

The KIRKLEES SCHOOLS FORUM

(Schools Funding Consultative Group)

meeting held on **Friday 4th December 2009**

Present:

Julie Helm	Nursery School Heads (1)
Carol Crossland, Michelle Lee (Chair 2009/10), Paul Scrimshaw	Primary School Heads (6)
	Middle School Heads (1)
Jackie Eames (acting vice-chair), Kevin Higgins	High School Heads (4)
Philip Gibbins	Special School Heads (1)
Jo Bailey-Taylor (NASUWT), Pat Colling (KGA), Gillian Collins (ATL), Sarah Ellis (pre-School Learning Alliance), Howard Roberts (NUT), Chris Sadler (Principal of Kirklees College)	Non-school members (6)
Julie Bowdidge (Principal Improvement Manager, Learning Service) Angela Farmer (Senior Finance Officer, Resources & Support) Warwick Firmin (School Funding Strategy Manager, R&S); Clerk David Gearing (Financial Delegation Manager, R&S); Minute Clerk Carole Hardern (Group Finance Manager, Children & Young People Service) Andrew Jessop (Contracts Manager [PPP])	Kirklees Children & Young People Service Officers in Support
	Observers

1. Apologies for Absence

Graham Altoft (KPH), Lorraine Barker (KSHS), Kath Benetis (KPH), Rosemary Gibson (Acting Head Resources & Support), Chris Sadler (Kirklees College, sent through advance apologies for missing the start of the meeting), Caroline Thompson (Middles), Janet Tolley (KSHS) and Diana Wilson (KPH).

2. Minutes of the meeting held on 20 November

The minutes were agreed to be a true record of the meeting. It was noted that the minutes did not record Kevin Higgins' apologies which were sent through in advance of the meeting.

3. Matters arising from meeting 20 November

3.1 Excess Balances [minute 3.3 of the 20 November meeting]

Portfolio members have now considered the issues. The revised excess balance protocol will go to Cabinet briefing but the Schools Forum recommendation to claw back a proportion of one school's excess balance does not need to be reported on further.

3.2 Early Retirement [minute 10 of 20 November]

The cost of (capitalised) support staff retirements compared to teacher retirements (paid by ongoing annual pension commitments) were raised again. If support staff cases are approved this affects the numbers of teacher early retirements in that year. The recent review of ER arrangements had clearly stated that the scheme applied to all school-based staff it was also stated at the time that support staff cases would be very much the exception rather than the rule. Officers pointed out that the support staff cases in 2009-10 were generated by the closure of two primary schools to be replaced by a brand new school and the costs were unavoidable. There would be an issue for the arrangements generated by reorganisation of schools under Building Schools for the Future. The Unions requested consultation about the issue at some other forum (Employee Liaison Group)

3.3 Procurement Board questionnaire [minute 13 of 20 November]

Further to the Chair's verbal report last time about the Council Procurement Board meeting, today's agenda papers include a brief questionnaire from the Corporate Procurement Service aimed at gathering information about current patterns of school procurement and ideas about how things might be organised differently in the future. Schools Forum members were asked to make an attempt at filling in the form for consideration at a future Schools Forum meeting (a response is requested by 8 January 2010 although the next meeting of the Corporate Procurement Board is not until sometime in February). It was suggested that the questions could be re-phrased in more user-friendly "school-speak" when a collective response is made.

4. DSG and Budget 2010-11

Version 2 of the 2010-11 DSG budget strategy list was circulated to the meeting.

Item 1: Cash increase in the DSG settlement

Further investigation of the latest DCSF pupil number projections for the 2010-11 Dedicated Schools Grant allocation has revealed that the root cause of the discrepancy lies within the projection of Early Years numbers. Given the turbulence in the Early Years phase following the move to a single point of admission to reception from September 2009, wise counsel would suggest adherence to the more conservative estimate currently used in the DSG strategy (at least until the true picture from the January 2010 censuses is available).

