

EDUCATION SERVICE:

MEETING OF CARDIFF SCHOOLS' BUDGET FORUM



Time: 8.30am – 10.30am
Date: 25th November 2020
Location: Microsoft Teams Invite

DRAFT AGENDA

Ref	Item	Category	Lead
1	Apologies & welcome to the SBF	Standing item	Chair
2	Minutes from previous meeting (23rd September 2020) and matters arising:	Standing item (papers to follow)	Chair
3	Luke Sibieta report, school funding in Wales	Information and Discussion (presentation)	Rob Green, Neil Hardee
4	Updates: <ul style="list-style-type: none">• COVID-19 claims• WG Hardship Fund	Information and Discussion (papers attached)	Neil Hardee, Rob Green
5	Control Risk Self-Assessment	Information and Discussion (presentation)	Sue Powell/Chris Pyke
6	Asset Renewal	Information and Discussion (presentation)	Richard Portas
7	Redundancy, CNE, MSF	Information and Discussion (papers attached)	Rob Green/
8	Any Other Business	Standing item	Chair

Future meeting dates –

20th January 2021
17th March 2021
12th May 2021
7th July 2021



EDUCATION DIRECTORATE

MINUTES OF THE MEETING OF CARDIFF SCHOOLS' BUDGET FORUM

Time: 8.30am – 10.30am
Date: 25th November 2020
Location: Microsoft Teams
Present: Sarah Griffiths - Chair (SG), Cllr Sarah Merry, Cllr Chris Weaver, Mel Godfrey (MG), Mike Tate (MT), Richard Portas (RP), Rob Green (RG), Neil Hardee (NH), Angela Jardine (AJ), Andrew Skinner (AS), Nic Naish (NN), John Hayes (JH), Marc Belli (MB), Ivor Gittins (IG), Jane Marchesi (JM), Suzanne Williams (SW), Ann Griffin (AG), Jane Setchfield (JS), Mari Phillips (MP), David Harris (DH), David Silver (DS), Karen Dell'Armi (KA), Kevin Hart (KH), Adrian Dinsmore (AD), Catherine Power (CP), Wayne Murphy (WM), Louise Bloom – Clerk (LB)

Apologies: Ian Allwood (IA), Cllr Joel Williams (JW), Abigail Beacon (AB), Sara Allen (SA), Sarah Parry (SP),

Ref	Conclusions/Actions	Who
1	Apologies and welcome	
1.1	The Chair welcomed members and accepted apologies.	
2	Minutes of the previous meeting and matters arising	
2.2	The minutes of the meeting held on 23 rd September 2020 were agreed as a true record.	
2.3	<p><u>Matters arising</u></p> <p>Minute 4.3:</p> <ul style="list-style-type: none"> A communication clarifying grant amounts for individual schools amounts had been sent. Headteacher contact details for communications were updated. <p>NH reported a meeting would be held on Friday 4th December to discuss the central use of £104k, allocated from WG to mitigate decreases in PDG. Three primary, one secondary and one special school conference representative/s would attend. KH noted a net benefit of c£170k, asking whether the principle of the discussion would be to look at protection for schools suffering loss. NH confirmed a pragmatic solution would be sought at the meeting. He drew attention to the significant number of children now eligible for FSMs (13,600 from 11,500) exacerbating losses, recommending that it be factored into future financial years to ensure WG recognise the significant increase of allocations made, for a more accurate cast of figures going forward.</p>	

	<p>Minute 4.4: NH circulated a spreadsheet on ICT Ed Tech showing detailed analysis of expenditure.</p> <ul style="list-style-type: none"> • 0.5% (£1.2m) was retained from schools delegated budgets • £524k was retained by WG to cover purchase of dongles and a national contract for telecommunications until the end of March 2021 for Wi-Fi devices distributed during the summer • Funding from WG was on a three-year basis, £15m in year one, £30m in the year two and £20m in the third year • An amount will be retained from the schools delegated budget in 2021/22 • Further discussions will be held on future funding models regarding devices and infrastructure across schools • An audit of audio visuals revealed investment is required in white boards and screens • The ICT group will look at developing more consistent ICT support across schools and working with a renewed central ICT support team <p>MB praised the hard work of Cardiff officers but voiced concerns on delays of devices being delivered. NH gave assurances all orders would be delivered this financial year.</p> <p>Minute 4.5: Information on flu jabs for schools had been shared at headteacher and Chair of governor forums.</p>	
3	Luke Sibieta report, school funding in Wales	
3.1	<p>RG outlined a presentation on school funding in Wales, summarising the report from Luke Sibieta. Four main themes on improving the school funding system emerged:</p> <ul style="list-style-type: none"> • Spending decisions based on empirical evidence • Fairness and transparency in funding across schools and areas • Effective scrutiny enabled by consistent and transparent data • Clear expectations on future costs throughout the system <p>NH praised the report and it was agreed to send a response from the forum on recommendations. NH and RG will prepare and circulate a draft following the meeting. AJ recommended including the additional pressures that have arisen from Covid-19 in the response and that recommendations are kept under review.</p>	NH&RG
4	Covid 19 claims/WG Hardship Fund	
4.1	<p>RG gave a presentation on the WG Hardship Fund, against which monthly expenditure and quarterly net income claims are submitted for Covid-19 costs and income losses. £500m had been made available to LA's across Wales, mainly through the WG Hardship fund. Certain allocations of funding are ring-fenced for FSMs, school cleaning and holiday childcare provision (and other non-Education costs).</p> <p>He noted:</p>	

