

**MINUTES OF A MEETING OF THE LEARNING AND SKILLS SCRUTINY
COMMITTEE HELD AT BY ZOOM ON TUESDAY, 1 FEBRUARY 2022**

PRESENT: County Councillor P Roberts (Chairman)
County Councillors B Davies, S C Davies, D R Jones, L Roberts, R G Thomas,
J Berriman, A Jenner, DW Meredith, J M Williams.
Co-Opted Members: A Davies, S. Davies and M Evitts

Cabinet Portfolio Holders In Attendance: County Councillors P Davies (Portfolio Holder for Education and Property) and A W Davies (Portfolio Holder for Finance and Transport)

Officers: Lynette Lovell (Director of Education), Wyn Richards (Scrutiny Manager and Head of Democratic Services), Paul Bradshaw (Head of Workforce and Organisational Design), Marianne Evans (Senior Manager - Education Services), Anwen Orrells (Senior Manager – Education Services), Emma Palmer (Head of Transformation and Communications), Sarah Quibell (Professional Lead for Education Support Services) and Mari Thomas (Finance Manager)

1.	APOLOGIES
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Apologies for absence were received from County Councillors K Roberts-Jones, E Roderick and T Van-Rees.

2.	DISCLOSURES OF INTEREST
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There were no declarations of interest from Members relating to items for consideration on the agenda.

3.	DECLARATIONS OF PARTY WHIP
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The Committee did not receive any disclosures of prohibited party whips which a Member has been given in relation to the meeting in accordance with Section 78(3) of the Local Government Measure 2011.

4.	DRAFT 2022 - 23 BUDGET
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Documents Considered:

- A copy of the Cabinet report to provide the overall context for the budget setting process
- A copy of the Mid Term Financial Strategy and Finance Resource Model (**Appendices A and B**)
- A copy of Services' cost reduction proposals (**Appendix C**)
- A copy of the Fees and Charges Report which provides an overview to Service proposals for income generation. (**Appendices D and E**)
- A copy of the Capital Strategy and the Treasury Management Strategy. (**Appendix F**)
- A copy of the Reserves Policy (**Appendix G**)
- A copy of the Budget Survey (**Appendix H**)
- Individual Impact Assessments relating to the proposals under (iii) above (**Appendix I**) and the Council wide Impact Assessment (**Appendix J**)

Issues Discussed:

- During the last financial year the Service has demonstrated that strong progress has been made in all recommendations following the Estyn Core Visit in 2019. The recent monitoring visit in October 2021 showed that the Service no longer required significant improvement and was therefore taken out of monitoring.
- £1m additional funding has been invested in the Service in the budget, £500k for the Secondary School Improvement Strategy, and £500 for ALN transformation.
- Pressures have been identified in the Service and in school budgets and in the budget £5m is being invested into education – £3.1m to support schools with pay and price pressures, £2m into the Schools Service for pay and price pressures and to improve through transformation funding.
- Pressures identified in the Schools Service include property pressures over and above Property Plus, cashless re-tender and post 16 transition funding.
- One area has been identified in the Schools Service for income generation (£5k) and one is a cost reduction (£50k).
- Other proposals affecting schools are around workforce development, DBS checks and health and safety support in schools.

Question	Response
Can I have some clarity around the transformation figure of £824k. What specifically is this for and does it form part of the base budget or come out of revenue.	Transformation bids which have been successful are around £125k for ALN and £702k for the transformation of schools. There is an annual application into the corporate transformation fund which supports transformation. There is a revenue fund as well. This is to do with any costs associated with transformation such as the costs of closing or merging schools, some infrastructure costs, consultation and communications. The other pot is for ALN transformation which gives over £824k for the next financial year.
Are these coming out of capital receipts and not part of the education base budget. These amounts will not be in next year's base budget.	These are part of the Council's corporate revenue budget rather than the education budget and are one off costs for the implementation of transformation. These are the costs which are a forecast of expenditure for this year only. This is the additional revenue funding to see the changes through.
This is year on year costs. What were the costs for the two projects mentioned in terms of transformation. How much did Education spend on transformation if it was in the budget for the current financial year.	This year's budget was around £600k for transformation. The bid for next year is £700k.

