
SCHOOLS' BUDGET FORUM
Minutes of a meeting held at Y Ganolfan, Porthmadog,
on 5 February 2018 from 10.00 a.m. until 11.40 a.m.

Present:

Mr Godfrey Northam - Chairman

Cabinet Members: Councillor Gareth Thomas (Education)
Councillor Peredur Jenkins (Resources)

Head of Finance Department: Dafydd Edwards

School Heads: Dylan Davies (Ysgol Dyffryn Ogwen), Dylan Minnice (Ysgol Botwnnog), Dewi Lake (Ysgol y Moelwyn), Trystan Larsen (Ysgol Rhostryfan), Menna Wynne-Pugh (Ysgol Penybryn, Tywyn), Iona Wyn Jones (Ysgol Edmwnd Prys / Bro Cynfal), Llion Williams (Ysgol y Garnedd).

Teachers' Unions: Neil Foden

Governors: Gwilym Jones (Ysgol Borthygest)

Officers: Owen Owens (Senior Manager Education Resources Service)
Hefin Owen (Finance Manager)
Glynda O'Brien (Member Support Officer)

1. APOLOGIES

Apologies were received from Andrew Roberts (Ysgol y Berwyn), Edward Bleddyn Jones (Primary Governor), Elin ap Gwilym (Primary Governor), Anest Gray Frazer (Diocese), Garem Jackson (Head of Education).

2. DECLARATION OF PERSONAL INTEREST

There were no declarations of personal interest.

3. MINUTES

The Chair signed the minutes of the meeting of the Schools' Budget Forum that took place on 13 November 2017 as a true record.

4. MATTERS ARISING FROM THE MINUTES

Item 5 (ch) - School Uniform Grant

The Finance Manager reported that no further information had been received from the Welsh Government regarding the above grant, however, the Education Department had submitted a bid to the Cabinet as part of all the other bids.

Resolved: To accept and note the above.

(a) Item 4(c) - On-line Payments and Breakfast Club (Care Club)

The Senior Manager Education Resources Services reported that the book-keeping system to pay for school dinner ("SIMS Dinner Money") had been introduced in every school.

It was noted that the Pre-School Care Club had commenced on 8 January 2018 - this had been difficult as schools were closed over Christmas and this had made it hard to set accounts for parents.

Both schemes, namely paying for dinner and for care, were facilitated if payments are made on-line by parents and the more parents who pay on-line meant there was less book-keeping work for Dinner Clerks. It was noted that the software created an automatic account for electronic payments from parents.

The above issues were discussed with Primary Headteachers and it was agreed to promote this further and to encourage more parents to pay on-line. Stemming from the discussion with the Headteachers, constructive suggestions were received from them regarding how to get more to pay on-line.

A further training cycle was organised for schools that were unable to attend before Christmas, and some schools had noted their wish for the clerks to attend the training for a second time, and some headteachers had also expressed a wish to attend the training.

Resolved: To accept and note the above.

(b) 6th Form Grant

The Finance Manager reported that information had been received but had not been released to schools thus far. It was noted that there was a reduction in the budget received as well as a decrease in the number of pupil courses. Unfortunately, for the fifth year running, the funding continued to be for less pupils than those in the schools. The Head of Finance and the Head of Education had discussed the matter and intended to send a letter conveying their concern regarding the situation to the Welsh Government. It was noted that the budget was based on what had occurred over the last three years rather than the projected numbers. They had to be careful and watchful regarding the completion rate. There will be a cut of 10% for 2019/20 and the following year will be worse.

Resolved: To accept and note the above.

(c) Pupil Development Grant

The Finance Manager reported that schools had received the forecast and the grant value per pupil remained the same as last year.

Resolved: To accept and note the above.

(ch) Schools Improvement Grant

The Finance Manager reported that the above matter had received a great deal of attention and there was no good news, with the grant on a Wales level reducing £26m and on a north Wales level this was roughly equivalent to around £5m. With rising costs this entailed a reduction of around £7.5m. It was noted that approximately 50% of the grant related to the Foundation Phase, and with an impact on Pay Agreements with an average reduction to schools of approximately 22-23% over the next two years.

