

# ***The KIRKLEES SCHOOLS FORUM***

(Schools Funding Consultative Group)

meeting held on **Friday 7<sup>th</sup> May 2010**

8:30am at the Deighton Centre

## **Present:**

	Nursery School Heads (1)
Graham Altoft, Kath Benetis, Carol Crossland, Michelle Lee (Chair 2010), Paul Scrimshaw, Diana Wilson	Primary School Heads (6)
Caroline Thompson	Middle School Heads (1)
Lorraine Barker, Jackie Eames (vice-chair), John McNally, Janet Tolley	High School Heads (4)
	Special School Heads (1)
Jo Bailey-Taylor (NASUWT), Gillian Collins (ATL), Howard Roberts (NUT)	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 Rosemary Gibson (Acting Head of Resources & Support) Carole Hardern, (Group Finance Manager, Children & Young People) Adrian Lythgo (Director of Finance & Performance)	Kirklees Children & Young People Service Officers in Support
	Observers

## **1. Apologies for Absence**

Pat Colling (Kirklees Governors Association), Sarah Ellis (pre-School Learning Alliance), Phil Gibbins (KSSH), Julie Helm (Nursery schools), Chris Sadler (Principal of Kirklees College)

## **2. Minutes of the meeting held on 19 March**

The minutes were agreed as a true record of the meeting.

## **3. Matters arising from meeting 19 March**

### **3.1 Letter re PPP benchmarking [minute 3.2 of the 19 March meeting]**

A copy of the Chair's letter to the Chief Executive passing on the Schools Forum concerns about being asked to cover the gap in the PPP1 account was included with the agenda papers. Also made available was a holding response from the Office of the Chief Executive acknowledging receipt of the letter but passing the issue back to Alison O'Sullivan with a request for the Chief Exec to be kept informed of developments.

### **3.2 Summary docs – DCSF: future distribution of school funding [minute 10.2 of 19 March]**

A summary of a DCSF consultation document on a new methodology for determining allocations of DSG to individual local authorities was considered. The paper also gives some indications as to likely overall funding levels for 2011-13 and that some specific grants will be mainstreamed during the next spending period. The status of the proposals is dependent on who will form the next Government. The document might hold some clues as to the shape of future arrangements.

The main points of the proposals as they stand are set out below.

- The macro DSG formula needs to reflect that different areas have different cost pressures and different pupils need different levels of support.
- Needs in individual schools are best assessed at local level.
- Differences in funding allocations between local authorities need to be justifiable.

- An intention to see all the money allocated nationally for deprived pupils reaching those pupils locally via the operation of a Local Pupil Premium.
- As many specific grants as possible are to be mainstreamed into the DSG – the base School Development Grant, School Standards Grant, School Lunch Grant, Ethnic Minority Achievement Grant, Extended Schools Grant, extension of the Early Years Free Entitlement are all mentioned as being candidates for mainstreaming. Local transition arrangements will be needed to manage the impact on school budgets.
- The elements of the new DSG formula will include basic entitlement, AEN, high cost pupils, sparsity and an area cost adjustment. The methodology underpinning these elements is the subject of consultation. Allocations from these elements will filter down into 4 funding blocks – Early Years, Reception to Yr 6, Yrs 7-11 and high cost pupils.
- There will be fixed annual Guaranteed Units of Funding per pupil for each of these four blocks for each year of the funding period.
- Stated intentions to increase school funding by 0.7% in real terms and maintain Surestart funding in real terms over the next funding period.
- Schools to make efficiency savings equivalent to 0.9% over 2011-13 – via better procurement, savings in back office staff and in energy consumption
- Schools are already able to access free Value for Money (VfM) consultancy advice from AVAIL, advice which is personalised and independent.
- DCSF will.... make it easier for schools to collaborate and federate, change FMSiS to focus more on VfM than processes, improve their financial benchmarking website and provide grant funding to enable groups of primary schools to work together supported by a school business manager.

In Kirklees, sessions have already been arranged for AVAIL/Tribal to present to secondary bursars and primary administrators what they can offer.