	<ul style="list-style-type: none"> • Expenditure claims have been submitted to October (inclusive) • Income claims were submitted to September (inclusive). • Typical claims for loss of income related to catering, lettings and childcare. • RG will shortly write to head-teachers giving the November expenditure claim deadline • The next income claim is anticipated in January 2021. • The scope of expenditure claims has been narrowed and no longer includes general resources, postage, printing and ICT. • The income claim for quarter 1 was approved in full. 	
4.2	<p><u>School budgets and balances</u></p> <p>As part of the claims process school balances held at year-end will be reviewed. Schools are urged to closely monitor their in-year financial position and consider whether costs could be absorbed or offset against in-year savings.</p> <p>LFM officers have undertaken an exercise to identify savings made across schools in the first five months. Outturn positions are currently being completed and will be reviewed to project likely total school balances at year-end and those at risk of deficit, actions arising from this will be considered. At present significant surpluses have emerged with two thirds of schools having a collective surplus balance of circa £5m compared to planned budgets of £300,000.</p> <p>KH shared concerns on the excess surplus balances recommending this be more widely advertised to headteachers in Cardiff and asked once a full picture was gathered what action would be taken to address the difference. RG responded that actions have been taken with some schools that had surplus balances for consecutive years and these would be further reviewed. How to implement thresholds and ensure they are adhered to would be held under review. However, there is huge uncertainty next year in relation to costs and WG funding. How balances align with ongoing budget planning exercises would be considered, together with a collective contribution from schools towards the Council's budget position. The MSF, Redundancy and CNE would also be taken into account.</p> <p>NN drew attention to grants ending this year, pointing out schools might retain funds to continue provisions. He was questioned on the possible effects of PDG funding being withdrawn by an improvement partner and responded that the funding was essential. RG agreed some grants have been under review for a number of years and unknowns cause uncertainty. He would provide an update following an ADEW finance meeting next week. More would be known on grants with the provisional settlement for local government in late December and the final settlement in March.</p> <p>NN highlighted some schools have wanted to spend money on building repairs and maintenance but have been unable to, due to delays in manufacturing or importing goods. In addition, cuts are made annually to EIG, which impacts on foundation phase and staffing.</p>	

	<p>MB drew attention to higher utility costs in colder weather, particularly with open windows for adequate ventilation in relation to Covid-19 and heating costs to ensure warm rooms. He questioned WJEC costs with 75% retained from schools although public examinations would not be held. He voiced concerns of money committed by schools with no guarantee to refund. MT suggested MB raise the points in the working group for recommendations and pointed out costs would remain for meetings, training and external moderations.</p> <p>JH echoed the huge uncertainties next year and urged caution with surplus balances, a number of schools have been close to or in deficit, being unable to spend. A full picture is needed before a decision is taken on excess surpluses.</p> <p>RG will provide an update from the ADEW meeting and school balances in January.</p>	RG
5	Control Risk Self-Assessment	
5.1	<p>CP and SP gave a presentation highlighting CRSA undertaken this year would be respectful and understanding of the schools environment. Audit will engage with schools remotely regarding controls and management of risks.</p> <p>CP noted school's self-assessment has been in place for a number of years. CRSA categories have evolved from four categories in 2017 of Governing Body and School Staff, Setting the Budget, Value for Money and Protecting Public Money to seven categories in 2020 of Governance, People Management, Business Continuity & Asset Mgt, Payroll & Expenses, Commissioning & Procurement, Income & Debtors, ICT security & Data mgt. The new categories will help schools identify their specific areas of strength and targeted improvement in their self-assessment, showing how their self-assessed CRSA compares to subsequent internal audit report findings.</p> <p>Audit engage with schools in a proportionate, pragmatic and targeted approach. An audit opinion is provided annually on the control environment in schools and the Council, based on a reasonable level of assurance to the Council. An external review is held every five years. Some targeted exercises have been undertaken, last year a targeted counter-fraud control risk self-assessment was completed within all schools and an ICT governance control risk self-assessment was completed in secondary schools.</p> <p>CRSA timelines were outlined as follows:</p> <ul style="list-style-type: none"> • 30 November 2020 - CRSA templates to be issued • 18 December 2020 – Completed CRSA returns requested back • January to March 2021 – Audit to review returns and correspond with schools in the event of queries <p>Remote engagement with schools would commence in April 2021.</p> <p>Questions were invited and members fed back that the timescales were unrealistic at short notice, head-teachers are busy managing COVID related issues and other pressures. Following discussion, it was agreed for schools to submit their CRSA returns by a date in January 2021, to be confirmed in the</p>	

