

**DIRECTORATE OF LEARNING AND SKILLS**

**Schools Budget Forum**

**25<sup>th</sup> September 2024 – Civic Offices**

<b>MEMBERS IN ATTENDANCE:</b>	Trevor Baker, Lucy Barrowclough, Chris Britten, Mairead Canavan, Peter Cate, Matt Gilbert (Vice Chair), Rhys Angell Jones, James Mansfield, Martin Price, Paula Vaughan, Terry Vaughan Taylor.
<b>ALSO IN ATTENDANCE:</b>	Amanda Bennett, Matt Bowmer, Rachel Cox, Amanda Geddes, Gemma Gullwell-Jones, Elizabeth Jones, Lisa Lewis, Nicola Monckton, Joanne Ware.

Item	Issue	Discussion	Action
1.	Welcome & apologies	Welcome from the vice Chair Matt Gilbert.  Apologies received from David Blackwell (Chair), Tim Exell, Ruth Foster, Mari Gibbs, Cllr. Emma Goodjohn, Gemma Jones, Rhodri Jones,	
2.	Minutes of previous meeting  Matters arising	The minutes from the last meeting were agreed as accurate.  <b><u>Powys letter</u></b> DB was looking for feedback from members with regards to the recent correspondence in Powys and whether a similar letter can be drafted for parents in the Vale. MG will discuss this with DB.  No other matters were arising other than as covered on the agenda.	MG/DB

3.	Budget Forum membership and constitution	<p>The Budget Forum constitution and membership was shared with the forum for information.</p> <p>Paula Vaughan's position representing VA and VC schools has been extended for another three years.</p> <p>There has always been a position within the constitution for a foundation school representative. Stanwell is no longer a foundation school however it was agreed that James Mansfield would remain on the forum to represent the Penarth cluster.</p> <p>MG advised that the Pencoedtre cluster have requested that a member of the Pencoedtre cluster is included on the forum. TB advised that the forum constitution is based only on the four clusters as the forum would otherwise become too large. TB advised that Pencoedtre cluster schools are within the Barry cluster which is already represented by Matt Gilbert and Innes Robinson.</p>	
4.	Funding for permanently excluded pupils	<p>Amanda Geddes attended the meeting on behalf of Morwen Hudson to update the forum on plans to ensure funding follows permanently excluded pupils which is in line with the guidance.</p> <p>Schools will be charged for permanently excluded pupils in the year that they were permanently excluded.</p> <p>The charge will be based on a formula which will be based on the pupil related funding allocated within the formula (AWPU values) applying a pro-rated calculation for the period remaining within the financial year for which the pupil has been excluded. In addition to the AWPU, the formula will also take into account any FSM funding (PDG).</p> <p>Schools will not be charged more per pupil than the amount of funding they receive per pupil.</p> <p>The pro-rated calculation will be adjusted for pupils permanently excluded in year 6.</p> <p>AG will provide the formula which can be circulated to the forum.</p>	AG/MH

5.	Grants Update	<p>NM provided a grants update to the forum. All grants already known to the Education finance team have already been allocated to schools with the exception of PDG LAC which will be allocated shortly.</p> <p>At the ADEW finance group meeting, WG colleagues confirmed that a grant would be awarded for the teachers' pay increase beyond the amount already assumed within the settlement; and that a further grant would be provided towards the cost of the teachers' superannuation increase.</p> <p>There is no indication on the amount of grant funding available yet, and whether this will be sufficient to cover the full increased cost.</p> <p>NM advised that school budgets are based on a cost neutral position for pension assuming that the grant will cover the increased cost to avoid over-inflating school deficits until the grant information is known.</p> <p>JM advised the forum that the delay in receiving the pension grant had resulted in Stanwell reporting a distorted overspend on salaries to Governors and that the grant could not be included within the monitoring as an estimate due to recent audit instructions to not include grants until they are verified by Welsh Government or the awarding body.</p> <p>MB advised that the pension increase was determined in December, but that funding must first be determined by the treasury, and then filtered to Wales through the Barnett formula on which we are waiting.</p> <p>RAJ asked whether the pay award would be fully funded once the grant was received. MB advised that the council assumed a pay increase of 4% for schools and that 75% of this cost was included as budget growth within the 2024/25 budget. The Council was not in a position to fund the full pay award for any services with all directorates receiving 75% of the full cost. As a result, all directorates in effect received an efficiency cut of 25% of the cost of the pay increase.</p>	
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		MB advised that we are awaiting confirmation of the pension and pay inflation grants and whether these pressures will be reflected in the settlement for 2025/26.	
6.	Long service awards	<p>MB advised the forum on the long service awards policy statement. Council and school employees had inherited an unsatisfactory system where employees had to apply for their long service award which resulted in a system with no uniformity over where long service awards were granted.</p> <p>The new policy (agreed by the council's senior leadership team) allows for all staff to automatically receive this payment, without the need to request it.</p> <p>The cost of each long service award is £250 which will be pro-rated based on full time and part time work. Schools are responsible for the cost of long service awards which are deemed as a usual cost of employment.</p> <p>MB advised further that there is a distinction to be made between payments made under this formal council scheme and payments for the cost of leaving gifts for staff such as flowers which must be met through staff donations and not the school's budget or the school's unofficial fund.</p> <p>PV objected to the new policy on the grounds of affordability where schools are already struggling with the budget situation, and also on the lack of transparency and the way the new policy was rolled out with no prior warning to schools. Furthermore, VA and VC schools have responsibility to set the pay policy and adopt such a policy.</p> <p>TB advised that the long service award scheme had always been in existence but that this is the first time it had been documented in a policy.</p> <p>MB advised that VA and VC schools can chose not to adopt the policy.</p> <p>MB invited schools that are disproportionately affected by the policy to contact the LA for a discussion.</p>	

