

# Public Document Pack

## MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Children and Young People Select Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 12th January, 2017 at 2.00 pm

**PRESENT:** County Councillor P. Jones (Chairman)  
County Councillor P. Farley (Vice Chairman)

County Councillors: D. Blakebrough, P. Clarke, R. Harris, D. Jones, M. Powell

**Added Members:**

**Members voting on educational issues only:**

Mr. M. Fowler (Parent Governor Representative)

**Non- Voting:**

Mr. K. Plow (Association of School Governors)

### **OFFICERS IN ATTENDANCE:**

Will McLean	Head of Democracy, Engagement and Improvement
Joy Robson	Head of Finance/Section 151 Officer
Mark Howcroft	Assistant Head of Finance
Jane Rodgers	Safeguarding Service Manager
Nikki Wellington	Finance Manager
Tyrone Stokes	Accountant
Hazel Ilett	Scrutiny Manager
Richard Williams	Democratic Services Officer

### **APOLOGIES:**

Councillors L. Guppy, M. Hickman and E. Hackett Pain

#### **1. Declarations of Interest**

There were no declarations of interest made by Members.

#### **2. Public Open Forum**

There were no members of the public present.

#### **3. Confirmation of Minutes**

The minutes of the Children and Young People Select Committee meeting dated 8<sup>th</sup> December 2016 were confirmed and signed by the Chair.

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### **4. Draft Capital Budget Proposals 2017/18 TO 2020/21**

#### **Context:**

To scrutinise the proposed capital budget for 2017/18 and the indicative capital budgets for the three years 2018/19 to 2020/21.

#### **Key Issues:**

##### **Capital Medium Term Financial Plan (MTFP) issues:**

- The four year capital programme is reviewed annually and updated to take account of any new information that is relevant.
- The major component of the capital MTFP for the next few years is the Future Schools Programme. The Council has recently approved further funding for this programme at its meeting on the 20<sup>th</sup> October 2016.
- There are a number of other areas where there is a commitment to invest. However, the schemes currently sit outside the programme as work progresses to identify the funding requirements. These are:
  - Monmouth Pool – commitment to re-provide the pool in Monmouth as a consequence of the Future Schools Programme.
  - Abergavenny Hub – commitment to re-provide the library with the One Stop Shop in Abergavenny to conclude the creation of a Hub in each of the towns.
  - Disabled Facilities Grants – the demand for grants is currently outstripping the budget. Work is being undertaken to assess the level of investment required to maximize the impact and benefit for recipients.
  - City Deal - 10 Authorities in the Cardiff City region are looking at a potential £1.2 billion City Deal. Agreement to commit to this programme is being sought across the region in January 2017 and so would impact on the capital MTFP. The potential impact on individual authority budgets is currently being modelled in advance of decisions on specific projects and profiles in order for authorities to start reflecting the commitment in their MTFPs.
  - J and E Block – the office rationalization programme is being considered to see if there is a solution that would enable the Magor and Usk sites to be consolidated, releasing funding to pay for the necessary investment to bring the blocks into use.
- A strategy that enables the core programme, Future Schools and the above schemes to be accommodated is being developed. Notwithstanding this, there will still remain a considerable number of pressures that sit outside of any potential to fund them within the Capital MTFP and this has significant risk associated with it. Cabinet has previously accepted this risk.

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- The current policy is that further new schemes can only be added to the programme if the business case demonstrates that they are self-financing or the scheme is deemed a higher priority than current schemes in the programme and therefore displaces it.
- In summary, the following other issues and pressures have been identified:
  - Long list of back log pressures – infrastructure, property, DDA work, Public rights of way, as outlined in Appendix 1 of the report. None of these pressures are included in the current capital MTFP, but this carries with it a considerable risk.
  - Capital investment required to deliver revenue savings – this is principally in the area of office accommodation and looking at alternative delivery models for leisure and culture, social care, property investment and possibly Additional Learning Needs. The level of investment is currently being assessed. However, in accordance with the principle already established, if the schemes are not going to displace anything already in the programme then the cost of any additional borrowing will need to be netted off the saving to be made.
  - The IT reserve is depleted so funding for any major new IT investment is limited. Any additional IT schemes will need to either be able to pay for themselves or displace other schemes in the programme.
  - Circuit of Wales – the Authority has undertaken due diligence work on a version of the proposal which concluded not to proceed, the current proposal is being considered by Welsh Government without recourse to Local Authority funding.

