
SCHOOLS' BUDGET FORUM
Minutes of a meeting that took place at the Former St Mary's Church,
Tremadog,
on 29 November 2016 from 2.00 p.m. until 3.30 p.m.

Present:

Mr Godfrey Northam (Chair) - Ysgol Llanllechid Governor

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

School Heads: Alun Llwyd (Ysgol Dyffryn Ogwen), Gwyn Howells (Ysgol y Gelli), Iona Wyn Jones (Ysgol Bro Cynfal/Edmwnd Prys), Rhys Williams (Ysgol Cymerau), Llion Williams (Ysgol y Garnedd), Kerry Wyn Parry (Ysgol Ganllwyd)

Teachers' Unions: Neil Foden (Ysgol Friars)

Governors: Michael Sol Owen (Ysgol Glan y Môr)
Llinos Lloyd (Bro Idris Shadow Body)

Officers: Dafydd L. Edwards (Head of Finance Department)
Owen Owens (Senior Manager Education Resources Service)
Hefin Owen (Finance Manager)
Glynda O'Brien (Member Support Officer)

Apologies: Andrew Roberts (Ysgol y Berwyn), Dylan Minnice (Ysgol Botwnnog), Dewi Lake (Ysgol y Moelwyn), Dafydd Meirion Roberts (Ysgol Brynrefail), Menna Wynne Pugh (Ysgol Penybryn, Tywyn), Trystan Larsen (Ysgol Rhostryfan), Gwilym Jones (Ysgol Borth y Gest).

The Chair welcomed the following new members to their first Forum meeting:

Kerry Parry, Ysgol Ganllwyd
Llion Williams, Ysgol y Garnedd

and he took the opportunity to thank Gwyn Howells, Head of Ysgol y Gelli, for his commitment and support to the Forum's work over the years he had served as Forum member and best wishes were extended to him on his retirement.

1. DECLARATION OF PERSONAL INTEREST

Declarations of personal interest were received from Councillors Peredur Jenkins and Mrs Llinos Lloyd regarding item 7 on the agenda as they were governors on the Ysgol Bro Idris shadow body.

2. **MINUTES**

The Chair signed the minutes of the meeting of the Schools' Budget Forum that took place on 4 July 2016 as a true record.

2.1 **MATTERS ARISING FROM THE MINUTES**

The Head of Finance Department reported that the 2017/18 local government grant settlement showed an increase of 0.1% on average for local authorities in Wales, which had been welcomed by some, although it was insufficient to maintain the continuation of our current services due to inflation, the apprenticeship levy, etc., and that unexpected costs in the social care field also hit the Council. However, the Forum was reminded that firm work had been achieved a year ago to face the cuts, and that plans were afoot, although there had been a slippage with some strategies, such as additional learning needs. It was not anticipated that an additional contribution to the £4.3m from schools would be required in 2017/18. Following receipt of the draft settlement, an assessment was undertaken and it was anticipated that the Council must plan to make a saving of approximately £8m during the period between 2018/19 - 2019/20. It was added that some authorities had not been as prudent as Gwynedd Council, and cuts to schools over the border in 2017/18 were anticipated.

A Secondary Head noted concern in terms of secondary sector projections in 2017/18 and that they faced a reduction in pupil numbers for one year which entailed a 'demography' loss of approximately £400k for the sector and finding approximately £300k of savings. A very difficult year for the secondary sector was anticipated and the need to avoid having to make staff redundant in September 2017 and then re-appoint staff the following year was highlighted. It was further noted that schools had made cuts of approximately 14% to teaching staff last year and that the situation in terms of pupil numbers was a blow for the secondary sector. It was asked whether or not it would be possible to consider a bridging scheme to assist schools in difficult financial positions.

In response, the Cabinet Member for Education noted that such a scheme did not exist at present but that he could convey the secondary sector's concern to the Cabinet that schools faced a terrible situation.

The Cabinet Member for Resources added that undertaking long term savings could not be avoided but that it would be possible to consider a one-off plan to assist secondary schools for the difficult year. The Chair enquired if such a support plan would consider the balances of individual schools, and officers agreed to look into this.

Resolved:

(a) To accept and note the above and ask the Finance Department to consider a temporary bridging scheme to assist secondary schools that could be faced with financial difficulties, considering surplus balances over 5%.

(b) To request that the Cabinet Member for Education and the Cabinet Member for Resources conveyed the secondary sector's concern deriving from the above.

3. **SCHOOLS WITH A DEFICIT IN BALANCES**

Submitted - in accordance with the request of the Schools' Budget Forum, the report of the Head of Education Department outlining the background regarding an appendix that listed those schools with a deficit in balances.

Attention was drawn to the fact that the number of schools with a deficit had increased and that four schools had a deficit at the end of each year over the past three years.

However, the Senior Manager - Education Resources Service, noted that schools' circumstances can vary on an annual basis and following a discussion with schools that had been highlighted in yellow on the attached appendix to the report, the following was noted regarding the schools listed below:

- Llanrug - it was anticipated that there would be no deficit at the end of 2016/17
- Rhostryfan - it was anticipated that there would be no deficit at the end of 2017/18
- Hendre - it was anticipated that there would be no deficit at the end of 2017/18
- Y Berwyn - there would be a reduction in deficit by 2016/17

Attention was drawn to the fact that Y Berwyn and Tywyn Schools were granted staffing security and it was suggested that further research should be undertaken in the context of Tywyn school when the school cannot set a balanced budget within the budget.

