

The KIRKLEES SCHOOLS FORUM

(Schools Funding Consultative Group)

meeting held on Friday 16th October 2009

**Item
2**
6.11.09

Present:

Julie Helm	Nursery School Heads (1)
Graham Altoft, Kath Benetis, Carol Crossland, Michelle Lee (Chair 2009/10), Paul Scrimshaw, Diana Wilson	Primary School Heads (6)
Caroline Thompson	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 (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 Rosemary Gibson (Acting Head of Resources & Support) Carole Hardern (Group Finance Manager, Children & Young People Service) Margaret Swinden (Finance Manager, Resources & Support)	Kirklees Children & Young People Service Officers in Support
Margaret Cobb (Learning & Skills Council)	Observers

1. Apologies for Absence

Kevin Higgins (KHSH), Rosemary Gibson (attending later)

2. Minutes of the meeting held on 18 September

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

3. Matters arising from meeting 18 September

3.1 Rollover 2008-09 [minute 5.1 of the 18 September meeting]

Bills have now been sent out to those schools which were non-members of the long-term teacher absence insurance cover scheme in 2008-09 to recover their proportionate share of the final DSG overspend position (£123k overall).

3.2 Allocation of the Schools Reorganisation Budget [minute 5.2 of 18 September]

It was reported that Head Teachers on the Schools for the Future theme group will meet with officers to consider how best to use the Schools Reorganisation budget to support individual schools affected by the SFF proposals. Outcomes from the meeting will need to be reported to Schools Forum.

3.3 Issues to revisit for 2010-11 decisions [minute 6.1.1 of 18 September]

An issue to add to the "revisit" list is the next stage in the process (begun in 2009-10) of uplifting Special School Planned Place funding values to keep pace with the ongoing effects of the Single Status decision to give a whole-grade increase to the support role in special schools.

3.4 DSG Monitoring week 20 [minute 7 of 18 September]

It was reported that further information on the Independent School Fees problem is available to the Schools Forum when there is sufficient space within agendas to consider it.

3.5 Audit Commission Report [minute 8 of 18 September]

The report states that nearly 40% of schools nationally have declared excessive balances (by the definition). It was asked what percentage of Kirklees schools were in this position at year end 2008-09. 54 Kirklees schools out of a total of 191, ie 28.27%, had an excess balance going into 2009-10.

3.6 Head Teacher Wellbeing Service [minute 10.1 of 18 September]

The issue of the series of small gifts sent out recently to Head Teachers has been discussed at the Wellbeing steering group and protocols to govern future activity are being formulated. At the time, the publicity gifts were viewed as being an alternative to producing leaflets setting out the wellbeing services on offer and they were no more expensive an option.

4. Early Years Single Funding Formula [Christine Renshaw, Head of Kirklees Early Years Service attended the meeting for this item]

There is a legal requirement upon the authority to procure/offer part-time Early Education provision for all three and four year olds. Legislation changes mean that funding arrangements have to move to a common formula approach by April 2010. The Early Years Single Funding Formula must be based upon actual take-up of nursery places rather than planned place funding methods. A range of private providers and schools have been involved in work being done by officers to draw up proposals for the EYSFF. The work has been complicated by the effects of the recent admissions policy change to a single point of Reception admission at September (which has had a knock-on effect into nursery numbers in the current term).

The position reached by the working group to date was presented in a briefing report which explained how the current Early Years funding systems work. Private, Voluntary or Independent (PVI) providers are funded termly based on the actual numbers of children who attend and the hours of attendance each term. Nursery schools are funded on the basis of fixed Planned Place numbers. Nursery Units attached to schools are funded by a combination of Age-Weighted Pupil Unit (AWPU), block grant and a top-up allocation (to a maximum of 12) if the nursery has unfilled places.

The Single Funding Formula will have to operate like the NEF (Nursery Education Funding) grant in the format of an hourly rate with 'supplements' (mainly a compulsory deprivation element) which will be applied to the number of part-time children attending each term (for the free entitlement maximum of 15 hours/week for 38 weeks).

The report goes on to set out the totality of Early Years funding currently directed by the authority, including Pathfinder Grant to support the extension of the free entitlement from 12.5 hours to 15 hours per week. An element of the Pathfinder grant disappears in 2011-12 as the additional 2.5 hours will have by then become embedded in the system. The flexibility element of the grant (£1.18m) would be available to fund a phasing/transition arrangement through to August 2012 (should it be deemed necessary).

To illustrate the work done by the SFF working group and by officers, four options were presented to the meeting together with illustrative effects school-by-school and provider-by-provider.

- **Option 1: Flat Rate.** Universal hourly rate of £4.19 + a deprivation supplement of an additional 20p per hour for children from the lowest 20% Index of Multiple Deprivation (IMD) areas, 10p for those from the 20-30% band and 5p for those from the 30-40% band
- **Option 2: Size Differential.** From the cost models apply different hourly rates to different sizes of setting, eg. £8.84 per hour for childminder provision, £5.57 per hour to maintained nursery schools, £4.72 per hour for the smallest private and voluntary settings, £4.35 per

hour for the smallest maintained and independent nursery classes. The largest maintained nursery class would have an hourly rate of £3.71. Deprivation supplements as option 1.

