**DIRECTORATE OF LEARNING AND SKILLS**

**Schools Budget Forum**

**Monday 22 April 2024 – Ysgol Gymraeg Bro Morgannwg**



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| **MEMBERS IN ATTENDANCE:** | | Dave Blackwell (chair), Trevor Baker, Tim Exell, Mari Gibbs, Matt Gilbert, Rhodri Jones (RJ), Rhys Angell Jones (RAJ), Paula Vaughan, Martin Price, Sarah Jenkins, James Mansfield, Matt Gilbert, Ruth Foster, Cllr Rhiannon Birch, Peter Cate, Paula Ham, Innes Robinson, Nicola Monckton.  **Also in attendance:** Rob Thomas, Matt Bowmer, Gemma Jones, Rachel Cox, Carolyn Tapscott, Gemma Gullwell- Jones, Amanda Bennett, Joanne Ware, Liz Jones, Lisa Lewis, Tracey Dickinson. | |
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| **Item** | **Issue** | **Discussion** | **Action** |
| 1. | Welcome & apologies | The Chair thanked RAJ for the lovely welcome at Ysgol Gymraeg Bro Morgannwg. Apologies were received from Chris Britten, Terrie Vaughan-Taylor and Cllr Goodjohn. |  |
| 2. | Minutes of previous meeting  Matters arising | Agreed as accurate.  No matters were arising other than as covered on the agenda. All actions were recorded as completed. |  |
| 3. | Budget Forum membership and constitution | The Budget Forum constitution and membership was shared with the forum for information.  The Chair welcomed the new member representing Secondary schools, Innes Robinson and informed the forum that Norman Craggs had resigned as VSGA rep and consequentially there was also a vacancy for vice chair.  Action : LL to contact forum to seek nominations for Vice Chair to be considered next meeting. VSGA had already been requested to consider a new representative at their meeting on 15 May. LL to provide an update next meeting  It was also noted that James Mansfield was the foundation school representative. As there will be no foundation schools from September, he would not be eligible to continue in that role. Following discussion to was agreed that he would continue in role of secondary representative and to ensure balance, an additional primary representative would be sought. (LL to email primary heads). | LL  LL |
| 4. | Grant update | The content of the update was noted.  a. Also noted that the large amounts of grants that used to turn up at year end has not happened this year  b. Paula Vaughan asked with regards to mental and emotional WB grant- where is this funding? LL/ CT will respond to PV separately. | LL/ CT |
| 5. | Next steps - school deficits | MB shared presentation on budget position (attached).  Welsh gov settlement challenge - Vale does not do well from settlement. Lobbying for better settlement, unsuccessful. Council has done as much as it can to support schools, protecting schools budget to the greatest extent possible. In 23/24 increased school budgets by 10%, which was the second highest in Wales, applied a £2.75M efficiency target which left schools with a challenge  24/25 - open and transparent process. Not able to fully fund pay awards in schools or elsewhere across the council. Made assumptions on what pay settlements will appear to be, the cycle and timing of pay awards and settlements is challenging. WG have assumed 4% and have awarded 2.75%.  Council reserves - reviewed council strategy around reserves, huge amount of work for 23/24. A few years ago the reserves were looking very healthy however Council had significant capital commitments. Reserves are being tightly managed and are reducing in a managed way. They are estimated to be £48M by the end of the year. There are risks around school reserves and spend on social services and central ALN, in additional to a requirement to hold statutory reserves. If the school projection on reserves unfolds, this would wipe out all council reserves over the medium term.  Settlement from WG was 3.5%, at the moment there is considerable uncertainty regarding future settlements. WG are using fiscal analysis from Cardiff University. The MTFP is based on a 1% rise annually for the medium term. There may be protection for specific areas (e.g. health) which could impact on council future settlements.  Modelling of 25/26 in MTFP - there is currently a gap of £9M before we consider emerging pressures.  Reserves prior to pandemic school balances were depleting, at March 2020 they were £840k, reserve increased over the pandemic and peaked in 2022 to £12.8M. For March 23 the overall projection was a deficit of £1.345M on reserves, the current estimate is a surplus of £2.7M  The opening position of the 24/25 budget looks at balances being at a £13M deficit collectively in March 2025.  A council cannot hold an overall deficit on the balance sheet and would need to offset this against council reserves. The £48M in council reserves would be depleted.  Dave Blackwell - SRG has 3.5 staff less than 3 years ago but staff costs are £400k more than three years ago. Some may have progressed on the pay scale but the rest is due to pay inflation. -Matt advised that this is mirrored across the council.  How do we take this forward?  How do we work together, how can schools be supported in these challenges?  It was noted that pressure currently appears to be greater in the primary sector than in secondary which needs further analysis.  Timescales – time is against us as the longer the situation prevails the greater the wearing down of one off reserves.  There is a need to look at the schools budget situation in the context of the wider council transformation programme.  