

CUMBRIAN SCHOOLS FORUM – SCHOOLS’ BUDGET WORKING GROUP

Notes of the Schools’ Budget Working Group held on Tuesday 9 March 2004 at The Morton School, Carlisle.

Present: Mr R Alston, Mr T Hobson, Mr C Rafferty, Mr A Rutter, Mr D Johnston (LEA), Mr A Hodge (LEA). Mrs N Shiels (LEA) was also present.

Apologies: Mr S Bowditch, Mr C Clarke, Mr D Clarke, Ms J Raw, Mr R Rogers.

1. Election of Chair

Mr R Rogers was elected Chair of the Working Group. In his absence Mr A Rutter was appointed as Acting Chair for the meeting.

2. Notes of the Contracts Group

The notes of the meeting of the Contracts Group held on 17 November 2003 had been considered by the Schools Forum on 19 January 2004. They were agreed as an accurate record.

3. Matters Arising

There were no matters arising.

4. Remit of the Group

The suggested remit of the group would be to consider any further issues within the schools budget, with an immediate emphasis on school deficits, capital funding and contracts (especially meals). The suggested remit was drawn from the remits of the two previous groups and was intended to be quite flexible. Despite a concern that the work might be similar to that of the Schools Forum the group agreed the remit as suggested.

5. Supply Teacher List

A draft supply list specification had been drawn up jointly by LEA and CAPITA representatives. The draft specification was considered by the Working Group. There was some discussion regarding payment for medical clearance, CRB and CAPITA admin, but the group agreed that any person on the list must pay for this and that this would be made clear at the outset.

The group felt that the draft specification was satisfactory so A Hodge would confirm with CAPITA that the provision of the supply teacher list could be progressed.

6. School Balances

The Working Group considered a report which reviewed the position of school balances over the last three years and showed the estimated position as at 31 March 2004. The report explained that individual school balances gave some cause for concern. Aggregate surpluses had been reducing and there was a major concern over those schools with deficits. There was increasing pressure from members and also from central government to take a stronger line regarding deficit budgets.

Action

AH

Action

The use of £450k headroom to bring a number of schools' deficit budgets back to 17.5% was discussed. This had caused particular concern amongst some primary colleagues, however, the group were satisfied that it had been necessary in view of central government pressures.

R Alston felt that there would be some merit in looking at those schools with a significant surplus:-

- What were the fundamental differences between one school and another?
- What were the factors that made the difference? How much was spent on staffing? What were the administration costs? How was curriculum organised? etc.

The group agreed that this type of benchmarking could be very useful. The budget proforma now included information regarding teacher numbers, FTE and class organisation, but details regarding non-contact time would also be useful. In order to progress this it was agreed that a report be prepared for the next meeting of the Schools Forum which looked at the type of information required to begin financial benchmarking work.

AH/DJ

Other factors that effect school budgets were discussed such as access to other funding sources and falling rolls. The group also discussed the removal of delegation and what processes would be followed if delegation was removed from school.

The Working Group then agreed to recommend to the Schools Forum that the Scheme of Delegation/Formula be changed to:-

- a) formula fund schools based on the number of pupils registered as at the previous January, ie cease funding on estimated pupils with consequential adjustments in the following year;
- b) consider the removal of bank account facilities from schools with an unapproved deficit.

The Working Group also agreed that:-

- a) they would consider further, at their next meeting, changes to the formula to increase the proportion of funding allocated on factors other than pupils;
- b) the rate of interest charged to schools that had deficit budgets should not be increased and a premium rate should not be charged to those schools where the year and deficit exceeded that in the approved plan;
- c) arrangements should be introduced to ensure that schools planned ahead (at least two years);
- d) a report be prepared for consideration by Schools Forum on 24 May that identified what type of information was required in order to begin work on financial benchmarking.

AH/DJ

AH/DJ

7. <u>Longer Term Budget Planning/Surpluses</u>	<u>Action</u>
<p>A report which summarised the Government's actions to enable schools to more effectively undertake forward budget planning and also encourage schools not to accumulate large balances for non-specific purposes was considered by the Working Group.</p> <p>In discussing the report the point was made that schools quite often build up surpluses for a valid reason, ie as a contribution to a particular project. There was also a little concern regarding the possibility of schools spending a surplus budget rather than "loose" it at the end of a given period. The Working Group then agreed that the Forum and Schools should be consulted on changes to the approved scheme in order for:-</p> <ul style="list-style-type: none"> a) the LEA to provide indicative two/three year budget forecast; b) to set a maximum permitted general reserve to be held by schools of 5% or £20,000 (whichever is the greater); c) the scheme to identify a list of permitted categories of spend for which schools could retain balances in excess of the 5% (or £20,000). 	<p>DJ/AH</p>
<p>8. <u>Further Work</u></p> <p><u>Capital</u> – the Working Group agreed that this issue had been specific to a particular concern raised at an earlier meeting of the Schools Forum and that no further work was required at this stage.</p> <p><u>Other</u> – a number of tasks had already been identified. The group did, however, stress that they were keen to look at producing some decent financial benchmarking.</p>	<p>AH/DJ</p>
<p>9. <u>Date of Next Meeting</u></p> <p>It was agreed that the next meeting of the Budget Working Group would be held on Tuesday 4 May 2004 at 9.30am. In view of the low attendance, the next meeting would be held at a more central venue, eg Penrith or Tebay</p>	<p>NS</p>

Nicola Shiels
Education Directorate
6 April 2004