

EDUCATION SERVICE:

MEETING OF CARDIFF SCHOOLS' BUDGET FORUM



Time: 8.30am – 10.30am
Date: 15th January, 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 (27 th November 2019) and matters arising:	Standing item (papers attached)	Chair
3	Budget Update 2020/21	Information and Discussion (presentation)	Neil Hardee, Rob Green
4	Formula Update 2020/21	Information and Discussion (presentation attached)	Neil Hardee, Rob Green
5	ICT Infrastructure Investment Update	Information and Discussion (to be tabled)	Neil Hardee
6	Redundancy, CNE, MSF	Information and Discussion (papers attached)	Rob Green
7	Any Other Business	Standing item	Chair

Future Meeting Dates:

2020

11.03.2020
08.07.2020 (SLA following)

EDUCATION DIRECTORATE

MINUTES OF THE MEETING OF CARDIFF SCHOOLS' BUDGET FORUM



Time: 8.30am – 10.30am
Date: 15th January 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), Marc Belli (MB), Angela Jardine (AJ), Andrew Skinner (AS), Nic Naish (NN), John Hayes (JH), Patrick Brunnock (PB), Abigail Beacon (AB), Suzanne Williams (SW), Adrian Dinsmore (AD), Kevin Hart (KH), Ann Griffin (AG), Jane Setchfield (JS), David Silver (DS), 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), Karen Dell'Armi (KA), Jane Marchesi (JM), Mari Phillips (MP), Ivor Gittins (IG), Sara Allen (SA)

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 27 th November 2019 were agreed as a true record subject to an amendment to the first paragraph in point 6.1.	
2.3	<u>Matters arising</u>	
2.4	<u>MTFP</u> NH reported the MTFP scheduled for 17 th December has been deferred, members discussed a revised date and agreed to meet at 8.30am on 24 th January. NH will circulate an invitation following SBF.	NH
2.5	<u>School Balances</u> RG reported productive meetings were held with twelve of the fourteen schools in excess of the local thresholds, officers are scheduled to meet the two remaining schools shortly. Outcomes from the meetings and progression of year-end balances will be shared at the next SBF.	RG/NH
2.6	<u>Asset Renewal</u> A breakdown of work addressed by Asset Renewal so far and associated costs	RP

	will be shared at the next SBF. Following a request, members agreed for Asset Renewal to become a standing item on SBF updates, alongside Redundancy, MSF and CNE.	RG
3	Budget Update 2020/21	
3.1	<p>RG talked through the budget update 2020/21 presentation, highlighting the reduction of efficiency contribution required from schools in 2020/21 from 1% to 0.5%. Discussion followed during which the following points were noted:</p> <ul style="list-style-type: none"> · In response to a question on AWPU rates, RG explained the rate would vary according to pupil numbers, pay and pensions. · Concerns were held on future pay awards and incremental drifts. · NH expressed the view that overall, the budget was positive for Cardiff with grants replicating funding for teacher awards. Once pupil numbers are gathered a clearer indication would be given. School budgets will be circulated following Council's approval of budget on 27th February. · AJ encouraged schools to hold informal conversations with staff regarding retirement, phased retirement and voluntary severance. · JS encouraged schools to consult with HR and use redeployment lists. · Cllr Williams suggested strengthening communication on redeployment opportunities. · JH welcomed the growth indicated but held caution around figures and asked for a commitment from the Council to reduce savings required from schools. Cllr Weaver drew attention to the reduction of school savings by 0.5% and gave assurances that any positive settlements would be reflected in the Council's decision on school funding. · NH explained moving from a CAP to an efficiency saving is more transparent in school budgets, figures are identified for each school. · NH noted MEAG discussions are continuing at an all Wales level, regional areas and with ADEW representatives. A decision is expected within a couple of weeks (previously £4m was suggested for Cardiff). Distribution of the fund is expected to change and officers will urge WG to consider the quantum of money before changes are made to the formula. It is estimated £600,000 would be lost in transition. · Members pointed out that EIG is focused on teachers and TA's are not taken into account. Cllr Merry advised MEAG is in a process of a review, covering core funding and grants and there is an opportunity to feed into the review, an update will be given in the summer. · NH will circulate a pro-forma to schools in the next couple of weeks to capture September's projected post 16 pupil numbers. Comparison of last year's figures against this year will be given upon completion. Following further discussion, it was agreed to invite the Consortium to SBF in the autumn term to explain how Post 16 grant is funded. · Officers will question schools where there are sizeable differences between expected and actual Post 16 pupil figures. An audit will be carried out in October and variances redistributed in-year. MB recommended governors challenge schools on projected figures. · Members questioned whether Central Services would still deliver a high quality service following a reduction of staff. It was pointed out as service is on a traded basis schools are the customer. Cllr Merry acknowledged challenges when delivering cuts, however Education has less cuts than 	<p>NH</p> <p>NH/RB</p> <p>NH/RG</p>

