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MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM Room 209, CEME, RAINHAM

20 March 2014 (8.30 - 10.15 am)

Present:

Headteachers:

Nigel Emes (Chair) (Primary)
Margy Bushell (Primary)
Christine Drew (Primary)
Chris Hobson (Primary)
Angela Winch (Primary)
Keith Williams (Secondary Academy)
Bill Edgar (Secondary)
Simon London (Secondary Academy)
Geoff Wroe (Special Schools)

Governors:

Joe Webster (Vice Chair) (Secondary)
Tracey Walker (Primary)

Pupil Referral Units

Noel McNab

Non-School Representatives:

Maria Thompson (14-19 Partnership)

Trade Unions:

Ray Waxler (NUT)
John Gilles (UNISON) – Substitute for David Thomas

Officers in Attendance:

David Allen (LBH)
Mary Pattinson (LBH)
Mo Jones (LBH)
Lorraine Hunter-Brown (LBH)

111. APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Apologies were received for the absence of David Denchfield (Primary) , Daniel Gricks (Secondary Academy), Keith Williams (Secondary Academy), John McKernan (Secondary Academy), Trevor Sim (Vulnerable Children), Keith Passingham (NASUWT) and David Thomas (Unison - John Gilles substituting).

112 TO AGREE THE NOTES OF THE MEETING HELD ON 16 JANUARY 2014

The notes of the meeting held on 16th January 2014 were agreed as a correct record and signed by the Chairman.

113 **MATTERS ARISING**

Item 102 – Brookside Junior School

It was noted that following the withdrawal of financial delegation from Brookside Junior School and the establishment of a Strategic Management Board, it was not anticipated that there would be a deficit at the point of conversion to an academy.

114 **MEMBERSHIP**

The Chairman welcomed Mrs Noel McNab to the Forum as representative of the Pupil Referral Service.

It was noted that there were currently vacancies for the following SFF representatives:

Primary School Governors (2)
Special Schools Governor (1)
Primary Academy (1)

115 **INCREASING PENSION COSTS**

The Forum received a presentation from Mo Jones, Pensions Officer on the changes to the Local Government Pension Scheme from 1 April 2014. It was thought that similar changes would follow for teaching staff at a later date but this had not been announced.

The following formed the basis of the changes to the scheme.

- Moving to CARE (Career Average Revalued Earnings) – pensions no longer based on years and days membership
- Definition of Pensionable pay is changing
- New salary bandings for contributions, extended to 9 levels,
- Part timers will pay on their actual pay.
- 50/50 section with full employers' contributions payable
- Retirement date aligned with State Pension age
- All benefits earned up to 31 March 2014 protected including the link to final salary and the current retirement age of 65 for pre 2014 benefits
- Vesting period reverting to 2 years from 3 months
- Able to take benefits from age 55 without employers permission – at a cost

Care Scheme

It was noted that from April 2014, pension accounts would “build” each

year as follows:-

- Pensionable salary X 1/49 = pension bought and each year on 31 March, the pension account is revalued
- Pensionable pay would now include all additional hours (for part timers) and all overtime including non-contractual overtime. Employers' contributions would therefore be paid an ALL pay.

Salary bandings had now been extended to 9 levels so high earners would pay a higher percentage although most teachers would remain at 22%. The pivotal salary was around £43K where earners would be paying more. Part timers would pay on ACTUAL earnings rather than the full time equivalent as previously and it would be the employers' decision as to which band staff fell into.

50/50 Section

- A scheme member could now elect to be in the 50/50 section and pay half the normal % contribution
- They would get half the pension but all other benefits would remain the same as if they were in the main section
- Employers would still pay the full % they would normally pay – even though this has caused “*questions to be asked in the house*”.

Retirement Age

- Retirement age would now be aligned with state pension age
- The link to final salary still existed for all those scheme members with pre 2014 membership
- The right to have a refund of contributions would be increased to 2 years from 3 months, however employers' contributions would only be refunded if the member opted out within the first 3 months.

Taking benefits before retirement age

Scheme members had the right to take reduced benefits from age 55 without their Employers' consent. Reduction factors were still being looked at as protections in place could be lost if the member retired under the age of 60.

Authorised leave without pay

- Mandatory payment of contributions for the first 30 days of any such leave had now gone and was no longer the contributions “that would have been paid”
- It was being replaced with the right of the scheme member to elect to pay for the lost pension
- The cost would be based on “assumed pensionable pay” X 1/49 X factors based on age

- Jury service would come under the same banner as above if the member goes on to “no pay” if on a lengthy court case

Paying for lost pension contributions

Once the cost of buying a lost pension has been calculated, the scheme member then has 30 days to choose to pay the contributions and have the cost shared with the employer. If he/she decides to go ahead with the purchase, the cost is split 1:2 employee/employer. If the scheme member decides to purchase the lost pension outside of the 30 days, they must pay the whole cost themselves. A person could no longer choose to pay such contributions after they have left employment

Sickness with no pay

Employer's contributions were now payable for any period where staff were off sick and out of sick pay. This was not an option. Contributions would be calculated using “assumed pensionable pay” (APP). APP would be the figure to be used going forward to base employers' payment of contributions for any periods of reduced or “no pay” including child related leave, reserve forces leave and authorised unpaid leave. APP would be calculated as an average of the 3 months' pay in the 3 preceding months to the monthly pay reduced to zero pay.

