

MONMOUTHSHIRE COUNTY COUNCIL

Extract of Draft Minutes of the meeting of Children and Young People Select Committee held at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 24th January, 2019 at 10.00 am

PRESENT: County Councillor M.Groucutt (Chairman)

County Councillors: L.Brown, D. Jones, M.Lane, M. Powell, T.Thomas, J.Watkins and S. Woodhouse

Also County Councillors: P. Murphy, R. John, A. Easson, R. Harris and R. Roden

OFFICERS IN ATTENDANCE:

Will McLean	Chief Officer for Children and Young People
Mark Howcroft	Assistant Head of Finance
Nikki Wellington	Finance Manager
Wendy Barnard	Democratic Services Officer

ALSO IN ATTENDANCE:

Mr. M. Fowler	Parent Governor Representative
Mrs. L. Wakerley	Chair, Monmouthshire Association of School Governors
Mr. P. Strong	NEU
Ms. F. Middleton	NASUWT

APOLOGIES:

County Councillor L.Jones

1. Declarations of Interest

Item 6: Revenue Budget Proposals - County Councillor A. Easson declared a personal non-prejudicial interest as a Governor of Ysgol Gymraeg Y Ffin.

The Chair welcomed Cabinet Members County Councillor P. Murphy (Resources) and County Councillor R. John (Children and Young People) to the meeting.

2. Public Forum

No members of the public were present.

4. Capital Strategy Assessment and Capital Budget Proposals 2019/20

Purpose:

1. Chartered institute of Public Finance and Accountancy (CIPFA) produced a revised regulatory Code in December 2017, which included a need for local authorities to produce a Capital Strategy. The requirements were staggered with an aim for reporting compliance during 2018/19 with a full Capital Strategy implemented for 2019/20. This report concentrates on the former in evaluating the governance, planning and priority

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setting involved in presenting 2019-20 capital budget proposals and the 3 years thereafter making up the collective capital medium term financial plan.

2. CIPFA report that a Capital Strategy should be tailored to individual circumstances and consequentially don't volunteer a prescriptive format. The overall intent is that any Capital Strategy should allow Members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured. The overall purpose of a capital strategy being to provide opportunity for engagement with Full Council to ensure overall strategy, governance procedures and risk appetite are fully understood by all elected members

3. The code, in describing the Capital Strategy, reports it can be delegated to Cabinet (or similar body) with Full Council being responsible. MCC's approach is to report budget setting process through Cabinet, with consideration and approval of the future capital programmes resting with full Council. The Council's Constitution is consistent with compliance requirements. It is anticipated that the actual resulting capital strategy will be reconciled and consistent with a wider financial strategy and both available for consideration during Spring cycle of meetings.

Key Issues:

Children and Young People Select Committee to consider and provide feedback upon the budget assumptions, pressures and savings proforma affecting this Select portfolio area.

1. That Cabinet considers the capital strategy requirements and assesses the preparedness of current practices to satisfy capital strategy compliance obligations for onward endorsement to Council as part of capital strategy report in January 2019.

2. That Cabinet considers the annual core capital programme identified in Appendix 2 for 2019-20, together with the additions proposed in paras 6.14 to 6.18, and issues its draft capital budget proposals for 2019/20 to 2022/23 for consultation purposes.

3. That Cabinet reaffirms the principle that during the financial year, any new schemes volunteered can only be added to the programme if the business case demonstrates that they are self-financing or if the scheme is deemed a higher priority than current schemes in the programme and therefore displaces it.

4. When considering the relative merits of projects and potential displacement, that Cabinet consider the indicative priority matrix supplied in para 4.15, either endorsing or amending it for onward consideration by full Council.

5. That Cabinet considers the extent of proposed sale of assets captured in exempt Appendix 5, in order to support the capital programme, and that once agreed, no further options are considered for these assets.

6. That Cabinet note the potential forecast of capital receipt levels, prior to the consideration of using £75,000 of receipts balance to afford condition survey work to update historic condition survey information and a ceiling of capital receipts funding of £300k to assist with the business case affordability of

Severn View Residential Home replacement. Any excess of capital receipts generated thereafter is proposed to be applied by Treasury colleagues in a fashion that will mitigate minimum revenue provision costs and interest payments, to assist with revenue budget management. This is a change in capital receipt strategy to that applied in earmarking receipt generation to afford Members tranche A Future Schools aspirations.

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This will mean that any further school redevelopment will need to derive a greater extent of revenue headroom to afford the prudential borrowing financing of such developments.

Capital Strategy Summary Considerations

7. The Capital Strategy sets out the council's approach to capital investment over a longer timeframe than is traditional in the 4 year medium term financial plan and will provide a framework through which our resources, and those matched with key partners, are allocated to help meet strategic priorities.

