

SCHOOLS FORUM MEETING

WEDNESDAY 8 JULY 2015 at 0800

VENUE: Committee Room 1, City Hall, Bradford

PLEASE NOTE

All meetings will be held in public; the agenda, reports, decision list and minutes will be publicly available on the Council's website and in Committee Secretariat, Room 112, City Hall, Bradford.

The taking of photographs, filming and sound recording of the meeting is allowed except if the Forum Members vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Forum Clerk (asad.shah@bradford.gov.uk, 01274 432280) who will provide guidance and ensure that any necessary arrangements are in place. Those present who are invited to make spoken contributions to the meeting should be aware that they may be filmed or sound recorded.

1. APOLOGIES FOR ABSENCE

The Senior School Funding Officer will report the names of alternate Members who are attending the meeting in place of appointed Members.

2. DISCLOSURES OF INTEREST

To receive disclosures of interests from Members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it only becomes apparent to the member during the meeting.



3. MINUTES OF 20 MAY 2015 & MATTERS ARISING*Minutes***4. MATTERS RAISED BY SCHOOLS**

Members will be asked to consider any issues raised by schools.

5. STANDING ITEM – DSG GROWTH FUND ALLOCATIONS**(i)**

An updated will be provided verbally. There are no new allocations for consideration at this meeting.

Recommended –

The Forum is asked to note and consider the information provided.

(Andrew Redding – 01274 432678)

6. EDUCATION COMMISSIONING BOARD / SCHOOL IMPROVEMENT RESOURCES**(a)**

A progress report will be presented, **Document ES**, which provides further information on the work that has taken place since the last Forum meeting on the establishment of a commissioning framework / governance structure for targeting the Joint Improvement Investment Fund and wider resources for school improvement (including terms of reference of the Education Commissioning Board).

Recommended –

The Schools Forum is asked to consider the detail of the report, including terms of reference.

(Judith Kirk – 01274 385716)

7. UPDATE ON DSG AND FORMULA FUNDING MATTERS**(i)**

The Business Advisor (Schools) will present a report, **Document ET**, which provides an update on the position of Dedicated Schools Grant funding matters.

Recommended –

The Schools Forum is asked to consider and to note the information provided.

(Andrew Redding – 01274 432678)

8. SCHOOL BUDGETS 2015-16 – EMERGING THEMES (i)

The Business Advisor (Schools) will present a report, **Document EU**, which summarises the main themes that have been identified so far in discussions with schools about their 2015-18 budget positions. This report is presented for early information, in anticipation that the Forum will need to further consider these themes in making recommendations on the 2016/17 DSG distribution and formula funding arrangements.

Recommended –

The Schools Forum, at this stage, is asked to consider and to note the information provided.

(Andrew Redding – 01274 432678)

9. SCHOOLS' FINANCIAL VALUE STANDARD (i)

The Business Advisor (Schools) will present a report, **Document EV**, which provides the Forum with an update on the compliance of maintained schools with the Schools' Financial Value Standard (the SFVS) at 31 March 2015.

Recommended –

The Forum is asked to consider & to note the information provided.

(Julie Cousins – 01274 432791)

10. FINANCIAL CLASSIFICATION OF MAINTAINED SCHOOLS 2015/16 (i)

The Business Advisor (Schools) will present a report, **Document EW**, which provides the Forum with a summary of the categorisation of maintained schools within the Local Authority's Financial Classification of Schools for the 2015/16 academic year.

Recommended –

The Forum is asked to consider & to note the information provided.

(Andrew Redding – 01274 432678)

11. SCHOOLS FORUM STANDING ITEMS (i)

Updates on the following Forum standing items will be provided verbally where these have not been covered within other agenda items:

- Update on Single Status
- Update from the Schools Financial Performance Group (SFPG)
- Update from the Early Years Working Group (EYWG)
- Update from the Formula Funding Working Group (FFWG)
- Update on Primary School Places
- Update on Academies & Free Schools

Recommended –

The Forum is asked to note the information provided.

(Andrew Redding – 01274 432678)

12. AOB / FUTURE AGENDA ITEMS

Members will be asked for any additional items of business, for consideration at a future meeting.

13. DATE OF NEXT MEETING

This is the last meeting of the 2014/15 academic year. The dates for meetings for the 2015/16 academic year are set as:

- Wednesday 23 September 2015, 8am
- Wednesday 21 October 2015, 8am
- Wednesday 9 December 2015, 8am
- Wednesday 6 January 2016, 8am
- *Wednesday 13 January 2016, 8am (provisional meeting)*
- Wednesday 16 March 2016, 8am
- Wednesday 18 May 2016, 8am
- Wednesday 6 July 2016, 8am

(a) Denotes an item for action

(i) Denotes an item for information

MINUTES OF THE MEETING OF THE SCHOOLS FORUM HELD ON WEDNESDAY 20 MAY 2015 AT CITY HALL, BRADFORD

Commenced 0806

Concluded 1005

PRESENT**School Members:**

Chris Quinn, Dianne Rowbotham, Dwayne Saxton, Gareth Dawkins, Ian Morrel, Michele Robinson, Nicky Kilvington, Sami Harzallah, Sara Rawnsley, Tahir Jamil, Trevor Loft,

Nominated Sub:

Irene Docherty

Local Authority Officers:

Andrew Redding	Business Advisor (Schools)
Dawn Haigh	Principal School Finance Officer
Judith Kirk	Interim Assistant Director, Education and School Improvement
Linda Mason	Interim Assistant Director, Access and Inclusion
Michael Jameson	Strategic Director, Children's Services
Raj Singh	Business Advisor
Terry Davies	Interim Assistant Director, Client Services

Observers:

Adnan Bashir	Dixons Academies Trust
Councillor Sykes	Children's Services Overview and Scrutiny Committee, Chair
Lynn Murphy	Business Manager, Feversham College

Apologies:

Bev George, Emma Ockerby, Ian Murch, Kevin Holland, Michael Walsh, Nigel Cooper, Paul Burlaux, Phil Travis, Ray Tate, Stuart McKinnon-Evans (Director of Finance) and Sue Haithwaite.

DIANNE ROWBOTHAM IN THE CHAIR**57. DISCLOSURES OF INTEREST**

There were no disclosures of interest for matters under consideration.

58. MINUTES OF 11 MARCH 2015 AND MATTERS ARISING

Report on progress made on "Action" items. The Business Advisor (Schools) reported that:



- **Schools Forum members – Vice Chair (item 49 page 44):** The nominations process as agreed has been completed. One nomination, for Dianne Rowbotham, was received and Dianne has been re-elected as Vice Chair of the Forum for 2015.
- **Cost Pressures within School and Academy Budgets (item 50 page 46):**
 - Members were reminded about the question that was asked at the last meeting about the possible differences in impact on future education funding of the stances being taken by the different Political Parties. The Business Advisor (Schools) explained that we are now awaiting further information, possibly in the additional July Budget announcement, on what the election result will mean for future education funding. It was reported that the Institute of Fiscal Studies carried out an analysis, based on Party announcements, at the end of March. The gist of this analysis was that, irrespective of the Political Party in power, plans could all imply school spending per pupil falling by about 7% in real terms over the lifetime of the new parliament or by up to 12% if some specific school cost increases are included.
 - The requested letter was sent to all schools and academies and was also placed on Bradford Schools Online. From conversations School Funding Team has subsequently had with school colleagues, this letter has served its purpose in raising awareness of the key messages.
 - It was reported that discussions on pooling strategies, procurement guidance, and deficit management are on-going. The possibility of developing financial awareness sessions for headteachers is also being explored.
 - The Authority now has an initial view of the outlook of school budgets over 2015-18. Initial triage suggests that, although most schools have in year deficits, the position on the surface is perhaps not as bad as might have been feared; up to 10 schools initially do not balance their budgets cumulatively in 2015/16; a further 20 in 2016/17; a further 20 in 2017/18. School Funding Team is already working closely with these priority schools. It is very evident that schools are taking action to balance their budgets in planned and stable way.
- **ASD Provision Strategic Review (item 51 page 47):** It was reported that this matter is on this meeting's agenda under item 10.
- **Update on DSG Matters from 7 January Meeting (item 52 page 47):** It was reported that:
 - The Forum's recommendations on this item were being actioned.
 - The use of the DSG for an RCCO for 2 year old places schemes is on this meeting's agenda under item 9.
 - Consultation to establish the 2 new resourced provisions was proceeding.
 - An update on the position of behaviour reviews is included on this meeting's agenda under item 6.

c) Other matters arising: The Business Advisor (Schools) explained that the Education Funding Agency's good practice guidance on Schools Forums has been refreshed and recently re-published and that Members have received this alongside the meeting papers. Of particular use to Members are the 2 tables, which outline the powers of the Forum and how membership should be constructed.

Resolved –

That the minutes of the meeting held on 11 March 2015 be signed as a correct

record.

ACTION: *Assistant City Solicitor*

59. MATTERS RAISED BY SCHOOLS

There were no matters raised by schools to report.

No resolution was passed on this item.

