from 50p to 45p as per the current HMRC rate.

4.2.4 The Welsh Government Settlement included a transfer out of £153k in relation to the centralisation of the Student Support function (previously part of Education Finance) to Student Finance Wales. There was also a transfer into the Directorate of £40k in relation to Autistic Spectrum Disorder; this funding was previously received in the form of a grant.

4.2.5 In total the Directorate's net budget for 2015/16 is £124m (excluding Central Support Service Apportionments) of which £100m (which includes £5m Post 16 funding) forms the Individual Schools Budgets.

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

4.3 **Budget Strategy for 2016/17 and 2017/18**

4.3.1 No indicative RSG settlement figures for 2016/17 and 2017/18 have been provided by the Welsh Government. For planning purposes the Council's current Medium Term Financial Plan (MTFP) assumes further reductions in the RSG of 3.4% for both 2016/17 and 2017/18. This results in further savings required of £14.030m for 2016/17 and £12.105m for 2017/18.

4.3.2 During the coming month's detailed work will be carried out to identify a range of savings proposals to meet the significant financial challenges that lie ahead. This process will adhere to the following principles that were agreed by Council at its meeting on 25th February 2015:-

- Protecting front-line services where we can and reducing expenditure on management & administrative costs.
- Increasing fees and charges where appropriate.
- Reducing, rather than removing services where possible.

- Focussing on priorities.
- Looking at alternative ways of delivering services (collaboration, partnerships, community trusts, etc.).

5. EQUALITIES IMPLICATIONS

- 5.1 The protections afforded to Education (Schools) through the pledge will serve to protect the most vulnerable groups for the purposes of Equalities Legislation.
- 5.2 Consultation with residents through the Council's Public Engagement Strategy and Equalities Consultation and Monitoring Guidance, also ensures that every resident, regardless of circumstances, has the opportunity to have their views heard and considered in the Council's decision-making process.
- 5.3 Equality Impact Assessments will be undertaken on the detailed work noted in 4.3.2 above to ensure that the savings proposals have been assessed for their potential impact on protected characteristics groups and other Equalities, Welsh Language and Human Rights issues.

6. FINANCIAL IMPLICATIONS

- 6.1 None at present, but the budget will be kept under review during the year.

7. PERSONNEL IMPLICATIONS

- 7.1 In 2015-16 the Directorate will continue with the strategy of prudent vacancy management.
- 7.2 The budget proposals include provision to pay the living wage, as agreed by Council.
- 7.3 Should employees be placed at risk through the achievement of any of these agreed budget savings, they will be supported via the appropriate Council policies relating to redeployment and ultimately redundancy if necessary.

8. CONSULTATIONS

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

9. RECOMMENDATIONS

- 9.1 Members are requested to note the contents of this report.

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Consultees: Directorate Senior Management Team
Councillor Rhianon Passmore, Cabinet Member for Education & Lifelong Learning
Nicole Scammell, Acting Director of Corporate Services & S151 Officer
Stephen R Harris, Acting Head of Corporate Finance
Councillor Barbara Jones, Deputy Leader and Cabinet Member for Corporate Services
Councillor Wynne David, Chair, Education for Life Scrutiny
Councillor J Pritchard, Vice-Chair, Education for Life Scrutiny
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Appendices:

Appendix 1 Financial Plan