Reference was made to a letter sent to Headteachers in December 2017, when it was noted that the figures had not changed and this meant a £600,000 reduction in the 2018/19 budget. It was an extremely difficult situation with the grant reducing 17% at a North Wales level and inflation at 1%, and through a reduction in the grant there would be more pressure on Language Centres and 14-16 years learning pathways. The GwE Management Team will determine the grant allocation and it was ensured that the Council would be transparent regarding any impact on schools.

In terms of the time frame, it was trusted that the Finance Department would receive more information in the next fortnight.

Huge concern was expressed amongst teachers as over the years schools had to cope with more and more cuts and a cut of approximately 20% to the Foundation Phase would be damaging and would have an impact on core services.

Evidently, it was noted that there was disquiet throughout Wales regarding this situation and it was not acceptable, but unfortunately this was the reality with grants reducing and it was a complex and difficult situation.

Resolved: To accept and note the above and await further information to be sent to the Headteachers from the Finance Manager in due course.

5. SERVICE LEVEL AGREEMENTS

A table was presented to the Forum indicating the position with Service Level Agreements from 2018-21 for Primary, Secondary, Special and All through Schools.

It was reported as follows:

Grounds Maintenance - a service is offered for three years and each school was visited to gather details and the work of transferring the information to a plan / map of the school sites continues. It was noted that there was no need for Grounds Maintenance SLA at Ysgol Hafod Lon (new) until next year.

Education Support Unit - it was noted that the work of defining specific roles in the Education Support Unit / Area Office continued. It was proposed to continue with the same service level agreement for another year and to trial new support with no additional cost to the schools.

Personnel, Wages and Legal Support - it was noted that some issues overlapped with the roles of the Support Unit / Area Office. It was proposed to continue with the same service level agreement for another year.

It was intended to follow the same system as last year, offering the SLAs to schools giving them an opportunity to submit observations and note if they wish to receive them or not. Following this, it was proposed to submit a summary report to the Schools' Budget Forum.

Resolved: To approve to extend the following service level agreements, as noted above:

- (a) Education Support Unit**
- (b) Personnel, Wages and Legal Support**

6. GWYNEDD COUNCIL BUDGET 2018/19

A report was submitted to the Members during the meeting by the Head of Finance outlining information regarding the 2018/19 budget.

The Cabinet Member for Finance reported that they had spent hours trying to get a balanced budget for the Council and they had never seen such a situation before. From the table submitted regarding the settlement of the Revenue Support Grant to fund local government, it was seen that Gwynedd Council would receive a grant increase of £1m by next year an increase of 0.06%, with the Wales average increase at 0.2%.

During the next two years it was anticipated that the Council will need to find savings of £16m. Currently, all Department Heads had been asked to forward plan cuts of 3%, 10% and 20% and it was envisaged that the impact of any further cuts based on the above percentages would be dire, with the Council's two largest budgets in the Education Department and the Social Services Department.

The Head of Finance explained that when developing a draft budget for 2018/19 it had become evident that there was concern regarding the schools budget. Since the announcement of the grant settlement for local authorities, the Welsh Government's reference to "additional funding" and school protection had raised the financial expectations of Headteachers and Governors for 2018/19.

The Welsh Government's Minister of Education had made some misleading statements regarding the financial position of schools. Following a discussion with Cabinet Members, a way forward was agreed to avoid the transfer of further savings targets to Gwynedd schools this year:

(a) Demography

It was noted that the net position of schools was -£225,000.

(b) ALN Integration

It was recommended to agree on a bid of £319,000 to address over-expenditure on the budget for the integration of pupils with additional learning needs, and the "Education" budget would gain compared to last year.

(c) Centralising Integration

£347,000 will transfer from the schools budget centrally to the Education Department and whilst the schools budget will reduce, the need for schools to spend will also be reduced.

