

(BARKING AND DAGENHAM SCHOOLS FORUM)

(Tuesday 24th June 2014)

Title: School Forum Report	
Report of: CORPORATE DIRECTOR	
Open	For Decision / For Information
Wards Affected: All	Key Decision: No
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Accountable Divisional Director: Jane Hargreaves – Divisional Director (Education)	
Accountable Director: Helen Jenner – Corporate Director (Children’s Services)	
Summary: The purpose of this report is to update the Barking and Dagenham Schools Forum on: <ol style="list-style-type: none">1. (Background)2. The Dedicated Schools Grant (DSG) 2013/14 Outturn3. The 2013/14 Schools Facing Financial Difficulty contingency4. Update on Early Years Single funding Formula (EYSFF) review and capitalisation.5. 2014-15 Dedicated Schools Grant budget update6. Reported School Balances 2013/147. Update on Head Teacher Steering Group8. London Council’s joint response to fairer school funding in 2015-16 Consultation.9. Proposed meeting dates 2014/15	
Recommendation(s) The Schools Forum is asked: <ol style="list-style-type: none">(i) To approve the application of £1,135k to 2 Year Provision 2014-15 and the capitalising of £850k `2 year old’ revenue funding.(ii) To approve the application of £679k 2013-14 under spend to the 2014-15 Early Years Block(iii) To approve the application of £1,487k 2013-14 under spend to the 2014-15 High Needs Block(iv) Decision – Schools Forum is asked to approve the application of<ul style="list-style-type: none">• the 2013-14 de-delegated transfers to schools facing financial difficulties (£60k over allocation of schools facing financial difficulties and £60k under spend in general schools contingency).• The allocation of the £581k growth fund under spend to the 2014-15 growth fund.• The remaining £70k under spend to the 2014-15 High Needs Block(v) To approve the increase of support to Warren by £90k to £290k in 2014-15 in order to cover their reserve deficit. This support will be in the form of a loan, subject to legal advice, repaid over 4 years.(vi) To approve the updated allocation of DSG including 2013-14 carry forwards.(vii) To approve the Schedule of Meetings to July 15	
Reason(s) None	

1. Introduction and Background

- 1.1 The School Forum is a decision making and consultative body in relation to matters concerning schools' budgets as defined in the School Finance (England) Regulations 2012 and the Schools Forums (England) Regulations 2012. The Forum is required to meet at least four times a year.

2. Dedicated Schools Grant – 2013-14 Outturn

- 2.1 At the Forum meeting 18 March 2014 the forecast outturn for the 2013-14 DSG was an under spend of £3,060,960 in total across all blocks. The final outturn for the financial year 2013/14 was an under spend of £4,801,391. Reconciliation between the previous forecast and final outturn is detailed below:

2013/14 forecast outturn under spend (reported 18 March 2014)	£3,060,960
2 year old funding increase under spend	£422,939
Early Years block increase spend	(£15,412)
High Needs block increase in income	£1,004,328
Schools block increase under spend	<u>£328,576</u>
2013/14 final outturn under spend	£4,801,391

- 2.2 Table 1 below the reporting of the individual blocks:

Table 1 - Dedicated Schools Grant 2013/14 Outturn					
Notes	Funding Blocks	Revised Block £'000	2013/14 outturn £'000	Year End Variance £'000	% Over/(under spend)
2.3.1	2 Year Old Funding	4,465	2,480	(1,985)	(44.46%)
2.3.2	Early Years block	11,425	10,746	(0,679)	(5.94%)
2.3.3	High Needs block	24,407	22,920	(1,487)	(6.09%)
2.3.4	Schools block	177,724	177,074	(0,651)	(0.37%)
2.3.5	TOTAL	218,022	210,941	(4,801)	(2.20%)
2.3.6	Remaining 2012-13 c/f allocated to HNB			(4,439)	
2.3.7	2013-14 DSG carry forward			(9,241)	

- 2.3 The School Forum is asked to approve the application of the 2013/14 final under spend as detailed below:

2.3.1 **2 Year Old Funding under spend £1,985k**

£1,135k of this under spend will be carried forward to 2014/15 to fund trajectory funding up to September 2014. It is proposed capitalise the remaining £850k in order to provide further places. See section 4.2 for carry forward proposals.

