



Complete Agenda

Democratic Service
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Meeting

SCHOOLS FINANCE FORUM

Date and Time

3.30 pm, MONDAY, 6TH FEBRUARY, 2023

Location

Virtual Meeting - Teams

Contact Point

Einir Davies

01286 679 868

EinirRhianDavies@gwynedd.llyw.cymru

(DISTRIBUTED 2nd February 2023)

SCHOOLS FINANCE FORUM MEMBERSHIP

CABINET MEMBERS

Councillor Beca Brown (Education)
Councillor Ioan C Thomas (Finance)

CHIEF EXECUTIVE

Mr Dafydd Gibbard

HEAD OF FINANCE

Dewi A Morgan

SECONDARY HEAD TEACHERS

Mr Arwyn Williams – Ysgol Brynrefail Mr Dylan Minnice - Ysgol Botwnnog
Mr Neil Foden – Ysgol Friars Mr Aled Williams – Ysgol Ardudwy

PRIMARY HEAD TEACHERS

Mrs Iona Jones - Ysgol Edmwnd Prys/Bro Cynfal Mr Richard Derwyn Jones – Ysgol
Garndolbenmaen
Mrs Menna Wynne Pugh – Ysgol Penybryn Mrs Eleri Morgan Davies – Ysgol
Mr Alan Wynn Jones – Ysgol Cymerau y Gorlan

TEACHERS' UNIONS

Mr Clive Thomas – Ysgol Syr Hugh Owen

GOVERNORS

Arfon

Mr Brian Jones – Ysgol Llanllechid
Mr Edward Bleddyn Jones – Ysgol Tregarth

Meirionnydd

Ms Carys M Fowles – Ysgol Tywyn & Ysgol Penybryn
Awaiting Nomination – Primary / Secondary Schools' Governor

Dwyfor

Mr Gwilym Jones - Ysgol Borthygest,
Councillor Gwynfor Owen – Ysgol Hafod Lon

DIOCESE

Vacant Seat

CHURCH SCHOOLS

Ms Joanna Thomas – Ysgol y Faenol

SPECIAL SCHOOLS

Mrs Donna Roberts - Ysgol Hafod Lon

Observers:

Mr Garem Jackson, Head of Education Service
Ms Kathy Bell, Group Accountant – Schools
Mr Rhys Meredydd Glyn, Head of Gwynedd's Welsh Language Immersion System
Ms Ffion Edwards Ellis, Assistant Head of Department, Special Educational Needs and Inclusion
Dr Diane Pritchard-Jones, Assistant Head : Education Services

A G E N D A

1. ELECTION OF VICE-CHAIR

To elect a Vice-Chair for 2022/2023

2. APOLOGIES

To receive any apologies for absence

3. NEW NOMINATIONS

To confirm new nominations to the Committee

4. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest.

5. URGENT BUSINESS

To note any items that are a matter of urgency in the view of the Chair for consideration.

6. MINUTES

5 - 10

To confirm the minutes of the previous meeting held on 12th December, 2022

7. MATTERS ARISING FROM THE MINUTES

- i. Language Centres
- ii. Service Level Agreements

8. COUNCIL'S FINANCIAL STRATEGY 2023/2024

11 - 12

Report by Dewi A Morgan, (Head of Finance)

9. INTEGRATION 2023/24

13

Report from Ffion Edwards Ellis, (Assistant Head of Special Educational Needs and Inclusion)

10. ANY OTHER MATTER

An Opportunity to Raise Any Other Matter

11. DATE OF THE NEXT MEETING

To be confirmed

SCHOOLS' BUDGET FORUM 12.12.22

Present: Arwyn Williams (Headteacher of Ysgol Brynrefail) (Chair)

Cabinet Members: Councillors Beca Brown (Education) and Ioan Thomas (Finance)

Head of Finance Department: Dewi A Morgan

School Headteachers:

Secondary: Neil Foden (Ysgol Friars), Dylan Minnice (Ysgol Botwnnog) and Aled Williams (Ysgol Arduwy)

Primary: Iona Jones (Ysgol Edmwnd Prys / Bro Cynfal), Menna Wynne Pugh (Ysgol Penybryn), Ruth Jones (Ysgol)

Governors: Edward Bleddyn Jones (Ysgol Tregarth)

Church Schools: Nobody was present

Special Schools: Nobody was present

Diocese: Nobody was present

Union Representative: Clive Thomas (Ysgol Syr Hugh Owen)

Observer: Eleri Jones (Chair of the Federation of Primary Headteachers)

Officers: Garem P Jackson (Head of Education Department), Owen Owens (Senior Manager of Education Resources Service), Kathy W Bell (Schools' Group Accountant), Ffion Edwards Ellis (Assistant Head of Special Educational Needs and Inclusion), Rhys M Glyn (Head of Gwynedd's Welsh Language Immersion Education System), Einir Davies (Democracy Service Officer)

At the start of the meeting, the Head of Education took the opportunity to pay tribute to Godfrey Northam, who had served on the Committee for many years, and a minute's silence was held as a mark of respect.

