

Meeting of the Schools Forum
Tuesday 14 January 2014 at 1.30 p.m. at Progress House Wigan

Members: A Hardy (Chair), P Dahlstrom, D. Donaldson, G Lloyd, G Hayes, L Fox, D. Wood, J Shanahan, R Halford, A. Isherwood, T Frost, P McGhee and A Wells.

LA Officers:

A. Goldsmith (Director, Children and Families)
K. Nelson (Head of Education Services)
M Rotheram (Strategic Finance Manager)
C. Myers (Group Finance Manager)
F. Gore (Clerk)

Observers: Cllr S. Loudon (Cabinet Member)
S. Fenton (UNISON)

1. Apologies for absence.

Apologies for absence were received from V Birchall, K. Pilkington, R Lewis, T. Warren, M. Atkins and S. Wilson.

2. Items for inclusion under AOB -

- **Adoption of non-Local Authority HR and other Policies/Procedures - Implications for Schools**
- **VAT Costs to Schools**

3. Minutes

It was agreed: That the minutes of the meeting held on 26th November 2013 be approved as a correct record.

Matters Arising from the Minutes

None.

4. School Funding Formula (SFF) - 2014-15 – Schools Block Fund.2014-15 – Update:

A. Revised DSG Allocation:

Further to Minute 5 of the last meeting Mr Rotheram presented a report (circulated prior to the meeting) informing members that the Forum Secondary School representatives had consulted on options in relation to secondary school prior attainment factors. The representatives had reported that Option 1 (the total sum of money available in 2013-14 be retained in 2014-15) was now the preferred option. As a result of this the Authority had reviewed the position and replicated the approach with regard to the various factors in line with the agreed 2013/14 formula. The revised approach now set the prior attainment primary rate at £1,276 (compared with £1,304 in 2013/14) and the prior attainment secondary factor at £1,288 (compared with £2,744

in 2013/14). The impact of that approach for each school was detailed in Appendix 4B to the report.

The report provided an updated 2013/14 budgetary position using the above methodology when applied to the revised DSG allocations using the October 2013 pupil census data. Due to the overall reduction in pupil numbers Wigan's DSG Schools Block allocation had reduced by £0.253m (from £190.327m in 2013/14 to £190.074m in 2014/15).

In addition the Department for Energy and Climate Change had withdrawn all state funded schools in England from the CRC energy efficiency scheme. As such from April 2014 Local Authorities would no longer be required to administer the CRC energy efficiency scheme for schools. In order to make this removal cost neutral a deduction has been made from the overall DSG, for Wigan this equated to £0.329m. Schools Forum had previously agreed to set aside £0.271m as a centrally retained budget with regard to the carbon reduction commitment, this had now been removed from the centrally retained budget reducing this down to a figure of £0.274m.. The DfE had also agreed to purchase and manage a single national licence for all state funded schools in England with a number of Agencies and the amounts to be deducted from the DSG for the licenses would be received separately:

The DfE had also re-issued the schools funding proforma with revised pupil numbers for each individual school per factor and the impact of changed pupils numbers was shown in Appendix 4B to the current report. It was noted that there were some significant reductions in funding, particularly within the secondary sector as a consequence of reduced pupil numbers and the report set out proposals to address the budget reductions facing a number of schools.

Members discussed the options and the longer term implications of supporting schools with reduced pupil numbers. Members discussed the approach the Authority planned to take in order to ensure that those schools that had planned ahead and budgeted for projected reduced pupil numbers were not disadvantaged in receiving support when compared to those schools that had failed to plan ahead. Members also noted that it had previously agreed that when considering any request for financial support from schools the LA should note the level of balances held and a broad range of other factors.

A member asked how much contingency remained as a result of the decisions taken and it was confirmed that £700k remained available prior to any call on the budget to meet any Early Years Block overspend (see Minute 6 below).

Mrs Goldsmith and Mrs Nelson reported on the factors they would consider when allocating the limited resources available, this would include immediate need at individual schools and the wider locality and longer term needs in light of a projected increase in the school population in some areas of the Borough. It was also noted that not all schools now affected could have foreseen the significant reductions in pupil numbers now reported and could not have planned ahead for such an eventuality.