60. STANDING ITEM – DSG GROWTH FUND ALLOCATIONS

Members were asked to consider, in **Document EL**, newly proposed allocations to schools and academies from the established DSG Growth Fund in 2015/16.

Resolved –

That the proposed Growth Fund allocations, as shown in Document EL, be approved.

Action: *Business Advisor (Schools)*

61. UPDATE ON DEDICATED SCHOOLS GRANT AND FUNDING MATTERS 2015/16

The Business Advisor (Schools) presented a report, **Document EM**, which provided an update on the position of Dedicated Schools Grant funding matters. Appendix 1 set out a proposal for a commissioning framework / governance structure for targeting resources to school improvement (including the Joint Improvement Investment Fund). This element was the main discussion item. Members were asked for their initial comments on the proposed governance structure outlined in Appendix 1, understanding that this will be a major agenda item in July.

In presenting Appendix 1, the Interim Assistant Director, School Improvement, emphasised that the proposed governance structure has been developed to ensure clear accountability for how monies are used in support of school improvement, in line with the step change to a sector-led improvement model. The Strategic Director, Children's Services, reinforced this shift in stance. He expressed a desire for this shift to progress at a quicker pace; for the terms of reference for the Commissioning Board to be in place so that these could be presented to the Forum in July, with an outline of possible projects to be taken forward through the Joint Improvement Investment Fund. The Forum agreed that the Interim Assistant Director should take this forward as an immediate priority, for presentation back to the July meeting. The Chair of the Children's Services Scrutiny Committee, in attendance at the meeting, requested that the Committee has some involvement in how school improvement resources are used. The Strategic Director, Children's Services, agreed to discuss this request further with him.

The Interim Assistant Director, Access and Inclusion, outlined the current position of the reviews of behaviour support services, explaining that she has initiated a fresh holistic review, recognising the amount of money spent in this area, the existence of some gaps in

our provisions and in limitations in how responsive our existing provisions are in meeting pupil-need. In explaining why an action plan for the use of the one off monies is to be presented to the next meeting, rather than at this meeting, a Member gave an update on the work that is progressing quickly within the BACS Strategic Group. Members understood the importance however, of getting this review work right, rather than simply spending one off monies for the sake of doing so. The Vice Chair added that, from her research, her immediate concerns about potential blockages in the system of referrals to the Primary Behaviour Centres have been allayed. The Strategic Director, Children's Services gave his support to these reviews, recognising the time that is required to get provision right and also recognising the need for effective and sensitive communication and engagement.

A Member asked how progress on the review of support provisions for new to English new arrivals is being brought into these structures and how this will be presented back to the Forum. The Interim Assistant Directors agreed to bring an update to the next Forum meeting.

Resolved –

- (1) That the contents of Document EM be noted.**
- (2) That the proposals outlined in Document EM regarding the establishment of a commissioning framework / governance structure for targeting resources for school improvement be taken forward as a priority, so that the terms of reference for the Education Commissioning Board can be agreed, and initial discussions on how the Joint Improvement Investment Fund can be targeted take place, with stakeholder representatives as soon as possible and before the July Schools Forum meeting. That a progress report be brought back to the Schools Forum in July 2015, which includes initial feedback on how the Joint Improvement Investment Fund can be targeted to priority areas.**
- (3) That an action plan on the targeting of the £600,000 one off monies for behaviour support, together with an update on the development of the District's behaviour strategy, be presented to the Forum at the next meeting.**
- (4) That a more detailed report on the development of support for new arrivals and new to English pupils be presented to the Forum at the next meeting.**

Action: *Interim Assistant Director, Education and School Improvement*
Interim Assistant Director, Access and Inclusion

62. SCHOOLS' OUTTURN (REVENUE BALANCES) 2014/15

The Business Advisor (Schools) presented a report, **Document EQ**, which showed Members the position of revenue balances held by maintained schools at 31 March 2015 and identified key themes. The report provided initial information on schools' reporting of surplus balances. The Business Advisor also verbally explained the update to the analysis, which continues to show a lack of strong correlation between the sizes of balances and the characteristics of schools and pupils. The Business Advisor however, did indicate to the Forum that this analysis does suggest that the Authority's revised approach to the control of surpluses has had an impact on balances during 2014. The analysis also suggests that the secondary sector is coming under financial stress and the Forum must keep a close eye on this.

In a discussion about the size of balances held by expanding schools, a Member asked the Forum to be aware of the hidden costs to schools that have had capital works, some of these costs not being clearly identified until late in the project. The Assistant Director, Client Services, explained that cost analysis is becoming more robust but that the Council is working to better identifying for schools the additional costs that will fall to the school's delegated budget.

A Member asked whether the DfE has any intention of allowing schools to convert capital resources for revenue spending, as one of the support mechanism for enabling schools to manage tighter financial times. The Business Advisor (Schools) responded to say that this is not something that has yet been published, but that the question would be put to the DfE.

Resolved –

That the contents of Document EQ be noted.

63. THE IMPLEMENTATION OF A LIVING WAGE IN SCHOOLS

A report was presented, **Document EN**, which asked for the Schools Forum to provide feedback to Council on the proposal to seek to implement a living wage in schools. The Council's Pay and rewards Manager was in attendance to support consideration of this item. The report asked Members to give feedback under 3 areas, (a) support (or otherwise) for the policy and specific considerations for the Executive on the policy itself; (b) whether wider consultation should take place (timescales for this will be very short); and, (c) what support / guidance the Council should provide.

In summary, Members gave a generally positive view that a living wage is morally right. Members understood the difference between the Council's proposal and the adoption of the Living Wage Charter. However, Members expressed concerns around how the proposal is to be implemented and the potential for, as yet, un-costed / un-clarified knock on consequences. A significant concern was expressed about the timescale that the Forum and schools and other providers have been given to consider this matter. Members asked why the timescale is so short. Members did not feel able to respond on behalf of colleagues without wider discussions. Members asked that the views of stakeholders be canvassed, including the dioceses and the governor forums, as these will be directly affected by the Council's policy.

Members also made the following specific comments:

- At this point, the full extent of the cost implications is not clear. This needs to be worked through and presented in order for the Forum to assess the impact on individual schools and providers and what support may need to be provided.
- The cost implications on schools and on other education providers need to be assessed in the context of the circa 12% real terms reduction in budgets over the next 5 years. The financial pressures on schools and academies and other providers are already significant. A living wage will add to these pressures. There is a need for the Council to obtain legal advice on the possibility of the contestation of redundancies that may result from increasing cost pressures on school budgets.
- This policy will create further complications following on from the new pay and grading structure that has recently been implemented in schools. These complications will be unsettling for staff and school leaders.

- Schools are concerned about potential knock-on complications of differentials in the recently implemented pay and grading structure and the potential for additional costs. It was explained that there are options for how the policy implemented and its implications in this area. The Council is not intending to change the existing grading hierarchy.
- There will need to be clear advice, guidance and support on all aspects of implementation.

Resolved –

- (1) **That wider consultation, takes place, by letter and through Bradford Schools Online, in time for feedback from this to be included in the report to the Executive’s meeting in June.**
- (2) **That this matter is presented to the governor forums.**
- (3) **That a more detailed impact assessment for individual schools and settings is completed for the Schools Forum to consider.**

Action: *Pay and Rewards Manager
Business Manager (Schools)*

64. 2 YEAR OLD PLACES CAPITAL SCHEMES

The Business Advisor (Schools) presented a report, **Document EO**, which asked the Schools Forum to consider the 2 year old places capital resources position and to agree to a request to the Secretary of State for the allocation of £430,000 of the one off monies that have been set aside by members.

Resolved –

That the proposal to approach the Secretary of State for approval for £430,000 of DSG monies in 2015/16 to be allocated as a one off revenue contribution to capital to support the further development of 2 year old places capacity, as detailed in Document EO, be approved.

Action: *Business Advisor (Schools)*

65. ASD PROVISION STRATEGIC REVIEW

A report was presented, **Document EP**, which provided the Schools Forum with an update on the development of the District’s strategy in response to the forecasted future growth in children presenting with ASD needs. The report asked the Forum to initially consider the cost appraisal on the main options being developed by the Working Group. In presenting this update, the SEN Planning and Project Manager stressed that the Group has asked for wider consultation now to take place with stakeholders on the development of provision, and that this was a key next step.

In responding to this report, Forum Members made the following comments:

- The needs of pupils should drive the strategy.

- That wider consultation is crucial and that the Authority needs to think carefully about how it consults effectively with parents, guardians and carers about their preferences (as these preferences may largely determine how provision needs to be delivered in the future).
- That the strategy and consultation has to seriously consider the development of a 'hybrid' model, where additional provision is delivered through the establishment of a new school / academy / free school but also additional resourced provisions that are dispersed across the District. Although a single stand-alone school may be the most cost effective model (though there would be transport costs to consider), a hybrid model is likely to be the reality of what will be required.
- That there is an opportunity to consider the development of a regional response. This is especially important in considering the possibility of the establishment of a new free school, which will have financial advantage to the District (in terms of capital set up costs and post opening budget support) but which may not provide the full solution and may not enable the Authority to fully control how it meets growing need (as the Authority is not the admissions body for a free school).
- That the Forum would like a detailed update on the outcomes of consultation early in the autumn term.

