

MEETING	SCHOOLS FINANCE FORUM
DATE	3 November 2014
TITLE	Schools Savings Target
PURPOSE	In accordance with Gwynedd Council's Cabinet decision, establish a Working Group to develop schemes to deliver the savings target of £4.3m for schools over the next three years
RECOMMENDATION	Establish Working Group
AUTHOR	Owen Owens, Interim Head of Education
CABINET MEMBER FOR EDUCATION	Councillor Gareth Thomas

In its meeting of 7 October 2014 the Council's Cabinet decided as follows:

- To set a savings target of £4.3m for schools to be delivered over the next three years, and that the Cabinet Member for Education be requested to lead a joint piece of work with the Schools Finance Forum to develop the schemes to be implemented in order to deliver this target.
- To ask the Working Group to submit this work before the end of January 2015.
- The Chair and Vice-chair of the Services Scrutiny Committee should be invited to the Working Group as observers only.

The following reasons were given for the decision:

The Council has agreed with the Cabinet's proposal to plan for the need to find additional savings worth £34m over the next three years in order to respond to the financial environment in which we find ourselves.

Given that all other Council services are facing an extremely challenging situation with some elements under significant threat, and considering that the schools budget represents around 35% of all Council service budgets, if we do not ask schools to play their part in this challenge, then the impact on other essential Council Services could be insufferable.

In order to implement the original strategy, it was anticipated that we would need to aim to achieve around £4.3m of savings from the schools budget (which amounts to around 6% over the next three years) but we must now come to a conclusion on the target to be applied in order that the service can start planning.

Setting a target of £4.3m or 6% would continue to give schools protection relative to other council services. It can be compared to the following targets set for other key Council services –

- Children's Services – 16.8%
- Central Education Services – 16.4%
- Elderly Services – 14.4%

It must also be borne in mind that the effects on these services could be worse as we will also need to establish where cuts are to fall and an element could fall on these services.

The target should also be set in the context of a situation whereby the schools budget has not been asked to find savings for the past three years.

Whatever the target established for schools, we will need to ensure that there is an inclusive process for ensuring that the service itself can influence how to achieve that target and it is suggested that the Schools Funding Forum be used for that purpose.

We must also be alive to the fact that in setting the target we currently anticipate that the Secondary Sector budget will reduce by around £650,000 in the next two years as a result of demographic effects whilst the primary sector budget is likely to increase by around £250,000. We do not yet know what our demographic projections will be for the third year.

The Secondary sector will also face a reduction in their budget in 2015/16 due to the fact that the additional assistance of £410,000 given to them to buy time so that they could come to terms with the loss of grants will fall out.

However, these factors will be a matter for the service to consider in developing schemes in the various sectors to deliver the target.

It is believed that there is a danger in setting a target above £4.3m in that it could excessively impinge upon the teaching resource which in turn could adversely affect pupil attainment and I would recommend that the cabinet sets a target of £4.3m which continues to give a significant measure of protection for school budgets (in comparison with other council services) whilst contributing to the challenge ahead of us.

It was noted that the fact that the Working Group was required to undertake a piece of work and to report back to the Cabinet was good practice in order to be able to weigh up the impact before making any far-reaching decisions. Additionally, the hope was that the submitted report would spur a broader discussion regarding assuring the quality of education and the provision of education in general in Gwynedd.

Working Group Composition

The following composition is suggested:

- Chair and Vice-Chair of the Schools Finance Forum
- A cross-section of the members of the Schools Finance Forum (Headteachers and Governors) ensuring representation from large, medium and small special, secondary and primary schools.

- Corporate Director for Education
- *The Interim Head of Education, Finance Officers and other Officers should support the Working Group.*
- *The Chair and Vice-Chair of the Services Scrutiny Committee should attend as observers.*

Working Group Timetable

The task must be completed by the end of January 2015. Several meetings will need to be held within a tight timetable, and it is therefore envisaged that there will be a need for evening meetings (e.g. between 5:00 pm and 7:00 pm).