

**COUNTY BOROUGH OF BLAENAU GWENT**

**REPORT TO: THE CHAIR AND MEMBERS OF THE JOINT  
SCRUTINY COMMITTEE**

**SUBJECT: SPECIAL JOINT SCRUTINY COMMITTEE  
BUDGET MONITORING – 6<sup>TH</sup> FEBRUARY, 2019**

**REPORT OF: DEMOCRATIC SERVICES OFFICER**

---

**PRESENT: COUNCILLOR J. COLLINS (CHAIR)**

Councillors P. Baldwin  
D. Bevan  
M. Cook  
G. A. Davies  
G. L. Davies  
M. Day  
P. Edwards  
L. Elias  
D. Hancock  
K. Hayden  
S. Healy  
J. Hill  
W. Hodgins  
J. Holt  
H. McCarthy  
J. Millard  
M. Moore  
J. C. Morgan  
L. Parsons  
K. Pritchard  
K. Rowson  
T. Smith  
B. Summers  
S. Thomas  
H. Trollope  
J. Wilkins

**Co-opted Member:**

Mr T. Baxter

**WITH: Managing Director  
Corporate Director of Education**

Corporate Director of Regeneration & Community Services  
 Corporate Director of Social Services  
 Chief Officer Resources  
 Chief Officer Commercial  
 Head of Governance & Partnerships  
 Head of Community Services  
 Scrutiny Officer

AND: **Representing Head Teachers**  
 Paul Keane, Willowtown Primary  
 Huw Lloyd, Ebbw Fawr Learning Community  
 Ian Roberts, River Centre Special School 3-16 Learning  
 Community

ITEM	SUBJECT	ACTION
No. 1	<p><b><u>SIMULTANEOUS TRANSLATION</u></b></p> <p>It was noted that no requests had been received for the simultaneous translation service.</p>	
No. 2	<p><b><u>APOLOGIES</u></b></p> <p>Apologies for absence were received from: -</p> <p>Councillors M. Cross, M. Holland, G. Paulsen, T. Sharrem, G. Thomas and D. Wilkshire.</p> <p><b><u>Co-opted Member</u></b>            Mr A. Williams</p>	
No. 3	<p><b><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></b></p> <p>There were no declarations of interest or dispensations reported.</p>	
No. 4	<p><b><u>REVENUE BUDGET 2019/2020</u></b></p> <p>Consideration was given to the report of the Chief Officer</p>	

Resources, which was presented to brief Members on the Provisional / Final Revenue Support Grant settlement and for consideration to be given to the savings proposals for the 2019/2020 revenue budget.

The Chief Officer Resources presented the report and highlighted the salient points. An opportunity for Members' questions and/or comments was provided at the end of each section of the report.

### **Blaenau Gwent Position - Education**

A Member enquired regarding data collection in relation to Free School Meals. The Chief Officer Resources said that the statistics were received from the Welsh Government which indicated an increase in Free School Meals in Blaenau Gwent.

### **Savings Proposals – Appendix 5**

In response to a Member's question regarding clarification between EDU003 and EDU004, the Chief Officer Resources reported that EDU003 was a reduction in SLA for outdoor education and EDU004 was a reduction in the inflationary increase applied to the ISB from 2.2% to 1%. The Officer confirmed there was no cash reduction for schools.

ENV19017 – completion of CAT transfers for all sports facilities, the Corporate Director Regeneration & Community Services stated that most of the 20 CAT transfers were nearing completion only 1 or 2 were still in negotiations. The Council was committed to the continued transfer of assets and completing CAT's by the 31<sup>st</sup> March 2019 deadline.

In relation to ENV026 - increase fees of grounds maintenance whilst undertaking Community Asset Transfers (CAT). A Member enquired if schools could let their sports grounds to the public. The Corporate Director Education said that this would be for the school governing body to determine.

