
SCHOOLS' BUDGET FORUM

7.2.22

Present: Arwyn Williams (Head of Ysgol Tryfan) (Chair)

Cabinet Member: Councillors Cemlyn Williams (Education) and Ioan Thomas (Finance)

Head of Finance Department: Dewi Aeron Morgan

School Headteachers:

Secondary: Clive Thomas (Ysgol Syr Hugh Owen), Neil Foden (Ysgol Friars) and Dylan Minnice (Ysgol Botwnnog)

Primary: Richard Jones (Ysgol Garndolbenmaen/Chwilog), Menna Wynne Pugh (Ysgol Penybryn), Alan Jones (Ysgol Cymerau), Edward Bleddyn Jones

Governors: Godfrey Northam (Ysgol Dyffryn Ogwen), Gwilym Eifion Roberts (Ysgol Godre'r Berwyn) and Gwilym Jones (Ysgol Borth-y-gest)

Church Schools: Elfed Morgan Morris (Ysgol Llandygái)

Special Schools:

Diocese: Vacant Seat

Observer: Gwenan Davies Jones (Chair of the Federation of Primary Headteachers)

Officers: Owen Owens (Senior Manager Education Resources Service), Kathy Bell (Schools Group Accountant), Ffion Edwards Ellis (Assistant Head of Special Educational Needs and Inclusion), Huw Ynyr (Assistant Head of Information Technology), Siôn Huws (Senior Solicitor), Garem Jackson (Head of Education Department), Dewi Morgan (Head of Finance Department), Ffion Bryn Jones (Democracy Services Officer).

1. APOLOGIES

Apologies were received from Dafydd Gibbard (Chief Executive), Iona Wyn Jones, Debbie Anne Jones and Donna Roberts

2. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received.

3. URGENT MATTER

None to note.

4. MINUTES

The Chair signed the minutes of the previous Forum meeting held on 28 June 2021 as a true record.

5. MATTERS ARISING FROM THE MINUTES

i. SCHOOL BALANCES FOR THE 2020/21 FINANCIAL YEAR

This section was submitted by the Schools Group Accountant.

The Welsh Government's Announcement on School Balances in Wales was shared in full. It was noted that the total Balances in schools in Wales had increased by approximately £150 million in the first year of Covid. It was strongly believed that the main reason for this was that the schools had been closed for periods during the pandemic for a large proportion of the pupils.

It was explained that there was not a single school in Gwynedd in deficit at the end of the last financial year - but that £17 million of negative balances had accumulated throughout Wales in the last financial year. Attention was drawn to the fact that Gwynedd would be in seventh position of the 22 authorities in Wales with the highest balances if the negative balances were disregarded.

These were the points arising from the discussion:

- It was noted that it was necessary to bear in mind that Gwynedd was the second highest of the balances per individual pupil and that it was necessary to consider this in any opinion of the balances. It was proposed that this was a result of the assistance provided by cover and supply teachers to support vulnerable pupils. There was concern about how they would manage the different ways schools would deal with these late grants with some wanting to carry over more balances than others.
- There was concern that schools had been met with many late grants this year, and it was asked what was expected of the schools when receiving these. It was explained that the Government and Estyn had reported at an ADEW meeting that they recognised that the grants did create false balances. Assurance was given that this was anticipated and therefore it was likely that schools would not be penalised for these figures.
- Attention was drawn to the fact that the balances had been relatively high before Covid and therefore this needed to be taken into account. It was noted that Education Budgets had been well protected during the pandemic and had not had to face cuts like the rest of the departments, and therefore something needed to be done to improve the balances. It was emphasised, however, that there was no need to completely disregard the impact of the pandemic.
- There was concern that the financial situation would continue in the years to come and that the late grants contributed to this. It was acknowledged that the Government supported schools with additional expenditure resulting from Covid, but that the implications of this on future balances needed to be considered. There was concern that schools with these balances would be penalised and it would be necessary to justify upcoming expenditures to avoid this.
- It was explained that there was permanent expenditure on staffing but that grants were not provided to cover this budget.
- Staffing concerns continued. It was stated that only now were some of the long-term effects becoming apparent, with the main one being how vulnerable pupils were. It was noted in response to this that additional staff were needed to support the pupils, and that this budget would need to be secured for years to come.
- Frustration was expressed at these late grants and a wish for this to be better planned in the future.

RESOLVED - To accept the updates and the report.

ii. SCHOOL GRANTS 2021/22

Submitted, for information - a report by the Schools Group Accountant, summarising the school grants for 2021/22 announced to date.

It was explained that almost £12 million worth of grants had been received since last summer, and now, extra grants had been submitted in addition to these. It was recognised that this had a major impact on schools' budgets but that it was not acceptable for schools to rely on the additional income from one year to the next. It was noted that a grant such as £3 million to the Primary sector was allocated annually, and should now be given in the settlement.