Resolved –

- (1) **That Document EP be welcomed and noted.**
- (2) **That a further detailed progress report, which incorporates the outcomes of the wider consultation that will now take place (as outlined in Document EP) be brought to the Schools Forum early in the autumn term.**

Action: *SEN Planning and Project Manager*

66. UPDATE ON SCHOOL CATERING AND CLEANING ADM

A report was tabled, **Document ER**, which updated members on the progress of the development of a new management model for the future delivery of school meals, cleaning and caretaking services.

A Member asked that the Council's Service considers how it can help schools to meet the Ofsted criteria relating to food quality. The Interim Assistant Director, Client Services, agreed to look into this further.

Resolved –

- (1) **That the update (Document ER) be noted.**
- (2) **That the Service be asked to consider how it can help schools to meet the Ofsted criteria relating to food quality.**

Action: *Interim Assistant Director, Client Services, Children's Services*

67. OTHER SCHOOLS FORUM STANDING ITEMS

There were no further updates on the Forum standing items.

No resolution was passed on this item.

68. ANY OTHER BUSINESS

No additional items of business for consideration were tabled.

No resolution was passed on this item.

69. DATE OF NEXT MEETING

The next meeting of the Schools Forum is Wednesday 8 July 2015.

Note: These minutes are subject to approval as a correct record at the next meeting of the Forum.

minutes\SF20May Draft Version

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER

Report of the Director of Human Resources to the meeting of Executive to be held on 23rd June 2015

C

Subject:

Implementation of a living wage.

Summary statement:

This report provides details of the financial and human resource implications of implementing a living wage.

Suzanne Dunkley
Director of Human Resources

Portfolio: Councillor Green

Corporate

Report Contact: Michelle Moverley,
Head of Strategic Human Resources
Phone: (01274) 437883
E-mail: michelle.moverley@bradford.gov.uk

Overview & Scrutiny Area:

Corporate



1. SUMMARY

- 1.1 At the full Council meeting on 26th February 2015, the Council resolved to implement the current level of living wage for non-schools Council employees from mid 2015-16.
- 1.2 This report provides details of the financial and human resource implications of introducing a living wage as part of its commitment to the regional lower paid workers charter '*No Silver Bullet: Doing More to Support our Lower Paid Workers*' which the Council signed up to in March 2015.
- 1.3 This will contribute to the Council's key priority of 'Better skills, more good jobs and a growing economy' which is also one of the six New Deal programme workstreams and is underpinned by one of the principles of the New Deal programme of 'Reducing Inequality and Tackling Poverty.'

2. BACKGROUND

- 2.1 The Living Wage Campaign was launched in 2001. The current rate (from November 2014) stands at £7.85 per hour (outside of London) and is based on an estimate of the costs of a socially acceptable minimum standard of living for a range of household types.
- 2.2 The benefits for employers have been clearly identified. Research from the Living Wage Foundation reports the following (average) benefits:
 - Staff absences dropped by 25%
 - Better customer service, fewer complaints and enhanced loyalty
 - 80% of the workforce believe it has improved their performance
 - Staff turnover dropping to 1% from 4%
 - 80% of employers feel their staff delivered better quality of work
 - Improved awareness of customers viewing the organisation as an ethical one
- 2.3 Other research routinely mentions improved morale due to improved work life balance from not having to take on additional work to enjoy a basic standard of living. It has also been argued that lower paid workers tend to spend a greater proportion of their income in local shops and on local services than wealthier people, thus providing an important stimulus to the local economy.
- 2.4 A report was presented to Corporate Overview and Scrutiny Committee in October 2013 on the implications for Bradford Council becoming a Living Wage employer and at that time the Council decided not to proceed.
- 2.5 An LGA survey shows that 115 local authorities have now implemented the living wage, with a further 13 having made a firm commitment to implement it by a specific date.
- 2.6 In March 2015 the West Yorkshire Combined Authority Lower Paid Workers Group produced a report and a Lower Paid Workers Charter to which the 5 West Yorkshire Councils (Bradford, Calderdale, Kirklees, Leeds, and Wakefield) and York Council

have given their backing.

- 2.7 The charter contains 10 recommendations, one of which is the introduction of the current level of living wage.
- 2.8 The Council has not committed to become an accredited Living Wage employer as there are considerable other implications and costs. However, the Council will keep this under review.
- 2.9 Regionally, Barnsley, Calderdale, Doncaster, North East Lincolnshire, Rotherham, Scarborough, Sheffield, Wakefield and York currently pay a living wage. A regional summary of how this has been implemented is set out in Appendix 1.

3. OTHER CONSIDERATIONS

- 3.1 The Council has committed to the implementation of the current living wage for non-schools Council staff from mid 2015-16 allowing time for consultation with staff and trade unions about implementation.
- 3.2 This does not commit the Council to pay any future increase to the current living wage or to make any increases to it as a result of any future national NJC pay awards and such decisions will be considered in future annual budget processes.
- 3.3 The Council currently employs 2,188 non schools employees (933 FTE) who are paid below the current living wage level of £7.85 per hour of which 90% are part time, 79% are female and 30% are Black Minority Ethnic (BME). The affected employees are in Pay Bands 1, 2, 3 and the first point of Band 4 (SCP5 to 10) whose hourly rates (as at 1st October 2015) range from £7.06 to £7.43 per hour.
- 3.4 The types of jobs affected are for example Cleaner; Escort; Driver; Kitchen Assistant; School Crossing Patrol; Domestic; Street Scene Operative.
- 3.5 Regionally, most Councils that have introduced a living wage have paid a non consolidated supplement based on the difference between the basic pay for plain time hours and the living wage rate. Any premium and enhanced payments such as overtime and weekend working are not based on the living wage rate but are calculated using the existing hourly rate of pay, as payments for overtime and weekend working already exceed the living wage rate.

Some Councils have paid the supplement as a temporary supplement that can be removed at a future date and have also not committed to any future increases.

The LGA guidance and survey of Councils shows that payment of a supplement is the most common method of implementation with 35% paying a non consolidated supplement and 34% not using the living wage rate of pay to calculate premium and enhanced payments.

- 3.6 Paying a non consolidated supplement has the advantage of not increasing the costs of premium and enhanced payments and not committing the Council to incur those costs in future if the Council decides to increase the current level of living wage.

The supplement will be paid for annual leave, sickness and other paid leave of absence and will be pensionable.

- 3.7 A supplement also has the important advantage that the current pay and grading hierarchy of NJC job evaluations agreed through a collective agreement introduced in 2012 is not affected as this should not be changed without a more detailed review of all the implications.

- 3.8 Further consideration needs to be given to the issue of pay differentials for some supervisors of employees affected, especially in FM Catering and Cleaning. However, there are no proposals on this issue in this report because this would affect the hierarchy of NJC job evaluations with the potential for other knock-on implications and for equal pay issues. Therefore, the roles of supervisory employees may need to be reviewed and further more detailed consideration of the impacts and options should be considered.

- 3.9 Consideration needs to be given to the payment to casual workers. The cost of paying casual workers was not set aside in the budget provision for implementation as they are not directly employed by the Council. However, it has been the Council's previous practice to pay casual workers the same basic rate of pay as employees in the jobs covered. Casual workers can bring equal pay claims, as the definition of "employed" in the Equality Act 2010 covers persons contracted personally to do work as well as those employed under a contract of employment. Such claims are most likely to be made where they can demonstrate there is a stable 'employment' relationship from a series of short term assignments.

- 3.10 There are currently 48 Apprenticeships and these are not included as they are engaged on different arrangements. The length of the apprenticeships varies. They are paid a percentage of the job evaluated hourly rate for the job in recognition of the fact that they are being trained and therefore not undertaking the full duties and responsibilities of the job. The Councils apprenticeship scheme was revised in 2012.

There are 8 apprentices already paid in excess of the living wage due to the level of job being trained for. Most others commence on pay of SCP10 and progress to SCP11 in year 2 of their training, for which the full hourly rate is in excess of the current level of living wage. If changes to these pay arrangements are to be considered there would need to be a more detailed review of all the current apprentice arrangements before a decision is taken.

- 3.11 The Agency Workers Regulations 2010 provide that, after completion of a 12-week qualifying period, all agency workers are entitled to the same "basic working and employment conditions" that they would have been entitled to had they been recruited directly as employees.

- 3.12 There are currently 1,740 (502 FTE) employees under the management of schools who are employees of the Council and who are also paid below the current living wage rate. The issue was first raised in the Schools Forum in March and in a letter to Schools outlining future budget pressures. The issue was discussed at Schools Forum on 20 May 2015 and the Forum decided to conduct a consultation with schools. Whilst some schools were providing for this in their budgets, there will be financial pressure on others. The decision of the Forum and the summary feedback from schools is included in Appendix 2.

