

SCHOOLS FORUM

TUESDAY, 3 JULY 2012

PRESENT: -

School Members: Peter Crockett, Special Headteacher (Chair)
Nick Capstick, Primary Headteacher
Lauren Connor, Primary Headteacher
Rhian Cockwell, Primary Headteacher
David Easter, Primary Governor
Robert Jackson, Primary Governor
Derek Fry, Special Governor
Rachael Matthey, Secondary Headteacher
Julie Tridgell, Secondary Headteacher
Lynne Fletcher, Swindon Academy

Non-School Members: Maureen Harries, Diocese
Peter Smith, Trade Unions
Debbie Waldron, Early Years Representative

Officers: Paddy Bradley (Head of Commissioning – Economy / Attainment)
Steve Haley (Head of Finance –Education and Innovation)
Sarah Higgins (Finance Manager, Education and Innovation)
Nikki Soave (Internal Audit)

Councillor David Renard was also in attendance.

Apologies for absence were received from Janet Urban (Primary Headteacher), Paul Boyles (Primary Governor), Wendy Conaghan (Secondary Headteacher), Andy Hazelton (Secondary Governor), Andrew Miller (16-19 Partnership) and Ram Thiagarajah (BME).

1. Minutes

Resolved – That the minutes of the meeting held on 6th March 2012 be confirmed and signed as a correct record.

2. Final Dedicated Schools Grant Outturn 2011-12

The Forum considered a report by Steve Haley (Head of Finance –Education and Innovation) regarding the closure of the Local Authority's 2011/12 accounts and the final Dedicated Schools Grant retained budget and Standards Fund grant outturn position.

Mr Haley advised that the overall outturn position on the 2011/12 retained budget was more favourable than anticipated as a net underspend of £508,100, which equated to 2.6%, had been achieved. This had been carried forward and added to the £49k underspend from 2010/11. In addition the LA had agreed with the

Department for Education (DfE) that £428,542 was the final balance of unspent Standards Fund grants and this had also been carried forward. Mr Haley reminded Forum Members that this underspend position was broadly in line with the March 2012 forecasts and that the Forum had agreed at the last meeting to provide one-off transitional protection totalling £589,451 to 12 primary and 3 secondary schools which were adversely affected by the redistribution of former standards fund grants in the 2012/13 local formula.

Mr Haley advised that following the payment of the transitional protection to schools, £396,199 remained available for use in 2012/13 and the Local Authority had identified two potential areas of spend from this funding which the Schools Forum was asked to support.

- a) During the 2012/13 formula consultation it had been recognised that schools employing Advanced Skills Teachers (AST's) might need additional support towards redundancy or salary protection costs. Mr Haley advised that three AST's were being retained at South Marston, Oaktree and Even Swindon, schools and were entitled to three years' salary protection payable from 1 September 2012. Paragraph 2.8 of the report set out the terms of the funding provided up to 31st March 2012 to assist schools with these costs which were in accordance with the former Standards Fund Grant. From April 2012 this funding ceased and after assessing the financial implications on each of the three schools and taking into account the DfE school funding reform which prohibited the LA from making any protection funding beyond the current year, the LA was proposing to fund 50% of salary protection costs but no backfill funding. This equated to £9,102 for South Marston, £22,410 for Oaktree, and £6,310 for Even Swindon (with the figure for Even Swindon updated at the meeting to recognise that their AST was part time). Mr Haley reported to the Forum that the two of the schools concerned were dissatisfied with the recommendation, believing that the full cost should be met. The LA was sympathetic to their position but the DfE do not allow on-going support to be provided and the schools do have scope to sell their AST service to other schools. The Forum supported the 50% payments as recommended, totalling £37,822.
- b) Mr Haley advised that Gorse Hill had received 3 full terms (12 months) of Flat Rate Funding following the amalgamation of the Infant and Junior Schools in accordance with the local formula but the school remains in dispute with the LA about this. The scheme provides scope to pay between 3 and 5 full terms of funding following amalgamation but the LA had not received any financial information from the school which indicated that the discretionary element (i.e. terms 4 and 5) of additional funding should be paid. The school believe that they were promised that flat rate funding would be paid for 5 full terms (18 months) regardless of their financial position and Mr Bradley confirmed that minutes of a consultation meeting with the school did indicate that funding would remain unchanged for 18 months. As this had not been corrected or qualified by the LA at the time the school do have cause to assume that this would be automatically paid. In light of this the Forum was asked to support the payment of a further 6 months of flat rate funding which equated to £25,500. It was recognised that this was a decision for the Board Director, Commissioning but as the cost would be met from the DSG, thereby affecting all Swindon schools, the LA was keen to assess the views of Forum members on this matter. Forum members voted not to support the making of any further payment to Gorse Hill due to their relatively

