

The **KIRKLEES SCHOOLS FORUM**

(Schools Funding Consultative Group)
meeting held on **Friday 8th January 2010**
Textile Centre of Excellence

Present:

Julie Helm	Nursery School Heads (1)
Graham Altoft, Kath Benetis, Carol Crossland, Michelle Lee (Chair), Paul Scrimshaw, Diana Wilson	Primary School Heads (6)
	Middle School Heads (1)
Lorraine Barker, Jackie Eames (acting vice-chair), Janet Tolley	High School Heads (4)
Philip Gibbins	Special School Heads (1)
Pat Colling (KGA), Gillian Collins (ATL), Sarah Ellis (pre-School Learning Alliance), Howard Roberts (NUT), Chris Sadler (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 Rosemary Gibson (Acting Head of Resources & Support) Carole Hardern (Group Finance Manager, Children & Young People Service)	Kirklees Children & Young People Service Officers in Support
	Observers

1. Apologies for Absence

Margaret Cobb (LSC observer), Kevin Higgins (KHSH), Caroline Thompson (KMSH).

2. Minutes of the meeting held on 11 December

Agreed as a true record.

3. Matters arising from meeting 11 December

3.1 Early Years Single Funding Formula (EYSFF) update [minute 3.2 of the 11 December meeting]

A Farmer gave a verbal report on the latest position following the Government's late decision to postpone the implementation of the EYSFF. Cabinet has formally decided not to pursue "pilot" status for financial year 2010-11. All nursery providers – maintained and PVI – have been written to informing them of this decision. Views still need to be gathered as to how to organise nursery funding during 2010-11 given that some preparatory changes have already started to be implemented. Unfortunately, the meeting of the EYSFF working group due to take place this week had to be cancelled due to the poor weather. Current thinking is that 2010-11 should really be viewed as a transitional year to the EYSFF implementation from April 2011. Some of the issues that need to be debated are - whether the current funding method should adopt the 1:13 adult:child ratio that many providers are now working to; whether the 'top-up' protections should be altered and what the 'flexibility' amounts should be for 2010-11. A discussion paper will be drawn up for the February The Schools Forum meeting.

3.2 BSF Finance update [minute 8 of 11 December]

The meeting was reminded that the 22 January meeting is intended to have a Building Schools for the Future focus.

4. Confirm meeting format and agenda

The meeting is intended to shape conclusions for the DSG budget 2010-11. The Schools Forum has considered all the budget items over the course of its Autumn 2009 meetings and now needs to record formal recommendations to take back to constituent groups for confirmation. The group meetings scheduled for this week could not take place due to the adverse weather conditions.

This means that constituent groups will now only get one chance to comment on the proposals if the production of the 2010-11 budget shares is not to be delayed. Views from the group meetings will need to be reported back to the Schools Forum 5th February confirmation meeting.

Agenda items have been organised under two headings – fixed funding pressures / commitments (where there the change is unavoidable or there appears to already be consensus over a decision) and other funding pressures where further discussion will be necessary.

5. DSG 2010-11: Fixed Funding Pressures / Commitments

5.1 Ongoing Single Status uniform movements

[The Special Schools element was initially reported to the Schools Forum 6 November 09, the Resourced Provision element 4 December 09]

Funding is needed to continue to adjust Special and RP Planned Place values to keep pace with the incremental consequences of Single Status decisions re classroom support and lunchtime supervision grades. This follows on from the changes to funding values already agreed by the Schools Forum and implemented in the current financial year.

The 2010-11 budget commitment sought is: -

To Special schools planned place budget re Classroom Support Assts	£22,300
To Special schools planned place budget re Lunchtime Supervision	£ 7,200
To (some) Resourced Provisions re Classroom Support Assts	£28,000
Total	£57,500

Agreed: - to allocate base funding of £57,500, as described above, to follow through on the funding adjustments made last year.

5.2 Independent Safeguarding Authority registration

[The majority of the documentation was considered at the 4 December 09 meeting, with ISA's impact on the Cleaning DSO dealt with 11 December].

