

(BARKING AND DAGENHAM SCHOOLS FORUM)

(21st June 2016)

Title: School Forum Report	
Report of: CORPORATE DIRECTOR	
Open	For Decision / For Information
Wards Affected: All	Key Decision: No
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Accountable Director: Jane Hargreaves – Commissioning 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. Free School Meals Eligibility (presentation by Robert Nellist)3. The Dedicated Schools Grant (DSG) 2015/16 Outturn4. The DSG Reserve Position at the end of 2015/165. The 2015/16 Schools Facing Financial Difficulty contingency6. Reported School Balances 2015/167. 2016-17 Dedicated Schools Grant budget update8. School Improvement Update9. Proposed meeting dates 2016/17	
Recommendation(s) The Schools Forum is asked: <ol style="list-style-type: none">(i) To note the DSG 2015-16 reported year end forecast;(ii) To note the DSG balance for 2015/16;(iii) To approve the allocation of DSG Reserves for 2015/16 and 2016/17;(iv) To approve the drawdown of £40k to fund the Admissions software;(v) To approve the Schools in Financial Difficulty contingency update;(vi) To comment and note the reporting of the school balances;(vii) To endorse the approach for School Improvement;(viii) To approve for the schools forum consultant to support the work on School Improvement;(ix) To approve the Schedule of Meetings.	
Reason(s) None	

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 2015-16 Outturn Position

2.1 Dedicated Schools Grant Outturn Position 2015-16

Table 1 - Dedicated Schools Grant Outturn as at 31st March 2016					
Notes		2015-16 Budget £'000	2015-16 Outturn £'000	Year End Variance £'000 (underspend) / overspend	% over/ (underspend)
2.2	2 Year Old Funding	4,367	3,562	(805)	(18.43%)
2.3	Early Years block	12,182	12,027	(155)	(1.27%)
2.4	High Needs block *	28,138	26,833	(1,305)	(4.64%)
2.5	Schools block	190,891	191,125	234	(0.12%)
	TOTAL	£235,578	£233,547	(£2,031)	(0.86%)
	Capitalisation of 2 YO Funding			1,000	
	Additional 2 YO Funding (Autumn data)			(291)	
				(£1,322)	

Table 2 - Dedicated Schools Grant Reserve Position as at 31 March 2016	
	£'000
2014-15 DSG carry forward	10,834
Budgeted Drawdown	(3,467)
Year End Outturn	1,322
Final 2015-16 DSG carry forward (Note 1)	8,689

Note 1: £8.689m includes the £3.2m committed for SEND strategy payments to schools

2.2 **2 Year Old Funding**

The 2 Year Old funding is made up of base funding from DfE of £3,782k and trajectory funding of £585k drawn down from DSG Reserve. Actual expenditure was £3,562k and hence the drawdown from reserve was not required.

2.3 **Early Years Block**

The Early Years block had a budget of £12,182k and included a contribution from reserves of £632k. Actual expenditure was £12,027k which reduced the drawdown on reserves by (£155k) to £477k.

2.4 **High Needs Block**

The High Needs block budget of £28.138m included the planned use of reserves amounting to £3.703m. Actual expenditure was £26,833k which reduced the drawdown on reserves by (£1,305k) to £2,398k. The main reasons for the variance are underspends on non maintained fees (£796k) resulting from the review of high

cost out of borough placements, Secondary Schools ARP provision (£421k) due to vacancies and from out of borough schools not claiming their top ups (£327k). These pressures are managing overspends on Special School Top-Ups of £507k due to rebanding, on top up funding for schools with high needs children of £257k and £176k of payments for EAL students. There was also an underspend on Post-16 High Needs Top-Ups of £744k.

In previous years the post 16 underspend has been carried forward as an earmarked reserve to manage unknown pressures and the impact of academic year funding. However, the DSG reserve will be under pressure going forward, therefore it is proposed that the underspend on Post 16 High Needs Top-Ups is not carried forward as an earmarked reserve but included as a balance on the overall DSG Reserve. Post 16 top up spend will be monitored closely for any arising pressures and the risk highlighted and reported to Schools Forum at the earliest opportunity.

