

## Schools Funding Working Group

6<sup>th</sup> January 2015, 8:30am, North Wilts Room, County Hall

### Minutes

**Present:** Neil Baker, Catriona Williamson, Martin Watson, Andy Bridewell, John Hawkins, Tracey Cornelius, Phil Cook, Jan Hatherell, Julia Cramp, Grant Davis, Jane Ralph,

**Apologies:** Liz Williams, Susan Tanner

1	<b>Minutes from Previous Meeting</b> The minutes from the previous meeting were discussed and agreed.	
2	<b>Control on Surplus Balances</b> JR presented a paper detailing the historical position regarding the Controls on Surplus Balances Scheme and proposed a new Statement for schools. The new Statement provides a graphical representation showing Revenue Balances over the last 5 years along with the budget monitoring position for the previous financial year. After much debate and discussion, the following was agreed for the Revenue Balances ; <ul style="list-style-type: none"><li>- Amber colour coding of surplus balances exceeding 8% for Primary Schools and 5% for Secondary Schools</li><li>- Red colour coding of surplus balances exceeding 15%</li><li>- A Wiltshire 'mean' level of balances inserted for reference</li><li>- The vertical axis to use % rather than £</li><li>- Deficits to be shown on a separate line</li></ul> The Budget monitoring chart was deemed to be appropriate and was accepted in its current format. Additionally, it was agreed; <ul style="list-style-type: none"><li>- The report is to be presented to Governors</li><li>- Copy to be sent to School Improvement Advisors</li><li>- Distribution to Head &amp; Chair of Governors</li><li>- Additional wording and descriptions to be included</li><li>- A declaration to be completed by Head &amp; Governors, where a school exceeds the 8% or 15% threshold, otherwise, no declaration return required</li></ul>	
2	<b>Split Site Allowance – High Needs Provision</b> GD presented a paper outlining the costs associated with a split site as detailed by the Head and Bursar at the school. The additional accommodation has increased the capacity of the school from 75 places to 88 places. The school is currently funded for 75 places but will be expected to accommodate additional students over time. SFWG discussed the issue of providing additional revenue funding for the school and questioned why this had not been considered at the point of funding the capital works. It was felt by the group that as the school moved towards its capacity that funding would naturally follow, however it was recognised that the EFA were only funding the school for 75 places at present.	

	<p>The additional cost outlined by the school was identified as £114,354, split down as £73,726 for staffing costs and £40,628 for non-staffing costs.</p> <p>SFWG gave consideration to the amounts and proposed a maximum split site allowance, to be paid through school-specific top-up rates. The amount to be paid to the school would be based upon the per capita value and be reflective of the total capacity at the school and the number of funded places.</p>	GD
3	<p><b>High Needs Exceptional Cases Request</b></p> <p>GD introduced a paper which set out the recent results from the request submitted to the EFA for additional High Needs Places, using the Exceptional Cases Process.</p> <p>A total of 200 additional places were requested across 7 institutions but funding has only been granted for 117 of those places, as follows;</p> <ul style="list-style-type: none"> <li>- 102 places at Wiltshire College</li> <li>- 14 places at Greentrees</li> <li>- 1 place at Kings Park</li> </ul> <p>The requests for places at the Special Schools were all rejected. Specific guidance is due to be issued on the 23<sup>rd</sup> January 2015 detailing the reasons for the refusal of place funding.</p> <p>A letter is to be sent to the EFA requesting that a representative attend Schools Forum to explain the reasons for the outcome of this request.</p>	GD
4	<p><b>Budget Update 2014-15</b></p> <p>GD updated the group on the current financial position as at the end of November 2014. The overall budget position is still projecting an overspend of £1.9m which will have to be met from the DSG Reserve.</p> <p>SFWG were concerned about the High Needs overspend absorbing much of the underspends in other areas and also utilising such a large proportion of the DSG Reserve. The current DSG Reserve brought forward from 2013-14 was £3.5m and with the current commitments of £1.25m, the projected reserve would be £2.25m. With the budget deficit of £1.9m, offset with an underspend in 2 year old funding of £0.25m, this would further reduce the final reserve balance in 2014-15 to £0.6m. A verbal update will be presented to Schools Forum, to reflect the most up-to-date position available, as at the end of December 2014.</p> <p>The group were concerned about the cross pollination between the 3 distinct areas within the DSG and requested that action strategies be in place to reduce future overspends.</p>	
5	<p><b>Schools Budget 2015-16 – DSG Update</b></p> <p>GD outlined the key messages from the 2015-16 DSG financial settlement, announced on the 17<sup>th</sup> December 2014. The total DSG awarded to Wiltshire for 2015-16 has provisionally been announced as £310.309m, split as;</p> <ul style="list-style-type: none"> <li>- Schools Block - £256.535m</li> <li>- Early Years Block - £16.109m</li> <li>- High Needs Block - £37.665m</li> </ul> <p>This represents an overall increase of £6.39m from 2013-14.</p> <p><b>Early Years</b></p> <p>The DfE have published their funding rate for 2 year olds as being £4.97.</p>	

	<p>Wiltshire currently funds at the rate of £5.43 and to maintain the current rate would result in a cost pressure within the system.</p> <p>The funding for 3&amp;4 year olds was also discussed and there was a proposal from the Early Years Reference Group to consider moving towards a flat rate for all providers. A separate paper in support of this was to be presented to Schools Forum.</p> <p><b>Schools Block</b></p> <p>Overall there has been an increase in the Schools Block funding of £7.8m which can be broken down as £5.7m from the Fairer Funding monies and £2.1m from the pupil growth – an additional 505 pupils in Wiltshire.</p> <p>Based upon initial modelling the schools budget looks affordable and an update will be communicated at Schools Forum.</p> <p><b>High Needs</b></p> <p>The High Needs block is under considerable financial pressure and further work is underway to review the costs of the High Needs Service. A report will be brought to the March SFWG &amp; Schools Forum.</p> <p>SFWG expressed their concern regarding the High Needs budget and in particular the pressures from the post-16 area and have asked for an urgent piece of work to be undertaken in order to address the position. The current overspending cannot be sustained and the HN strategy must address this within 2015-16.</p>	
6	<p><b>Growth Fund</b></p> <p>The current Growth Fund operated by the LA is compliant with the EFA guidance and it was therefore proposed that no changes to the criteria be introduced for 2015-16.</p> <p>The budget for 2014-15 had been set at £0.848m and the out-turn is expected to be £0.871m, a small overspend. Given the increase in pupil numbers in Wiltshire from 2014-15 to 2015-16, it was agreed that this budget should be increased, if affordable within the formula, to a maximum of £1m.</p>	
7	<p><b>AOB</b></p>	
6	<p><b>Date of Next Meeting</b></p> <p>To be confirmed at Schools Forum</p>	