- **Option 3: Double Deprivation.** Universal hourly rate of £4.10 + (higher) deprivation supplements of 40p per hour to the bottom 20% IMD, 20p per hour for 20-30% and 10p per hour in the 30-40% IMD bracket.
- **Option 4: Quality.** Universal hourly rate of £4.18 with an additional supplement (extra 10p per hour) for quality based on an outstanding OfSted result.

Under all the above options the same funding shift effects can be seen, with some variation in scale, and there are significant funding shifts for some individual providers. Small maintained nurseries experience a reduction in funding due to the removal of the block grant. Unfilled nursery places reduce the funding in comparison to the top-up protections in the current formula method. The nursery school sector suffers the greatest funding reductions. The larger maintained nurseries gain from the use of a flat hourly rate approach.

Concerns were expressed about option 4 – recent changes to OfSted inspection regimes mean it would be difficult to use OfSted judgements as a basis in future. KSHS reps echoed KPH concerns about building such a factor into a funding formula.

It was pointed out that although the EYSFF must be introduced with effect from 1 April 2010 it does not mean that the arrangements won't be kept under review. The impact of the new funding formula will be assessed and monitored with changes possible if merited.

The formula options presented seem to create particular "turbulence" amongst the schools sector - will schools adversely affected be able to apply for sustainability grant support? The £1.18m specific grant represents a short-term option for dealing with problems identified against a set of clear criteria. Sufficiency review processes will help to address the issues in the longer-term.

Serious concerns were expressed about the scale of the possible losses some of the nursery schools could be facing, which would call into question their viability.

The fluctuations caused by termly funding revisions were felt to be a problem for school settings because staff terms and conditions do not lend themselves easily to making the necessary timely changes to react to changing admissions levels and funding. Concerns were also voiced that maintenance of the required early years staffing ratios could mean that schools would use their wider budget allocation to support their nursery.

It was questioned whether some sort of staff pooling arrangement be created to direct staff to pressure points and accommodate other staff temporarily surplus to requirements. Some felt, however, that it was important for such young children to have continuity in terms of the staff working with them.

The Teacher Association representatives asked why they hadn't yet had involvement with the EYSFF planning process.

Actions before the next Schools Forum meeting

- Copies of the DCSF powerpoint presentation to be distributed to Schools Forum members.
- Schools Forum members to read through today's materials in time for the next meeting
- Further discussions to take place at constituent groups
- Rosemary Gibson to discuss the issue with the unions
- A further meeting of the EYSFF working group is scheduled for next week

5. DSG monitoring week 24

Due to time constraints this item was deferred to the next Schools Forum meeting.

6. Excess balances

Although there was insufficient time to consider this item, an update report was circulated to Schools Forum members. The report describes the position reached by the sub-group of Schools Forum members and includes a proposal to tighten up the protocols to put more pressure on schools continuing to declare excessive balances. Schools Forum members were asked to read the report in advance of the next meeting when the topic would be revisited. It was also asked that the recommendations about balance claw-back be kept confidential at this stage.

7. Strategic Overview: Adrian Lythgo, Chief Finance Officer

Adrian Lythgo, the Council's new Chief Finance Officer, gave a powerpoint presentation to the meeting to explain the medium-term financial context for Education and for the Council as a whole. The wider Council context is one of reducing grant income, low Council Tax rises, increases in recession-linked demands, increased capital borrowing costs and reduced Governmental public spending. The combination of pressures is likely to mean that the Council has to look at ways to make approximately £20m savings over the next three financial years. Dedicated Schools Grant will not be immune from the national reductions once 2010-11 has passed. Even though 2010-11 looks to be a steady year for DSG funding there is a host of pressures which need to be accounted for in shaping DSG allocations for the year ahead. The presentation also looked at some of the main themes contained in the recent Government White Paper to provide indications of possible further changes in the medium term.

The presentation closed with some suggestions as to how the problem might be approached:

- More innovation and efficiency across the family of services, including schools
- Working smarter
- Working together (in partnerships and collaboration)
- Securing real Value for Money
- Revisiting assumptions for all activities
- Crucial dialogue with the Schools Forum

Adrian was thanked for his concise summary of the emerging picture. A short debate ensued where the value of taking shared responsibility for jointly dealing with the coming budget pressures was stressed as was the importance of challenging assumptions about why things are done and the ways in which they are done. Concerns were expressed that "value-free" judgements would be made in the rush to secure expedient savings. Adrian said that 'values' really need to be thought through against the changing context – if anything, values become even more important in challenging times.

8. Future meetings

8.1 Meeting 6 November

The main agenda item will be the Early Years Single Funding Formula.

9. Any other business

Due to time constraints, there was no consideration of any other business.

Date and Time of next meeting

Friday 6 November 2009, **9:00am** to 11:30am at the Deighton Centre, Huddersfield