Detailed projections have been carried out for various groups of school-based staff to anticipate the costs of their registration with the Independent Safeguarding Authority (usually £64 per employee). The registration period is spread over the next five years with various groups of staff allocated to each calendar year. Allocation of the individual to a particular year is based upon whether the person has been subject to previous checks or not and how long ago the last check was. The costing analysis also factors in the additional admin time involved for the PAPA Unit and the Direct Service Organisations in taking groups of staff through the processes. There will be a need to commit further funding to this issue in both 2011-12 and 2012-13. This latter year represents the peak activity year for the phasing period, the annual budget commitment can be scaled down thereafter.

The 2010-11 budget commitment being sought is: -

PAPA Unit costs re staff employed directly by schools	£112,400
DSO-employed school cleaning staffs	£ 18,500
DSO-employed school catering staffs	£ 16,100
Kirklees Supply Service affiliated staff	£ 6,300
Total	£153,300

A school which did not use the DSO asked if it was fair that all schools were being asked to support services which some did not use. The figures above take account of those schools falling outside the Council-organised arrangements. The costs have been "grossed up" to ensure that each school is funded for ISA costs whether they buy into PAPA and/or the DSO arrangements or not.

Agreed: - to allocated base funding in the amounts set out above to the personnel admin, cleaning and school meals delegated school budgets in 2010-11. A new budget provision of £6,300 will need to be created for KSS.

5.3 Westfields PRU budget correction [Considered at the Schools Forum 11 December 09]

For 2009-10, the Schools Forum agreed to uplift the base budget provision for Westfields Pupil Referral Unit following consideration of a detailed report into their finances. That report omitted a figure of £39,000 from the support staff line. The error has not shown up in the current financial year because of delays in recruitment to the new teaching posts. Now that recruitment has taken place the problem will surface next year unless the missing budget provision is restored.

Agreed: - to restore £39,000 to Westfields' base budget to meet the true cost of support staff salaries.

5.4 Primary Engagement in Learning Service (Primary PRU) [Schools Forum 20 Nov 09]

In the last budget round, the Schools Forum approved part-year funding of £50,000 (at 08-09 prices) to meet the additional costs entailed in moving the Primary PRU provision from its temporary site at Nortonthorpe Hall Special School to a more central location. The additional costs involved are in respect of the new premises, a Head of Centre salary and pupil transportation. The newly-named Primary Engagement in Learning Service moved into the former Bradley Nursery building in September 2009. The Schools Forum is asked to approve the full-year funding effect of last year's decision which amounts to a commitment of £122,600.

Agreed: - to allocate base funding of £122,600 to the Primary Engagement in Learning Service budget to reflect the additional costs of operating at its new location.

5.5 Rateable value revisions on school rates bills [Considered : Schools Forum 20 Nov 09]

From 2010-11 the effects of a revaluation of school rateable values will start to impact. The effects of this will be phased in over the next five financial years (depending upon the scale of the rateable value change for individual schools). Our school rating consultants have provided helpful information to enable the financial effect in 2010-11 to be estimated. In addition to this figure the rates increase for the new Hillside Primary School needs to be provided for. An estimated £225,000 will need to be added into the School Rates factor in 2010-11.

Agreed: - to add £225,000 provision into the 2010-11 School Rates formula budget. (Further funding commitments will be necessary in subsequent years).

5.6 Admin costs of DSG Psych Services [Considered : Schools Forum 11 December 09]

Three Psychological Service budgets are directly supported from retained DSG – Portex (complex SEN at Foundation/KS1), Butterfly (BESD children 3-7) and Autism Outreach (autistic spectrum disorder children Foundation through to KS4). Hitherto, the admin costs of these services have wrongly been charged to the wider Psychological Services budget provision in the ChYPS budget. These admin overheads should have been declared alongside the direct costs of the three services in question within the DSG. The technical adjustment proposed will cost £30,000 to the DSG base.

Agreed: - to add £30,000 to the DSG Psych Services base budget to unite the related overheads with the direct budget provision.

