

CABINET PORTFOLIO: Education

SERVICE PLAN AREA: Strategy and Resources

A. Key Lead Cabinet Member Policy Steer for this area:

Strategic Management

- Maintain a focus on ICT development in schools and co-ordinate and integrate policy on ICT and e-government with the Lead Member for Community Planning and e-government.
- Promote the development of autonomous schools, providing choice and diversity through the implementation of the 2002 Act and related initiatives including the further development of specialist schools.
- Take forward the expanded review of post 16 education in the East of the County with the Learning and Skills Council (LSC), and implement any agreed recommendations.
- Seek to improve services to users by providing more integrated services, jointly with Education, Health and the voluntary sector.

Access to Schools

- Sustain an effective planning function for future school places requirements and co-ordinate this with the corporate capital planning strategy.
- Make the most effective use of New Deal for Schools and other funding streams to achieve improvements in the condition and suitability of school building, and support basic need provision.
- Implement the school attendance and attitude strategies to underpin the PSA target for 2005.
- Devise a strategy to respond to the 'Building Schools for the Future' initiative to secure maximum investment in East Sussex.

B. Resources

Current net 2004/05 Budget (broken down by sub-divisions of main service area)

	£'000	£'000
Senior Management Team inc secretariat		616
PACT		
Early retirement/redundancy	1,324	
Staff training, IIP, health & safety	102	
Centrally managed supply cover for school staff (e.g. union duties) and protections	156	
Criminal Records Bureau fees	103	
Caretakers houses and other minor budgets	63	
		1,748
Policy & Performance Review		
Policy & Performance Review Team	796	
ICT	646	
		1,442

Contracts		
SLAs	2,650	
Contracts Management Team	268	
School meals/grounds maintenance/cleaning	(58)	
Sports and Recreation	383	
Peacehaven PFI contract management	94	
Accommodation, furniture & equipment	108	
		3,445
Development Planning		
Capital Strategy Team	214	
Home to school transport	7,574	
Admissions & Transport Team	383	
SACRE/School Organisation Committee/Misc properties	31	
Peacehaven PFI extension	114	
Building Schools for the Future	84	
		8,400
Finance		
Finance Team	494	
Residual FE pensions	118	
Schools contingency/Schools Forum	156	
Insurance and other minor budgets	65	
		833
		16,484

Current Budget by type:

	£'000
Employees	5,956
Premises	1,658
Transport	108
Supplies & services	18,334
Agency & contracted services	373
Transfer payments	156
Internal recharges	2,781
	Gross expenditure
	29,366
Income	(12,882)
	Net expenditure
	16,484

Current FTE staff numbers: 81.8 FTE

Standstill Pressures over the next 3 years:

	<u>05/06</u> <u>£000</u>	<u>06/07</u> <u>£000</u>	<u>07/08</u> <u>£000</u>
Inflation	435	427	431
Other Standstill			
Home to school transport – pupil/place numbers	(81)	(25)	(101)
Home to school transport – number of school days	312	(213)	0
Car leasing	(1)	0	0
Peacehaven PFI extension –	(62)	(32)	0

project costs			
Total	603	157	330

Other Financial Risk Issues over the Medium Term:

	<u>05/06</u> <u>£000</u>	<u>06/07</u> <u>£000</u>	<u>07/08</u> <u>£000</u>
<i>(list and scale</i>			

C. Current Relative/Comparative Performance based on 2003/04 Outturn

The 2004 Audit Commission Survey of Schools saw major improvements in the rating by schools of performance across the branch functions compared to 2003. With the sole exception of support for catering, every single area of performance showed statistically significant improvement compared to 2003, pushing many areas of performance into the first or second quartile relative to statistical neighbours. Some particularly strong improvements were in the following areas:- effectiveness of electronic communication (up 17%); applying principles of Best Value (+9%); managing information and data (+8%); quality of financial support and advice (+9%); support for effective purchasing of traded services (+5%); access to high quality services (+4%); effectiveness of school place planning (+5%); Transparency of the SMP (+5%).

There were very high and increasing levels of buy-back from schools for services traded by the branch, including 100% buy-back for Education Finance.

In addition, 100% of all schools provided electronic data returns from their management information systems to the LEA over the schools extranet as part of the 2004 pupil level annual census (PLASC).

Assessment of relative/comparative performance by end of 2004/05

Providing key vacancies can be filled this improvement should be sustained. Early indicators such as buy-back from schools for 2004/05 (again 100% for Education Finance) confirm improvement.

Overall level of school deficits should significantly reduce by 31 March 2005 (from around £1.7m to £0.6m) through allocation of transitional grant and rigorous approach to school recovery plans.

Education contribution to BVPI 157 as at May 2004 – 76% of types of interaction with the public that are enabled for electronic delivery compared to 67% in May 2003.

Percentage of parents receiving first preference for school places slightly up in September 2004.

Percentage of primary schools with more than 25% surplus places has edged above the target of 7% in recent months due to falling primary rolls – being dealt with through Primary Review process.

D. improvement aims/action over medium term

- i) Implementation of CBOSS/SAP in schools.
- ii) Tackling schools financial management and governance (particularly under and overspends) through joint initiative with CRD Audit and governors support – training, networking finance governors, and targeting ‘worst offenders’.
- iii) Improved monitoring of SLAs and external contracts.
- iv) Better integration of schools and CRD ICT teams.
- v) Improvement of budget monitoring in department through implementation of SAP.
- vi) Improvement of suitability and DDA surveys in schools through targeting of resources.
- vii) Reduction in primary surplus places through Primary Review process in Rye and North Chailey.
- viii) Programme of condition surveys being undertaken and regular audit and appraisal of building consultants’ work.
- ix) Co-ordinated admissions schemes with other LEAs.
- x) Increased effectiveness of e-communications including increased percentage of e-enabled business process on E-Zone and website. Implementation of content management system. Remote access to E-Zone for school staff.

