

Public Document Pack



Contact Officer:
Sharon Thomas 01352 702324
sharon.b.thomas@flintshire.gov.uk

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, Rebecca Stark, Bernard Stuart and Rev. John Thelwell

13 January 2016

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, 19th January, 2016 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 2016/17 BUDGET FOR THE EDUCATION & YOUTH PORTFOLIO (Pages 3 - 8)

Report of Member Engagement Manager enclosed.

Purpose: The purpose of this report is to present the final draft budget proposals for the Education & Youth portfolio.

Yours faithfully

Peter Evans
Democracy & Governance Manager

This page is intentionally left blank



EDUCATION & YOUTH OVERVIEW & SCRUTINY COMMITTEE

Date of Meeting	Tuesday, 19 th January 2016
Report Subject	2016/17 Budget for the Education & Youth Portfolio
Portfolio Holder	Leader of the Council; Cabinet Member for Education
Report Author	Member Engagement Manager
Type of Report	Strategic

EXECUTIVE SUMMARY

The purpose of this report is to present the final draft budget proposals for the Education & Youth portfolio. Whilst there are no new proposals, there was an undertaking to keep the committee informed during the 2016/17 budget process, and there is now feedback from the meeting of the School Budget Forum which was held on 7th January 2016.

The committee is invited to consider and to comment on the information provided by the Chief Officer (Education & Youth). Any observations arising out of the meeting will then become part of the report which is made to Corporate Resources Overview & Scrutiny Committee on 29th January. All members (including the co-opted members of this committee) are invited to attend that meeting

RECOMMENDATIONS

1	That the committee considers and comments on the information provided in the presentation by the Chief Officer (Education & Youth)
2	That any observations and /or recommendations arising out of the meeting be considered for incorporation into the final budget consultation report which is to be made to the Corporate Resources Overview & Scrutiny Committee.

REPORT DETAILS

1.00	EXPLAINING THE BUDGET CONSULTATION PROCESS
1.01	Members will be aware that the budget process for the 2016/17 was based on addressing the 'budget gap' within the Medium Term financial strategy. In order to keep members of the council as fully informed as possible and to maintain dialogue, there has been an extensive information and consultation exercise during the autumn and into the winter. We have held three consultation workshops for all members, there have also been specific briefings for Overview & Scrutiny chairs and group leaders.
1.02	A series of formal budget consultation meetings was held with the six overview & scrutiny committees between 7 th and 18 th December. This process had to be arranged before the publication of the Provisional Local Government Settlement on 9 th December.
1.03	Members will be aware that the Aggregate External Finance (AEF) for local government is -1.4%. The North Wales range is between -1.2 to -2.2%. Flintshire's reduction is -1.5% which is a 2% variation on the -3.55 upon which we had been working. This is an improvement of £3.770m against the forecast.
1.04	We are now reassessing the 2016/17 'budget gap' based on the settlement benefits and risks, together with a recalculation of emerging financial pressures.
1.05	There had been an undertaking to hold further budget consultation meetings with all committees if necessary. Members were informed by email on 23 rd December that it was unlikely that there would be a need for all of the committees to meet.
1.06	However, in the case of the Education & Youth Overview & Scrutiny Committee, it was considered that there would be merit in reporting to the full committee the results of the meeting of the school Budget Forum which was held on 7 th January.

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 has summarised the consultation process.

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

5.00	APPENDICES
5.01	Appendix 1 - Feedback from School Budget Forum 08.01.16

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 Provisional Settlement presentation slides from Cabinet – 15th December, 2015 http://cyfarfodyddpwyllgor.siryfflint.gov.uk/ieListDocuments.aspx?CId=391&MId=3587&Ver=4&LLL=undefined</p> <p>Contact Officer: Robert Robins Member Engagement Manager Telephone: 01352 702320 E-mail: Robert.robins@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	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.
7.02	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 9 th December with the final Local Government Finance Settlement being announced on 1 st March 2016.
7.03	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.
7.04	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).
7.05	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.

This page is intentionally left blank

Appendix 1 – Feedback from School Budget Forum 08.01.16

Schools Funding Formula

- Our aim has been to get 2016/17 draft allocations issued to schools early to enable schools to consider the impacts for their school. Early notification of indicative budgets enables schools to appropriately plan for curriculum and staffing for the following academic year. Secondary allocations were issued in December and Primary in early January. In a normal annual cycle schools receive their allocations on the Monday after February half term holiday. Allocations at this stage are draft and may be subject to change as the budgetary process progresses.
- Schools receive a full set of budget papers ensuring full transparency of the schools allocation process. Schools also have an important role in checking and validating the data contained in the funding model.
- Proposal is to uplift the overall schools' budget by 1%. In addition to the 1% uplift £1.095m has been added to the schools' budget to cover the increased costs to schools of the implementation of single status.
- However, in real terms this represents a cost pressure for schools due to the increased costs of the Single Tier Pension, the additional employer contribution to pension costs and the estimated costs of pay awards.

Grant Funding

- Pupil deprivation grant will increase from £1,050 to £1,150 in 2016/17. The impact of this increase means that Flintshire will receive an extra £275k. Due to increases in the level of Free School Meal eligibility in Flintshire the overall increase in PDG in 2016/17 is £477k.
- Welsh Government announced as part of the settlement an intention to transfer the Education Improvement grant into Revenue by April 2016. WG are working on the methodology for achieving this. At this stage indications are that there will be a reduction in total EIG funding but the amount of this is yet to be announced.
- Schools Post 16 funding – early indications from Welsh Government are that funding for post 16 will remain stable in 2016/17, with no reduction in overall funding levels anticipated.

Funding Formula

- Members will be aware that a revised schools funding formula was implemented in 2014/15. However, the funding model cannot remain static and parameters need to be adjusted/revised annually to reflect the available funding and policy decisions.

Primary Funding Formula

- A funding formula review group consisting nominated headteacher representatives and senior officers was established to consider the application of the primary schools funding formula for the financial year 2016/17. The key role of this group was to consider the funding options and bring forward recommendations for consideration by senior officers, Heads Federation and the Schools Budget Forum.
- As part of the review the impact of cost pressures on elements of the formula were modelled, with staffing factors uplifted to reflect the increased costs. To balance the funding formula model within available resources the Funding Formula Review Group considered a range of options.
- The recommendations of the Funding Formula Review Group have been consulted on and considered by the Headteacher Federation and Schools Budget Forum.
- The recommendations made are:
 - Free Breakfast provision is limited to 30 minutes in line with Welsh Government guidance. Schools, wishing to provide a childcare element should charge parents.
 - Any balance of funding to be adjusted against supplies and services through a reduction to the lump sum and the per pupil amount.

Secondary Funding Formula

- Two meetings were held with the Secondary Headteachers to consider the formula for 2016/17. The outcome of these meetings was that the Secondary Formula is largely unchanged from the previous year. One change that was made at the request of the headteachers was to reinstate Element 3 - deprivation - which was taken out last year.

ALN Funding

- ALN is now fully delegated to schools. Funding for full-time and statemented 1:1 support is ring fenced and allocated to schools on an individual child basis. The balance of funding once full time and statement provision is taken into account is distributed on a formula basis to schools. The balance available for distribution is likely to continue to reduce in both sectors due to increasing demand for full-time support.
- A full review/ evaluation of the impact of the delegation of this funding is planned.