**DIRECTORATE OF LEARNING AND SKILLS**

**Schools Budget Forum Draft Minutes**

**5th March 2025 – Stanwell School**



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| **MEMBERS IN ATTENDANCE:**  **ALSO IN ATTENDANCE:** | | Trevor Baker, Lucy Barrowclough, Cllr. Rhianon Birch, David Blackwell (Chair), Chris Britten, Peter Cate, John Duxbury, Cllr. Emma Goodjohn, Rhodri Jones, Rhys Angell Jones, James Mansfield, Martin Price, Innes Robinson.  Matt Bowmer, Elizabeth Jones, Nicola Monckton, Carolyn Tapscott. | |
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| **Item** | **Issue** | **Discussion** | **Action** |
| 1. | Welcome & apologies | Welcome from the Chair Dave Blackwell.  Apologies received from  Mairead Canavan, Ruth Foster, Ty Golding, Sarah Jenkins, Lisa Lewis, Jonathan Ling, Colin Smith, Terry Vaughan Taylor |  |
| 2. | Minutes of previous meeting  Matters arising | The minutes from the last meeting were agreed as accurate.  No matters arising |  |
| 3. | Budget Forum membership and constitution | The Budget Forum constitution and membership was shared with the forum for information.  There are a number of Head Teacher members who have been on the forum now for over three years, Clusters will need to confirm extension or replacement with new representatives.  Governor representation will be confirmed at the next AGM.  CB identified some changes required to the Budget Forum constitution, NM to bring to the next meeting. | NM |
| 4. | Election of Chair for the 2025/26 financial year | David Blackwell was elected as the Chair for the 2025/26 financial year. |  |
| 5. | Draft Budget | Matt Bowmer presented the draft budget to the forum through a presentation.  The WG settlement arrived on 10th December, which limited time the Council had for financial planning. The settlement resulted in a 4.3% increase across Wales, which was only 3.3% for the Vale of Glamorgan due to demographics.  The Vale of Glamorgan Council submitted a detailed comprehensive response to the WG draft budget identifying the requirement for a funding floor within the funding formula.  The council has done all that it can to meet the pressures of schools and social care, but a significant remaining budget gap has to be met through budget efficiencies.  The final budget incorporated a council tax increase of 5.9% compared to an average across Wales of 7%, with neighbouring Local Authorities averaging at 4%.  The final budget was presented to cabinet on March 6th, which was just before the statutory deadline. The £331M net budget had increased by 7.35% on the previous year. It should be noted that this increase is partly due to in-year grant funding which had been built into the base position.  For schools, the 2025/26 base budget has been adjusted to ensure that all previously unmet pay awards are now fully met.  For 2025/26, the full cost of the estimated pay award (3%) has been met for schools, in addition to the full cost of the teachers’ pension increase and the increased cost of national insurance.  **Cost pressures funded**  The following cost pressures were funded for schools in relation to pay pressures  Pay Inflation 2025/26 £4.63M  Pay inflation unfunded from 2024/25 £1.876M  Teachers’ pension increase £2.872M  The following cost pressures were also funded for schools  Expansion of Hafan Resource Base £199k  Satellite secondary Autism provision £128k  Y Deri Demographic Growth £1M  As there has been a decrease in numbers in Mainstream schools, a demographic adjustment has been applied to reduce the schools’ mainstream budget by £644k.  **Un-met Cost pressures**  The Council was unable to afford to meet all cost pressures requested on behalf of schools, and funding was not allocated to meet the following pressures  Expand Horizon resource provision £199k  Expand Whitmore resource base £147k  Expand Pencoedtre resource base £159k  ALN pressures in mainstream schools £778k  **Other Cost pressures funded to support schools**  The following cost pressures were funded to the directorate – which will benefit schools  Headteacher support (two years) £214k  Procurement support £53k  Management information System £250k  **Efficiency savings**  A £1.2M savings target was allocated to the schools 2025/26 budget.  Total Growth to schools awarded was £9.7M.  **Cost pressure awarded for Head teacher support**  TB advised that there are a number of schools with high deficits and that Vale of Glamorgan deficits are some of the highest in the country.  Funding has been made available to employ a specialist consultant Head teacher to work with the schools with highest deficits looking at teaching and learning practices in particular to ensure that schools are achieving value for money with regards to the impact on pupil attainment.  **ALN tribunal costs**  DB raised the issue of the cost of ALN tribunals, and suggested the cost of tribunals should be weighed against the cost of providing additional ALN funding to schools. The tribunal process itself is expensive with regards to legal fees, and the outcomes are also often difficult to achieve. Avoiding tribunals is the best option for the Local Authority. This was noted. |  |
| 6. | Grants Update | CT provided an update on 2024/25 to schools which was attached to the agenda.  A further £15M has been allocated across all of Wales, but the individual allocations per Local Authority are not yet known.  For 2025/26 – schools will be notified of any grant funding as soon as the information is available.  There are some changes to grant funding as a result of the new regional body for professional learning and curriculum.  EJ explained that to put into practice the findings of the middle tier review, professional learning and curriculum development will have a regional approach. However, there will also be a national body for professional learning across Wales.  The five directors of the region have been meeting on a regular basis and all five have submitted cabinet reports for March 2025 to outline the plans for regional working from September 2025. |  |
| 7. | Removal of the delegation of the budget for free school meals | NM advised that for the 2025/26 financial year, the budget for free school meals will not be delegated to schools, and will instead be held centrally to be paid to The Big Fresh Catering company.  This will enable the council more time to negotiate the free school meal contract with The Big Fresh Catering Company which will now not be under pressure of formula funding deadlines. |  |