It is not envisaged that the increased costs of catering and cleaning contracts provided to schools by the Council will be passed on to schools in year.

- 3.13 There could be a potential impact of paying a living wage on employees in receipt of benefits or tax credits. Some studies have shown that the vast majority of employees will be better off or stay the same but this will be down to individual circumstances. Employees will be advised to contact their benefits provider to review their personal circumstances, but employees cannot opt out of receiving the additional payment if this adversely impacts on their benefits and overall income. However, the additional payment may lift some employees out of reliance on benefits and may also cushion or negate the impact of any future benefit changes by the government.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 Central budget provision of £800,000 in 2015/16 and £1.6m in 2016/17 (full year effect) has been allocated for the implementation of the current level of living wage for non schools Council employees. This is sufficient funding to cover the cost of a non consolidated supplement based on plain time hourly rates of pay.
- 4.2 Based on the level of casual hours worked last year, if the current level of living wage was paid to casual workers, the additional cost in a full year is estimated to be in the region of £400,000 (including on-costs.) Whilst the part year cost in 2015/16 could be met from either the base contingency budget or unallocated reserves, the full year cost in 2016/17 will need to be addressed as part of the 2016/17 budget process.
- 4.3 Further costs may result from the review of certain supervisory roles but the options require further consideration.
- 4.4 Paying a non consolidated supplement would not result in any additional costs relating to premium and enhanced payments in this year or future years (see paragraph 5.2 below).
- 4.5 Consideration of future increases will be undertaken as part of the annual budget process.

5. RISK MANAGEMENT

- 5.1 Whilst managed by the relevant schools' Governing Bodies, employees of Voluntary Controlled and Community Schools have contracts of employment with the Council

and are employed under NJC terms and conditions which are applicable to the majority of Council employees affected. Such schools-based employees are entitled to use centrally employed employees as comparators in claims for equal pay, which means that if a similar measure is not implemented in those schools, an obvious risk of equal pay claims is created.

- 5.2 Implementing a living wage by the payment of a supplement limits the additional costs of premium payments which are already paid in excess of the current level of living wage. This also allows the Council to consider future increases in plain time hourly rates again without incurring additional costs of premium payments, which will ensure that any resources for future increases can be targeted to those employees being paid the lowest hourly rate.
- 5.3 The financial risks of future affordability, including in schools, will be considered through the annual budget process.
- 5.4 The risks associated with implementation are minimised by the recommended method of implementation.

6. LEGAL APPRAISAL

The legal implications are outlined in the body of the report.

The advisable option for implementation is as recommended.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

The workforce profile for the employees affected is attached at Appendix 3.

An Equality Impact Assessment has been undertaken and is attached at Appendix 4.

7.2 SUSTAINABILITY IMPLICATIONS

Not applicable.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Not applicable.

7.4 COMMUNITY SAFETY IMPLICATIONS

Not applicable.

7.5 HUMAN RIGHTS ACT

None arising from this report.

7.6 TRADE UNION

Initial Trade Union consultation meetings took place on 14th and 28th May.

Unison, GMB and UCATT commented as follows:-

“The Joint Trade Unions (UNISON, GMB, UCATT) welcome the commitment to move toward the implementation of a fully accredited living wage employer. We would hope that the Authority applies the payment consistently to employees and apprentices, as it sends a clear message that there is a willingness to address the issue of low pay.”

Unite have commented as follows:-

“The Local Government trade unions nationally (Unite, GMB and Unison) are campaigning nationally to end poverty pay in local government. As Unions we want it to be agreed with us as the living wage currently set at £7.85 is the lowest rate in local government.

Unite expect the spirit of the "No Silver Bullets" report to be implemented and the National Living Wage currently set at £7.85 to be implemented from September and increased in line with the national annual review.

The decision by Executive and Full Council in the 2015/16 budget process to move towards paying the living wage would lift approx 2,000 employees out of working poverty. Evidence shows that these workers will spend over 50% of their earnings within the local community which supports the Council's regeneration plans for the city.

The proposal put forward by Officers will effectively put those same workers back in the working poverty trap within 2 to 3 years and damaging the regeneration of this city.

Those very same workers face the prospect of receiving no pay awards until their normal rate equals or passes £7.85. That is unacceptable they could have to wait in excess of 5 years for a pay rise. The living wage set at £7.85ph was set as the minimum required to confront inequality, falling incomes and the impact of poverty on children and vulnerable groups with the hope of building social inclusion and promoting wellbeing and self worth.

Officer's proposals fail to achieve this, they are asking the very same people to fund their own increase.”

7.7 WARD IMPLICATIONS

Not applicable.

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

9.1 Pay the current level of living wage as a non-consolidated supplement

Implement a non consolidated payment for plain time weekly hours up to 37 per week with all hours in excess of 37 per week being excluded. All premium and enhanced payments will be calculated using existing hourly rates and not the living wage rate. The supplement will be paid for annual leave, sickness and other paid leave of absence and will be pensionable.

This maintains the current agreed pay and grading structure.

This is the most appropriate method of implementation.

The supplement could be paid on a temporary basis so that the Council has the right to withdraw the payment in future. However, this would introduce the uncertainty of a future pay cut and may negate against some of the benefits of implementation.

9.2 Pay the current level of living wage as a contractual hourly rate

Implement the current level of living wage as a contractual hourly rate which would be used for the calculation of all premium and enhanced payments.

This would effectively remove the lowest 3 pay bands of the current agreed pay & grading structure.

10. RECOMMENDATIONS

Recommended:

- 10.1 That option 9.1 is implemented. It is not recommended that the supplement is paid on a temporary basis.
- 10.2 That a review of the impact on supervisory roles should be undertaken.
- 10.3 That the supplement should also be paid to casual workers.
- 10.4 That apprenticeships are excluded.

11. APPENDICES

Appendix 1 - Summary of implementation in other Councils within the region

Appendix 2 – Summary feedback from Schools

Appendix 3 - Workforce profile of employees affected

Appendix 4 - Equality Impact Assessment

12. BACKGROUND DOCUMENTS

- 'NO SILVER BULLET': Doing More to Support our Lower Paid Workers; Final Report of the Lower Paid Workers Group, March 2015
- LGA Guidance on the Living Wage, 20 November 2013
- LGA Survey of local authorities as at 2013

APPENDIX 1

LIVING WAGE – REGIONAL LOCAL AUTHORITY SUMMARY

Local Authority	Date	Temporary Supplement	Future Increases	Casual Workers Paid	Number of staff affected	Financial Cost	Schools
Kirklees	1 April 2015	New hourly rate Used to calculate enhancements	Subject to annual budget decision	Yes	2,100	£1.1m	Yes
Wakefield	1 April 2014	Yes Not used to calculate enhancements	Subject to annual budget decision	Yes	965	£715K	School decision. Community Schools have adopted.
Calderdale	1 April 2014	Yes Not used to calculate enhancements	Subject to annual budget decision	No	237	£200K	School decision - 62 have 34 have not as at Dec 14
York	1 April 2013	Yes Not used to calculate enhancements	Subject to annual budget decision	No	573	£338k	School decision – Community Schools encouraged to adopt
Leeds	Proposed 1 April 2016	N/A	N/A	N/A	N/A	N/A	N/A
Doncaster	1 April 2014	New hourly rate Used to calculate enhancements Moved away from national pay spine. Collective Agreement	November Living Wage Rates are Implemented 1 April following	Yes	1800	£480K	Yes- Community Schools tied in via Collective Agreement
North East Lincs	1 April 2014	No Information	No information	Yes	75	£99K	School decision
Sheffield	1 Jan 2013	Yes Not used to calculate enhancements.	Subject to annual budget decision	Yes	257	£134K	Yes – Community schools tied in via collective agreement
Scarborough	1 July 2013	Yes Not used to calculate enhancements	Subject to annual budget decision	Yes (Seasonal Workers)	80 (includes 38 Seasonal)	£32K	N/A
Barnsley	1 Oct 2013	Yes LW rate used for enhancements	Subject to annual budget decision	Yes	94	£35K	Yes – community schools
Rotherham	1 Oct 2014	Yes Not used to calculate enhancements	Subject to annual budget decision	Yes	1,481	£950K	School decision Community schools have adopted

SUMMARY FEEDBACK FROM SCHOOLS

The decision of the Schools Forum held on Wednesday 20 May 2015 was as follows:-

5. THE IMPLEMENTATION OF A LIVING WAGE IN SCHOOLS

Resolved –

(1) That wider consultation takes place by letter and through Bradford Schools Online, in time for feedback from this to be included in the report to the Executive's meeting in June.

(2) That this matter is presented to the governor forums.

(3) That a more detailed impact assessment for individual schools and settings is completed for the Schools Forum to consider.

Summary feedback as at 8th June 2015

There was a general positive view at the Schools Forum and from schools that responded that this was morally the right thing to do.

However, the following issues have been raised at the Schools Forum and from Schools who have been able to respond.