healthy financial position and the wider financial context for Swindon schools.

- c) It was recommended that the remaining balance be retained in recognition of the potential pressures and risks arising from managing the retained budget, subject to regular updates being presented to the Forum. In addition, as part of school funding reforms the Department for Education had imposed a restriction on the level of contingencies that could be retained in future years to cover school expansion, equal pay and redundancy costs, and in some areas had limited future year funding at the level retained in 2012/13. The carry forward from 2011/12 could then provide some additional flexibility for future years. The Forum supported this recommendation.

Resolved – That the Schools Forum:

- 1) Notes that the Local Authority has £49,000 available from 2010/11 and has underspent its 2011/12 retained budget by £508,108.
- 2) Notes that the Local Authority has a balance of unspent Standards Fund grants totalling £428,542.
- 3) Notes the existing and potential commitments against the sums available from previous years and agrees to:
 - Support one-off payments to three schools which employ Advanced Skills Teachers totalling £37,822.
 - Support the retention of all remaining funding in recognition of potential pressures and risks arising from managing the retained budget.
- 4) Does not support the proposed payment of discretionary flat rate funding to Gorse Hill of £25,500.

3. Final Dedicated Schools Grant Settlement 2012-13

The Forum received a late report from Steve Haley (Head of Finance –Education and Innovation) on Swindon's final Dedicated Schools Grant settlement covering the 2012/13 financial year. The report had been added late as information had only become available from the Department of Education (DfE) after the agenda was published and action was required prior to the next Schools Forum meeting.

Mr Haley advised that Swindon's final Dedicated Schools Grant settlement has been confirmed by the DfE a little earlier than in previous years and for 2012/13 would be £140,199m which is £0.361m (0.3%) higher than the value assumed at the last Forum meeting. £0.277m of the increase relates to Early Year's pupils where an adjustment is done to fund an assumed minimum take up level. It was recommended that this funding is allocated to fund Early Years expansion to increase capacity in parts of the Borough where demand was high, and where there was a shortfall in the number of places required by September 2013.

It was recommended that the remaining increase of £0.084m relating to schools and alternative provision be held to for distribution across the local formula in 2013/14, unless urgent cost pressures arose during the year which would be reported to the Forum.

Mr Haley also informed the Forum that the DfE had advised that the Local Authority had technically breached the Central Expenditure Limit (CEL) on planned use of the Dedicated Schools Grant in 2012/13. The CEL measure was established to ensure that retained spending did not increase by a greater proportion than delegated

spending unless this has been approved by Schools Forums. This was a technical breach only arising from the DfE's calculation failing to reflect Academy conversions. According to DfE Swindon's retained spending had reduced by 4.2% whilst delegated funding had reduced by 35%. However the value of delegated funding in this calculation excludes Academy budgets and when this is factored in to provide like for like comparisons the total of delegated funding actually increased by 3.1% in line with the position reported to the 6th March 2012 Schools Forum. The Forum noted that the DfE had confirmed it was aware of the error within its calculation but still required the technical breach to be reported to the Forum.

