

SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 1 - THURSDAY, 19 JANUARY 2023

**MINUTES OF A MEETING OF THE SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 1
HELD IN HYBRID IN THE COUNCIL CHAMBER CIVIC OFFICES, ANGEL STREET,
BRIDGEND, CF31 4WB / REMOTELY VIA MICROSOFT TEAMS ON THURSDAY, 19
JANUARY 2023 AT 11:00**

Present

Councillor A Williams – Chairperson

RJ Collins
T Thomas

M J Evans
AJ Williams

D T Harrison
E D Winstanley

E Richards

Apologies for Absence

M Jones and JH Tildesley MBE

Officers:

Victoria Adams	Interim Finance Manager – Budget Management: Communities, Education and Family Support
Lucy Beard	Scrutiny Officer
Nicola Echanis	Head of Education & Family Support
Deborah Exton	Deputy Head of Finance
Lindsay Harvey	Corporate Director Education and Family Support
Rachel Keepins	Democratic Services Manager
Meryl Lawrence	Senior Democratic Services Officer – Scrutiny
Jessica Mclellan	Scrutiny Officer

6. DECLARATIONS OF INTEREST

Revd Canon Edward Evans declared a personal interest in his capacity as a Community Governor of Bryntirion Comprehensive School.

Councillor Melanie Evans declared a personal interest in her capacity as a School Governor for Croesty Primary School and Pencoed Comprehensive School.

Councillor Jon-Paul Blundell declared a personal interest in his capacity as a School Governor for Cefn Glas Nursery and Infants School and as a Local Authority Governor of Bryntirion Comprehensive School.

Councillor Richard Collins declared a personal interest in his capacity as a Community Governor for St Mary's and St Patrick's Catholic Primary School and Local Authority Governor of Plasnewydd Primary School.

Lynsey Morris declared a personal interest in her capacity as a Parent Governor of Maesteg Comprehensive School.

Councillor Tim Thomas declared a personal interest in his capacity as a Community Governor for Coleg Cymunedol Y Dderwen and Brynmenyn Primary School.

Councillor Amanda Williams declared a personal interest in her capacity as a Local Authority Governor for Brynteg Comprehensive School and Coety Primary School.

Councillor Hywel Williams declared a personal interest in his capacity as a Local Authority Governor of Abercerdin Primary School.

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Cllr Alex Williams declared a personal interest in that his partner is a teacher of a primary school in another Local Authority.

7. MEDIUM TERM FINANCIAL STRATEGY 2023- 24 TO 2026 - 27

The Corporate Director for Education and Family Support presented a summary of the report, the purpose of which was to present the Committee with the draft Medium Term Financial Strategy 2023-24 to 2026-27, which set out the spending priorities of the Council, key investment objectives and budget areas targeted for necessary savings. The strategy included a financial forecast for 2023-2027 and a detailed draft revenue budget for 2023-24.

The Chair thanked the Corporate Director for Education and Family Support and invited representative Headteachers who were the Chair and Vice Chair of the School Budget Forum to make statements, followed by the Cabinet Member and the Corporate Director - Education and Family Support. The Headteacher representatives expressed grave concern over the proposed 2% reduction to school budgets reporting that this could result in a reduction in workforce, possibly deficit budgets and have an impact on standards, particularly if these reductions continued each year, having a cumulative effect.

Discussions were held regarding the subject of delegated school budgets with concerns expressed by Members, reiterating that of the headteacher representatives, about the potential impact this would have on schools and staffing, particularly those with Additional Learning Needs (ALN) requiring extra support. Despite reassurances from Officers and Cabinet Members over funding being provided for pay increases, the Committee highlighted the negative impact the 2% reduction in school budgets could potentially have on support staff within schools, thereby affecting the most vulnerable pupils.

