

# Public Document Pack

Learning and Skills Scrutiny Committee Monday, 11 February 2019

## **MINUTES OF A MEETING OF THE LEARNING AND SKILLS SCRUTINY COMMITTEE HELD AT COUNCIL CHAMBER - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON MONDAY, 11 FEBRUARY 2019**

PRESENT

County Councillor P Roberts (Chairman)

County Councillors G Breeze, B Davies, S C Davies, K Laurie-Parry, E Roderick, L Roberts, R G Thomas, Mrs A Davies, Mrs S. Davies, Mrs M Evitts, Robson, A W Davies and MC Alexander

Apologies for absence were received from County Councillors D R Jones

<b>1. APOLOGIES</b>
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Apologies for absence were received from County Councillor D Jones.

In attendance:

County Councillors M Alexander (Portfolio Holder for Learning and Welsh Language) and A Davies (Portfolio Holder for Finance, Countryside and Transport).

A Clark (Head of Learning), M Evans (Senior Manager Schools Transformation), R Waggett (Finance Manager) and D Thompson (Schools Capital and Property Manager).

<b>2. TO ELECT A VICE-CHAIR</b>
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**RESOLVED** that Co-opted Member Angela Davies be elected as Vice-Chair until the Annual meeting in May 2019.

<b>3. DECLARATIONS OF INTEREST</b>
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No declarations of interest were received.

<b>4. DECLARATIONS OF PARTY WHIP</b>
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No declarations of party whip were received.

<b>5. SCHOOL BALANCES</b>
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**Documents:**

- School budgets 2018-19 update as at 31<sup>st</sup> December 2018

**Discussion:**

*The report lacks detail to provide scrutiny with confidence that necessary actions are being taken.*

There is a requirement that reports are limited to four pages and there is a limit to what can be shared in open session if information relates to matters which are subject to HR processes. Additional information can be provided in appendices.

*The report would be enhanced by including trends over the last five years and benchmarking with other authorities.*

It would be possible to include trends but benchmarking is more complex as different authorities delegate in different ways.

*In 2014 the PwC report concluded a High School needed 750 pupils to be viable. As there are 8 High Schools in Powys with less than 750 pupils are the authority setting schools up to fail?*

The Portfolio Holder for Learning advised that she did not accept the PwC (PricewaterhouseCoopers) report as it did not take into account transport costs. If pupils were moved to larger units then it would be necessary to top slice more money for transport costs meaning less funding would be available for education. The Portfolio Holder advised that at present transport costs are £68k a day but these could rise to £98k a day if schools were closed. When pressed, the Portfolio Holder was unable to substantiate this figure. Given that this appears to be underpinning policy in relation to school organisation scrutiny are concerned that a policy developed in an apparent vacuum of evidence may be exposing pupils to a less than ideal educational environment and the authority to unnecessary expenditure.

The Portfolio Holder for Finance advised that the viable size for a High School had been set by the council not PwC and that it would be necessary for any future changes to the structure of schools would need to be evidenced.

The Head of Learning advised that there are some small high schools who are able to manage their budgets and have good learning outcomes whilst some of the biggest schools are struggling the most.

He advised that Welsh Government consider small schools to be less than 91 pupils which in Powys would be considered a more viable school. It will be necessary for all to consider how small schools fit into the network in Powys for example by closer inter-school working both at primary to primary level and at primary to high school level. There are opportunities for federation, all-through schools and collaboration but if there are local solutions which would work but for which there are no permissions then it will be necessary to discuss this with Welsh Government.

The Chair noted this as an area which scrutiny may wish to explore further.

*What information is available to ascertain what the costs of transport would be if x number of high schools closed?*

This information is taken into account when proposed changes are considered for example when looking at the arrangements for secondary provision at Ysgol Calon Cymru.

*What capacity does the schools service hold to help schools who are experiencing difficulties balancing their budget and who is charged for this support?*

The Head of Schools confirmed that if schools request additional support in working towards a balanced budget, there will be a charge for this. If a school receives a Warning Notice and the authority act within these parameters, then

the costs of this are met centrally. This is resource intensive and the schools service do not have the capacity to undertake this level of work across the county.

He observed that there needs to be additional Governor training to draw attention to the link between finance and outcomes. If for example a school has a heavy TLR (Teaching and Learning Responsibilities) structure, then this impacts not only on the financial position of the school but also on the teaching workload as a TLR removes the teaching commitment by one third. The Council budget for 2019/20 includes an additional £1million which is welcome but this does not cover the additional costs and therefore there is a real term cut in delegated funding.

There are opportunities to change which will result in reduced cuts. For example, better contracting can save costs, not having subject leads in every subject (no longer affordable), school teachers need upskilling (for which ERW has not been sufficiently pro-active) and using senior tier teachers for appropriate whole school's tasks. These changes need to take place at pace over the next three to six years.

The Portfolio Holder observed that there was a role for Bursars to take the lead in finance management to enable the Head Teacher to focus on teaching and learning.

