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To: Cllr Ian Roberts (Chairman)

Councillors: Marion Bateman, Paul Cunningham, Peter Curtis, Adele Davies-Cooke, Andy Dunbobbin, David Healey, Ray Hughes, Colin Legg, Phil Lightfoot, Dave Mackie, Nancy Matthews, Vicky Perfect, Nigel Steele-Mortimer and Carolyn Thomas

Co-opted Members

Janine Beggan, David Hytch, Rita Price, Rebecca Stark and Rev. John Thelwell

9 December 2015

Dear Councillor

You are invited to attend a meeting of the Education and Youth Overview & Scrutiny Committee which will be held at 2.00 pm on Tuesday, 15th December, 2015 in the Delyn Committee Room, County Hall, Mold CH7 6NA to consider the following items

A G E N D A

1 APOLOGIES

Purpose: To receive any apologies.

2 DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

Purpose: To receive any Declarations and advise Members accordingly.

3 COUNCIL FUND REVENUE BUDGET 2016/2017 (Pages 3 - 8)

Report of Chief Executive and Corporate Finance Manager. The portfolio of the Leader of the Council and Cabinet Member for Finance and Cabinet Member for Education.

Purpose: To provide information on the budget process and proposals for 2016/17.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Evans', with a stylized flourish at the end.

Peter Evans
Democracy & Governance Manager



EDUCATION & YOUTH OVERVIEW & SCRUTINY COMMITTEE

Date of Meeting	Tuesday, 15 th December 2015
Report Subject	Council Fund Revenue Budget 2016/2017
Cabinet Member	Leader of the Council; and Cabinet Member for Education
Report Author	Chief Executive and Corporate Finance Manager
Type of Report	Strategic

EXECUTIVE SUMMARY

The report sets out the initial proposals for the 2016/17 Council Fund Revenue Budget for services within the portfolio of this Overview and Scrutiny Committee. The proposals, which are listed in an attachment, will be presented at the Committee meeting for review and challenge with most attention being given to the higher risk proposals.

The Draft Welsh Budget will be announced by Welsh Government on 8 December and the Provisional Local Government Settlement on 9 December. Further budget options for all portfolios may need to be presented for consideration in the New Year, depending on the impact the Settlement would have on Council budgets, as set out in the Medium Term Financial Strategy.

The report also summarises the budget development and consultation process.

RECOMMENDATIONS

1	To review and comment on the initial budget proposals within the Committee's portfolio.
2	To note the timetable and further consultation stage to follow.

REPORT DETAILS

1.00	Budget Consultation process for 2016/17
1.01	<p>The report sets out the initial proposals for the 2016/17 Council Fund Revenue Budget for services within the portfolio of this Overview and Scrutiny Committee. The proposals, which are listed in an attachment, will be presented at the Committee meeting for review and challenge with most attention being given to the higher risk proposals. The proposals have been developed by each Chief Officer as part of the three year business planning process for the period 2015/16 to 2017/18. The proposals are presented in a standard form, across all Committees, with a risk rating and commentary.</p>
1.02	<p>The initial proposals have been developed to contribute to part one of the three part solution to the annual 'budget gap' within the Medium Term Financial Strategy. The Strategy is published and is within the public domain.</p>
1.03	<p>The Draft Welsh Budget will be announced by Welsh Government on 8 December and the Provisional Local Government Settlement on 9 December. Further budget options for all portfolios may need to be presented for consideration in the New Year, depending on the impact the Settlement would have on Council budgets, as set out in the Medium Term Financial Strategy.</p>
1.04	<p>The budget setting process for 2016/17 is particularly complex given the lateness of the expected Final Local Government Settlement from Welsh Government and the scale of the annual budget reductions the Council has to manage. Members have been briefed and consulted in several phases of workshops from July to November. Group Leaders and Overview and Scrutiny Chairs have had specific briefing meetings.</p>
1.05	<p>The Council has organised a major public consultation – Your Moment-with area public meetings being held in seven locations between mid November and early December.</p>
1.06	<p>A series of formal budget consultation meetings are being held:</p> <p>Monday 7 December 10.00 Environment Overview & Scrutiny Committee Tuesday 8 December 10.00 Organisational Change Overview & Scrutiny Committee Friday 11 December 10.00 Social & Healthcare Overview & Scrutiny Committee Tuesday 15 December 14.00 Education & Youth Overview & Scrutiny Committee Thursday 17 December 14.00 Community & Enterprise overview & Scrutiny Committee Friday 18 December 10.00 Corporate Resources Overview & Scrutiny Committee (for Corporate functions and central finance) Friday, 18 December 14.00 Corporate Resources Overview & Scrutiny Committee (All Members are invited to attend to conclude this stage of the consultation process.)</p>

1.07	A further round of Overview and Scrutiny Committees is to follow from 14-29 January once the Provisional Local Government Settlement has been announced.
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2.00	RESOURCE IMPLICATIONS
2.01	As set out in the Medium Term Financial Strategy.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	This report summarises the consultation process.

4.00	RISK MANAGEMENT
4.01	As set out in the Medium Term Financial Strategy.

5.00	APPENDICES
5.01	Business Plan Proposals 2016/17 for Education.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Medium Term Financial Strategy Parts 1 and 2 http://www.flintshire.gov.uk/en/Resident/Medium-Term-Financial-Strategy/Medium-Term-Financial-Strategy.aspx Medium Term Financial Strategy Executive Summary http://www.flintshire.gov.uk/en/PDFFiles/Medium-Term-Financial-Strategy/Summary-Medium-Term-Financial-Strategy.pdf Flintshire County Council 24th October 2015 Report http://cyfarfodyddpwyllgor.siryfflint.gov.uk/ieListDocuments.aspx?CId=143&MId=3551&Ver=4&LLL=undefined Cabinet 15th September 2015 Report http://cyfarfodyddpwyllgor.siryfflint.gov.uk/ieListDocuments.aspx?CId=391&MId=3537&Ver=4&LLL=undefined</p> <p>Contact Officer: Colin Everett Chief Executive Telephone: 01352 702101 Email: chief.executive@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p>
7.02	<p>Local Government Finance Settlement: This sets out what the Welsh Government is to allocate to each local authority in Wales. It is issued in two stages. This year, the Provisional Settlement is expected on 9th December with the final Local Government Finance Settlement being announced on 1st March 2016.</p>
7.03	<p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p>
7.04	<p>Council Fund: the majority of the Council's revenue expenditure covering all services except Council Housing for which there is a stand-alone and ring-fenced account called the Housing Revenue Account (HRA).</p>
7.05	<p>Annual Settlement: the amount of its funds the Welsh Government will allocate annually to local government as a whole, as part of its total budget, and to individual councils one by one. The amount of Revenue Support Grant (see below) each council will receive is based on a complex distribution formula for awarding Aggregate External Finance (AEF). The formula is underpinned by assessments of local need based, for example, of population size and demographics and levels of social deprivation.</p>

Business Plannir

Summary of Business Planning Proposals

Category	1	2	3	Total
Portfolio	2016/17 £m	2016/17 £m	2016/17 £m	2016/17 £m
Education & Youth	0.493	0.061	0.187	0.741
Total	<u>0.493</u>	<u>0.061</u>	<u>0.187</u>	<u>0.741</u>

Category

1. Fully Costed and Safe - Very detailed costings/modelling undertaken and the the accuracy can be relied upon not to change significantly
2. Reasonably costed will need refining - The level of detail behind the costing/modelling is reasonable although further work will be required to ensure robustness and to deal with any changes e.g. markets
3. High level costing requires detailed further modelling - The figures are included at a high level with uncertainty around some of the significant detail e.g. further work required to develop a specific proposal such as rationalising services/buildings.

These Business Plan proposals for 2016/17 build on the work shared with Group Leaders and Chairs of Scrutiny committees and more recently with all Members at the Member workshops.

The tables on the following pages have headings which are familiar.

A new heading refers to the 'Mandatory' duty to provide particular services. It should be noted that all services/functions provided by the Council are provided under many statutory duties. Within these statutory duties a 'mandatory' service or function 'must' be provided.

All 'mandatory' services/functions have been RAG assessed to determine if any 'duty' would be compromised should the business plan proposal be adopted. These are all noted with an 'M' plus an explanation as to the RAG assessment. All 'non-mandatory' services/functions are noted as NM.