Resolved – That the Schools Forum:

1. Notes that Swindon's final Dedicated Schools Grant settlement covering the 2012/13 financial year is £140.199m and that this represents additional funding of £0.361m over and above the Local Authority's March 2012 estimate.
2. Notes that a total of £0.277m specifically relates to Early Years and agrees that this one-off funding is retained by the Local Authority to build capacity in early years settings.
3. Agrees that the residual additional Dedicated Schools Grant funding of £0.084m is retained for future use, probably redistribution across the local formula in 2013/14.
4. Notes that the Local Authority has "technically breached" the Central Expenditure Limit when setting the 2012/13 retained budget.

4. Forecasting of School Balances 2011-12

Sarah Higgins (Finance Manager, Education and Innovation) presented a report advising on the final position on 31st March 2012 school revenue balances compared to the estimated position as forecast by schools. This information formed part of the revised trial scheme for monitoring and managing school balances approved by the Forum in March 2012.

The report provided information at Appendix A on how effective each Swindon school had been in accurately forecasting their 31st March 2012 balances. This appendix showed that 67% of schools had been effective in their forecasting and were commended by the LA whilst only six schools would be contacted for explanations as to why their estimates were so different to final figures. Miss Higgins advised the Forum that seven schools which had been inaccurate in the previous year had all improved considerably. Further reports providing information on school balances will be reported to the October 2012 and January 2013 Schools Forum meetings.

Resolved – That the Schools Forum notes that:

1. The vast majority of Swindon Schools (67%) were commendably accurate in forecasting their year end balances
2. Only 6 schools reported significant variances between their forecast and actual outturn positions and will be contacted by the Local Authority for explanations which may prompt support to be provided to improve forecasting procedures
3. Actual school balances were £1.4m higher than was forecast in early January which equates to a 25% under estimate across all sectors - excluding Academies.

5. Schools Financial Value Standard

Nikki Soave (Internal Audit) presented a report to the Forum regarding the requirements of the new Schools Financial Value Standard, which non-academy schools were now required to complete once a year and submit to the Local Authority, to demonstrate that they have sound financial management practice and processes in place.

It was noted that the self-assessment could be completed by schools at any point up to 31st March 2013 and they could seek assistance from the Local Authority to complete it. The results would inform Internal Audit's programme for school audits.

Resolved – That the Schools Forum:

1. Notes the requirements of the School Financial Value Standards.

6. School Funding Reform: Next Steps Towards a Fairer System

The Forum considered a report by Steve Haley (Head of Finance –Education and Innovation) regarding the implications of the 'Schools Funding Reform: next steps to a fairer system' document issued by the Department for Education on 26th March 2012. In addition, an update was tabled at the meeting, advising of further details of the school funding reform arrangements for 2013/14 which had been issued by the Department for Education on 29th June 2012.

Mr Haley talked members through key points in the report and the tabled update commenting on the most significant implications. He outlined the proposed consultation arrangements with each sector and the timeline leading up to the finalisation of the 2013/14 formula funding allocations.

An overview of the main changes was provided in the following areas:

- a) The Dedicated Schools Grant (DSG) – Mr Haley confirmed that the DSG would no longer be split between 'Individual School Budgets' and the 'Centrally Retained Budget' but would be allocated in 3 initially un-ringfenced funding blocks: 'High Needs Block', 'Early Years Block' and 'Schools Block'.

The Local Authority could continue to manage / provide a restricted range of central services such as Admissions and equal pay. In some cases the amounts retained per sector and methodology for distribution must be approved by each sector's voting members on the Schools Forum. The Forum voted and agreed in principle that funding should continue to be retained and utilised for the following items as set out in page 2 of the update paper on: i) contingencies for pupil growth in all settings, ii) contingencies for schools in challenging circumstances / redundancies, iii) cost of opening / closing Academies / Schools, iv) free school meals eligibility assessments, v) trade union staff absence cover; and vi) the travellers service.