It was agreed: (1) That Option 1 be adopted for 2014-15, whereby the prior attainment primary rate is set at £1,276 and the prior attainment secondary factor at £1,288.

- (2) That a figure of £0.600m be set aside from the 2012/13 under spend (previously approved to be distributed to schools on a per pupil basis) as a contingency to support those qualifying schools significantly affected by reduced pupil numbers (this £0.600m being over and above the £0.400m previously approved as being de-delegated and allocated to the contingency budget)
- (3) That the Assistant Director of Education be delegated authority to determine applications from schools for funding from the budget now agreed.
- (4) That it be agreed the £0.600m is only for support in 2014/15 and the position be re-evaluated for 2015/16 onwards once the impact of the National Funding Formula and the projected increase in numbers can be better assessed.
- (5) That the Authority identify a list of factors it will consider when determining requests by schools to access this fund and report to a future meeting on the requests received and allocations made.

B. High Needs Block:

Mr Rotheram reported that the DfE were now allowing Local Authorities the flexibility to use their High Needs Block to make additional allocations outside the formula to schools that had a disproportionate number of pupils with high needs. The DfE had detailed a few recommended examples of how other Local Authorities were approaching this issue; these were detailed in Appendix 4C to the report.

The proposal would be to adopt a modified version of the Hackney model with a threshold of 40% above the average level of high needs pupils for each sector as per October 2013 statements as a percentage of total numbers on roll. The effect of this was illustrated within Appendix 4D to the report. It was also proposed to back-date the proposal to September 2013.

Members questioned the long-term viability of adopting the recommended approach in light of likely future pressures on the High Needs Block and more general pressures on schools as discussed at (A) above. Members also discussed the appropriateness of back-dating any additional funding. They expressed a wish to ensure that any additional funding was targeted to those schools in greatest need and in order to do this it would be necessary to adopt an approach similar to that agreed above whereby a range of factors were considered in determining applications for financial support.

A Member asked how schools would know that potential additional funding was available to support High Needs pupils and Mrs Nelson reported that the Authority would write to inform them of the potential funding and process for determination of any applications.

It was agreed: (1) That a sum of £0.400m be set aside from within the 2014/15 High Needs Block to support those schools that have a disproportionate number of pupils with high needs, such funds to be available from 1 April 2014 to 31st March 2015.

(2) That the Assistant Director of Education be delegated authority to determine applications from schools for funding from the funds now agreed.

- (3) That the Authority identify a list of factors it will consider when determining requests by schools to access this fund and report to a future meeting on the requests received and allocations made.

5. School Funding Formula (SFA) - 2014-15 – High Needs Block –Update:

Further to Minute 5 of the last meeting Mr Rotheram presented a report (circulated prior to the meeting) informing members that the Department for Education (DfE) had issued the 2014/15 Dedicated School Grant (DSG) allocations in December 2013 for the High Needs Block. The allocation for Wigan was as follows:

High Needs Block (Schools) - £24.247m
Post 16 Funding Top Up - £0.803m
Total 2014/15 High Needs Block Funding : £25.050m

The allocations were provisional and would be subject to review following the submissions by each Authority of the number of high needs planned places for 2014/15. The DfE had retained some funding nationally to deal with the review of submissions in January and February 2014.

After consultation with the maintained special schools over the number of planned places for 2014/15 and taking into account the current number of actual places taken up, the following numbers had been submitted:

Maintained Special Schools or Special Academies in 2013-14 – 638
Maintained Special Schools or Special Academies in 2014-15 – 685
Pre 16 Planned Places 2014/15 – 553
Post 16 Planned Places 2014/15 -132.

The number of places for Resourced Provision had been set at 52 and for Pupil Referral Units at 193.

Overall Wigan's planned places return contained an increase of 38 pupils from the 2013/14 baseline of 997 to a revised figure for 2014/15 of 1,035. The DfE would confirm the final DSG allocations for high needs pupils in February.

It was agreed: That the report be accepted.