- (i) **Decision – Schools Forum is asked to approve the application of £1,135k to 2 Year Old Provision 2014-15 and the of capitalising £850,000 `2 year old' revenue funding as per section 4.2 to section 4.9**

2.3.2 Early Years block under spend £679k

£529k of this is due to 'one off' additional funding in the block for 2013/14 (£165k 2012/13 carry forward / £364k transitional protection for removal of 90% floor). The remaining £150k underspend is as a result of the additional £488k area cost pay adjustment being added to the 2013-14 budget.

- (ii) **Decision – Schools Forum is asked to approve the application of £679k 2013-14 under spend to the 2014-15 Early Years Block**

2.3.3 High Needs block under spend £1,487k

Appendix A attached provides the detailed reporting of the high needs block outturn.

- (iii) **Decision – Schools Forum is asked to approve the application of £1,487k 2013-14 under spend to the 2014-15 High Needs Block**

2.3.4 Schools block under spend £651k

Schools facing financial difficulties over allocation £60k (See section 4). De-delegated amounts for general school's contingency and trade union release time under spent by £60k. It is proposed to add this under spend to the schools facing financial difficulties contingency, see table 2. The growth fund has under spent by £581k, this has been earmarked for the 2014-15 growth Fund. The remaining under spend is £35k excluded pupils AWPU clawback and £35k under spend on historical commitment budgets.

Barking Riverside Free school - we are waiting to hear from the Education Funding Agency as to whether they will recoupment the allocation for September 13 to March 14, £459k. This amount has been included in the 2013-14 spend, if this amount is not recouped it will be added to the general carry forward.

- (iv) **Decision – Schools Forum is asked to approve the application of**
- **the 2013-14 de-delegated transfers to schools facing financial difficulties (£60k over allocation of schools facing financial difficulties and £60k under spend in general schools contingency).**
 - **The allocation of the £581k growth fund under spend to the 2014-15 growth fund.**
 - **The remaining £70k under spend to the 2014-15 High Needs Block**

2.3.5 Total DSG allocation for 2013/14 £218,022k

Barking and Dagenham total DSG allocation for the financial year 2013/14 as notified from the DfE plus agreed carry forwards.

2.3.6 DSG carry forward from 2012/13 allocated to the High Needs Block £4,439m

The last financial year under spend carried forward as agreed at School Forum 25 June 2013.

2.3.7 Total 2013/14 DSG under spend £9,241k carry forward

The total of 2012/13 under spends and 2013/14 under spend.

3 2013/14 Schools Facing Financial Difficulty Contingency

3.1 The Schools Facing Financial Difficulty Contingency for 2013/14 was £1.25m and £0.489m from the previous year (2012/13) totalling £1.739m. The 2013/14 the de-delegated amount has been over allocated by £259,540 and as agreed at Forum 18 March 2014. However the £200k loan agreement with Warren has not been agreed and therefore the pressure is £60k, this will be the first call on the 2014/15 de-delegated budget.

(v) ***Decision – Schools Forum is asked to approve the increase of support to Warren by £90k to £290k in 2014-15 in order to cover their reserve deficit. This support will be in the form of a loan, subject to legal advice, repaid over 4 years.***

3.2 Table 2 below details the final allocations and for information the closing school balances for 2013/14 of the schools who received additional support in 2013/14.

