



SPECIAL EDUCATION FOR LIFE SCRUTINY COMMITTEE

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
THURSDAY, 7TH DECEMBER 2017 AT 5.30 P.M.**

PRESENT:

Councillor W. David - Chair

Councillors:

A. Collis, S. Cook, A. Farina-Childs, D.T. Hardacre, D. Havard, M.P. James, Mrs B. Miles,
Mrs T. Parry, R. Whiting

Cabinet Member:

P. Marsden (Cabinet Member for Education and Achievement)

Co-opted Members:

Mr D. Davies (Caerphilly Governors Association), Mrs J. Havard (NUT), Mr R. Morgan (Parent Governor)

Together with:

K. Cole (Chief Education Officer), S. Harris (Interim Head of Corporate Finance), S. Richards (Interim Head of Planning, Strategy and Resources), S. Ellis (Lead for Inclusion and ALN), G.H. Evans (Senior Manager Libraries), J. Southcombe (Finance Manager – Education and Lifelong Learning and Schools), L. Thomas (Acting Senior Manager Libraries), C. Forbes-Thompson (Interim Head of Democratic Services) and R. Barrett (Committee Services Officer)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mrs C. Andrews, J. Bevan, P.J. Bevan, Mrs G. D. Oliver, J.E. Roberts, and R. Saralis, together with Mr M. Barry (Parent Governor) and Mr M. Western (Cardiff ROC Archdiocesan).

2. DECLARATIONS OF INTEREST

There were no declarations of interest received at the commencement or during the course of the meeting.

REPORTS OF OFFICERS

Consideration was given to the following reports.

3. DRAFT BUDGET PROPOSALS FOR 2018/19

The report, which was presented to Cabinet on 15th November 2017, provided Members with details of draft budget proposals and draft savings proposals for the 2018/19 financial year, to allow for a period of consultation prior to a final decision in February 2018.

Members noted the headline issues in the WG Provisional 2018/19 Local Government Financial Settlement and the details of the draft budget proposals for 2018/19. The report detailed Whole Authority Cost Pressures (£8.867m), together with Inescapable Service Pressures and Other Service Commitments (£2.310m) and a 1% reduction in Welsh Government Funding equating to £2.965m for 2018/19. Additionally, the report outlined draft savings proposals for 2018/19 (£7.205m) and a proposed Council Tax Uplift of 4.52% (£2.999m) which will ensure that a balanced budget is deliverable for 2018/19. The draft budget proposals assume no growth for schools in 2018/19, and as there is no requirement in the Provisional Settlement to protect schools, they will be required to manage their own pay and non-inflationary increases in 2018/19 along with other emerging cost pressures.

The report outlined the financial pressures placed on service areas, in particular Social Services, arising from fee increases for external care providers and further demand in both Adult and Children's Services. As a result, the report proposed that a further £1.5m be allocated in the 2018/19 budget to meet these ongoing financial pressures. Members were also referred to the report appendices which summarised the savings proposals by Directorate/Service Area, together with the savings proposals that are likely to have an impact on the public. £4.682m of the proposed £7.205m savings are 'nil impact', consisting of vacancy management, budget realignment and minor changes to service provision.

Members were reminded of the Medium-Term Financial Plan presented to Council in February 2017, which showed a potential savings requirement of £22.161m for the three-year period 2019/20 to 2021/22, and assumed a cash flat position in terms of the WG Financial Settlement for each of these years. WG has now provided an all-Wales indicative reduction in Aggregate External Finance of minus 1.5% for 2019/20, which would increase the Council's savings requirement by a further £3.984m for 2019/20 alone. If this was replicated in 2020/21 and 2021/22 then further savings of £7.789m would be required. This would result in a total savings requirement of circa £34m for the three-year period 2019/20 to 2021/22 and presents further challenges moving forward in regards to the Authority's Medium-Term Financial Plan.

It was explained that the indicative reduction of 1.5% is being reviewed by WG following the Chancellor's Autumn Budget Statement and the Final 2018/19 Local Government Financial Settlement, due to be issued on the 20th December 2017, may include a revised indicative figure for 2019/20. An updated Medium-Term Financial Plan covering the period 2018/19 to 2022/23 will be presented to both Cabinet and Council in February 2018.

The Scrutiny Committee were invited to consider and comment on the Draft Savings Proposals for 2018/19.

A Member referred to the 1.8% increase (£1.973m) in the Aggregate External Finance as detailed in the report and queried how this equated to a net cash reduction of 1% (£2.965m) compared to 2017/18. Officers provided a further explanation of how the transfer in of specific grants and new responsibilities and changes to other passported grants has resulted in this overall cash reduction.