#### **Member Scrutiny:**

- The future programme for 21<sup>st</sup> Century Schools relates to the budgets for the approved programme on Future Schools including the new schools at Monmouth and Chepstow and does not include budgets for Chepstow School or King Henry VIII School. In response, it was noted that until the Welsh Government indicates its proposals with regard to Band B, the Authority is unable to provide any information with regard to the development of these schools. However, Monmouthshire County Council is committed to its four schools strategy with regard to the 21<sup>st</sup> Century Schools Programme.
- In response to Select Committee Member's question regarding the cost of providing 21<sup>st</sup> Century Schools, it was noted that a report had been presented to Council which had extended the amount of funding that was required for the Monmouth and Caldicot Schools. This funding has been included in the Capital Programme which is half funded by the Authority and half funded by Welsh Government. Therefore, the budget for the two schools has been set and funded. Total cost equates to £49,000,000 for Monmouth School and £41,000,000 for

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Caldicot School. With regard to Monmouth swimming pool, further work was still required and a definitive figure for this proposal was not yet available.

- The overall funding is achieved via part borrowing, part Welsh Government resources and part capital receipts.
- The Budget for Area Management, in the sum of £20,000, could be further reduced or cut in the face of other pressures. It was noted that there is a review of Area Management taking place. Therefore, it had been decided to leave the £20,000 budget in place for the time being until the review had been completed. This decision will be made by Full Council.

#### **Committee's Conclusion:**

The Chair summed up as follows:

- She thanked officers for presenting the report.
- The four year capital programme will be reviewed annually and updated and will be scrutinised individually by all four select committees.
- Final Capital budget proposals will be presented to Cabinet and Council in February and March 2017.

#### **5. Draft Budget Proposals 2017/18 for Consultation**

##### **Context:**

- To scrutinise the draft proposals on the budget savings required to meet the gap between available resources and need to spend in 2017/18, for consultation purposes.
- To scrutinise the 2017/18 budget within the context of the 4 year Medium Term Financial Plan (MTFP) and the emergence of priorities to guide forward activities through Future Monmouthshire.

##### **Key Issues:**

The Select Committee scrutinised the Children and Young People Directorate's budget proposals, as outlined in Appendix 3B of the report, which equated to a saving in the sum of £245,461.

##### **Member Scrutiny:**

- It was considered that there were no significant pressures identified within the Children and Young People Directorate.

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- It was noted that a year ago it had been assumed that there would need to be an increase in Council Tax in the sum of 4.95%. However, this had been reduced to 3.95%. It was noted that an increase in the Council Tax to 4.5% would eliminate the budget deficit of £243,000 for the whole Council.
- In response to a Select Committee Member's question regarding external and independent challenge, as outlined in paragraphs 3.8 and 3.9 of the report, it was noted that a company was used that had been engaged via the work undertaken through Future Monmouthshire which helped to outline the 2017/18 budget proposals. Working together, a good piece of work was produced and ensured that the Authority was not missing opportunities going forward. This process helped in identifying work that is likely to come on stream in later years.
- In response to a Select Committee Member's question regarding reference to a reduction in expenditure on professional fees, it was noted that this referred to the legal costs associated with some of the processes that are run internally. Officers are looking to ensure that staff have the right skills which will be provided internally.
- In response to questions raised by a Select Committee Member, the Assistant Head of Finance stated that he would provide the member with a copy of the Treasury Management update which is presented to Audit Committee every six months. The net borrowing at the end of this year will be in the region of £88,000,000 which is a variety of loans. The Councils collective rate of borrowing is in the region of 4.5%. However, a number of these loans will be historic in nature and will reflect the fact that interest rates in the past were higher than they are now. Therefore, the combined rate across the Council is in the region of 4.5%. Per year, the Authority is paying back £3.4m in principle and £2.9m external interest.
- The removal of the training budget - It had been considered that the way the training budget was structured in the Directorate could be used more effectively. Therefore, the budget in the sum of £8000 has been removed. Team budgets within the Directorate will now meet the needs of staff training.
- Further savings in Support Services can be achieved by bringing these services together to create savings.
- Early Years Provision saving in the sum of £14,500 – For a period of time there was a double funding arrangement, i.e., funding was received from Welsh Government via a grant. Also, there was funding via the Authority's base budget. This money has now been realised and this service will be funded via the Welsh Government Grant.
- The reduction in the Independent Special Schools Budget in the sum of £50,000 – Through more effective commissioning of places in the independent sector for Monmouthshire's children with Additional Learning Needs, the Authority will be looking to reduce this budget.