It was noted that over £1 million of grants had been shared for the benefit of additional learning needs. £385 thousand more was distributed from the foundation phase grant. £300 thousand was distributed from the 'winter of well-being' grant, which was a grant to encourage activities outside the school. A grant of more than £1.1 million was received for the accelerated learning programme from September to March this year, and there would be a further £1.2 million of accelerated learning grant.

It was emphasised that although these grants stipulated that they needed to be spent by 31 March, it was not expected for this to happen, and that instead, it was more important to justify reasonable spending. It was noted that Cyngor Gwynedd was taking this into full consideration. It was explained that there was a maintenance Revenue Grant to release resources from one year to the next to support expenditure planning for the future. This was reported to be worth £1.8 million.

The sum of £5.5 million was received from Cardiff, and an additional £1 million from GwE which was in addition to the funding given in the summer.

As a result of these additional balances, it was assumed that the balances would be higher this year than they were at this time last year.

It was emphasised that schools needed to consider that they would be using £3.5 million of last year's balances as part of their budgets this year.

It was explained that enormous costs resulted from an increase in the price of contractors and building materials, which meant that building repair and maintenance costs put a strain on settings.

RESOLVED - To accept the updates and the report.

iii. UPDATE ON ALN FINANCE WORKING PARTY

Submitted by the Assistant Head of Special Needs.

It was shared that the next step in the process was to consult with strategic groups to identify the best options for the budget. It was noted that this consultation would state whether the working group and the Forums agreed on the best allocation for the money. It was said that a consultation would begin with headteachers before Easter.

It was explained that the implementation would begin in April or September 2023, depending on the outcome and completion of the consultation work.

RESOLVED - To accept the updates and the report.

iv. IMMERSION EDUCATION SYSTEM

Submitted by the Senior Manager - Schools.

There was a reminder that they would be asking for a contribution from schools to support the work, ensuring that they would co-own the immersion education provision.

It was explained that things had not been able to move as quickly as they would have liked, and therefore they would not currently be asking for a contribution towards the work in 2022/23.

It was noted that they did not expect to have a head and staff for the structure until September 2022 after having to re-advertise the position. It was said that the establishment of one of the settings had slipped to open in January 2023, rather than in September 2022.

It was confirmed that the Education Department would be updated if any additional costs arose in the process. It was expected to receive a contribution from the schools from April 2023 onwards, which was a one-year delay on where they were now. It was mentioned that constant updates would be shared and that there would be a firm update by the autumn during the next financial year, whether it was a verbal update or an item on the Forum's agenda.

RESOLVED - To accept the updates and the report.

6. COMPOSITION AND ROLE OF THE FORUM

Submitted by the Senior Solicitor.

It was explained that it became a statutory requirement from 2003 onwards for all Local Authorities to establish such a Forum as this to share and publish School Budgetary decisions. The format of the Forum in Gwynedd was decided by the Board in that period, or the Cabinet as it was now known. It was explained that there had to be a minimum of 15 members on the Forum, and with links to schools, such as headteachers and governors. It was noted that it was possible to have external members but equivalent to no more than 25% of the entire membership - including officers and authoritative bodies. It was explained that nominations were required to appoint these members. At the time, bodies were allowed to vote to have individuals join to observe the Forum.

It was pointed out that the current membership followed a similar pattern to the original membership, except for a change in roles and a change to the structure of the Council. It was noted that the Forum had a duty to report to schools' governing bodies. It was explained that it was up to local authorities to identify and determine how often the Forum needs to meet, although there was a recommendation in the document on good practice to follow, drawn up in 2010.

Comments raised:

- There was concern that the notes stated that individual membership should continue for up to four years. It was noted that this was only a recommendation and did not have to be strictly adhered to.
- It was explained that there was room to adapt and share observations regarding the document created for the item to make it suitable for the current Forum, such as adding and adapting the officers who needed to be present at the Forum. It was emphasised that the suggestions on the structure of the Forum would need to be submitted to the Council for consideration and a final decision.
- It was expressed that appointing deputies would not be the best practice for this Forum in order to have consistency in the membership attending.

RESOLVED - To accept the updates and the report.

7. BUDGET 2022/23

Submitted by the Cabinet Member for Finance, and the Head of Finance Department.

It was noted that the presentation of the Budget would be submitted to the Full Council, after being submitted to the Scrutiny Committee and the Cabinet. It was explained that there had been a series of seminars and presentations throughout January to discuss and explain the procedure with the budget to members. Attention was drawn to the fact that there would be constant updates on the budget if there were any changes or adjustments to the figures and the timetable.

