
SCHOOLS' BUDGET FORUM
Minutes of a meeting held at Ystafell Madog,
Canolfan Hamdden Glaslyn, Porthmadog,
on 26 November 2012 from 9.00 a.m. until 11.15 a.m.

Present:

Cabinet Members: Councillor Siân Gwenllian (Education)
Councillor Peredur Jenkins (Resources)

Corporate Directors: Mr Dilwyn Williams

School Heads: Mr R Emyr Hughes (Ysgol Dyffryn Nantlle), Mr Vaughan Williams (Ysgol Syr Hugh Owen), Mrs Menna Wynne Pugh (Ysgol Penybryn), Mr Gwyn Howells (Ysgol y Gelli), Mrs Sianelen Fleming (Ysgol Llanaelhaearn).

Governors: Mr Walter Williams (Secondary Sector)
Mr Godfrey Northam (Primary Sector)

Teachers' Unions Mr Neil Foden

The Diocese: Reverend Robert Townsend

Officers: Mr Dewi Jones (Head of Education)
Mr Hefin Owen (Development Finance Manager)
Mr Owen Owens (Senior Manager Education)
Mrs Glynda O'Brien (Committee Officer)

Apologies: Mr Harry Thomas (Chief Executive), Mr Iwan Trefor Jones (Corporate Director), Mr Ieuan Roberts (Head of Ysgol Pendalar), Mr Alun Llwyd (Head of Ysgol Dyffryn Ogwen), Mr Eifion Jones (Ysgol Brynrefail), Mr Dylan Roberts (Head of Ysgol Cymerau), Mrs Gwenan Williams (Ysgol Bro Cynfal / Edmwnd Prys), Mrs Esme Spencer (Ysgol Baladeulyn).

1. MINUTES

The Chair signed the minutes of the meeting of the Schools' Budget Forum held on 19 June 2012 as a true record.

2. MATTERS ARISING FROM THE MINUTES

(a) Item 6 (a) – Reviewing the Secondary Formula

The Development Finance Manager reported that he had not contacted Mr Neil Foden, Chair of the Secondary Formula Review Group, thus far, however he did intend to do this shortly.

Resolved: To accept and note the above.

(b) Item 6(b) – Funding Special Schools

The Development Finance Manager reported that the report commissioned on funding Special Schools would be published in its final version during the next month and it suggested that the Council should consider its investment in special schools.

Resolved: To accept and note the above.

(c) Item 6(e) – Pupils' Deprivation Grant

The Development Finance Manager reported that details were expected soon regarding the above grant in 2013/14 from the Welsh Government.

Resolved: To accept and note the above.

(c) Item 8 – Schools' Final Accounts 2011/12

(a) A spreadsheet of school balances was submitted and the Senior Manager Education referred to the following schools with a surplus of over £50,000 or 8% having set the 2012/13 budget (in the case of Primary Schools) and over £100,000 or 8% (in the case of Secondary Schools).

- (i) Ysgol Abercaseg – it was resolved not to direct the school on how to spend the surplus of £6,504 nor to take the sum from the school's budget as on the basis of the projections in October 2012, the demographic impact would hit the school allocation much worse. Moving to a new allocation formula would also hit this school's allocation.
- (ii) Ysgol Penybryn, Tywyn – it was resolved not to direct the school on how to spend the surplus of £5,896 nor to take the sum from the school's budget because of the significant change that would face the school in September 2013 when Ysgol Aberdyfi would close and a new budget pattern would have to be established to cope with this. It was noted that the Authority had already instructed the school regarding staff expenditure to support the nursery class that had commenced in the school in September 2012.
- (iii) Ysgol y Moelwyn – that discussions were taking place with the school to agree on an appropriate expenditure programme in order to ensure development in areas identified and procure specific resources. It was noted that the programme planning would take into consideration the impact of demography on the school on the basis of projections in October 2011 which would entail balances of £114,000 at the end of 2014/15. On the basis of the projections in October 2012, the impact of demography and the current expenditure plans would mean balances of £95,000 at the end of 2015/16.
- (iv) Ysgol Ardudwy – it was resolved not to instruct the school how to spend the surplus of £63,123 nor to take the sum from the school's budget as the school was following a post inspection plan and elements of the plan had an impact on staffing that would have to be funded.