- Concern about the timescale that schools have been given to consider this matter.
- That the views of wider stakeholders need to be canvassed – including the diocese and academies and other providers. These providers will be directly affected by a Council policy.
- At this point, the full extent of the cost implications is not clear and need to be worked up to assess the impact on individual schools and providers.
- The cost implications on schools need to be seen in the context of the circa 12% real terms reduction in budgets over the next 5 years. The financial pressures on schools and academies and other providers are significant. A living wage will add to these pressures.
- This will create further complications following on from the new pay and grading structure that has recently been implemented in schools, which is unsettling for staff and school leaders.
- Concerns about potential knock-on complications of differentials in the recently implemented pay and grading structure and the potential for additional costs.
- There will need to be clear advice, guidance and support on all aspects of implementation.

(It should be noted that the timing of the consultation meant that schools were closed for some or all of the period of consultation and so there have been limited responses.)

APPENDIX 3

Workforce Profile of Non-Schools Employees affected

Analysis by Pay Band

Pay Band	No of Employees	Percentage
Band 1 - 2	1186	54.2%
Band 3 - 4	992	45.3%
Band 5 - 6	10	0.5%
Total	2188	100%

Analysis by Gender

Gender	No of Employees	Percentage	Council-wide
Female	1722	78.7%	65.3%
Male	466	21.3%	34.7%
Total	2188	100%	100%

Full time / part time breakdown

FT/PT	No of Employees	Percentage	Council-wide
Part time	1962	89.7%	33.4%
Full time	226	10.3%	66.6%
Total	2188	100%	100%

Analysis by Ethnicity

Ethnicity	No of Employees	Percentage	Council-wide
BME	650	29.7%	23.2%
Non-BME	1513	69.1%	76.8%
Not - Stated	25	1.1%	
Total	2188	100%	100%

Analysis by Disability

Considered Disabled	No of Employees	Percentage	Council-wide
No	2148	98.2%	95.8%
Yes	40	1.8%	4.2%
Total	2188	100%	100%

Analysis by Age

Age	Category	No of employees	Representation amongst affected staff	Representation amongst all employed staff
	16 -24	127	5.80%	3.10%
	25-49	1106	50.54%	54.90%
	50-64	881	40.26%	40.10%
	65+	74	3.40%	1.80%
Total		2188	100%	

Equality Impact Assessment Form

Department	Human Resources	Version no	1
Assessed by	Ian Jones/Sharron Springthorpe	Date created	29/5/2015
Approved by	Tim Barker	Date approved	29/5/2015
Updated by		Date updated	
Final approval		Date signed off	

Section 1: What is being assessed?

Name of proposal to be assessed: A proposal to implement a living wage for Council employees through a non consolidated supplement on plain time hourly rates bringing basic pay to the equivalent of the current level of living wage of £7.85 per hour. There would be no impact on premium payments such as overtime and payments for weekend working as they are already paid in excess of the level of the current living wage rate.

It is proposed that there would be no impact upon apprentices or trainees as by their nature, they are being trained and not undertaking the full duties and responsibilities of the jobs and therefore are paid a percentage of the pay for the job depending upon age.

Scope of current proposal

Consultation is taking place with schools to implement a similar measure for schools based employees. Consideration is being given to paying casual workers.

Describe the proposal under assessment and what change it would result in if implemented: See Appendix 3 showing an analysis of the employees currently paid below the living wage who would benefit from implementation of the proposal.

The analysis shows the percentage of Council employees from groups with protected characteristics who would be affected by this proposal when compared with the Council wide percentage of these groups (not including schools).

If implemented the proposal would have a positive impact on those groups with protected characteristics whose data is currently collected i.e. gender, age, ethnicity, disability. There would also be a positive impact on part time employees who are predominantly female.

Section 2: What the impact of the proposal is likely to be

The Equality Act 2010 requires the Council to have due regard to the need to-

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between different groups; and
- foster good relations between different groups

2.1 Will this proposal advance equality of opportunity for people who share a protected characteristic and/or foster good relations between people who share a protected characteristic and those that do not? If yes, please explain further.

Yes it would support the Council in meeting its public sector equality duty

2.2 Will this proposal have a positive impact and help to eliminate discrimination and harassment against, or the victimisation of people who share a protected characteristic? If yes, please explain further.

This will increase the pay of the groups with protected characteristics shown below.

2.3 Will this proposal potentially have a negative or disproportionate impact on people who share a protected characteristic? If yes, please explain further.

No - entirely positive impact on the groups shown below.

2.4 Please indicate the level of negative impact on each of the protected characteristics?

(Please indicate high (H), medium (M), low (L), no effect (N) for each)

Protected Characteristics:	Impact (H, M, L, N)
Age	Higher representation within the group impacted upon. No negative effect-entirely positive
Disability	Lesser representation within the group impacted upon but no negative effect-entirely positive
Gender reassignment	NA
Race	Higher representation within the group impacted upon. No negative

	effect-entirely positive
Religion/Belief	NA
Pregnancy and maternity	NA
Sexual Orientation	NA
Sex	Higher representation within the group impacted upon. No negative effect - entirely positive
Marriage and civil partnership	NA
Additional Consideration:	
Low income/low wage	No negative effect-entirely positive

2.5 How could the disproportionate negative impacts be mitigated or eliminated?

There are none.

Section 3: What evidence you have used?

3.1 What evidence do you hold to back up this assessment?

The analysis below of the employees currently paid less than the living wage who would benefit from implementation of the proposal.

The analysis shows the percentage of Council employees from groups with protected characteristics who would be affected by this proposal when compared with the Council wide percentage of these groups (not including schools).

Age: these show that of the employees positively impacted upon there is a higher representation of employees under 24 than in the workforce as a whole i.e. 5.8% as opposed to 3.1%.

At the other end of the age scale employees aged 65-69 and 70+ are also represented at a higher level than in the workforce as a whole ie 2.5% as opposed to 1.5% and 0.9% as opposed to 0.3%

Gender: these show that of the employees positively impacted upon there is a higher representation of Female employees than in the workforce as a whole ie 78.7% as opposed to 65.3%.

Ethnicity: 29.7% of the employees positively impacted upon by this proposal are

recorded as being from BME communities as opposed to 23.2% for the workforce as a whole.

Disabled: There is a lesser representation of employees with disabilities within the group than within the workforce as a whole i.e. 1.8% as opposed to 4.2% but although the numbers are lower the employees impacted upon benefit. It should be noted that whilst the analysis shows a lesser representation, this figure could be higher as it is not compulsory for employees to record on ESS if they have a disability, some employees may choose not to disclose they have a disability.

Low Income/Low wage: Of those employees positively impacted upon by the proposal 54.2% are from Bands 1-2 and 45.3% are from Bands 3-4 so the proposal definitely benefits this group.

3.2 Do you need further evidence?

No

Section 4: Consultation Feedback

4.1 Results from any previous consultations

Initial consultation with the Trades Unions on this issue has shown them to be generally receptive of the proposal as it benefits their members.

4.2 Feedback from current consultation

Not applicable

4.3 Your departmental response to this feedback – include any changes made to the proposal as a result of the feedback

SCHOOLS FORUM AGENDA ITEM

For Action

For Information

Brief Description of Item

This report provides the Schools Forum with an update on the position of the Dedicated Schools Grant (DSG) and Formula Funding Arrangements.

Date (s) of any Previous Discussion at the Forum

The Schools Forum made its recommendations on the allocation of the 2015/16 DSG on 9 January 2015. An update was provided at the last meeting in May.

Background / Context

The Schools Forum considered a large amount of detail in making its recommendations on the 2015/16 Schools Budget. This detail was based on a number of estimates. The purpose of this paper is to provide members with a simple statement of the latest confirmed position.

Details of the Item for ConsiderationUpdate on DSG 2015/16

- We have now received final confirmation of the number of children in early years settings recorded in the January 2015 Census. These numbers have affected the value of our Early Years Block in 2014/15. The outcome of this is that we have £101k less Early Years Block funding relating to the 2014/15 financial year than previously reported. The January 2015 Census recorded 400 fewer children than in January 2014. We will reconcile this £101k difference in pulling together the value of one off monies available for the Schools Forum to allocate as part of the 2016/17 DSG budget setting process.
- Our 2015/16 Early Years Block will not be confirmed until the number of children in early years settings recorded in the January 2016 Census is known this time next year. However, the lower number of children recorded in the January 2015 Census will knock onto the value of our 2015/16 DSG. We currently estimate a reduced DSG Early Years Block allocation of £545,000 for 2015/16. However, the cost of delegated funding through our Single Formula for early years will reduce at the same time, so the impact on the DSG will be negated to a great extent.
- In the January 2015 meetings we estimated that we would have £13.548m of one-off funding available at 31 March 2015 and members made recommendations on the allocation of this. The value of one-off funding available at 31 March 2015 has now been confirmed as £15.689m, which means a further £2.141m is available and unallocated (this is the total with the removal of the £101k over estimation of 2014/15 Early Years Block DSG funding). It may be that further balances are generated from under spends in this financial year that have not yet been forecasted. A further update will be provided in the autumn term. This sum is additional to the DSG set aside for specific purposes by the Forum on 9 January, and additional to the £3m resilience reserve (of which £1m is earmarked to finance capital loans).