### **3.3 New school admissions procedures 2010** [minute 7 of 19 March]

This agenda item was deferred to the next Schools Forum meeting due to time constraints. A briefing paper to update Schools Forum members with additional information was circulated to the meeting. It was reiterated that the coming changes are statutory requirements so there is no real choice but to address the issue.

### **3.4 The Audit Commission's 'Valuable Lessons'** [minute 9 of 19 March]

The suggested working group to look at the Valuable Lessons report has not been convened as yet. W.Firmin will organise with the aim of reporting views back to the July Schools Forum meeting.

### **3.5 Response to UNISON** [minute 10.1 of 19 March]

A reply has not yet been sent to Unison to respond to their latest request for a seat on Schools Forum. The meeting was reminded of the points made to Unison the last time the question was asked: -

- Schools Forum is a consultation vehicle for discussions with schools to shape consensus over the annual DSG revenue budget provision. It has nothing to do with employee relations processes which are handled in other forums, such as the Employee Liaison Groups.
- Schools Forum activities are governed by specific legislation.
- The Schools membership is proportionately representative of pupil number populations in the phases. Non-school membership can comprise, at maximum, one third of the total number of Schools Forum members. If one more non-school place was to be created it would be necessary to create an additional school place in order to remain legal – this would disturb the delicate representative balance which currently exists.

The meeting agreed that the points previously made are still relevant. It was asked whether the minutes of the Schools Forum are still placed on the web. It was confirmed that the minutes are made available for outside scrutiny so there should be no real problem with Unison having access

to them. Unison could then raise concerns about individual matters should they have any. W.Firmin agreed to write to Unison explaining the Schools Forum position.

#### **4. Innovation & Efficiency (Adrian Lythgo, Director of Finance & Performance)**

Adrian Lythgo presented to the meeting an update on the Council's Innovation & Efficiency programme. No matter who forms the new Govt it is clear that public funding will be subject to substantial reductions over the next few years. Kirklees is anticipating between 15% and 20% over the next 3 to 5 years. The Innovation & Efficiency Programme is the Council's response to the challenges presented by a need to deliver effective services to the local community against a backdrop of significantly curtailed funding.

The first stage of the I & E process was to examine in some detail how Council Services currently operate, to effectively hold up a mirror for the Council to look at itself. This "mirror report" revealed several issues to consider when taking the I & E process forward. The more practical issues were around.....

- Disjointed IT systems spread amongst highly-devolved services, which often means that the Council cannot share information about customers accessing more than one service in a way that would assist delivery of a joined-up approach.
- Council buildings which sometimes are not in the right place or fit for purpose
- Devolved and diverse procurement patterns amongst services so that the Council doesn't always benefit from economies of scale and integrated IT systems
- Support services are fragmented and often paper-driven which dilutes efficiency.

The mirror report led to the setting out of six organisational principles to govern how the Council will respond to the challenges and restructure its activities. The restructuring process has already begun from the top down. The Council will reshape into four directorates – Well-being & Communities, Children & Young People, a merged directorate of Development with Operations & Public Protection and a merged directorate of Finance & Performance and Organisation Development. The Director and Assistant Director tiers have already largely been sorted. The process has now moved on to staff on grades 17 to 19, together with the administrative support staff to the Directors and ADs (it makes sense to consider this specific admin support group early now that the top-tier structure has been sorted).

Aside from the human resources implications, other working groups are setting out to look at strategies for IT systems, procurement, customer services and the Council's land and building stock. A key part of I & E will also be to consolidate support services to remove duplication of effort but still preserve the necessary specialist support where appropriate. Also key will be more effective procurement strategies which are targeted to deliver as much as £24m of cumulative savings over the next four years. As part of the ongoing I & E work the Council will need to engage with partners and stakeholders, including schools, to discuss what the potential changes will mean to them.

Understandably perhaps, the impending period of uncertainty, upheaval and change coloured the discussions which followed Adrian's presentation.

Some Head Teachers asked to see the outcomes of the Hay Consultancy report on the Children & Young People Service. It is understood that the report has been made available to Secondary Heads, along with a "you said, we did" response from the Service. Separate discussions on this perhaps need to take place with the new Head of Learning, John Edwards, who takes up post on Monday.