- (b) The Corporate Director stated that he noted the service proposals and he expressed a hope that the attitude would be more strict next year if the plans were not realised and thereby reducing balances.
- (c) Members were reminded that it was the decision of the Budget Forum itself to include a percentage as well as a financial sum suggesting 'balances over 8% or over £50,000 (primary) and £100,000 (secondary and special schools) whichever was the highest.'
- (ch) The Development Finance Manager explained that schools established a budget based on the position at the time, and more often than not the budget did not take into consideration the future turnover of staff.
- (d) The Education Cabinet Member noted that it was difficult for her to campaign for additional funding for schools whilst the total balance for the sector on 31 March 2012 was £4,437,620. Schools should be encouraged to use their resources better.
- (dd) A Head teacher asked if it was possible to receive a financial report at around six months into the year.
- (e) In response, the Development Finance Manager noted that it would be possible to present a schools' revised budget 2012/13 and it was trusted that this could be submitted to the next Forum meeting.
- (f) During the ensuing discussion the following points were highlighted:
- that the feelings of the Schools' Budget Forum Members should be conveyed in a letter to the Chairs of School Governors noting that balances should be spent in an appropriate way on issues such as the quality of education for the benefit of pupils in school at the time, rather than carrying the balances from year to year and as a result existing pupils were deprived of opportunities at the expense of future pupils.
 - Would it be appropriate to request for examples of balance expenditure as a supervision by the Schools' Budget Forum and it would also be a means to share good practice between schools.
 - That retaining significant balances was a misuse of finance.
 - That budgets should be checked carefully during the year as being proactive would give opportunities to divert resources from one heading to others. For example, in some circumstances there might be an additional sum of money allocated to schools e.g. for energy inflation, which had not been used, available for expenditure in one year on additional materials etc and not being proactive would mean that it would end up as an addition to the balances.
 - that the school development plan underpinned everything and it should indicate how any surplus in the balances would be used and that that expenditure would be for education schemes in order to improve the quality of teaching.
 - If schools did not have a viable scheme regarding the use of balances, it was suggested that it may be appropriate for the Schools' Budget Forum to consider changing the percentage to retain balances from 8% to 5%.
- (g) In response to the above points, the Development Finance Manager noted that it would be possible to present estimates of school balances for 31 March 2013 to be included with the letter to schools before Christmas. It was suggested that it would be good practice to place the questionnaires

completed by schools on the use of balances on the Council's intranet and refer schools to them.

(h) When there was a deficit in balances the Development Finance Manager explained that the Education Department worked jointly with schools to create a financial strategy that cancelled the deficit within a reasonable period of time. He confirmed that only a few schools had a deficit.

Resolved: (a) To request the Head of Education / Development Finance Manager:

- (i) sends a letter to the Chairs of Governors to convey the wish of the Budget Forum for balances to be spent on appropriate plans such as education quality in order to ensure benefit for pupils currently at school, rather than carrying balances from year to year highlighting evident opportunities where this could be done this year.**
- (ii) receives examples from schools of the proposed expenditure of balances to be submitted in the form of a further report to the Schools' Budget Forum and if appropriate to reconsider the percentage of balances acceptable to be carried from year to year.**
- (iii) submits the information received as a public document on the intranet site.**

3. SCHOOLS BUDGET 2013/14

The report of the Corporate Director (Mr Dilwyn Williams) was presented stating the Council would receive an increase in the grant of approximately 1% for 2013/14 and there was an expectation on behalf of the Welsh Government for us to increase school budgets 1% more than the settlement the Welsh Government received. Last year, it was noted that the figure for 2012/14 would be +2.08% equivalent to approximately £1.44m for schools. Approximately £960,000 of the figure met inflation requirements and a further £300,00 would go to Secondary schools in order to contribute to the inclusion plan as well as respond to the recommendations of the report commissioned on the position of special schools.

He noted further that the inflation figure would be thrifty and dependent on what would happen with wages and there would be opportunities for schools to use this element for one off purposes in 2013/14.

Schools would not be asked to contribute to the Council's 2013/14 financial savings in the sum of £3.5m, and the only adjustment schools faced would be the impact of demography.

It was noted that the Primary sector would profit from the savings (approximately £188,000) made as a result of school organisation in the Tywyn area.

It was not known what the position was for schools from 2014/15 onwards, yet it was believed that the Government would have to restore the situation in the health service and the Council's latest projections indicated that we may face a very dark situation by having to deal with a financial gap of approximately £25m over the next four years.

To conclude, the Corporate Director noted that he would release a report on comparative expenditure and other authorities to Members of this Forum before Christmas in order to discuss this at the next meeting.

Resolved: To accept and note the contents of the Corporate Director's report and to accept his offer to release an additional report on comparative expenditure to Forum Members in due course.