2016/17 DSG and Formula Funding Arrangements

- We await further announcements from the DfE on DSG and formula funding arrangements for 2016/17 (and the timescale for movement to a national funding formula). We also await further information on any conclusions from the DfE's SEND funding review, which took place earlier this year. We have said previously that the outcomes of this review will substantially affect our thinking and strategy development concerning how we continue to meet the needs of an expanding school population and how much DSG resource we have to do so. The Chancellor's budget announcement today (8 July) may provide further details on all these matters.
- Following these announcements, the Authority will reconvene the appropriate working groups (EYWG; FFWG; SEN Reference Group). We anticipate the same timescale for the setting of formula funding arrangements for 2016/17, with the requirement to set the structure of the primary and secondary funding formulae by 31 October 2015. The Forum meeting planned for 23 September will focus on the consultation on 2016/17 arrangements.

Implications for the Dedicated Schools Grant (DSG) (if any)

As outlined in the report.

How does this item support the achievement of the District's Education Priorities

This is an item for information.

Recommendations

Members are asked to consider and to note the information in this Document.

List of Supporting Appendices / Papers

None

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SCHOOLS FORUM AGENDA ITEM

For Action

For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

This report summarises the main themes that have been identified so far in discussions with schools about their 2015-18 budget positions. This report is presented for early information, in anticipation that the Forum will need to further consider these themes in making recommendations on the 2016/17 DSG distribution and formula funding arrangements.

Date (s) of any Previous Discussion at the Forum

The Forum received a report on cost pressures in school and academy budgets on 11 March 2015. A verbal update on work with schools on their financial positions was provided to the last meeting.

Background / Context

The 2015/16 per pupil financial settlement for schools and academies is essentially 'cash flat'. There is no provision for meeting the cost of pay awards and other annual increases in costs. This means that the amount of funding (per pupil) in schools and academies is reducing in real terms. The DSG settlement has been cash flat since 2011/12, although schools and academies have seen quite significant increases in the values of Pupil Premium (especially primary). This is against significantly rising costs of staffing from increases in employer contributions to pensions and National Insurance.

A number of schools and academies are currently managing significant levels of change in their funding allocations, the result of growth or reduction in pupil numbers. The cost pressures on schools and academies that are reducing in pupil numbers are magnified. In addition, a number of schools and academies are (or have been) in receipt of the Minimum Funding Guarantee protection, and other protections, including transitional protection within the EFA's Post 16 funding formula, which are reducing year on year.

Devolved Formula Capital allocations in 2015/16 remain at the current reduced level, meaning that schools and academies must look to their revenue allocations to support capital works.

The Authority is working closely with a number of schools on their 2015-18 budget positions. The Authority continues to maintain a Deficit Budget Protocol and monitors the position of schools closely. It was reported verbally at the last meeting that the Authority's initial triage suggests that, although most schools have in year deficits, the position on the surface is perhaps not as bad as might have been feared; up to 10 schools initially do not balance their budgets cumulatively in 2015/16; a further 20 in 2016/17; a further 20 in 2017/18. **It is very evident that schools are taking action to balance their budgets in planned and stable way.**

Details of the Item for Consideration

The purpose of this report is to outline the key themes that are emerging from discussions with schools about their budget positions across 2015-18. These will be expanded on in presenting this report at the meeting (the purpose of this report is to initiate discussion). The Forum will wish to consider these in thinking about formula funding arrangements for 2016/17. The key emerging themes are:

- Not appointing to vacant posts (and not replacing leavers) is a strong characteristic of budgets across all phases. A number of schools have initiated or are planning to initiate curriculum restructures. Some schools have indicated that their having to resource themselves the cost of restructures adds a layer of pressure. These schools are seeking to achieve the majority of savings through natural movement, with a concern that this may result in a less efficient staffing complement and curriculum.
- Planned substantial reductions in spending on curriculum and ICT resources in 2015/16 is also strong a characteristic of budgets across all phases (as an immediate controllable response to tighter financial times).

Details of the Item for Consideration (continued)

- Financial pressure comprehensively across the secondary sector, with all secondary schools considering options to deliver further reductions in spending across 2016-18. Immediate actions include reduced spending on alternative (off site) provision. A specific point of pressure in individual schools and academies is 6th form provision where schools have now lost the majority of their transitional funding protections. Another specific point of pressure in individual schools and academies is Building Schools for the Future contract costs.
- Pressure in primary schools that receive smaller sums of additional funding through deprivation factors and through the Pupil Premium and in schools that are undersubscribed. A clear theme that has emerged from budget discussions about how we fund our SEN offer within delegated budgets. This is true of both the primary and secondary sectors. The Authority would like the Schools Forum (FFWG) to consider whether our levels of mainstream SEN funding should be adjusted in 2016/17 to support schools that have lower allocations of Pupil Premium and other additional resources.. A specific factor to consider in this is whether the top up funding allocated to children in mainstream provisions with SEN Statements should be specifically increased to respond to the circa 10% increase in staffing costs over the next year. Otherwise, the gap between the value of top up funding and the cost of employing staff to deliver the additional hours prescribed by SEN Statements will widen. It is true however, that the gap between the value of funding and cost is widening across all areas of provision.
- Pressure in nursery schools, in particular where pupil numbers (3 and 4 year olds) are currently down on those admitted in recent years. As outlined in the DSG update paper at this meeting, there were 400 fewer 3 and 4 year olds recorded in the January 2015 Census than in January 2014. This is having an impact on the numbers in nursery provision and levels of income.
- The pressure in special schools and PRUs appears to be being better absorbed across 2015-18 than in other sectors. A request has been made for the Authority to look at how our Place-Plus model works on funding settings on occupancy on the 10th of the month, where occupancy may be distorted due to school holidays. This will be further explored by the SEN Reference Group.

Implications for the Dedicated Schools Grant (DSG) (if any)

The Governing Bodies of schools are responsible for managing their own delegated budget shares.

Where a maintained school holds a deficit budget at the point of conversion to academy status, this deficit must be written off by the DSG.

The 2015/16 DSG allocation includes a £200,000 provision for a Schools in Financial Difficulty Fund (£150,000 primary; £50,000 secondary). As this budget is established from contributions from maintained schools only, academies cannot access this. If the cost of support in 2015/16 exceeds £200,000, additional contributions must be taken from maintained schools in 2016/17 to repay this.

How does this item support the achievement of the District's Education Priorities

This is an item primarily for the Forum's information and early warning, feeding into formula funding discussions that will take place in the autumn term.

Recommendations

The Schools Forum, at this stage, is asked to consider and to note the information provided.

List of Supporting Appendices / Papers (where applicable)

None.

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SCHOOLS FORUM AGENDA ITEM

For Action For Information

Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

To update Schools Forum members on the Schools Financial Value Standard for 2015.

Date (s) of any Previous Discussion at the Forum

July 2014

Background / Context

The Schools Financial Value Standard (SFVS) was introduced by the Department for Education (DfE) to assist maintained schools in managing their finances and to give assurance that schools have secure financial management in place. It consists of 23 questions and on an annual basis the Governing Body of every maintained school must formally discuss each question with their senior staff and complete the self assessment, identifying remedial action and a timescale for completion where appropriate. For most schools the return due on 31 March 2015 was their fourth submission.

Details of the Item for Consideration

Summary of the Position as at 31 March 2015 and Summary of the Analysis of Returns

As at 31 March 2015, SFVS self-assessments had been completed by 157 of the Council's 170 schools. The returns received for 2015 show an overall improvement in the standard of completion of the returns and the quality of action plans. The number of returns provided by the required deadline has increased to 92% in 2015 from 87% in 2014, giving assurance that more schools are engaging with the SFVS process and complying with its requirements. However, to date there are still ten schools without exemption criteria that have yet to complete the SFVS assessment process. These schools have been reported to the DfE by request as the DfE expects all schools to comply with SFVS. Three schools submitted the exact return as 2014 but this is a better position than was reported in the prior year.

Overall Level of Compliance with SFVS Questions

In 2015 51% of the total 157 schools providing a return gave a 'Yes' response to every question indicating that they fully complied with the standard. This shows an improvement in full compliance from 2014 when 48% of returns gave a 'Yes' response to all questions.

Approach to the analysis of returns received

The approach of analysing returns changed in 2015 to reflect reducing resources in Internal Audit. The analysis was based on a sample of a third of returns (56 out of a possible 170 returns) as opposed to a check of all returns as in previous years. The returns that were selected for audit were representative of the types of schools providing a return. This sample will be adjusted annually on a rolling basis to ensure that coverage of all schools will be achieved over three years.

Standard of Completion

During the analysis each self assessment return was graded either 'good', 'average' or 'poor'. This grading is subjective, however a comparison of the standard of completion between years highlighted that there had been an overall improvement with the quality of submission improving in 12 (21%) of schools and 43 (77%) remaining the same. Only one school made a submission that was considered to be of a lesser standard than that submitted in 2014.