A Member enquired regarding ENV018 - full cost recovery of premises related costs for occupancy of Town &

Corporate  
Director

<p>Community Councils. The Corporate Director Regeneration &amp; Community Services said that a breakdown of the full cost recovery would be provided to Members.</p> <p>The course of action was AGREED accordingly.</p> <p>A Member referred to ENV003 - reduction of street lighting provision and enquired regarding the potential 20% increase in utility prices facing the Council. The Corporate Director Regeneration &amp; Community Services said that the Council bulk purchased electricity with a number of other authorities as a high volume user. He was not aware if the Council were paying higher penalty prices but would make enquiries and report back to Members.</p> <p>The course of action was AGREED accordingly.</p> <p>In reply to a Member's question regarding Beaufort Ballroom, the Corporate Director of Regeneration &amp; Community Services explained that discussions were ongoing with the new tenants and the Chief Officer Resources confirmed that a cost pressure was proposed to be awarded.</p> <p>In relation to ENV013 – School Crossing Patrollers – Service Reduction a Member enquired if a breakdown of the assessment could be made available. The Head of Community Services explained that site assessments had been carried out at different times of the day and weather conditions had also been considered. The assessments had been circulated to Head Teachers and the department was happy to engage with Head Teachers on this issue.</p> <p><b><u>Savings Proposals – Summary – Appendix 6</u></b></p> <p>EDU19004 – Transfer payment of DBS (Disclosure &amp; Barring Service) checks for school based staff to school budgets. A Member enquired if this included school governors. The Corporate Director of Education said this did not include school governors; however, the department may look to extend this to school governors sometime in the future. The Director confirmed that DBS costs would be passported to schools budgets.</p>	<p>Regen &amp; Com Services</p> <p>Corporate Director Regen &amp; Com Services</p>
--	--

ENV19015 – Introduction of charge for childcare element at School Breakfast Club. A Member requested clarity on this issue. The Corporate Director Regeneration & Community Services said that funding was received from the Welsh Government to operate school breakfast clubs, however, parents who used the early drop off facility i.e. 20 minutes before the start of breakfast club could be charged for use of the childcare element.

### **Financial Efficiency Project Outline Business Case – Appendix 7**

EDU19002 – Reduce the Education Premature Redundancy costs (PRC budget); and EDU19003 – Reduction in inflationary increase – Individual School Budget. A Member expressed concern regarding the cost pressures facing schools i.e. increased pension costs, free school meals etc. The Chief Officer Resources clarified that there was a no inflation budget for schools being proposed, however, if Members agreed to passport the grants transferring into the settlement for Teachers pay & free school meals this proposal would provide additional resources of £460,000. It was incorrect to say that the Council had received £2.2m and had not passported it onto schools. It was a matter for the Council to determine how to allocate to services in order to fit with priorities. The Corporate Director Education commented that EDU003 did include the cash flat settlement to schools and the department would work with schools to decide how best to manage reductions.

At the invitation of the Chair, Paul Keane, Head Teacher Willowtown Primary School addressed the Committee.

#### **School 1**

“These proposed cuts would tip the school further into a predicted deficit budget and require the school to lose at least 2 Teaching Assistants and/or a member of office staff. The school was down to the bare bones in relation to teaching staff and there was nothing left to cut. Cutting these members of support staff would remove capacity to deliver programmes like ELSA and Thrive at a time when children and the community need them most.”

#### **School 2**

“The school had already made Teaching Assistants redundant over the past two years and were absolutely stretched to the limit with staffing. The school were currently projecting a tiny budget surplus so any further cost pressures/reduction in funding would send the school into deficit with obvious implications for interventions and additional activities.”

### School 3

“As a school which had already had a reduction in numbers in nursery over the course of this year, the school were looking to lose a teacher and two Teaching Assistants for the next financial year. Under these cuts and new redundancy arrangements it would be hard to identify which staff would be affected. Parent and Community Engagement was huge at the school and the ability to engage would be severely affected.”

### School 4

“Since 2017 when the school was in a projected £50,000 deficit for the end of 2018, the school had managed to maintain a surplus through significant (and at that time - necessary) staffing reductions. In total the school had halved the number of Teaching Assistants and several teachers in the school had left and not been replaced. The school had lost over 15 staff in the last 2 years. The school had very recently opted to cut back on the cleaning service in the school. Despite these prudent financial decisions, the school had found themselves having to offset significant amounts of grant funding in order to maintain a surplus and retain the much needed Teaching Assistants that the school still had. **In reality grant funding was propping up the core school budget.** The school projected a very small surplus of a few thousand pounds, so whilst statistically the school were one of the schools 'in surplus', the reality was that due to the financial pressure of receiving less and less funding **in real terms** year on year, the school had the following hard hitting decision to make.