4. REVIEW OF THE PRIMARY SCHOOLS' ALLOCATION FORMULA

Submitted: Documentation sent to the Heads /Governors of Primary Schools as part of a consultation to receive the views of schools on the principles established by the Primary Formula Review Group to create a revised allocation formula.

(a) It was noted that the scheme would be submitted together with the opinion of schools to the Schools Budget Forum in February 2013 for recommendations to be submitted further to the Education Cabinet Member to implement a revised scheme in the 2013/14 financial year.

(b) The Education Cabinet member reported that the intention of the review was to try and simplify the formula and she stressed that the Council's vision was not apparent when the process of reviewing the formula was commenced. She appreciated and was very grateful for the work undertaken by the Primary Formula Review Group, however, she felt that it would be necessary for the formula to agree with the Council's vision to raise the standards of literacy and numeracy as well as closing the gap in terms of those children who came from less privileged backgrounds. She added that it appeared that deprivation did not receive sufficient attention and in the context of the deprivation grant and the £1.44m allocated to schools it was required to interweave the finance policies with the Council's vision. She noted further that there was an opportunity to review the formula in terms of the pupils and how the change would have an impact on the quality of education. The Council's vision was that every child should have the opportunity to develop to his or her full potential and the Education Cabinet Member was concerned that the revised formula reflected the Council's strategy and that more stress should be placed on the element of deprivation in the formula in order to strengthen opportunities for children from difficult backgrounds without disregarding the detailed work that had already been achieved by the Group.

(c) In response, a Head who was part of the Primary Formula Review Group noted that whilst accepting the comment the general feeling of the Group was that the money in the formula was sufficient and the allowance per head was not sufficient for lunch time supervision etc. The Group had focussed on the staffing element and if it was necessary to review the headings the deprivation element should be noted as an addition.

(ch) It was suggested that the above opinion should be conveyed to the rest of the Formula Review Group stressing the Budget Forum's appreciation to them for the work, however, due to the Council policy regarding deprivation it was necessary to re-consider the headings within the revised formula.

Resolved: (a) To accept and note the above observations.

(b) To request that the Head of Education conveys appreciation to the Education Cabinet Member and the Members of the Schools' Budget Forum for the work achieved by the Formula Review Group by referring to the above minute at the next Catchment–Area Advisory Group explaining that it was necessary to re-consider the revised formula in order to consider strengthening the deprivation element without of course disregarding the work that had already been undertaken by the Group.

5. SCHOOL BALANCES

Submitted for information, a report by the Welsh Government on school balances 31 March 2012, and it was noted that Gwynedd Council was named for the first time as the Authority with the highest school balances in Wales.

Resolved: To accept and note the contents of the document.

6. SCHOOL EFFECTIVENESS GRANT

The Development Finance Manager reported that thus far he had not received guidance from the Welsh Government regarding the level of the above grant for 2013/14.

Resolved: To accept and note the above.

7. PROPERTY SERVICE LEVEL AGREEMENT

The Development Finance Manager reported that the above agreement was not ready in its final format, however, it was proposed to hold discussions with the Group of Secondary and Primary Heads before Christmas and soon following this the appropriate officer would then release the agreement for consultation.

Resolved: To accept and note the above.

8. INTEGRATION AND COGNITIVE LEARNING TEAM SERVICE LEVEL AGREEMENT

A request was made for the above service level agreement to be extended for another year as it was expected that the findings of the Strategic Review of this field currently being undertaken, would be received, this was in the context of the requirement of the new legislation for September 2014.

Resolved: To accept and support the extension of the current service level agreement for another year.

9. SCHOOL ORGANISATION

The Development Finance Manager reported that the savings emanating from the closure of schools in the Tywyn area would be distributed to the primary allocation over the period of re-organisation and there would be consultation in January on how to distribute these savings. It was noted that different options would be discussed

and reference was made to the pioneering scheme to establish large sized classes by every school contributing £1,000 towards this scheme.

In response to a query by a member regarding the balances of those schools who would close in the near future, the Development Finance Manager noted that the balances would transfer to the Authority to deal with the implications of redundancy as well as the schools' organisation strategy.

Resolved: To accept and note the above.

10. DATES OF NEXT FORUM MEETINGS

The Chairman reported that dates had already been specified for the next Schools Budget Forum as follows:

Monday	04.02.13	2.00 – 4.30 pm	Former St Mary's Church, Stryd yr Eglwys, Tremadog
Tuesday	25.06.13	9.00 – 12.00 pm	Former St Mary's Church, Stryd yr Eglwys, Tremadog

CHAIRMAN