Summary of Action Plan Findings

Of the 56 schools which were sampled, 40 required an Action Plan to identify remedial actions to ensure compliance with SFVS requirements. 27 schools (68%) produced an appropriate Action Plan however five schools (13%) did not. Of the remaining eight schools, five had produced an Action Plan despite not having any 'No' or 'In Part' answers and three produced Action Plans which were not directly related to answers in the SFVS assessment.

The analysis of the Action Plans considered whether they demonstrated SMART principles: specific, measurable, achievable, realistic and timely. It was pleasing to note that 26 of the sample did demonstrate SMART principles.

Analysis of the impact of full school audits on SFVS

Of the 56 returns which were analysed, four had been subject to a full school audit programme during 2014/15. During the analysis, consideration was given as to whether the recommendations raised in the audit report that related to SFVS, had been addressed prior to submission. The results of this analysis showed variable results: in some cases recommendations which related to SFVS questions were still outstanding but in others all had been actioned. However, it is recognised that the timing of the audit may be a factor in non compliance as some of the audits took place close to the deadline for SFVS submission.

Analysis of the impact of SFVS audits and the impact on SFVS returns

As part of the 2014/15 schools audit programme, a further eight schools were chosen to receive a specific SFVS audit. In choosing the schools to audit, it was felt important to look at a cross section of quality of returns from the 2013/14 judgements, instead of the looking at only those schools whose returns were deemed 'Poor' as in 2013/14. Of these eight schools, five were chosen in the sample for analysis. It was pleasing to note that four out of five schools had addressed the recommendations from the SFVS audit and the quality of their return had improved.

Analysis of the impact of SFVS training

Internal Audit offered SFVS training to schools in February 2015 for the first time. Take up was good, with 45 schools represented at the training and feedback from attendees was extremely positive. The aim of the training was to equip Governing Bodies with the skills needed to produce a good quality SFVS return and engage with SFVS fully to ensure the full benefit from the continual review of processes could be achieved. It was pleasing that improvement was evident in the returns provided by schools that had attended the SFVS training. The training will be offered again in the Autumn Term, with a focus on encouraging more governors to attend.

ACTION TAKEN TO MEET LOCAL AUTHORITY OBLIGATIONS FOR SFVS DURING 2014/15

- **Confirmation that SFVS returns are used to inform the programme of financial assessment and audit**
- **A system of audit is in place to give adequate assurance over the standard of financial management and the regularity and propriety of spending within schools**
- **The requirement to make the Governing Body, management committee and the LA aware of any major discrepancies in judgements when carrying out an audit and ensure that all actions have been addressed before an SFVS review takes place**

The risk model used to prioritise schools for inclusion in the 2014/15 audit plan includes non submission of SFVS as one of a number of risk factors via the inclusion of the Light Touch Financial Monitoring bandings.

The audit testing programme for schools requires auditors to review a school's SFVS return as part of the planning process prior to an audit and compare the schools self assessment judgements to their findings during the audit. The auditor then makes an assessment on the level of correlation that can be identified between the SFVS assessment and the audit findings and advises the school to review their responses to specific questions where necessary. This position is highlighted to the school, Chair of Governors and authority recipients in the ensuing audit report.

In 2014/15, for the first time audit recommendations that are linked to the SFVS have been tracked as part of the audit follow up process, thus ensuring that schools are taking necessary action on all recommendations to improve their control environment and financial management practices in a timely manner.

Conclusion

The result of the full school audits, SFVS analysis and SFVS audits suggests that the level of audit coverage of schools is appropriate. The system of audit in place for the year was sufficient to give the Chief Finance Officer adequate assurance over the standards of financial management and the regularity and propriety of spending within schools.

Consequently the SFVS submission for 2015 was signed off by the Director of Finance on the 22 May 2015 and submitted to the Department for Education on this date. All action items highlighted in 2013/14 report have been addressed during 2014/15 and the Council has met all of its requirements with respect to the SFVS.

Implications for the Dedicated Schools Grant (DSG) (if any)

None

Recommendations

That the information in this report be noted.

List of Supporting Appendices / Papers (where applicable)

None

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SCHOOLS FORUM AGENDA ITEM

For Action For Information **Brief Description of Item** (including the purpose / reason for presenting this for consideration by the Forum)

To provide the Forum with a summary of the number of maintained schools in each category, within the "Financial Classification of Schools", for the 2015/16 Academic Year.

Date (s) of any Previous Discussion at the Forum

The Financial Classification of Schools was last presented to the Schools Forum on 9 July 2014.

Background / Context

One of the items in the Council's Action Plan, following an Audit Commission report in 2004, which was critical of the level of deficits and surpluses in Bradford's schools, was to agree with schools criteria for identifying schools in greatest need of financial support and to commence a programme of annual detailed budget discussions with these schools. The Classification is calculated on an academic year basis, and is updated each year. The Financial Classification system was established in July 2006. The Classification is an alphanumeric system with Categories A (highest level of support) B, C and D (lowest levels of support). A school is placed into a category, based mostly on the information taken from its approved 3 year budgets and outturn from the previous financial year.

The full detail of the Classification is shown at Appendix 1.

Details of the Item for Consideration

The table below shows the initial calculation of number of schools in each category in the 2015/16 Academic Year Financial Classification. This assumes that the planned conversions of maintained schools to academy take place.

	Category A	Category B	Category C	Category D
Nursery	0	0	1	6
Primary	5	14	36	82
Secondary	6	1	6	2
Special	1	1	2	2
PRUs	1	2	0	4
Total	13	18	45	96

Category A: School in deficit, recently in deficit or vulnerable to deficit, closing / opening schools (highest level of support)

Category B: Schools with excess surplus balances / trigger the forecasting accuracy criteria

Category C: Schools forecasting deficits or vulnerability to deficit in 2nd or 3rd year budgets

Category D: Normal level of support

The table below shows the change in the number of schools in each category from the 2014/15 Academic Year Financial Classification.

	Category A	Category B	Category C	Category D
Nursery	0	0	0	0
Primary	+ 2	+ 4	+ 18	- 24
Secondary	+ 3	+ 1	- 1	- 3
Special	0	0	+ 1	- 1
PRUs	+ 1	0	- 1	0
Total	+6	+ 5	+ 17	- 28

Implications for the Dedicated Schools Grant (DSG) (if any)

None

How does this item support the achievement of the District's Education Priorities

This is an item for information. It is useful for Forum members to be aware of the support framework for maintained schools. The information in this paper provides more detail of one of the ways in which the Authority supports and challenges maintained schools.

Recommendations

The Forum is asked to consider and to note the information provided in this paper.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Financial Classification of Schools 2015/16 Academic Year.

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FINANCIAL CLASSIFICATION OF SCHOOLS 2015/16 ACADEMIC YEAR

DIFFERENTIATED LEVELS OF FINANCIAL MONITORING & SUPPORT TO SCHOOLS

BACKGROUND

1. In response to the November 2004 Audit Commission Report, which was critical of the level of deficits and surpluses in Bradford's schools, one of the items in the Council's Action Plan was to agree with schools *"criteria for identifying schools in greatest need of financial support and to commence a programme of annual detailed budget discussions with these schools"*.

2. The Financial Classification is calculated on an academic year basis, and is updated each year. Please Appendix 1.

3. The focus of the Financial Classification continues to be to identify schools that face the greatest level of financial challenge and to provide a framework for the School Funding Team to work with, and to support, these schools. The Classification is not a judgement of the competency of a school in managing its budget. Because a school is placed in a category of higher support does not necessarily imply poor financial management. In the main it simply reflects that the school is in a more challenging financial position, for example, due to factors such as closure of the school, having a small carry forward balance, a reducing balance or being in deficit or having recently recovered from a deficit position. It is an internal Classification, used only by Bradford MDC, to differentiate our levels of financial monitoring and to provide a framework for working with schools, using the information on the financial position of a school submitted by the school. The category of each school is not published publicly and is not used by Ofsted.

4. The Classification was updated and amended for the 2009/10 academic year, to account of the following developments:

- The publication of multi-year formula funding allocations and schools now submitting 2nd & 3rd year budgets to the Local Authority.
- The year on year increase in surplus balances in schools in Bradford and the increased focus, at a local and national level, on the effective spending of excess balances.
- The increasing focus, at a local and national level, on improving the quality of school financial monitoring, medium term financial planning and the linking of budgets to School Development Plans (SDPs).
- The development of more comprehensive checking processes by School Funding Team for school budget and monitoring returns.
- The expansion of good practice guidance and training programmes for all schools

The 2015/16 Academic Year Classification remains the same as 2014/15.

