



REPORT TO: SPECIAL MEETING OF MORAY COUNCIL ON 25 SEPTEMBER 2019

SUBJECT: FINANCIAL PLANNING 2019-20 – CONSULTATION UPDATE - REVISED

BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT, PLANNING & INFRASTRUCTURE)

1. REASON FOR REPORT

- 1.1 To provide Council with further information as requested on 8 May 2019 (paragraph 7 of the minute refers) in relation to the Equalities Impact Assessments, to enable them to make final decisions on the reduction of opening hours in Burghead, Dufftown, Fochabers and Lossiemouth libraries; the removal of the Essential Skills Service and the removal of the English for Speakers of Other Languages (ESOL) Service.
- 1.2 This report is submitted to Committee in terms of Section III (A) 2 of the Council's Scheme of Administration relating to considering the Capital and Revenue Budgets and long term financial plan.

2. RECOMMENDATION

2.1 It is recommended that the Council:

- i) considers the information in the equalities impact assessments at Appendices A (ESOL), B(Essential Skills) and C(Libraries);**
- ii) agrees to proceed with the savings in relation to reduced opening hours in Burghead, Dufftown, Fochabers and Lossiemouth libraries;**
- iii) agrees to proceed with the removal of the Essential Skills service;**
- iv) agrees to proceed with the removal of the communities based ESOL service from within the Council. The overall responsibility rests at Community Planning level and the impact of this change has been considered by the Community Planning Board; and**
- v) note that arrangements are being made to provide ESOL classes for the Syrian refugees through the project funding provided, the**

method of delivery being dependant on the decision made at (iv) above.

3. BACKGROUND

- 3.1 At the meeting of Moray Council on 27 February 2019, the Council agreed a number of savings subject to further equalities consultation (paragraph 4 of the minute refers). These savings related to reduced library opening hours, removal of the Essential Skills service and removal of the English for Speakers of Other Languages (ESOL) service.
- 3.2 The meeting of Moray Council on 8 May 2019 (paragraph 7 of the minute refers) deferred a decision on each of these proposals to enable further investigation to take place with regards to funding arrangements for Essential Skills and ESOL. Separately, clarification was sought on whether these services were statutory or discretionary, on alternative providers and on the position which other authorities were taking on Essential Skills as the Scottish Adult Learning Partnership (SALP) were doing a survey on this. This report provides that information in so far as it is currently available.
- 3.3 Equalities consultation is in respect of the Equality Act 2010 and involves service users affected by the changes. This work was led by the services manager and supported by the Community Support Unit and the Equalities Officer. The equality impact assessments are attached as **Appendices A (ESOL), B (Essential Skills) and C (Libraries)** to this report
- 3.4 Information on the findings of the consultation with service users was contained in the report of 8 May 2019 (Item 7 of the Minute refers) which is produced as **Appendix D**.

Reduced Opening Hours in Libraries

Library	Current hours open	Proposed hours open
Lossiemouth	34	16
Burghead	11	8
Dufftown	16	10
Fochabers	35	10

- 3.5 The results of the consultation in the communities of Burghead, Dufftown, Fochabers and Lossiemouth led to an updated EIA which indicates that the proposed reduction in library opening hours would enable a minimum level of service to continue in these communities. {Please discount the final bullet point on page 2 of the EIA which is not relevant for this saving}
- 3.6 Previous budget savings, resulting in the reduction in school librarian hours at Milne's High School, has resulted in the public library service having to bear the burden of the increased staff cover for the opening hours in this joint school and public library. In its existing budget, the public library service allows for 17 hours of staff cover for Fochabers. The service is currently incurring an overspend to

pay for the 18 hours previously provided by the school librarian, resulting in payment of 35 hours of staff cover.

Common Community Learning and Development Background for ESOL and Essential Skills

- 3.7 Whilst there are duties on local authorities in terms of auditing need, as well as consultation and planning of Community Learning and Development (CLD), there is no *direct statutory duty* for local authorities to deliver CLD to meet that identified need, the direct obligation as regards CLD instead being one to secure CLD within the overarching duty to provide an adequate and efficient education provision. The Scottish Government is pursuing a “legislative basis” for CLD. However there is a plethora of standards and policies which clarify *expectations* around CLD. Failure to meet guidance and policy would result in adverse inspection reports and impact on educational outcomes.
- 3.8 There is no national definition of what “adequate and efficient” means – that is to be defined at Community Planning Partnership (CPP) level with partners. There is a clear expectation that other providers and partners will be active in this area and so delivery is not limited to Local Authorities (LAs), but LAs are expected to drive progress and provide leadership.
- 3.9 The Regulations make it clear that the level of disadvantage and the level of existing resource already available are relevant when making decisions about priority. This may allow a targeting of resource on a ‘communities of interest’ or place basis as a preventative measure rather than making a Moray wide provision.
- 3.10 Moray Council has an obligation to provide ESOL to the resettled Syrians for 5 years, of which 2 years still remain. A new Syrian learner arrived at the end of April to whom we have so far provided no services, although this is part of the expected provision.