Further issues were raised around the implications this reduction could have on schools who already had deficit budgets, such as new schools, and the fact that the cut could also result in other schools experiencing deficit budgets. Members also queried the resulting cost of any redundancies and whether this would counteract the savings required. Officers noted that some schools were identifying a deficit budget and that they and the schools projecting surplus budgets would be supported with any proposed efficiency savings. Officers advised that the 2% proposed reduction did not necessarily mean a reduction in staffing or putting schools into a deficit budget highlighting how it could be mitigated by a number of factors including, increased pupil numbers, retrospective adjustments in the budget and grant funding. However, Officers agreed that it was for schools to explore how they would meet the reduction which could result in redundancies of staff who could not be redeployed, the costs of which would need to be considered. Where schools were already in deficit, there was a statutory requirement for them to establish a recovery plan and the Local Authority supported schools with their budget planning where required, in order to get them back into a positive budget.

Discussion was held around the extent to which the local authority was utilising their partners and receiving value for money, to which they were advised that where partners were involved there was regular monitoring and holding to account, such as with the Central South Consortium. Where areas were identified for more cost-effective measures or services, Officers reported this had been done and would continue to for the future.

In response to queries over national legislative commitments, the Committee were advised that the Welsh Local Government Association and the Welsh Government had been lobbied for funding to support this and some funding had been received, such as in

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the case to meet the new requirements under the ALN and Education Tribunal (Wales) Act 2018. Officers highlighted that there were significant challenges however, to maintain services when grant funding ceased, to support major roles such as ALN Co-Ordinators and when only partial funding was provided, as was the case for the introduction of Universal Primary Free School Meals (UPFSM) initiative.

This led to further discussion surrounding free school meals with concerns expressed by the Committee, Cabinet Members and Officers that it was more than just providing kitchens and staff. Other logistics and considerations had to be taken into account such as equipment, and space within school halls for all children to receive UPFSM, which essentially meant potential revenue and capital budget pressures. Cabinet Members reassured the Committee that this was being discussed with the Catering Service as well as with Welsh Government.

Delivery Risk was also raised by the Committee as a cause for concern, given the fact that 88% of the budget reductions identified were listed as Red in their delivery risk status and only 7% were identified as policy changes. Members queried whether there needed to be more radical proposals in light of the current financial situation, such as the consideration of reducing funding for discretionary services.

Officers and Cabinet Members advised that discretionary services such as Home to School Transport (HTST) and Nursery provision had previously been considered however with regards to the former, public consultation had not supported this and with regards to the latter, there had been evidence seen during the pandemic of children benefitting greatly from nursery provision in schools. On the subject of paying places for HTST, it was reported that a review was being undertaken by Welsh Government which included consideration of bus company standards to explore whether they could meet the standards required to reintroduce paying places for pupils, which could create an income generation stream in this area.

Further areas considered and discussed included the increase in energy costs and subsequent saving measures being introduced for schools to counteract this, as well as new housing developments and the resulting impact this would have on Published Admission Numbers for schools. The proposed increase in Council Tax and budget consultation were also raised, with the Committee being advised that it was a difficult balancing act with tough decisions having to be made. Schools, for example could potentially be protected, if Council Tax was increased further, however this would have to be a conscious decision made, favouring services against a further council tax rise.

Officers and Cabinet Members reported that all directorates had had to put forward budget reduction proposals in order to obtain a balanced budget and a series of options had been considered with headteachers, including a 1%, 2% and a 5% reduction. Members were advised that it was not for the local authority to tell schools how to make these savings, but it was recommended that all areas be considered before looking at staff reductions. The local authority's Finance team would assist and work with schools on their budgets, if they required it.

The Chairperson thanked the invitees for their attendance.

RESOLVED: Following consideration of the report and appendices, the Committee made the following comments and Recommendations for consolidation and inclusion in the report to Cabinet on the draft MTFS, including the proposed budget pressures and budget reduction proposals within the remit of this Scrutiny Committee, as part of the budget consultation process:

Recommendations

Collaboration and Value for Money

1. Having queried with Officers whether the Authority were utilising our partners to their full potential, Members did not feel 100% reassured of this, using the example of the Central South Consortium. Members therefore recommended that Cabinet and Officers consider evidence of collaboration with partners, as part of their deliberations over the budget proposals, to ensure value for money for the full MTFS period 2023-2027.