It was shared that the normal settlement of Government grants was 9.4% on average in Wales, while it was 8.8% for us in Gwynedd which bodes well. It was explained that the likely reason that Gwynedd received less than the average was that the County's population was lower compared with other counties in Wales. It was noted that it was a significantly larger amount than next year's sum, i.e. 3.5%, with 2.4% the following year. It was explained that inflation currently stood at 5%, but there was concern that it would increase to 7% by April. It was highlighted that these inflations would lead to higher costs.

We were reminded that we had received £16 million in financial support towards Covid from the Welsh Government by the end of this financial year. It was explained that calculations needed to be made to protect us for the future following receiving this financial support, bearing in mind that this financial support would not be distributed next year.

A message of thanks was expressed on behalf of the former Head of Finance to the members of the Forum for all the collaboration over the decades.

It was explained that the equation to obtain a balanced budget was that net expenditure was less than the savings equal to the total government grants and Council tax. It was noted that they had created sensible assumptions about the inflation to come when speculating about the budget in the coming year. It was added that these assumptions included inflation calculations in wages and supplies, the impact of Covid and grant settlements. It was noted that one of the inflations in salaries was the increase in teachers' salaries of 1.75% in the remaining five months of the academic year. There was speculation of a further increase for the new academic period from September to the end of this economic year. It was also explained that consideration was given to the increase in national insurance input of 1.25%. It was noted that there was a calculation of inflation of £2.6 million in all across the Council, including energy and fuel costs, residential care, etc.

It was noted that further adjustments had been made to Schools' Demography to reflect the current situation. It was noted that there was a reduction in the number of pupils in the Primary, but an increase in the number of Secondary pupils. It was explained that net expenditure had received a reduction of £57 thousand as a result of these changes. It was reminded that there had also been a similar impact in the numbers last year.

It was explained that all of this had resulted in further expenditure of £13.2 thousand to respond to the demands of inflation, in addition to extra expenditure of £8.1 thousand on service pressure.

It was noted that the Council had received a budget to support Covid costs until the next financial year, but that this meant the need to provide a budget ourselves to support the impact that would carry to the next financial year.

It was expressed that there was pressure to increase Council tax to justify these additional costs. Attention was drawn to the fact that this could be problematic as there were fewer buildings eligible to pay Council tax this year, mainly due to the numbers of residences that had been converted into holiday units and where no dwellings were coming in to replace them.

It was explained when closing the 2020/21 accounts that an opportunity had come to open Gwynedd's Covid recovery fund, which had now accumulated around £1.4 to deal with Covid requirements. It was noted that the financial strategy fund was also available if it became obligatory for us.

A new procedure was adopted when responding to loss of income applications due to the crisis and now they were arranged according to priority as it was not possible for the Council to respond to the customary £14.5 million cost that had been the case.

It was noted that they had succeeded in Realising Savings, it was explained that more than £32.8 had been saved by the Council since 2015/16. It was explained that as a result of the better than usual settlement this year the Council had succeeded in delaying savings that had been intended to be realised in the 2022/23 financial year. It was further noted that a figure of £1.3 million had managed to be slipped to the year 2023/24 or later, and that two savings plans had been completely deleted from the savings plans which reduced the number of savings to be achieved by half a million. It was further stated that Covid continued to disrupt the savings plans but that this had been facilitated as a result of the settlement they currently had. It was added that there were no new savings for schools nor for the Education Department in the 2022/23 financial year.

£0.5 million per year was allocated in capital bids to be distributed regularly, in addition to any bids that were offered each year. It was explained that these bids were used for any case that arose and needed to be resolved in the coming financial year, for example, £118 thousand was distributed towards the Community Pitch at Ysgol Syr Hugh Owen. It was noted that One-off Bids had supported a one-off fund of £6.1 million in the year 2022/23. It was explained that this budget supported the employment of a Free School Meals Promotion Officer for the year 2022/23. It was noted that almost half the One-off budget also supported many projects related to climate change in the coming year.

It was noted that there was £6.7 million in Permanent Revenue Bids, which was a budget that would appear permanently within the budget, and £449,539 of this was given to the Education Department. It was explained that a large proportion of this money went towards ensuring that post-16 pupils would not have to pay for their travel ticket, for school taxi and train transport, and on employing a Secondary Sector Education Officer.

It was explained that inflation and necessary adjustments had created costs of £12 million which forced a tax increase of 2.9%. It continued to be explained that there would have to be an increase of 1.5% to keep on top of inflation this year, and the rest of the percentage would avoid an excessive impact on the services. It was explained that the effect of this inflation on an individual paying Council tax on band D, would be an 84 pence increase on weekly tax with total tax amounting to £29.37.

RESOLVED - To accept the updates and the report.

8. SCHOOL DIGITAL STRATEGY

Submitted by the Assistant Head - Information Technology.

An update was provided on the project to date, and it was explained that the report did not do justice to the amount of work that had been done in the last year. Attention was drawn to the fact that there had been more developments in the Primary sector than in the Secondary at present.