1. **Either** the school maintain the staffing levels they currently had using grant funding. The impact of this was that the school would have less grant funding to spend on proven strategies and interventions recommended by the Sutton Trust such as meta-cognition and pupil learning

reviews, training for targeted support such as Play Therapy, ELSA and Thrive.

2. **Or** the school lose another Teacher Assistant. The school had opted for taking the redundancy model through Governors and face losing another member of staff this year. The knock on effect of this was the same - the children would miss out on valuable support, particularly in the early years, for current interventions which were aimed at engaging families, improving children's speech and communication and their wellbeing. Many children supported in this way were regularly referred to or under the care of families first or Social Services or were on the child protection register. They were the most vulnerable in the community and the school had to do more for them – with less – and were unable to continue to do so.”

#### School 5

“Just constantly being ‘stripped to the bone’ yet there was still an expectation that standards would improve. This WOULD NOT happen. Standards across Blaenau-Gwent would fall. The greatest resource any of the schools had was staff and sadly schools were losing them at an alarming rate. The future of Blaenau Gwent would indeed be a grim one should these cuts continue to be made. The school had always had a small surplus but these cuts could potentially put the school in a deficit situation which had NEVER happened before.”

#### School 6

“Last year was one of the worst years as a Headteacher as the school needed to make 2 redundancies – this budget round was going to be even worse. There had been a decline in the birth rate and the school was suffering from a falling roll, with one very small cohort. This would mean a loss of the class size grant and less income because of the reduction in pupils, which in turn would result in at least one teacher redundancy. The staff in the school had worked tirelessly to improve standards, but cracks were beginning to appear. The school cannot afford to pay supply staff and therefore current staff were being redirected and the most vulnerable pupils were suffering through loss of wellbeing work or because catch up programmes were being cancelled. If the budget was cut even further, or the proposed redundancy changes come

into operation, then the school would need to lose 2 teachers. I have already started losing sleep thinking about this possibility as I cannot tolerate the thought of letting these pupils down and watching the improvements that the school had made slip away.”

Governors discussed in length their concerns and reservations in respect of a proposal that schools would have to find the financial resources within their own school budget to accommodate any staff redundancies. Governors were strongly opposed to this proposal.

Governors discussed the proposal for school budgets to accommodate teacher’s pay rises. Governors felt that as with last year this should be protected and ring fenced by the Local Authority.

#### School 7

At the end of this year the school had projected a very small surplus which meant the school were already discussing redundancies for this year and further ones for 20/21. Further cuts to the budget would only exacerbate things further. The Local Authority’s Vision for Education clearly stated that improving outcomes and wellbeing for all the children, particularly the most vulnerable, was a key priority but further cuts to schools budgets this would not be an attainable goal. Cutting teachers and support staff further would have a negative impact on outcomes for all children particularly the most vulnerable as cuts in staff would mean cuts to provision such as catch up groups, ELSA groups and SAP groups.

#### School 8

With the proposed cuts to the budget it was not just the cuts that would affect the school it would be the additional costs that would be passed onto the schools so therefore budgets would take a double hit:

- Proposed transfer of costs of DBS checks to the schools
- Redundancy funding again a 50/50 split with schools
- PDG - the school took a loss on funding this year (2018-19) as pupils numbers increased in relation to FSM yet Welsh Government decided to allocate the PDG based on 2 years previous (2016-17) PLASC



figures in order to ensure funding would be available for a further period - so if most schools increased in FSM pupils they would not be allocated the correct amount due to this agreement - the school had insufficient funding

- All schools had to factor in 1% for LGPSA pension scheme and a further 1% this year (in effect a further 2% on-cost increase that were not factored in, yet cuts were being made)
- SLA increases by 2.2% in 2018-19 (in particular with the school one SLA increased by 29.5%)

How were schools going to maintain a viable budget going forward when budgets were cut and on-costs, SLA's are being increased and lack of Welsh Government funding?