5.7 Multi-sensory Teaching Support [Considered at The Schools Forum 11 December 09]

Budget provision is required for the salary costs of a full-time multi-sensory teacher to meet the rising incidence of deaf-blind children in Kirklees. The teacher has already been appointed on a temporary basis supported from another budget in 2009-10. Funding of £47,500 is needed to make the appointment "permanent" from 2010-11. The alternative of buying in private specialist provision would be far more expensive than having an in-house specialist to address the needs of these children.

Agreed: - to approve base budget provision of £47,500 for the new multi-sensory teacher.

6. DSG 2010-11: Funding Pressures / Allocations for further discussion

6.1 DSG Early Retirement – ongoing replenishment_ [Considered : Schools Forum 20 Nov 09]

To maintain the same budget provision for new early retirement cases in 2010-11 a sum of £36,000 needs to be injected to replace the funding now tied to annual pension costs taken on in the 2009-10 retirement round. There was general agreement that this should happen. However, it was questioned whether even more funding should be allocated to the 2010-11 ER budget to hedge against the possibility of cases beginning to surface as a result of the Building Schools for the Future proposals in North Kirklees. Officers feel that this is unlikely to happen in 2010-11 as the first changes aren't scheduled for implementation until 2011-12. However, there was some support for adding contingency funds into the budget whilst new money is present to then roll forward within the account to the time when it is more likely to be needed.

Agreed: - to add £36,000 to the base DSG Early Retirement budget and to revisit the issue of a BSF-related contingency when considering what to do with any uncommitted 2010-11 DSG funds (see item 6.6 below).

6.2 Schools Workforce Census – option 1 vs option 3 [Considered : Schools Forum 11 Dec 09]

The Schools Workforce Census return goes live during next financial year. The Schools Forum were presented with three options: -

Option 1: Completion centrally by the Personnel and Payroll Unit (schools provide absent on census day data, qualifications of support assistants and curriculum details (secondary and middle schools only) **[DSG cost in 2010-11 £81,100]**

Option 2: Completion mainly by schools themselves (census information held by the LA would be uploaded to school systems) **[DSG cost in 2010-11 £11,400]**

Option 3: Combined effort by PAPA and schools based on where data is held
[DSG cost in 2010-11 £62,200]

An addendum to the original report explained the difference between options 1 and 3 in terms of the work entailed for schools.

The main concerns are the additional workload the census will cause and doubts about whether the technical/ IT aspects can be effectively resolved.

Agreed: - to implement option 3 for 2010-11 which entails the addition of £62,200 to the Personnel Admin delegated budget (£11,400 of which is a one-off cost in 2010-11).

This releases £18,900 back into the uncommitted section of the budget strategy.

6.3 PPP1 – contract benchmarking of service costs_ [Considered : Schools Forum 4 Dec 09]

Under the terms of the PPP1 contract a cost benchmarking exercise has to take place every five years to re-determine the level of costs which the contractor is able to claim. In between these benchmark 'mileposts' all the contractor is entitled to claim by way of price increases is general retail price index inflation.

The 2008 benchmark exercise highlighted two particular issues where costs had significantly diverged from the original assumptions; energy and cleaning. Various strategies have been pursued to mitigate the contractor's initial claim, particularly with regard to energy costs. Much of the gap initially identified related to inflation within the tariff charges but an element was attributable to unusually high energy consumption amongst the PPP schools in this authority and also in our partner authorities. Independent energy consultants were hired to determine what the consumption levels should be across the schools if energy consumption was well-managed. The consultant's report has mitigated the benchmark position in our favour.

The benchmarking outcome means that the contractor can claim around £1.9m per annum in excess of the originally-determined levels.

The additional costs falling between Autumn 2008 and March 2010 have been absorbed through a combination of use of reserves within the PPP holding account (schools have been paying

properly inflated contributions while the contractor could only claim for RPI inflation), temporary windfall savings and corporate support.

