

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

14th March 2017

**REPORT AUTHOR: The Leader
 The Solicitor to the Council**

SUBJECT: Llanfyllin High School

REPORT FOR: Decision

1. Summary

- 1.1** Cabinet will recall that on 22nd July 2016, the Cabinet heard an Appeal from the 4 LEA Governors at Llanfyllin High School. During the course of the Appeal Hearing, many, if not all, of the LEA Governors suggested that the investigation report by Jonathan Walters into the knowledge of Governors and PCC Officers of the use by the Governing Body of delegated budgets for Home to School Transport purposes was incomplete or invalid. It was suggested that it had not taken into account the content of a Report by Price Waterhouse Coopers dated June 2014 into Secondary School Financial Viability (“PWC Report”).
- 1.2** Some, if not all, of the LEA Governors suggested at the Appeal Hearing that contrary to the conclusions reached by Jonathan Walters in his Investigation Report, that certain Senior Officers of the Council must have known about the school’s use of delegated budget for Home to School Transport purposes having had sight of the PWC Report. In particular the LEA Governors relied upon the table contained on page 28 of the PWC Report which includes a reference to the high transport costs at Llanfyllin High School when compared with other schools.
- 1.3** In the circumstances I instructed the Solicitor to the Council to ask Mr Jonathan Walters to read the PWC report and to consider whether the PWC Report contained any new evidence which would cause him to

alter any of the findings or recommendations contained within his original investigation Report.

2. The Report

2.1 I attach a copy of the redacted further Investigation Report from Jonathan Walters dated 1st February 2017.

2.2 Cabinet will see from pages 16 - 17 of the further Investigation Report that Jonathan Walters came to the following findings: -

- a. In about early 2014 PWC were commissioned by the council to write a report in order to assist the council in moving forward with an agenda of school reorganisation
- b. The report was not commissioned to focus on the budgets of particular schools
- c. There was a meeting between PWC and xxxxx and xxxxx in the early summer of 2014.
- d. PWC were told by xxxxx that the school had used its delegated budget to fund transport costs
- e. PWC were not aware of the significance of the same and did not alert any council officer to that fact
- f. There were discussions between PWC and council officers about a draft of the report
- g. There is no evidence that during the discussion there was mention of the misuse of the school budget by Llanfyllin High School
- h. The final report was completed in June 2014 and it was widely distributed within the council in October 2014
- i. The final report was read by senior officers and by some councillors
- j. The final report could have alerted senior council officers and councillors to the potential misuse of the school budget
- k. The final report was a missed opportunity to discover the breach of the council's scheme and to address the issue of home to school transport in October 2014

- l. The final report did not in fact alert **anyone** to the misuse of the school budget
- m. Had it done so then it would have been actioned at that time
- n. The report to cabinet in January 2015 did not raise the matter as the author of the report was unaware of the significance of the issue
- o. There was genuine shock and surprise when the matter finally emerged as an issue at senior officer and member level in January 2016

2.3 On pages 18 - 19 of the Further Investigation Report, Mr Walters came to the following conclusions:

“6.1 It has been contended by a number of people that by no later than October 2014 senior officers and councillors of the council must have known that Llanfyllin High School was misusing its delegated budget by funding the cost of home to school transport for certain pupils in breach of the council’s Scheme for the Financing of Schools. It follows that if true all the expressions of shock and surprise in January 2016 were faked and deceitful. These are serious allegations because, if true, a number of senior officers and councillors have told innumerable lies about the matter.

6.2 Whilst I can readily understand the suspicion of interested parties that the PWC report in 2014 did alert senior officers and councillors to the breach of the council’s scheme, there are a number of factors which militate against such a finding:

- a. no one picked the matter up at the material time including the LEA governors of Llanfyllin High School
- b. no one advanced this matter or referred to this report during the first investigation which suggests that no one was aware of its potential significance
- c. if the allegation is true there would have been a collective decision by a number of senior officers and councillors to withhold the PWC report

from consideration by me in the hope that it would not materialise and that is not a credible contention

c. the genuine reactions of senior officers and councillors when the matter finally emerged in January 2016

6.3 On the evidence I have obtained, therefore, I do not consider that the PWC report alters the conclusions I reached in the first investigation report concerning the actions of governors, councillors or officers of the council.

6.4 It follows that I do not consider that the PWC report alters any of the recommendations I made in the first investigation report and there are no further recommendations necessary as a result of this second investigation report.”

3. Proposal

3.1 That Cabinet notes the Report and resolves that no further action is required.

4. Support Services (Legal, Finance, HR, ICT, BPU)

4.1 Finance: There are no financial implications associated with the recommendation.

4,2 Legal – The Recommendation can be supported from a legal point of view

5. Statutory Officers

5.1 The Strategic Director Resources (S151 Officer) notes the comment made by Finance.

5.2 The Solicitor to the Council (Monitoring Officer) has commented as follows: “I note the legal comment and have nothing to add to the report”

6. Members’ Interests

- 6.1 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 Recommendation:
1. To note the contents of the Investigation Report from Jonathan Walters dated February 2017 and resolves that no further action is required	To address the concerns raised by the LEA Governors and to draw a line to the matter

Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	
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Person(s) To Implement Decision:	The Solicitor to the Council
Date By When Decision To Be Implemented:	Immediately

Contact Officer Name:	Tel:	Fax:	Email:
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Background Papers used to prepare Report: