

EDUCATION SERVICE:

MEETING OF CARDIFF SCHOOLS' BUDGET FORUM



Time: 8.30am – 10.30am
Date: 11th March, 2020
Location: Committee Room 1

DRAFT AGENDA

Ref	Item	Category	Lead
1	Apologies & welcome to the SBF	Standing item	Chair
2	Minutes from previous meeting (11 th March 2020) and matters arising:	Standing item (papers attached)	Chair
3	Formula Update 2020/21	Information and Discussion (presentation)	Neil Hardee, Rob Green
4	ICT update	Information and Discussion (papers attached)	
5	School Balances	Information and Discussion (papers attached)	Neil Hardee, Rob Green
6	Any Other Business	Standing item	Chair

Future Meeting Dates: 20.05.2020 (SLA following)

EDUCATION DIRECTORATE

MINUTES OF THE MEETING OF CARDIFF SCHOOLS' BUDGET FORUM



Time: 8.30am – 10.30am
Date: 11th March 2020
Location: Committee Room 1, County Hall
Present: Sarah Griffiths - Chair (SG), Cllr Sarah Merry, Cllr Chris Weaver, Cllr Joel Williams (JW), Mike Tate (MT), Rob Green (RG), Neil Hardee (NH), David Harris (DH), Angela Jardine (AJ), Andrew Skinner (AS), Nic Naish (NN), John Hayes (JH), Patrick Brunnock (PB), Abigail Beacon (AB), Suzanne Williams (SW), Adrian Dinsmore (AD), Ann Griffin (AG), Jane Setchfield (JS), Mari Phillips (MP), David Silver (DS), Karen Dell'Armi (KA), Wayne Murphy (WM), Tracey Stephens (TS), Catherine Power (CP), Sarah Parry (SP), Louise Bloom – Clerk (LB)

Apologies: Ian Allwood (IA), Nick Batchelar (NB), Richard Portas (RP), Marc Belli (MB), Jane Marchesi (JM), Ivor Gittins (IG), Sara Allen (SA), Kevin Hart (KH),

Ref	Conclusions/Actions	Who
1	Apologies and welcome	
1.1	The Chair accepted apologies, welcomed members and reported that sadly Paul Jeffries, a long-standing member and former chair of the school budget forum had passed away. Paul a fluent Welsh speaking Yorkshireman was a tremendous public servant; he sat on the admissions appeals committee and had been Chair of Governors at two primary schools. Members expressed their condolences to his family.	
2	Minutes of the previous meeting and matters arising	
2.2	The minutes of the meeting held on 15 th January 2020 were agreed as a true record.	
2.3	<u>Matters arising</u> The following was noted: Minute 2.4: A MTFP meeting was held on 24 th January with another to be scheduled. Minute 3.1: Information of Post 16 figures and distribution are ongoing. The Chair thanked members for their feedback on the budget proposals and Cllr Weaver's response, circulated to the forum. NH confirmed a message requesting schools pause ICT spend has been circulated.	NH

3	Formula Update 2020/21	
3.1	<p>Papers were circulated prior to the meeting.</p> <p>RG gave a presentation on the formula update for 2020/21, during which the following was noted:</p> <p>WG are creating a working group to review MEAG distribution. Funding is thought to be insufficient at present. Discussions will be held over the next couple of months and information shared with the forum.</p> <p>A member drew attention to pressures on pupil mobility, compounded with the uncertainty of MEAG and requested other mobility options be considered. NH confirmed mobility is included in part of the funding and would be reviewed in relation to MEAG. He will send an email following the meeting asking for volunteers to meet before the next SBF and include a suggested date.</p> <p>Following a query on PDG and financial impact upon schools, RG explained individual levels would be calculated using 2019 PLASC levels for this year (2020 PLASC may be used for next year). NH will share with schools as indicative figures. Not having full information on grant values caused concern with members; however, RG was hopeful LFM officers would be able to confirm with schools next week. JS responded that would helpful to schools to meet deadlines for any deficit budget applications.</p> <p>Members requested an element of protection for schools in relation to changing pupil numbers and following discussion it was agreed to be put to the Consortium forum. Indicative figures are required to inform decisions on staffing. AJ highlighted support in the transition period would be given for staff.</p> <p>NH invited suggestions from members on the formula and pointed out schools could be significantly affected with teacher threshold arrangements. Members echoed more experienced staff on upper pay scales were more costly, match funding had previously negated the negative impact on schools and staff. JS shared the concerns, highlighting this could potentially affect employment decisions and equality, affecting smaller schools more. NH agreed to explore how other authorities manage their thresholds and will bring back to the next meeting.</p> <p>Following further discussion the forum agreed to write a letter to Luke Sibieta on a range of issues. NH will email members of the SBF inviting issues they would like expressed.</p>	<p>NH</p> <p>NH</p> <p>NH</p>
3.2	<p><u>Consultation on changes to the formula</u></p> <p>Following a query by AJ on timelines for a consultation, a summer deadline was agreed, if there are limited responses the consultation could be reissued.</p>	
4	ICT Update	
4.1	<p>NH gave an ICT update and circulated papers on EdTech, the paper will be emailed to the forum following the meeting.</p>	<p>NH</p>