Concerns were expressed about a perceived lack of communication of the changes to schools. Schools felt that they were finding things out in a haphazard way and were not having a say in how services would be delivered to them in future. It was pointed out that the changes to the overall structure of the Council had been explained at a recent School Leaders briefing session.

It is intended that a Co-ordinating Board be set up with head teacher representation included to involve schools in co-ordinating how services will be delivered across the council.

The unions voiced strong concerns over a perceived absence of consultation on the changes already made. Unison has been directly involved as changes affect their members in the main. There is a trade union liaison forum built into the I & E processes.

Fears were robustly expressed from various quarters that learning would be marginalised due to other agendas taking priority. The need to retain specific expertise within the services supporting schools was stressed – the one-stop shop approach implied in the organisational principles as outlined would not suit schools. A plea was made for engagement of I & E with existing consultation groups rather than setting up new working groups to do the job. There needs to be proper engagement with experienced head teachers to ensure that needed improvements can take place.

Adrian acknowledged that there were understandable worries about the I & E agenda. He stressed the need to make efficiencies in the general support functions to be able to protect the more specialist support provided to schools. If the general support issues are not addressed properly then it would be likely that more of the specialist support would be under threat. He agreed to report back the concerns raised today to Rob Vincent and Alison O’Sullivan.

**5. Intech – Broadband** (Clive Williams, Head of Strategic ICT and Peter Butters, ICT Infrastructure Manager attended the meeting for this item).

Clive Williams and Peter Butters visited Schools Forum last year to set out plans for the extension and improvement of the Broadband service for schools. For some schools their existing contract comes to an end as early as July 2010. There is therefore some urgency to ensuring that new contract arrangements are in place so that no schools are left without broadband provision for a period of time.

Peter set out for Schools Forum the framework of a potential new broadband deal that has been negotiated, following a period of market testing, with BT and Virgin Media.

- The new arrangement would replace the existing broadband connections.
- It would entail, for the majority of schools, the installation of a fibre optic connection.
- The cost of installation would be met by collating specific funding streams available to the authority.
- Schools would then pay an annual fee, as happens now, for the broadband supply.
- The framework deal in a nutshell would mean schools will benefit from enhanced technology at no real increase to the annual fee they are paying for the current broadband deal.
- The new deal is based around a specification which provides a 100Mb capacity to high schools and a 10Mb capacity to all other schools.
- This is a significant improvement on the current deal in capacity terms.
- The new framework will also have the flexibility to expand individual capacities, if it proves necessary, over the 5-year term of the deal – high schools could go as far as 1000Mb and other schools as far as 100Mb.
- However, the basic price would be linked to the 100Mb / 10Mb model – there would be a cost and therefore an increased annual charge for schools negotiating increases to their Mb capacity.

The initial briefing prompted several questions from around the table; -

*Q. Currently, there are school sites where the broadband connection is problematic and there are different methods of providing the connection in certain areas of the authority, won't this be a problem still under the new framework?*

A. The investment made will ensure that most schools will enjoy a fibre optic solution directly installed to the school.

*Q. The Mb figures don't seem that large when one considers the size of domestic broadband deals?*

A. Domestic broadband arrangements describe the optimum speed into the property, which is something entirely different to the speed back out of the property. The new school connection will actually deliver the stated capacity in both directions. Actual domestic broadband speeds are also diluted by how many other users are on line in the locality. The new deal for schools is to be uncontended – the connection will be directly into the school premises rather than to a communal “street cabinet” like many existing broadband connections.

*Q. Are schools being asked to contribute from their Harnessing Technology Grant funding to make these changes?*

A. No, the authority is committing its side of the Harnessing Technology grant. The funding plan does not assume any contribution from the schools’ side of the grant.

*Q. Will other service improvements be delivered by the deal?*

A. An example was given of a more tailored internet filtering service so that it will be possible to apply differential degrees of filtering for different groups of children. What older children might be required to access under the curriculum could be quite different to the needs for younger children.

