

## PERFORMANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Performance Scrutiny Committee held in Conference Room 1a, County Hall, Ruthin on Thursday, 6 September 2012 at 9.30 am.

### PRESENT

Councillors Meirick Davies, Richard Davies, Huw Hilditch-Roberts, Colin Hughes (Chair), Geraint Lloyd-Williams, Peter Owen and Gareth Sandilands  
Co-opted Members: Ms C. Burgess, Mrs G. Greenland, Ms D. Houghton and Dr. D. Marjoram.

**Observer:** Councillors Dewi Owens and Eryl Williams (Lead Member for Education).

### ALSO PRESENT

Head of Internal Audit (IB), Corporate Improvement Team Manager (TW), Chief Executive (MM), 14-19 Network Co-ordinator (JG), Education Finance Manager (CW), Scrutiny Co-ordinator (RE) and Committee Administrator (SLW).

#### 1 APOLOGIES

Apologies for absence were received from Councillors Ian Armstrong and Arwel Roberts

#### 2 DECLARATION OF INTERESTS

No personal or prejudicial interests were declared.

#### 3 URGENT MATTERS AS AGREED BY THE CHAIR

No items were raised which, in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act 1972.

#### 4 MINUTES OF THE LAST MEETING

The minutes of the Performance Scrutiny Committee held on 26 July 2012 were submitted.

**RESOLVED** – *that the Minutes be received and approved as a true and correct record.*

#### 5 TRANSFORMATION OF POST 16 EDUCATION

The 14-19 Network Co-ordinator (14-19 NC) submitted a report (previously circulated) for the Committee to consider the effectiveness of the delivery of post 16 education in the County and its associated costs. This was the latest in a series of reports since 2009 and demonstrated that the transformation plan was working well

by putting post 16 education into a different format, which was originally started by the Welsh Government.

The partnership was working in three geographical areas:-

- (a) Dyffryn Clwyd
- (b) Rhyl/Prestatyn and
- (c) Dee Valley

Denbighshire's participation rate for pupils continuing in the Sixth Form or at Further Education College had risen to 89.9% which was only marginally second behind Monmouth. In the Dyffryn Clwyd area participation rate for pupils continuing in the Sixth Form had risen to 63.2% in 2011.

An analysis had been carried out of both students attending their "home" schools and those who travelled to partner schools. It had shown that students who travelled to partner schools achieved on average one quarter of a grade higher than students who stayed at their "home" schools. The main reason students moved were for extra subject access or varying subject combination. In terms of costs there was a system of financial transfers done centrally with each school receiving an income for each student based on the, volume of learning and number of subjects being studied. The system allows schools to retain 20% of the funding paid into their core budgets for the post 16 education provision. School and college transport costs were a potential problem as there was no capacity within the current budget to fund increases in transportation costs. Another potential risk to the future delivery of post 16 education was the Minister for Education and Skills' national review of the Funding System.

In response to various matters being raised by Members, the 14-19 NC responded as follows:

- to research whether young people with disabilities or Asperger's Syndrome were being disadvantaged in the system. The response to be forwarded to the Scrutiny Coordinator.
- to discuss with the Corporate Director the cost of student transport to sixth forms and colleges, and whether it would be viable to introduce a charging policy for post 16 students.
- confirmed that funding was available up until the summer of 2014 from the 14-19 education budget to cover transport costs, but the Minister had to date only guaranteed grant funding up to March 31<sup>st</sup> 2014.
- 14-19 learning pathways was an unmitigated success across Wales. Standards and student participation had risen and more young people were achieving skills qualifications. There was a possibility of Government continuing funding post 2014 but possibly not in grant form specifically for this provision, it would most likely form part of the Council's Revenue Support Grant (RSG) and therefore not to be ring-fenced.

Transport charges were further discussed and it was suggested if the students were to pay for transport, this should be means tested. This was due to the impact transport charges would have on the budget of families on low income.

14-19 NC also mentioned various future school/college partnerships that were being discussed and that discussions would shortly take place with Wrexham County Borough Council with a view to partnership working in the Dee Valley area.

Members felt that due to much of the county being rural, the Council still had a duty to deliver education services for young people. A further suggestion was to change the bus times in rural areas to accommodate children travelling to schools and colleges. It was:

**Resolved** that subject to the above, the Committee accept the outcomes to date, costs, benefits, value for money and risks of the Transformation Partnerships in Post 16 Education in Denbighshire.

## 6 MONITORING OF SCHOOLS' FINANCIAL POSITION

The Head of Internal Audit (HIA) submitted a report (previously circulated) for the Committee to scrutinise the processes in place to assist schools identified as being in financial difficulty in delivering their recovery plans, reducing their deficits, and mitigating the potential impact on their educational performance. Following a previous Performance Scrutiny meeting, audit work had been carried out as requested. The Education Finance Manager's Team monitored schools and assisted at an early stage to manage school's problematic finances. The HIA confirmed action plans and robust procedures were in place.

Internal Audit found there had been significant improvement in the monitoring of schools' financial performance and that proactive work was in progress to improve the service further and deal with any improvement areas identified. The HIA briefly summarised the key outcomes from the internal audit review.

