
SCHOOLS' BUDGET FORUM
Minutes of a meeting held at Ystafell Dwryyd, Penrhyndeudraeth,
on 24 June 2019 from 14.00 until 15.00.

Present:

Mr Godfrey Northam - Chairman

Cabinet Members: Councillor Cemlyn Williams (Education)
Councillor Ioan Thomas (Finance)

Head of Finance Department: Dafydd Edwards

School Headteachers: Eleri Davies (Ysgol y Gorlan), Alan Jones (Ysgol Nefyn), Dylan Minnice (Ysgol Botwnog), Llion Williams (Ysgol y Garnedd), Dewi Lake (Ysgol y Moelwyn), Iona Wyn Jones (Ysgol Bro Cynfal/Edmwnd Prys) and Menna Wynne-Pugh (Ysgol Penybryn).

Teachers' Unions: Neil Foden

Governors: Gwilym Jones (Ysgol Borth-y-gest)

Officers: Owen Owens (Senior Manager Education Resources Services), Hefin Owen (Finance Manager), Annes Siôn (Member Support Officer).

1. ELECTION OF CHAIRMAN

RESOLVED: To re-elect Mr Godfrey Northam as Chairman of the Forum for 2019/20.

2. ELECTION OF VICE-CHAIRMAN

RESOLVED: To elect Councillor Cemlyn Williams as Vice-chair of the Forum for 2019/20.

3. APOLOGIES

Apologies were received from Andrew Roberts (Ysgol y Berwyn), Annet Frazer (Bangor Diocese), Edward Bleddyn Jones (Ysgol Tregarth Governors), Donna Roberts (Ysgol Hafod Lon), Trystan Larsen (Ysgol Rhostryfan) and Owain Roberts (Ysgol Maesincla)

4. DECLARATION OF PERSONAL INTEREST

There were no declarations of personal interest.

5. MINUTES

The Chair signed the minutes of the meeting of the Schools' Budget Forum held on 4 March as a true record.

6. MATTERS ARISING FROM THE MINUTES

Item 5 - GWYNEDD COUNCIL'S BUDGET 2019/20 - SCHOOLS

It was asked if a bid for a transport and integration budget had by now been confirmed. It was confirmed that the bid had been approved for 2019/20, but perhaps not for the exact figure seen in the minutes, however, it had been funded to the amended over-expenditure level.

Resolved: To accept and note the above.

7. SCHOOLS' FINAL BUDGETS 31/03/19

The report was submitted, noting that it was a report that was submitted annually to the Forum. It was noted that in general, the balances of all Gwynedd schools had remained at £4.0m, corresponding to 5.42% of the final allocation. It was stated that seven schools had a financial deficit of -£207,106 but it was hoped that it would be possible to move from this position during the year.

Attention was drawn to the Welsh Government's statement on school balances for 31 March 2018, this noted that Gwynedd had the highest level of reserves per pupil. It was anticipated that the next statement for 31 March 2019 (to be released in October 2019) will continue to show Gwynedd school balances as the highest in Wales.

It was highlighted that the appendix was a snapshot of school balances over the last three years. It was added that 42 had seen an increase in their balances whilst 60 had seen a reduction. It was explained that the Education Department would correspond with schools that had balances over the threshold - namely £50k in Primary and £100k in Secondary, to note that a clear plan was required on how they intend to spend the money. There will be a report on this in November.

Observations arising from the discussion

- It was discussed that grants arrived late from the Government, however, further evidence needed to be gathered regarding this. It was added that schools were sometimes aware of the grants and could spend a portion before they were received, however, it may be an idea to create plans in readiness for the future.
- It was stated that some schools underspend in case they may need to find savings and therefore there was funding available for redundancies.
- Attention was drawn to the fact that the balances of 60 schools had been reduced over the year, and it was necessary to keep an eye on this.

Resolved:

(i) Approve that the Education Department and the Finance Department:

- (a) Work closely together with schools with a financial deficit in order to ensure they can clear the deficit as soon as possible.**
- (b) Continue to monitor school budgets.**

8. SCHOOLS' GRANT 2019/20 UPDATE

Submitted - a report, along with an appendix detailing the main grants which had been devolved to every school in Gwynedd for 2019/20.

The forum was guided through the report - reference was made to the individual grants noting:

- 6th Form Grant - schools had already received information through the 2019/20 allocation about the share of the £3.3m grant. It was explained that indicative information had been received recently for an additional grant of £96,000 from the Government towards the increase in 6th form teachers' pension costs. It was stated that the proposal letter and conditions had not been received by the Council thus far.
- Education Improvement Grant (EIG) and Pupil Development Grant (PDG) - It was noted that there was no change in the grants following the discussion in March. It was added that the estimated allocation made in April was correct.
- Teachers' Pension Grant - September 2019 - It was explained that indicative information had been received recently for an additional grant of £1,529,003 from the Welsh Government towards the increase in Foundation Phase, KS2, KS3 and KS4 teachers' pension costs. It was stated that the proposal letter and conditions had not yet been received by the Council. At present, it was not clear if part of the grant could be used for an increase in the teachers' pension costs in the Education Department. It was stated that the allocation was 94% of what the Council expected.

The Head of Finance added that the Government had promised Pension grant funding, however, the sum was not full and the Council was continuing to wait for the money. It was added that there was an expectation that teachers' pay inflation in September would be 2.75%, noting that the 2019/20 budgets included a provision for an increase of 2%. It was expected that schools could cope with the difference, for the 7 months that would be 0.4% of their budget. It was explained that it would be difficult to predict what will happen in September 2020.

Resolved: To accept and note the above.

9. POSSIBLE FINANCIAL SITUATION FOR 2020/21

The Head of the Finance Department noted that it was early to try and predict what the grant settlement for local authorities will be for 2020/21 and beyond. He added that there was slippage with the Westminster Government's expenditure review, this will be key by the period 2021/22 - 2022/23. It was added that there is no specific date when the review will be undertaken, but there was a suggestion that its impact will be delayed for a year. It was noted that Chancellor Hammond's November 2019 Budget had noted a significant increase in public expenditure, but the bulk of this money had been committed to the Health sector and tax reductions.

The Head of Finance Department noted that he had made enquiries with the Welsh Government asking if they would roll out specific 2019/20 grants for teachers' pay and pension into local authorities core grants by 2020/21, however, the response was that they could not give any promises. It was stated that there was a possibility of a flat cash settlement for the Council once more, and therefore with inflation and the increasing demand for social care services, there was a possibility that a funding gap up to £10m would face the Council by 2020/21.

It was explained that in order to deal with this there was a possibility that the Cabinet would ask all Council services, including schools, to find a portion of their own inflation,

but there will be further discussion about this. The Head of Finance Department noted that there was talk of teachers pay inflation in September of around 2.75%, but there was no mention of the following September.

It was stated that it would be necessary to prepare for a period of uncertainty, as Welsh Government decisions were likely to be late in the 2020/21 funding cycle. In terms of financial results, it was concluded that the possibilities were extremely broad for 2020/21, not to mention looking at the situation for 2021/22-2022/23.

Observations arising from the discussion

- It was noted that many cuts had been made last year and this year and therefore there was a possibility that savings would come to Schools. It was added that no savings plans were in place for April 2020.

10. DATES OF MEETINGS FOR THE 2019/20 ACADEMIC YEAR

The dates of meetings up to March 2020 had been circulated to the members.

The meeting commenced at 2.00 pm and concluded at 3.00 pm

CHAIRMAN