
SCHOOLS' BUDGET FORUM

**Minutes of a meeting that took place at the Former St Mary's Church, Tremadog,
on 18 June 2014 from 9.15a.m. until 10.50 a.m.**

Present:

Cabinet Members: Cllr. Gareth Thomas (Education)
Cllr. Peredur Jenkins (Resources)

School Heads: Mr Vaughan Williams (Ysgol Syr Hugh Owen), Mr Huw G Evans (Head Ysgol Dyffryn Nantlle), Mrs Sianelen Fleming (Ysgol Llanaelhaearn), Mrs Esme Spencer (Ysgol Baladeulyn).

Teachers Unions: Mr David Healey (Ysgol Friars)

Governors: Mr Godfrey Northam (Primary Sector)

Officers: Mr Dewi Jones (Head of Education)
Mr Dafydd Edwards (Head of Finance)
Mr Owen Owens (Senior Education Manager)
Mr Hefin Owen (Development Finance Manager)
Mrs Glynda O'Brien (Members Support and Scrutiny Officer)

Apologies: Mr Harry Thomas (Chief Executive), Mr Iwan Trefor Jones (Corporate Director), Mr Dilwyn Williams (Corporate Director), Mr Gwyn Howells (Ysgol y Gelli), Mrs Iona Jones (Ysgol Bro Cynfal and Ysgol Edmwnd Prys), Mrs Menna Wynn Pugh (Ysgol Penybryn Tywyn), Mr Alun Llwyd (Ysgol Dyffryn Ogwen), Mr Eifion Jones (Ysgol Brynrefail), Mr Neil Foden (Teachers Unions), Mr Walter Williams (Arfon Area Secondary Sector Governor), Mr Gwynne Pierce (Meirionnydd Area Primary Sector Governor), Canon Robert Townsend (Diocese).

1. ELECTION OF CHAIRMAN

It was resolved to re-elect Mr Godfrey Northam as Chair of the Forum for 2014/15.

2. ELECTION OF VICE-CHARIMAN

It was resolved to elect Councillor Gareth Thomas, Cabinet Member for Education, as the Forum's Vice-chair for 2014/15

3. CHAIRMAN'S ANNOUNCEMENTS

(a) A warm welcome was extended to the following to their first meeting of the Schools' Budget Forum:

- Cllr. Gareth Thomas, Cabinet Member for Education, as a successor to Cllr. Siân Gwenllian.
- Mr Huw G. Evans, Head of Ysgol Dyffryn Nantlle
- Mr David Healey on behalf of the Teachers' Unions as a deputy for Mr Neil Foden

- Mr Dafydd Edwards who was a deputy for Mr Dilwyn Williams, Council Corporate Director.
- (b) Best wishes were extended to the following who were attending their last Forum meeting:
- Mr Vaughan Williams, Head of Ysgol Syr Hugh Owen, who had accepted a post with ESTYN
 - Mr Dewi Jones, Head of Education, who would be retiring at the end of August this year.

Both were thanked for their commitment and contribution to the Forum's work over the last few years.

4. MINUTES

The Chairman signed the minutes of the Schools' Budget Forum held on 4 March 2014.

5. MATTERS ARISING FROM THE MINUTES

(a) Item 3 (b) – Primary Schools' Allocation Formula

The Senior Manager for Education reported that the Task Group had discussed two of the specific areas and the intention was to discuss the remainder in due course.

Resolved: To accept and note the above.

(b) Item 4 – Financial Strategy 2015/16 – 2017/18

The Head of Finance reported that there was no firm additional information to currently report regarding the above. He reported that unofficial statements from Ministers and Civil Servants suggested that savings of at least £34m will have to be found over the next 4 years, with the authority having to find efficiency savings in every service.

The Head of Education stressed that this meant that they could not avoid looking at the devolved budget and it would be necessary to look at the best way to make cuts in the formula.

Resolved: To accept and note the above.

