



## Wirral Schools Forum

### Agenda supplement

<b>Date:</b>	<b>Wednesday, 21 January 2009</b>
<b>Time:</b>	<b>6.00 pm</b>
<b>Venue:</b>	<b>Council Chamber, Wallasey Town Hall</b>

**Contact Officer:**

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## AGENDA

### 6. SCHOOLS FUNDING 2009/10 - CONSULTATION (Pages 1 - 4)

The responses to the Director's consultation letter to all Headteachers are attached.

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## SCHOOL FUNDING CONSULTATION – 2009/10

A letter was sent to all schools on 9<sup>th</sup> December 2008 highlighting two areas for consultation in relation to funding arrangements for 2009/10 (attached to agenda item).

They are

- increased numbers at the Observatory School and
- change in the methodology for dealing with Excess Balances.

Responses were received from eight schools, their comments are outlined below:

### OBSERVATORY SCHOOL

1. Woodchurch High accepts the proposal.
2. Weatherhead - agreed that funded places should increase by 10 from September 2009.
3. Bebington High - With regard to the funding of the Observatory School, I believe that it is extremely sensible to increase the funding for another 10 places. My only thought, is that sufficient?
4. Rock Ferry High School **would not** be in favour of an increase in numbers for the Observatory School as we make our own provision for our pupils.
5. Brentwood Early Years Centre - fully support proposals to increase admission to the Observatory school.
6. Portland Primary - The Governors support the two items regarding funding arrangements for the next financial year

Two schools did not comment on this item.

### EXCESS BALANCES

1. Woodchurch High accepts the proposal
2. Weatherhead - agree to the changes outlined provided that flexibility is built into balances for capital items.
3. Bebington High - With regard to excess balances, I understand that it is a national directive to make deductions to excess balances; however I have a number of observations:
  - School funding is predicated on a three year cycle, I therefore find it illogical for schools to be subject to a yearly reallocation of funds.
  - **With regard to the excess balances, if a deduction has to be applied the Lancashire scheme appears on the surface to be fair.**
4. Rock Ferry High School would be in favour of the proposed balance control mechanism, with the understanding that our current three year plan is to continue as agreed.

5. Brentwood Early Years Centre - I support the changes to excess balance proposals.
6. Portland Primary - the Governors support the two items regarding funding arrangements for the next financial year.
7. Orrets Meadow - If schools with large excess balances have committed the money for future projects, then they should be allowed to keep it.
8. Thornton Hough School – we feel that the proposed scheme is fairer than the previous one although we do feel that the scheme should allow some flexibility for three year strategic planning.

## Other Comments

- (1) Three of the schools responding expressed concern regarding the interaction of the proposals for Excess Balances and agreed three year plans that required significant carry forward amounts.

### Bebington High

Planning for falling roles is notoriously inaccurate especially at Bebington High Sports College due to the nature of our school having one of the largest, moveable and variable set of feeder schools. For instance this year we have suddenly received a lot of interest from a feeder school that does not usually send students to us – the effect of this at present is unknown. Additionally the uncertainty of the Secondary Review with respect to transfer is an unknown, thereby making planning extremely difficult.

It is vital that before any deductions are made that **NOT** only are standard funds cluster subtracted from the revenue underspend (April to April allocation budget) **BUT ALSO** all monies that are held and administered on behalf of the Local Authority i.e. SSP, Work Related Co-ordinator and admin, Extended schools. (At Bebington High Sports College we currently hold £90,000+ for Extended schools which is unlikely to be spent before April as well as SSP, Competition Manager funding, etc).

That any deductions from school balances must be redistributed for the education of Wirral's students. The reallocation must be subject to an open, fair and agreed formula. It must not be re-distributed to schools with an over spend due to possible poor financial management. This will be extremely difficult to formulate but without it you encourage schools to spend up/over as they may be compensated.

It is my firm belief that this system will undoubtedly lead to schools 'spending up' in order to avoid the deductions. This obviously would not deliver best value.

Interestingly, I believe that the individual schools' underspend is not a major financial burden to the Local Authority. If I am not mistaken last year's total revenue budget underspend for schools was around 5% (figures supplied to me by Mr C Batman). i.e. we are micro managing school budgets when the overall figure is acceptable and desirable financial management. Rather this than the apparent financial mismanagement of other sectors in the Local Authority.

With the introduction of greater accountability for school achievement over the last year i.e. National Challenge, Gaining ground, etc schools are now looking at the reallocation of their revenue. In order to develop a strategic 3 – 5 year improvement plan, schools need to be able to manage their yearly budgets as they seem fit and not to have one eye on the possibility of deductions.

In an ever changing and shifting world of workforce reform, IT and curriculum developments schools need to be able to have revenue underspend in order to respond swiftly to changes. i.e. the change to the KS3 curriculum last year has meant a substantial revenue investment this year which could not have been foreseen last year. We could not have responded sufficiently quickly enough if we had not had money available.

In the case of Bebington High Sports College we did have a reasonable underspend last year (albeit made up of the standards fund clusters, monies held for the LA and restructuring of the staff), however we have already projected our expected revenue balances for the next three years. We will have an under spend this year, followed by break even next year and a substantial overspend in the following year, if our student admissions remain at around 140 and no other unforeseen expenditure arises. If at this stage we are now to be subject to a excess deduction, after setting our budget last year, it would mean redundancies which will have to be financed by the Local Authority (if agreed), which will be greater than the money clawed back from the under spend.

### **Orrets Meadow**

Our Outreach Service lost £40, 000 which seems grossly unfair. If schools suddenly stop our services then we could have serious financial problems.

### **Thornton Hough**

As Governors we are expected by the Local Authority to produce rolling 3 year budget projections and yet financial planning, with savings carried forward a specific reason over 3 years does not seem to be acceptable. There are occasions when a plan is in place and with the proposed scheme and there seems little chance to explain reasons.

When a small school, with a very tight budget, like Thornton Hough has been preparing and strategically planning for an unusual cohort with just 10 pupils leaving in 2009 there does not seem to be any flexibility for the school to prepare for the funding of an extra teacher. We feel that the previous performance, in our case three years of less than 8% carry over should also be taken into consideration.

We would also like clarification as to what will happen after 3 years. Does the 8% of balances in excess of 5 or 8% remain?

- (2) Weatherhead High School also commented on two information items that had been included in the letter.

**Insurance** - concerned about the increase in insurance charges. Is consideration being given for a discount for schools with low claims?

**LSC Funding** - this was noted. Assurances are required in respect of the LA introducing more complex funding arrangements

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