

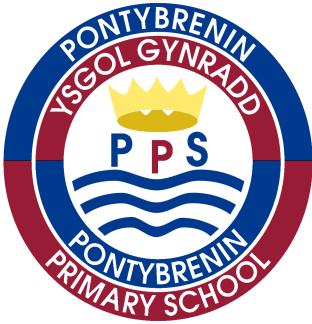
Appendix 'G'

Response of the Schools Budget Forum to Budget

Proposals

PONTYBRENIN PRIMARY SCHOOL

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20th January 2015

Councillor Rob Stewart
City and County of Swansea
Civic Centre
Oystermouth Road
Swansea
SA1 3SN

Dear Councillor Stewart,

School Budget Forum Response to Budget Consultation

As always, the School Budget Forum has sought to support the discussions that have already been held and which will be held over the coming weeks. **As a statutory consultative body, the Forum expects that the points made will be carefully considered as part of any forthcoming corporate discussion of future revenue and capital budgets.** The School Budget Forum represents a considerable body of statutory provision meeting the needs of a great many pupils, families, schools and communities within Swansea.

The School Budget Forum recognises the scale of the continuing financial challenges facing the Council. Nevertheless, it has a responsibility to seek to ensure that the full implications of any budget proposals on schools and the wider education service are properly recognised by the Council before any decisions are taken.

We would suggest that the Council should take a very positive view of the outcomes achieved by schools in Swansea against the relevant benchmarks, together with significantly positive Estyn outcomes and school bandings. These positive outcomes have been achieved in spite of very challenging financial settlements,

notwithstanding the Welsh Government uplift guarantees of the past year. These outcomes should be the foundation for future excellence and should not be jeopardised by forthcoming Council budget decisions.

Swansea schools do not fare well financially. As has been stressed in previous years, they suffer a double blow. The Council can do nothing about the fact that the settlement it receives from the Welsh Government is relatively poor, ranking it around 18th out of the 22 authorities. However, due to choices made by the Council, the education budget as a whole ranks even lower at 19th in 2014, almost £200 per pupil less than the Wales average. Other authorities do better, including the large urban authority of Cardiff.

Schools' funding within Swansea is significantly lower than that of all of our ERW partners, thus putting the city's schools at considerable disadvantage as regionalisation gathers pace.

We have appreciated the positive response in Council Budgets over recent years to some of the recommendations previously made by the Forum, particularly:

- The recognition of the essential contribution of the Education service to the achievement of wider Council priorities
- The recognition of the severe financial pressures facing school delegated budgets and other statutory Education services

Through working closely with the Authority, schools have been better able to manage the significant pressures and increasing expectations placed upon them and to mitigate the effects of large scale redundancies on the Council.

The Delegated Schools Budget

The Forum views positively the Council's stated aims of relative prioritisation of the delegated schools budget and of joining up thinking in terms of the integration of services in order to improve chances in communities and the families within them and to lessen the impact of poverty upon achievement. It is entirely right that priority is given to early intervention and prevention strategies so that services, including the education service, struggle less with the repercussions of non-intervention later on.

The Forum also welcomes the clear priority given to improving educational outcomes for children and young people and the recognition of the key role that education plays in supporting many other wider Council priorities.

However, the Forum also notes that the Council is proposing to no longer deliver the national education funding guarantee, as required of it by the Welsh Government. *The Forum would ask whether the Council is aware of any other local authority that intends to go against this guarantee.* The Council's reputation would be significantly impacted if it was the only Council in Wales to take such a decision. Moreover, it would certainly result in a further worsening of the Council's relative funding per pupil – perhaps reaching the unenviable position of the very bottom of the funding table.

In relation to 2015/16 the Forum understands that to meet the Welsh Government's funding commitment would require a cash increase in the delegated schools budget of £1.3m (a 0.6% cash increase plus an adjustment for increasing pupil numbers). Instead the Council is proposing a cash reduction of £4.2m or 3.3% in addition to spending pressures which will increase the real terms cut to at least 5%. In addition schools will face significant reductions in specific grants which will further impact the provision for pupils. Whilst the Pupil Deprivation Grant will increase, this has clear terms and conditions which prescribe how it may be used and it will not be received by all schools.

The picture for later years is bleaker still with proposed further real terms cuts each year at a similar level – 15% over the 3 year period, as proposed for Children and Families. Whilst the Forum appreciates that this is less than the 50% cuts proposed for most other areas of the Council budget, this does not take account of the extent to which other Council services appear to be seeking to 'passport' cuts to schools through significant increases in the cost of service level agreements, nor the far greater scope to deliver savings in these areas (which include discretionary areas of provision) through increases in fees and charges.