Business Planning Efficiencies for Education and Youth Portfolio

No	Specific 2016/17 Proposals	Type	16-17 PROPOSALS £m	16-17 MANDATORY duties	16-17 RISK status of ACCEPTABILITY and DELIVERABILITY	Categorisation of financial robustness	Explanation
1	School Modernisation	Structural Review	0.187	M Reduction in over-capacity in school's network will be achieved through this programme		3	Estimate savings released from the schools budget due to school reorganisation. These are subject to Cabinet and ministerial approval.
2	Primary & Early Years Education - Maximising Deployment of Early Entitlement Foundation Phase Grant (including new model for provision of 10% teacher time in funded early years settings).	Service Efficiency	0.017	NM		1	Maximising Deployment of Early Entitlement Foundation Phase Grant (including new model for provision of 10% teacher time in funded early years settings).
3	Further remodelling of Music Service to move to "full cost recovery"	Service Efficiency	0.061	NM		2	Further remodelling of Music Service to move to "full cost recovery" through cost reduction and increased income generation. The Music Service is currently reviewing whether an Alternative Delivery Model would offer a sustainable alternative. Increased tuition fees and/or introduction of a charge for transport will provoke a negative response from music service users.
4	Reduction in administrative IT support.	Structural Review	0.040	NM		1	Further reduction and restructure of Education & Youth 'back office functions'.
5	Additional Learning Needs	Service Efficiency	0.020	M Children & young people with additional learning needs will continue to be supported either by school action or school action plus		1	Residual savings following withdrawal of the additional learning needs service in 2014/15.
6	English as an additional language/Gypsy Traveller Support - Current vacancy removal of post and remodelling of service delivery.	Service Efficiency	0.045	M Service remodelling to ensure ongoing mandatory compliance		1	Reduction of service with greater emphasis on training schools to deliver appropriate level of support to children with additional language needs. With continuing levels of migration this may place pressure on specific schools.
7	Speech & Language Service - Reduction in Service provision	Service Efficiency	0.007	M Children & young people with additional learning needs will continue to be supported either by school action or school action plus		1	Reduction in service provision.
9	Educational Psychology Service - Current vacancy removal of post	Service Efficiency	0.070	M Children & young people with additional learning needs will continue to be supported either by school action or school action plus		1	Reduction in service provision may place pressure on psychology team and result in waiting lists.
10	Inclusion Welfare Service - current vacancies - reduction in full time equivalent posts to 8.5 officers.	Service Efficiency	0.040	M Service remodelling to ensure ongoing mandatory compliance		1	Reduction in service provision may impact of the level of service that can be provided to schools.
11	Looked After Children Support	Service Efficiency	0.030	M Service remodelling to ensure ongoing mandatory compliance		1	Reduction in staffing with functions associated with role being picked up by another team.
14	Youth Services - Youth Justice Service Staffing Reduction	Structural Review	0.025	M Service remodelling does not compromise ongoing mandatory compliance		1	Reduced staffing levels.
15	Youth Services - reduction in caretaking	Structural Review	0.035	NM		1	Transfer of responsibilities from Youth to Facilities Services. Reduction in service.
16	Youth Service Planned Management Reductions & Vacancy Management	Structural Review	0.037	M Service remodelling does not compromise ongoing mandatory compliance		1	Reduced staffing levels in line with Youth Service Strategy.
18	SMIT reduction in staffing.	Structural Review	0.047	NM		1	Service restructure - continued reduction in 'back-office functions'.
19	Education & Youth Portfolio Service Review Reduction in Management Structure	Structural Review	0.080	NM		1	Service restructure - reducing the number of senior managers.
TOTAL			0.741				

EDUCATION AND YOUTH	
Total value of Business Plan proposals	0.741

CATEGORISATION KEY	
1 = Fully Costed and Safe - Very detailed costings/modelling undertaken and the accuracy can be relied upon not to change significantly	0.493
2= Reasonably costed will need refining - The level of detail behind the costings/modelling is reasonable although further work will be required to ensure robustness and to deal with any changes in circumstances e.g. market conditions.	0.061
3= High level costing requires detailed further modelling - The figures are included at a high level with uncertainty around some of the significant detail e.g. further work required to develop a specific proposal such as rationalising services/buildings.	0.187

0.741