In addition, he took the opportunity to thank Owen Owens for all his work as he was retiring from the Council, and he was wished well in the future.

1. ELECTION OF CHAIR

RESOLVED to re-elect Arwyn Williams, Head of Ysgol Brynrefail, as Chair of the Forum for 2022/23.

2. ELECTION OF VICE-CHAIR

RESOLVED - as no names were proposed for the role of vice-chair, the role would remain vacant for the time being, in order to be able to proceed with the meeting.

3. APOLOGIES

Apologies were received from Dafydd Gibbard (Chief Executive), Siôn Huws (The Council's Legal Department), Councillor Gwilym Jones (Ysgol Borthygest Governor) and Donna Roberts (Ysgol Hafod Lon).

4. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received.

5. URGENT ITEMS

None to note.

6. MINUTES

The Chair signed the minutes of the previous Forum meeting held on 7 February, 2022 as a true record.

7. MATTERS ARISING FROM THE MINUTES

It was noted that many of the matters had already been included on the agenda.

8. SCHOOL BALANCES FOR THE FINANCIAL YEAR 31/3/22

The report was submitted by the Schools' Group Accountant, noting that a national pattern appeared in figures until the end of October. It was confirmed that Gwynedd was the Authority with the highest balances per head in Wales, with no Gwynedd school in deficit. This was reiterated by the Head of Education, who had been in discussion with the Welsh Government, which had confirmed that the balances were unusually high, and their suggestion of a three-year spending plan.

The Group Accountant noted that £7.5 million would disappear by the end of the year if schemes were not carried out.

It was confirmed that no discussion had been held with individual schools, but the situation was not as promising as balances suggested, as many schools had committed to spend in the new year. It was noted that there were also additional matters such as salary increases, and an increase in fuel prices that would affect the figures. It was confirmed that there would be no reduction in the Government's substantial grants.

RESOLVED to accept the report.

9. SCHOOL GRANTS 2022/23

The Schools' Group Accountant reminded the Forum of the substantial grants that had been received over the past two years, compared to this year's grants of £13 million. It was noted, previously, that a late maintenance revenue grant had been received, but it was confirmed that this was not on the cards this year.

RESOLVED to accept the report.

10. THE COUNCIL'S FINANCIAL STRATEGY 2023/2024

A presentation was given by the Head of Finance Department, which confirmed that a great deal of the information changed continuously, and that the Authority's Financial Settlement figure would not be available until 14 December. The Head of Finance Department noted that it appeared that the settlement would be slightly better than what he had feared, and he shared slides with the Forum. He referred to matters that would affect the settlement such as general inflation of 10/11%, and that homelessness had increased in the county.

In terms of the financial position of the current year (2022/23), it was confirmed that there would be no additional grants, and an overspend of £7.1 million was expected against the Council's budget. As additional grants could not be used this year, the deficit would have to be filled by using Council balances. The Head of Finance Department referred to a letter that had already been sent to Heads of Department regarding the financial deficit, but it was noted that the deficit may come down slightly.

It was noted that the 2021 census figures were also starting to feed through, and there was some hope that the settlement would be slightly better than what he had anticipated. It was confirmed that it may be possible to buy time in 2023/24 but, of course, this depended on the Minister's announcement.

Reference was made to options to close the deficit, but there was balancing work to be carried out, especially as the financial position had changed so unexpectedly since the beginning of the current financial year.

Reference was made to the prioritisation system, confirming that the Chief Executive and the Director were examining the individual proposals from each Department, and this would be followed with every Head of Department attending a meeting with the Leadership Team on 19 and 20 December for further discussion.

The Head of Finance Department referred to modelling cuts from 1% to 6% for schools, and although time could be bought, this was only possible for a period of time.

The Head of Finance Department referred to the procedure and indicative figures with a clear cut across all sectors. He noted that 6% equated to £4.8 million, but it was emphasised that these were indicative figures.

The need for another meeting at the end of January/beginning of February, depending on diaries, was noted.

It was emphasised that these were the worst figures.

The Head of Education Department thanked him for a good and clear presentation, noting that every Department had to prepare, but it was not possible to predict the situation at present.