<p>What more are you expecting to be spending on next year. What is the planned expenditure which has been bid for.</p>	<p>Costs for Bro Caereinion - from the beginning of the financial year to the summer term is when much of the costs come in e.g. setting up systems, IT costs, infrastructure. Costs have been included in the bid to support headteachers as they go through transformation as well to release them to undertake work such as planning. Detailed costs can be provided if required.</p> <p>ACTION: Detailed costs and a copy of the strategic outline case for the predicted costs.</p> <p>With the process relating to the integrated business planning and the annual budget setting for transformation bids have to be submitted annually to draw down funding. Some of the costs for transformation come from Welsh Government and the Council also funds a proportion. The anticipation is that a bid will be submitted to support the delivery of the strategy over the period of its lifetime and this will reflect the programme which is being undertaken.</p>
<p>Where do we think the rebased budget is going to settle for 2023-24. Where is the trend in terms of costs per pupil expenditure as once some the extraordinary costs are out of the way it is likely that this will eventually come down.</p> <p>Can you clarify the costs of closure and the costs of programmes already agreed by Cabinet – are these to be shown in the 2023-24 budget.</p>	<p>We will always be on a journey of transformation and there is a long programme of work. The ambition is to bring funding to reuse for learner entitlement rather than running buildings. It is difficult to say where we will be in 2023-24. The key is to increase the average spend per learner by decreasing the spend on buildings. There has been a significant increase in education in the budget and a measured increase for the secondary school strategy and ALN.</p> <p>In terms of costs per pupil a number of datasets were established in 2019 and a second one in 2020 with a third one in 2021. The expectation is to do this annually. The link to this PLASC data can be re-circulated to the Committee. It would be expected to see the impact of transformation on the data sets. The impact of Covid</p>

	<p>should also become apparent. Therefore, it is important to revisit this data every year.</p> <p>The final element is the changes to the primary school funding formula which should have an impact when implemented as well as changes to the secondary school funding formula when this work is undertaken.</p>
<p>Shorter papers on Education would be more useful than the whole budget report.</p> <p>With regard to IT changes in schools which are currently happening. There is nothing in the budget relating to that.</p> <p>The Chair indicated that it might be useful in future if the report also contained an appendix showing budget pressures with details of individual budget pressures.</p> <p>Recommendation to Cabinet..</p>	<p>ICT transformation is something for the Council as a whole. A paper was presented to the schools' forum last week. This is something to be prioritised next year and Eurig Towns is working with schools to make sure that they have the appropriate equipment they require for the future.</p>
<p>Under the Capital strategy more information is required under the Learning and Skills transformation strategy which states that transformation is cheaper than maintaining the status quo which was not helpful. Additional information as part of that statement would have been helpful.</p>	<p>The element referred to is the lifetime costs. Work is being undertaken with the accountants based on the current formula. We also want to re-run the information based on the revisions to the funding formula and then that could be discussed with scrutiny in a workshop. Based on current information, transformation is generally cheaper than maintaining the status quo.</p> <p>It is more efficient in most of our localities to invest in new buildings and provision rather than maintain the status quo and the infrastructure that we have. The ambition is to invest in education rather than maintaining an old estate.</p>
<p>In relation to pressures, is a large amount of this due to Property Plus, can this be explained and why it is happening. How much of the £0.8m is related to property plus.</p>	<p>£0.5m is related to property plus. Many schools buy into property plus, not all. Where any works are over and above property plus the cost of that comes into the Schools Service budget. Some of this work is essential such as compliance and is funded from the Service budget as a pressure.</p> <p>Other pressures include Freedom Leisure (£49k) – inflation pressure;</p>

