

Schools Forum School Funding Working Group

13th June 2013, 8:30am, Stoate Room, Shurnhold, Melksham

Minutes

Present: Liz Williams, Neil Baker, Andy Bridewell, Catriona Williamson, Steve Clark, Martin Watson, John Hawkins

Apologies: Phil Cooke, Tim Gilson

1	Minutes from Previous Meeting The minutes from the meeting of 25 th February had been circulated and reported to Schools Forum	
2	Controls on Surplus Balances – Intended Use of Reserves 2011/12 Update The group considered a report summarising the use of revenue reserves carried forward by schools from 2011-12 in excess of the permissible thresholds. All schools had responded to the request to submit a return and those returns indicated that all schools had used, or intended to use, their balances in line with the purposes originally assigned.	
3	Procurement of Financial Forward Planning Software from April 2014 EW presented a paper outlining the current position in relation to the financial planning software used in Wiltshire maintained schools and the proposed transition to a web based version. The web based version from the current software supplier had been tested by a small group of pilot schools and feedback has been positive. EW explained that the current 3 year agreement with HCSS Education would come to an end in March 2014. On the grounds of sole source of supply and compatibility with the current system it has been agreed that provision of the FPS Web for maintained schools from April 2014 can be exempted from the recognised procurement routes and therefore it is possible to seek a new 3 year agreement from the existing supplier. It was agreed that this should be the recommendation to Schools Forum.	
4	Final Outturn 2012-13 EW presented a budget monitoring report showing the final outturn position for the Dedicated Schools Grant (DSG) in 2012-13. The underspend for 2012-13 was £1.493 million. This was higher than previously projected and the movement was accounted for by two one off underspends occurring late in the financial year (1) a one off rates revaluation exercise, (2) and underspend against the LACSEG Recoupment reserve as the final level of recoupment was lower than initially budgeted for. EW proposed that the outstanding deficit balances for closing schools be written off in 2012-13 against the underspend. The working group agreed that this proposal should be recommended to Schools Forum. At previous Schools Forum meetings it had been proposed that a proportion of the underspend from 2012-13 could be utilised to support schools made more financially vulnerable as a result of school funding reform changes. More detailed proposals were due to be brought to the June meeting. EW	EW

	<p>reported that the advice from the Education Funding Agency (EFA) was that this would not be in accordance with the schools finance regulations for the following reasons:</p> <ol style="list-style-type: none"> 1. Any underspend against the DSG needs to be held until the following funding period so it can be delegated to schools – with the exception of any amounts moved to the Early Years or High Needs blocks 2. Any support for schools in financial difficulty (other than special schools) can only be funded from the de-delegated schools contingency therefore the funding would need to be added to the contingency to be delegated to schools and maintained school consulted on whether the funding should be de-delegated. Budgets cannot be re-determined in year and therefore this cannot now take place until 2014-15. <p>It would be possible to move some of the 12-13 underspend in to the high needs block in order to support special schools.</p> <p>It would also be possible to use the current de-delegated contingency for this purpose, although only £95,000 was de-delegated for maintained schools and the contingency could not be used to support academies.</p> <p>The group discussed the implications of restrictions on the use of DSG underspends and in particular the concern that delegating one off funding could potentially cause cost pressures in future years. In order to avoid this it was suggested that in future years the DSG reserve could be used to support the growth fund or falling rolls fund (allowable from 2014-15) with one off investment.</p> <p>It was agreed that Schools Forum could consider allocating some of the underspend to the high needs block to support special schools in financial difficulty. There was a clear recommendation from the group that if such funding were to be made available it should be utilised to support the transition to the new funding mechanism rather than to necessarily preserve previous levels of funding.</p> <p>It was also agreed that if funding was to be set aside to support mainstream schools in financial difficulty, now or in future years, there would need to be clear criteria and that any funding would need to be in support of an agreed plan to move the school to a more sustainable financial position.</p>	
5	<p>Review of Top Up Payments in Mainstream School Resource Bases and ELP Provision</p> <p>A report that had been discussed by the SEN Working Group earlier in the week was circulated for information</p>	
6	<p>DfE Funding Proposals 2014-15</p> <p>EW circulated a paper outlining the main changes in the funding arrangements for 2014-15 – including potential changes to the funding formula.</p> <p>It was agreed that the following possible changes should be modelled for Schools Forum:</p> <ol style="list-style-type: none"> 1. Pupil mobility factor – impact of a 10% threshold 2. Sparsity Factor 3. Lump sum – use of a differential lump sum for primary and secondary <p>It was agreed that no changes should be made to any other formula factor</p>	

	<p>outside of the impact of changes to the data source eg., prior attainment, or the impact of the new factors on AWPU levels.</p> <p><i>Mobility Factor</i> – it was agreed that this should be modelled with the new data to give an indication of the schools that would be supported now that a threshold was being applied. The group was mindful that any funding diverted in to fund a mobility factor would need to be taken from the funding for AWPU. £1 million to fund mobility would result in approximately 0.5% reduction in AWPU across all schools.</p> <p><i>Sparsity Factor</i> – it was agreed that this needed to be modelled but an unintended consequence of making small schools very expensive compared with other schools needed to be avoided.</p> <p><i>Lump Sum</i> – it was agreed that a lump sum of £85,000 for primary schools and £175,000 for secondary schools should be modelled.</p> <p>It was agreed that, if the data was made available by the DfE in time, the options should be modelled for consideration by Schools Forum at the meeting on 27th June. In order to ensure that any consultation with schools can be finalised it was agreed that the Schools Funding Working Group will meet again in July to agree the final models for consultation. It was agreed that the results of any modelling work may need to be tabled at Schools Forum as the data was not yet available.</p>	
7	<p>Support For Financially Vulnerable Schools</p> <p>Considered as part of the discussion on final outturn 2012-13</p>	
8	<p>AOB</p> <p>There was no AOB for discussion</p>	
9	<p>Date of Next Meeting</p> <p>Thursday 18th July, 8.30am, County Hall</p>	