In response to discussion regarding the proposed Council Tax Uplift of 4.52%, Officers explained that each 1% equates to a value of around £0.5m and that should Members be minded to reduce the level of the proposed uplift, this would lead to the Authority having to find an additional £0.5m in savings elsewhere for each 1% reduction.

Clarification was sought on the details of the Private Finance Initiative (PFI) review included in the 2018/19 inescapable service commitments/pressures and the anticipated shortfall of £22m for the Schools PFI Sinking Fund. Officers explained that this review is ongoing and at its conclusion a detailed report will be prepared confirming the specific reasons for the anticipated shortfall. In response to a Member's query, it was explained that the £22m is a cumulative figure for the remaining life of the PFI contracts. A query was also received regarding the changes in the payment profile for the Schools PFI Sinking Fund, which has led to the projected interest on balances being circa £7.1m less than originally anticipated. Officers explained that the changes to the payment profile reflect actual payments made to date against those that were anticipated at the outset. This has resulted in balances being lower than originally projected which has impacted on investment income.

It was confirmed that the minutes from the Special Scrutiny Committee meetings, incorporating the views and comments of Members on the draft budget proposals, would be appended to the final 2018/19 budget report being presented to both Cabinet and Council in February 2018. Members were also advised that a Members' Seminar is in the process of being arranged for January 2018 to enable all Members to be briefed on the Final 2018/19 Local Government Financial Settlement and to provide a further opportunity for views to be expressed and shared and for questions to be raised.

Having fully considered the report, Members unanimously agreed that the details of the draft budget proposals for 2018/19 be noted.

4. MEDIUM TERM FINANCIAL PLAN – SAVINGS PROPOSALS FOR 2018/19

Consideration was given to the report, which provided details of the Education Directorate's 2018/19 savings proposals to support the Authority's Medium Term Financial Plan, and sought the views of the Scrutiny Committee on the range of these proposals. Members' support was also sought regarding a future report to Cabinet, on the use of £830k of Local Management of Schools (LMS) contingency balances towards the maintenance of school buildings for a period of 3 years.

It was explained that the proposed savings of £1.381m have been split into those with nil direct public impact and those with a low or medium public impact. The nil impact savings (£802k) consist mainly of vacancy management, budget realignment and minor changes to service provision, and the remaining savings proposals (£579k) will impact on the public to varying degrees. Officers summarised each of the public impact proposed savings as follows, with further details contained in the report:-

1. Library Book Fund Reduction £25k (Public Impact: Low);
2. Maintenance of School Buildings - 50/50 Funding with Schools £333k (Public Impact: Medium);
3. SPLD Teachers Team (Specific Learning Difficulties) – Removal of Vacant Posts - £66k (Public Impact: Medium);
4. School Improvement Initiatives – Budget Reduction - £120k (Public Impact: Medium);
5. Libraries – Removal of Newspapers and Reduction in Online Subscriptions - £20k (Public Impact: Medium);
6. Youth Service – Reduction in Contribution to GAVO for Holiday Scheme Co-Ordinator - £15k (Public Impact: Medium).

Members were also referred to the report appendices which contained an equalities impact assessments for each of the 2018/19 savings proposals that are expected to have an impact on the public.

In view of the proposals in relation to School Improvement Initiatives and the Maintenance of School Buildings (50/50 Funding), discussion took place regarding the current condition of school buildings. Officers explained that the overall condition of buildings are mixed but that

building surveys are currently underway which will provide an updated overview of the situation when completed. Clarification was sought on the type of emergency situations that could allow funding to be accessed from reserves. Officers explained that in addition to the 50/50 project, the Council has alternative funds to deal with emergency works such as boiler repairs/replacements. It was explained that although there is insufficient funding to bring school buildings up to Category A or B standard, the Council is managing well in regards to maintenance requirements and will continue to prioritise areas such as fire risk and health and safety works.

Concerns were raised regarding the removal of the budget for the Maintenance of School Buildings (50/50 Funding), given that the utilisation of £830k of LMS contingency balances towards the maintenance of school buildings is only for a period of 3 years and there may be no alternative funding once this period has lapsed. Members expressed a need for continued investment and improvement across all existing schools in order to provide a suitable learning and teaching environment. It was also suggested that it might have been beneficial to seek Cabinet approval for this proposal ahead of it being presented to the Scrutiny Committee, in order to reassure Members that this funding has been secured. Officers explained that this proposal will form part of the recommendations within the Medium Term Financial Plan report being presented to Cabinet and Council in February 2018.