They were reminded that on 9 November 2021 they had received permission to accept the Digital Strategy and an agreement to provide half the cost to get laptops for KS2, the Secondary and for the teachers, as well as tablets for the Foundation Phase, from the

Cabinet. It was explained that this budget was in addition to the previous budget of £2.25 million to renew the network's technology. It was explained that over a period of ten years it was necessary to commit to expenditure of approximately £10 million for the equipment. It was pointed out that over 61% of this budget was to be contributed by the Council.

It was noted that such discussions had also been held in Anglesey before Christmas within their executive committees. It was explained that the main discussion that needed to be addressed was the internalisation of support. It was hoped to internalise the Technical support to assist the schools, and it was explained that this discussion was still ongoing with the Cynnal company by both Councils so as to discuss the work and the impact of doing this on the company. It was noted that legal and employment discussions were being held to discuss the impact of internalisation on the Council. It was ensured that there would be confirmation of these discussions by 1 April, together with its funding strategy. It was explained that something like this would compel the Council to employ additional staff. It was noted that the pilot scheme would be trialled before Easter, with laptops being prioritised for staff then Secondary pupils. It was explained that this timetable was dependent on the timetable from the legal team.

Observations arising from the discussion:

- It was asked what the insurance provision was for the resources and how this was implemented. It was replied that there were no specific arrangements in place yet, but that research into policies was going ahead, with the best policy at the moment being £24 a policy per year. Confirmation was expected on the different policy options available considering that they would receive the equipment for five years but there was a possibility that some would break down or go missing. It was confirmed that regular updates would be shared.
- It was asked if secure locations would be offered to keep the laptops safe. It was explained that there were significant costs associated with a charging cabinet and that serious consideration needed to be given to the actual need for the provision.
- There was concern as to whether pupils would be provided with a new laptop if the one received at the beginning was defective. It was noted that it was hoped to supply the pupils with a new laptop if it was not possible to save the laptop they already had.
- Significant social concern was shared as a result of pupils carrying expensive laptops with them outside the school, whether as a target for theft or to sell them on themselves.

RESOLVED - To accept the updates and the report.

9. LAND MAINTENANCE ALLOCATION

Submitted by the Senior Manager - Schools.

It was noted that the reference to the 'Cabinet' in the report recommendation needed to be removed.

It was explained that the schools had been presented with a consultation to decide on one of two grounds allocation budget allocation options - 1) re-allocate grounds maintenance funding differently to the current system, but that the total budget remained the same for the Primary sector and the Secondary sector. 2) for all the money to be shared from the same pot to all the school sectors to be allocated as needed.

It was explained that 13 Primary schools had responded, three Secondary schools had responded, there was one response from all-through schools and 0 responses from special schools. He noted that the majority supported the proposal of model 2. It was noted that a number of comments that were inappropriate for the consultation had been received, but that they were being considered for further developments to the model. It was pointed out

that many were concerned about how the work was distributed according to hours of work, but they were reassured that this procedure was being considered in accordance with the model that will be received. Many were concerned about the cost of the service agreement, but it was noted that this was not a consideration for this consultation.

It was emphasised that if there were changes to the grounds maintenance work following the school's developments, the school needed to update the Highways and Municipal department to check the adjustment and check the hours of work required accordingly.

Observations arising from the discussion:

- It was asked how many of the 17 who responded were responding from schools that received a reduced budget. It was noted that this information had not been gathered. It was expressed that it would be beneficial to receive this information as it was likely that schools not affected or that received more money would have a different approach towards the models being offered.
- It was asked how the time allocation for grass maintenance was decided. It was explained that the size of the area did not mean that a lot of time was needed to maintain it, rather that the convenience of the location needed to be considered.
- It was noted that it was a pity so few people had responded to the survey and therefore it was not a fair representation.
- It was discussed whether it was fair for model 2 to proceed with so little representation. It was decided that everyone had received a fair opportunity to complete it and therefore they should carry on with the plans.

RESOLVED - To accept the updates and the report.

10. WORK PROGRAMME

The item was submitted by the Schools Group Accountant.

It was noted that the work programme had to adhere to the main aspects for the Forum, but it was explained that items would be added in accordance with the issues relevant to the time of the meeting. It was confirmed that updates would be shared via e-mail between meetings if relevant, or an additional Forum held if necessary.

Observations arising from the discussion:

- It was proposed that it was necessary to stick to one meeting per term even if there was not a very full agenda to discuss. It was noted that too much time had passed this time and that it would be beneficial to have more regular contact. It was mentioned that minutes became dated if too much time was allowed to elapse.

RESOLVED - To accept the updates and the report.

11. DATE OF NEXT MEETING

It was noted that the end of June or beginning of July would be suitable.

The meeting commenced at 3.30 p.m. and concluded at 4.45 p.m.