

Gorse Hill Primary School Funding 2012/13

SCHOOLS FORUM

17 January 2012

Author: Group Director, Children

Parish / Wards Affected: Gorse Hill & Pinehurst

Purpose

- Following a report to the Schools Forum on 12 July 2011, to report further with information received from Gorse Hill Primary School regarding its request for discretionary additional funding for 2012/13.

Recommendations

The Schools Forum is requested

- 1) to consider the schedule of amalgamation costs provided by Gorse Hill Primary School in support of its request that it should receive additional discretionary funding in 2012/13 following amalgamation of the former Infant and Junior Schools;
- 2) Agree that a final decision on this matter is taken at the 8th March 2012 Schools Forum after the LA finance team has assessed the schools overall financial position and their projected balances following amalgamation and confirmed the overall DSG position for 2012/13.

1. Reasons

- 1.1 This report provides further information regarding a request from the former Gorse Hill Infant and Junior Schools that additional discretionary funding for 2012/13 should be provided as a result of costs incurred from the amalgamation to a new, all-through Primary school from September 2011.

2. Detail

- 2.1 The Local Scheme for financing schools provides scope for the Group Director, Children to agree that discretionary protection funding is paid to schools following amalgamation. In considering this matter, the LA must however assess the impact on other schools of making any such payments particularly in light of DSG funding being frozen for a third year.
- 2.2 At the meeting of the Schools Forum on 12 July 2011 it was reported that the former Gorse Hill Infant and Junior Schools had written to the Local Authority (LA) on 13 January 2011 seeking confirmation that the new Primary School, which came into being on 1 September 2011, would

Further information on the subject of this report can be obtained from Ian Bickerton, Director, Access & Provision, on 465724 or email ibickerton@swindon.gov.uk.

Gorse Hill Primary School Funding 2012/13

SCHOOLS FORUM

17 January 2012

receive the equivalent of two individual school budgets for a period of five terms (ie, three “old” terms). The LA, however, was able to confirm only the 2011/12 position, ie, that, in accordance with the Local Scheme, funding would be based on January 2011 PLASC data. This meant that the two flat-rate funding allocations paid to each School would not be amended in-year as a consequence of the amalgamation. The LA was unable to confirm that further discretionary funding would be payable but would include this matter in the LA’s proposals to the Schools Forum regarding 2012/13 funding when the DSG position was clear.

- 2.3 The LA wrote to the School explaining this on 15 February 2011 and subsequently attended a meeting with the Head Teacher and Chairs of Governors on 22 March 2011. A follow-up letter from the LA dated 24 March 2011 gave assurances that the LA would report this matter to the July 2011 Forum meeting and asked the School to provide the following information to enable their request to be considered:
- Budget forecasts for 2011/12, which included the one-off amalgamation costs;
 - A breakdown of one-off revenue and capital financial implications of the amalgamation, broadly estimated by the School at £170k, including a works specification;
 - What the School would be unable to afford if all one-off costs were met from school balances.
- 2.4 The LA offered a loan facility to the school to spread the cost of capital costs. In response to the above request, on 4 July the LA received a letter from the School stating that they had been told that the new Primary School would continue to receive double flat rate funding until March 2013 and that this had been confirmed in a report to the Schools Adjudicator by the LA date 15 December 2010. A copy of this letter was attached to the July Forum report but did not provide any of the financial information discussed at the meeting and requested in the LA letter. The letter stated that the Schools Forum should honour the promise made by the LA during the consultation period.
- 2.5 In the July 2011 report to the Forum the LA provided background information on the School’s recent year-end revenue balances, which totalled £366,604 at 31 March 2011. In addition, the School had a total of £114,914 of devolved formula capital available. Following discussion at the July meeting, the Forum agreed that further information was needed before any decision could be made. The LA, therefore, sent a further letter to the School dated 1 August 2011 asking that the information be

Gorse Hill Primary School Funding 2012/13

SCHOOLS FORUM

17 January 2012

sent to the LA by 23 September to enable the matter to be progressed at the 11 October Schools Forum meeting. However, this information was, unfortunately, not available in sufficient time to be analysed and then reported to the October meeting of the Forum.

- 2.6 On 27 September Gorse Hill Primary School provided the LA with various financial information in support of its request for discretionary funding and an update was provided on 10th December. The Finance Team has however been unable to verify the financial impact of the amalgamation based on the information provided and meetings have been arranged to discuss this with the school and their financial advisers later this month.
- 2.7 The school have, as requested, provided a schedule of estimated amalgamation costs which totals £211,382 and is attached for Schools Forum consideration at Appendix 1. This is considerably higher than the school's original estimate of £170,000 which indicates that the new schools balances will reduce significantly as a consequence of amalgamation. The LA will be able to verify this after the planned meetings and also assess whether allocation of the discretionary funding is appropriate. Prior to amalgamation the former schools balances were relatively high and if realistic projections confirm that this will not be the case in future the LA would support the payment of discretionary funding.
- 2.8 Elsewhere on today's agenda is a provisional report on the overall DSG position for 2012/13 which confirms that DSG funding is being frozen for a third year. A range of potential pressures are discussed in this report including reference to Gorse Hill's discretionary funding. The LA will be in a stronger position to assess the funding available for distribution to schools as this meeting and recommends that a decision regarding Gorse Hill is made along with other issues in March.
- 2.9 The Schools Forum is, therefore, asked to consider and comment on the schedule of amalgamation costs submitted and to note that a review of the schools overall financial position will be undertaken over the next few weeks.

Alternative Options

The alternative options are set out in the report.

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SCHOOLS FORUM

17 January 2012

Risk Management

Financial and Procurement Implications

- The Local Scheme for financing schools provides scope for the Group Director, Children to recommend to the Schools Forum that up to three terms of discretionary protection funding is paid to schools following amalgamation.

Legal / Human Rights Implications

- There are no direct legal or human rights implications arising from this report.

Diversity Implications

- As indicated in the last report, it is not considered that a Diversity Impact Assessment is necessary, as the report does not make any recommendations that affect services.

Links to Corporate Plans and Policies

- Scheme for financing schools and local fair funding formula

Consultees

The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

Background Papers and Appendices

Appendix 1 – Schedule of Amalgamation costs provided by Gorse Hill Primary School:
Appendix 2- School Governors Response