Council budget transformation programme (Rob Thomas)  Looking at the last 8 years, in 2015 we set out a reshaping services programme, as an organisation, the council could not just continue to cut services by a percentage. Lots of services or departments would not survive this. Instead needed to reshape services and do things differently. E.g. in Learning and Skills, BFCC and transfer of libraries to communities. Another example across the council is shared services – environmental health for example covers three different LAs, sharing staff costs, saving money and building resilience. The reshaping work was paused for the covid period. The urgency reduced as a lot more funding was available through the covid years. We now need to focus activity to save money, by doing things differently, as slicing budgets will not work.  TB, we need to discuss how we can incorporate schools into this transformation programme. It is recognised that the vast majority of schools costs are staff costs. Schools last year wrote business cases where they could not recover deficits. There are restrictions on a school by school basis on what schools can do to save money, but as groups of schools or clusters there could be potential fundamental changes to the way we educate pupils or more radical solutions which could create budget efficiencies. What we do within one school is limited, but there could be opportunities on what we do across groups of schools. For example investigations and recruitment.  DB -The current budget is not sufficient to meet the full staffing costs for SRG.  Is there an opportunity in primary schools to share staffing.  IR – with secondary schools you need many schools working together to achieve economies of scales.  TB– could shared contracts work or not offering every subject at every school? For instance transport pupils to different schools for different subjects.  RAJ – could we look at photocopying and other contracts?  TB Matching staff made redundant in one school against recruitment drives in other schools.  PV – primary schools, less budgets to play with. Cut staff to the absolute minimum, no MDS so lunchtimes run by staff on goodwill. Not sure that sharing staff would work? Cannot afford supply so teaching staff cannot go on as many courses. Cannot see where there will be opportunity to share staff in primary sector. Experienced staff are required.  PV asked why is the pay award not fully funded? MB – the settlement from WG does not cover the cost of pay awards  Pendoylan runs a private childcare, which is one method of generating extra money for schools.  PV - building costs, a school gate fell off its hinge and building services wanted £1700 to put it back on its hinge, why are building costs so high when procured in-house? TB advised this could be a piece of work with the corporate landlord model where the building cost budgets could be taken from schools which could achieve economies of scale. Medium/ long term plan, not possible currently.  PC - raised the issue that buying outside services is much cheaper than procuring internal services. Could cluster of schools together get better deals? Could schools have an approved list of providers to use other than building services?  MP – staffing, more than 90% of budgets are staffing. Where reducing staffing and delivering a curriculum is not possible, schools are focussing on reducing the non-staff costs. This is not going to save the money required. Radical solutions would be needed to ensure the schools can run a school within the budget available. There is little to be gained from looking at non-staff budgets.  TB – is there anything around pedagogy that needs looking at? Can staffing be considered?  SJ – staff cut to minimum, now cannot afford to run interventions. Pooling staff across schools would not work without being detrimental to pupil education. Schools are also trying to implement new curriculum. Need to assess each individual pupils progress. There are far more pupils coming in with greater needs, and if primary schools cannot afford to support these pupils, it creates a bigger issue for secondary schools in future years.  DB concerned that schools cannot afford to meet ALN needs.  DB – is there a merit in benchmarking schools with regards to teaching and non teaching staff. School to schools working – headteachers working together to look at their staffing, may prove beneficial.  MC, some of the other LAs have written letters to parents regarding funding.  IR - made savings by implementing larger class sizes and removing ALN one to one support replacing with ALN hubs. An ALN hub can support groups of pupils with less staff. Also increased revenue income.  DB and RAJ – can schools work together as groups to see where savings can be made. | [Link to presentation](https://valeofglamorgangovuk-my.sharepoint.com/personal/mbowmer_valeofglamorgan_gov_uk/Documents/) |
| 6. | Budget Forum Programme of work | Special school formula review – Liz - started in 23/24, will continue. Comparing like for like in other LAs is not beneficial as all LAs have a different model.  Sub Group work - volunteers to work on a core group to look at transformation – Matt Gilbert, Paula Vaughan, Peter Cate, Dave Blackwell, Cllr Goodjohn, Rhodri jones . BF members to reach out to other HTS, and business managers to form a group. LL to arrange meeting in May. | LL |
| 7 | AOB | DB – should we follow other LAS like Powys and write letters to parents to raise awareness of the budget situation? The letter would raise awareness of the funding gap which is impacting on the budget available to educate pupils. Agreed this would be explored with the BF and LA.  DB advised this is Paula Hams last meeting – Dave thanked Paula for contribution to schools and the budget forum.  **Next meeting dates** – 12 June 2024, 9.30am on Microsoft teams. |  |