3.3 Table 2: Schools Facing Financial Difficulty Contingency 2013/14

	2013/14 Year End Revenue Balance	2013/14 Funding provided	2014/15	2015/16	2016/17
De-delegated amount		£1,250,000	£1,000,005	£500,000	£250,000
c/f under spent 2013-14 de-delegation			£59,300		
c/f from previous year		£489,100	(£59,540)	£589,765	£942,265
Contingency		£1,739,100	£999,765	£1,089,765	£1,192,265
In year allocations:					
Warren recovery plan	(£288,542)	(£321,640)			
Warren <i>additional support</i>			(£290,000)	£72,500	£72,500
Eastbrook	£582,935	(£500,000)		(£400,000)	
Eastbrook <i>Support funding agreed February 2012</i>		(£160,000)	(£160,000)		
Barking Abbey loan	£885,589	(£400,000)	£40,000	£180,000	£180,000
Leys Primary	£122,730	(£99,000)			
Dorothy Barley Juniors	£192,602	(£92,000)			
Village Infants	£91,416	(£80,000)			
Henry Green Primary	£76,663	(£80,000)			
St Joseph's, Barking	£3,817	(£66,000)			
Balance / (over allocation)		(£59,540)	£589,765	£942,265	£1,444,765

3.4 As at 31st March 2014 three schools and the Barking and Dagenham Tuition Centre (PRU) had unlicensed deficits totalling £694k. Schools finance have met with these schools and agreed recovery plans. In line with the scheme for financing schools, schools finance has postponed one school's request to seek an alternative school finance system.

3.5 Three year budget plans are required to be submitted to the LA by 30th June 2014. Any school forecasting a deficit position in any of the 3 years will be required to attend the Schools facing financial difficulties sub group.

3.6 Allocations for 2015-16 and 2016-17 are provisional. These future allocations will be considered prior to the financial year commencement taking into account prevailing conditions at that time.

3.7 **Table 2: Schools facing Financial Difficulty - Unlicensed Deficits as at 31 March 2014**

	2013-14 Year End Revenue Balance	2013/14	2014/15	2015/16	2016/17
Warren Comprehensive	(£288,542)	(£288,542)			
Barking and Dagenham Tuition Centre	(£9,409)	(£9,409)			
Eastbury Primary School	(£306,443)	(£306,443)			
Thomas Arnold Primary School	(£90,032)	(£90,032)			
		(£694,426)			

4 Early Years Block and single funding formula review and consultation

4.1 A decision was made by Forum at the last meeting for the LA to undertake a full review and consultation of the Early Years Single Funding Formula (EYSFF) in preparation for the 2015/16 financial year. A working party has been established with the appropriate representation and a meeting is due to be held on the 17 June 2014.

4.2 Capitalising `2 Year old' Revenue Funding

4.3 Barking and Dagenham have a statutory target to deliver 2,055 free early education places for disadvantaged `2 year olds' by September 2014. At present we are delivering 972 `2 year old' places in the PVI sector and since September 2013 a total of 1,189 `2 year olds' have accessed a free childcare place.

4.4 Provision is fully utilised across the sector at present, and there is currently no spare capacity in the market to deliver much needed additional `2 year old' places. Therefore in order to develop more capacity the Early Years Service wishes to convert £850,000 unspent `2 year old' revenue funding to capital. The capital will be used to develop additional `2 year old' places in the private, voluntary and independent (PVI) sector.

4.5 Developments currently underway and completed with existing capital funding will provide additional spaces for 580 children leaving a shortfall of just over 500 places.

4.6 The proposal is to spend the funding in two key areas in the borough. A building has been identified in Village ward that will potentially provide spaces for 120 `2

year olds'. It is estimated that remodelling the building identified will cost approximately £350,000.

- 4.7 A second building has been identified in Heath ward. This building will potentially provide 96 places for `2 year olds' and it is estimated that refurbishing and remodelling this building will cost around £400,000. This building is an area of acute need for places as all settings and childminders in this area are operating to full capacity.
- 4.8 The remaining capital funding will be allocated to existing PVI providers maximising capacity where possible and potentially schools once the changes around registration for `2 year olds' has been agreed by central government. Additional places could be developed this way.
- 4.9 The DfE have agreed this plan providing there is agreement from the Director of Children's Services and Schools Forum, and Helen Jenner is in agreement about making this request for capitalising revenue funding.

