

Education and Youth Overview & Scrutiny Committee

Revenue Budget
January 2016



Purpose of Today's Meeting

- To consider the final proposals for the 2016/17 Council Fund Revenue Budget for services within the Education and Youth Overview and Scrutiny portfolio
- To consider the implications for School Budgets.

Settlement Context

- » Welsh macro-budget* announced on 8 December in the context of a 4.5% reduction over 4 years based on the Chancellor's Comprehensive Spending Review
- » Local Government Provisional Settlement* announced on 9 December
- » Settlement open for consultation until 20 January
- » Announcement of new or extended ring-fenced budgets for Health and Health and Social Care

* full background papers available on Welsh Government website

Settlement Headlines

- » A one year settlement only
- » Average reduction to Aggregate External Finance (AEF) for local government of -1.4% (North Wales range of -1.2 to -2.2%)
- » Some base protection for Schools and Social Services
- » List of many specific grants published
- » Protection for Supporting People and increase in Pupil Deprivation Grant
- » Above average reductions in Single Environment Grant and Families First
- » Capital Funding set at 2015/16 level



Education and Youth

Service Business Plan Proposals



Service Business Plan Proposals

Schools:

- Schools modernisation £187k in 2016/17
- Significant pay cost pressures estimated to be at £3.4 million in 2016/17
- As part of the review of schools funding a 1% uplift has been applied to schools budget (£869k)
- Impact of single status (£1.095m) added to schools' budget
- Ministerial protection for schools – awaiting further clarification
- Given the financial gap remaining members need to consider the affordability of proposals.

Service Business Plan Proposals

Education & Youth (Excluding schools)

The portfolio has identified savings of £523k

- Inclusion services (£212k) – a range of savings across the inclusion service which will impact on the level of service provided
- Children & Youth Services (£97k) – remodelling of service delivery and reducing staff levels
- Reductions in portfolio management structure and administrative support (£167k)
- Music Service (£30k) – potential increases in charges to parents and schools
- Early entitlement (£17k) – new model of 10% teacher time funded in early years settings

Local Pressures and Inflation

Pressures and Inflation	£	Explanation
Pressures		
<ul style="list-style-type: none">School Modernisation	236,000	The impact of exit and salary safeguarding costs following the introduction of the post 16 hub. Estimated school reorganisation costs.
Inflation		
<ul style="list-style-type: none">Out of County	30,000	Impact of pay increases on out of county placements.
TOTAL	266,000	

Schools Allocations

- » Draft allocations issued early to schools based on 1% uplift schools to allow schools maximum time to scrutinise methodology and to consider funding implications.
- » Allocations may be subject to change as the budgetary process progresses through Council.
- » Plans are in place to ensure that there are adequate support mechanisms from Finance and HR.

Education Grants 2016/17

- » Increase in Pupil Deprivation Grant from £1,050 to £1,150 per eligible pupil
 - » impact of per pupil increase is £0.275M uplift
 - » 2016/17 overall impact when factoring in increase FSM £0.477m
- » Awaiting information from WG on early years PDG
- » EIG – indications that grant will transfer into RSG in April. Likely reduction in funding but yet to be announced.
- » post 16 – indications are flat line funding for 16/17.
- » Families First Grant £203k 11.7% reduction

Next Steps and Timescales

- » Education and Youth Overview and Scrutiny (19 January) and Corporate Resources Overview and Scrutiny (29 January)
- » Cabinet – Final Proposals for Recommendation to Council (16 Feb)
- » County Council – Approval of Budget (16 February)
- » County Council – Council Tax Setting (1 March)