

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET
4th October 2016

REPORT AUTHOR: County Councillor Wynne Jones
Portfolio Holder for Finance
County Councillor Arwel Jones
Portfolio Holder for Education

SUBJECT: Ysgol Bro Hyddgen and Use of Delegated Funds for
School Transport

REPORT FOR: Decision

1. Summary

- 1.1 As part of Wales Audit Office` s statutory audit of the Council` s 2015/16 accounts questions were raised about schools` funding of pupil transport. All schools were contacted to establish if they were complying with the policy requirement and as a result an overall assessment was carried out of High Schools` compliance with Regulations 5.2 of the Powys Scheme for Financing of Schools.
- 1.2 The Internal Audit review of Ysgol Bro Hyddgen established that the school makes provision for a small number of pupils (up to 12 this year) from outside the County. These pupils are outside the designated catchment area and therefore this is in contravention of Regulation 5.2.
- 1.3 The overall provision of transport at Ysgol Bro Hyddgen reflects the collaborative educational arrangements that use out of county and in county schools and colleges to deliver the post 16 curriculum. However the non-compliance with Regulation 5.2 covers the transportation of a small number of pupils to the school from the Dolgellau area at the beginning of the school day. This transport has (until September 2016) been free and is in place to meet parental choice.
- 1.4 The Internal Audit review looked at other related areas such as the procurement of transport. The level of expenditure is estimated at around £10k per annum meaning written quotations should be obtained to demonstrate value for money.
- 1.5 At the time of the review the school did not operate a charging policy and therefore no costs were recovered for transporting out of catchment pupils. The cost was being met from delegated budget and the 14-19 learning pathway grant. The school has now moved to charging £60 per pupil per term.

2.0 Background

- 2.1 On 29th July 2008 the Council's Board approved a revised Scheme for the Financing of Schools which included the provision in Section 5.2 on Income from fees and charges that states:

“Where schools provide a service which is normally provided by the Authority e.g. home to school transport, the provision must be fully cost recovered either through parental contributions or PTA funding and should not be subsidised from the school's delegated budget”.

- 2.2 The Board approved a 3 year transitional arrangement for schools that provided home to school transport. This was done to ensure that learners at that time were provided with continuity of provision. The transition period ceased September 2011 at which time all schools were required to comply with the policy. This was further emphasised in the revised home to school transport policy agreed by the Board on 14th September 2010 that stated:

“Where parents exercise a preference for a school other than the nearest allocated school they must make arrangements for transport and are responsible for all transport costs”

3.0 Ysgol Bro Hyddgen's Use of Delegated Budget for Transport

- 3.1 Ysgol Bro Hyddgen provides transport on one route from Dolgellau every school day. The transport arrangement is for around 10 pupils. Those using the route do so as a result of parental choice.
- 3.2 The school has now moved to a charging regime of £60 per term. It is clear the Headteacher was not aware of Regulation 5.2. The school has acknowledged that the transport is in part funded from the delegated budget.
- 3.3 The school has been open about the position and admitted there has been a breach of Regulation 5.2.

4.0 Next Steps

- 4.1 The review has indicated that a breach of Regulation 5.2 has occurred and as a result an investigation is now required. The report to Cabinet on 14th June addressed the issue of Llanfyllin High School's non-compliance the Powys Scheme for the Financing of Schools. Whilst the report was about a specific school it also unequivocally reconfirmed Cabinet's requirement that all schools must comply with Regulation 5.2. Irrespective of the outcome of an investigation a move to compliance needs to take place.

