**(BARKING AND DAGENHAM SCHOOLS FORUM)**

**(15th March 2016)**

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| **Title:** School Forum Report |
| **Report of: CORPORATE DIRECTOR**  |
| **Open** | **For Decision / For Information** |
| **Wards Affected: All** | **Key Decision: No** |
| **Report Author:** Daksha Chauhan, Group Accountant (Finance) | **Contact Details:**Tel: 020 8227 2250E-mail: daksha.chauhan@lbbd.gov.uk |
| **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:1. (Background)
2. The Dedicated schools Grant (DSG) 2015-16 year end forecast position.
3. Schools in Financial Difficulties update
4. De-delegated Services
5. Early Years Single Funding Formula (EYSFF)
6. Growth Fund update
7. High Needs Working Group update
8. High Needs Exceptional one year SEND Funding 2016-17
9. National Funding Formula
10. Closure of Accounts
11. Future work plan and diary dates
 |
| Recommendation(s)The Schools Forum is asked:1. To note the DSG 2015-16 reported year end forecast
2. To note the Schools in Financial Difficulty contingency update
3. To agree the Early Years Single Funding Formula rates for 2016/17 (EYSFF)
4. To note the growth fund update
5. To note the High Needs working group update
6. Agree proposed 9% savings £2.634m within the 2016/17 HNB and realign £1.184m in support of future pressures.
7. Agree the increase in place provision at Trinity School to 290 in total (including 12 ARP) and utilise vacant place resources from Riverside Bridge to Trinity School.
8. Agree to the retention of the High Needs consultant for a further academic year.
9. Approve one year funding for 2016-17 of £40 per child in support of the SEND Strategy
10. Approve one off exceptional funding to Elutec due to late deadline date submission
11. Agree the establishment of National Funding Formula Working Group
12. To note future diary dates and work plan
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| **Reason(s)** |
| None |

1. **Introduction and Background**
	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.

1. **Dedicated Schools Grant 2015-16 Budget allocation update**

**2.1 Dedicated Schools Grant Forecast as at February 2016**

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| **Table 1 - Dedicated Schools Grant Forecast as at February 2016** |
| **Notes** |  | **2015-16 Budget****£’000** | **2015-16****Forecast****£’000** | **Year End Variance****£’000****(underspend) / overspend** | **% over/ (underspend)** |
| 2.2 | 2 Year Old Funding | 4,367 | 3,766 | (601) | (13.76%) |
| 2.3 | Early Years block | 12,182 | 12,276 | 94 | 0.77% |
| 2.4 | High Needs block \* | 28,138 | 27,592 | (546) | (1.94%) |
| 2.5 | Schools block | 190,891 | 190,841 | (50) | (0.03%) |
|  | **TOTAL** | **£235,578** | **£234,475** | **(£1,103)** | (0.47%) |
|  |  |  |  |  |  |

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| **Table 2 - Dedicated Schools Grant Reserve Position as at February 2016** |
|   | **£’000** |
| 2014-15 DSG carry forward  | **7,367** |
| Additional allocation for 2YO based on Autumn data submission | 294 |
| Capitalisation of 2 YO as agreed by Forum | (700) |
| 2015/16 underspend carry forward | 1,103 |
| **Anticipated 2015-16 DSG carry forward** | **8,064** |
| Reallocation of DSG Reserve to Schools and Early Year settings as part of SEND strategy | (3,200) |
| Ring Fenced 2 Year Old Reserve | (2,253) |
| Contribution to High Needs Budget 2016/17 | (800) |
| Contribution to manage Early Years pressure in 2016/17 | (900) |
| **Uncommitted DSG Balance** | **911** |

2.2 **2 Year Old Funding**

The 2 Year Oldfunding is made up of base funding from DfE of £3,782k and trajectory funding of £584k drawn down from DSG Reserve. The forecast spend is £3,766 and therefore the use of reserves originally planned will not be required.

2.3 **Early Years block**

The Early Years block has a budget of £12,182k and includes a contribution from reserves of £632k. The forecast spend is £12,276k which will require an additional drawdown from reserves of £94k (£726k).