	<p>email request. Key documents sought would include the authority list, school financial regulations and minutes. Assurance would be sought from head-teachers and governors in their response and targeted areas would be considered.</p> <p>MT confirmed feedback is expected from Unions in terms of ensuring an uninterrupted Christmas break for schools with contact paused, supported by officers.</p>	
6	Asset Renewal	
6.1	<p>RP gave a presentation on budget and spend, during which he noted:</p> <ul style="list-style-type: none"> • Asset Commissioned spend increased from £8.490m in 2019/20 to £16.88m in 2020/21 • Budget allocation increased from £14.875m to £16.88m due to late funding from WG • A higher value of work has been commissioned, expected outturn in 2020/21 of £10.87m • All commissioned works are to keep buildings safe, weather tight, warm and for safeguarding works. • Top priorities are being worked through at present • A further £7.9m/£8m of urgent maintenance, health and safety works and £3m of safeguarding works is planned 	
6.2	<p><u>Contingency Fund</u></p> <p>As survey responses on the Contingency Fund were inconclusive, the fund will continue to be monitored and reviewed at a later date if required.</p>	
6.3	<p><u>Changes to service</u></p> <p>RP noted:</p> <ul style="list-style-type: none"> • A new Assistant Director, Donna Jones was appointed for County Estates • All works, updates, escalations, milestones and communications are now via One Front Door • Condition and Suitability have split, bronze officers have been removed, SOP officers look at suitability works and not condition • A new emergency works process will be proposed 	
6.4	<p><u>Asset Renewal report</u></p> <p>RG outlined the report, noting slippage (funding displaced and carried forward to a future year) due to late grant allocations from WG both in 2018/19 and 2019/20.</p> <p>As the WG Capital Maintenance grant is assumed to be lost due to reprioritising of public finances across Wales, a proportion of the invest to save funding (£25m) will be utilised this financial year. It was noted works are commissioned and progressed quicker. Necessary processes are in place for</p>	

	<p>sufficiency and profile of use.</p> <p>RP reported an annual programme of works has been issued detailing a full list of schemes. Other schemes undertaken will be added to the programme. Surveys on the estate are ongoing.</p> <p>Following a query from DH on works not included in the programme, RP explained work is prioritised; some work previously requested would not be in the programme for the year and recommended historical work be logged via the One Front Door system.</p> <p>Members commended improvements undertaken but expressed disappointment in works not scheduled as previously agreed and suggested strengthening communication to head-teachers and governing bodies on the One Front Door and works to be done. RP explained the One Front Door system is also accessible via the web.</p>	
7	Redundancy, CNE, MSF	
7.1	<p><u>CNE</u></p> <p>RG noted the growth and financial pressures continues with an increase of 15% in 2020/21 with current overspend on the pooled CNE budget of £514,000. Historical spend indicates a projected year-end overspend of £1,045,000 which would be recovered from Primary and Secondary schools.</p>	
7.2	<p><u>Redundancy</u></p> <p>RG reported an underspend is indicated at present with costs of £117k on nine exits. If the underspend continues it is proposed to earmark £500,000 to partly offset Education overspend at year-end, which has challenges including high demand of FSM provision.</p>	
7.3	<p><u>MSF</u></p> <p>RG drew attention to a potential underspend of £1.130m and a carried forward deficit currently of £499,000 into 2020/21. To date WG have reimbursed agency/cover costs in relation to COVID-related absence, reducing the overall need to claim from the fund. The position will be closely monitored to the end of year, MSF members are asked to continue to return all reimbursement claims throughout the year to enable accurate in year monitoring.</p>	
8	Any Other Business	
8.1	<p>DH raised concerns on Band A and B funding and funding in the system being insufficient to meet the needs of ALN reform, CNE, Welsh provision, vulnerable learners and child and staff wellbeing. He recommended making representation to Welsh Government to address the needs faced. Financial pressures across Cardiff are understood fully, however the impact on schools, children and staff need to be considered by WG. RG proposed incorporating the feedback into the response to WG, relating to the report by Luke Sibieta.</p> <p>RP drew attention to work being undertaken on special schools and</p>	NH&RG