During the update he explained WG would release funding on a set of conditions and outlined the following:

- £1m is left to spend on devices.
- The Dynamic Purchasing system has provided significantly reduced prices.
- 3,000 chrome books and 1,200 laptops have been ordered.
- Spend has been on restructure of all schools, with the exception of new schools.
- Kit, not yet been received, is expected to be installed by the end of the summer term.
- How to prioritise distribution of devices to schools would be considered.
- NH will resend the ICT pro-forma to schools, not all have not been returned.
- Another audit on ICT leasing will be undertaken for visibility and lease agreement of devices.
- The next Ed Tech meeting will be held on 27th March, once finalised details would be sent to schools.
- 0.5% of the delegated budget has been has retained for a pooled ICT Investment budget on 1st April 2020.
- There is no notification yet on further years grant
- The Dynamic Purchasing system will be available for authorities to utilise.
- An AV review in school would be undertaken and reviewed with the Ed Tech group.
- The ICT service will move to a consistent way of supporting schools. It was noted ICT issues have been experienced at schools and that the majority do not buy into ICT SLA. A central team was proposed to be put in place to provide support. A meeting is scheduled on Friday, 13th March with Richard Clement to discuss school's expectations from the central support team. The new team would be recruited from external advertisement.
- A one-day warranty of devices is to be put in place that the new team would be required to deliver. An update on next steps, expectations of the team and leasing arrangements is hoped to be in place by September for primary and secondary schools. Details will be circulated to headteachers and Chairs of Governors.
- NN drew attention to a sales email received from an ICT company. NH explained the company was engaged to undertake an ICT audit, NH and MT will speak with the company regarding the email sent. NN was asked to forward the email to Mike and Neil.
- NN expressed concerns with the current ICT service and relationship to schools, recommending the implementation be delayed to the next financial year. NH recognised the challenges of setting up a new central team but was confident with the intention; schools will be asked to feed in and gave assurances that their needs are paramount. MT and NH will further discuss concerns raised with NN and hold a conversation with others. NH stressed ICT is part of the infrastructure to aid implementation of innovative pedagogy and the central service would have different governance arrangements.
- NN requested a pricing list of ICT goods from the dynamic purchasing system for comparison.