For 2010-11, £1.5m of the £1.9m has been able to be covered - £1m from the corporate centre, £0.5m from natural accumulation of fee contributions from PPP schools – leaving a gap of £0.4m still to be closed. The Schools Forum is being asked to help as the Council's is not able to increase the level of support it has already committed.

Two options for dealing with the £400k were considered

- a proportionate increase to the annual fee contributions of each of the 19 PPP schools
- retaining £400k from DSG provision from 2010-11 leading to a reduction in the general growth funding that all schools would gain.

The issue has not yet had proper consideration at constituent groups this week due to the weather. Further information about individual energy consumption levels requested from A.Jessop (PPP Contracts Manager) has not yet been received. It is intended that there be a meeting of the PPP Heads group in the near future to brief them about the issues that have produced the benchmark outcome and to discuss how the issues can be better managed going forward. Both A.Jessop and D.Gearing will be present at that meeting.

Concerns were expressed about the contract terms that permit the problem to arise, but there was also recognition that the level of cash reserves held overall by schools would be considered by the LA when making the final decision. On balance, it was agreed that the £400k contribution from schools would be appropriate but the serious concerns about the contract should be made clear as well as a strong request that lessons learned should be incorporated into contractual agreements developed for the Building Schools for the Future programme.

Should the issue being just for the PPP schools to absorb or one which the whole school community should take on board? The Schools Forum usually takes the view that problems encountered by one sector should be shared by all schools. Officers supported this approach as the PPP contract for schools has other additional financial challenges such as additional life cycle costs of building developments and restricted scope for budget savings.

Agreed: - to recommend to constituent groups that £400k be set aside within the DSG to close the remaining gap in the PPP account (but with reservations about this course of action clearly stated to the corporate centre).

Constituent groups will need to consider this recommendation and feed back views to the Schools Forum 5th February confirmation meeting.

6.4 Additional funds to Maternity Budget [Considered : Schools Forum 4 Dec 09]

The maternity leave budget has overspent for the last few financial years. The budget has only ever had general inflation uplifts each year yet the costs it is intended to address have evolved over time – enhancements have been made to maternity benefits and salary costs have grown (eg. TLRs and upper pay scale for teachers, single status changes for support staff etc). This has meant a divergence between budget and costs such that the account is now typically in deficit each year by £300k to £350k. The latest monitoring of the position in 2009-10 is actually forecasting as much as £400k over. 2010-11 stands to be the last year for the foreseeable future when there is new money in the system to help with this problem. An injection of funds would also reduce some of the pressure we are seeing within the overall retained DSG budget.

It was asked why we don't try to address some of the other retained DSG pressures in the same way. The answer is that other budget headings tend to fluctuate – Independent Schools Fees, for example, was showing a surplus not that long ago and is now showing a large problem. More funding could be allocated and prove to be unnecessary in the event. The maternity leave budget has had a recurring problem over the last several years for identifiable reasons – there is more certainty that it will deliver a deficit problem if nothing is done.

Agreed: - add £350,000 to the base budget for covering school maternity leave costs within the retained DSG account.

6.5 The revenue **Repairs & Maintenance traded service** [Considered : Schools Forum 11 Dec 09]

The revenue repairs and maintenance traded service is under increasing pressure

- exceptional winter maintenance demands from last year and even greater weather problems this year.
- Legislative and health & safety requirements are absorbing an increasing proportion of the funds paid into the arrangements by schools.
- In 2009-10, some of the more proactive work supported by the funding, such as the painting programme and contributions to security installations, has had to be suspended.

In order to reduce some of the pressure, the service has asked for an above inflation increase for the delegated budget from 2009-10 onwards. Either 2% above inflation (cost £32k) or 4% above inflation (cost £64k) is requested. (The strategy list currently assumes the higher figure.)

Issues discussed

- perceived difficulties for individual schools in getting access/support from the service
- whether value for money is provided,
- the account paying for temporary classrooms when some schools had provided their own (definition of 'basic need' is relevant here).

It was noted that any concerns about how the service operates should be raised through head teacher representatives on the Asset Management Strategy Group.

