

The KIRKLEES SCHOOLS FORUM

(Schools Funding Consultative Group)

minutes of meeting

Friday 6th November 2009

Item
2
20.11.09

Present:

Julie Helm	Nursery School Heads (1)
Graham Altoft, Kath Benetis, Carol Crossland, Michelle Lee (Chair), Paul Scrimshaw, Diana Wilson	Primary School Heads (6)
Caroline Thompson	Middle School Heads (1)
Jackie Eames (acting vice-chair)	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)[present from item 5 onwards]	Non-school members (6)
Anita Davis (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 Margaret Swinden (Finance Manager, Resources & Support)	Kirklees Children & Young People Service Officers in Support
	Observers

1. Apologies for Absence

Lorraine Barker (KHSH), Julie Bowdidge (Learning Service) [Anita Davis substituting], Margaret Cobb (Learning & Skills Council observer), Rosemary Gibson (acting Head of Resources & Support), Carole Hardern (Group Finance Manager, ChYPS), Kevin Higgins (KHSH), Janet Tolley (KHSH).

2. Minutes of the meeting held on 16 October

The minutes were agreed to be a true record of the meeting

3. Matters arising from meeting 16 October

3.1 Head Teacher Wellbeing Service [minute 3.6 of the 16 October meeting]

It was reported that the issue to do with publicity gifts provided by the Wellbeing Service has now been resolved.

3.2 Chief Finance Officer's Strategic Overview [minute 7 of 16 October]

It was agreed to send copies of the presentation to Schools Forum members.

4. Early Years Single Funding Formula [Anita Davis, Principal Improvement Manager for the Learning Service, attended the meeting for this item]

At the 16 October Schools Forum meeting four possible options for the new Early Years Single Funding Formula (EYSFF) were considered. [Option 1: flat rate, option 2: size differential, option 3: double deprivation and option 4: quality]. The options had subsequently been discussed by the core group of Kirklees Primary Heads. It was realised that an opportunity had perhaps been missed to simplify the range of hourly rates presented by option 2. The EYSFF working group considered this and devised a new option 5 (the illustrative effects of which were circulated to the Schools Forum meeting). Option 2 contains 15 individual hourly rates whereas option 5 employs just five rates linked to maintained nursery unit size.

Nursery Size – no. of part-time places	EYSFF hourly rate (£)
up to and including 26	4.45
27 - 52	4.14
53 - 78	3.91
79 - 104	4.04
105 – 130	3.79

The method reflects the economies of scale present in larger units. The 79 -104 hourly rate increases due to an assumption that a second teacher is required from this point.

Option 5 does not put back any funding into the maintained sector. It increases the totality of funding for the Private, Voluntary and Independent (PVI) sector. The allocations to the three nursery schools are considerably reduced under this option. As with the other EYSFF options the underlying problem for the maintained sector is the removal of support funding for unfilled places – the new arrangements have to use actual numbers of children and their hours of attendance.

KPH have concerns about the impact of EYSFF changes on some maintained nursery units and the nursery schools. The viability of some nurseries could be called into question. KPH do not have a preferred option from those currently on the table but they did reject options 2, 3 and 4 as being the worst approaches. The group had discussed the “quality” aspect further and concluded that Ofsted outcomes are not the right criteria to adopt. The issue of quality should continue to be explored as a formula factor in order to find an acceptable measure. KPH are still considering options 1 and 5. They also talked about lobbying, through the Unions, to get the development funded correctly although it was accepted that any movement would not happen quickly. The transition monies from the Pathfinder Standards Fund grant could be used to cushion the initial problems whilst representations are made.

Anita Davis added the Learning Service’s perspective on the debate, pointing out that some other authorities seem to be having little difficulty in introducing the EYSFF so there may be little sympathy for Kirklees’ problems which largely stem from the removal of historical protections in mainstream nursery funding. There is a particular issue that must be resolved around the three nursery schools in Kirklees – options are being considered with the schools on organisational changes which might offer the best way forward – federation and collaborative arrangements are among the ideas being explored. The biggest concerns are that the EYSFF could have a serious impact on standards and ultimately lead to loss of nursery provision in some parts of Kirklees.

Kirklees Governors Association requested an urgent briefing session on the issues so that any problems can be fed through to national officers.

It was suggested that a letter and explanatory briefing notes to support the option figures needed to be sent out to each setting, followed by further briefing sessions and discussions on an individual basis if necessary. The letter could be drafted for consideration at the next EYSFF working group meeting. There also seems to be a need for further support, advice and guidance – help with marketing individual nursery provisions, business management training were just two ideas put forward.