### School 9

1. With regard to the option of schools part funding the redundancy costs:

- schools already had to downsize their staffing due to financial pressures and would not be in a position subsidise the cost of a redundancy as any associated costs would lead to another redundancy and more subsequent costs. It would become a vicious circle. A school could have to make multiple redundancies due to making one redundancy.
- staff with numerous years' service would not be employed as the cost to the school in a redundancy situation would be significant especially if the vast majority of the years' service were in another school.
- schools would employ staff on zero hours contracts through agencies. This would reduce the stability of the workforce, skill level of the workforce and the professionalism of the workforce.
- schools would employ younger cheaper staff - cheaper to employ and make redundant.

2. Option for a further 1% inflationary cut:

- Schools had improved standards despite the reductions in budgets.
- School staff expected to bring in income through other roles e.g. Challenge Advisers, EAS, Estyn, University work, consultancy – which reduced the skills and knowledge in schools.

- Schools had reduced their staffing to minimum levels
- SEN budgets reduced.
- Less and less support for the most vulnerable people in our society.
- Rely on charity to support education in the 21st century.

#### School 10

The school had invested in the Professional Learning of teaching assistants in order that they could deliver support programmes, which focused on improving standards in basic skills and promoting the Health and Wellbeing of the youngsters in the schools care. The children were desperately in need of personnel who were trained to deliver these support programmes. The reality was that further cuts to the budget would mean the likelihood of losing two teaching assistants from the school at a time when so much more was expected of the school than ever before. Under current funding arrangements the school were operating a skeleton staff structure; consequently these programmes were already stretched to the limit. Further staffing cuts would mean that these support programmes would; at best, offer a minimum service and, at worst, be cut altogether. This would have a detrimental impact on all the pupils but the greatest impact would be felt by the most vulnerable learners.

#### School 11

All Heads were opposed to the hoovering up of pay cut monies in particular and the 50-50 redundancy proposals would have a huge knock-on effect. The school lost thousands last summer because of this and it was completely unsustainable going forward.

At the invitation of the Chair, Huw Lloyd, Head Teacher Ebbw Fawr Learning Community addressed the Committee.

Mr Lloyd said that school budgets had always been under pressure; however school finances were now at breaking point. To meet the needs of pupils more teachers and resources were necessary. If class sizes increased it would be difficult to manage the needs of the pupils and would lead to further teacher redundancies. The curriculum was being squeezed and schools were trying not to cut classes like Art so that pupils have the teaching

support they need. Schools were running at a deficit and a large portion of funding would be earmarked for the increased utility costs and employers costs.

Mr Keane commented that Head and Senior Teachers now had to carry out extra commitments to prop up school budgets. He expressed concern that school budgets were being squeezed in a deprived area where education was vital to pupils living in Blaenau Gwent.

At the invitation of the Chair, Ian Roberts, Head Teacher 3-16 Learning Community addressed the Committee.

It was important to acknowledge the great work that had been done by schools and the Local Authority in partnership in recent years, to raise school standards and the categorisation profile to the best it had been.

Speaking to colleagues there was no doubt that there was serious concern about these proposed real term cuts and the potential it would have to put the brakes on or even possibly reverse some of the significant school improvement that had occurred.

Schools were reporting that if these proposals were passed by Council then teachers, teacher assistants would lose their jobs as a direct result. His colleague Paul had detailed examples from 11 schools.

What would be the impact of these staff loses? To be clear, when pupils needed support with their work, vital interventions, social, emotional or behavioural issues, there would be less support available. When a pupil needed that vital five minute one to one.... that member of staff would not be there because they had lost their job. This would result in increased barriers to learning and behavioural issues.

Mr Roberts view, very plainly was this would make the inclusion agenda in schools even more difficult and would have a negative impact on school improvement, exclusions and the need for specialist places. Currently both Special Schools were full and growing!