The Schools Forum acknowledged the financial pressure involved in operating the service and saw the need to provide financial assistance. It was suggested that in the longer term it might be prudent to take winter maintenance out of the traded service and hold a specific contingency sum centrally against the event of a bad winter – any uncommitted funds within this could then be returned to the general pot.

Agreed: - to commit to a 4% increase above inflation for the Repairs & Maintenance traded service delegated base budget (estimated cost £64,000)

6.6 Unallocated DSG resources

The recommendation decisions set out above mean that, assumptions permitting, there is now a sum of £196,300 uncommitted in the DSG budget strategy. The Schools Forum was asked to indicate how this sum should be used. Possible budget areas included

- The Early Retirement budget (looking ahead to how BSF changes might raise demand)
- The ongoing process of working towards the Government's deprivation funding target.
- Pressures within the DSG account – from the projected problem in 2009-10 to other costs likely to arise from known legislative changes to school in-year admissions processes and the entitlement to free school meals.

Updated versions of the 2009-10 and the projected 2010-11 deprivation templates were circulated. These showed that, from an initial base of just 60.24% of the target sum in 2007-08, the actions agreed with the Schools Forum and the additional Personalised Learning monies from the DCSF have pushed the percentage up to 81.64% in the current year. The estimated position for 2010-11 is that Kirklees will reach about 90%. There has been no indication from the DCSF as to whether this will be deemed to be acceptable progress. It was suggested that it would be better if we could declare a position in excess of 90% next year. The projection at the moment largely assumes 2009-10 patterns with an allowance for inflation. It is anticipated that increased numbers of free school meals will naturally push the percentage over 90%.

There is only a relatively minor amount of uncommitted funding. The general feeling was that it is not significant enough to make a real difference to the deprivation percentage and that there are other, more immediate pressures which would be better served by the resources in question. There was a lot of support for boosting the Early Retirement provision looking ahead to the potential consequences of BSF. There was also recognition that the 2009-10 retained DSG outturn would present a real problem to be addressed.

Agreed: - To add £50,000 into the DSG Early Retirement provision to deal with any early cases linked to the BSF proposals. [If the funding is not needed, in full or in part, during 2010-11, the plan would be to roll the provision forward into 2011-12 when the BSF transition processes are scheduled to begin]. The remaining amount, currently standing at £146,300, is to be added to the school-specific contingency to then be available to help with the retained DSG deficit presented from financial year 2009-10.

7. Confirm details of the next stages of consultation and recommendation

7.1 Items requiring further debate – (reserve) meeting 22nd January 2010

The main focus of this meeting will be Building Schools for the Future. It is unlikely that the PPP1 benchmarking issue can be resolved at this meeting although it may be that the intended PPP Heads Group meeting can be arranged before then and feedback from that meeting might be available.

7.2 Items for reference back to constituent groups week 1-5 February 2010

Relevant consultation documentation has already been despatched to schools for the intended constituent group meetings due for this week. There needs to be a general report issued to summarise the recommendation decisions reached today. KSHS need to give particular focus to the PPP1 benchmark issue.

7.3 Agenda: Confirmation Meeting, Friday 5th February 2010

The meeting will consider feedback from constituent groups about the recommendations reached at today's meeting. Final recommendation decisions will then be confirmed.

8. DSG 2009-10; Budget Monitoring Week 36

The forecast overspend within the 2009-10 DSG account has grown by approximately £100k since the week 28 report to the Schools Forum. The increased pressure is due to worsened projections for both the Maternity Leave provision and that for Independent School Fees. The overrun for maternity leave has risen from £350k to £400k and the forecast for ISF is for £481k to replace the previous figure of £426k. Further regular updates will be brought to the Schools Forum.

9. Any other business : Excess balance clawback

The school where a decision has been taken to claw back an element of reserves had indicated that a formal appeal against the decision would be lodged. No such appeal has been received and it is now beyond the one month deadline for an appeal to take place. The claw back action will now be put into effect.

Date and Time of next meeting

Friday 22 January 2010, 9:00am to 11:30pm at the Deighton Centre, Huddersfield