Item 4: Effect of new PLASC regulation re dual-registered pupils

Following the recent DCSF announcement of the intention to eradicate double-funding of dually-registered pupils from April 2010, a second communication says that the change will not be implemented for 2010-11. Many authorities had objected to the imposition of change so late in planning processes. There is no longer a need, therefore, to set aside further provision against the effect of a reduced DSG settlement figure for 2010-11.

Item 9: Single Status uniform movements – Resourced Provisions support staff

A figure of £28,000 has now been added into the strategy list in respect of Planned Place funding increases to cope with uniform staff grade movements in some Resourced Provisions. Schools Forum accepted the figure as reported. Further supporting information was not required.

Item 11: Independent safeguarding Authority – Catering staff

The cost of taking School Catering staff through ISA registration in 2010-11 has been added into the Strategy list (£16,100). This is considered in more detail on today's agenda. The position for School Cleaning staff is currently being worked upon.

Item 12: Change Directors for N Kirklees BSF

This item is to be removed from the list.

Item 13: ETHOS Pupil Referral Unit

Detailed monitoring of the ETHOS budget shows that the PRU has adjusted its expenditure patterns to meet with the target budget figure set by Schools Forum for 2009-10. It is therefore proposed that this heading be removed from the listing.

An error has come to light with the Westfields PRU budget – £39k of missing provision has been revealed during monitoring checks. Further information will be brought to the next meeting.

Item 15: PPP1 – contract benchmarking of service costs

An estimate of £400k to represent the remaining gap in the PPP1 account following the recent benchmarking of service costs exercise has now been included. [See agenda item 5 below].

Item 17: Funding implications of school extensions / premises problems

There is not the same level of pressure going into 2010-11 as impacted on the current budget. It is anticipated that any building size adjustments can be accommodated without the need to ask Schools Forum to set aside further specific provision within the budget strategy. A saving of

premises rent funding as a result of withdrawal from the Fitzwilliam Centre should help meet the cost of floor area changes next time.

Item 18: Maternity Leave

An analysis showing the building pressure within the DSG maternity leave account over the last six years was circulated to the meeting. The problem is due to enhancements to maternity leave entitlements and developments in teacher and support staff salary levels which have increased the costs whilst the budget base has lagged behind unaltered. 2010-11 probably will be the last year for some time when there is new money available to correct this imbalance. Accordingly, a sum of £350k has been included in the strategy list for the maternity leave budget. This would reduce the pressure within the overall DSG account and lessen the year end problem that the Schools Forum will be asked to consider against a background of more austere times.

Item 21: SEN Statements budgets

Things have settled down within the SEN Statements budgets. This item can be removed.

Item 22: Resourced Provision Planned Places

There is a net increase of £4,000 needed to the Resourced Provision budget. Actions to reduce Planned Places in the Physical Difficulties sector for September 2009 will produce full-year savings for the 2010-11 base. However, increased funding has had to be directed towards a Moderate Learning Difficulty RP triggered by the complex and varied needs of a number of their current pupils. This higher level of need will be kept under review.

DSG and Budget 2010-11 Overview

Overall, assumptions permitting, the DSG strategy for 2010-11 still has £394k uncommitted. There are just four items still to be finalised in the list – Schools workforce census, ISA costs for cleaning staff, the repairs and maintenance traded service and admin overheads for some psychological services paid from DSG.

It was suggested that further funds could be added into the 2010-11 Early Retirement provision – there may be pressures starting to impact from the BSF proposals and future years may not provide spare resources so readily. Any uncommitted funds could then be rolled forward with Schools Forum recommendation.

Once all the 2010-11 budget issues have been considered, Schools Forum will need to decide which issues and supporting materials need to go out to constituent groups to help them form their views on the proposals.

5. PPP Benchmarking [Andrew Jessop, PPP Contracts Manager, attended the meeting for this item]

A paper was presented to explain the periodic benchmarking processes in the PPP1 Contract and to give an update upon the position reached with the first such benchmark negotiations that have been taking place with the Facilities Management Contractor over the past few months. The paper has been brought to Schools Forum first and the intention is to take it to a meeting of PPP1 Head Teachers before the end of term.