In response to questions put forward by Members, the Education Finance Manager confirmed:-

- that one option discussed with the School Budget Forum (SBF) was having a local policy based on a % of the school budget and any claw back going into a central pot to be used to support schools in financial difficulty where the situation had been caused by external factors. This option would be explored further during 2013/14. There was already in place, a policy which worked, encouraging schools to save in advance rather than borrowing. Schools in financial deficit had to apply for a licenced deficit. All schools categorised as being a "school in financial difficulty" had to produce a financial recovery plan using a template that Education Finance provides. The Finance Team scrutinised the recovery plans and discussed them with the school Finance Managers.
- whilst local education authorities had powers to clawback surplus school balances, Denbighshire in line with the majority of local education authorities did not enforce this power if presented with valid business cases illustrating the reasons why balances were being built up. Representations had also been made to the Welsh Government (WG) via

the Association of Directors of Education in Wales (ADEW) with respect to this and discussions were continuing.

It was:

***Resolved*** – to accept the Head of Internal Audit's assurance that robust procedures were in place and that any improvements identified were being implemented.

## **7 DENBIGHSHIRE SCHOOL FUNDING FORMULA**

The Education Finance Manager (EFM) submitted a report (previously circulated) for Committee Members to review the proposals for the framework for the new Funding Formula in mainstream and special schools.

Denbighshire was currently carrying out a comprehensive review of school funding within the county. A fundamental review had not taken place since the inception of the Local Management of Schools (LMS) in 1990.

The Council was going back to basics regarding how schools were funded and were looking at giving schools more flexibility how they spent their annual budget. Under the proposed new funding formula schools would in future receive curriculum budgets, which they would then choose how to spend i.e. teachers, curriculum activities. The Education Service Management Team and schools were working together on this project.

The previous formula was very complicated but the new formula would focus on 2 main areas:-

- Combining the 3 current individual mainstream formulas for Primary, Secondary and Special into one mainstream formula.
- Reducing the number of elements which exist within the formula to a small number of "Strategic Activity Elements" which would then focus more on "Activity Cost Driver" rather than actual costs.

It was important to focus on the core principles of the review rather than the impact on individual schools. Transitional arrangements would be in place, but the purpose of the review was not to create winners and losers but to create transparency, uniformity and equity of funding.

It was planned for the new formula to go live on 1<sup>st</sup> April 2013 with a 2 year protection guarantee built in for those schools detrimentally affected by the changes.

Training was an issue which was being looked into and planned visits to individual schools would take place. Training would assist both Governors and Head Teachers with decisions regarding funding.

Work was taking place regarding out of school clubs (after school clubs and breakfast clubs). These clubs were not statutory education functions. Although the Council did not have a role within these clubs, a piece of work would be undertaken

with a view to issuing guidance on how to manage them effectively and avoid pitfalls. An area regarding safeguarding was due to be finalised.

Concern was expressed regarding the possible amount of phone calls local Councillors could potentially receive due to some schools losing out on funding. Transitional arrangements were being put in place for any school which may lose out under the new formula. The new formula would be based on amount of funding schools received April last.

It was confirmed that School Cluster Finance Officers had now been in place for more than eight months and had been accepted well.

The EFM agreed to report back to Performance Scrutiny Committee meeting on 18<sup>th</sup> October 2012 with the final version of the consultation document on the proposed revised formula. It was:

***Resolved that:-***

- (a) subject to the above observations, that the Committee accepts that the proposals would provide an effective and robust funding formula model for both mainstream and special schools in Denbighshire; and*
- (b) the final consultation document be submitted to the Committee at its October meeting prior to its submission to Cabinet.*

**At this juncture (10.45 a.m.) there was a break.**

**Meeting resumed at 10.55 a.m.**

## **8 SCRUTINY WORK PROGRAMME**

A report by the Scrutiny Coordinator was submitted (previously circulated) seeking members' review of the Committee's future work programme and providing an update on relevant issues. Various appendices had also been attached to the report requiring members' consideration.

The Scrutiny Coordinator reported upon the Special Performance Scrutiny meeting scheduled for 20<sup>th</sup> September 2012 which was to discuss the Council's draft Corporate Plan. The Plan was to be discussed at an informal meeting following full Council meeting on 11<sup>th</sup> September and, therefore, would be presented to Performance Scrutiny on 20<sup>th</sup> September.

Ruthin Schools Review scheduled on the Cabinet Forward Work Programme for either October or November. Clarification regarding funding should be available prior to the end of the week whereupon there would be confirmation when the item would be scheduled for discussion.

Faith based school – brief regarding joint faith education provision had been included in the Information Brief document circulated to members. Dates of 17<sup>th</sup> September and 27<sup>th</sup> September were scheduled for training for elected members and coopted members on the modernising education programme Additional

sessions or one to one sessions could be arranged for members who were unable to attend either of these events.

Appendix 1 of the Information Brief document contained an information report on Library Service Standards.

Regarding the Community Scrutiny Committee meeting being held on 13<sup>th</sup> September, 2012, the entire meeting was to be dedicated to the Rhyl Going Forward Programme.

External Examinations on Performance Scrutiny Committee Work Programme on 10<sup>th</sup> January 2013. An invitation would be sent to Prestatyn Rhyl Sixth (PR6) Form representatives to attend this meeting.

***Resolved** that subject to the amendments and agreements referred to above, the forward work programme as detailed in Appendix 1 to the report be approved.*

## **9 FEEDBACK FROM COMMITTEE REPRESENTATIVES**

None.

**Meeting concluded at 11.20 a.m.**