

LIFELONG LEARNING SCRUTINY COMMITTEE

Minutes of a special meeting of the Lifelong Learning Scrutiny Committee held in Conference Room 1a, County Hall, Ruthin on Tuesday 8th January 2008 at 10.00 a.m.

PRESENT

Councillors N. Hugh-Jones (Chair), S. Frobisher, M.M. Jones, G.J. Pickering and N.P. Roberts together with Co-opted Members D. Edwards, R. Price (substitute for G. Greenland) and D. Smith

Observers: Councillors J.R. Bartley, R.E. Barton, M. Ll. Davies, H.H. Evans (Leader and Lead Cabinet Member for Education), C.L. Hughes, D. Owens and J. Thompson-Hill (Lead Cabinet Member for Finance).

ALSO PRESENT

Interim Corporate Director Lifelong Learning, Corporate Director Resources, Financial Controller, Head of Partnership and Inclusion, Head of Policy and Performance, Head of Countryside and Leisure, Head of Tourism, Heritage and Culture, Scrutiny Support Officer (S. Price) and Administration Officer (K.E. Jones).

APOLOGIES

Councillor D. Cooper together with Co-opted Members R. Beattie, G. Greenland, D. Hesketh, G. Hughes, M. Stallard and D. Wilson

ANNOUNCEMENT

The Chair congratulated Councillor N.P. Roberts on being awarded an MBE in the New Year Honours list for his services to local government and the community.

618 URGENT MATTERS

There were no urgent matters for consideration by the committee.

619 BUDGET UPDATE 2008/09

The Interim Corporate Director Lifelong Learning and the Financial Controller submitted a joint report (previously circulated) advising members of progress with the budget setting exercise for the Lifelong Learning Directorate and seeking members' views on the proposals for cost savings (Appendix 1) and the directorate's prioritisation of the bids for additional resources for service pressures next financial year (Appendix 2). The committee's views on the budget proposals would be submitted to the Cabinet.

Councillor J. Thompson-Hill, Lead Cabinet Member for Finance summarised the background leading up to the current financial position to date. Reference was made to the provisional Welsh Assembly Government (WAG) funding settlement of an increase of 2.3% for 2008/09; 2% for 2009/10 and 2.2% for 2010/11. Two rounds of directorate budget meetings had been held; Cabinet had debated the position at two meetings to date; CET had considered the position on several occasions and a budget seminar had been held for all members the previous week, all resulting in the proposals outlined within today's report. A target of £2.5m in efficiency savings had been set for the authority of which £1.5m had now been identified. It was highlighted that the proposed efficiency savings for the Lifelong Learning Directorate was low and members were asked to identify other possible sources of efficiency savings.

The Financial Controller elaborated upon the authority's current financial position advising that the Council normally expected the Assembly to fund approximately 80%

of inflationary pressures together with any statutory and demographic pressures. However, this had not been the case with an approximate underfund of £500k for inflationary pressures and no provision for increased numbers of older people and adults with disabilities or statutory pressures in landfill tax. WAG would be announcing the final settlement figures on 22nd January. There would be changes from the provisional figures as WAG had indicated they had used the wrong data in some of the calculations. Arising from meetings with members a general view had been expressed that the most appropriate level of increase in Council Tax next year would be 3% which required the authority to identify a further £1m in efficiency savings. This would result in difficult decisions and unpalatable funding cuts. The Chair queried the efficiency savings required by the Lifelong Learning Directorate and the Financial Controller replied that no formula based approach had been applied but directorates had been asked to consider what savings could be delivered. Accordingly the savings from directorates may be disproportionate. With regard to committed increases, £700k investment in the initial response to Estyn had been agreed. However, Estyn and the Welsh Local Government Association (WLGA) advisers had indicated that savings could be generated by reviewing the cost effectiveness of existing education services. Councillor J. Thompson-Hill added that the draft budget also included £500k in addition to the £700k already committed to education.

Members raised serious concerns regarding the poor provisional settlement from WAG, particularly in view of the Assembly's intentions to build up their own reserves to £841m by 2011, which they felt was at the expense of local authorities. The Leader, Councillor H.H. Evans confirmed that the WLGA were mounting a strong response to WAG on the settlement stressing the likely impact upon service levels and Council Tax and highlighting funding expected which had not been included. The Chair queried the disparities in the amount spent on education per pupil in England and Wales and the Interim Corporate Director Lifelong Learning confirmed that there was clearly a significant difference between the funding levels with spend in Wales being much lower.

