

## Schools Forum Schools Funding Working Group

### Minutes – 23<sup>rd</sup> September 2010

**Present:** Liz Williams, Colin Kay, Martin Watson, Phil Cooch, John Hawkins, Neil Baker, John Kimberly, Catriona Williamson, Judith Finney, Tristan Williams, Julia Cramp, Paul Collyer (for item 2), Simon Burke (items 3 and 6), Carolyn Godfrey (for item 6), Hazel Ryan

**Apologies:** Catriona Williamson

		Action
1	<p><b>Minutes from Previous Meeting</b> The minutes from the meeting of 17<sup>th</sup> June 2010 were agreed.</p> <p><b>Valuable Lessons</b> – It was noted that the Governors Conference in November had been postponed until early in the new year.</p> <p><b>Capita Upgrade</b> – a meeting with Capita is to take place next week to discuss.</p>	
2	<p><b>Delegation of School Maintenance Contracts (Paul Collyer)</b> PCollyer outlined to the group a number of relatively small contracts currently held centrally for the maintenance of equipment in schools. These included contracts for the maintenance of fire equipment, kilns, gymnasium equipment, etc. PC outlined a number of reasons why the funding for maintenance of these items should be delegated:</p> <ul style="list-style-type: none"> <li>• Health &amp; Safety Executive had commented that we have an inconsistent approach</li> <li>• Responsibility for maintenance is legally with the school rather than the LA</li> <li>• Contracts are not being actively managed centrally and therefore we are not achieving best value. Some schools have fed back that they could do some of the work differently.</li> </ul> <p>Options outlined to the group were delegation based on</p> <ol style="list-style-type: none"> <li>1. Per pupil amount</li> <li>2. Flat rate</li> <li>3. Combination of the two</li> </ol> <p>Total amount to be delegated would be £72k</p> <p>The discussion focussed on the issues of responsibility for the maintenance versus the cost of provision. The group asked whether it would be possible to achieve economies of scale through a central contract rather than schools entering in to contracts individually. The idea of a pooling scheme for this type of contract was discussed.</p> <p>The following recommendations to Schools Forum were agreed:</p> <ol style="list-style-type: none"> <li>1. That the SFWG agreed with the principle that the budgets should be delegated to reflect the responsibility of the schools;</li> <li>2. That the potential for a pooling scheme should be investigated with proposals brought back to the next meeting</li> <li>3. That if contracts were to be centrally held capacity would be required to manage and quality assure and therefore there may be an additional cost to schools for this</li> </ol>	P Collyer

3	<p><b>Broadband Connectivity (Simon Burke)</b></p> <p>SRB introduced a paper outlining options for funding broadband connectivity in schools from 2011/12. Previously broadband connectivity has been funded through ICT Harnessing Technology Grant however this grant has been reduced by 50% in the current year as part of the Government's in year reductions and the current working assumption is that the grant will not continue in 2011/12.</p> <p>Connectivity across all schools in Wiltshire is maintained by the South West Grid for Learning (SWGfL) giving economies of scale across the County and a cross county support service. All authorities in the region have entered in to a contract with SWGfL which extends until March 2013. The total estimated cost for 2011/12 is £1.776 million.</p> <p>Within the paper 3 main options were identified for 2011/12:</p> <ol style="list-style-type: none"> <li>1. Continue with the SWGfL service;</li> <li>2. Cease the SWGfL contract and seek an alternative provider;</li> <li>3. Schools to set up arrangements individually with suppliers.</li> </ol> <p>The group did not consider that Options 2 and 3 were possible for 2011/12 although identified that we need to start working on options for 2013 early.</p> <p>Discussion focussed on how the contract should be funded from 2011/12.</p> <ol style="list-style-type: none"> <li>1. Schools could be charged on the basis of the actual cost of maintaining connectivity in each school. It was noted that this is dependent on geography and therefore is unrelated to the way in which the funding for schools is determined – giving disproportionate impacts on certain schools;</li> <li>2. A charging mechanism could be developed unrelated to the real cost of connectivity but related, for example, to the size of school. An example of a per pupil charge of £27.75 was used.</li> <li>3. The costs could be top sliced from the dedicated schools grant rather than delegated.</li> </ol> <p>JC asked whether there was scope for SWGfL to reduce costs further. SRB confirmed that options ere being looked at.</p> <p>The group proposed a per pupil charge but also stressed the need to look to the future so we are ready for the end of the contract in 2013.</p>	
4	<p><b>Small School Curriculum Protection – Formula change</b></p> <p>PC presented a paper highlighting a specific issue relating to the funding formula element for small school curriculum protection. This formula element currently ensures that regardless of size a school receives 35 AWPU. Where protection is received the proportion of the component years for the AWPU is as follows – Reception – 5 pupils, Infants= 10 pupils, Junior = 20 pupils.</p> <p>An issue has arisen in which a school has proposed becoming a Key</p>	