5 2014-15 Dedicated Schools Grant budget update

- 5.1 The Local Authority's allocated 2014-15 Dedicated Schools Grant was published by the Education Funding Agency 31st March 2014, this together with the DSG balance brought forward from 2013-14 and early years January census adjustment, is now fully allocated in support of the Schools Budget in 2014-15. See Appendix B.
 - 5.2 The Early Years Block allocation published in December 2013, based on January 2013 census counts, are provisional. Early Years Block allocations will be initially adjusted in summer 2014, to be based on counts from the January 2014 School Census, Early Years Census and Alternative Provision Census.
- (vi) ***Decision – Schools Forum is asked to approve the updated allocation of DSG including 2013-14 carry forwards.***

6 2013/14 School Balances

- 6.1 The School Balances for 2013/14 total £16,472,551 and have decreased by £1,550,348 and are reported as attached in Appendix C. In total 15 Primary schools have increased their balances and 5 secondary schools have also increased their balances.
- 6.2 Any school with a year end balance of over 10% or £250k will be required to produce written explanation to the Schools facing financial difficulties sub group detailing the future use of their balance. A proforma will be provided.

School Forum is asked to comment and note the reporting of the balances.

7 Head Teacher Steering Group meeting update

7.1 The group met 28 April 2014 and the out of borough placements 'deep dive' exercise was discussed with the report from Jackie Ross and the analysis of 30/45 files of outborough placements.

7.2 Key findings:

- Higher rate than statistical neighbours sent out of borough – mainly behaviour.
- Not a high rate of statementing compared with statistical neighbours.
- Most who go out have very high needs – therapeutic as well as academic approach required – integrated approach of education, social care and health.

7.3 Actions and agreements

- Meeting emotional needs allows CYP to make accelerated cognitive progress – hence joined up approach required.
- Should be seen as invest to save.

8 Fairer Schools Funding Consultation 2015-16

8.1 On 13 March 2014, the Department for Education (DfE) published a consultation on school funding for 2015-16 including the next steps towards introducing a National Funding Formula (NFF). The closing date for the consultation was 30 April 2014.

8.2 As previously reported to Forum, this was a further step in the transition towards a NFF for schools but will not be brought in fully until the next spending review.

8.3 A copy of the response is attached as Appendix D and was a joint response from the London Councils and the Association of London Directors of Children's Services (ALDCS).

9 Barking and Dagenham School Forum – Schedule of Meetings

9.1 The Schools Forums (England) Regulations 2012 state that Forums must meet at least four times a year. A proposed schedule of meetings is attached as Appendix E and proposes dates up to June 2015 for the School Forum and its sub groups; Schools Facing Financial Difficulty and Schools Forum Funding Review sub group. Additional meetings can be scheduled if required.

(vii) Decision – the Schools Forum is asked to approve the Schedule of Meetings to July 2015 as section 8.0 to section 8.1 and as detailed in Appendix E

10 Options Appraisal

10.1 Not applicable.

11 Consultation

11.1 Not applicable.

12 Financial Implications

12.1 Contained within the Dedicated Schools Grant

13 Legal Implications

13.1 The Schools Forums (England) Regulations 2012 govern the constitution and conduct of meetings of the Forum. The Schools Finance (England) Regulations 2012 determine those matters on which the Local Authority must or may consult the Schools Forum and those in respect of which the Schools Forum can make decisions. These Regulations make provision for the financial arrangements of local authorities in relation to the funding of maintained schools and providers of prescribed early years provision in England, for the financial year 2013/14.

14 Other Implications

14.1 **Risk Management** - None

14.2 **Contractual Issues** - None

14.3 **Staffing Issues** – None

14.4 **Customer Impact** – None

14.5 **Safeguarding Children**- None

14.6 **Health Issues** - None

14.7 **Crime and Disorder Issues** – None

14.8 **Property / Asset Issues** – None

Background Papers Used in the Preparation of the Report:

None.

List of appendices:

Appendix A – High Needs Final Monitor 2013-14

Appendix B –Dedicated Schools Grant 2014-15 Block Allocations

Appendix C – 2013/14 Reported School Balances

Appendix D – London Council's Fairer Schools Funding 2015-16 Consultation response

Appendix E – Schedule of Meeting dates 2014-15