The meeting was opened for questions / observations:

The Chair noted that showing figures was one thing, but the figures did not reflect the situation and the vulnerability of children who were getting over Covid. The Head of Education Department noted that work was needed to recover from the impact of Covid on children. In addition, the Head of Education Department confirmed that he had had to

illustrate the impact on Gwynedd residents when submitting proposals to the Leadership Team. The Head of Education noted the need to consider general cuts across the three sectors, although the demographic dip had affected the primary sector, which would soon affect the secondary sector.

The Head of Finance confirmed that each proposal would be considered across the Council.

The Union Representative raised a question regarding the Council's reserves, along with any earmarked funding, asking whether this was also on the table, as it was important to consider. The Head of Finance confirmed that there were reserves and it would be possible to consider them to fill the deficit and to buy as much time as possible. He added that there were reserves for specific projects and decisions on projects had been made for some time, but any withdrawals would be completely transparent. It was noted that preventative work was the way to meet the requirements of some projects.

Whatever the percentage, one Secondary School Headteacher questioned that some schools were already under protection. The impact of this would involve higher cuts for some schools and he noted the need to keep the situation of each school separate.

The Union Representative noted his concern about the recruitment and retention situation, along with his concern about circulating messages. He noted the need to catch up immediately after Covid and that this was very bad timing. It was noted that there were three clear ways to save money, namely larger classrooms, energy reduction and staff cuts, and it was questioned whether or not schools were suitable for this?

The Head of Finance referred to schemes that were sometimes identified to bring in more funding, along with the Asset Management Plan and the Invest to Save Scheme, which was under discussion in this cycle.

One Secondary School Headteacher enquired whether or not Invest to Save was open to individual schools, and the Head of Finance noted that he would check and report back on this.

One Primary School Headteacher noted that savings were unavoidable, but that she was concerned about the children, and the responsibility towards staff, which put a strain on schools, and the side effect of losing Headteachers and teachers.

The Chair made an observation that if schools admitted fewer pupils, fewer classrooms would be needed and this would rationalise schools. The Head of Education confirmed that the Council had had to make difficult decisions and that demography would have to be examined and offer value for money.

It was questioned whether or not funding outside schools was being cut in the same way (e.g. GwE and ALN), and it was confirmed that it was.

It was confirmed that more clarity would be available at the meeting, which would be arranged for the end of January/beginning of February, in terms of the Authority's expenditure for 2022/23, along with the settlement.

The Head of Education confirmed that the purpose of the meeting was to share information and that the situation would be more mature by January/February. He urged Forum Members to take the opportunity between now and the next meeting to discuss with fellow headteachers.

RESOLVED to accept the report and arrange a meeting as soon as possible to discuss further, when figures were available.

11. LANGUAGE CENTRES 2023/2024

A presentation was given by the Head of Gwynedd's Immersion Education System. He referred to the meeting held on 28/6/21 where the Education Improvement Grant had been discussed, along with the approval regarding contribution from schools. He noted the intention to model options in order to consult with schools and the Forum. He noted that there was no wish to go cap in hand to schools and that it would be possible to find the funding this year, and further discuss how it would be funded at the next meeting.

RESOLVED to accept the information and to receive a further update at the next meeting.

12. INTEGRATION 2023/2024

Reference was made to the on-line survey that had been shared in order to receive the observations of Headteachers. It was confirmed that 33 questionnaires had been received, with Model 7 for school budgeting being preferred. It was noted that observations discussed the impact of Model 7 on school budgets and that they would proceed to undertake more work on Model 7.

It was confirmed that the next steps would look at Model 7 more carefully, and consider the observations, examining the change in April 2023 and then having another discussion about whether the model was suitable.

The Union Representative welcomed the fact that data quality assurance work was being undertaken with quality officers.

The Assistant Head of Special Educational Needs and Inclusion noted that work would be undertaken to examine whether or not the emphasis was correct. In addition, when undertaking the modelling work, she noted that it would become clear whether something was wrong. It was confirmed that it would be addressed from the viewpoints of providers.

It was confirmed that an update would be provided at the January/February meeting.

It was asked whether a group examined the work and it was confirmed that a working group existed but new representation was needed. It was confirmed that Gwynedd was moving forward well and ahead of some nearby counties.

RESOLVED to accept the information and to receive a further update at the next meeting.

13. THREE-YEAR PROJECTIONS

The report was presented by the Schools' Group Accountant, where it was noted that the county was looking at losing 550 primary school children due to a reduction in numbers. This involved losing £1.2 million in the primary sector over three years. It was confirmed that the Welsh Government was re-examining the Sixth Form Grant, but they may proceed to base it on real figures, and it was confirmed that everything was up in the air. If balances were gone, it was noted that bridging between April and August would be required. It was noted that many things were currently up in the air and that birth statistics appeared to be reducing.

RESOLVED to accept the report.