	Cashless system re-tender pressure (£50k). There is also a pressure around Post 16 as part of transition and broadening the offer (£150k).
With the cashless system, is this an estimate of the cost of the new contract going out to tender for the new contract.	<p>This is an estimate of what the new contract might cost. Having looked at the market this was seen as a reasonable approximation. However, the cost will not be clear until the re-tendering exercise has been completed.</p> <p>ACTION: future committee to monitor cost of re-tendering exercise.</p>
<p>Property plus – this is a sizeable pressure, about 0.5% on Council tax to cover this. What is the year on year cost for the additional works.</p> <p>With HOWPS coming back in house will this impact on the property plus service and what work has been undertaken to assess the cost implications for the future.</p>	<p>The Service has asked Property for a report on what they envisage for future years. The Service is working with transformation team who are telling the Service that other than streamlining and a more efficient service there should not be a major impact on schools on the work of property plus. Property is providing a report on what they see as future costs.</p> <p>Ageing stock is what is causing the issues currently such as boiler failures, safeguarding etc so the Service has asked for specific details.</p> <p>This cost is about compliance and the role of the corporate landlord. An asset review is ongoing to understand the condition of all Council buildings. This is to make sure all of our buildings are compliant and safe.</p> <p>£0.5m is the lowest figure to maintain a compliant estate based on information from the Property Service. Property plus needs to be reviewed as it may not be suitable for the future, although there needs to be a compliance system for school buildings.</p> <p>The Director of Education commented that compliance has been reported on a quarterly basis in the Head of Service report.</p>
ERW. We are coming out of ERW and going to be working with	We were part of an ERW region which was six local authorities.

<p>Ceredigion in a collaboration. What is the impact of this on the budget and how can we make sure that schools have the at least the same or hopefully enhanced support than they had previously.</p>	<p>Funding for the region came from Welsh Government grant funding to the region and then through to local authorities. The new arrangements are not in the base budget as all the funding comes directly by means of grant funding from Welsh Government to us as an individual authority.</p> <p>The Memorandum of Understanding which has been agreed with Ceredigion is that the two authorities work together on aspects of school improvement. As a result of the direct grant funding we have been able to establish a new team, the Curriculum Development and Professional Learning Team. We also liaise with Ceredigion and people working in specialist areas. It is hoped to have an enhanced provision.</p> <p>ACTION: Committee after the election to review collaborative arrangements with Ceredigion.</p>
<p>Challenge advisers - Schools feel very supported by the work of the challenge advisers. However, there is concern about a potential reduction of time that challenge advisers could have with schools.</p>	<p>Challenge advisers have been renamed school improvement advisers. ERW was different to other areas in that its Challenge advisers were locally employed. As part of the post ERW plans, the posts remain the same for the school improvement team and there are no planned reductions in the size of that team. They are also working together with the Curriculum and Professional Learning team. A positive impact is already being seen.</p>
<p>Capital programme – we have the scheduling for band B works. Could I have an understanding of how the Powys contribution is going to be financed. Looking at the SOC (Strategic Outline Case) for the Ysgol Calon Cymru (YCC) catchment it identifies prudential borrowing rather than a MIM (Mutual Investment Model) as the preferred way forward. What are the department's thoughts about the funding of an extensive capital programme, which can impact</p>	<p>The papers around the MIM (Mutual Investment Model) were to keep this option open to see if it is feasible for any projects in the transformation programme. However, there are limits within the MIM, and the scale of the projects need to be quite substantial so there may be opportunities where a MIM could be used for some larger projects. For the YCC project which option is used will need to be decided at the time.</p> <p>The Council is a member of the</p>

on the corporate revenue budget.	Strategic Partnering Board that oversees the MIM, and will be considering a MIM if appropriate in the future. There are limits to what can be funded under a MIM. Nothing is ruled out currently and will be assessed at the time. It will also need projects to be batched over a certain limit which will be considered as well. The Council has got to keep all options open and consider the value for money for the option selected.
There is an extensive capital programme over the next three to four years. How much assurance do you have on the costings of that capital programme. Do you have any particular concerns about cost escalation.	<p>We go through a robust business case process so at each stage we can ascertain the costs. These are long projects of between three to five years to build a new school from inception to opening. This is discussed on a regular basis with Welsh Government who are very keen on managing contingencies. At the moment as confident as can be.</p> <p>Net zero – there has been a policy change by government that any new builds for schools have to be net zero. This is new for the Council and the Brynllwarch project will be a learning experience for the Council and aligns with the declaration of a climate emergency and the development of the Climate Strategy.</p>
Is there additional funding which can be drawn down from Welsh Government to support the additional costs of net zero. Are we drawing this down	Yes, we were informed there was a 10% additional funding available. However we need to check this in terms of the recent settlement to the Council to identify whether this is in relation to capital or revenue.
Fees and charges and in particular fees in relation to vacant properties a number of which are school properties such as school bungalows. As one of our priorities is to reduce homelessness why are these properties allowed to remain vacant. Are we paying Council Tax on these properties, insurance and maintenance costs. What is the loss of income to the education budget.	Agree with sentiment. However, it is important to recognise where these properties are as some of these properties are close to or in the curtilage of schools. It would cost a great deal to get them up to Welsh Housing Quality Standard. Some of the locations of properties make the issue more complicated. Some properties also have a long term tenant who may still live there.
Not assured as not seen that information. Cannot see why the YCC property cannot be let, associated	Agree, a wider understanding would be beneficial to all. Discussions are ongoing with schools