*Will reports be produced of the intensive work undertaken with schools who have received a Warning Letter so other schools can learn from this information?*

Reports of this work could be provided but are extremely resource intensive and have limited value as each school has individual circumstances. There is however potential for school to school learning and an improved network of cluster heads meetings could be a way for this information to be shared.

*What is the definition of licensed, unlicensed and approved budgets?*

An unlicensed position is where a deficit budget has been set with no means of bringing the budget back to balance. A licensed position is where a deficit budget is set with a plan to bring the budget back into balance within 3 or 5 years. An approved budget is one which is in balance in the current year and may or may not remain in black over the next 3 years.

Schools with approved budgets get little additional in year support. Schools with licensed budgets get some support whilst schools with unlicensed budgets get a higher level of support and challenge.

*What capacity has the authority to provide sufficient support and challenge?*

The Portfolio Holder for Finance noted that well run schools (green under categorisation) should not be requiring resource from the authority to provide support and challenge on financial matters. These schools are taking resource from those schools more in need (those categorised as red).

*It seems perverse to charge schools who are struggling for support.*

All support provided incurs a cost and funds are limited.

*Does the additional £1million provided within the school's budget include inflation, pension and salary uplift?*

The Portfolio Holder confirmed that the additional costs resulting from inflation and the teachers' pay award (funded by Welsh Government) are included within the additional £1million. To date there has been no information regarding the

additional costs relating to teachers' pensions from Westminster. This may result in additional costs in Powys.

*What impact will the newly agreed funding formula have on the figures contained within this report? What help and support will be available to those schools adversely affected?*

The Portfolio Holder for Finance confirmed that the new funding formula would be phased in over two years but that the detail of the phasing methodology had yet to be confirmed.

The Finance Manager advised that over the next two months' meetings would be arranged with all schools to go through their budgets. Two potential ways of phasing the changes are being examined:

- 50% this year 50% in the following year for all schools
- If the changes are less than 3% the new formula is immediately applied. If the changes are greater than 3% the new formula is phased in over 2 years

It will be essential that the overall budget balances in each of the two years.

*Can scrutiny have sight of the populated model that has been run for each school?*

This information has been calculated for High Schools first as High Schools undertake their own budgets. The information for Primary Schools will be shared with schools during their financial surgeries.

The Head of Learning confirmed that detail for individual schools had not been closely examined but modelling shows the majority of schools sit close to their current position although there are some outside it. This is a full reset of the £77million delegated schools budget.

*Are special schools subject to the same budgetary arrangements as mainstream schools?*

Yes.

*Are Governors always represented at School Finance meetings?*

Yes, with either the Chair of Governors or the Chair of the Finance Committee attending.

*It appears that small schools are being protected at the expense of larger schools who are being forced to teach pupils in ever larger classes to keep a balanced budget.*

The Portfolio Holder for Learning advised that the authority are closing schools for example in Newtown where four are being closed to be replaced by two. The authority is also changing schools for example by federating (Carno, Glantwymyn and Llanbrynmair are a good example of federation which has resulted in very pleasing Estyn Inspection outcomes). It is necessary to ensure that if schools are closed it is for sound educational and financial reasons and that communities are worked with. Cost savings from the Newtown proposals are considerable and will mean money can go back into schools.

The Head of Learning confirmed that there are a number of schools on the cusp of viability and there is a limit with what he can do with the deficit in the schools delegated budget. Working with schools however has reduced the projected deficit in 2020/21 from -£7.6million to -£5.1million.

The Portfolio Holder for Finance confirmed that the level of school balance deficits is a risk to the Council. Schools and the Schools Service are working hard to bring down the levels of deficit but it is of particular concern that the overall balances are in deficit (a slight surplus in primaries is written off by the deficit secondary's). The funding formula review will help get clarity going forward but it is necessary to look at the pattern of schools and provision across Powys. Decisions will need to be evidence driven. Learning is the biggest budget in the Council (approximately 40%).

The Portfolio Holder for Learning advised that when the top slice for school transport and ALN was removed Powys spend an average amount on schools. There are pupils in special education who would not be accessing this provision elsewhere and the work undertaken by the ALN transformation should mean that more money will be available for delegated funding. It should be noted that much hard work has been undertaken to reduce the projected deficits in the schools delegated budget and the reducing the funding for ALN.

**Outcomes:**

- **Scrutiny would encourage the use of appendices in formal Cabinet reports as it believes the rigorous enforcement of a four-page report model hampers scrutiny and the general public from understanding and being able to question officers and Portfolio Holders during the pre-cabinet scrutiny process**
- **That those schools who have worked to improve their forecast budgets are commended and those who still have work to do are urged to take necessary and urgent action to bring their budgets back into balance**
- **That Learning and Skills Scrutiny continue to monitor school budgets both delegated and central**
- **That Learning and Skills Scrutiny would highlight the comments of the Portfolio Holder for Finance regarding the need to be evidence driven and believe that greater resource should be deployed to ensure that relevant information is available to inform any future reconfiguration process**
- **That consideration is given to improving the opportunities for peer to peer support for schools struggling with budget issues**
- **That consideration is given as to how the role of governors, and specifically local authority governors can be supported to enable them to fulfil their role whilst acting with a full understanding of the local authority position**

<b>6.   SCHOOLS MAJOR IMPROVEMENT PROGRAMME</b>
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**Documents:**

- Schools Service Major Improvements Programme 2019-2020
- Appendix A – Buildings and site priorities

**Discussion:**

*Why is only one school benefitting from the Welsh Government Feminine hygiene and toilets grant?*

Under the scoring system the only school toilets due for capital spend were at Llangattock Church in Wales Primary school. The capital grant has therefore been spent at this school. The revenue grant received is being distributed by the schools service.