(ch) Education Difficulties

It was noted that a number of difficulties had arisen in Education that would mean that the Council would have to add further to the Education budget through a bids process, or for the Education Department to reduce the schools budget, if they wanted a balanced budget in 2018/19. The total of these issues would have meant harvesting £1.7m savings from the schools budget and the view of Cabinet members was that this was impractical. Therefore it was agreed to recommend the following solutions:

Higher expenditure on transport £516,000

If the above budget was left as it was it would create a need for additional permanent finance of £286,000 in 2018/19 and £230,000 to meet the 2017/18 deficit. It is recommended that corporate under-expenditure would be used to delete over-expenditure this year, but to demand that the Education and Environment Departments re-visit their policies /transport arrangements with a view to control expenditure within the budget available by 2019/20. In the meantime, in order to buy time to undertake this change, it was recommended to bridge £200,000 of the £286,000 required in 2018/19 by providing a one-off budget with the Education Department meeting the remaining £86,000.

Schools Improvement Grant (SIG) £617,000

It was noted that the Education Minister had cut the above specific grant and had 'placed it in the settlement' in order to be able to say that it was not expected for the schools budget to be reduced. It was expected that everything funded via the grant would be maintained, however, the same money could not achieve both and it was noted that there was frustration amongst local authorities in Wales regarding this.

The Council cannot fill the gap in the grant and the funded schemes, therefore a relevant element of the grant reduction would feed through to schools.

Savings £4.3m - the remaining £263,000

In 2014, it was decided to set a savings target of £4.3m for schools to be delivered over the period 2015/16 - 2017/18 and to work jointly with the Schools' Budget Forum to develop schemes to achieve the target. Since then, a slippage was permitted to 2018/19, when it is expected that the reorganisation of schools will produce the remaining £263,000 of the £4.3m target.

This saving will not be available until 2020/21 to 2021/22 but rather than transfer the deficit to the schools (temporary quantum reduction) in the meantime it was recommended to re-profile the savings to those years.

Conclusion regarding the 2018/19 Schools Budget

Rather than suffering a £1.7m "further cut" schools will shoulder the relevant element of the £617,000 (estimate) of a grant reduction that is relevant to them, together with £347,000 of 'technical' transfer taking a budget and the need to spend from them.

It is understood that there is a reduction in other specific grants, and local factors to individual schools, but with this strategy, on the whole, Gwynedd schools would only be expected to find expenditure reductions equivalent to the reduction in Government grants by 2018/19.

During the ensuing discussion, the following main points were highlighted:

- Concern was expressed regarding the lack of information about special needs education and specifically what money will be transferred back to schools (3 / 4 years ago money was transferred for 3* statement pupils)
- That schools were anxious to get clarification in order to respond immediately in terms of staffing duties and school management
- Currently schools had a number of individuals on contracts and if the money was moved then this could lead to over-expenditure / redundancy.
- There was a similar situation with an additional language where pupils are latecomers to schools without any English - and therefore Headteachers were not eager to see the same situation with special needs pupils.

In response to the above, the Finance Manager noted that he would arrange for the relevant officers to immediately send a letter of clarification to schools. The Head of Finance added that the Senior Manager in the Education Department should convey the information to schools.

In terms of increasing Council tax, the Cabinet Member for Finance noted that the choice between maintaining services was difficult with 60% of Gwynedd households in Band A, B and C and approximately 16% receiving support. It was further noted that there was a scheme to assist needy individuals and that Finance Department staff did everything they could to deal with any problems that arise.

The Cabinet Member for Education reported that additional expenditure on transport was a challenge for the Education Department, and of the need to discuss favourable terms with transport contractors.

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

(b) To ask the Finance Manager to arrange that the appropriate Education officers send clarification without delay to schools regarding the staff and special needs education budget.

7. FORECAST OF SCHOOL BALANCES 31 March 2018

A report was submitted by the Finance Manager to raise awareness of the Schools' Budget Forum of the forecast of school balances on 31 March 2018.

Members were guided through the report and it was noted that what was before them was a desktop exercise by the Finance Department, as it was not possible to contact and discuss with every school individually within the time-

frame. The actual figures would be presented at the next Forum meeting during the Summer term.

It was noted that discussions were ongoing relating to Tywyn and y Berwyn schools regarding their financial deficit. It was further recognised that the Finance department continued to work jointly with those schools that have negative balances.

It was emphasised that the money in the balances was available for pupils who are currently at the schools.

Resolved: To accept, note and thank the officer for the forecast and we will look forward to receiving a further report at the next Forum meeting.

CHAIR