(i) Decision – Agree the allocation of DSG reserves as per Table 1.

(ii) Decision – Agree that the post 16 underspend is not carried forward as an earmarked reserve.

2.5 Schools Block

2.5.1 The Schools Block reported an overall overspend of £234k. There was an underspend on centrally retained budgets of (£172k) relating to Admissions and academy recoupment being less than funding model allocations in relation to NNDR. The Admissions Team had vacancies and there was also a delay in procuring the new Admissions (CACI) Software. It is requested that £40k be carried forward as an earmarked reserve to fund the software purchase in 2016/17.

(iii) Decision – Agree the drawdown of £40k to fund the Admissions software.

2.5.2 The Growth Fund reported an overspend of £101k due to additional commitments following clarification of arrangements relating to growth classes in the Secondary Phase at Sydney Russell.

2.5.3 The de-delegated budgets overspent by £305k relating to the over-allocation of Schools Facing Financial Difficulties contingency of £427k. This was partly offset by an underspend on Schools Specific Contingency (£137k). The Trade Union and Free School Meals budgets reported an overspend of £15k due to academy conversions and the subsequent reduction in de-delegated funding for the year.

3. Dedicated Schools Grant 2016-17 Budget allocation update

3.1 Table 1: Funding blocks revised 2016-17 following confirmation of growth – June 2016

Table 2 - 2016-17 DSG Funding blocks update as at June 2016							
Notes	Funding Blocks	Base Allocation 2016	Growth / (Deductions)	Revised Blocks	Projected Funding Growth	Contribution (to)/from Reserve	Agreed Budget
		£'000	£'000	£'000	£'000	£'000	£'000
3.1	2 Year Old Funding	3,782	291	4,073	191	333	4,597
3.2	Early Years block	11,550		11,550	807	1,232	13,589
3.3	High Needs block	24,899	(523)	24,376		1,534	25,910
3.4	High Needs SEND Strategy					3,200	3,200
	Schools block	200,032		200,032		0	200,032
3.5	TOTAL	240,263	(232)	240,031	998	6,299	247,328
3.6	15/16 DSG C/fwd					8,689	
3.7	16/17 drawdown per table above					-6,299	
3.8	Specific Carry Forwards Requested					-40	
	DSG projected C/fwd at end of 2016/17					2,350	

3.1 **2 Year Old Funding**

Growth based on additional 58 pupils as per Autumn data submission. Projected funding growth based on a further 38 pupils (FTE). The drawdown from reserve includes £300k of trajectory funding.

3.2 **Early Years Block**

Funding growth based on a further 199 pupils (FTE).

3.3 **High Needs Block**

Deductions reflecting pre-16 Academy/free school AP places (£23k) and Academic Year 2016/17 place change request process for Further Education (FE) – Post 16 and Commercial and Charity Providers – Post 16 (CCP) places (£500k). There has been a change to the way the DfE now fund the post 16 places. Place funding will be allocated directly to the institution by the DfE, whereas previously the Local Authority were funding the place and top up elements. The Local Authority will now only pay the top up element resulting in no additional pressure to the DSG.

3.4 **Agreed budget for £3.2m payments in relation to the SEND Strategy.**

3.5 Total DSG funding

Revised DSG total funding (prior to schools recoupment) of £240,030,400 as advised by the DfE March 2016. Actual funding after recoupment is £210,891,000.

3.6 DSG Reserve Balances

Projected DSG Reserve Balance at the end of 2016/17 is £2.390m prior to specific carry forwards and £2.350m if these are agreed.

(iv) Decision – Agree the allocation of DSG reserves for 2016/17 as per Table 2.

4. School Improvement – White Paper - Educational Excellence Everywhere

4.1 The White Paper – Educational Excellence Everywhere – published March 2016 has two main drivers:

- A move to a fully academised system – envisaged as composed of multi-academy trusts (MATs);
- The ending of local authority responsibilities for school improvement, in favour of a school led system.