	<p>Stage 1 school only, raising the question of how the curriculum protection formula should be applied as junior age pupils would be attending schools elsewhere and attracting AWPU in those schools.</p> <p>It was agreed that the protection formula should be applied on a pro rata basis ie., protection based on 5 x reception pupils x AWPU + 10 x infants pupils x AWPU</p>	
5	<p><b>Schools Balances 2009/10 and Controls on Surplus Balances Scheme</b></p> <p>HR summarised the position with respect to schools revenue balances at the end of 2009-10 and highlighted those schools where the Controls on Surplus balances Scheme thresholds were exceeded.</p> <p>Schools that exceeded the permissible thresholds were required to complete an Intended Use of Revenue Balances return by 30<sup>th</sup> June. 51 schools had been required to submit a return, revenue balances in those schools totalled £5.918 million.</p> <p>46 of those schools have funds that are considered to have been properly assigned in line with the scheme, 5 schools appear to have excess surplus balances which may not be correctly assigned in accordance with the scheme.</p> <p>It was agreed that 5 schools should be sent letters informing them of the amount subject to claw back, giving them until 29<sup>th</sup> October to appeal in writing.</p> <p>It was noted that revenue balances now stand at £10.914 million, a reduction of £3.047 million, or 21.83%, on the previous year.</p> <p>The number of schools in deficit has increased to 21, an increase of 8 schools.</p> <p>Balances are projected to decrease to £6.2 million in 2010/11 and £1.9 million in 2011/12, based on schools budget templates.</p> <p>MW noted that a number of schools had projected a deficit throughout the year but had ended the year in surplus. It was agreed that work needed to be carried out with those schools to improve financial monitoring and forecasting.</p> <p>JF asked whether comparison was made between revenue balances and standards in individual schools. It was agreed that information should be shared with SIPs.</p> <p>HR also presented a comparison between the Wiltshire Controls on Surplus Balances Scheme and guidance issued by the DCSF in 2009 on good practice. DCSF Guidance states that schools should justify the whole balance not just balances that are above the threshold in the scheme. The Wiltshire scheme does not currently require this but the group recommended that schools should be required to justify the whole revenue balance in future.</p>	PC/HR
6	<b>Working with Academies – Developing Traded Services</b>	

At a previous meeting in July the SFWG had considered the implications of the Academies Bill and the resulting changes in government funding for LA support services. At the July meeting it had been agreed that a questionnaire should be developed to seek information on services that schools might wish to purchase if they were offered on a chargeable basis.

SRB explained that he had followed up the idea of a questionnaire with the Council's Research Manager who had suggested that a questionnaire at this stage would not be the best methodology for seeking reliable business data at this stage. SRB therefore proposed a more detailed approach that would yield more reliable information on individual services. This process was proposed as follows:

- Oct/Nov – groups of Head Teachers to attend facilitated meetings to consider the implications of academies and funding and to consider what services would be required.
- Nov/Dec – managers of services to develop products, packages, prices, etc
- January 2011 – second series of meetings with HTs to consider the services to be offered
- Feb – business plans, service packages to be revised
- March - schools invited to purchase services as part of "The right choice for my school..."

CG commented that the timing of this work through the autumn would correspond with the Education White Paper which will give more clarity on roles and responsibilities.

EW questioned the ability for all services to be offered on a traded basis from April 2011 as we do not have a mechanism for delegating all of the budgets for these services prior to that date. It may be that services will need to be offered on a traded basis to academies in 2011/12 with further delegation of budgets to enable all schools to be offered services on the same basis from April 2012.

The group made the following recommendations:

1. The Funding Group wholly supported the above proposals and recommended that the discussions with headteachers be facilitated within scheduled meetings of PHF (18 November) and WASSH (14 October or 9 December) if at all possible.
2. The Chair of PHF invited the Head of Business and Commercial Services to attend the next meeting of PHF Executive (30 September 2010) to brief colleagues on the proposal.
3. That an opportunity to seek Governors' views on any proposals which are developed from the meetings be offered in the new year.

JH asked about the current position in relation to Academies. CG responded that there is currently 1 academy established under the new regulations (Hardenhuish) and it is expected that 2 further secondary schools may get approval for January 2011. some

Appendix 1

	<p>governing bodies of primary schools had had discussions and are looking at options but generally Wiltshire schools are taking a considered approach. CG noted that the Education White Paper will place the responsibility to encourage diversity in school places with the LA.</p> <p>TW updated the group on the work to look at the development of Special School Academies, including discussions about a national banding formula and reduced need for statements of SEN.</p>	
7	<p><b>Employee Termination Costs</b>  EW briefly introduced a paper outlining the legal requirements for the funding of redundancy and early retirement costs in schools. In Wiltshire employee termination costs are currently funded from centrally retained DSG and costs in recent years have met the requirements for this source of funding however the new requirement to fund redundancy costs for staff on fixed term contracts was not eligible to be funded from DSG and therefore needs to be funded by the LA.</p>	
8	<p><b>SEN Formula Issues</b>  EW outlined the main recommendations from the SEN Working Group on the changes to the delegation of SEN funding for primary schools. There was a brief discussion on the recommendations however due to lack of time it was agreed that this should be the main agenda item for the Schools Forum briefing on 7<sup>th</sup> October.</p>	
9	<p><b>Date &amp; Time of Next Meeting</b>  Date of Next Meeting to be determined</p>	