2.4 **High Needs Block**

 The High Needs block budget of £28.138m includes the planned use of reserves amounting to £3.703m. The forecast drawdown from reserve is now expected to be £3.157m, a reduction of £546k. The main reasons for the variance are primarily due to an underspend at the Seabrooke Centre (£400k) due to vacancies. There is also an underspend on non maintained fees (£227k) resulting from the review of high cost out of borough placements. Further underspends are reported in the Secondary Schools ARP provision (£406k) due to vacancies and an underspend from out of borough schools not claiming their top ups (£207k). These pressures are managing an overspend at the Special School of £506k and an overspend on top up funding for schools with high needs children (£200k).

2.5 **Schools block underspend (£50k)**

Underspends on centrally retained and growth fund totalling (£130k). Recoupment for academies less than funding model allocations in relation to NNDR (£337k).

Forecast overspend on de-delegated budgets of £417k relating to over-allocation of Schools Facing Financial Difficulties contingency £517k, partly offset by anticipated underspend on Schools Specific Contingency (£100k).

**Total DSG budget for 2015/16 £235.578m**

The budget includes £3.467m use of 2014-15 carry forward balances.

**3 Schools Facing Financial Difficulty Contingency**

3.1 No formal requests have been made. Appendix A provides the support provided and repayments made.

3.2 The 2015/16 in-year de-delegated position is a £517k deficit – taking into account the 14/15 brought forward balance of £69k the overall position on the contingency will be a deficit of £448k.

**4 De-delegated Services**

4.1 Schools Forum requested detail on Schools specific contingency budget and planned expenditure for 2016/17. There have been no calls on this contingency to date for 2015/16. Requests against this contingency are mainly for NNDR support. The final position will be reported at the June Forum meeting.

4.2 Schools Forum requested the impact of savings at 5%, 7% and 12% for supporting Trade Union duties and is presented in Table 3 below.

**Table 3 – Trade Union Support - Impact of Savings**

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| --- | --- | --- | --- |
| **Support for Trade Union Duties** | **£ Per Pupil** | **Total** | **Saving** |
| 2016/17 Presented at Forum | 8.55 | 268,402  |   |
| Impact of 5% savings | 8.12 | 254,982  | -13,420  |
| Impact of 7% savings | 7.95 | 249,614  | -18,788  |
| Impact of 12% savings | 7.15 | 224,384  | -44,018  |

**5.** **Early Years Single Funding Formula (EYSFF)**

5.1 The EYSFF was reviewed at the request of Schools Forum. Exemplifications included allocation based on the revised IDACI factors, however application of these made an insignificant impact. The impact on maintained nurseries saw an overall reduction in funding of £12k.

5.2 It is proposed that the rates for the EYSFF remain the same as 2015/16 as per table 4 below:

**Table 4 - 2016/17 PVI and Nursery Rates**

|  |  **RATE £** |
| --- | --- |
| **Factors** | **PVI** | **Nursery** |
| Base Rate | 3.00 | 3.00 |
| Deprivation class  | 0.61 – 0.76 | 0.61 – 0.76 |
| Quality | 0.20 | 0.20 |
| Flexibility | 0.20 | 0 |
| Sustainability class 1-9 | 0 | 0 |
| Premises / Manager  | 0.04 | 0.04 |
| Head Teacher on Site | 0 | 0.17 |
| Premises Factor | 0.04 | 0.04 |
| **Total 3 and 4 Year Old Funding** | **£3.80 – £4.30** | **£3.97 – £4.17** |

5.3 It should be noted that in 2015/16 there was a budget allocation from the DSG Reserve to Early Years of £632k. Modelling of the allocation to schools and PVI settings indicate a pressure of £900k for 2016/17. This pressure will be monitored and further work undertaken to identify the drivers of this pressure.