Significant work has been undertaken over the summer to model and evaluate the likely implications of cuts of around 4.5% per annum in delegated school budgets. It is only possible to provide a very broad summary in this letter of some of the most significant impacts which include:

For example – with a school of 387 pupils a budget cut of £310K by year 3. This would result in the following:

- a reduction of teachers that would likely result in the end of rising three nursery provision.
- Approximately 7 teachers taken out of the staffing of which there are 19 at present or the equivalent of 20 teaching assistants.
- One teacher with a minimum of 36 pupils in each class.
- An impossibility of meeting foundation phase class sizes of 30, which are statutory.

For a typical secondary school: -a budget cut of £544k by year 3

- A reduction of almost 12 teachers
- A reduction in the breadth of curriculum provision

It will be extremely challenging for schools to continue to set a balanced budget each year, whilst continuing to meet their growing range of statutory duties, and further cuts to provision would be necessary which would undermine nursery provision, the local anti-poverty strategy, and wider learning opportunities of pupils. There will be an inevitable impact on other Council services, particularly where schools provide significant support (for example safeguarding) or find themselves unable to continue to support corporate services through service level agreements.

The Forum notes that the Council proposes a cash increase of 5% in the area of Poverty and Prevention and would stress the fact that these represent 'cherry picked' elements of provision, some discretionary, whereas they do not include major areas of statutory provision which fundamentally underpin the delivery of any anti-poverty strategy.

The Forum has continued to work constructively with the Education department in delivering the radical transformation strategy set out in Appendix B of the Budget Proposals report, however, the proposed scale of budget cuts is coming at the same time as there will be further budget instability as a result of the proposed radical review of the schools funding formula.

The Forum would ask if the Council is aware of any other local authority in Wales that is facing such choices and implications of budget decisions and would urge the Council to consider additional funding to facilitate the major cultural and service changes required which will deliver major future benefits once these are progressively embedded across all year groups.

In short, the Forum is extremely concerned that, given the very poor position of Swansea schools in funding terms, it is difficult to see how further savings of this scale can be achieved. **The Forum urges the Administration to recognise the importance of making proper revenue provision for schools every year as a matter of course**, not merely because it has been required to do so by the Minister, and to continue the good start that it made previously in honouring the uplifts since 2012-13.

You will be aware that the Forum recognises the Council's support for capital investment in some of its schools and would once again **urge the Council to maintain its commitment to supporting the need to generate additional capital receipts to reach its commitment of a local contribution of 50% to minimise the inroads into school delegated budgets in terms of 'top slicing' to fund additional prudential borrowing.**

The Forum would again seek clarification of the proposed 'top slicing' of delegated school budgets to meet the additional costs of prudential borrowing'. It assumes that this is simply a broad planning assumption at this stage since it would clearly be inappropriate to 'top slice' the delegated budget in excess of the actual prudential borrowing costs incurred by the Council to support the continued delivery of the QEd capital investment priorities. It would also clearly be inappropriate to 'top slice' school budgets to meet borrowing costs in relation to any wider Council capital programme funding shortfall. Consequently, we would seek confirmation that any actual future 'top slicing' of the delegated budget would accurately reflect the borrowing costs incurred to support the schools programme after all other funding streams have been accounted for (particularly capital receipts and Section 106 developers contributions).

The Forum notes the reference in the Cabinet report to Single Status and Pay and Grading. **The Forum expects previous assurances to be honoured that, as school staff are Council employees, the costs of Single Status and Pay and Grading will be met by the Council from the funding set aside for this purpose, as for any other Council employees.**

Non Delegated Education Budgets

The Forum has supported a fundamental review of base budgets during 2013 and 2014 in order to ensure that we have the correct starting points. The Forum still feels that lessons could be learned from the One Education Budget Strategy, both in terms of the transparency of the process and also the rigour of the structured challenge and review undertaken over recent years, which has then been reflected in the Council's Medium Term Financial Plan, and delivered. This continues to require difficult spending choices, challenging savings targets and robust management action, moving towards a largely statutory and regulatory 'core' minimum provision within the department.

As such, the Forum continues to recognise the attempt to develop a more engaging wider corporate budget process, although it feels that the Cabinet Report fails to provide a fully transparent and accurate picture of the potential implications of the proposals. Consequently, it is unlikely that the responses to this stage of public consultation will be adequately informed.

The Forum remains gravely concerned where the proposals would result in drastic cuts to a wide range of services currently provided from the non-delegated Education budget. These are not simply 'management and administration' but provide core support for statutory and regulatory duties of the Council. The Forum urges the Council to bear in mind the pressures on the non-delegated budget when setting the quantum of the education budget as a whole.

The Forum appreciates that no services can be protected from cuts but it does feel strongly that the full implications of the very significant cuts proposed, on top of the existing challenging medium term financial strategy cuts targets, which will impact severely on front line provision for pupils through the inevitable indirect strain on delegated school budgets, need to be recognised and fully transparent. Areas of particular concern include the following:

Behaviour Review Outcomes

- The Forum fully supports changes to the way in which support for pupils is provided to facilitate more flexible earlier intervention, as local as possible. However, it would stress that this is an extremely challenging transformational strategy requiring major cultural change within all schools and *would urge the Council to consider additional funding to facilitate the major cultural and service changes required* - which will deliver major future benefits once these are progressively embedded across all year groups.

