



SPECIAL EDUCATION AND SOCIAL SERVICES SCRUTINY COMMITTEE – 23RD JULY 2024

SUBJECT: FINANCIAL PLAN FOR EDUCATION 2024-25

**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 in 2024-25. The Financial Plan (Appendix 1) 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 2024-25. The Directorates budget totals £170m, of which circa £138m relates to the Authority's Schools and is distributed through the school funding formula. In addition, a budget of £9.67m 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 2024-25 at Council on 27th February 2024.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are fully informed with regards to the 2024-25 revenue budget position for the Directorate.

5. THE REPORT

5.1 Revenue Budget 2024-25

- 5.1.1 Details of the Authority's budget position were outlined to Special Council (27th February 2024). 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 2024-25 totalling £449.190m. This included growth to support specific pressures within the Authority together with specific savings targets.

5.1.2 The approved budget for Education totals £170m. This report provides a summary of the Authority's agreed budget for Education & Schools.

5.2 Education and Schools

5.2.1 The Directorate, including schools has been given budgetary uplift of 5% for the impact of the Teachers pay award (September 2023), with a further 4% estimated for September 2024. In addition, there has been a 4% uplift for potential APT&C pay award costs and a 1% uplift on APT&C employer superannuation costs. There has been no inflationary uplift on non-pay related budgets in central education, but an increase of 3% on general non-pay related inflation relating to the schools (ISB) was calculated as part of the school's growth requirement.

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

	£'m
• Teachers Pay Award	5.951
• Non-teaching Pay Award	0.724
• Increase in Employer Pension Contributions (non-teaching)	0.188
• Non-Pay Inflation	0.826
• Other Net Service Pressures	0.594
Total	8.283
Savings Requirement Schools	(3.000)
Net Growth ISB 2024/25	5.283

5.2.3 The total value of pressures linked to school funding were £8.283m, the budget proposals supported a £3m savings target in 2024-25, which means that net growth for schools equated to £5.283m.

5.2.4 Other net service pressures include pay and non-pay associated cost pressures, floor area changes; expansion of Trinity Fields Special School, additional capacity in our Special Resource Bases (SRB's), formula changes linked to updated free school meals data and pupil population.

5.2.5 The Chancellors Autumn Statement referred to the "Superannuation Contributions Adjusted for Past Experience" (SCAPE) rate for April 2024, which has implications for the costs of employers' pension contributions for teachers, which in turn has implications for Local Authority budgets. Funding for this is expected to be provided by the UK government in financial year 2024-25. The estimated cost of the proposed changes for Caerphilly schools is circa £4.8m, which represents a significant financial risk if this is not fully funded on a recurring basis.

5.2.6 With the exception of the £5.283m growth for schools, there has been no specific

growth relating to the central education budget. The Directorate has supported the Authority's budget strategy with the release of £0.362m of Education reserves, as part of the £10.624m of reserves released across the Authority.

5.2.7 The following savings proposals (£4.318m) were agreed for Education in 2024-25.

5.2.7.1 Permanent Savings	£'m
• Schools (as per para 5.2.3)	3.000
• EIG Match Funding – Budget Realignment	0.032
• 10% reduction to Education Achievement Service (EAS)	0.088
• Vacant Hours – Behaviour Support Team	0.057
• Vacant Hours – Education Other Than At School (EOTAS)	0.015
• External Audit Fees	0.005
• General Computer Costs	0.010
• Post 16 Transport (Education budget)	0.005
• Reduction in mileage across Directorate	0.004
• Children's Centre (end of contract)	0.036
• 20% Reduction in training spend across Directorate	0.002
• Staffing restructure – Admin. Team	0.030
Total Permanent Savings	3.284

5.2.7.2 Temporary Savings	£'m
• Vacancy Management / Staff Turnover	0.180
• 50/50 Repairs & Maintenance Fund Funded through LMS Conting. Reserve (24-25)	0.346
• Rising 3's budget (demand led)	0.020
• Adult Education – Additional Income	0.060
• Early Years Central Team – grant funding to Support	0.150
• Youth Service	0.125
• Library Service – 10% reduction in book fund	0.057
• Local Management of Schools Contingency	0.025
• Police Checks (DBS checks)	0.005
• Music Service	0.041
• School Improvement	0.020
• Vacant Properties	0.005
Total Temporary Savings	1.034

5.2.8 In total the Education Directorates net budget for 2024-25 is £170m, of which circa £141.56m (which includes circa £3.97m Post 16 funding) forms the Individual Schools Budgets (ISB).

5.3 Conclusion

- 5.3.1 The financial position for 2024-25 will be monitored closely, with particular attention to the agreed savings targets for the year, emerging pressures, and any subsequent implications. Consideration will need to be given to medium term financial savings for future years. The Authority Budget Report identified a potential Authority savings requirement of £45.213m for the 2-year period 2025/26 to 2026/27. This position is under regular review.
- 5.3.2 The significant financial pressure in financial year 2023-24 related to an overspend on the Home to School / College Transport budget of £1.4m. This provision is currently under review as part of the Mobilising Team Caerphilly programme.

6. ASSUMPTIONS

- 6.1 All assumptions linked to the Authority's budget strategy for financial year 2024/25 are detailed in the Report agreed by Council on 27th February 2024.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 An IIA is not necessary for this Report. Budget impact assessments and integrated impact assessments, where required, have been completed and are available for the 2024-25 approved budget.

8. FINANCIAL IMPLICATIONS

- 8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

- 9.1 In 2024-25 the Directorate will continue with the strategy of prudent vacancy management.
- 9.2 Where staffing reductions are required because 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 2024-25 budget process involved extensive consultation, as detailed in the report to Council on 27th February 2024.
- 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 2024-25