Lifelong Learning Directorate – Savings Proposals (Appendix 1)

The Financial Controller reported that the savings target for the Lifelong Learning Directorate was just over £750k with £131k having been currently identified. Details of other savings proposals to be investigated further included (1) Reduction in staff travel; (2) Reduction in staff hours throughout the directorate on a voluntary basis; (3) Reduction in hospitality/lunches; (4) Efficiency savings from schools, and (5) Reduced energy consumption.

Members comments on the savings proposals included:-

- the potential for increasing the £30k procurement savings target (where schools did not use county suppliers) in view of the number of schools and significant amount spent
- concerns that two proposals for Tourism, Heritage and Culture were dependent upon a successful bid to the Efficiency Fund
- queries regarding the efficiency savings made from home working as detailed within the previous year's proposals
- the potential of utilising school buildings outside of school hours, particularly for community activities, and examining opportunities for reducing energy consumption
- the potential to centralise the administration and management of Leisure Centres
- concerns that the committee's Finance Working Group had not been involved in the budget setting exercise to identify more cost effective methods of service.

In responding to members' questions and comments the officers indicated that:-

- the use of the Efficiency Fund amounted to approximately £200k and was devolved to CET; there was competition between bids and it was anticipated that a decision on allocation would be made shortly
- the Senior Assistant at Rhyl Library had left and this post would now be deleted
- some investigations around water efficiency measures at Leisure Centres had been undertaken and it was anticipated that savings of £5k could be made
- a further saving of approximately £7k had been identified for Countryside and Leisure arising from early voluntary retirement
- work was ongoing to find further savings within the directorate and the proposals for further investigation detailed within the report would result in efficiency savings
- it would be very difficult to find further genuine efficiency savings in Culture and Leisure areas and the authority was faced with hard choices
- the overall management and administration of leisure centres was already highly centralised
- Tourism, Heritage and Culture had been asked to, and had provided, details of £330k savings over three years
- the £93k efficiency savings for home working identified the previous year had not materialised and it was important to ensure that accepted efficiency savings were deliverable
- the running costs of opening school buildings outside school hours often far outweighed any income received; in any event income generated from the utilisation of school buildings would be claimed by the school and would not generate efficiency savings for the authority
- the Capital Strategy Group was reviewing a large number of bids including capital works to reduce schools energy consumption;
- the Schools Budget Forum had been involved in discussions regarding budget matters at an early stage
- further budget meetings were planned within the directorate, with headteachers and schools with a view to identifying further savings.

The Leader, Councillor .H. Evans advised that the authority needed to be much more focused financially on their priorities and funding would need to be concentrated on delivering the Estyn Action Plan and raising standards in schools. The Interim Corporate Director Lifelong Learning added that, whilst the budgets were very tight, the proposals did not include any cuts in education and the authority had been careful to protect that priority. However, it meant difficult decisions in other areas.

Lifelong Learning Directorate – Pressures/Growth (Appendix 2)

The Interim Corporate Director Lifelong Learning reported upon the pressures/growth for the Lifelong Learning Directorate amounting to £3,401,000. Committed increases included a £700k investment in the initial response to the Estyn report and £40k for the Scala Operating Grant which had been agreed during the 2007/08 budget round. In addition members were advised that Education Transport was a statutory service and £302k was required in view of the increase of operating days. With regard to the other priorities listed within the report, the Interim Corporate Director advised that there could be some negotiation around how those priorities were delivered. Choices could be made around the implementation timetable for the Estyn related activities to meet the action plan and the Youth Service actions to meet the previous Estyn Inspection. Members discussed the priorities for schools and requested further background details relating to those proposals.

Councillor G.J. Pickering queried the potential for organising existing staffing levels in Culture and Leisure more effectively together with centralising administration for Leisure Centres. The Head of Countryside and Leisure responded that flexible staff working had already been introduced and the number of staff on particular sites at any one time had been minimised. With regard to centralising administration, he advised that, apart from Rhyl Leisure Centre, there was no dedicated administration officer at any other leisure centre. In addition, leisure administration was already highly centralised with only two members of staff based at the Village. The Head of

Tourism, Heritage and Culture explained that the proposed additional grant of £60k to Bodelwyddan Castle Trust would be dependant upon the hotel purchasing the freehold on site which would have a huge impact on their funding.