A Member also queried whether there were sufficient funds in the LMS contingency balances to allow their use towards the maintenance of school buildings. Officers explained that these balances are currently in the region of £2m, which have accrued over a number of years, and have not been accessed on a regular basis to date. Therefore a sizeable balance would still remain if a portion of this funding were to be utilised for school maintenance, and Officers will give further examination to its use over the next few years.

Queries were received in respect of the proposal to remove vacant posts from the SPLD Team. A Member queried the number of children supported by the team, and Officers explained that they did not have this information to hand but could arrange to circulate details to Members following the meeting. It was confirmed that the Council have been able to build up a large team of staff to provide early intervention in such cases, and assurances were given that the team have adequate staffing levels in place to cover all statutory requirements.

The Member queried the waiting time for cases to be dealt with (from when first identified by the school). Officers explained that there is no waiting list due to the way these are allocated, but that timescales can vary depending on how the school prioritises such cases and that regular meetings are held between schools and the local authority to ensure that they are receiving the necessary support. The same Member also queried the impact of the behaviour by children (who are supported by SPLD) upon other children in the school. Officers explained that work is ongoing across local authorities in relation to how schools manage such cases, and that the Council places a focus on assessing the impact across a number of other areas, in addition to Specific Learning Difficulties. Officers confirmed that they would arrange to circulate further information to the Scrutiny Committee in regards to the queries raised by the Member. Members were also reminded of the need to protect statutory elements of Learning, Education and Inclusion and of the Council's excellent track record in relation to pupil intervention. It was explained that moving forward, a forum will be arranged between schools and the Authority to provide an avenue for teachers of pupils with Additional Learning Needs.

A Member queried why the proposal to remove vacant SPLD posts had been classed as a medium impact, given that there are no consequences anticipated for children/young people with the most complex needs. Officers explained that this is because schools have become accustomed to the support provided by the discretionary element of the service and there could be an impact on this support if there were a significant increase in the number of referrals.

Discussion took place regarding the savings proposals in relation to libraries and concerns were raised that the proposal to reduce the Library Book Fund might have an impact in relation to the upholding of Welsh Language Standards. Officers explained that the Council have access to a wide range of resources through other avenues such as the shared "Books4U" scheme and that they did not anticipate this proposal would have a significant impact on the provision of Welsh language materials. Members were also advised that Library Services currently purchase every book title that is produced in the Welsh Language. In addition, Officers explained that the Council would be able to approach establishments such as the British National Library for hard-to-find books if these could not be sourced via the normal routes.

Members expressed their disappointment regarding the proposed removal of hard copy newspapers from libraries. Officers acknowledged the strength of feeling against this proposal but reiterated the need for savings to be made, and emphasised that most publications are available in online form and can be accessed via the computers located in all Council libraries. It was confirmed that library staff will be on hand to help users access this online content and there will be a two month transitional period prior to the withdrawal of the hard copies whereby library users will be encouraged to use the online resources. In addition, the Council runs a number of schemes across its libraries (such as Digital Fridays) to help users develop their computer skills. The Council are also in discussion with a national free daily newspaper to determine whether they can supply copies of their publication to libraries.

In closing, the Cabinet Member for Education referred to the difficult decisions that needed to be made at the present time and in the near future regarding the savings proposals. She also requested that her thanks to the presenting Officers be placed on record for the professional way in which they had prepared the proposals.

Following consideration of the proposals in the report, it was moved that recommendation 10.1 be amended, in that the removal of vacant posts within the SPLD team and the budget reduction for School Improvement Initiatives be not supported. This motion was not seconded.

In taking both of the recommendations separately, with regard to recommendation 10.1, it was agreed that the proposals detailed in the report be supported. By a show of hands (and in noting there was 1 against and 1 abstention), this was agreed by the majority present.

A Member queried the feasibility of increasing the proposed level of funding for the LMS contingency balances (from £830k to £999k) and Officers expressed the need for caution in this area in view of the potential financial uncertainty in future years. The Member then moved an amendment to recommendation 10.2 of the report, in that the proposed level of funding for the LMS contingency balances be increased from £830k to £999k. This motion was not seconded.

It was moved and seconded that recommendation 10.2 of the report (the use of £830k of LMS contingency balances towards the maintenance of school buildings for a period of 3 years) be supported. By a show of hands (and in noting there were 2 abstentions), this was agreed by the majority present.

RESOLVED that for the reasons contained in the Officer's report:-

- (i) the draft savings proposals for 2018/19 for the Education Directorate be supported;
- (ii) proposals for the use of £830k of LMS contingency balances towards the maintenance of school buildings for a period of 3 years be supported and a report be presented to Cabinet accordingly.

The meeting closed at 6.44 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 9th January 2018, they were signed by the Chair.

CHAIR