Industrial Action

The scheme member would have an open ended time limit now in which to decide to pay for the “lost pension”. The pension would be bought by paying in the same way as any other “lost pension” scenario. It was noted that the employer would not pay towards this even if the member had made the decision within 30 days of receiving the cost information.

What the employer pays for

- All scheme members who are active and receiving pay
- Any member on “relevant” child related leave such as ordinary maternity, paternity or adoption leave
- Any active scheme member off sick receiving no pay
- 2/3rds of the cost of any period of authorised unpaid leave (including maternity, paternity, adoption and jury leave) where the member had elected within 30 days to buy the lost pension

What the employer does not pay for

- Any period of authorised unpaid leave (including maternity, paternity and adoption leave) where the member had NOT elected within 30 days to buy the lost pension
- Any period of industrial action even if the member wants to buy the lost pension

- During the period any active member is on reserve forces leave – even if the employer does continue to pay “some pay” – this is because the Ministry of Defence pays the employers contribution

It was noted that the following should be reported to the pension team:

- All new joiners to the scheme
- Scheme members electing to pay in 50/50 section
- Scheme members going onto reduced or zero sick pay
- Scheme members going on maternity, paternity, adoption or authorised unpaid leave including career breaks etc.
- Scheme members going on reserve forces leave
- Scheme members returning from any of the items above
- Any one taking part in industrial action and when they ceased
- Any one returning from jury service
- Any change of contractual hours
- For leavers, a pensionable pay figure for post 2014 membership, and if applicable, a “pen rem” for pre 2014 membership

Members of the Forum were advised that, upon request, an officer from the pension’s team would visit and speak to non-teaching staff at their respective schools. Members were further advised that the Authority had set up a pension’s website and that information packs were also available.

The Chairman thanked the officer for the report and commented that all non-teaching staff should have the necessary information prior to any meetings being arranged. It was agreed that meetings should be organised around school hours and within localities.

The Forum was asked to note the 2.3% (from 14.1% to 16.4%) increase in teachers’ pensions for employers’ contributions from September 2015. Schools had already been advised of this. Salary calculators were being adjusted to account for the increase.

116 RISE PARK JUNIOR SCHOOL

It was noted that the local authority had used its powers of intervention under section 66 of the Education Inspections Act 2006 to suspend the right of the Rise Park Junior School Governing body to a delegated budget and that a Strategic Management Board had been established to oversee all finances at the school.

117 TRADE UNION FACILITY TIME

Members noted the report to the Schools Funding Forum following two meetings held by the Trade Union Facility Time Working Group on 14 February and 5 March 2014.

The DfE had issued non statutory advice to school leaders, governing bodies, employers and employees following the call for evidence during the

autumn term. The main points of the full document were outlined within the report including the list of paid and unpaid activities during working hours, management of facility time as well as accountability to employers and/or managers.

It was acknowledged that trade union work had grown in the borough at a cost of £5.70 per pupil. This was one of the highest rates nationally.

Secondary schools where time off was allowed for school based trade union representatives was costing, on average £7,500. Added to the £5,000 contribution to the central pool the total cost was £12,500. Primary schools did not allocate in-school facility time to the same extent as secondary schools and were content with the current arrangements of de-delegation.

It was noted that two academies had decided not to pay into the central pool. Unions would be advised to withdraw support

Following a discussion, the Schools Funding Forum unanimously agreed to implement the following recommendations as from September 2014:

1. Recommendations

- (i) Facility time for school based representatives to be used as follows:

All meetings with head teachers and management as well as meetings in which representatives support members (e.g. disciplinary, capability meetings) must be held in timetabled time (not lunchtime or before or after school).

All meetings which take place in non-contact time must be compensated with equivalent non-contact time. Reasonable time off for training should be allowed.

- (ii) The current allocation of facility time to the trade unions is changed to bring it in line with membership as follows:

	Current FTE	Membership	Revised FTE
NUT	1.2	1,294	1.42
NASUWT	0.9	726	0.80
ATL	0.5	410	0.45
VOICE	0.19	150	0.16
NAHT	0.1525	100	0.109
ASCL	0.0575	63	0.069
TOTAL	3.00		3.00

This was subject to further reductions as (iii) below.