7	Directorate budget cost pressures	<p>TB advised the forum that work is currently underway to set the 2025/26 budget and that part of this process is for each directorate to submit its burgeoning cost pressures.</p> <p>Cost pressures submitted to date by the Learning and Skills directorate amount to £5.3M, and the majority of these pressures relate to ALN.</p> <p>Schools cost pressures submitted are around specialist resource bases and support, for example the Horizon and Hafan resource bases and the projected demographic increase in special school pupils.</p> <p>Central education cost pressures submitted are predominantly for central ALN support; meeting need in the medium of Welsh, out of county placements, reducing out of county income and EOTAS support.</p> <p>A further cost pressure has been submitted regarding the transition from SIMS.</p> <p>MB advised that cabinet agreed a financial strategy in July and rolled forward the pressures already outlined in the MTFP which provided an estimated shortfall of £9M.</p> <p>For 2024/25 pressures of £38M were identified across the council of which £22M were recognised giving rise to £7.6M of efficiency savings.</p> <p>The quarter one monitoring for the council has already identified £13M unplanned use of reserves.</p> <p>A refreshed report is being produced with revised cost pressures for all directorates. There has already been a detailed review of cost pressures fed through to a survey of treasurers across Wales.</p> <p>The original £9M gap identified for 2025/26 is now over £20M due to additional pressures in education, education transport and social services.</p> <p>Cost pressures will now be prioritised and managed down with the emphasis on prioritising statutory services.</p>	
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8.	School budget position and cluster-based analysis	<p>TB shared a school analysis presentation with the formula which will be circulated to the budget forum members for sharing with clusters.</p> <p>TB noted that Headteachers can feel isolated with budget concern and reinforced the message that this approach is about how schools, and the LA can work collectively to reduce budget pressures. Furthermore, transparency is required in order to facilitate conversation.</p> <p>Headline statistics were provided by sector and cluster identifying deficit and surplus balances. The data showed that all clusters were roughly 50/50 in terms of surplus/deficit, with the exception of the Barry cluster, where all schools are in deficit. The data was provided within the context of additional funding via PDG, CFS etc broken down by cluster, PDG, pupil numbers and FSM eligibility.</p> <p>The presentation demonstrated that there has been a decrease in pupil numbers over the last few years but an increase in staff, although it is important to recognise the increase in pupils with complexities.</p> <p>The presentation also demonstrated the swings in budget position projected by each school at the beginning of the year, compared to the outturn position which is always much less severe although it was noted that this swing is largely caused by grants which are unknown to schools until much later in the financial year.</p> <p>The data identified that Agency spend has increased by £5.8M over a three-year period. The data maps agency spend against statistics such as staff FTE and sickness levels.</p> <p>The local authority is looking at agency costs as part of the transformation agenda to identify the most cost-effective method to manage agency staffing. Some schools will employ cover supervisors instead of using agency to cover absences. Work is required to establish whether this is a cheaper alternative that is suitable for all schools.</p>	HTs
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9.	Any Other Business	<p>No other business was raised</p> <p>Next meeting dates</p> <p>2<sup>nd</sup> December 2024 – Pencoedtre High School 5<sup>th</sup> March 2025 – Stanwell School 11<sup>th</sup> June 2025 – Ysgol Gymraeg Bro Morgannwg</p>	