Essential Skills

- 3.11 Alternative Providers - Research indicates that there is no duplication of service in Moray. Skills Development Scotland, Lifeskills and Moray College cannot replicate these services. There is some dubiety about LEAD’s (Linking Education and Disability) delivery of literacy tuition, in that they have been accepting literacy learners in Moray. We have been unable to gain a clear response to this. However LEAD only has guaranteed funding for a one year period.
- 3.12 Alternative Funding -There is some potential to access funding with SALP funding bids of around £43k under consideration. There is also limited potential of accessing Individual Training Accounts but the current funding closed on 20th September, 2019 as the funding has been oversubscribed and this may be the experience in later years. Whilst introducing a charging model might assist, at a nominal session rate of £5, with only 13% of learners in full or part time work this is unlikely to contribute significant sums. Even assuming all these funding opportunities are realised, a significant funding gap is likely to remain.
- 3.13 The Scottish Government’s new Adult Learning Strategy will be delivered later this year. No funding commitment has been announced however it is expected

that existing spend on young people may be diverted to adult learning. In terms of employability, national employability funding streams will now be channelled through the Council although the roll out of this has now been postponed. This is not new money, but the new process may increase the control which the council can exert over how funding is applied. Employability funding is unlikely to allow the council to provide an equivalent service to the present one, but it may allow the employment of a literacies adviser or similar once funding is channelled in this way.

- 3.14 Current Situation - Learner numbers have started to decline for Essential Skills' literacy and numeracy tuition and support and there are fewer referrals from other agencies due to the uncertainty of the service provision. The SALP FOI results are not yet available but SALP has indicated that of the 26 responses to date, no authority has yet indicated an intention to remove adult learning or ESOL funding, although one authority which has protected these budgets to date is considering a 42% reduction..

ESOL

- 3.15 The post of ESOL Project Co-ordinator has recently become vacant. This vacancy, the loss of central funding from Moray College to support ESOL in the community and the uncertainty of the future of this service in terms of council funding has resulted in a delay to the start of the new term of ESOL classes across Moray. Moray College are considering the provision of two mixed ability community based classes, one in Elgin and one in Forres, to mitigate against the loss of central funding and removal of council funding. This will be considered by the Community Planning Board on 18.9.19. If agreed, this would provide some measure of mitigation which is not mentioned in the current EIA at **Appendix A**. Should the decision be taken instead to continue this service, additional council funding to compensate for that removed centrally from Moray College would also require to be found to cover the cost of the tuition.
- 3.16 Funding for ESOL currently has 3 strands – funding of £23,381 for the ESOL Project Co-ordinator which is 100% funded by Moray Council; grant funding previously provided through Moray College for the provision of community ESOL classes and provision for refugees through the Syrian Vulnerable Persons Resettlement Scheme. This balance for Syrian provision currently stands at £14,256.
- 3.17 It is understood that there is a requirement by the Home Office for local authorities to provide English language classes to the Syrian Refugees for a period of 5 years per individual. 2 years remain of this provision for the original families and one new Syrian learner arrived in April 2019. This provision could be commissioned from an external supplier and exploratory discussions have taken place with Moray College. If Moray College are commissioned, through economies of scale this may allow a small expansion of the community based provision described at paragraph 3.15 above, but this is not yet clear and may only be possible for two years while the higher level funding continues.

4. SUMMARY OF IMPLICATIONS

- (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

These savings form part of the Council's financial planning that supports the council priority of working towards a financially stable council.

(b) Policy and Legal

The proposals contained in this report form part of the suite of savings that ensure that the council is able to meet its statutory responsibilities. In summary, in relation to revenue budget:

Section 95 of the Local Government (Scotland) Act 1973 requires that every local authority must make arrangements for the proper administration of its financial affairs.