6. School Funding Formula (SFA) - 2014-15 – Early Years Block –Update:

Further to Minute 5 of the last meeting Mr Rotheram presented a report (circulated prior to the meeting) informing members that the Department for Education (DfE) had issued the 2014/15 Dedicated School Grant (DSG) allocations in December 2013 for the Early Needs Block. The allocation for Wigan was: £12,871,227 in 2013-14 and would be £14,241,227 in 2014-15. The 2014/15 allocation was provisional as it was based on pupil numbers from the January 2013 Early Years Census and it would be updated during 2014/15.

The year on year increase in funding for 2014/15 was due to an increased allocation for two year old provision, however this was to be targeted to fund increases in numbers. The DfE had indicated that by September 2014 there would be approximately 1,700 two year olds in Wigan that met the eligibility criteria compared with the estimated figure of 801 for September 2013.

Within the two year old allocation of £4.6m was an amount of £0.501m comprising trajectory funding which was to be used to deliver the required additional capacity. In addition the DfE had allocated £0.567m of capital funding to support 2 year old development.

From April 2013 Local Authorities were required to develop an early years single funding formula (EYSFF) for two year olds. This had been agreed at £4.90 per hour for 2013/14 and there were no proposals to amend this for 2014/15

The EYSFF for three and four year olds had been approved by the Forum in January 2013 at the following rates :Private and Voluntary sector £3.18; Maintained sector £ 3.93; Maintained Nursery schools £ 4.95 and there were no proposals to amend these rates for 2014/15.

The financial monitoring of the Summer term 2013 and the Autumn term 2013 had shown there to be a current overspend of £0.066m across the Early Years Block. There was a balance of £0.032m held from the net underspend accumulated in previous years however there could be an overall shortfall on the Early Years Block which could provide a call on the 2012/13 centrally held underspend. The position would be reviewed in the light of the January 2014 census numbers which would dictate the final DSG allocation.

The projected 2014/15 figure also included a figure of £0.086m in relation to the Minimum Funding Guarantee (MFG) protection afforded to 2 nursery settings in 2013/14. The 2014/15 budgets for the two settings were in the process of being re-calculated which could impact on the level of MFG required.

It was agreed: That the report be accepted.

7. Any Other Business:

7.1 Adoption of non-Local Authority HR and other Policies/Procedures - Implications for Schools

The Chair referred to previous discussions at the Forum regarding the allocation of costs for redundancy and early retirement as well as costs associated with employment tribunals. A question had been raised concerning the approach the Local Authority would take if asked to meet some/all of the associated costs if a school had not adopted the Authority's recommended policies. Members highlighted the possible implications for schools should they decide not to employ the Authority's HR Service and would therefore not receive recommended policies.

Mrs Goldsmith reported that the Authority's stance on such matters would be largely dependant on whether the action being taken was supported by or at the recommendation of the Authority and on the limitations placed on the Authority by the funding regulations. If the school had acted contrary to the advice of the Authority the council would be unlikely to agree to meet any of the associated costs.

Members reported that in some schools insurance cover had been taken out to meet the potential costs of employment tribunals and other employment matters. It was also suggested that even if a school no longer bought into the Authority's HR Service, in maintained schools the Authority retained employer responsibilities.

Mrs Nelson reported that HR were presently preparing a “Fulfilling Statutory Obligations” agreement for schools that would help address some of these issues.

It was agreed: That the report be accepted.

7.2 VAT Costs to Schools

Mr Myers reported on the current arrangements within schools, particularly within aided schools that had financial responsibilities for premises, with regard to a claim-back of VAT monies paid on some projects. VAT paid on any building related project between the values of £2,000 to £10,000 was now recoverable on the basis it could be treated as a revenue item of expenditure.

Mr Myers reported on arrangements in other Local Authorities that could potentially increase the value of the contracts for which VAT could be reclaimed and these were currently under consideration.

It was agreed: That all schools be informed of the VAT arrangements now reported and further investigations be made into the potential for schools to claim back VAT on projects above £10,000.

8 Date of Next Meeting: Tuesday 13 March 2014 at 1.30 p.m. at The Investment Centre, Wigan (members to note venue).

meeting closed at 2.40 p.m.