Energy issues

There are two elements to the gap in payment level to the contractor – one reflects how energy prices have soared since the start of the PPP contract, the other relates to consumption levels being significantly above average across the grouping of PPP1 schools. (Electricity consumption has been running at two to three times higher than base benchmark indications). Because energy consumption has been running so high, an independent utilities “expert”, AECOM was commissioned to set target consumption levels going forward. A report has now been produced by AECOM, with recommendations including “intelligent” information gathering, energy efficiency measures and the need for a ‘cultural’ change. Intelligent metering and sub-metering has started to be installed in PPP schools – Colne Valley and Salendine Nook have been trialling arrangements and the data being produced is already proving valuable in improving housekeeping and in pointing the way to improvements that could be made with the necessary investment. The project is to be rolled out to all PPP schools next year. Other measures to cut energy usage will be pursued – eg the use of shutdown software on the ICT side, turning off lights when not needed, better provider control of the heating (and cooling) systems.

Cleaning and Waste issues

As with the energy issue, external technical consultants were appointed to look into the benchmark exercise for cleaning services. Their conclusion is that the results of the benchmark exercise are correct. The benchmarking has highlighted that the original FM provider probably significantly underpriced for cleaning within the initial contractual arrangements.

The combined effect of the energy and cleaning benchmarks is to increase payments to the contractor by £1.89m per annum going forward, a large proportion of which has to be back-dated to 2008. Every effort has been made to deal with the gap created between income and expenditure. The £1.33m gap in financial year 2008-09 was dealt with by a combination of commitment of the whole amount of reserves (£0.88m) built up in the PPP holding account (due to actual inflation applied within school PPP charges being higher than the Retail Price Index Inflation percentages the contractor has been allowed to claim) and the Council absorbing the remaining shortfall within its support for a wider Children & Young People service deficit that year. In the current financial year the problem has been dealt with by a combination of £1m new (and recurrent) resources put into ChYPS base budget by the corporate centre, formula-based contribution fees again running at higher than RTPI and the recycling of a one-off underspend/windfall. Options for dealing with the forecast 2010-11 gap of £400k have now been exhausted, hence the decision to ask Schools Forum to help.

Three possible approaches were set out for the Schools Forum...

- Top-slice the 2010-11 DSG to create a £400k retained budget provision to pay across to the PPP account each year.
- Increase all 19 PPP1 schools' contribution fees to close the gap – would imply raising the current 90% claw-back of some premises formula factors to just over 99%.
- Some combination of the above two approaches.

The topic generated quite a bit of comment and debate. There seemed to be an apparent lack of accountability in the PPP contract in terms of energy consumption levels and in accepting an original figure for cleaning services that was unrealistically low.

The fairness of asking schools as a whole, or individual PPP schools, to bail the Council out was strongly challenged.

Several members asked whether the high energy consumption rates among PPP schools were linked to heavy external usage of the school sites and, if so, whether the income collected from those activities was matching the costs generated by such activities.

It was asked whether some analysis could be performed over 2-3 weeks to try to determine how much energy is actually being consumed by external users. [A.jessop agreed to commission a piece of work to do this and then report back].

It was asked whether the £400k gap between income and expenditure was now a permanent one. There are so many variables which can affect the income flows and expenditure levels that this is very difficult to answer – all that can be said is that the account will need to be closely monitored each year to keep an eye on developing changes, beneficial or otherwise.

6. Independent Safeguarding Authority (ISA)

A report on the projected costs arising from the five-year Independent Safeguarding Authority registration period was distributed at the last Forum meeting with members being asked to read and bring back comments to today's meeting. That report covered staff employed directly by schools. Further work has been done to determine the equivalent picture for school catering staff – an analysis of this was circulated. The final piece of work still to be completed relates to cleaning staff – the analysis for this group of staff will be available for the 11 December meeting.