NH

NH

NH

NH, MT

NH, MT

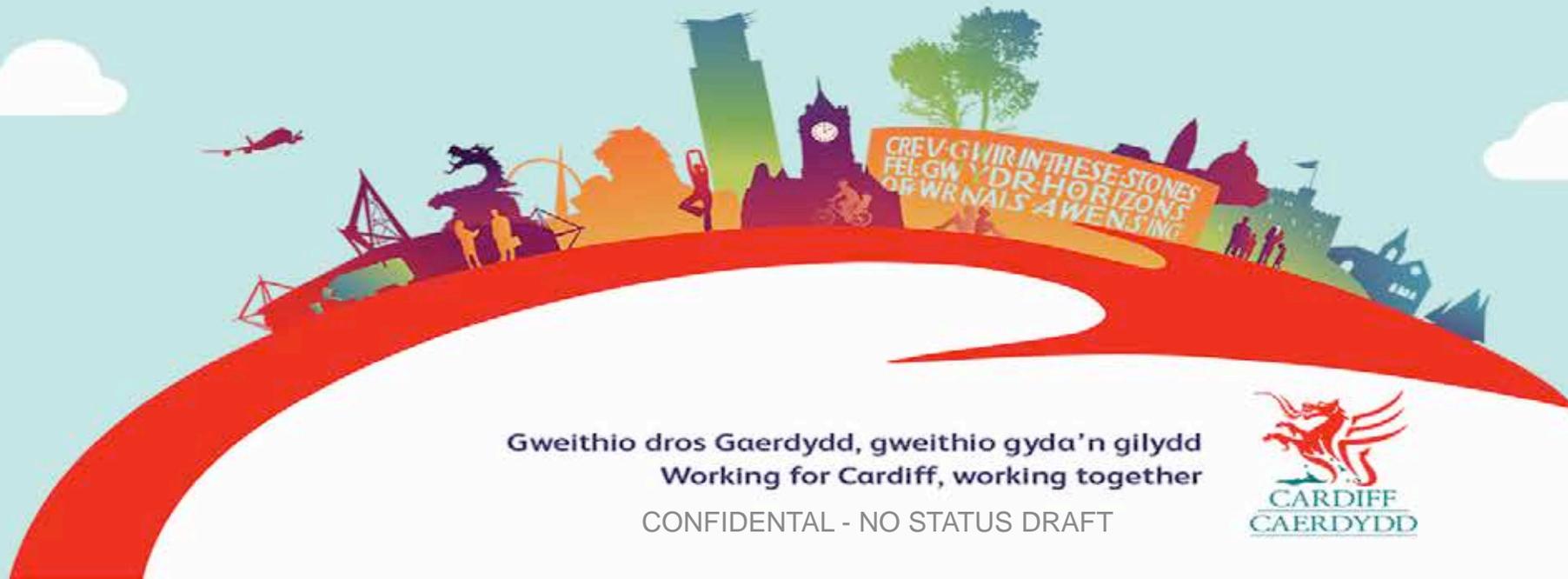
NH

	<ul style="list-style-type: none"> · Secondary schools, usually supported by a network manager, would have a different ICT model. An Adobe contract would be included. · Focus would be on primary and special schools firstly before a secondary model is explored in 2020/21, which will be ongoing. · Schools ICT SLA budgets have been adjusted from September and will no longer have a core ICT SLA. There would be one aggregate SLA between Education and ICT. The core SLA would include connectivity, licences and support services, with the central team funded from schools delegated budget rather than the central budget. · Cardiff Commitment will utilise further money received in the Council budget to consider curriculum development and collaborate with staff training. · An indication of bespoke central ICT team charges for onsite support would be shown in the SLA. · Quotation on service has increased by 40% over three years · Consideration will be given to fund current school ICT providers from the county provider fund until April, the suggested delayed implementation date. · The Chair recognised the issue was contentious for schools, to provide clarity an ICT briefing paper for headteachers and Chair of Governors will be drafted and circulated, noting some of the concerns raised in the meeting, the paper will include an update on next steps and expectations on leasing arrangements, anticipated for September for primary and secondary schools. · It was noted a number of members supported the ambition but were keen to ensure implementation is carried out correctly. 	NH
5	School Balances	
5.1	<p>RG gave a presentation on school balances and explained:</p> <p>Officers have held a series of productive meetings with schools that have exceeded thresholds and consideration given on next steps.</p> <p>A member pointed out Catholic schools pay 15% of all building projects and asked if money were to be claimed back would a communication be given to understand this? RG agreed, explaining that officers will take this into account when considering clawback. A training session was recommended for the Audit Committee (to be suggested via Cllr Joel Williams, a member of the Audit Committee) on how schools are funded and the effects.</p> <p>JS drew attention to the snapshot of figures and complexity, concerns were raised that schools were holding onto money that should be spent on pupils in their care at the time and asked if these conversations are taking place, as it is public money.</p> <p>NH explained schools have given a variety of reasons including income generation. In the main, they have spent money given to them.</p> <p>Members recommended sharing good practice of how money has been accumulated by income generation, identified in surplus balances, that is in</p>	