It is about planning, prioritisation, management and funding and is more informed by the council's consideration of:

- Corporate Plan
- Asset Management Plan
- Commercial Investments Strategy
- Treasury Management

Member Scrutiny:

The Assistant Head of Finance/ Deputy Section 151 Officer presented the report and invited questions and comments from the Select Committee as follows:

- In response to a query on pressures, it was answered that the figures are in respect of liability related to assets held. The capital programme of £40million annually was highlighted; the 2 largest items being school replacement. Other infrastructure items (e.g. highways maintenance, Disabled Facility Grant) have been kept at historic levels. The list is useful in the event that money becomes available. It is proposed that any extra money is used for the £80million highways maintenance scheme. The sewerage treatment work is also highlighted as a priority. Priorities for schools are the Band B 3-19 replacement of King Henry VIII Comprehensive School. The Cabinet Member for Resources referred to the development of a new Local Development Plan (LDP) that will include consideration of sufficient primary and secondary school places. The Cabinet Member noted that Welsh Government will now contribute 65%.
- A Member commented that there is a low amount earmarked for property maintenance and expressed concern that problems could be stored up for the future and that there would be a noticeable contrast between schools with outstanding maintenance issues and the new schools.
- Regarding 21st C Schools, an update was provided by the Chief Officer, Children and Young People that the new team should be in place before half term, the first 21st C Schools Board has met and will have overview of all schools estates to meet the needs of future learners in the longer term.

Committee Conclusion:

The Chair, on behalf of the committee was pleased to receive the report and noted that no objections were raised. The Assistant Head of Finance/ Deputy Section 151 Officer was thanked for the report.

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5. Revenue Budget Proposals 2019/20

Purpose:

1. The backing main report is being shared with all Select Committee members so that they can understand the holistic budget position being considered by Cabinet. The holistic nature of that report recognises that savings proposals should not be viewed in isolation, and may be necessary to allow other service priorities to be maintained.
2. Subsequent to the consultation process and feedback from individual Select Committees and other representative groups on particular proposals, the resulting report will be provided to full Council in their consideration of settling a balanced budget for 2019/20.
3. This abridged report seeks to ensure that all proposals have a designated scrutiny oversight, and the tables below highlight those illustratively earmarked to the Scrutiny role of Children and Young People Select Committee for specific feedback.

Key Issues:

1. It is recommended that Select Committee consider specifically the table of pressure and savings, with a view to providing pertinent feedback on the adoption or otherwise of such by full Council in its subsequent consideration.

Member Scrutiny:

The Cabinet Member for Resources presented the Revenue Budget proposals. Following on from this, questions and comments were invited

- In response to a question, the Chief Officer acknowledged that the increase in teachers' pensions employer contributions from 16% to 23% (potentially £112,000 additional per month) represent a significant pressure. There is frequent contact with Welsh Government and Welsh Local Government Association to seek an update. Schools are reassured that they will receive the funding but the risk is being held centrally. Welsh Government has confirmed it will fund the teachers' pay award for this and next year.
- The possibility of appealing against rates increases at the new schools was raised. It was explained that the increases are due to the valuation of the two new schools. The authority appeals valuations and was successful last year in saving £100,000. The Member suggested that schools should have discounted business rates. It was confirmed that there is a national policy and no local discretion.
- The Chair expressed concern about a potential reduction of the Specific Learning Difficulties (SpLD) service budget in favour of delegating funding to schools and training being provided on general literacy provision. Under the Equality Act 2010, Dyslexia is listed as a disability and invited comment. The Chief Officer explained that the proposal is to reshape as an advisory service with two members of staff to work with schools to support the pupils. This is similar to the model provided by other authorities. Schools will be consulted on whether the costs will remain in the Individual Schools Budget.
- A Member commented on the specialist intervention provided that has aided pupil progression and expressed concern about adding to the significant demands on class teachers. The Member questioned how pupils will continue to receive the same support

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and how this will be monitored. The Chief Officer confirmed that support for teachers will be unchanged as per the Welsh Government model. Children with statements will continue to receive the same support. The priority is to ensure that support for teachers continues. Declaring an interest as a School Governor at Ysgol Gymraeg Y Ffin and as a Member of Monmouthshire Association of School Governors, County Councillor A. Easson commented that the proposal is for a reduction of days and it will be difficult to deliver the service. The Chief Officer and Cabinet Member were asked to note this point.

