

**Meeting of the Schools Forum
Thursday 4 July 2013 at 1.30 p.m. at Progress House, Wigan**

Minutes

Members: , A Hardy (Chair), P Dahlstrom, D. Donaldson, V Birchall, G Lloyd, L Fox, R Ward, J Shanahan, R Halford, K. Pilkington, R Lewis, T Frost, P McGhee and A Wells.

LA Officers:

A. Goldsmith (Head of Service)
M Rotheram (Strategic Finance Manager)
C. Myers (Group Finance Manager)
A. Robinson (Business and Finance Manager, Metrofresh)
F. Gore (Clerk)

Observers: Councillor S. Loudon (Cabinet Member for Children and Young People)
S. Fenton (UNISON)
G. Monument (Education Funding Agency)

1. Apologies for absence.

Apologies for absence were received from S. Darbyshire, G Hayes, A Isherwood, T. Warren, S. Wilson, M. Atkins and K Nelson.

2. Welcome to Mr G Monument:

The Chair welcomed Mr G. Monument to the meeting. Mr Monument explained that he was on secondment to the Education Funding Agency and part of the role of the Agency was to visit School Forums to observe their work, identify areas of good practice and, where appropriate, aid discussion. He reported that individual School Forums could invite officers from the Agency to meetings when discussing funding issues or national policy on school funding arrangements.

3. Items for inclusion under AOB - none

4. Minutes of the meeting held on 7th May 2013

The minutes of the meeting held on 7 May 2013 were **AGREED** as a true and correct record.

Matters Arising from the Minutes

4 (i) Secure Cash Collection in Schools (Minute 3 refers):

Mr Rotheram presented a report (circulated prior to the meeting) on the supply of cash collection and cash-in-transit contract. The previous contract with G4S had ended on 11 May, this had been temporarily extended until September in order for the re-tendering process to be completed. Following a competitive tendering exercise G4S would be awarded single preferred status. Wigan was now in the process of entering into a legally binding contract that would initially run for two years with options to extend beyond that date. Work was on-going with Metrofresh to determine the implications of the new pricing arrangements. Details of the

charging arrangements were reported and notice required for changes to collections. Those schools that did not have a contract with Metrofresh would be contacted and informed of the new contract and charges.

Mr Robinson reported that for those schools that had a contract with Metrofresh the increased costs would be absorbed by Metrofresh for 2013-14.

Members commented on the significant increase in the new charges but were reminded that the previously agreed charges had been set in May 2009 and that a competitive tendering process had been completed to ensure the best price and quality of service could be obtained.

It was agreed: That the report be accepted

5. Consultation on the Charging Process for Schools (One Bill System):

Mr Rotheram circulated a report at the meeting informing members that the Council planned to upgrade the Aggresso financial system and there would be a need to also upgrade the One Bill Charging system. Schools had been consulted on their views of the existing system and possible alternative systems. The results of the consultation were reported, responses had been received from 17 schools with the majority of responders expressing a preference to move to individual invoices being raised through the debtor system.

Members commented on problems they had experienced with the One Bill system and that they favoured individual invoices so that schools were better able to track and monitor individual orders.

It was proposed that a communication would be issued to all schools detailing that further to the consultation the intention would be not to upgrade the One bill system but instead revert to issuing debtor bills in line with existing arrangements for Academies.

It was agreed: That the report be accepted and that a communication be sent to all schools detailing the intent to move onto an invoicing system from September 2013.

6. School Balances as at 31 March 2013 and Review of Clawback.

Mr Myers presented a report (circulated prior to the meeting) giving information on the level of school balances as at 31 March 2013, which presently stood at £15,281,678 (compared to £13,569,976 at 31 March 2012). The report gave a detailed analysis of the schools that exceeded the threshold of excess balances as agreed by Wigan and those that exceeded the threshold recommended by the Department for Education.

The information showed a significant growth in the amount of total balances held by schools and the number of schools that exceeded agreed threshold limits.

Members were reminded that the mandatory requirement for Councils to operate a clawback scheme had been removed in April 2011 and that the Forum had agreed (minute 6 June 2012 refers) to end the previously approved clawback scheme.

Members were asked to consider if the Forum wished to re-instate a clawback scheme or to address the issue of excessive school balances in other ways.

Members commented that:

- Academy schools were not subject to clawback and therefore any money returned to the DSG through a clawback arrangement for return to schools should not be re-distributed to academies.
- There was a degree of frustration at some schools where they had traditionally had no balances or very small balances but had benefited from the new Funding Formula only to have these gains scaled back to fund the Minimum Funding Guarantee, in some cases to schools that had significant balances. There should therefore be consideration given to the re-introduction of a clawback arrangement.
- Members were reminded that during the period that clawback arrangements had been in place relatively small amounts had been clawed back. Schools had identified spending proposals for the balances, although they had sometimes not been delivered in the originally planned timeframe.
- There were benefits in holding discussions with those schools with the largest balances to gain an understanding of the reasons for that.
- Some schools had major projects that would take more than one year to deliver and any clawback that failed to recognise this would significantly impact on the ability of schools to make long-term spending plans.
- It was the responsibility of Governors to ensure their school did not have excessive balances and that money was used effectively and efficiently for the benefits of pupils currently attending school.

At the request of members Mr Monument explained the funding arrangements for academy schools and the respective views of the DfE and the Treasury on the balances held by schools nationally. There were a variety of arrangements in place in different Authorities on clawback schemes and the rigour with which clawbacks were pursued. Some schemes and associated review arrangements linked proposed spending with school development plans and school spending plans.