School Delegated Budgets

2. The Committee acknowledged that the Education and Family Support Directorate needed to play its role in balancing the budget. However, following the grave concerns highlighted by the Chair and Vice Chair of the Schools Budget Forum regarding the feasibility of the 2% budget reduction proposal and the fact that these proposals have not yet been fully developed and are high risk in terms of delivery, the Committee recommend that:
 - a) Cabinet reduce the proposed budget efficiency against School Delegated Budgets to 1%.
 - b) that Cabinet consider all discretionary options available to them across the Corporate wide budgets and other Directorates, to comprise the remaining £1,059,000 required as a result of reducing the proposed education budget reduction by 1% in order to balance the Council's budget.

Discretionary and Statutory Services

3. Whist acknowledging the benefits of discretionary services in terms of their potential to prevent further issues and expenditure for the future, given the overall current financial situation the Committee recommend:
 - a) that Cabinet give greater consideration to all discretionary options available to them for budget reductions proposals and that they be presented to full Council for consideration of the MTFS.
 - b) that a greater proportion of budget reductions should be as a result of policy changes.
4. The Committee further recommend that a review of all discretionary services within the Education and Family Support Directorate be undertaken to evaluate the costs of delivering them and the value they provide to the Local Authority and its residents, to inform the future MTFS with a view to protecting school delegated budgets as much as possible.

National Legislative Commitments

5. The Committee recommend that Cabinet raise with Welsh Government, the need to ensure that all National Legislative commitments are fully funded to allow the Council to have the capacity to deliver them in an efficient manner.

School Agency staff

6. The Committee queried the use of agency staff in schools and recommend that it be explored whether schools could adopt a cohesive approach across the County Borough that could potentially assist with staff cover costs for such things as sickness.

Comments

School Delegated Budgets

7. The Committee had grave concerns about the impact of a 2% efficiency saving against School Delegated Budgets and the resulting impact this could have. Of particular concern was the impact this could have on vulnerable children as information presented at the meeting implied that this budget reduction could lead to potential compulsory redundancies likely to affect school support staff who, for example, assist pupils with Additional Learning Needs, behavioural difficulties, attendance, safeguarding and wellbeing issues. The Committee commented that this could lead to potential increased costs for the Local Authority further down the line if this support was not provided sufficiently and early enough in schools.
8. Concerns were also expressed regarding the possible cost of compulsory redundancy packages outweighing the proposed 2% efficiency and the risk of losing experienced teaching staff.
9. In addition to redundancies, the Committee expressed strong concerns over the possibility of more schools ending up with a deficit budget as a result of the 2% budget reduction, and potentially worsening the situation for those who were already in deficit. Members highlighted particular concern for new schools and their budgets, given that they cannot balance their budget for some time due to not being at full capacity.

Free School Meal Provision

10. The Committee expressed concern over the future free school meal provision to primary schools in that it required not just extra staff and kitchen equipment, but also extra space for pupils due to the likely increase in take up of provision. Extensions for schools were already under discussion but Members expressed concern over the potential budget implications this service could have for the future, both revenue and capital budgets.

Future Scrutiny FWP

Given the concerns highlighted in the comments above the Committee agreed to follow up on the following as part of their future FWP:

- Free School Meals provision for primary schools – further details on funding as well as consideration of provision of staff, kitchen equipment and space for pupils
- Monitor the implications of any proposed reduction to school delegated budget – on school budgets, staffing structures, redundancies, and any resulting impact on pupils.
- Central South Consortium – How they have provided value for the schools in the County Borough
- School catchment areas, pupil admission numbers and new school builds

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Home to School Transport Review – including information relating the potential provision of paid places.

8. **URGENT ITEMS**

None

The meeting closed at 15:00