	<p>other Council departments and is protected as far as it can be.</p> <ul style="list-style-type: none"> Some members proposed withdrawal from CSC to achieve savings and some suggested a review of CSC, looking at effectiveness and standards. MT noted that Cabinet would consider recommendations for CSC in February, following a review carried out by ISOS. Members requested assurances after raising SLA quality and value concerns. NH pointed out SLA buy in was a similar level to last year with no significant decreases but recognised there were challenges with a few services. The cleaning service has seen a significant rise of buy ins. Officers will work with schools to ensure services are right. However, it is the individual school's decision whether the service is value for money and if schools were not buying in staff would need to be reduced. The forum thanked Cabinet members for protecting reductions and thanked NH and RG for their good work carried out. A review of central education staff was requested to save people leaving against bringing people in. AB voiced an element of caution, as schools have had several cuts and questioned how further cuts would affect schools. NH referred to the new ALN and EHE grants, Cllr Merry explained early help and intervention is to be strengthened for schools to tap into support for vulnerable pupils, however, AJ held the view concerns would remain. The Chair requested that members email feedback to her by Friday, 24th January for their views to be included in a letter from the forum. 	
4	Formula Update 2020/21	
4.1	<p>RG reported no significant changes and outlined the pooled budgets. It was noted:</p> <ul style="list-style-type: none"> New energy schemes will be subject to further discussion, taking into account value for money and how funded etc. Distribution of the Jnr Apprenticeship scheme budget is based on year 10 and 11 pupil numbers and is shown on the extended opportunities line in school budgets. MB will email NH a query he raised regarding Jnr Apprenticeship delegation of funds for NH to respond outside of the forum. 	MB/NH
5	ICT Infrastructure Investment Update	
5.1	<p>NH referred to a presentation on an ICT infrastructure grant shown at the previous SBF, outlining an allocation of c£5m to Cardiff from the Welsh Government capital grant to renew and improve schools ICT infrastructure this financial year. Caerphilly Council is aggregating national procurement.</p> <p>Bulk buying has achieved lower prices and £3.1m was spent on kit last week, £1m of the allocation remains. The kit is expected to be installed within six to nine months and next steps will be to purchase devices for pupils and staff.</p> <p>A funding model, aspiring to be consistent across schools, is to be agreed to ensure ICT is sustainable (future payments have not yet been confirmed). NH circulated a potential financial model showing refreshment of infrastructure,</p>	

switches, access points and devices. Proposals included one device between two pupils and an up to date device for every teaching staff. An audit of AV equipment will be undertaken to determine devices schools have at present. Chromebooks were suggested for pupils and laptops for teachers.

As schools collectively spend (on average) c£3m on ICT annually, it was proposed to allocate 1% of the school budget for school devices (based on prices known at present). Age groups are to be considered in year 10/11 and post 16. NH invited views from the forum and the following was noted:

- JH welcomed refreshment of ICT and allocation of money, recommending schools are held accountable for spend, with strict parameters.
- Priorities included securing best prices, influencing what schools need and encouraging best use of the Hwb.
- MB cautioned against one size fits all and suggested pupils bring in their own devices, welcoming autonomy.
- CP held concerns on how 1% would be fully being spent in primary schools, NH agreed transparency is needed.
- Every school would receive a refreshed network, switches and access points; more work is needed on devices.
- A complete refresh of devices is recommended after a period of time on a cyclical basis, to include servers.
- AB welcomed the refresh and funding but held the view the approach could lead to a monoculture and that schools could spend on other types of ICT. Chromebooks are not appropriate for Foundation Phase pupils.
- ICT Orders are to be placed by 31st March and work completed by 31st August.
- NN welcomed provision across the city, pointing out equal access should include areas that find it more challenging for children to bring in their own devices.
- Members in the whole welcomed the refresh of devices and concept but recommended individuality is unpicked.
- AS supported comments and asked whether the financial impact of licences for software has been considered. NH explained licences were included in the replacement of switches.
- DS welcomed the approach, highlighting the importance of an infrastructure that works as schools can struggle.
- Members thanked NH for his hard work.
- JS welcomed investment for infrastructure and devices, stressing the importance of staff training and questioned whether training is included in costs. NH confirmed that it was at an all Wales level. Resources, and who is best placed to facilitate Cardiff training are being discussed in the ICT group. Discussions would also be held with CSC, whom receive money for training.
- Teachers are members of the ICT group as ICT leads.
- MB held reservations on centrally employed staff facilitating the scheme, which would need to be suitable for every school.
- Following a recommendation from AB, NH will circulate a message to schools requesting an immediately pause on ICT spend and that schools discuss plans with the LA before making any arrangements.