Ms Lauren Connor raised a query as to the liability for staff redundancy costs when staff had transferred under TUPE to an academy. It was agreed that this required further resolution and the Forum deferred a vote on the principle of whether funding should be retained for vii) the Drove BME Project and viii) the Nylands Primary Behaviour Outreach support service.

Mr Haley drew to the Forum's attention to those areas of retained budget which would need to be delegated in 2013/14, in line with the expectation that as much of the DSG would be delegated as possible. The LA was recommending that this funding is allocated initially as an inflationary uplift across all areas of the new formula. With regard to the requirement to reduce Schools in Challenging circumstances funding, Mr Nick Capstick raised a concern that this could result in problems for individual schools in need of support whilst the value distributed across all schools would be relatively minor. Mr Paddy Bradley (Head of Commissioning, Economy / Attainment) confirmed that it was the intention of the Government for LAs to reduce central funding and it would be increasingly up to schools to fund their own improvements. It was not possible to support schools in challenging circumstances in the same way as previously, however options could be considered such as groups of schools pooling resources, or whether there was flexibility in the exemption list that the Schools Forum could approve. It was agreed that this could be explored as part of the detailed sector consultations.

Mr Haley advised that all schools would be asked to submit census data promptly in October as this would form the basis on which the DSG would be calculated. However, he confirmed that there would be a January adjustment to reflect additional reception pupils.

- b) Local Formula Changes – Mr Haley outlined the formula changes which had to be introduced for 2013/14 and 2014/15 including changes since the March consultation as set out in pages 3 to 7 of the update paper. The Government's intention was to simplify the funding formula for mainstream settings ahead of a national formula being introduced and required 2013/14 funding to be allocated via up to a maximum of twelve factors only two of which were mandatory. The Forum discussed the implications of the reduced flexibility in the formula including concerns that there would be an increased number of exclusions from mainstream education. A question was raised as to the level of funding provided for High Needs pupils in mainstream settings which Mr Bradley agreed would be checked ahead of the Headteacher and Governor briefings on 16th July and 19th July. There was a DfE expectation that schools would fund the first £10,000 of costs for SEN pupils. In relation to the optional factor for English as an Additional Language, which only allowed funding to be provided for up to 3 years, Mr Nick Capstick advised that it took at least 3 years for a child to adapt and he would strongly recommend 3 years funding was always provided. The Forum expressed concern as to whether Secondary Schools would be disadvantaged from the introduction of a single lump sum funding allocation for all settings which would be substantially lower than current secondary funding. Mr Haley advised that decisions could be taken to minimise changes to sector funding levels. DfE are maintaining the Minimum Funding Guarantee (MFG) protection for individual schools at minus 1.5% per pupil for at least the next two years. All High needs settings (Special Schools, Special Resource Provision and Alternative Provision) would need to be funded via a new "place plus" methodology. Under this scheme DfE had set the value per planned place and each LA would need to establish a scheme to pay top up payments for individual pupils. All aspects of the new formula would need to be verified by the Education Funding Agency as being compliant with DfE requirements.