14. SERVICE LEVEL AGREEMENTS 2023

The Senior Manager - Education Resources Service reported that eight agreements were coming to the end of their lifespan and that schools had been offered to submit observations, and that they would be discussed in detail at the next meeting.

RESOLVED to accept the report and to receive an update at the next meeting.

15. DATE OF NEXT MEETING

It was confirmed that the next meeting would be held on Monday, 6 February at 3.30pm via Teams.

The meeting commenced at 3.30pm and concluded at 5.00pm.

APPENDIX 5

DEALING WITH THE SCHOOLS' BUDGET IN 2023/24

- 1. Background:** The relevant elements of the Council's draft budget for 2023/24 was reported to the Schools' Budget Forum meeting on 6 February 2023, where it was noted that there will be a normal increase in the Gwynedd schools' quantum this year, as the Council (unlike some local authorities) funds inflation, pay increments, and demography.
- 2. Inflation:** The schools' budget will increase by **£6.4m** this year for inflationary increases, including teachers' pay inflation, a decrease in employer's National Insurance contribution of 1.25% and a reduction of 1.2% in the employer's pension contribution for APT&C workers. This will cover the cost of teachers 5% pay increase for the 5 months April – August, which is the full year effect of the September 2022 pay agreement, and an estimated further increase of 4% cost for the September 2023 pay agreement (for the 7 months September 2023 – March 2024). The increase in non-teaching staff costs for April 2022 and an estimate of 5% for April 2023 is also included. Of course, schools' allocations for energy, including 120% for electricity, will also increase with the level of related inflation.
- 3. Staff Pay Increments:** £573k will be added towards the Council's budget for 2023/24 due to pay increments and a reduction of -£718k for staff turnover.
- 4. Demography (pupil numbers):** The schools' budget will increase this year due to the usual "demography" adjustments, resulting from changes in pupil numbers. The actual number of pupils in September 2022 will be used to calculate 2023/24 allocations. The situation differs from school to school, but overall, the impact of increasing pupil numbers means that the schools' budget as a whole would increase by **£229k**, which includes a reduction of -£135k for the Primary sector, an increase of +£49k for the Secondary sector and +£315k for the Special sector. Individual schools will expect an increase / decrease in their allocations proportionate to the change in pupil numbers in schools.
- 5. Recommended Bids Approval:** The bids section (Appendix 2) of this report shows that there is a recommendation to agree to fund 2023/24 permanent 'bid' for the Education Department totalling **£286k**, to fund the higher cost of preparing lunch for primary/special schools.
- 6. Savings and Cuts 2023/24 and 2024/25:** As part of the 'Gwynedd Challenge', on 5 March 2015, Gwynedd Council decided on Page 14 savings target when setting the 2015/16

budget, Gwynedd schools have not been asked for any additional new savings. Since 2015/16, Gwynedd Council will have realised £33.5m of savings plans, of which £4.3m (13% of savings) has been harvested from schools (this represents 30% of the Council's net expenditure). By 2023/24 its unavoidable that schools will have to implement savings and cuts. The recommendation is to cap a maximum 3% cut on an individual mainstream school with no cuts for the special sector. Also, the cut will be applied over two financial years, which coincides with schools' academic year. The total cut is £1.966m and is apportioned to £1.147m (7/12ths) in 2023/24 and then £0.819m (5/12ths) in 2024/25.

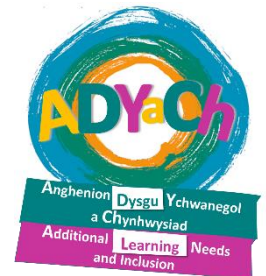
7. **Education Specific Grants:** It appears that specific grants from Welsh Government will continue in Education in 2023/24 at a similar level to 2022/23.
8. **Overall Conclusion:** Having taken all the above factors into account, the schools' budget will be higher in 2023/24 than in 2022/23.

Meeting	School Finance Forum
Date	6 th of February 2023
Officer	Ffion E Ellis
Title	ALN Finance Update

ALN Finance Workstream Update

What has taken place since the last meeting (December 22)?

- Reviewing the data sources required for the formula.
- Use of PLASC 2022 data for modeling the formula output.
- Consider whether the formula works in terms of the results.



What are the findings from taking these steps?

- The formula works in a workable way, with the possibility of adjusting the weighting of categories within the formula for further modelling.
- The data used for modeling appears to need improvement when comparing the funding, and the current provision model within Schools.
- It is possible that a gradual transition to the model would be necessary.

Next steps?

- Correspondence with Schools about the importance of the PLASC data, and the need to check the guidelines for accurate completion.
- Collect this year's draft PLASC data for further modeling (before the 3rd of March, 2023)