Support staff

Unison to remain at 0.5 FTE and consideration given to the allocation of facility time for GMB.

- (iii) As a first step towards reducing the costs, charges to be based on £4 per pupil including 6th form pupils. The impact on de-delegation for maintained schools and the contribution from academies were circulated as a confidential paper. This would reduce the facility time allowed for each trade union as follows:

	Current FTE	Revised based on Membership	Reduced FTE based on £4 per pupil
NUT	1.2	1.42	1.13
NASUWT	0.9	0.80	0.63
ATL	0.5	0.45	0.36
VOICE	0.19	0.16	0.13
NAHT	0.1525	0.109	0.09
ASCL	0.0575	0.069	0.05
TOTAL	3.00	3.00	2.39

- (iv) Reduce the budget by £11,250 that provides additional days for each trade union. This is currently as set out below but the recommendation is to remove this additional allowance.

	Days	Additional Days	Total Days
NUT	5	15	20
NASUWT	5	15	20
ATL	5	12	17
VOICE	5	0	5
NAHT	5	3	8
ASCL	5	0	5
TOTAL	30	45	75

- (v) From 2014-15 Schools Forums would be required to publish decisions made in funding facility time and academies would need to include details of facility time spending as part of their published financial statements.

A monitoring report would therefore need to be devised to capture traded union activities undertaken and an account of total hours spent under agreed headings.

The Chairman concluded that the matter should be reviewed again in twelve months' time.

118 FREE SCHOOL MEALS FOR KS1 PUPILS

It was confirmed that non-statutory advice had now been received from the DfE which was attached as Appendix C. The advice was aimed at school leaders and governing bodies in all maintained schools, academies, free schools, pupil referral units and alternative provision with children in reception, year 1 and year 2.

In the 2014 to 2015 academic year, local authority schools would be paid funds at a flat rate of £2.30 for each meal taken by newly eligible pupils. Initial provisional allocations would be based on an estimate of national take-up and then adjusted once the department had details of the actual number of meals taken in individual schools.

Additional one-off funding would be provided in the 2014 to 2015 financial year to small schools (those with fewer than 150 pupils in total) to help with transitional costs.

From September 2014 all pupils in reception, year 1 and year 2 in state-funded schools in England would become eligible for free school meals (FSMs). This would include academies, free schools, pupil referral units and alternative provision as well as maintained schools.

The grant allocated to Havering for capital projects (transition costs) was £642k however the costs were likely to exceed that. A survey was being undertaken of the costs of items such as new ovens, ventilation equipment, additional storage spaces, counter works and hot trolleys. In addition, more major works would have to be carried out where facilities were non-existent. On the basis of current figures, there was a shortfall of £123k which excluded asbestos survey work which was an additional unknown cost.

119 SCHOOL LUNCH GRANT

Members of the Forum were advised that the three year period for the school lunch grant had ended. There could continue to be a charge for the school lunch grant with monies utilised to address the shortfall discussed in the previous item. However, the capital needs in schools were spread unevenly and it would not be appropriate for a direct charge to be made to schools to meet the needs in other schools. In previous years, the Forum had agreed to fund shortfalls in wider capital projects costs from the DSG and it was possible to do this from an anticipated underspend to be carried forward into 2014-15.

The Forum agreed in principal to fund the shortfall from the anticipated DSG carried forward.

The Chairman reminded the Forum that, as of 2016, free school meals would be rolled out to Key Stage 2 pupils and that this would have a bigger impact on schools affecting kitchens, dining halls and lunch periods.

120 **SOCIAL INCLUSION FUNDING TO SUPPORT VULNERABLE CHILDREN**

The Forum noted and approved the protocols to support schools following the placement of pupils through the IYFAP process as outlined in Appendix D.

121 **ACADEMY FUNDING 2014-2015 AND RISK POOLING SCHEME**

The Forum noted the changes in EFA academy funding as outlined in Appendix E. The new protection arrangements would only apply to existing academies and that the payment profile for academies and free schools was currently being revised in order to achieve parity. Newer academies were funded on the LA formula with no protections.

Members of the Forum were asked to note the new Academy and Free School risk pooling scheme for 2014/2015.

122 **FAIRER FUNDING**

The Forum noted the consultation document issued by the DfE on fairer schools funding 2015/2016. Members were advised that for many years Havering had been the second lowest funded borough for education within London. Officers had reviewed all previous funding data from 2013/2014 and felt that Havering was being subjected to unfair treatment.

It was therefore agreed that officers would put forward a case for Havering to receive additional funds with the full support of the Schools Funding Forum.

123 **NEXT MEETINGS**

It was noted that the next meeting would be held on 24 April 2014 at CEME.

124 **ANY OTHER BUSINESS**

The Chairman extended his thanks to Christine Drew for her contributions to the Schools Funding Forum and on behalf of all members wished her well in her retirement.

Chairman

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