

Schools Forum Working Group

Finance Sub-Group Meeting

26th February 2013

Present: Amanda Bartholomew, Craig Roberts, David Ashmore, David Sutton, David Silvester, Michael Waring, Vera Njegic.

Apologies: Graham Haywood, Stuart Booth

1. PFI issues.

The group noted the responses from Stuart Booth, highlighting the review into the performance and governance of the PFI contract carried out by PwC in April 2011. This was followed by a meetings and a change in organisation and personnel at both Transform Schools and Balfour Beatty Workplace.

Problems were duly noted with Lifecycle works, and work which has been unacceptably delayed. A new system is being discussed with schools and a three year plan being put in place following dialogue with schools. Funding issues with AXA and European Investment bank have arisen and the council and Transform are looking at refining future systems to avoid unnecessary costs.

The high annual increases in PFI costs is a result of two issues, Benchmarking costs and the annual contractual RPI-X increase relating to construction and lifecycle spend. The latter is a fixed cost set at signing of the contract. The Benchmarking is in the final year (2013/14) of the four year period and will be set to be re-negotiated.

Conclusions:

- To receive a copy of the Rotherham PFI contract
- To employ a legal team to examine the contract and provide specific recommendations to Forum concerning budgetary pressures and Lifecycle works.
- To establish a PFI working party made up of PFI school leaders and non-PFI school leaders to be involved in the Benchmark Negotiations.
- To support the decision taken during the Jan Forum meeting concerning the PFI budget arrangements for the 2013/14 subject to that decision being reversible for 2014/15 after independent scrutiny of the contract (application to Secretary of State required - VN).
- To review the decision taken during the Jan Forum meeting concerning the PFI budget for the 2014/15 budget and beyond.

2. Benchmarking

As a finance group we will examine specific budget headings and compare Rotherham spend to statistical neighbours, geographical neighbours and national average to engage in a conversation concerning the setting of budgets. This will affect the 2014/15 budget setting process.

3. Budget Monitoring

Vera outlined the presentation which she will share with Forum.

4. Learning Support Service Proposals

Paula Williams prepared a paper for the meeting requesting an additional Learning Support Worker as their case load was increasing. The 50% budget which is centrally held would need to be increased by £23K.

Since this would not come from the Schools Block, but from the High Needs Block funding, this was to be deferred to the High Needs team who would be looking at that area of funding.

5. Early Years Funding Formula

The group discussed the outline of the proposal put to Forum in the previous meeting concerning increasing the base rate formula for nursery and F1 provision. The group discussed the anomalies surrounding the difference in base rate between PVI and school, a historic difference, as well as the extra allowance for the quality and deprivation.

The group felt strongly that this should be examined in a stepped approach.

Step 1: To ensure equality of funding and increase the base rate for school funding to match PVI funding to £3.40 (2013/14 budget)

Step 2: To re-examine all formula factors (base rate, deprivation and quality) - to enable more informed comparisons to be made on funding levels with other authorities; to consider the approach to measuring quality and whether this delivers the expected outcomes.

Step 3: To examine over the course of the next term the financial pressures placed on the provision and to ensure that any revised proposals are affordable.

It was also noted from Vera that the Early Years block funding has been set following historic levels and this will be elaborated on during Vera's presentation.