	<p>addition to delegated budgets, pointing out governors are proactive in finding additional money.</p> <p>NN suggested a Q&A session with the Audit Committee and issued an invitation for them to visit schools.</p> <p>Cllr Merry pointed out headteachers need to understand they will be challenged if surpluses are accrued and that concerns are legitimate.</p> <p>DH drew attention to a shortfall in Band A funding that is increasing and asked that it be factored in as it affects school budgets as part of the ALN plan.</p> <p>AJ held the view that surpluses held by schools cause difficulties with national funding campaigns and recommended a communication on common findings be given for clear understanding. Officers agreed to gather more information on spending plans and share with stakeholders. NH will communicate common findings in relation to surplus balances to Luke Sibieta for national use, capturing historical data.</p> <p>The Chair noted in year savings discussions are ongoing.</p>	NH/RG
6.	Any Other Business	
6.1	None discussed.	
7	Date of next meeting: 20 th May 2020	



2020/21 School Budget & Formula School Budget Forum 11th March 2020



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2. Pooled Budgets
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1. Final Settlement and School Budget Growth

- Final Settlement was released on Tuesday 25th February, two days before Full Council approved the Cabinet's budget proposal.
- There was no change between Provisional and Final Settlement, in terms of the total Aggregate External Finance (AEF) being provided to Cardiff Council.
- Therefore, AEF increased by 4.1%, after allowing for grants transferring in to the settlement.
- The Cabinet continued with a 0.5% efficiency saving against the school budget, compared to the 1% efficiency that had been agreed in the summer of 2019.
- Overall school growth was £12.317m, in cash terms, adjusted to £10.423m when allowing for grants transferring in.
- The value of the 0.5% efficiency saving was £1.207m.



2. Pooled Budgets

Pooled Budget	Current Value	Position for 2020/21
Redundancy	£1m	Retained at current value
CNE	£1.5m	£100k reduction to fund increase required to delegated CNE fund
Health & Safety	£305k	Retained at current value – original intention was to introduce traded service from 2020/21
EOTAS	£150k	Transferred to PRU budget to fund additional classes being created to meet EOTAS demand
Junior Apprenticeship Scheme	£175k	Re-pooled and increased to total value of £406k
Free School Meals	£487k	Fully delegated to meet emerging demand
Welsh Immersion Unit	£70k	Increased by £80k to reflect increasing demand for provision
Energy	£11k	Existing delegated amounts transferred to new pooled budget to fund repayments associated with energy schemes (£234k pooled budget in total)
Tree Works / Pest Control	£85k	Pooled budget increased by £150k to meet costs arising from legal judgements and impact of Ash Die Back (amount to be confirmed).
ICT	N/A	New pooled budget of £1.937m created in line with requirement for a sustainable ICT fund.



3. Formula Changes 2020/21

- Individual school budget allocations were released on Monday 2nd March 2020, including indicative allocations for 2021/22 and 2022/23.
- No major new changes for 2020/21.
- Fourth and final year of changes impacting upon primary and special schools – e.g. threshold changes.
- For secondary schools, changes have been made to PRU recoupment and the Junior Apprenticeship Scheme.
 - PRU recoupment will cease going forward, meaning schools will not be charged for this provision
 - The JA budget has been re-pooled and increased, meaning schools will not need to contribute towards this provision.
- Improvements have been made to the way in which indicative budgets are presented.



4. Grants

- Data only available on an all-Wales basis resulting in a degree of uncertainty.
- Grant support for MEAG and Travellers to continue for a further financial year. Cardiff to receive same level of funding as in 2019/20.
- RCSIG has increased overall, by £12.5m, however this includes the Professional Learning Grant, which has transferred in. It is thought that the PLG may have been reduced to £12m, but this has not been confirmed.
- PDG – unclear which PLASC dataset will be used to distribute funding.
- New grants for Additional Learning Needs (£7m), Elective Home Education (£1.5m) and a Healthy & Nutritious Breakfast (£835k). Details yet to be received.
- Post-16 funding has increased by £1.1m overall, with Cardiff's allocation increasing by £1.296m (10.92%), majority of which relates to pay/pension funding transferring in.
- PDG Access grant increasing by £3.2m at an all-Wales level.