E. Key risks to policy steers

- i) Recruitment and retention of staff – particularly in specialist areas such as finance, capital programming and management information and data where significant vacancies have remained unfilled for long periods.
- ii) Increasing complexity and changing of government financing arrangements for education (capital and revenue) diverting resources from other priorities.
- iii) Internal capacity and expertise needed to deliver project of the scale of BSF. Also capacity of construction trade to deliver.
- iv) Implementation of CBOSS in department and schools – numerous dependencies on the success of this.
- v) Borough and District implementation of local plans for housing generating demand for school places.
- vi) Reliance on several single/monopoly suppliers for key ICT contracts (e.g. broadband, SIMS, central MIS) – particularly affecting price of broadband connections to schools.
- vii) Reliance on delivery of key functions to other departments through SLAs – those departments subject to similar financial pressures.
- viii) Key external contracts (e.g. grounds maintenance, catering, cleaning, home to school transport) generating substantially above inflation price increases due to nature of local markets.

G. Responding to initial financial guidelines for 2005/06

a) *Plans for internal investment within portfolio (net nil effect)*

We will take the opportunity provided by implementation of CBOSS in the department to look at rationalising functions in the department, and bring together elements of financial and ICT support to schools for the roll out of SAP in schools.

b) *Efficiency savings*

Efficiency savings are likely to be achieved from the new SAP system through the elimination of double handling of data and staff requiring less support from the Finance Team. Potential savings will depend on how the services are structured and provided

under the new contract, staff operating the system as intended and schools using the system. The savings arising from schools operations can only be realised once the majority are using the system. The Finance Team will have to support two systems during the implementation period.

The net budget for the Finance Team after allowing for the income from schools is £480,000 and the proposed savings are £48,000. As the vast majority of expenditure is on staffing these levels of savings would require a reduction of around 2.5 FTE staff.

Estimated efficiency savings arising from SAP are expected to be phased in as follows:

2005/06 (from 1/9/05)	£21,000
2006/07	£36,000
2007/08	£70,000

c) Other savings

Savings action	Impact	£'000
SMT and secretariat – reduction in PA support by not filling vacancies and doubling up cover- 1.2FTE	Reduced efficiency of senior officers. PA support to senior officers is already substantially less than elsewhere in the County Council	36
Capital Strategy Team – the majority of this budget is staffing and savings of 1.2 FTE would be required.	Capacity in this team is already stretched and reductions would impact on its ability to deliver across a range of areas such as planning and development of capital projects and the Asset Management Plan	32
Admissions and Transport Team – reduce staffing by about 0.5FTE.	This would reduce input to school place planning.	9
Contracts Management Team including management of PFI contract, structural grounds maintenance works, specialist building cleaning and department furniture and equipment. The saving is equivalent to about 3 FTE staff.	Capacity already stretched by CBOSS implementation. Reduce/replace with lower grade management post – risk of reduced support to catering, PFI and other vital contracts. Reduce annual allowance for structural maintenance of grounds maintenance sites.	65
Policy, Performance and Review Team. The saving could be achieved by a 10% reduction in the ICT equipment refresh programme and in other supplies and services budgets, and the equivalent of a 4 FTE reduction in staffing.	This will lead to decreases in departmental efficiency, more WTP, DTP and presentation work falling on other teams, increase risk to quality standards and reduced support for schools.	100

ICT/e government developments. The saving would mean a 12% reduction in development activities	This will slow planned improvements leading to a decrease in departmental efficiency.	45																						
Early retirements	The department's ability to offer early retirements in the interests of the efficiency of the service would be curtailed.	22																						
Service level agreements with central departments	<p>Discussions will have to be held with departments as they will be expected to bear a similar level of reductions as education teams. Example pro-rata reductions on SLAs are:</p> <table border="0"> <tr> <td>Courier</td> <td>£ 7,000</td> </tr> <tr> <td>Admin buildings</td> <td>£84,000</td> </tr> <tr> <td>Counselling fees</td> <td>£000000</td> </tr> <tr> <td>Miscellaneous</td> <td>£ 1,000</td> </tr> <tr> <td>Chief Executive Dept, incl former CPD</td> <td>£84,000</td> </tr> <tr> <td>Legal costs</td> <td>£ 2,000</td> </tr> <tr> <td>CRD Finance</td> <td>£32,000</td> </tr> <tr> <td>CRD Property, incl Consultants' fees</td> <td>£ 9,000</td> </tr> <tr> <td>CRD ICT</td> <td>£31,000</td> </tr> <tr> <td>Exchequer (excl Schools)</td> <td><u>£ 9,000</u></td> </tr> <tr> <td></td> <td><u>£259,000</u></td> </tr> </table> <p>The savings could equate to between 10-12 FTE staff.</p>	Courier	£ 7,000	Admin buildings	£84,000	Counselling fees	£000000	Miscellaneous	£ 1,000	Chief Executive Dept, incl former CPD	£84,000	Legal costs	£ 2,000	CRD Finance	£32,000	CRD Property, incl Consultants' fees	£ 9,000	CRD ICT	£31,000	Exchequer (excl Schools)	<u>£ 9,000</u>		<u>£259,000</u>	259
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Staff training – reduction in the volume and type of training	This will impact on staff development at a time when there is a major national and local change agenda.	7																						
	Sub-total	636																						
Further one-off reduction in ICT/e-government developments to be replaced in 2006/07 by anticipated savings in management costs flowing from a departmental restructuring to meet the Children's Services agenda.		150																						
Total Strategy and Resources		786																						