

## CUMBRIAN SCHOOLS FORUM – SCHOOLS’ BUDGET WORKING GROUP

### Notes of the meeting of the Schools’ Budget Working Group held on Tuesday, 16 May 2006 at Newton Rigg, Penrith

**Present:** Mrs J Baskerville (representing Mrs I Robert-Green, Carlisle Primary), Ms K Forsyth (Bursar, Wyndham School), Mr S Higgs (Bursar, Trinity School), Mr J Howard (Bursar, Queen Elizabeth School), Mr C Kirkup (Eden Secondary), Miss J Marshall (Barrow Primary), Mr D Nattrass (VA Primary Schools), (Mr C Rafferty (Allerdale Primary), Mr A Rutter (Teachers’ Professional Associations), Mr B Thomas (representing Canon Jenkins, CE Diocese), Mr R Waple (Bursar, Ulverston Victoria High), Mr A Hodge (LA), Mr D Johnston (LA), Mr H Slater (LA) and Mrs N Shiels (LA).

**Apologies:** Mr S Bowditch, Mr C Clarke, Ms J Farebrother, Canon D Jenkins, Mrs L Moffatt, Mr M Murphy, Mrs I Roberts-Green, Mr R Rogers

#### 1. Appointment of Chair

Although the meeting was well attended, there were in fact very few actual members of the Forum present. It was therefore agreed that Alan Rutter would act as Chair for this meeting. Nominations for the position of Chair of the group would be invited in advance of the next meeting of the group, as well as at the actual meeting.

#### Action

NS

#### 2. Minutes of the Meeting held on 1 November 2005

The minutes of the meeting of the Schools’ Budgets Working Group held on 1 November 2005 were agreed as an accurate record.

#### 3. Matters Arising

There were no matters arising.

#### 4. Model of School Expenditure

Background – When the current formula had been established, it had been constructed in a way that would maintain the level of funding that schools had been receiving before the introduction of the formula. Since then various additional funding had been allocated to the Local Authority and schools, and in each instance, attempts had been made to target the additional funding appropriately. The formula had never been properly reviewed. Now, with new major issues being introduced such as deprivation and personalised learning, as well as the implications of workforce reform and single status, it had been thought timely to review the current formula.

The previous Schools’ Forum has asked the Schools’ Budgets Working Group to undertake that task. Working with officers, the group had gone back to base principles and had looked at what a school needed to deliver its statutory obligations. The group had arrived at the basic cost of a class. This had been based on a number of assumptions that the group had

eventually agreed after extensive debate and discussion. This had not been a money saving exercise but simply an exercise to trying to improve the current formula.

On 9 November 2005 the previous Chair of the Schools' Budgets Working Group had made a presentation to the full Forum on the work that had been undertaken. The work had been discussed further at a subsequent meeting of the Forum and it had been agreed that the work that had been done had been very valuable. The Forum had also recognised that there was a need for a revised formula, however, the consensus was that the proposals should be investigated further and that the group should continue their work on the revision of the formula. At the first meeting of the newly elected Schools' Forum in January 2006, it was resolved that the Schools' Budget Working Group should continue its research into a model of school expenditure. The aim was to complete the exercise in time to influence the 2008/09 budget.

A report was presented that asked the Working Group to consider the factors in the model of expenditure, confirm that they properly demonstrated school spending, and consider whether any adjustments to the formula budget and transitional arrangements were necessary. The model of school expenditure sought to prove that individual school budgets were sufficient to meet the current requirements.

The model of school expenditure was based on class costs. The school roll was divided by the average class size to create the required number of classes. All classes were funded in full by adding a lump sum to each school equal to the maximum possible number of empty places. Class costs were converted to a cost per pupil plus a lump sum.

The total school spending was assembled by adding other non class costs, for example school meals, to the class costs.

Most of the expenditure was controlled by external factors such as statutory regulations for teachers pay. The working group was asked to consider each of those factors, and then consider the values used to define those factors.

When the working group was satisfied with the model of expenditure it could then consider possible changes to the formula budget and any transitional arrangements.

A worked example of the model and proposed budgets was attached as an illustration.

The group discussed, at length, the key factors and logic upon which the model was based. During the discussion a number of specific queries were raised and these have been addressed in the letter that is attached as an appendix to these notes.

There were some particular discussions about curriculum and class size, the assumed cost of single status, the educational cost of use of a building, falling school rolls, headteachers and federations, how SEN was funded and funding for deprivation.