The analyses contain some quite detailed assumptions about the numbers of staff / volunteers expected to fall into ISA's annual phasing categories. The peak year, in terms of volume of cases to work through, falls in financial year 2012-13. The DSG will have to find additional resources in each financial year up to and including this point. The majority of the additional resource commitment can then be returned to general funding over the following two years. The pattern of registration differs to some extent for school catering staff in that their peak year falls earlier in 2011-12. An overall summary of how the costs fall in each of the five phasing years will be presented once the cleaning staff figures become available.

Because the identified pattern of costs relies so much upon educated guesswork it is important that progress against the ISA targets is continually reviewed throughout the phasing period to ensure that the need for additional resources is matched as appropriately as possible to the actual cost levels incurred.

Had any consideration been given to whether the ISA registration fee should be the employee's responsibility (as other professional fees often get treated) or the employer's? It is understood that the issue had been debated by the ISA working group where, given how ISA affects large groups of relatively low-paid staff, it was decided that the employer should take the responsibility.

There was general welcome for the statement that progress will be monitored against the targets throughout the registration phasing period and that periodic reports be brought to Forum. Further clarification was called for about which budgets would bear the costs of staff who are suspended and/or barred as a result of the investigations made.

7. School Workforce Census

This item was once again deferred to the next Schools Forum meeting as the report is still being finalised.

8. Week 28 DSG Monitoring

The week 28 DSG monitoring report was briefly considered. Overspends now total £950k, offset by –(£204k) of underspends – a net position of £746k over (£696k over was reported at week 24). The position has worsened because of increasing pressures in the maternity leave account (increase of £100k from week 24) and that for Independent School Fees (another £19k higher than week 24). These increased pressures have been offset to some extent by some small projected underspends being brought into the picture and an increased assumption of surplus within the absence cover insurance schemes (from –(£100k) at week 24 to –(£150k) at week 28). In anticipation of the potential year end problem should Schools Forum consider setting aside some provision in the 2010-11 DSG to help with the balance end of year overspends?

9. Early Years Single Funding Formula update

The briefing presentations for the Private, Voluntary & Independent sector and for the Maintained sector have now taken place. The feedback from the PVI session matches the position adopted by the maintained sector – that options 1 and 5 are the least damaging (54% of respondents chose option 1, 42% option 5).

There will be a briefing update for portfolio members in early January.

The nursery school representative circulated copies of a letter to Directors of Children's Services from Dawn Primarolo, Minister of State for Children, Young People and Families. The letter reminds authorities that EYSFF should not be used as a vehicle to close good quality nursery school provision.

10. Future Meetings

10.1 Agenda Plan

An updated copy of the Schools Forum agenda plan was considered. It is intended that the next meeting be used to pick up any outstanding 2010-11 budget issues and to then decide what documentation needs to go out to constituent groups to help them consider matters.

10.2 11 December

The agenda items for this meeting will be...

- Schools Workforce Census
- Independent Safeguarding Authority (cleaning staffs)
- Repair & Maintenance Traded Service
- Admin costs of DSG Psychological Services
- Westfields Pupil Referral Unit – error in base provision
- How to direct any uncommitted funds within the 2010-11 DSG strategy?
- Standards Fund 2010-11 – précis of the school grant allocations

11. Any other business

11.1 DCSF discussion paper – Securing our future: using our resources well

For information, a copy of the recent DCSF discussion document on how to make best use of procurement, technology, energy saving schemes and financial management to keep improvement agendas progressing is included with today's Schools Forum papers. It is intended that the paper be discussed at a future meeting.

11.2 Kirklees Children's Trust

There is a need to brief Schools Forum on how Kirklees Children's Trust operates. The Chair of the Schools Forum has a seat on the Trust (and also represents primary schools) and there is also a head teacher representative from KHSH. One of the main purposes of the Trust is to look at more effective alignment of resources with external partners to address common goals. A briefing document has been prepared and will be e-mailed out to Schools Forum members shortly. Hard copies of the document will be available at the next Schools Forum meeting.

Date and Time of next meeting

Friday 11 December 2009, 9:00am to 11:30am at the Deighton Centre, Huddersfield