It was anticipated that remaining schools (with the exception of Ysgol Rhosgadfan based on an agreement for a period of time) would clear the deficit.

During the ensuing discussion the following points were highlighted:

- (a) Any surplus/deficit from those schools that closed would transfer to the authority and the new schools would receive the same budget.
- (b) It was unlikely that some schools would reduce the deficit and that other schools strived and fought to maintain their schools.
- (c) It was suggested that a message should be sent to schools with a deficit that they were expected to strive hard to reduce the deficit.

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

(b) To request that the Senior Manager - Education Resources Service:

- (i) **sends a letter conveying the viewpoint of the Schools' Budget Forum that those schools with a deficit in balances should strive hard to reduce the financial deficit**
- (ii) **arranges further research into Ysgol Tywyn's budget and increased financial deficit**

4. **SCHOOLS WITH SURPLUS BALANCES**

Submitted - in accordance with the request of the Schools' Budget Forum, the report of the Head of Education Department outlining details regarding those schools with surplus balances over 5%.

Members were guided through the attached appendix to the report by the Finance Manager who noted that the total number of schools with a surplus over 5% had reduced, and that the financial total of the surplus element over 5% had increased. It was noted that 87 schools had had a surplus over 5% at some point during the last three years and 50 schools had had a surplus over 5% at the end of each year during the period (those schools highlighted in yellow in the appendix).

The Finance Manager was of the opinion that balances on the whole did not cause concern as schools' circumstance could change and some schools collaborated by having to share headteachers and, therefore, balances were not permanent ones.

During the ensuing discussion the following points were highlighted:

- (a) The Cabinet Member for Education expressed concern that there was an increase in the number of schools with a surplus over 10% and, while he accepted that the situation of each school was different, it was difficult for him as Cabinet Member to argue the case for schools especially when the Council was under huge pressure in terms of cuts in the budget.
- (b) Any surplus by schools should be used for current pupils in the schools and those schools with balances over 20% should be brought to account.
- (c) In order to balance their budgets, it would be valuable and useful for schools to know what the projections were / how much was left so that they could obtain a better picture of what the real figure was
- (d) In response to an enquiry regarding monitoring those schools with balances over the threshold, it was explained that a process was in place where schools submitted a plan and relevant officers considered them.

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

(b) To ask the Finance Manager:

- (i) To submit a balance-sheet to the next meeting of the Schools' Budget Forum in January 2017 noting an additional column for balance projections by 31 March 2017 to provide a better picture of how much of the real figure will be left by schools after setting their budgets.**
- (ii) To collaborate with schools to achieve the above.**

5. **ALL-THROUGH SCHOOL FUNDING METHODOLOGY**

Submitted - the report of the Head of Education Department outlining the methodology and principles to fund an All-through School.

The Finance Manager reported that the new all-through school, namely Ysgol Bro Idris, would open in September 2017 and consideration was given to how the all-through schools would be funded. A further explanation was provided in terms of methodology that Primary education statistics would be inputted

for each site of the All-through School and individually ran through the Primary Schools Funding Formula. Likewise, Secondary education statistics would be inputted for each site of the All-through School and individually ran through the Secondary Schools Funding Formula. The total funding allocation of the All-through School would be the total amounts calculated for each site.

In terms of principles, the Finance Manager explained how the average salary of an All-through School was calculated.

In response to a query regarding the number of schools within the catchment area of the All-through Schools that received minimum number of staff security, the Finance Manager confirmed that those schools would continue to receive protection to fund a Manager / teacher and that protection was approximately £600,000 in the Primary sector.

It was further explained that one budget would be established for the All-through School and the governing body would be responsible for modelling the budget.

The Cabinet Member for Resources noted that the All-through School would be innovative and in terms of success for the model, it was emphasised that the budget must be viable to create stability over a period of 3 / 4 years.

In response to a query regarding the sale of sites that were closing, it was noted that it would not be possible to sell them due to historical conditions that existed on the buildings.

Resolved: To accept and note the contents of the report and approve the All-through School funding methodology.

6. SERVICE LEVEL AGREEMENTS 2017/18 to 2019/20

Submitted – a verbal report by the Senior Manager – Education Resources Services who noted that there was an intention this year to simplify the agreements. Appropriate officers would be requested to plan the agreements for 2017/18 for a period of three years, to consult on the contents with schools, and it would be reported back to the Schools' Budget Forum with responses at the meeting in summer 2017. It was added that consideration would have to be given to a different model this year to address the all-through schools, namely Bro Idris and Berwyn.

Resolved: To accept, note and thank the officer for the report.

7. DETERMINE DATES FOR MEETINGS

Although 7 February 2017 had been determined for the next meeting of the Forum, it was reported that it would be more acceptable to hold a meeting at the end of January and the Member Support Officer was asked to arrange a convenient date with the Chair and appropriate officers.

A request was made to keep Tuesday afternoons clear, if possible.

Resolved: To accept and note the above.

CHAIR