- A Member drew attention to school transport from Ysgol Gymraeg Y Ffin to Ysgol Gyfun Gwynllyw and Ysgol Gwent Is Coed and sought reassurance that the budget pressure wouldn't adversely impact on provision of transport to either school. The Chief Officer confirmed there is no charge for transport to Welsh medium schools. There will be more pupils to be transported to Ysgol Gwent Is Coed in future and in time a larger bus may be required.
- The Chair raised the increased cost of foster carers to bring the authority into line with other areas, also the provision of therapeutic fostering support for more difficult young people and the continuation of use of agencies. It was questioned if these items added together, will cause a pressure on the budget. A written response will be provided to the Select Committee. Reassurance was provided that whilst it has been difficult to attract sufficient foster carers, the increase to a Gwent-wide rate will allow access to a larger pool of foster carers, better service for users, better terms for foster carers and less use of fostering agencies. The ability to care for children in their own community was welcomed.
- The Chief Officer, Children and Young People referred to Project 5 developed on a regional basis, and now known as MyST (My Support Team) which provides intensive fostering support for young people in settings outside the county. This will be grant funded for two years.
- A Member asked about the Additional Learning Needs (ALN) Review including Mounton House Special School, and queried the budget proposal. The Chief Officer explained that the funding is based on the number of pupils on roll and the value of the Age Weighted Pupil Unit. The school has been funded as if school is full and this year it is proposed to fund on pupil numbers closer to those in school to a value of £275,000. This is under consultation.
- Assurances were provided that there is sufficient staff to supervise at Mounton House Special School. It was confirmed that the ALN Review will return to the Children and Young People Select Committee before being considered by Cabinet.

Committee Conclusion:

It was agreed to approve the report recommendations with the amendment:

In the absence of the Senior Officer from Social Care, that questions about additional possible budget pressures around the costs of fostering are sent to the Chair as a written answer for the Chair to circulate to members of the committee and also to add that individual points that have been raised are specifically addressed when this issue goes forward to the all member seminar and finally to Cabinet.

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6. Month 7 Revenue and Capital Monitoring Report

Purpose:

1. The purpose of the report is twofold,
 - to provide all Members with holistic information on the revenue and capital outturn position of the Authority at the end of reporting period 2 which represents the financial outturn position for the 2018/19 financial year based on October inclusive activities.
 - to be considered by Select Committees as part of their responsibility to:
 - assess whether effective budget monitoring is taking place,
 - monitor the extent to which budgets are spent in accordance with agreed budget and policy framework,
 - challenge the reasonableness of projected over or underspends, and
 - monitor the achievement of predicted efficiency gains or progress in relation to savings proposals.

Recommendations Proposed To Cabinet

1. That Members consider a net revenue forecast of £316,000 surplus, and approves the local education authority costs of compromise agreements being borne by the corporate redundancy budget rather than Children and Young People Directorate.
2. That they also recognise circa £1.3m extra capital resourcing provided recently and note that the revenue forecast is predicated on capitalising £444k expenditure accordingly, a decision that still needs to be considered by full Council in February 2019.
3. That Members note the 86% delivery of the budget setting savings agreed by full Council previously and a need for remedial action/savings in respect of £727k savings reported as delayed or unachievable by service managers.
4. That Members consider the capital outturn spend of £40.8m, introducing a £1m anticipated overspend and the presumption made around financing.
5. That members note the anticipated use of reserve funding predicted at outturn and the low level of earmarked reserves, which will notably reduce the flexibility the Council has in re-engineering services and facilitating change to mitigate the challenges of scarce resources going forward.
- 2.6 Members note the extent of movements in individual budgeted draws on school balances, and reported recovery plan intentions as a consequence of their approving changes to Fairer Funding guidelines since month 2

Member scrutiny:

The Assistant Head of Finance/ Deputy Section 151 Officer presented the report and drew the Select Committee's attention to the colour coded sections that highlight the Committee's portfolio. The Finance Manager, Children and Young People provided commentary on the Month 7 Budget position. Questions were invited from Select Committee Members as follows:

The Chair reminded the Select Committee Members that it was important to compare the effectiveness of services last year with this year, and look for new pressures and to consider if there are enough funds.

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- A Member asked when the ALN Review will be completed and also enquired if there was a shortfall in funding from outside authorities using Mounton House services. The Chief Officer clarified that the ALN Review will be brought back to this Committee in February. Regarding recruitment, it is a matter of striking a balance on the amount that we charge. There are reducing pupil numbers in terms of income received from other authorities. There is some ability to flex costs but teacher ratios and property costs have to be adhered to. As pupil numbers decrease the cost per pupil to other authorities rises. We need to be mindful of excessive costs that could discourage buy in from other authorities. The position is regularly reviewed.
- A question was asked why the budgets of the four comprehensive schools move frequently between surplus and deficit. It was responded that circumstances such as staffing changes can impact unexpectedly. Specifically, it was confirmed that the costs at Chepstow School are well controlled and the reduction in surplus was due to unplanned circumstances. The authority is aware of the position and the costs; help is being provided to prepare for future pressures.
- The Chair asked if there have been any unexpected pressures in year. It was responded that generally, Children's' Services, school balances, the unknown quantity of the Alternate Delivery Model, the change in Management Support for SRS and the Council's staffing remain pressures and make forecasting difficult.

In Children and Young People Directorate, the Chief Officer explained that balancing investment in schools and services, standards and outcomes are the priority. Unknown pressures related to the building projects, staffing and supply costs remain.

- The Chair referred to capitalising expenditure due to be considered by full Council in January 2019. The report will be considered by Full Council in February 2019.

Committee Conclusions:

The Committee accepted the report recommendation as presented and thanked the officers for their participation.