(c) Item 5 – School Balances – financial training for schools

The Development Finance Manager gave an assurance that financial training would be organised for schools during the Autumn term.

Resolved: To accept and note the above.

(ch) Item 5 (d) - Funding Post-16 Education

The Development Finance Manager reminded the Forum that the authority had written to the Education and Skills Minister conveying discontent with the cuts in

post-16 education funding, but unfortunately no positive response was received. Further information would be presented to the Forum at the meeting in November on the allocation for 2015/16.

Resolved: To accept and note the above.

6. FINAL ACCOUNTS 2013/14

The Head of Education's report was submitted giving information regarding the 2013/14 Final Schools Accounts to the Forum.

The Development Finance Manager guided Members through the contents of the report and drew attention to the following points:

- Summary of school balances on 31.03.14
- School balances had increased from £23,450 during 2013/14 to £3,776,846
- That 7 schools had a deficit at the end of 2013/14 (12 at the end of 2012/13) with a range of between £2,231 and £90,156
- There was a significant reduction in the balances of Secondary Schools and an increase in the balances of Primary Schools in 2013/14
- That the range of anticipated balances in the primary sector suggested that balances may either remain at around the same level as last year or increase up to £400,000, which would leave the total balances at around £2.7m equivalent to 7.7%
- That the forecast balances in the Secondary sector meant a reduction of approximately £600,000 compared with last year that would leave the total balances at around £0.8m equivalent to 2.3%
- In terms of the two Special Schools, that the forecast suggested maximum balances of £30,000 equivalent to 1.4%

It was noted that Gwynedd schools balances continued to be amongst the highest in Wales and therefore consideration should be given to the balances of individual schools.

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

7. REPORT ON CONSULTATION TO ESTABLISH A THRESHOLD OF 5% OR £50,000 / £100,000

A report was submitted by the Head of Education regarding a review of the school balances direction scheme.

The Development Finance Manager reported that a letter of consultation regarding the resolution to implement the right to instruct schools how to spend elements of their balances in situations where balances were over 5% or £50,000 (primary) / £100,000 (Secondary and Special) whichever was the smaller, had been sent to schools. The following responses were received from schools:

Sector	Support	Object	Not responded
Primary	26	7	64
Secondary	7	2	5
Special			2

It was noted that it would be a requirement that 100% of the schools should support the above proposal in order to implement it. Due to the wording of the question asked the conclusion was that a number of schools had not responded, and that they also objected this.

The Teachers' Unions representative stated his disappointment as the £50,000 increment was a significant sum, especially as Gwynedd schools were small in terms of number of pupils.

Resolved: To accept that all schools were not willing to approve the revised plan to commit to establish a threshold of 5% or £50,000 / £100,000 whichever was the smaller, and this could not be enforced on the basis of the majority.

8. SCHEME TO DEAL WITH SCHOOL BALANCES

(a) A report was submitted by the Head of Education regarding revising the balances direction scheme and the current procedure.

(b) The Senior Education Manager explained that the current system included a threshold of 8% or £50,000 (primary) or £100,000 (secondary and special schools), whichever is the largest, before the education authority can instruct a governing body on how to spend an element of their balances with the current procedure calculating the surplus of balances having established the budget.

(c) Attention was drawn to the appropriate sections of legislation and the following revised scheme and procedure was explained:

- **Balances over 5%** : In accordance with Schools Funding Plan (section 4.2) there is a statutory requirement for schools with balances of over 5% of their allocation to report to the Authority on the use the school intends to make of the balances (it is expected that the Governing Body will have agreed on the school's response to the questionnaire). This is done by releasing the relevant questionnaire.

Timetable – questionnaire to be returned by 4 July 2014

- **Balances over the £50,000/£100,000 threshold:** Identify School balances on 1 April adding the calculation of balances over the appropriate threshold (appendix 2). The relevant schools are asked to report to the Authority on the use the school intends to make of the balances (it is expected that the Governing Body will have agreed on the school's response to the questionnaire). This will be conducted by releasing a relevant questionnaire.