Section 1(1) of the Local Government in Scotland Act 2003 requires that each local authority makes arrangements to secure Best Value in the performance of its functions, which includes financial stewardship.

The legal position regarding CLD is set out in the report.

(c) Financial implications

Corporate Management Team Additional Expenditure Warning
When the council approved the budget for 2019/20 on 27 February 2019 (para 4 of the Minute refers), the three year indicative budget before the council showed savings required in 2020/21 of £12.2 million and £6.7 in 2021/22. Although the final figures will vary, it is clear that the council will have to reduce its costs significantly across all services in future years. All financial decisions must be made in this context and only essential additional expenditure should be agreed. In making this determination the committee should consider:

- *Is there a statutory requirement to incur the expenditure?*
- *Are there any alternative actions available to avoid or reduce the cost?*
- *Are there alternative ways in which the service could be provided?*
- *What are the risks and consequences of not allocating the funding?*
- *Does the expenditure contribute to long term financial stability?*

If in light of these factors the spend is considered essential, Committees should consider how it could be accommodated within the service budget, including what other activity would have to cease or diminish with what impact and risk. Only following these considerations should request be made to the Council for additional budget allocation.

If the savings recommended in this report are approved, this will reduce the savings target by:

The financial value of the savings in this report are set out below and the service implications were set out in the budget templates that were provided as part of the reference papers for the council report on 27 February 2019.

The savings will be as follows:

- ESOL Project £23,381.
- Essential Skills £172,110
- Reduction in library opening hours £21,000

	2019/20 [£]	2020/21 [£]
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While in isolation these figures may not be significant, the cumulative impact of all new pressures will require to be taken into account for future years. If the committee recommends additional budget to be allocated this recommendation will be considered in the next quarterly budget monitoring report in the context of the current overall financial position of the council and in particular in the overall context of spend beyond affordable limits that impinges on the Council's reserves policy position.

If ESOL funding were to be retained, additional funding to cover the central funding removed from Moray College would be required to provide the service. This would amount to at least £10,000 if not more.

A number of applications for Voluntary Early Retirement (VER) / Voluntary Severance (VS) from staff within the Essential Skills and ESOL Services are presented for consideration at today's council meeting. The costs associated with approving these applications are contained within the relevant report.

(d) Risk Implications

The delay in reaching a decision on these potential savings has resulted in a reduction in the savings made during 2019/20 and any further delay will further reduce this saving. At this stage no alternative savings are identified and the difficulty of identifying new savings should not be underestimated.

(e) Staffing Implications

The staffing implications of these proposals have been the subject of consultation with the workforce and their trade union representatives and were considered as part of the previous reporting to the Council.

Should the proposals contained within this report and the associated VER/VS applications be approved then there will be a requirement for one compulsory redundancy from within the ESOL Service.

In relation to the Essential Skills and Libraries Service proposals, should these be approved, then there will be no requirement for any compulsory redundancies.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

Under the equality duty (set out in the Equality Act 2010) the Council must, in its decision making, have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, the need to advance equality of opportunity and the need to foster good relations between people who are in a protected group and those who are not. Groups protected by the Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage and civil partnership.

Since April 2018 there is also a duty to consider, at a strategic level, the desirability to reduce inequalities of outcome that are a result of socio-economic differences.

(h) Consultations

The Principal Librarian, Equalities Officer, Nicky Gosling, Accountant, Tracey Sutherland, Committee Services Officer and the Acting Head of HR & ICT have been consulted in the preparation of this report and their comments have been incorporated into the report.

5. CONCLUSION

- 5.1 The Council agreed a range of savings to set a balanced budget in 2019/20. Council deferred a decision on savings in relation to reduced opening hours in libraries, the removal of the Essential Skills service and the removal of the ESOL service and required additional information on Essential Skills and ESOL. This has been provided as far as available and the council should now take decisions on the funding to provide clarity for users and alternative providers where available.**
- 5.2 It is now recommended that the Council agrees to proceed with the savings for Libraries.**
- 5.3 It is recommended that the Council agrees to consider relevant information on equalities impact assessments for Essential Skills and ESOL along with the additional information now provided following the council meeting in May, and decides to take the saving on the view that this meets the legal tests about being a proportionate response as set out in the EIAs.**
- 5.4 The Council is required to deliver ESOL classes to the Syrian refugees using the balance of funding remaining and will continue to apply for grant funding, for this purpose, on an annual basis.**

Author of Report: Rona Stephen, Acting Principal Librarian
Background Papers:
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