	mainstream provisions with feedback given from the ALN working group and recommended this be considered in the response.	
8.2	<p>Sadly, SG announced she would be stepping down as Chair of the School Budget Forum as she will be starting a new job in January. She shared her pleasure in working with members and that it was a privilege to steer discussion with the forum. She reflected on the importance of listening to each other and understand the pressures on different types of schools, to work together for the benefit of children across the city and drew attention to the importance of addressing deprivation and inequality.</p> <p>NH thanked SG on behalf of the local authority and schools for her contribution to the School Budget Forum. He praised her professionalism and composure with challenges, enabling considerable work to be undertaken. She has brought a greater understanding of the city and wider issues, benefitting all discussions in the forum, focusing on what is right for pupils and schools across the city. The forum and local authority wished her good luck in her future and her new role.</p> <p>NH will write to members with a proposal of Chair prior to the next meeting.</p>	NH
9	Date of next meeting	
9.1	20 th January 2021.	

Cardiff Schools Budget Forum
Redundancy Update

Date of meeting:	25 th November 2020
Time of meeting:	8.30 am
Venue:	Microsoft Teams

1. Purpose of report

The purpose of this report is to provide an update on the projected outturn position against the pooled redundancy budget for 2020/21.

2. Background and Context

For the 2020/21 financial year, an amount of £1 million has been set aside as a pooled budget within the overall school budget. This money is earmarked for any redundancies, occurring between 1st April 2020 and 31st March 2021, which fall within the Council's criteria for funding from the pooled budget. The total budget available is in line with the budget held during the previous year. The final expenditure incurred during 2019/20 was £1.230 million, reflecting an overspend of £230,000. This overspend was offset by use of reserves and underspends against other pooled budgets.

3. Current Position

The current position, as per information provided by HR and costs incurred on the financial ledger to date, reflects exit costs totalling £117,000. This amount is split as follows:

Cost/numbers of redundancies	Primary Schools	Secondary Schools	Special Schools	Total
Teaching Staff	£0k (0)	£0k (0)	£0k (0)	£0k (0)
Support Staff	£2k (1)	£115k (8)	£0k (0)	£117k (9)
Total	£2k (1)	£115k (8)	£0k (0)	£117k (9)

4. Financial Implications

On the basis of available funding totalling £1 million and spend to date of £117,000, a significant underspend could result in 2020/21. The level of redundancies to be incurred during the remainder of the year is difficult to predict, however, based on current information, further spend is potentially going to be low.

In light of the likely underspend and the challenging in-year budget position that the Education directorate is facing, a sum of £500,000 has been earmarked for potential use in partly offsetting the Education overspend at year-end. Should the level of expenditure against the redundancy budget during the remainder of the year be low, this would still potentially enable an amount to be transferred to reserves at year-end, for use against future school redundancy costs.

In terms of the ongoing sufficiency of a £1m redundancy budget, it is difficult to predict, with accuracy, whether or not it will be sufficient going forward. With the full effect of the pandemic yet to be seen, in terms of future funding levels, the level of redundancies going into 2021/22 is unpredictable. Therefore, it would seem prudent, at this stage, to retain a £1m budget and potentially supplement this with reserves, if required. This position will remain under review, both as the 2021/22 school funding formula is prepared and once the final outturn for this financial year is known.

5. Recommendation

To note the current position in respect of the redundancy pooled budget in 2020/21.

Cardiff Schools Budget Forum
Complex Needs Enhancement

Date of meeting:	Wednesday 25 th November 2020
Time of meeting:	8.30 am
Venue:	Microsoft Teams

1. Purpose of report

The purpose of this report is to provide details on the expenditure on Complex Needs Enhancements (CNE) during the 2020/21 financial year and financial implications for the year.

2. Background and Context

In 2019/20, the total Complex Needs Enhancements delegated to school budgets was £10.474 million. By the year-end the total CNE was £12.627 million reflecting in year payments of £2.153 million. A budget of £1.5 million had been set aside to fund the CNE payments that were expected to occur during 2019/20. This budget was insufficient and the overspend was recovered from schools on a claw back basis at year-end.

For 2020/21, the total Complex Needs Enhancements delegated to school budgets was £12.076 million and the budget set aside to meet the cost of in-year CNE during 2020/21 is £1.4 million. CNE payments during the year fund new CNE, age promotions (Primary to Secondary; and Nursery to Primary) and revisions to funding levels.