with the school. How can we receive an assurance that we are not missing opportunities here, or the Housing Service is not missing an opportunity. Is there more we could do. Could this be discussed in future.	about reutilising this space for other purposes.
Vacant place scheme – additional charge for post 16 travel – why does this cost more to use a vacant seat	AD – It always has been the case. Not ben reviewed. This is not a new change. PD – this should not be in the budget as we cannot charge for this any more.

Impact Assessments:

IA1 – Could you fill in the detail about the savings.	The income generation is £5k but could be higher. This is the figure for inspections already planned. In relation to NQTs (newly qualified teachers) the council provides support for NQTs especially for the independent sector who buy into this service. These are the areas where income is generated.
In terms of delivering this risks have been identified. The NQT one is likely to happen but there could be a risk to the inspections income. What is the breakdown between the two.	For each NQT the Council charges around £1000 for a year for their professional development. For Estyn inspections the income generated is about £500 per inspection. There could be more income generated but this is a reasonable estimate. With private / independent schools there are no guarantees that they will have an NTQ in a year to go through induction and therefore this is unstable income. In terms of Estyn, inspections will resume and the risk mitigation is high as we know what is currently in the system.
Council can generate income by some teachers undertaking inspections. Other headteachers assist across the county in planning for such matters as the future of sixth forms. Does the school where that headteacher works get compensated when the head is undertaking other work.	In terms of schools generating their own income, for school to school work such as support and mentoring, this generates an income for the school delegated budgets. For example there are a number of headteachers who are NQTH assessors which generates an income for the school. There are a number of ways in which schools generate income for themselves.

<p>IA2 – are you proposing a reduction of £50k for the next 3 years. There is a risk here that this might need to be reversed if it does not work out as planned. How soon will you know this risk has materialised and if it does what is the contingency.</p>	<p>In terms of improvement, it is not negotiable as there has been growth funding to deliver the Secondary School Improvement Strategy. We expect this to have an impact on standards in schools and do not expect this level of support to be needed in secondary schools in future. Would need other action to be taken if schools were not improving.</p> <p>Going forward we are expecting to move from a model of improvement with external support to a model of school to school support and peer working. Our expectation and the success criteria is clear. All clusters have a levy to improve teaching and learning. Monitoring improvement will be undertaken through the school improvement advisers. This is why there is a gradual reduction over three years of the external support. Also, the Professional Learning and Curriculum team having an impact on secondary school improvement strategy.</p> <p>Therefore, there is a high level of assurance that this is a saving that will be delivered, as improvements are expected to be delivered.</p>
<p>Fees for vacant place scheme – there is an additional charge for post 16 travel relative to pre-16 travel. Why is there this discrepancy.</p>	<p>This has been the case for a considerable period of time. Vacant seats cannot be offered any longer as well due to changes in Regulation so the council is unable to charge this fee. Therefore this is not relevant to the budget and the budget papers need to be amended to reflect this.</p>
<p>IA60 – DBS charges. This is the transfer of costs from the Workforce and OD budget to individual schools. Where is the saving to Powys' budget.</p> <p>Will the council need to raise an invoice to schools which will cost the Council more. Whilst this is a saving to one budget the money for it is coming from another budget within the Council.</p>	<p>The Council receives an income for undertaking this service from a number of organisations across the UK. Currently some of this income is being used to pay for DBS charges for schools. The Council will therefore take the savings as the offset for the costs.</p> <p>This will be reconciled by Finance for schools rather than invoices being raised.</p>