Throughout the discussions, it was emphasised that this was a model of expenditure, a mechanism to produce a budget, which individual schools would then determine how to spend. The assumptions that were being debated were the building blocks of the model and it was important to reach agreement on these assumptions. The aim, at the end of the process was to have a formula in place that was transparent and justifiable.

The Chair felt that the meeting had properly summed up the work that had been done so far. He explained that, in general, primary schools had been quite comfortable with the work that had been undertaken by the previous working group, however, secondary colleagues had raised some concerns. The previous working group had hoped to have been able to reach some agreement (before Christmas 2005) that would have influenced the 2006/07 budget but this had not been possible.

This did allow much more time to develop the model.

One of the factors that had affected the work of the previous group had been the low attendance at the working group meetings by secondary colleagues. Whilst it was accepted that colleagues had many pressures on their time, it was felt that in order to do this work justice, good and wide ranging attendance at the working group meetings was necessary. The Chair valued the attendance of the school bursars but also felt that regular attendance by secondary colleagues was essential to the process.

This meeting had given a good introduction to the process to colleagues new to the Forum, and had brought the process up to date for those that had been involved since the beginning.

Various revisions to the model that had been identified throughout the discussions would be incorporated and reported back to the next meeting of the group.

HS

#### **5. Review of New School Funding Arrangements**

The DfES intended to review the new school funding arrangements and had circulated to Local Authorities and Chairs of Schools' Forums the terms of reference upon which they intended to base the review. As comments on the terms of reference were invited by 31 May 2006, the Working Group were asked if they had anything that they wished to add.

A report on the actual review would be presented to the Schools' Forum on 20 June 2006.

#### **6. Date of Next Meeting**

The next meeting of the Schools' Forum would be held on 20 June 2006. The Schools' Budget Working Group therefore agreed that they would next meet on Tuesday, 4 July 2006 at 9.30am. Venue to be confirmed.

Date 14 June 2006

Your Ref:  
Our Ref: CSD/P&R/HS/NJS  
Enquiries to: Harry Slater  
Direct Line: 01228 606861  
E-mail: [sharon.sharp@cumbriacc.gov.uk](mailto:sharon.sharp@cumbriacc.gov.uk)



**County Council**

5 Portland Square,  
Carlisle  
Cumbria CA1 1PU  
Tel: (01228) 606060  
Fax: (01228) 606934  
Minicom: (01228)  
606336

Schools' Forum Budget Working Group Members

**Via e-mail**

Dear Colleague

**MODEL OF SCHOOL EXPENDITURE**

I refer to the Schools' Forum Budget Working Group meeting on 16 May.

In response to specific questions raised at the meeting :-

**Headteachers**

1. If there is a full time headteacher in every school, the extra cost would be approximately £9.3m pa compared to the model.
2. Travel plus 6% for training and sickness will add approximately £1.5m pa to the costs of headteachers in the model.
3. Alternatively, the cost of travel training and sickness could be absorbed in the 0.1 FTE per class so that say 0.09 FTE management time was available.

**Federation**

4. If every school with less than 10 classes federates, the increased Headteacher cost is approximately £2.1m pa including extra salary for extra responsibility and travel between sites.
5. If federated schools have a full time deputy in every school with an absent Headteacher the extra cost is approximately £7.5m pa.

### Teachers

6. If the 80% teacher and 20% teaching assistant is replaced by a full time teacher the extra cost is approximately £14.4m pa.

### Administration

7. An increase in salary for administrative staff from scale 2 up to scale 4 would cost approximately an extra £1.2m pa. But point 13 in the model is a reasonable average for all staff.

### Threshold Payments

8. If 10% of teachers are on U1 instead M5 the extra cost is £1.5m pa; on U2 an extra £1.8m pa; on U3 an extra £2.2 m pa, approximately.

### TLRS

9. If 10% of teachers are on TLR1 the extra cost is £2.0m pa; on TLR2 an extra £1.1m pa approximately.

### Grounds Maintenance

10. Currently this is included in the premises costs because the regulations define a ground area per pupil. The model allows an amount per pupil for premises. If the Working Group wanted to add say £5 pa per pupil it would cost £0.36m pa.

### Curriculum Transport

11. Currently this is included in supplies and services on an amount per pupil. As in 10 above, an extra £5 pa per pupil would cost £0.36m pa.

### Practical Lessons

12. It is not necessary to define what is classed as a practical lesson. The model works on a proportion of lessons as practical. An increase in the proportion will reduce the average class size. Every one pupil less in the average class size costs about £6m pa.

I will redraft the model before the next meeting on 4 July.

Yours sincerely

HARRY SLATER  
Policy Manager