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- There has been a reduction in pupil numbers leading to a saving in the sum of £81,000. The Authority will always work to ensure that every school has the appropriate level of funding for the number of children that it has and appropriate staffing levels.
- Reduction in the contribution required by the Education Achievement Service (EAS) in the sum of £13,500 – This came about through discussions with the EAS Board. The EAS recognised that it could reduce its central running costs. This will not have a detrimental effect on schools in that, if a school moves into deficit, the Authority's finance team will provide support via the implementation of recovery plans.
- In response to a Select Committee Member's question regarding schools that increase their numbers of pupils on roll, it was noted that the £81,000 is a reduction in the quantum that goes into the formula.
- The extent of the 21<sup>st</sup> Century Schools Programme represents a significant investment and the Authority is aware that this programme needs to be delivered on time and within budget. The benefits to the children with regard to this investment will be seen in due course.
- The Authority has been better funded this year than expected and even within this better settlement, the Authority has only been able to flat line monies to schools. That means that if there were to be a worse settlement next year, it is incumbent on the Authority to take the leadership role with Monmouthshire's schools to ensure that they understand where their costs are and how best they may be minimised across all of the school system to ensure that they are able to deliver the level of teaching and learning that the Authority expects.
- It is anticipated that the Authority will have to find different ways to work with regard to schools and be ready to work more collaboratively in the future.
- The Mounton House restructure refers to the catering staff which are employed by the catering unit and not the school. This matter refers to how meals are provided.
- In response to a Select Committee Member's question, it was noted that under the three year delivering excellence plan, the Children's Social Services Section was looking to achieve an appropriate staffing structure, reducing the use of agency staff, improving service offers and reducing reliance on external placements. Therefore, bringing Children's Services to function within its means.
- All of the savings proposals for Social Care and Health are centred on Adults Services. With regard to Children's Services, 2017/18 will be a time in which to consolidate and take stock. Budgets are being re-aligned in line with the three year delivery excellence plan.

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- It was acknowledged that pressures bring uncertainty and it is true to say that throughout the Authority stress related illness is increasing. The ongoing situation is challenging for all settings. Therefore, the Authority is working with schools in a positive, proactive way to help them minimise the impact on their teaching staff.

#### **Committee's Conclusion:**

The Chair summed up as follows:

- She thanked officers for presenting the report.
- All Cabinet Members should be invited to the Joint Select Committee meeting on 31<sup>st</sup> January 2017.
- Appendices of related issues to be attached to the report relating to the specific directorate.

#### **6. List of actions arising from the previous meeting**

We received and noted the list of actions that had been completed arising from the Children and Young People Select Committee meeting held on 8<sup>th</sup> December 2016.

In doing so, it was noted that Nick Ramsay, AM, had attended a forum meeting within Children's Services in November 2016, in which the lack of funding in children's services was discussed. The Finance Manager stated that she will release the minutes of this meeting in due course.

#### **7. Children and Young People Select Committee Forward Work Plan**

We resolved to receive the Children and Young People Select Committee Forward Work Plan. In doing so, the following points were noted:

- A Joint Select Committee meeting of all four select committees will be held on 31<sup>st</sup> January 2017 to scrutinise the budget proposals.
- A special meeting of all four select committees will be held on 27<sup>th</sup> February 2017 at 2.00pm to scrutinise the Alternative Service Delivery Model.
- A Joint Select Committee meeting of the Children and Young People Select Committee with the Adults Select Committee will be held on the 6<sup>th</sup> February 2017 at 10.00am to scrutinise the draft Population Needs Assessment for Monmouthshire.
- An ordinary meeting of the Children and Young People Select Committee will be held on Thursday 16<sup>th</sup> February 2017 at 2.00pm. The following reports will be added to the agenda for this meeting:

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- The final performance report for last year regarding Key Stages 4 and 5 figures.
- The Education Achievement Service's Business Plan for 2017/18.

### **8. Council and Cabinet Business - Forward Plan**

We resolved to receive the Council and Cabinet Business Forward Work Plan and noted its content.

### **9. Next meeting**

The next ordinary meeting will be held in the Council Chamber, County Hall, Usk, on Thursday 16<sup>th</sup> February 2017 at 2.00pm.

**The meeting ended at 3.16 pm**