<p>Is this factored into the school funding formula.</p>	<p>The Workforce and OD Service has been asked to undertake a cost recovery.</p> <p>In the past this has been part of the service provided to schools. However, it will no longer be part of that service and the charges will be levied per person as the service is used rather than a blanket cost for each school. It is essential for schools to undertake DBS checks and the responsibility does lie with the school and governing body. The proposal is to purchase the service as and when required rather than a blanket cost included in the service provided.</p>
<p>What is the risk if schools decide to buy this service from outside the Council. What is the mitigation for the potential loss of income.</p>	<p>If schools go out to another provider we would still get the income from third party providers so that income not used to subsidise schools would go back to the Council as a saving.</p>
<p>Will the formula need to be adjusted to cover this. The SLA may have been generous to schools, but then there is a question about whether others can provide the service cheaper than the Council running it. This puts an additional burden on the schools at a time when they are struggling.</p>	<p>The Service undertakes around 27000 DBS checks a year for about 400 to 500 organisations including the Council and schools. That is around £1.1m turnover a year from which the Service makes a surplus part of which was used for DBS checks for schools.</p>
<p>Health and Safety – we heard from the Portfolio Holder that the pandemic has highlighted health and safety issues and that additional health and safety advice is needed at schools so the argument is that schools should be paying for this service.</p> <p>How well developed is this proposal as the description says that a model will be developed. Why is a model not already developed which schools can plan and budget for. This will be an additional cost for schools during the financial year. This is a genuine additional cost being moved on but there is no assurance that this can be delivered and there is no model which has been through a scrutiny process.</p> <p>This is a pressure on the schools</p>	<p>We have to have this provision and be able to support the schools. Settings have different requirements in terms of support. Work is needed to understand the requirement for this support. The Council did have a schools health and safety officer previously but that role is not funded. Take on board that a costed model is needed.</p> <p>In terms of the model we are in a developing situation. All schools are currently having CO2 monitors and looking at compliance and making properties covid safe and this has relied heavily on health and safety advice where there is limited capacity.</p>

budget rather than a saving, similar to Property Plus.	
We do not have enough information currently to make an informed decision. This is also not included in the funding formula, therefore we need more information about what the proposal is going to be.	This has been calculated using recent data and is based on actual costs by schools. A proposal was considered by the Schools Forum last week, which is that the cost would be based on a retainer style fee, and we offered to work with schools to reflect the size and nature of each school. A final fee structure needs to be determined.

Cllr Michael Williams left 11.30

Outcomes:

Scrutiny made the following observations:

- The Committee suggested that:
 - in future budget reports a separate appendix with detail of individual Service pressures would be useful for consideration as part of the scrutiny process.
 - In relation to Property Plus it needs to be clarified that this is for essential repairs and maintenance for compliance purposes, and that it would be of assistance if Members could receive further detail on the previous and likely forward costs to further explain the background to this cost pressure.
 - The budget report be amended in respect of Post 16 travel and the vacant places scheme to reflect that this is for existing users only as the Council cannot provide vacant seats for new post 16 pupils.
- The Committee commented that:
 - In relation to IA59 and IA60 (DBS checks and Health and Safety), these should not be included as cost savings as they are transfers between services and therefore do not meet the definition of a saving which is understood to be an overall saving to the Council.
 - In addition if some of this cost should be funded through the schools funding formula, there are processes to be followed to include such detail in the formula which to date have not been followed. Currently these costs are not included in school budgets and schools will need to make cuts elsewhere in their budgets to accommodate these costs.
 - In particular in relation to Health and Safety this is essential work which needs to be undertaken and rather than a cost saving this is a cost pressure on the Education Service and should be reflected as such in the budget papers.

Scrutiny's Recommendations to Cabinet:

- 1 in future budgets reports that a separate appendix detailing Service cost pressures be included
2. that further clarification be included in the report relating to property plus and Post 16 vacant seats as detailed above
3. That cost reductions IA59 and IA60 be removed from the list of cost reductions as these were transfers between services

- 4. That consideration be given to whether IA59 and IA60 could be funded through the schools funding formula**
- 5. that in the event of Recommendation 4 above not being feasible that this be identified as a budget pressure for the Education Service in the budget report**

County Councillor P Roberts (Chairman)