

APPENDIX B

E-Mail: itraynier@thurrock.gov.uk
Minicom No: 01375 652516

Ref: IT/rd
9th January 2001

To: All Headteachers
Chairs of Governors
Chair of TAG
Parent Governor Representatives
Father G Stokes, Brentwood Diocese
Canon P Hartley, Chelmsford Diocese

Dear Colleague,

2001/02 BUDGET CONSULTATION

I refer to my letter of 13 October 2000 and the consultation meeting held in Civic Offices on 14 December 2000.

The School Funding Advisory Group have now considered responses to the proposals, set out in my letter of 13 October, and the matters raised at the consultation meeting on 14 December (notes enclosed) and a report will be prepared for Cabinet proposing the following changes to the school budget allocation methodology for the 2001/02 financial year:

1. School meals, insurance and school library service delegated to all schools;
2. Social factor qualifying percentages to be reduced as proposed for 2001/02 but further consultation required for 2002/03;
3. Turbulence allowance to be operated as proposed except calculation to be simplified by: (i) not averaging ins and outs, (ii) fixing qualifying level at 40; and (iii) halving allocation per pupil;
4. The total allocations for the social factor and turbulence allowance, in 2001/02, will be at a protected level such that no reduction between 2000/01 and 2001/02 will be greater than 1% of a school's 2000/01 budget share.
5. The formula factor for Voluntary Aided and Foundation schools, in respect of admissions, will be introduced as proposed.

At the consultation meeting I referred to a review of the formula factor for new schools, as the present arrangements have been developed for new primary rather than secondary schools. The proposed changes are as follows:

- (i) The 50% key stage value for unfilled places will only be paid in respect of key stage 3 pupils until a school admits key stage 4 pupils.
- (ii) The small schools allowance is not payable in respect of any places funded by the new schools allowance.

Comments on the above are invited by 31 January 2001.

It is planned to provide budget shares and Standards Fund allocations to schools by the end of February. As I explained at the consultation meeting, on 14 December, the pressures on the budget are such that it is unlikely there will be any real growth in school budget shares, although it is expected that the 2.5% target increase in key stage values, set by the Secretary of State, will be achieved. In addition to funding from budget shares and Standards Fund schools will receive Standards Grant; a schedule of allocations to schools, based on January 2000 pupil numbers, is attached. The Standards Grant allocations for 2001/02 will actually be made on the basis of January 2001 pupils.

We are currently considering the approach for 2001/02 with regard to stated special educational needs and Standards Fund allocations and proposals on these two areas will follow shortly.

Should you wish to discuss any matters arising from this letter, or the budget proposals in general, please do not hesitate to get in touch.

Yours sincerely,

Ian Traynier
Head of Education Planning & Resources

Notes of the School Funding Consultation Meeting

14th December 2000

Present: SEE ATTACHED LIST

APOLOGIES: P. Wilson (Diocese of Brentwood)

1. **Councillors R Moore and P Cooper opened the meeting, explaining that it was a feedback and review session.**
2. **Ian Traynier, Head of Planning and Resources, presented the responses to the consultation document issued to schools and gave an update on the 2001/02 budget.**
3. **SCHOOL MEALS – The delegation of School Meals to all schools was generally supported with a buyback arrangement (26 out of 30 replies).**

Although this arrangement could be guaranteed for next year it should be noted that the ability for the LEA to continue with the service would depend on the level of buyback from schools.

4. **INSURANCE – The delegation of Insurance was generally supported with a buyback arrangement (23 out of 30 replies).**

Foundation schools already arrange their own insurance. The LEA will check that schools have sufficient insurance in place.

5. **LIBRARY SERVICE – The delegation of the Library Service to all schools was also supported. This funding was earmarked for 2000/01. There will be a buyback arrangement but schools will not be required to use a library service.**
6. **The delegation of the above items, which are already delegated to Foundation Schools, will provide sufficient delegation to meet the DfEE guidelines of 85% delegation for 2001/02.**
7. **OTHER ITEMS FOR DELEGATION – The responses to the question asking whether schools wished other items to be delegated matched the results of an Audit Commission survey, with 14 answering no and 5 answering yes.**
8. **CHANGES TO THE SOCIAL FACTOR – The proposals were generally supported but there are concerns regarding losses to a few schools because of calculation changes. A “safety net” mechanism, to restrict losses for individual schools, was proposed and it was agreed that alternative models for the allocation of resources to recognise social deprivation would be considered next year.**
9. **CHANGES TO TURBULENCE – There was general support for this proposal. A “safety net” as for the social factor, was proposed.**
10. **ADMISSIONS FORMULA – There is also a need to include in the formula a factor for schools administering their own admissions in order to**

recognise the additional administration costs. This factor would affect Foundation and Voluntary Aided Schools.