5. The key outcome of the Classification is that the School Funding Team will work more closely with schools in higher categories, to support these schools that face the greatest levels of financial challenge. For example, in termly visits and more detailed conversations on the information submitted by schools on their financial position. We have received positive feedback from schools on the usefulness of this additional contact and support. Alongside this additional support, schools in higher categories are asked to meet additional requirements. These requirements are:

Category	A (i – iv)	B i	B ii	C	D
To use HCSS in setting 2016/17 Budget	YES	YES	YES	X	X
To submit Monthly Monitoring & Bank Reconciliation Returns from Sept 2015	YES	X	YES (monitors only)	X	X
Termly Visit from SFT from Sept 2015	YES	X	X	X	X
Conversation with SFT with possible follow up in autumn term 2015	X	X	X	YES	X
Current Governor to have attended the Effective Financial Governance Course	YES	YES	YES	YES	X
SFT Arithmetic Checks on school returns (with follow up if required)	YES	YES	YES	YES	YES
Access to Good Practice Guidance	YES	YES	YES	YES	YES

For schools that are required to submit monthly monitoring return, please note that these are required for 4 months only. The timetable for submission of monthly monitoring reports is as follows:

- September Normal Quarter 2 return required - to be submitted by 31 October 2015
- **October Monthly Monitor Required – to be submitted by 30 November 2015**
- **November Monthly Monitor Required – to be submitted by 31 December 2015**
- December Normal Quarter 3 return required – to be submitted by 31 January 2016
- **January Monthly Monitor Required – to be submitted by 28 February 2016**
- **February Monthly Monitor Required – to be submitted by 31 March 2016**
- March Not required (year end)

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- April Not required
- May Not required
- June Normal Quarter 1 return required – to be submitted by 31 July 2016
- July Not required (summer holiday)
- August Not required (summer holiday)

6. Please note the following additional information:

- The Classification for 2015/16 is calculated on the information submitted by schools in their 2015/16 Governor Approved Budgets (submitted by 15 May) and in their 2nd and 3rd Year Budgets for 2016/17 and 2017/18 (submitted by 30 June).
- The Financial Classification is calculated annually on an academic year basis. Schools may move between categories, year on year, depending on the information they submit each year.
- Schools may “trigger” the criteria for more than one category; most commonly where Category A or Category C schools also trigger the forecasting accuracy criteria in Category B. Where this is the case, the school’s overall position is set at the highest category, and the school will receive the higher level of support, but the school will also be asked to meet any additional requirements from the other category it triggers.
- Once established, the Category of a school will not normally be re-calculated until the next academic year (please see below for queries and appeals). However, where the circumstances or budget of a school significantly changes in year, we will assess what additional support to provide. For example, where it is announced that a school will close, or where a school submits a quarterly monitoring report, which forecasts a deficit or a very small carry forward balance (below 1% of funding or £10,000) we will increase our level of contact with the school and may ask the school to meet additional requirements.
- Appeals from schools on their category are considered on an individual case basis, on the evidence submitted by the school. We recognise that there may be exceptions and we are happy to consider evidence a school wishes to submit. For example, we have written into the forecasting accuracy criteria a re-calculation that, where additional funding has been provided by the DFE or LA, which the school can demonstrate it was not aware of when the Quarter 3 Monitors were submitted, this amount will then be discounted from the percentage calculation(s).
- The requirement to attend the Effective Financial Governance course, where a member of a school’s current Governing Body has not been on this already, begins from September 2015. Courses are run termly, and we will run additional courses for specific schools where requested. We encourage schools to access this course at the earliest opportunity. This course is available to all Governing Bodies regardless of Category.

- Training courses on the HCSS Software, for schools that do not currently use this, will run in early 2016. Applicable schools will be contacted in the autumn term. The School Funding Team also offers more specific individualised training. Please contact a member of School Funding Team for more information.
- The Financial Classification operates independently from the Light Touch Financial Monitoring Protocol. The Classification allows us to more effectively differentiate our levels of support to schools. The LTFM protocol primarily exists to provide an incentive for schools to submit required reports to the Local Authority by the stated deadlines.

Appendix 1

DETAIL OF THE FINANCIAL CLASSIFICATION FOR THE 2015/16 ACADEMIC YEAR

Category A

A i) Schools in Deficit March 2015:

Defined as a school, which had a deficit closing balance at March 2015

A ii) Schools Recently in Deficit:

Defined as a school that had a deficit closing balance either at March 2013 or March 2014, where the school is projecting a surplus carry forward balance at March 2016 that is not at least equal to 3% of the school's total budgeted 2015/16 I01 to I05 funding

A iii) Schools Vulnerable to Deficit:

Defined as a school that has not been in deficit in the last 3 financial years, but has a projected closing balance at March 2016 that is less than £10,000 or 1% of 2015/16 total budgeted I01 to I05 funding (whichever is smaller)

A iv) New or Closing schools:

A new school is defined as a school that is planned to open either in September 2015 or within the 2015/16 academic year. Where a newly opened school at September 2015 has not yet been open for a full academic year (e.g. where the school opened in April 2015), the school will also be in Category A for the 2016/17 academic year.

A closing school is defined as a school that is planned to close before September 2016.

Additional SFT Support and Additional School Requirements

- *The school's School Funding Officer will visit the Headteacher and Finance Manager on a termly basis, to work with the school to discuss financial monitoring reports in detail, with follow up action and support, where required*
- *The school can access good practice guidance via the Bradford Schools Online website*
- *The school is required to*
 - *submit monthly monitoring and bank reconciliation returns to the School Funding Team, for the 2015/16 academic year*

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- *set its 2016/17 financial year budget, and its forecasted 2nd and 3rd year budget, using the HCSS Budgeting Software*
- *send a member of the Governing Body on the Effective Financial Governance course, where no current Governor has already attended this*
- *Full Budget Share schools, that do not use Bradford Council Payroll, are asked to provide, via a template, summary level information on monthly/weekly salary/wages costs*

Category B

B i) Schools with Excess Surplus Balances

Defined as:

- **A school that in each of the last 3 financial years (at March 2013, March 2014 and March 2015) has carried forward an excess surplus balance above the IUB Thresholds applicable in that year**

and / or

- **A school that has submitted a Start Budget for 2015/16, which forecasts a carry forward balance at March 2016 in excess of 4% (Secondary) or the greater of 6% or £60,000 (Nursery, Primary, Special and PRU) of 2015/16 budgeted I01 to I05 funding, where the school has not evidenced to the School Funding Team, before the end of October 2015, a clear plan, which has been approved and minuted by the Governing Body, to spend this excess balance or to reserve the balance for a specific project, with agreed phasings over more than one year**

Additional SFT Support and Additional School Requirements

- *The school can access good practice guidance via the Bradford Schools Online website*
- *The school is required to:*
 - *set its 2016/17 financial year budget, and its forecasted 2nd and 3rd year budget, using the HCSS Budgeting Software*
 - *send a member of the Governing Body on the Effective Financial Governance course, where no current Governor has already attended this*

B ii) Accuracy of Financial Forecasting:

Defined as:

- **A school that had a variance, between their actual end of year balance at 31 March 2015 and their forecast of their year end balance in their Quarter 3 Monitoring Return, of more than 4% of total 2014/15 I01 to I05 funding**

Additional SFT Support and Additional School Requirements

- *The school can access general good practice guidance via the Bradford Schools Online website*
- *The school is required to:*
 - *submit monthly monitoring returns to the School Funding Team, for the 2015/16 academic year*
 - *set its 2016/17 financial year budget, and its forecasted 2nd and 3rd year budget, using the HCSS Budgeting Software*
 - *send a member of the Governing Body on the Effective Financial Governance course, where no current Governor has already attended this*
 - *Full Budget Share schools, that do not use Bradford Council Payroll, are asked to provide, via a template, summary level information on monthly/weekly salary/wages costs*

** Please note that where additional funding has been provided by the DFE or LA, which the school can demonstrate it was not aware of when the Quarter 3 Monitors were submitted, then this amount will be discounted from the percentage calculation(s). We will also discount from the calculations values where schools can demonstrate that variances are the result of errors made by the Local Authority.*

Category C

Medium Term Vulnerability to Deficit:

Defined as a school, not in Category A, which forecasts in its submitted 2nd or 3rd year budget either a deficit carry forward balance at March 2017 or March 2018 or a surplus carry forward balance, which is less than £10,000 or 1% of the relevant year's I01 to I05 funding (whichever is smaller)

Additional SFT Support and Additional School Requirements

- *The school's School Funding Officer will contact the Headteacher of the school in the autumn term 2015, to further discuss the school's forecasted budget position, with follow up action and support, where required*
- *The school can access good practice guidance via the Bradford Schools Online website*
- *The school is required to:*
 - *send a member of the Governing Body on the Effective Financial Governance course, where no current Governor has already attended this*
 - *Full Budget Share schools, that do not use Bradford Council Payroll, are asked to provide, via a template, summary level information on monthly/weekly salary/wages costs*

Category D

All Other Schools not falling into Categories A, B or C:

Additional SFT Support and Additional School Requirements

- *The school will be encourage to use HCSS Software, but there is no requirement to do so*
- *The School Funding Team will continue to carry out basic checks on Budget and Monitoring returns submitted by the school, and will follow up on any queries, if required*
- *The school will have access to good practice guidance via the Bradford Schools Online website*
- *The school will be able to access the Effective Financial Governance course and the Effective Financial Forecasting course*
- *Category D schools will be given priority in the roll out of “full budget share” bank accounts for April 2016*