- c) Pupil Premium – It was noted that there had been no new Pupil Premium announcements by the DfE and the letters to Headteachers on 29th May (Schools) and 30th May (Academies) still represented the LA' best guidance on future funding levels which was based on the value of national announcements.
- d) Schools Forum and Communications – Mr Haley advised that the Revised Schools Forum Regulations indicated that only minor changes would be required in Swindon to provide separate representation from primary, secondary, special, PRU, and academy settings. As the Regulations were due to come into force on 1st October 2012 prior to the next meeting, Officers would consult on arrangements during the summer, with a view to the Forum meeting in its new form at the next scheduled meeting in October. Local Authorities had also been asked to review general communications with sectors and there was a requirement to demonstrate the modelling of all formula changes as part of the forthcoming consultation process.
- e) Local Authority Formula Grant / LACSEG – Mr Haley highlighted to the Forum a DfE proposal to replace the current LACSEG arrangement via the introduction of a new grant for central education functions which would be shared between a local authority and its academies based on pupil numbers. There continued to be a national concern as to whether the amount payable to the LA would be sufficient.
- f) DfE May 2012 consultation and local consultations – The Forum was asked to note the officer response to the reform paper which had been submitted in May 2012. In addition the report set out the detailed consultation process for the new funding formula. It was agreed that the meeting of the Forum in January be brought forward to 15th January, in order to consider the final proposals prior to them being submitted to the Education Funding Agency on 18th January 2013.

Under the new arrangements Academy funding would become more closely aligned to their LA formulas which was a welcome development although the LA was awaiting confirmation on when and how Transitional Funding allocated in 2012/13 would be received by Academies.

The Forum thanked Mr Haley and Miss Higgins for their work in distilling the complex information of the Government's proposals.

Resolved – That the Schools Forum:

1. Notes the key implications of the School Funding Reform Paper which are primarily that with effect from 2013/14:-
 - The Dedicated Schools Grant will be receivable in three separate, initially un-ringfenced funding blocks.
 - The Local Authority will need to increase delegated funding.
 - The local formula for mainstream settings will need to be revised within strict Department for Education constraints and approved by the Education Funding Agency.
 - Special schools and Alternative Provision settings will need to be funded via a new "place plus" methodology.
2. Notes the actions required to produce 2013/14 delegated funding allocations for

Schools, Academies and Alternative Provision settings.

3. With regard to changes to the retained budget as summarised at Annex 1 and in the update tabled at the meeting:-
 - Notes the indicative transfers to the Early Years and High Needs Blocks
 - Supports in principle the continued retention in 2013/14 of funding for the following items;
 - Contingencies for Pupil Growth - set up costs and trigger funding (All settings all sectors)
 - Contingencies for Schools in Challenging Circumstances / Redundancies (Maintained settings only all sectors)
 - Costs of opening Academies and closing schools (All sectors)
 - Free school Meals Eligibility (Maintained settings only all sectors – Academies via buy back)
 - Trade Union Facilities staff absence cover (Maintained settings only all sectors – Academies via buy back)
 - Travellers Service (All settings all sectors)
 - Agrees that consideration of Drove BME Project and the Nylands Primary Behaviour Outreach Support Service is deferred for the Head of Commissioning, Economy / Attainment to resolve the issues relating to any transfer of staff under TUPE, prior to a decision by the Forum.
 - Notes those areas of retained funding that will need to be delegated in 2013/14 and agree that this is initially allocated as an inflationary uplift across all areas of the new formula.
4. Notes the timeline leading up to the finalisation of 2013/14 formula allocations to Schools and Academies and approves the proposed consultation plan as set out at the end of section 2, subject to the bringing forward of the date of the January 2013 Forum meeting from 22nd to 15th January to enable the Authority to meet the new date for submission of its school budget proforma of 18th January 2013.
5. Notes the implications arising from the school funding reform programme and in particular issues relating to the construction of new funding formulas for Mainstream settings (section 3 of the report) and High Needs settings (section 4 of the report).
6. Notes the Local Authority's conclusion and concerns regarding some of the changes as set out in Section 5 of the Report some of which have been alleviated as reflects in the update tabled at the meeting.

7. Date of Next Meeting

It was noted that the next meeting of the Forum was scheduled for 9th October 2012.

Mr Peter Crockett advised that this was his last meeting as Chair and a member of the Forum as he was retiring shortly. Mr Bradley thanked him on behalf of the Forum for his excellent chairing. It was noted that the process for the election of a new Chair would be included in the discussions as to the arrangements for the new Schools Forum coming into effect from 1 October 2012.