11. **GROWTH** – There were only 5 responses to this item. The main items for growth identified were in fact Capital. This area is one which will need continuing dialogue and development.
12. **BUDGET PRESSURES** – There is unlikely to be any real growth in school budgets next year beyond increases to cover inflation. The main pressures arise from the costs of opening the two new Chafford Hundred schools and the increasing expenditure on Statemented Special Needs.

The LEA is likely to overspend in the current year by £450k on Statemented Special Needs. There will be consultation with schools on the options available to keep spending on statemented special needs within budget.

13. **STANDARDS FUND** – There will, however, be growth to Standards Funds and this should add about 1% to school budgets. John King (Gable Hall) expressed concerns over the earmarking of these funds. Another DfEE seminar is due to be held in February, which should clarify these issues.
14. There is also a need to consult on the formula for the Chafford Hundred Secondary School. The current formula for new schools has only been used in the past for primary schools and may not be appropriate for a secondary school.
15. The DfEE target for delegation is 85% for 2001/02 increasing to 87% in 2002/03 and then 90% in 2003/04. However a change to the method of calculating the percentage means that the cost of providing places outside the Borough will no longer be included in the calculation.
16. There is a limit of .1% which may be retained by the LEA to cover licences and Thurrock is very close to the limit on this. Increases above inflation are being notified for copyright and SIMS licences which means that it may not be possible to continue with the current arrangements.
17. **MATTERS RAISED**
 - (i) Roger White (Dilkes) stated that if he had realised that Thurrock could not guarantee to continue to provide a meals service he would not have voted for it to be delegated. Ian Traynier replied that the DSO has every intention to continue to provide a school meals service, he was only providing a worse case scenario as schools need to be aware that the provision depends on a continuing level of buyback.
 - (ii) John King (Gable Hall) asked how the charges for support services had been calculated and whether they included overhead costs. Ian Traynier replied that the Education Department charges were calculated based on salary, on costs and overheads and do not include any “profit” and he has been assured by other Departments that their charges have been calculated in the same way.
 - (iii) Sheila Smith (Stifford Primary) asked for other services to be considered for delegation, including the Education Welfare Service, Education

Psychology Service and SENCO's. Delegation from 1st April 2001 was not considered practical but such items could be considered for delegation in the future and would help the LEA to reach and possibly exceed the DfEE's target of 90% delegation.

- (iv) Maureen Benson (Jack Lobley) stated that her school is one of the schools likely to lose the most by the changes to the social factor. The likely effect is a loss of up to £17k, which will mean losing two or three LSA's. Shaw Primary will also lose to a similar degree. A safety net arrangement would help to cushion the effect.**
- (v) Staffing recruitment and retention are major problems for many schools. Headteachers and Governors reported adverts which result in no applicants and they are concerned to retain existing staff.**
- (vi) The question of spending above Standard Spending Assessment was raised. Thurrock policy is to spend at Education SSA. For 2000/01 the SSA is £64,046,514 compared with an approved budget of £64,081,546, i.e. £35,032 over SSA.**
- (v) Roger White (Dilkes) raised the issue of the basis of the funding formula and expressed concerns that a needs based analysis has not been undertaken. He asked for a commitment for this to be made.**

Attendance List

| NAME | SCHOOL/ORGANISATION |
|---------------------|--------------------------------|
| Mike Riley | Aveley Primary |
| Timothy Clay | Benyon Primary School |
| Pam Broughton | Benyon Primary School |
| Hilary Cowie | Bulphan C of E V.C. Primary |
| Roger White | Dilkes Primary |
| Shelagh Cosgrow | East Tilbury Infant School |
| John King | Gable Hall |
| Philip Kyndt | Grays Convent |
| Geoff Casey | Hassenbrook |
| Maureen Benson | Jack Lobley Primary |
| Cindy Lewis | Quarry Hill Infant |
| Mary Pollard | St Joseph's |
| Ann Smith | Stanford-le-Hope Infant School |
| Diane Clark | Stanford-le-Hope Infant School |
| Linda Catton | Stifford Clays Infants |
| Mike Fall | Thameside |
| Lynn Adams | Torells School |
| Malcolm Bourne | Tudor Court Primary |
| Brenda Watson | William Edwards |
| Graham Morris | Woodside Primary |
| Aileen Donnelly | Diocese of Brentwood |
| Peter Hartley | Diocese of Chelmsford |
| Alf Shepherd | Parent Governor Representative |
| Amanda Young | Parent Governor Representative |
| Simon Black | Education Department |
| Ian Traynier | Education Department |
| Brian Jones | Education Department |
| Maureen Pointer | Education Department |
| Councillor P Cooper | Thurrock Council |
| Councillor M Jones | Thurrock Council |
| Councillor R Moore | Thurrock Council |