Mr Myers was asked to investigate further the circumstances behind the highest balances and report back. The initial findings would be discussed at the same time as the Forum gave consideration to the method of allocating DSG in 2014-15.

It was agreed: That the review of School Balances and possible review of clawback arrangements be referred to the next meeting of the Funding Sub-Group (Minute 7 below refers).

7. School Funding Reform Review and Changes for 2014-15:

Mr Rotheram presented a report (circulated prior to the meeting) on the outcome of a review by the DfE of the 2013-14 School Funding Reforms (minute 5 May 2013 refers). The report also identified proposed changes in the funding arrangements for 2014-15 in light of the outcome of the review.

The report set out details of the review; Wigan's allocation against comparative national data; and the revised approach in 2014-15 for the following permitted factors :

Pupil Led Funding
Prior Attainment
Deprivation
Looked After Children
English as an Additional Language
Mobility
Sparsity
Lump Sum
Schools with Falling Rolls

Details of the mandatory and optional formula factors in 2014-15 were reported and Appendices to the report gave an analysis of the actual 2013/14 pro forma return.

The DfE had confirmed that in the move towards a national funding formula, the per pupil funding from schools from one year to the next would be protected against significant changes in funding formulae or changes in data not directly related to pupil numbers. As such the MFG would continue to operate in 2014/15 at minus 1.5%.

Through working with their Schools Forum and consulting all schools and academies in their area Local Authorities would be able to re-work their local formula for 2014/15.

Accordingly the Authority would issue a consultation document (a draft of which was circulated at the meeting) to all schools and academies. The responses would be fed back to a meeting of the Schools Forum Funding Sub Group in September. The recommendations of the Sub-Group would then be presented to the Forum in early October.

The timetable for the DSG process would be as follows :

31 October 2013: Local Authorities submit provisional schools budget pro-forma to Education Funding Agency (EFA)
27 November 2013: schools census database closed
16 December 2013: EFA confirms DSG allocations for 2014/15 (prior to recouping of academies funding)
21 January 2014: Local Authorities submit final data for Schools Budget pro-forma
28 February 2014: Local Authorities confirm budget for their maintained schools. EFA confirms academies budgets.

Members commented that:

- Comparative information on how local authorities had allocated the deprivation factor via Free School Meals and IDACI criteria as a method of addressing deprivation would be helpful.
- How had the assessed impact on the revised prior attainment criteria for secondary schools been arrived at. Some further work around the potential

projected increase in numbers for Wigan would be of assistance to discussions at the Funding Subgroup.

- It was important to recognise that whilst Wigan's total spend on pupils with English as an additional language was lower than the national average, the individual element per pupil was above the national average given the relatively lower numbers of impacted pupils within Wigan.
- The Government had made a number of statements about its continued commitment to reducing the performance gap between disadvantaged pupils and non-disadvantaged and this could be reflected in changes in future national funding arrangements, including Pupil Premium funding. However any such changes would not impact in 2014/15 so need not be an immediate matter of concern – although it would go some way to explaining why schools might want to hold higher balances than in previous years.

Mr Rotheram reported that Local Authorities could seek local discretion for exceptional factors where the nature of the school premises gives rise to a significant additional cost. On that basis a request had been received from a school for support in maintaining a hydro-pool. Mr Monument reported that it would be unlikely that such a request would be approved under the present criteria.

Reference was made to schools that had significant numbers of children with SEN and the possibility of them submitting a business case to the Forum for additional funding to reflect these additional costs. Mr Monument reported on the funding arrangements for special needs. Whilst there was provision to provide additional support through the High Needs Block where a particular school had a higher than anticipated number of pupils with special needs, any allocation would have to be met from an equal reduction in the DSG distributed through other formula factors. Members confirmed that there was no provision for schools to submit individual business cases for additional funding.

It was agreed: (1) That the consultation paper now circulated be endorsed and schools be consulted on the School Funding Reforms 2014-15

(2) That the following members be appointed to the Forum Funding Sub-Group, to meet on Tuesday 24 September at 8.30 a.m. at Progress House:

A. Hardy; J. Shanahan; G. Lloyd; P. Dahlstrom; R. Halford; D. Donaldson.

(3) That the clerk notify all members of the Forum of the above meeting with an open invitation to attend if they so wish.

8. Free Early Education for Two Year Olds. .

Ms Goldsmith presented a report (circulated prior to the meeting) reminding members that free nursery entitlement would be extended to the 40% least advantaged 2 year olds from September 2014. Details of the present funding rates were reported and details of the current number of vacancies in Local Authority maintained nursery provision and projected levels of demand for those places.

The proposal gave an opportunity to provide free early education provision for rising 3 year olds in pre-school rather than 2 year old provision.

The report set out the financial implications and risks associated with the recommended approach.

It was agreed: That approval be given, with effect from September 2013, to the funding of free 2 year old places for rising 3 year olds placed in maintained nursery provision at the currently agreed funding rate for 3-4 year olds (£4.90 per hour)

8. Any Other Business - none

9. Dates and time of future meetings.

It was agreed: That the following dates and times of meetings for 2013-14 be approved:

Autumn Term: Thursday 3 October 2013 and Tuesday 26 November 2013

Spring Term: Tuesday 14 January 2014 and Thursday 13 March 2014

Summer Term: Tuesday 6 May 2014 and Thursday 3 July 2014

All meetings to commence at 1.30 p.m. and held at Progress House, Wigan.

Meeting closed at 2.50 p.m.