5.4 **Table 5 Early Years Benchmarking London Councils**

5.4.1 In 2015/16 the EYSFF was reviewed and the average rate increased from £3.87 to £4.05. London Councils undertook a childcare survey in October 2015 and the results of the hourly rates are shown in Table 5 below. The responses have been anonymised. The weighted average rate ranges from between £3.60 per hour to £4.99 per hour. The weighted average for this sample of London authorities is £4.32 per hour compared to the weighted average for Barking and Dagenham which is £4.05 per hour.

**Table 5: Early Years Benchmarking – London Councils**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **3-4 year olds**  | **Weighted average**  | **State-funded schools**  | **LA nurseries**  | **PVI**  |
| Barking and Dagenham  | 4.05  | 3.80-4.30  | 3.80-4.30  | 3.80-4.30  |
| a | 4.40  | 4.40  | 4.40  | 4.40  |
| b | 4.24  | 3.73  | 4.49  | 4.49  |
| c | 4.44  | 4.33  | 4.45  | 4.45  |
| d | 4.50  | 3.71  | 6.08  | 3.71  |
| e | 4.80  | 4.97  | 4.76  | 4.66  |
| f | 4.66  | 4.82  | 4.87  | 4.59  |
| g | 4.99  | 6.11  | 3.38  | 4.00  |
| h | 4.08  | 4.08  | 8.35  | 4.08  |
| i | 3.83 | 3.68 |  | 3.98 |
| j | 4.28  | 3.51  | 7.23  | 4.32  |
| k | 3.60 | 3.60  |  | 3.66  |
| l |  | 4.22 (base)  | 7.32 (base) | 3.66 (base) |
| m |  | 4.42  | 7.87-8.95  | 4.72 |

1. ***Decision – School Forum to approve to maintain the existing hourly rates.***

**6. Growth Fund Update**

6.1 Schools Forum requested a presentation on the Growth Fund and PAN Funding. The criteria for the Growth Fund and PAN funding was agreed at Schools Forum on 12 January. The current allocation for 2016/17 is attached in Appendix B. Further requests will place a pressure on the Growth Fund and will be managed from the DSG reserve.

**7.** **High Needs Working Group update**

7.1 The Schools Forum HNB working sub group met 26th January 2016 and reported that the 10% (£1.3m) saving cuts across areas within the HNB is reported on track for delivery 2015/16.

7.2 2016/17 proposed savings was discussed and areas of support to realign some of the savings for 2016/17 were discussed. Each budget line was reported for budget setting 2016/17 HNB budget. In total £2.634m (9%) savings was proposed and £1.184m realigned to support reporting pressures for 2016/17. Appendix C attached summarises the 2016/17 HNB.

7.3 Modelling work on the Additional Resource Provision (ARP) vacancies covering the last 2 financial years was discussed and it was agreed that “realignment of places” was a more suitable outcome rather than recoupment for 2016/17 from schools.

7.4 In place planning for the academic year, Trinity Special School currently holds 273 filled places and 12 ARP filled places (285 total), and due to increased demand and LBBD strategy to return out of borough placed children to quality in-house provision, it is proposed to increase the school’s places to 278 and 12 ARP, totalling 290 places commencing the academic year. Resources for this provision will be to realign the planned additional vacant budgeted places from Riverside Bridge to Trinity School.

 7.5 The Isos work strands was updated including `desktop reviews’ and a proposal agreed to invite a representative from Health to the next sub group meeting.

7.6 The next proposed HNB working sub group meeting is planned for 22nd March 2016, 11am to 1pm, at Sydney Russell School.

1. ***Decision – School Forum to approve proposed 9% savings £2.634m within the 2016/17 HNB and realign £1.184m in support of future pressures.***
2. ***Decision – School Forum to approve the increase in place provision at Trinity School to 290 in total (including 12 ARP) and utilise vacant place resources from Riverside Bridge to Trinity School.***
3. ***Decision – School Forum agree to the retention of the High Needs consultant for 3 days per week, for a further academic year to continue supporting the HNB. This is to be funded from the HNB.***

**8. High Needs Exceptional one year SEND Funding 2016-17**

8.1 The High Needs Exceptional one year funding in support of the SEND Strategy was discussed and reported bids submitted to the local authority at the last HNB working sub group meeting.