The proposed EYSFF changes are difficult to evaluate against the untypically low Autumn Term nursery numbers caused by the change to a single point of admission to reception classes. Some of the losses in funding are undoubtedly overstated due to the unusually low numbers in the current term. It is possible that numbers could re-establish themselves in time but this is still unpredictable. The PVI sector has also been affected by the effects of the single point of entry. It was suggested that another column be added to the illustrations to show the potential funding allocation should the unit be able to fill all available places.

The PVI group had also met to consider EYSFF. Whilst welcoming the outcome of an increase to the hourly rate payment for non-maintained settings the group were worried that the new system could drive a further wedge between the sectors. The private sector wants to work together with schools in delivering effective nursery provision.

Where is the final decision on EYSFF implementation made? The Schools Forum is charged with making recommendations to Cabinet who will then take the final decision.

It was agreed that further dissemination of information and a wider debate / consultation is needed with all stakeholders. Rosemary Gibson has agreed to formally raise the issues with the unions. It was also agreed that a full briefing session before the end of term would be a good way forward. The invited audience should include Kirklees Primary Heads, Nursery School Heads, Chairs of Governors, Cabinet portfolio holders, Union reps, Schools Forum reps and the EYSFF working group. Anita Davis agreed to set the necessary arrangements in train.

Given the intention to hold the briefing session it was agreed that the consultation document about EYSFF processes could be returned after the briefing session.

5. DSG monitoring week 24

The revised bottom-line projected overspend in the 2009-10 retained DSG budgets account is now £696k. The main components of this figure are as follows: -

- ◆ **Swimming Service** A £40k projected problem due to a fall in income from a lower number of pupils in the funded year groups. This cannot always be matched by an equivalent reduction in the number of swimming sessions.
- ◆ **SEN Contingency** A projected overspend of £29k (although this position turns round in the Wk28 exercise with the benefit of information from the Autumn 09 SEN Package revisions).
- ◆ **Maternity Leave** has grown from £200k to £250k. The Schools Forum perhaps needs to consider putting more resources into the base budget which has not kept pace with developments in the maternity scheme and in teacher salary structures.
- ◆ **Insurance Cover schemes** An estimated surplus of £100k at year end.
- ◆ **Independent School Fees** The forecast £407k is the biggest single element of the DSG projected overspend. Further information about the operation of the ISF budget and the current internal pressure was circulated to the meeting. The paper states that every effort is made to retain children within Kirklees' provisions to prevent the necessity for costly external placements. Unless there is clear evidence that Authority provisions cannot meet a child's particular level of need the Authority will defend its position at tribunal hearings where necessary. The minority of the ISF placements are as a result of educational problems, whilst the majority are for "social care" reasons. The education needs of the social care placements have to be met from the DSG budget. There are currently 25 such placements compared to budget provision based around 15 cases. Increases in fees charged have also been a factor in the overspend. An External Placement Panel makes decisions about these placements. K.Mawer, the SEN Manager, attends the panel for education-related cases but does not go for the social care / looked-after children ones (although such decisions do impact upon the DSG ISF budget). K.Mawer is currently engaged in dialogue with the Placement Panel to see if links can be improved to enable more effective decisions to be made. The SEN Review process also is considering strategies to minimise the use of costly external provision.
- ◆ **Kirklees children with a SEN Statement attending mainstream schools in other local authorities** A projected overspend of approx £100k. The authority in which pupils reside is responsible for the additional SEN costs even though they are not attending one of its schools. Kirklees also makes charges to other authorities where SEN children are not resident in Kirklees but they attend a Kirklees mainstream school. At present, Kirklees is a net "exporter" of such children, meaning that the total paid out to other authorities exceeds the amount recouped from other authorities. The authority in which the child is resident is responsible for determining the statement of need. The important point to recognise is that had these children been attending our mainstream schools the cost would be largely unchanged as Kirklees would then have to fund the SEN statements directly. There may be some differences in the charges for individual statements between authorities but there is an attempt to moderate these differences at a regional level to ensure comparability.

Regular monitoring updates will be provided to Schools Forum as the year progresses.

6. Excess balances

The meeting considered an update report on the excess balance process. The excess balance sub-group had met again in September to revisit 15 schools where further evidence had been requested following their initial meeting. Much of this related to outstanding invoices for building works in progress and other schemes in the early stages of design and planning. A number of schools have allocated money from reserves to support capital schemes so the sub-group brought the Devolved Formula Capital accounts into the picture to try to ensure that individual schools are making correct use of the two funding streams. If a school was proposing to use its revenue surplus to fund capital works at the same time as having a large, uncommitted DFC balance then the recommendation would be that the DFC account should be the proper source of funding to be committed. In principle, revenue funds should be committed to revenue purposes.