*Q. What support will there be under the new framework for schools encountering problems?*

A. There will be access to the Council’s own technical experts during the week between 8:00am and 5:00pm. In addition, schools will be able to contact Virgin Media’s 24-hour service desk.

*Q. If a school is scheduled for closure under the BSF programme how does it stand in relation to the 5-year contract?*

A. The overall framework agreement has built in the anticipated effects of BSF. This means that if a school is scheduled for closure in a couple of years’ time it would only be asked to sign a shortened deal up to the point of closure. The new arrangements also underpin the ICT managed service requirements in the BSF Outline Business Case submission.

*Q. What are the annual charges to schools for the current broadband deal?*

A. Primary schools pay £2,800 per year, Middles £3,800 and Secondary pay £4,800. The new deal will add general inflation to these costs in its first year but the basic charges will then remain at that level for the remainder of the contract. Schools will be asked to pay extra to secure enhancements above the basic service level.

The aspect of the proposal which some Schools Forum members voiced most concern about was the unknown add-on costs should there need to be enhancements made to the initial broadband connection. Peter Butters was asked to feed through details to constituent groups of the likely additional charges to schools should Mb size enhancements prove to be necessary. Reassurances were also sought about the “future-proofing” of the contract – would the deal deliver fit for purpose broadband connectivity over the five-year period and not be overtaken by technological advancements?

## **6. Schools Forum meetings calendar 2010-11**

A draft Schools Forum meetings calendar for Academic Year 2010-11 was considered by the meeting. The pattern of meetings described very much mirrors what happened in 2009-10. Constituent groups are asked to check the assumptions made within the calendar about when their own meetings will be held and report back on any problems or any clashes with the draft Schools Forum meeting dates. Kirklees High School Heads had already confirmed that there are no problems with their scheduled dates. Primary, Middle and Special representatives are asked to scrutinise their bits of the calendar and report back to the next meeting.

## **7. Financial Management Standard in Schools (FMSiS)**

The DCSF requirement was that all schools should achieve the Financial Management Standard (FMSiS) by the end of March 2010. A table showing the position amongst Kirklees schools at the beginning of April 2010 was considered by the meeting. A total of 27 primary schools (less than 15% of the overall number of Kirklees schools) have still to make a formal submission for the Standard. Most of these schools are currently in the process of pulling their submissions together. The vast majority of submissions already received have resulted in either a full pass or

a conditional pass being awarded. Only four schools had failed their initial assessment and had to re-submit. Work continues to get the remaining schools FMSiS accreditation as soon as practicably possible.

It was asked what implications there are for schools failing to achieve the Standard. The Audit Commission wanted a system where schools could not be awarded level 1 for Leadership and Management by Ofsted if it had not achieved the Financial Management Standard. That was never agreed by Ofsted but inspectors will still formally ascertain whether a school has met the Standard as part of their inspection processes. When a failure occurs (as also happens with a conditional pass) the school receives a report which highlights the areas which need to be improved or tightened up so that the school effectively has an action plan to put in place for resubmission at a later stage.

## **8. Week 52 DSG monitoring report**

The week 52 2009-10 DSG monitoring report currently projects a bottom-line deficit of £797k, a worsened position compared to the £753k reported at week 44. New pressures have come to light now that the Spring Term SEN package adjustments and Teachers Pay Grant allocations have been made. The Children with Sensory Impairment budget has also slipped into a slight overspend. There is still time for the figures to change for the final year end closedown report. The final picture will be presented to the next Schools Forum meeting.

There was some good news with regard to the amount of uncommitted funding available within the 2010-11 DSG. A list of internal Individual Schools Budget savings and pressures uncovered during the 2010-11 Formula calculations was presented. The result is that there is now a sum of £387k available to perhaps offset the 2009-10 DSG deficit position, rather than the original £146k estimated within the Schools Forum 2010-11 DSG Budget Strategy.

There were then a couple of wider budget questions raised. One related to the Studio School proposals for the Netherhall Learning Campus – how is the capital funding cost in respect of the relocation of the ETHOS PRU to be met? [Because the issue relates to Capital funding it actually falls outside the remit of Schools Forum]. The other question was about the cessation of Clothing Grant support to pupils from a deprived background. Clothing grants fall to the Council's budget and their budget plan assumes that the grants system will be phased out over time. It is understood that the issue is to be raised at Leadership Group when other ways for families to get access to clothing vouchers will be discussed.