NH

6.	Redundancy, CNE, MSF	
6.1	<p><u>Redundancy</u></p> <p>RG reported a small overspend (circa £51k).</p> <p>Options, including possible clawback, will need to be considered for funding overspend during the remainder of the year.</p> <p>RG cautioned figures might be slightly skewed due to the redundancy process having changed (now run through payroll, charged to schools and back to the LA).</p>	
6.2	<p><u>CNE</u></p> <p>RG reported a projected overspend of £583,000, an improvement on the previous financial year where the pooled budget had already been overspent by circa £800,00 at the equivalent time of year.</p>	
6.3	<p><u>MSF</u></p> <p>RG noted a potential in-year underspend, should trends to date continue for the remainder of the year.</p>	
7.	Any Other Business	
7.1	None discussed.	
8	Date of next meeting: 11 th March 2020	

Cardiff Schools Budget Forum
Mutual Supply Fund

Date of meeting:	15 th January 2020
Time of meeting:	8.30 am
Venue:	CR1, County Hall

1. Purpose of report

The purpose of this report is to note the total expenditure attributable to the Mutual Supply Fund (MSF) as at Month 7.

2. Background and Context

The financial costs and rationale for reimbursements are regularly monitored by the Education Finance Team and this report is primarily based on the claims and reimbursements made to date. During April 2019, schools submitted reports to LFM to be reimbursed for MSF related costs relating to the last month of 2018/19 and these additional charges totalled £403,000. Assumptions have been made as to the expenditure that may be incurred during the remainder of the financial year, however these figures could change before April 2020.

3. Key Issues

Following the implementation of a clawback totalling £500,000 during 2018/19, the cumulative overspend carried forward from 2018/19 was £796,000. Contributions and reimbursements to date are outlined below.

2019/20:

Total contributions for 2019/20	£4.41m
Charges to MSF for M1-7 Sickness	£1.23m
Charges to MSF for M1-7 Maternity	£0.79m
Charges to MSF for M1-7 Other (incl suspensions)	£0.32m
Estimated Charges to MSF for M8-12 (pro rata)	£0.98m
Total charges to MSF	£3.32m
Total underspend for 2019/20	£1.09m

Projected Movement on Historic MSF Liability

	£m
Opening Balance	0.796
2018/19 Charges Reimbursed in 2019/20	0.403
Additional Clawback	(0.500)
Projected 2019/20 In-year Position	(1.090)
Projected Balance at 31 March 2020	(0.391)

4. Financial Implications

The figures above indicate the potential for an in-year underspend, should the trends to date continue for the remainder of the year. However, this assumes that all claims from schools have been submitted and, therefore, that the expenditure for the first seven months of the year is reflective of the likely spend for the remainder of the year. As outlined in the table on the previous page, should an underspend result, this, coupled with the clawback implemented during this year, would result in the historic deficit being eradicated, In addition, it would either provide a buffer for future years or reduce the contributions required from schools going forward.

5. Recommendation

To note the contents of the report.

Cardiff Schools Budget Forum
Redundancy Update

Date of meeting:	15 th January 2020
Time of meeting:	8.30 am
Venue:	CR1, County Hall

1. Purpose of report

The purpose of this report is to provide an update on the in-year position against the pooled redundancy budget for 2019/20.

2. Background and Context

For the 2019/20 financial year, an amount of £1 million is available as a pooled budget within the overall school budget. This money has been earmarked for any redundancies, occurring between 1 April 2019 and 31 March 2020, which fall within the Council's criteria for funding from the pooled budget. The total budget available reflects an increase of £400,000 on the budget held during the previous year, in recognition of the significant increase in redundancy costs incurred during 2018/19. In addition, a balance of £28,000 is also available should it be required to offset expenditure during 2019/20. This balance was the result of the in-year clawback undertaken in 2018/19 being slightly higher than required.