The Enhanced Funding for each category has remained unchanged from 2019/20 with full year amounts being:

Nursery £5,849
Primary A £14,624
Primary B £8,775
Secondary A £14,624
Secondary B £11,699

3. Key Issues / 2020-21 update

The total value of CNE delegated to schools was £12,076,000. As at the end of October, the total value of CNE payments has increased to £13,990,000, reflecting in year payments between April 2020 and October 2021 of £1,914,000.

A pooled budget of £1,400,000 is set aside to meet the cost of CNE payments during 2020/21. Therefore, this budget is already overspent by £514,000.

The table below presents the information split between Primary and Secondary schools.

	Total (at end Oct)	Primary	Secondary
Total CNE	£13,990,085	£8,871,966	£5,118,119
CNE delegated	£12,076,086	£7,447,858	£4,628,228
CNE paid Apr-Oct	£1,913,999	£1,424,108	£489,891
Budget pooled for in year CNE payments	£1,400,000		
Budget overspend	£513,999		

The profile of expenditure to date suggests an average increase of 15% on 2019/20 CNE. By year-end CNE could therefore total £14,521,000 reflecting in year payments of £2,445,000. This would represent an overspend of £1,045,000 against the pooled budget and would be recovered from Primary and Secondary schools using the ALN formula weighted pupil number for each school as the apportionment basis.

4. Financial Implications

The current overspend on the pooled CNE budget is £514,000 as at the end of October. The projected year-end overspend is likely to be in the region of £1,045,000 and would be recovered from Primary and Secondary schools using the ALN formula weighted pupil number for each school as the apportionment basis. Special Schools are not included in the claw back as they do not benefit from the pooled CNE budget.

It should be noted that the 2020/21 CNE projection reflects the trend of increasing CNE payments to schools each year. This year's projected end of year spend increase of 15% compares with an increase of 13% in 2019/20 and 20% in 2018/19.

The pooled budget of £1,400,000 for 2020/21 would appear to be insufficient to meet CNE in year demand, and will continue to be so unless one of the following occurs:

- Number of pupils presented as Complex Needs reduces
- The amount of funding for each Complex Needs Enhancement is reviewed and reduced.
- The amount of pooled budget is increased.

4. Recommendation

To note the 2020/21 projected outturn position on Complex Needs Enhancements.

Cardiff Schools Budget Forum
Mutual Supply Fund

Date of meeting:	25 th November 2020
Time of meeting:	8.30am
Venue:	Microsoft Teams

1. Purpose of report

The purpose of this report is to note the total expenditure attributable to the Mutual Supply Fund (MSF) estimated for the financial year ended 31st March 2021.

2. Background

The Education Finance Team regularly monitors the financial costs and rationale for reimbursements. During April 2020, schools submitted reports to LFM to be reimbursed for MSF related costs relating to the last month of 2019/20 and these additional charges totalled £380,000. These are identified separately below for transparency.

3. 2020/21 Update

The below tables highlight the value of claims submitted to the MSF and the net position for the year, a potential underspend of £1.130 million.

Total contributions for 20/21	£4.39M
Sickness Claims	£1.67M
Maternity Claims	£1.33M
Other Claims (inc. suspensions)	£0.26M
Total charges to MSF	£3.26M
Total Underspend for 20/21	£1.13M

The current carried forward balance into 2020/21 reflects a deficit of £499,000.

	£m
Opening Balance	0.499
2019/20 Charges Reimbursed in 2020/21	0.380
2020/21 Net Underspend	(1.130)
Projected Balance at 31 March 2021	(0.251)

4. Financial Implications

It was previously assumed that the historic liability would be recovered through underspends against funding for 2020/21. Current projections indicate this is still likely to be the case, however it remains unclear as to the full impact of the COVID-19 pandemic.

To date, Welsh Government hardship funding has reimbursed agency/cover costs in relation to COVID-related absence. This has mitigated any impact of COVID-19 on the MSF figures, and reduced the overall need to claim from the fund. There is still significant risk in relation to returns being filed in a timely manner. The figures above assume the remainder of the year will remain consistent in terms of level of absences and access to WG funding seen up until the end of Month 6. The position will continue to be monitored closely for the remainder of the year.

The current £251,000 projected surplus would be retained for future years to provide a buffer for the uncertainties that may arise and, potentially, to minimise the increases to rates required in 2021/22.

5. Recommendation

It is recommended that the financial position detailed in this report be noted and that MSF members continue to return all reimbursement claims throughout the year to facilitate more accurate monitoring in year.