Three schools were considered in even more depth. At two of these there are extenuating circumstances which mitigate against claw-back action at present. One of the schools is scheduled for closure under the Schools for the Future proposals and the balance held will help the school manage events through to the point of closure. The other school is currently beset by a number of challenges and the position would not be helped by removal of cash reserves that, it was felt, would be needed to support their emerging improvement strategy.

The final (primary) school has been in an excess balance position for a number of years now and, whilst the sub-group accepted some part of the school's proposals to commit their balance, focus was placed upon an amount of £39,828 which the school proposed to spend on the salary costs of an additional member of staff. The group felt that staffing costs should be met from a school's base budget allocation and not from reserves. The recommendation to Schools Forum is that the £39,828 should be clawed back from the school in question.

The sub-group recommends a tightening-up of the excess balance protocols for future use:-

- ◆ that copies of actual orders and invoices should be provided as evidence of spending commitments, rather than quotations and estimates.
- ◆ that the paperwork that goes out to exceptional balance schools does not lead them to a response by providing example headings of acceptable expenditure
- ◆ that a representative from the Learning Service sits on the sub-group in future
- ◆ that an 'exceptional circumstances' clause be inserted to cover issues like a significant reduction in pupil numbers or where closure is proposed.
- ◆ that an automatic claw-back of 50% of the exceptional balance element take place in the third year when a school declares an exceptional balance for three consecutive financial years.

Children's Management Team (CMT) has been briefed about the recommendations which have emerged. The sub-group was thanked for their work on the issue.

It was pointed out that the existence of large balances within some primary schools might lead someone to take a view that schools are very capable of managing the adjustment to their spending patterns needed to address the EYSFF funding changes. Other sectors have to cope with automatic claw-back of balances – the Private, Voluntary and Independent sector is only allowed to carry forward the equivalent of three months of running costs between years.

Agreed: - to recommend a claw-back of the identified £39,828 from the primary school in question. The money then to be used to offset the projected deficit in the 2009-10 retained DSG budgets account.

Agreed: - to recommend the acceptance of the proposed revisions made to the excess balance protocols by the Schools Forum sub-group. The Schools Forum requests that the updated protocols be mailed out to Head Teachers and Chairs of Governors as soon as possible, together with a briefing note on this year's process.

7. DSG and budget 2010-11

This item had to be deferred to the next meeting. The intention is to bring a first draft of the 2010-11 DSG budget strategy for the Schools Forum to consider.

8. Special Schools Planned Places

For 2009-10 Schools Forum agreed to increase the base Special School Planned Place budget to reflect the costs of whole grade salary increases for their Lunchtime Supervision staff and Classroom Support Assistants imposed by the Single Status processes. The additional funding commitment in 2009-10 amounted to £45,500 in respect of the LTSA increase and £361,800 for the CSA funding element. The revised grades were implemented from 1 October 2007. Contingency funds set aside with the permission of Schools Forum dealt with the additional costs for the period 1/10/07-31/3/09. The base budget was then properly adjusted for 2009-10 to keep pace with incremental drift up the new grade. For 2010-11 the Planned Place budget needs to be further increased to address the final incremental movement.

A paper was circulated to explain the basis of the base funding increases applied in the 2009-10 Special Schools funding formula. The next revision for the LTSA element moves from a hybrid Pt19/Pt20 payment in 2009-10 to Pt20/Pt21 in 2010-11. Based upon the 2009-10 distribution of funded Planned Places, the additional cost to include for 2010-11 is **£7,200**. For the Classroom Support element, 2009-10 was based upon a hybrid Pt24/Pt25 position which needs to be revised for 2010-11 to a full-year application of Pt25 (the scale maximum). This will cost an additional **£22,300** to satisfy. The **combined total of £29,500** will be built into the 2010-11 DSG Strategy list for consideration at the Decision Day meeting.

9. Independent Safeguarding Authority (ISA)

This item has had to be deferred to the next meeting. The position regarding ISA charges and administration costs has largely been mapped out for those staff employed directly by schools. However, there are other groups of staff working in schools, employed via other routes and funded via the Dedicated Schools Grant. The picture presented to the Schools Forum needs to be a comprehensive one which encompasses cleaning and school meals staff as well as relief staff administered by the Kirklees Supply Service. A report will be available shortly.

10. Future meetings

The last two Schools Forum meetings have used an earlier start time of 9:00am. There was general agreement that the earlier start was beneficial to the operation of the meetings. It was therefore agreed that Schools Forum meetings in future will start at 9:00am.

10.1 Next meeting 20 November

The next meeting is set for 20 November with a reserve meeting in the Calendar for the following Friday. An outline agenda plan for future meetings should be available.

11. Any other business

No matters raised

Date and Time of next meeting

Friday 20 November 2009, 9:00am to 11:30am at the Deighton Centre, Huddersfield