The Portfolio Holder described a new project 'Bags of Confidence' which was starting in Llanidloes, as a Powys based solution for period poverty but also looked to reach a wider audience toothbrushes and deodorant for pupils in need of both gender. It is hoped to roll this project out across Powys.

The Head of Learning noted that in terms of capital spend on school's toilets the grant would not go far and it had therefore been prioritised to where it will have the greatest impact.

*What will be the impact of reducing the capital spend available for Schools Major Improvements from £2million to £1million in future years?*

There will be an impact on the ability for to respond to DDA requirements. The service is still responding to the condition of blocks but the reduction will reduce the ability to respond to maintenance and repairs. It will be necessary to ensure that the schools major improvements programme closely aligns to the 21<sup>st</sup> Century schools programme. It will be necessary to make in year changes to the programme if, for example, health and safety issues arise.

The Portfolio Holder advised that it was important to consider capital investment proposals at an early stage and be mindful of value for money considerations. For example, would it be good value for money to spend £250k of capital on a small school. However, when those schools in very poor condition have been replaced there will be more money available. The changes made in school for DDA purposes will be long lasting providing they are maintained and they are more cost effective than transporting a pupil to a special school.

The Schools Capital and Property Manager noted that a huge benefit accrued by enabling pupils to access mainstream education having made alterations for DDA requirements.

*Why are certain schools who are known to be in poor condition not on this programme?*

Those schools who are identified for feasibility work under the 21<sup>st</sup> Century Schools Programme, for example Sennybridge, will not feature on the Major Improvements Programme.

*Should the authority be considering spending more money through Major School Improvements rather than the 21<sup>st</sup> Century Schools programme?*

The Portfolio Holder confirmed that these were difficult decisions and whilst there was a need to improve 'tired schools' the focus on 21<sup>st</sup> Century Schools funding was transformational. Thus there are opportunities in for example Newtown where subject to detailed work it is proposed across the primary sector to close five and open two. There is always a balance between maintaining schools and accepting that a new build is necessary. Value for money is paramount.

*What would be the cost of bringing all schools up to standard?*

Under the Schools Asset Management Plan the service is collating the asset information and in the next quarter will be reviewing the condition of all schools together with the liability. This will enable a forecast to be produced on a school by school basis and will be provided to scrutiny.

*Do all schools subscribe to Property Plus?*

Not all schools have chosen to subscribe to Property Plus. When a new school is built there will be an opportunity to subscribe to Property Plus. The minimum period of subscription is three years.

*How confident can schools be in signing up for Property Plus if for extended period the service offered is 'emergency only'?*

This was a difficult time for schools and the 'emergency only' period did include health and safety matters. Part of the reason for this period was because the service was dealing with a backlog.

*Who is responsible for fencing school sites?*

The local authority.

*Are there any plans to put solar panels on the school estate?*

This work would be part a corporate approach to energy generation.

*Although LED lights are energy efficient how is this assessed against payback times?*

Design life information has been requested so a business case can be put forward. It appears there is a mixed picture and HoWPS will be asked for their experience. This can then be provided to schools.

*How is the service assured that jobs are completed to the appropriate standard?*

The service aim to sign off every project to have a visual record and handover.

#### **Outcomes:**

- **That Scrutiny Observations on the Schools Major Improvement Programme be prepared for submission with Cabinet papers.**
- **A copy of the report on bringing schools up to standard (including cost) be provided to scrutiny on completion.**

<b>7.</b>	<b>CHAIR'S BRIEFING</b>
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The Chair explained that there was a new method for commissioning scrutiny which meant that the three new Scrutiny Committees effectively have to bid for work to the Co-ordinating Committee who will consider it for inclusion at a full scrutiny committee, appropriate for a working group or reject it.

At the first meeting the following bids were made:

1. The Welsh immersion scheme. The Co-ordinating Committee have asked that it be ascertained how this links to the WESP and what would be appropriate timeframes for this work.
2. A School Improvement Working Group. The Co-ordinating Committee have requested terms of reference for this group.
3. School Finance Working Group. The Co-ordinating Committee have requested terms of reference for this group.

<b>8.</b>	<b>WORK PROGRAMME</b>
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Dates for future meetings of the full Learning and Skills Scrutiny Committee are as follows:

- 28<sup>th</sup> March 2019
- 13<sup>th</sup> May 2019
- 8<sup>th</sup> July 2019
- 19<sup>th</sup> August 2019
- 7<sup>th</sup> October 2019
- 18<sup>th</sup> November 2019

**County Councillor P Roberts (Chairman)**