Timetable – questionnaire to be returned by 4 July 2014

- **Instructing the Governing Body**

Following a review of relevant school responses to the above two requests, if appropriate, the Head of Education will instruct the Governing Body with balances above the £50,000/£100,000 threshold on how to spend an element of their balances and request confirmation in accordance with the instruction. He will also contact schools with balances exceeding 5%, but under the threshold, if the questionnaire on use of balances is unclear and/or that the reasons offered are unacceptable or vague.

Timetable – September 2014

- **Payment of Surplus to Authority**

Review if a school has operated in accordance with the instruction, and if not, the school should be notified of the financial sum to be transferred immediately from the school's budget to the budget for schools.

Timetable – November 2014

(ch) The Head of Education added that the total balances of Gwynedd schools over £50,000 or £100,000 was £629,493 on 31 March 2014.

(d) The Cabinet Member for Finance stated that there were many small schools in Meirionnydd with very high balances and bearing in mind the organisation of schools in the future, it should be ensured that those schools spend the money on the children's education.

Resolved: To accept and approve the plan and procedure outlined in c) above.

9. FINANCIAL RESOURCES AVAILABLE TO SCHOOLS 2014/15

A report was submitted by the Head of Education which included a spreadsheet of the schools' main financial resources for 2014/15 where the Governing Body controls the use of money, accepting conditions are attached to some.

A comment was made that the spreadsheet was incomplete and that the first page was missing.

The Development Control Manager drew attention to the fact that the authority allocated £72,189,309 to schools (including £410,859 on a one time only basis to secondary schools). In addition, £9,400,100 is added through different specific grants for Welsh Government priorities which meant that schools received total financial resources to the value of £81,589,409 in 2014/15.

It was noted that the above spreadsheet was extremely useful to Heads and Governors and it was asked if it was possible to add an extra column stating the formula 'policies' such as the safety net.

Resolved: (a) To accept and note the contents of the report.

(b) To request that the Development Control Manager revises the spreadsheet of the main financial sources of schools in order to circulate to schools.

10. SECONDARY SCHOOLS INCLUSION STRATEGY

The Senior Education Officer reported that a process of consultation was on-going regarding changing the method of financing the inclusion strategy and comments would be submitted regarding the response to the next Forum meeting.

Resolved: To accept and note the above.

11. FOUNDATION PHASE IN PRIMARY SCHOOLS

The Development Control Manager reported that the Foundation Phase grant had been received and schools would receive a letter in the next few days on how to allocate the grant. The Primary Formula Review Group together with Mr John Roberts, external expert, would review the incentive of receiving a grant via a formula and the conclusions of those discussions would be reported back to the next Budget Forum meeting.

Resolved: To accept and note the above.

12. SERVICE LEVEL AGREEMENTS

The Senior Education Manager reported that forms had been sent to schools with a request that they note which service level agreements they wish to commit to.

Resolved: To accept and note the above.

13. ANY OTHER BUSINESS

Integration budget

- (a) An explanation was received by the Head of Education in response to a query by a Head regarding the devolvement of funding for additional educational needs, that the integration budget was £5.8m and it was emphasised that there was no cut to the budget but rather £300,000 less had been allocated in order to earmark this for any overspend, if required.
- (b) A Head made a request to know how much finance would be available in order that schools may budget effectively.
- (c) The Cabinet Member for Finance gave an assurance that there would be detailed consultation with any efficiency savings in order to prepare effectively and it would be a very difficult period bearing in mind the current financial climate.

Resolved: To accept and note the above.

14. NEXT MEETING

Resolved: To request that the Members' Support and Scrutiny Officer, in consultation with the Chairman and relevant officers, specifies a date in November for the next meeting.

CHAIRMAN