Following review of the current budget proposals for the Lifelong Learning Directorate members noted that the directorate would be carrying out further work in this regard and details of the final settlement from WAG would be announced on 22nd January. Accordingly it was proposed that the latest budget proposals be submitted to the committee's next meeting on 24th January together with detailed background information relating to the individual proposals for further consideration. It was also felt that, in view of the number of Ruthin based officers required to be in attendance, this meeting should be held in County Hall. Consequently the planned visit to Blessed Edward Jones Catholic High School on 24th January would need to be rescheduled.

RESOLVED that:-

- (a) *following the directorate's ongoing review of savings proposals and bids for additional resources, the latest budget proposals 2008/09 together with additional information relating to individual proposals be submitted to the next meeting of the committee on 24th January for further consideration, and*
- (b) *the committee's next scheduled meeting on 24th January be held in County Hall, Ruthin and the planned visit to Blessed Edward Jones Catholic High School, Cefndy Road, Rhyl be rescheduled.*

At this juncture (11.35 a.m.) the meeting was adjourned for ten minutes for a refreshment break.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following item(s) of business on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Act.

620 CLWYD LEISURE JOINT STUDY

The Chair welcomed to the meeting Mr. Ian Eldred, Chief Executive of Clwyd Leisure Limited (CLL), Mr. Peter Lloyd, Finance Manager of CLL, and Mr. David Thomas, Chartered Accountant to CLL who were attending at members' invitation to answer questions on this item.

The Scrutiny Support Officer submitted a confidential report (previously circulated) on the Clwyd Leisure Joint Study carried out by consultant's Lawrence Graham LLP on behalf of the Council and Clwyd Leisure Limited (CLL). The aim of the study was to produce a realistic and achievable strategy and action plan to secure a sustainable long term future for CLL and the Council's assets. At their meeting on 13th December 2007 the committee had decided to review the full report at the earliest opportunity. [A copy of the full consultant's report had subsequently been made available to the committee.]

The Head of Countryside and Leisure reminded members that they had asked Cabinet to defer consideration of this matter at their meeting on 18th December 2007 to enable the scrutiny committee to fully scrutinise the report and proposals. However, Cabinet felt the need to press ahead and had considered the consultant's executive summary and recommendations and resolved:-

- To accept the main findings and note the recommendations of the Joint Study in principle and to evaluate the proposals in more detail with CLL prior to making further recommendations
- To take immediate steps to re-establish the working relationship with CLL, notably through the establishment of new joint Strategic and Operational Liaison Groups
- To appoint the Cabinet Members for Promoting Denbighshire, Finance and Regeneration to the Clwyd Leisure Strategic Liaison Group, together with a representative of the Lifelong Learning Scrutiny Committee
- To request a Business Plan and Financial Recovery Strategy from CLL as a matter of urgency.

Mr. Ian Eldred addressed the committee and provided some background information to CLL ranging from its inception as a Not-for-Profit Distributing Organisation (NPDO) in April 2001, subsequent operation of CLL since then and events leading up to the current position together with possible future options as referred to within the consultant's report. Mr. Eldred stressed that the consultant's report was still in draft form and detailed a number of inaccuracies and concerns over wording which CLL had asked the consultants to address prior to its finalisation.

A number of written questions had been submitted to Mr. Eldred from the committee in advance of the meeting and the officers attending on behalf of CLL proceeded to answer those questions which covered a range of issues relating to the assets managed by CLL, financial implications, management and accountancy systems, business planning and future options for consideration. Members also took the opportunity to raise questions with the officers at the meeting regarding various aspects of the consultant's report and financial management of the Council's assets together with the relationship between the Council and CLL. Concerns were expressed regarding the lack of communication between the Council and CLL highlighted within the consultant's report and members were pleased to note the commitment on both sides to re-establish their working relationship. Members considered the committee's nomination for the Clwyd Leisure Strategic Liaison Group and were keen to receive reports back to future meetings from that Group regarding progress.

RESOLVED that:-

- (a) *the findings of the Clwyd Leisure Joint Study carried out by consultant's Lawrence Graham LLP on behalf of the Council and Clwyd Leisure Limited (CLL) be received and noted;*
- (b) *regular progress reports from the newly established Clwyd Leisure Strategic Liaison Group be submitted to future meetings of the committee, and*
- (c) *subject to his agreement, Councillor D. Cooper be nominated as the committee's representative on the Clwyd Leisure Strategic Liaison Group.*

The meeting concluded at 1.30 p.m.