Also, and perhaps most importantly, even against a

---

backdrop of significant school improvement, 50% of pupils at KS4 still leave school without the required number or appropriate level of GCSEs.

Education was the primary route out of poverty, a label in Mr Roberts view Blaenau Gwent had worn for far too long. If the Council support schools in the long term it would help Blaenau Gwent to be a better place to live and work!

Mr Roberts fully appreciated that these extremely difficult financial decisions needed to be made, BUT, he fully believed in the children in Blaenau Gwent, passionately believed in giving them the potential to have a better life. It was in the Councils gift to make that possibility a little more likely moving forward.

The Co-opted Member said that schools were currently performing well and the department had not long been out of special measures. There was a risk that budget pressures could put the department back in special measures.

A Member commented that Wales received less funding per pupil than England and Welsh children were suffering because of this. The Welsh Government needed to be lobbied for more funding.

Another Member commented that the Welsh Government had increased the settlement this year.

In response to a Member's question regarding the high cost of teacher absenteeism and what action was being taken to reduce it. Huw Lloyd, Head Teacher said that the sickness policy was led by the Council and the wellbeing of staff was a priority, however, if class sizes increased due to cost pressures this could lead to further absenteeism although this was not an issue in Ebbw Fawr Learning Community. Wellbeing meetings were scheduled especially for long term sickness. There was a drive for positive staff ethics, mindfulness and support for all practitioners.

A Member commented on the well delivered presentation and suggested that the Head Teachers should address the Welsh Government to deliver their presentation in the

---

same way. The Head Teachers informed Members that the NEU (Union) were closely monitoring the situation and may become involved to put these cases to the Welsh Government and formal industrial action in terms of funding was not being ruled out.

A Member reiterated that this was the best settlement the Council had received from the Welsh Government for many years, both in terms of the cash flat budget and extra funding for Social Services.

Another Member agreed with the Member's comments but gave an example of another Council that had received an increase in funding but Blaenau Gwent had received a cash flat settlement.

The Corporate Director Education thanked the Head Teachers for their contribution and hard work teaching Blaenau Gwent's 10,000 pupils.

The Head Teachers left the meeting at this juncture.

The Chief Officer Resources commented that if the decision to passport funds to Education was made at Council, this would mean a 1% increase to Individual School Budgets (ISB).

A Member referred to ENV19003 – Reduction of Refuse Fleet and commented that neighbouring authorities were making savings by switching to plastic bags. The Corporate Director Regeneration & Community Services said that the food waste contract had changed last year. The department could look to change the contract but it would need to be carefully managed.

A Member referred to the substantial increase in income in relation to ENV19012 – Community Services – Increase in Professional Fee income, the Head of Community Services said that this was due to the opportunity to develop collaboration to deliver capital projects i.e. £100m for 21<sup>st</sup> Century schools. It was therefore important to recruit and retain professional staff within Blaenau Gwent.

In response to a Member's question regarding ENV19013 – Increase in Taxi & Private Hire Vehicle Licensing

Income. The Corporate Director Regeneration & Community Services confirmed that the report would be presented to a future meeting of the General Licensing Committee for consideration; however it had been presented to the Joint Scrutiny Committee initially as part of the budget setting process.

The Committee AGREED to recommend, subject to the foregoing, that the report be accepted and the recommendations contained therein be noted; namely

- The national and BGCBC RSG settlement information be noted.
- The in-year cost pressures detailed in Appendix 3, with a view to comment on proposals up to the level of £1.43m for 2019/2020 be noted.
- Passporting the former specific grant and new responsibility funding transferred into the settlement (as per the table in paragraph 5.1.6) in order to continue to fund the activities formerly funded by the specific grant be noted.
- The current assessment of achievement against 2019/2020 savings proposals agreed in January 2018 - summarised in Appendix 5 be noted.
- The 2019/2020 savings proposals summarised in Appendix 6 (detailed in Appendix 7) be noted.
- The Council Tax increase for 2019/2020 at 4.9%, enabling a replenishment of reserves be noted.
- The assumptions in the MTFS 2019/2020 to 2021/2022 (Appendix 4) be endorsed and that a further review would take place in the spring of 2019 be noted.