

Schools Forum Schools Funding Working Group

Minutes – 25th September 2012

Present: Liz Williams, Martin Watson, Phil Cooch, John Hawkins, Catriona Williamson, Neil Baker, Andy Bridewell, Phil Cook

Apologies: Tim Gilson, Julia Cramp

		Action
1	<p>Minutes from the Previous Meeting</p> <p>The previous meeting held on 11th June had focused on the review of the funding formula and all of the actions had been addressed at the Schools Forum meeting on 13th July.</p> <p>EW fed back that a consultation had taken place with early years providers on the required changes to the Early Years Single Funding Formula (EYSFF) and the response had been in favour of moving to ICACI as the measure of deprivation for early years settings. PC reported that the IDACI measure appeared to distribute funding to more settings than the previous Experian data. This would be reported to Schools Forum.</p>	
2	<p>Schools Revenue Balances 2011-12</p> <p>PC introduced a report on surplus revenue balances for 2011-12. 58 schools had exceeded the permissible threshold for revenue balances, with revenue balances across those schools totalling £5.932 million. Staff within the Accounting & Budget Support Team had reviewed all of the returns from schools and agreed that balances were properly assigned in 57 of those schools. Only 1 school had excessive balances that were not considered to be properly assigned in accordance with the controls on surplus balances scheme.</p> <p>The group considered the revenue balance for the remaining school and agreed that two items, which could legitimately have been accrued for in 2011-12, should be allowed but that the remaining balance of approximately £400 should be clawed back, subject to appeal by the school. The group requested that in the letter to the school they should be advised to seek additional support at year end to ensure that accruals are properly made in future years.</p>	PC
3	<p>Schools Finance Regulations 2013</p> <p>The group considered a report from PC on the draft finance regulations for 2013. Consultation on the regulations had closed on 21st September and the report was brought for information.</p> <p>PC outlined that most of the changes were already reflected in the new funding formula for 2013-14, as were the changes to be made to the grant conditions for DSG.</p> <p>As part of the consultation on the finance regs the DfE had introduced the requirement for funding of the free entitlement for 2 year olds to be brought in to the Dedicated Schools Grant (DSG) from 2013-14 and for LAs to fund free early education for 2 year olds through the EYSFF. A</p>	

	<p>number of changes are proposed in the regulations to how the EYSFF should operate for 2 year olds. These could be summarised as:</p> <ul style="list-style-type: none"> • Relax the requirement to have a mandatory deprivation supplement – this is because the entitlement for two year olds is already targeted. • Relax the rules on place based funding to allow it for capacity building • To require a mandatory quality supplement in the EYSFF for 2 year olds. <p>PC reported that the Early Years Reference Group had responded to the consultation as follows:</p> <ol style="list-style-type: none"> 1. The inclusion of a supplement for deprivation should not be mandatory. The families which will become eligible to receive free entitlement childcare for two-year-olds will be designated low income households, or targeted by virtue of other measures of deprivation and therefore, the hour rate paid should take this into account without a separate supplement. Providers find the incidence of supplements difficult to forecast with any accuracy, thereby frustrating their efforts to calculated their expected income. 2. There is no support for payment for ghost places. The EYSFF has cemented payment based upon actual provision and the introduction of place-payment for two-year-olds would be a retrograde step. 3. The inclusion of a supplement for quality should not be mandatory. <p>There was a brief discussion on the process for incorporating the 2 year old free entitlement in to the EYSFF and the potential cost implications – this will need to be considered further by Schools Forum in December.</p>	
4	<p>Minimum Funding Guarantee Exceptions 2013-14</p> <p>PC reported that the DfE have invited LAs to submit requests for exclusions from the MFG for specific factors or schools. The guidance states that exceptional requests to disapply the MFG would only be considered if there is a significant change in a school's circumstances or pupil numbers. The EFA will only consider applications where the inclusion of a factor in the MFG will lead to significant inappropriate levels of protection.</p> <p>The deadline for submissions for approval is 30th September 2012 and therefore the Group would need to make decisions in advance of the Schools Forum meeting.</p> <p>The following proposals were agreed:</p> <ol style="list-style-type: none"> 1. Special staff costs: To seek approval in principle from the EFA to remove safeguarded salary funding from the MFG when it is no longer payable. 2. Service school safety net: To seek approval from the EFA in principle to remove service school safety net funding from the MFG where a schools pupil numbers used in the forthcoming 	

	<p>financial year budget calculation, exceeded the protected numbers under this factor in the previous year.</p> <ol style="list-style-type: none"> 3. New school allowances and new school new year group funding: To seek DfE approval to remove this funding from the MFG. 4. Early Years Single Funding Formula Rates abatement – To seek approval from the EFA to remove the abatement from the MFG, otherwise the cost of rates in schools with nursery classes would not be fully funded. 5. Small school curriculum protection – 2 schools had received small school curriculum protection in 2012-13 and for one school its removal from the MFG would cause a significant reduction in funding through the new formula. It was agreed that the decision on funding should support work going on within Children’s Services to identify solutions for vulnerable schools. Action – <i>EW to discuss further with the Service Director for Schools & Learning.</i> PC commented that he thought it unlikely that the EFA would approve an application to remove this element from the MFG as it could be viewed as part of the core budget. 6. Rents, where the school no longer qualifies under the revised funding proposals - To seek approval from the EFA to remove rents from the MFG where the cost does not exceed 1% of a schools’ budget share. 7. Split site funding where a school no longer qualifies - To seek approval from the EFA to remove split site funding from the MFG where a school no longer qualifies under the revised definition. 8. Service school turbulence funding – As the removal of this funding from the MFG would cause funding turbulence for a number of schools, it is recommended that it should not be removed from the MFG. 9. In year “trigger” funding for pupil growth - To seek approval from the EFA to remove “trigger” funding from the MFG and to confirm that existing arrangements for pupil growth will be held centrally from April 2013. 	EW
5	<p>School Funding Reform – results of the consultation on the funding formula</p> <p>The consultation on the new funding formula had closed on 21st September and EW presented a high level summary of the outcomes to the group. More detailed analysis would be carried out in advance of the Schools Forum meeting.</p> <p>In total responses had been received from 126 schools on the main formula, or 55.3% of those eligible to respond. 117 schools had responded to the questions relating to central budgets, 58% of those schools eligible to respond. It was agreed that this was a good overall response rate.</p>	

	<p>In terms of the funding formula the majority of responses favoured using FSM ever 6 data for deprivation and a flat rate of £100,000, ie Model 1. PC noted that this was the model with the lowest MFG cost (approx £2.2 million) and therefore the lowest level of capping.</p> <p>There was general support from those schools who had responded for the de-delegation of central budgets. It was agreed that a breakdown of responses by size of school would be provided for Schools Forum as part of the analysis of the consultation results.</p>	EW
6	<p>AOB</p> <ul style="list-style-type: none"> • <i>Membership of the Group</i> – it was confirmed that Sarah Findlay-Cobb would be invited to be a member of the group as a PHF representative. MW confirmed that he would discuss with WASSH whether a representative from a maintained secondary school should be included on the group. • The group thanked Phil Cooch for all of his hard work and support on school funding issues and wished him good luck in his new role with Springfields Academy. 	
5	<p>Date & Time of Next Meeting Wednesday 21st November, 8.30am, County Hall</p>	

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