Revised Home to School Transport Schemes

- The Forum appreciates the need to review any remaining areas of discretionary provision. Such a review of existing Council policy would of course once again require a full statutory consultation process. The current public consultation cannot pre-empt such a process, and the current Cabinet Report does not provide sufficient clarity regarding the changes that might be considered. These clearly relate to a further consideration of the introduction of charges to students for post 16 transport, as the only remaining discretionary area of policy.

Review of delivery of Free Breakfast Clubs

- The Forum recognised the need to work with officers to ensure the fullest possible use of the available funding in order to seek to deliver the significant efficiency savings target in the current year. However, the scale of the proposed further cuts in funding will certainly result in the cessation of service in most, if not all schools. Schools would not be able to maintain the provision with such a cut in funding without charging for the child care provision that parents also benefit from. The very modest remaining funding could be allocated to schools on the basis of Free School Meals entitlement to seek to maintain support for the most disadvantaged pupils but it might not be sufficient.

Increase meal charges

- The Forum recognises that whilst prices were increased in September 2014, they had previously been held constant for a number of years in spite of increasing food costs. As such it can understand the need to consider a further price increase. This appears to be a reasonably balanced proposal, in line with indications from other authorities.

Changes to Music Service through restructure, changes in delivery and charges

- The Forum recognises the need to review the service and as far as possible remove the remaining Council funding support, whilst also recognising the valuable learning opportunities that are provided to pupils. It is hoped that any increase in charges will not reduce access for the most disadvantaged pupils.

Cessation of contribution to WJEC

- The Forum recognises the need to challenge any remaining areas of discretionary spending and it is difficult to continue to support educational resources and support provided through WJEC when areas of direct Swansea support for schools are being severely cut. Nevertheless, the Council may be isolated in this action and Swansea pupils would no longer be able to be part of the national youth theatre and orchestra. It also further reduces the educational resources that will be available to support schools.

Review of Ethnic Minority Achievement Service

- The Forum recognises the need to review all areas of current 'subsidy' to such areas of support, and this area in particular in view of the likely loss of Welsh Government funding. However, the Forum would wish to see further detailed discussion prior to implementation in order to ensure that the loss of front line support for pupils is as far as possible minimised.

Business Support Review

- Whilst such areas clearly need challenge and further rationalisation, the scale of cuts proposed, on top of progressive cuts over the last 3 years, represent far more than efficiency savings or cuts to 'overheads' and 'management and administration'. Schools recognise the need to work increasingly collaboratively, but the loss of so many areas of professional support will seriously exacerbate the already unmanageable pressures on headteachers.

From the Cabinet Report, it is unclear whether there are some remaining discretionary areas of current wider Council provision which are being 'protected' on the basis of their absence from the cuts lists. Given the clearly endorsed principle of

'increased control of discretionary spend', there needs to be greater clarity and transparency to ensure the consistent level of review of all areas of discretionary spending across the Council. The Forum would be concerned if areas of clear discretionary spending, however laudable, were to be protected whilst core areas of statutory provision were being cut.

In Summary

The Forum notes the Council's continuing relative prioritisation of the delegated schools budget but is concerned that it is proposed to no longer deliver the national education funding guarantee, as required of it by the Welsh Government. The Forum urges the Administration to recognise the importance of making proper revenue provision for schools every year as a matter of course, and the very serious consequences for pupils of cuts on this scale to the delegated schools budget.

The Forum would once again urge the Council to maintain its commitment to supporting the need to generate additional capital receipts to reach its commitment of a local contribution of 50% to minimise the inroads into school delegated budgets in terms of 'top slicing' to fund additional prudential borrowing.

The Forum expects previous assurances to be honoured that, as school staff are Council employees, the costs of Single Status and Pay and Grading will be met by the Council from the funding set aside for this purpose, as for any other Council employees.

The Forum remains gravely concerned where the proposals would result in drastic cuts to a wide range of services currently provided from the non-delegated budget. In this way additional costs would effectively be passed onto schools in the future, whilst schools will see further reductions in the quality and availability of professional support from departmental and central services. Proposals in relation to other Council services, such as Social Services, could further add to impact on front line Education services.

Whilst the continuing support for investment in school facilities through the QEd programme is welcome, the vital importance of the Corporate Structural Repair and Maintenance programme cannot be exaggerated with the scale of Health and Safety/compliance issues affecting school premises.

There is a continuing willingness to support and contribute constructively to the further detailed discussion regarding the implications and implementation of budget proposals through the appropriate Task and Finish Groups.

We trust that you will seriously consider these points as you decide future Council budget allocations. We invite you to attend the next School Budget Forum to respond to the issues raised in this letter.

Philip Williams
Chair, School Budget Forum