- 4.2 It is important that a consistent approach is applied to the use of delegated budget by the school in line with the decisions reached following the review of provision of transport at Llanfyllin High School.
- 4.3 In line with the approach adopted for Llanfyllin it will be necessary for the Chair of Governors to confirm they will be fully compliant with Regulation 5.2 by 1st September 2018. The school can have a two year transition period. Charges for transport by the school will need to be at least in line with the council's vacant seat scheme from the beginning of next term. This would mean that from September 2018 the position will be on a full cost recovery basis.
- 4.4 The school will also need to have monthly meetings with council officers to review expenditure and income to ensure compliance with the scheme for the financing of schools. Regular reports of these meetings will be submitted to Cabinet and Audit Committee.
- 4.5 The school is already using the Council's financial system as its primary accounting system meaning one of the requirements required elsewhere is already in place.
- 4.6 Compliance with financial regulations and/or ECS procurement procedures in relation to the procurement of transport has now been achieved.
- 4.7 There has been a clear breach of regulation 5.2 at Ysgol Bro Hyddgen High School and it is therefore appropriate that Cabinet act in a consistent manner with the approach adopted for Llanfyllin High School.

5.0 Proposal

- 5.1 The report will ensure that Ysgol Bro Hyddgen High School High School complies with Regulation 5.2.
- 5.2 That an appropriate investigation is undertaken to establish the state of knowledge of school staff and governors (and it appropriate the state of knowledge of PCC officers). A further report will then be brought back to Cabinet

6.0 Options Considered/Available

- 6.1 The Cabinet could decide to take a different course of action but this would be inconsistent with agreed policy that was reconfirmed on 14th June.

7.0 Preferred Choice and Reasons

- 7.1 The Cabinet has established a precedent for action to be taken where a school is in breach of regulation 5.2.

7.2 Ysgol Bro Hyddgen High School's breach of regulation 5.2 is of a smaller scale than that elsewhere but there is a requirement to act consistently where a breach has occurred.

8.0 Local Member(s)

8.1 Councillor Gwilym Vaughan has commented as follows: "I'm happy with the recommendations".

8.2 Councillor Dai Jones:

8.3 Councillor Michael Williams has commented as follows: "Noting in particular at 3.3 'The school has been open...', the findings are what they are; I cannot be at variance with the recommendations"

9.0 Support Services (Legal, Finance, Corporate Property, HR, ICT, BPU)

9.1 Legal – The recommendations can be accepted from a legal point of view.

9.2 Finance - The Finance Team will undertake the monthly meetings with the School to review the position with regard to full cost recovery and provide Cabinet with the requested reports.

10.0 Corporate Communications

10.1 Communications - The report is of public interest and requires use of news release and appropriate social media to publicise the decision

11.0 Statutory Officers

11.1 The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".

11.2 The Strategic Director Resources (S151 Officer) notes the report outlines a position that is non-compliant with Regulation 5.2.

12.0 Members' Interests

12.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendations:
<p>1. That Ysgol Bro Hyddgen will have a two year transition period to comply with Regulation 5.2 and during the intervening period the charges for transport will be at least in line with the council's vacant seat scheme from the beginning of next term. From September 2018 the position will be on a full cost recovery basis.</p> <p>2. That Cabinet agrees to an appropriate investigation as suggested in paragraph 5.2 of the report. A further report will then be brought back to Cabinet.</p> <p>3. That monthly meetings be held between council officers and school representatives to review expenditure and income to ensure compliance with the Scheme for the Financing of Schools. Regular reports of these meetings be submitted to Cabinet and Audit Committee.</p> <p>4. The school provide documentary evidence to demonstrate compliance with financial regulations and/or EU procurement procedures in relation to the procurement of transport at the school in general, but in particular in relation to home to school transport arrangements made by the school.</p>	<p>To ensure compliance with agreed policy and act in a manner consistent with the actions taken to address the breach identified at Ysgol Bro Hyddgen</p>

Relevant Policy (ies):	Powys Scheme for the Financing of Schools Home to School Transport Policy		
Within Policy:	Y / N	Within Budget:	Y / N

Relevant Local Member(s):	
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Person(s) To Implement Decision:	David Powell
Date By When Decision To Be Implemented:	11 th October

Contact Officer Name:	Tel:	Fax:	Email:
David Powell	01597 826729		david.powell@powys.gov.uk

Background Papers used to prepare Report:

- Report to the Council's Board of 29th July 2008 on 'Revisions to the Powys Scheme for the Financing of Schools'
- Cabinet Report of 14th June on ensuring Llanfyllin High School's compliance with policy on use of delegated funds