3. Current Position

The latest information, as per redundancy schedules held by the Council's HR department, indicates exit costs totalling £1.079 million. This amount is split as follows:

Cost/numbers of redundancies	Primary Schools	Secondary Schools	Total
Teaching Staff	£68k (3)	£87k (5)	£155k (8)
Support Staff	£684k (53)	£240k (15)	£924k (68)
Total	£752k (56)	£327k (20)	£1.079m (76)

There have been no redundancies in special schools to date. It is not possible to make a projection as to how much additional expenditure will be incurred between this point of the year and the end of the year, however it would ordinarily be low, on the basis that the majority of exits take place around the end of the academic year.

4. Financial Implications

On the basis of available funding totalling £1.028 million, a spend in the region of £1.079 million, or higher, would clearly result in an overspend within 2019/20. Options for funding this overspend will need to be considered during the remainder of the year and will partly depend upon the final position against other pooled budgets as other underspends may be available to offset. Should this option not provide the level of funding required, it will be necessary to consider other options, including the implementation of a clawback from schools.

In terms of the ongoing sufficiency of a £1m redundancy budget, it is difficult to predict with accuracy whether or not that would be sufficient going forward. It will largely depend upon the level of expenditure that is incurred during the remainder of the year. Should expenditure not significantly increase between now and the year end, it would suggest that a budget of £1m would be appropriate. If costs were to increase significantly, then consideration may need to be given to increasing the budget further in 2020/21. Alternatively, a review of the criteria for funding redundancies may also need to be undertaken to ensure that redundancy costs remain affordable, within the overall school budget, in the future.

5. Recommendation

To note the current position in respect of the redundancy pooled budget in 2019/20 and the projected overspend position for the year.

Cardiff Schools Budget Forum
Complex Needs Enhancement

Date of meeting:	15 th January 2020
Time of meeting:	8.30am
Venue:	CR1

1. Purpose of report

The purpose of this report is to provide details on the expenditure on Complex Needs Enhancement (CNE) during the 2019/20 financial year and financial implications for the year.

2. Background and Context

In 2018/19, the total Complex Needs Enhancements delegated to school budgets was £8.680 million. By the year-end the total CNE was £11.182 million reflecting in year payments of £2.502 million. A budget of £1.5 million had been set aside to fund the CNE payments that were expected to occur during 2018/19. This budget was insufficient and the overspend was recovered from schools on a claw back basis at year-end.

For 2019/20, the total Complex Needs Enhancements delegated to school budgets was £10.474 million and the budget set aside to meet the cost of in-year CNE during 2019/20 is £1.5 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 2018/19 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 / 2019-20 update

The total value of CNE delegated to schools was £10,474,000. As at the end of December, the total value of CNE payments has increased to £12,369,000, reflecting in year payments between April 2019 and December 2019 of £1,895,000.

A pooled budget of £1,500,000 is set aside to meet the cost of CNE payments during 2019/20. Therefore, this budget is overspent by £395,000 at the end of December 2019.

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

	Total (at end Dec)	Primary	Secondary
Total CNE	£12,369,242	£7,917,831	£4,451,411
CNE delegated	£10,474,126	£6,415,407	£4,058,719
CNE paid Apr-Dec	£1,895,116	£1,502,424	£392,692
Budget pooled for in year CNE payments	£1,500,000		
Budget overspend	£395,116		
Projected 19/20 overspend to be recovered	£583,000		

The profile of expenditure to date suggests an average increase of 12.3% on 2018/19 CNE. By year-end CNE could therefore total £12,557,000 reflecting in year payments of £2,083,000. This would represent an overspend of £583,000 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. Special Schools are not included in the claw back as they do not benefit from the pooled CNE budget.

4. Financial Implications

The current overspend on the pooled CNE budget is £395,000 as at the end of December and the projected year-end overspend is likely to be in the region of £583,000. It should be noted that the current position, whilst reflecting an overspend, represents an improvement on the previous financial year, where the pooled budget had already been overspent by circa £800,000 at the equivalent time of year.

The pooled budget of £1,500,000 for 2019/20 is 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.

5. Recommendation

To note the 2019/20 projected outturn position on Complex Needs Enhancement.