5. Future Years Formula Considerations

Element	Issue
Repairs	Repairs allocations are based on the historic condition survey figure, at a point in time. Therefore, it doesn't take into account schools that have received investment into the building. However, it also doesn't allow for schools that need to undertake planned, preventative maintenance, following a new build or significant renovation. Therefore, consideration will be given to a formula-driven allocation, which would allow for schools with buildings of all conditions.
SLAs	Currently based on historic actuals. Consideration to be given to a lump sum based on pupil number bands/ranges.
Lump sums	Doesn't currently cover core cost of operating a school. Need to consider increasing lump sum but also introducing a variable element to the lump sum, taking into account the size of school.
Grounds maintenance	Based on historical information. Difficult to make allocations to new schools. Consideration to be given to a more formulaic approach.
ALN/CNE	May be various recommendations arising from ALN Task Group, which could impact upon formula.
Other	Breakfast initiatives, energy and TA funding in Years 1 and 2.





Surplus Balances Update School Budget Forum 11th March 2020



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3. Overview of meetings held
4. Emerging themes
5. Next steps



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1. Background

- School Funding Regulations (2010) permit local authorities to take action in respect of surplus school balances if they exceed £50k (primary) and £100k (secondary/special).
- LAs can either direct to spend or claw back excess balances.
- In Cardiff, local thresholds have been introduced:
 - Primary schools - based on 4% of formula allocation, min balance of £50k, max of £100k.
 - Secondary/special schools – based on 4% of formula allocation, min balance of £100k, max of £200k.
- Cardiff have never clawed back excess balances from a school.



2. Cardiff context

- Total school balances in recent years are outlined in the table below:

Phase	2016/17	2017/18*	2018/19
Primary	(£5.236m)	(£6.914m)	(£5.522m)
Secondary	£1.601m	£0.496m	£0.557m
Special	(£0.608m)	(£0.901m)	(£0.693m)
Total	(£4.243m)	(£7.319m)	(£5.658m)

* Towards the end of 2017/18, the WG distributed £1.4m of repairs funding to individual schools.

- Each year, any school with an excess balance is asked to outline the reasons for holding the balance and plans for utilising the balance.
- During 2018/19, 18 schools (17 primary, 1 special) that had had excess balances for a minimum of three consecutive years were directed to spend.
- At the end of 2018/19, four had reduced their balances to within those thresholds.



3. Overview of meetings held

- The Audit Committee that met during September 2019 were particularly interested in school balances.
- In response to the issues raised during Audit Committee, meetings were held with those schools that had not reduced their balances in line with the direction to spend.
- These meetings took place during the autumn of 2019 and early 2020.
- The meetings involved representatives of Finance and Education, the headteacher and, in most cases, the chair of governors.
- Schools were asked to outline their reasons for continuing to hold excess balances and were advised that a clawback of the excess balance, as at 31st March 2020, could be undertaken.
- Schools were given an opportunity to provide planned/potential uses of the balance.



4. Emerging themes

- Discussions varied between schools, however there were various themes that emerged.
 - Surpluses being used to balance the budget in 2019/20
 - Uncertainty regarding future year budget allocations and the medium term
 - Building projects that had been delayed (often because of FM) or that were planned for future years, once sufficient resources had been accumulated
 - In-year circumstances, particularly regarding staffing – e.g. maternities
 - Good management of absence and supply usage
 - Good value for money being obtained by certain schools
 - Unexpected additional grant funding or secondment income
 - Concern regarding potential clawbacks from LA
 - ICT funding from WG meaning certain commitments will not go ahead



5. Next Steps

- The end of the 2019/20 financial years provides the next gateway in managing school balances.
- It is proposed that any school still in excess of the agreed thresholds will have the additional balance clawed back – this would either be done as part of the year-end closedown, or via journal/invoice early in the following year.
- The timing would not be ideal, as schools are in the process of setting their 2020/21 budgets.
- The balances that are clawed back will be held for a period of time, most likely until the end of the academic year.
- During the early part of the 2020/21 financial year, schools will need to put forward proposals for utilising their excess balance and draw down the funding.
- The same process will be repeated for schools that have been directed to spend during 2019/20.