8.2 A proposal was suggested for the Early Years settings, including PVI’s for a flat rate of £40 per census count in support of the SEND Strategy and, due to reporting timescales and the legal requirements for School Forum approval, an email was distributed with voting buttons for acceptance of this. This was accepted and proposed by sub group members.

8.3 The HNB working sub group are proposing one year funding for early years settings of £40 in support of the SEND Strategy for 2016-17

1. ***Decision – School forum to approve one year funding for 2016-17 of £40 per child in support of the SEND Strategy.***

8.4 An update of bids per sector are detailed in Table 6 below:

**Table 6: Bids by sector**



8.5 The panel are due to meet and approve all bids and schools will be notified in due course of the funding allocations. Elutec unfortunately missed the deadline date.

1. ***Decision – School Forum to approve one off exceptional funding to Elutec due to late deadline date submission.***

**9. National Funding Formula**

9.1 On Monday 7th March 2016, the Secretary of State for Education announced the launch of the ‘national funding formula’ for schools ‘to tackle uneven levels of funding across England’

9.2 The Department for Education has announced that for the new funding formula there will be a basic level of per pupil funding, with extra support allocated depending on need, such as high levels of deprivation or for schools in high-cost areas.

9.3 For local authority schools, there will be a two year transition period, at the end of which funding will be distributed directly to schools

9.4 Councils will have a funding role in areas with "high-level special educational needs", but will no longer be involved as a channel for basic funding for schools.

9.5 There are two consultations on the new national funding, both with a deadline of the **17th April 2016**. There is one consultation on the schools block and ESG, and a separate consultation on high needs. Links to the consultation are attached below:

Schools: <https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula>

High needs: <https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform>

9.6 DfE have announced that this is ‘stage one’ of the consultation process which will seek views on the general principles and the factors to be used in a formula. Complete proposals, including the fully worked out impact of the change, will not be known until the second stage later in the year.

1. ***Decision – Schools Forum approve the establishment of a national funding formula working group to consider the impact of the consultation. Schools Forum is also asked to provide nominations for the working group.***

**10 Closure of School Accounts**

10.1 Detailed guidance for the closure of accounts was sent out on 4th March 2016. Schools are reminded to complete reconciled electronic returns and all relevant authorised referenced background papers and supporting documents as per the closure timetable. The deadline for submission of Non-Oracle School workbooks is **Monday 18th April** and it is critical that this deadline is met in order for the overall LBBD closure of accounts deadlines to be met.

**11 Future Work Plan**

11.1 Future work plan and proposed dates for reporting items to Schools Forum:

11.1.1 Agree dates of next years meetings:

* 21 June 2016 (already agreed)
* 4 October 2016
* 17 January 2017
* 21 March 2017
* 20 June 2017
	+ 1. Final DSG outturn 2016-17 – June
		2. Schools in Financial Difficulties Sub Group
		3. School Balances 2015-16 - June
		4. School Forum Constitution, membership and election of chair(s) - October
		5. Local School Funding Formula – October

11.1.7 Scheme for Financing - October

1. **Options Appraisal**

11.1 Not applicable.

1. **Consultation**

12.1 Not applicable.

1. **Financial Implications**

13.1 The School Funding Formula is contained within the Dedicated Schools Grant

1. **Legal Implications**

14.1 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.

1. **Other Implications**
	1. **Risk Management -** None
	2. **Contractual Issues** - None
	3. **Staffing Issues** – None
	4. **Customer Impact** – None
	5. **Safeguarding Children-** None
	6. **Health Issues** - None
	7. **Crime and Disorder Issues** – None
	8. **Property / Asset Issues** – None

**Background Papers Used in the Preparation of the Report:**

None.

**List of appendices:**

Appendix A - Schools Facing Financial Difficulty

Appendix B - Growth Fund and PAN Funding

Appendix C – High Needs Block Savings