| 8. | Removal of the delegation of the creditors SLA | NM advised that now schools are all on fusion, the creditors SLA funding has been withdrawn from the delegated formula.  WG legislation advises that SLAs should not be in place where schools have no option to not purchase the provision. |  |
| 9. | Budget Forum programme of work 2024/25 | The following two items have been deferred to the 2025/26 work programme   * Review of special school funding formula * Mainstream school funding formula review (teaching ratios) (NM to send out an invitation asking for interest in joining a task and finish group)   **The WG Funding Challenge** is an ongoing piece of work within the budget forum programme of work. MB advised that although WG have not agreed to look at reviewing the funding formula for Local Authorities, a funding floor has been introduced which has resulted in a slight improvement to the Vale of Glamorgan.  **School Deficits**  TB updated the forum on the position on school deficits, of which some appear to be non-recoverable. There are difficult conversations to take place regarding the scale of deficits in schools where outcomes do not appear to be improved as a result of higher spending.  TB advised that no school will have a deficit written off and each school will need a recovery plan in place. It is accepted that deficits may not be fully recovered in three years, but the scale of each deficit must reduce within a three-year period.  In November 2024, deficits were anticipated to be as high as £10M across all schools. This figure is decreasing each month and is currently estimated at £5.8M. The reduction in projected deficits since November is due to unforeseen grant income being made available through the year from WG rather than significant reductions in expenditure.  JD had queried whether the Vale’s school funding formula could be unfair, and contributing to the variation in school balances.  TB advised that the formula was fully reviewed in 2016, and will be reviewed again next year. Whilst the formula may be tweaked, there will be no changes significant enough to eradicate school deficits at the level they are at.  It is known that challenging demographics and increasing ALN needs has had a detrimental effect on all school balances, but variances in balances from one school to another are largely driven by leadership, rather than distribution methods. It is clear that some schools have made very difficult decisions to balance budgets, whilst other schools are unwilling to make such decisions.  **Support to clusters on contracts and procurement**  TB updated the forum on the progress with the work to support schools with contracts and procurement.  There are three mains streams to the project being   * Contracts and procurement * Agency expenditure * Teaching and Learning   The aim of this project is to support schools to make the best use of limited resources.  Currently research and information gathering is underway looking at procurement in depth across all schools to establish how schools spend their money. A contract analysis has identified huge variations in contract spend across schools and It is believed that some schools are paying more than others for the same service, in particular in areas such as waste management, cleaning, grounds maintenance and photocopying.  Julia Esseen will be contacting Head teachers when contracts are coming to an end. A procurement officer will be employed soon, whose remit will be to assist all schools with contract management.  **Agency**  Agency expenditure is at £6.2M to date. Data on how different schools manage staff absences will be compared in order to evaluate whether employing ad-hoc agency cover to manage staff absence is the most economically viable option when compared to employing cover staff. | NM |
| 10. | WG review of schools funding formulae | The WG report “Review of the school funding formula” was shared with the forum.  NM advised that WG have employed LA staff to assist the funding policy team to understand the complexities of each LA funding formula for schools, and that this report had been written outlining recommendations.  NM advised that WG believe (on the back of the Luke Sibietta report) that more consistent funding formulae across Local Authorities will lead to reductions in variations in funding per pupil across Wales. WG however will not be looking at the total level of funding given to each local authority, and therefore simplifying and trying to bring in a more uniform structure to LA formulae will only go some way to reduce variations in pupil funding which are largely driven by the funding available to each Local Authority.  The regulations state that funding formulae should be simple, objective, measurable and easy to predict. Whilst the Vale of Glamorgan formula meets these criteria, there are some areas where changes may be required in line with the recommendations in the report.  For example, recommendation 5 states that consideration should be given to requiring that Plasc must be the basis of pupil numbers used within formulae. This would require a change to the Vale formula where the pupil numbers are based on a combination of plasc, and projections provided by schools.  Recommendation 3 states that there should be clearer criteria around delegation and that Welsh Government should specify more clearly, which areas can or should not be delegated to schools. This change will bring in more consistency as currently there is no comparability between schools in different Local authorities due to local decisions around delegation. For the Vale, this may result in a requirement to make different decisions over which funding streams are delegated to schools.  Recommendation 6 states that consideration should be given to requiring that all elements of a schools budget share must be demonstrably calculated by a formula. This would require the Vale to look at lump sum allocations such as head teacher salaries (currently driven by ISR range or group), to identify a formula driven option.  Recommendation 1 states that the school funding regulations should be reviewed, and therefore there will be mandatory changes ahead in the future. |  |
| 11. | Meeting dates for 2025/26 | The following dates and times were agreed  11th June 9.30am – Ysgol Bro Morgannwg  24th September 2025 9.30am – Civic offices  3rd December 2025, 9.30am – Stanwell school  March meeting - TBC |  |
| 12. | Any Other Business | No other business was raised |  |