## **9. Future agenda items**

Some agenda items were already listed on today's agenda sheet: -

**11<sup>th</sup> June – SEN funding, Children's Trust**

**9<sup>th</sup> July – Intelligent energy metering, the Audit Commission's 'Valuable Lessons'**

It was proposed to add a couple of further items to the agenda for the 11<sup>th</sup> June meeting – the 2009-10 closedown position (both school balances and the retained DSG budgets) and a revisit of the Broadband extension proposals following today's agenda item.

## **10. Any other business**

### **10.1 DCSF guidance – Balances**

The agenda papers for today's meeting included a DCSF guidance note, dated 15 March 2010, for local authorities on managing surplus school balances. The guidance has been shaped by a joint DCSF/Local Govt Association survey of local authorities on the subject of school balances. 119 local authorities responded. 2008-09 saw a reduction in the overall balance position across the country's schools for the first time in six years. Nationally, the number of schools with 'excess' balances was at its lowest (at the end of 2008-09) in ten years and the actual value of the excess was at its lowest in three years, but further tightening of controls is urged. If balances do not show a continuing fall, further actions may be forced upon authorities to ensure that balance levels are brought down in future.

The guidance's summary recommendations for managing school balances are: -

- Balance control is a key part of multi-year planning and in-year monitoring processes and should entail finance officers working with both school improvement and asset management colleagues and engaging appropriately with Schools Forum and elected members.
- The recommended 5% and 8% thresholds should not be viewed as targets and schools with excessive balances should be asked to justify the whole of the balance, not just the excess above the threshold.
- Authorities should clearly define what counts as a committed balance. (Examples given include capital projects and planning for a drop in roll or in funding). Ongoing costs should be funded on a sustainable basis and not from balances.
- Money held on behalf of other schools should be accounted for separately.
- Authorities should only exclude Stds Fund balances where they are ring-fenced, specifically allocated for an academic year and/or allocated part way through the financial year. The situation will be helped if some grants, eg School Development Grant and School Standards Grant are transferred into DSG from 2011-12.
- Funds clawed back from individual schools could be spent on "invest to save" actions, eg energy efficiency measures, the training of school business managers, support for federation and partnership arrangements, adaptations to schools which would enable them to admit more SEN pupils to avoid expensive out-of-area placements.

Schools Forum may need to consider making modifications to the current balance control protocols as a result of this guidance. A change in the complexion of the Government may also bring about different requirements. Any changes could only be implemented in time to affect the 2010-11 year end balances declared in a year's time. A Farmer reported that the 2009-10 school closedown figures are currently being collated and will be available for the Schools Forum to look at next meeting. Overall, the total looks to have fallen during the year from an opening balance of £17.83m to £16.04m – a fall of over 10%.

## 10.2 Letter re procurement

The agenda papers included a copy of an e-mail from Bob Kilcoyne, Kirklees' Procurement Manager, to the Chair of the Schools Forum on the subject of the Council's Procurement Board. The Chair had attended an initial meeting of the Board some time ago but there have been no further meetings since. Procurement issues have been rather caught up in the Innovation & Efficiency agenda and in the ongoing reorganisation of Council structures. As a result of these developments the Procurement Board will now be reconstituted with a slightly different focus and be chaired by Joanne Bartholomew, Asst Director for Physical Resources & Procurement. Initially, the Board will meet weekly, then fortnightly as the initial work begins. There is no expectation that schools will have to attend every meeting but an important strand of the work to take place will be to consider how schools can be included in future procurement rounds. There will be areas where schools should be able to make gains from the economies of scale of collective purchasing arrangements. It is thought that schools will be given some leeway as to whether or not to buy into relevant new corporate deals but the decision should always be made in an informed way with all the figures and implications laid out for schools.

## Date and Time of next meeting

Friday 11 June 2010, **8:30am to 11:00am** at the Deighton Centre, Huddersfield