4.2 Together with the proposed national funding formula for schools, these policy changes will have significant implications for Schools' Forum.

4.3 Through their meetings with the DCS, headteachers have indicated support to explore with the local authority, models which help maintain the strong school partnerships, the ability of schools to support each other and oversee a collective responsibility for all the children and young people of the borough.

4.4 Schools' Forum is asked to endorse this approach and to the gathering of evidence and views from local heads, professional associations and other boroughs with a similar approach to partnership.

Link to Secretary of State for Education's White Paper [Educational Excellence Everywhere](#)

Link to the House of Commons briefing paper:
[Every School an Academy The White Paper Proposals](#)

(v) Decision – Schools Forum to endorse the approach as described in 4.3 and 4.4

(vi) Approval is sought for the schools forum consultant to support the evidence gathering and visits to other authorities and to report back to Schools Forum.

5 Schools Facing Financial Difficulty Contingency (SFFD)

- 5.1 No formal requests have been made. Appendix A provides the support provided and repayments made.
- 5.2 The deficit carried forward at the end of 2015/16 amounted to £358k. Repayments are due from 4 schools during 2016/17 which will bring the balance at the end of 2016/17 to £305k, assuming no further requests are made.
- 5.3 It was the intention of the SFFD contingency budget that this would become self financing without the need for annual allocations from de-delegated budgets. It is therefore proposed that that no further allocations are made from the de-delegated budgets to the to the SFFD contingency from 2017/18.

(vii) Decision – Schools Forum to approve the deficit of the de-delegated Schools Facing Financial Difficulty contingency £358,031 in 2015/16 and carry forward to 2016/17.

(viii) Decision – Schools Forum to approve that no further allocations are made from de-delegated to the SFFD contingency from 2017/18.

6 De-delegated Services

- 6.1 Schools Forum requested detail on Schools specific contingency budget and planned expenditure for 2016/17. Total expenditure for 2015/16 was £51k relating to National Non Domestic Rates (NNDR) Support for two new sites resulting from school expansions.

7 Review of School Balances

- 7.1 As per the Scheme for Financing Schools, the Local Authority is entitled to request information on the proposed use of surplus balances from any school where surplus balances exceed 8% (Primary Schools) of the following year's budget share (5% for Secondary Schools) or in other circumstances where, in its view, the level of surplus balances may be a cause for concern.
- 7.2 The final year end outturn reports that schools are holding revenue balances of £16.427m as at March 2016, an increase of £177,586 from March 2015. Details of the balances held are provided in Appendix B. Of the total balances held, £8.962m are within the 5% and 8% threshold limits.
- 7.3 Recommend that the SFFD sub group will review schools that have balances over the threshold limits and request that schools provide plans for the surplus.

(ix) Decision – Schools Forum agree that the SFFD sub group review schools that hold balances over the threshold limits.

- 7.4 As part of the review recommended in 7.3, Schools Forum are requested to provide a view on whether claw-back is appropriate.

(x) Decision – Schools Forum to provide a view on whether claw-back is appropriate.

8 National Funding Formula

- 8.1 On 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'
- 8.2 The first stage of the consultation was submitted to the DfE by deadline date of 17th April 2016. The responses were copied into all Headteachers.
- 8.3 The complete proposals of the National Funding Formula, including the fully worked out impact of the change, has not yet been published.

9 Future Work Plan

- 10.1 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

11.1.2 Final DSG outturn 2016-17 – June

11.1.3 Schools in Financial Difficulties Sub Group

11.1.4 School Balances 2015-16 - June

11.1.5 School Forum Constitution, membership and election of chair(s) – October

11.1.6 Schools Capital Programme - October

11.1.7 Local School Funding Formula – October

11.1.7 Scheme for Financing Schools- October

12 Options Appraisal

- 11.1 Not applicable.

13 Consultation

- 12.1 Not applicable.

14 Financial Implications

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

15 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.

16 **Other Implications**

16.1 **Risk Management** - None

16.2 **Contractual Issues** - None

16.3 **Staffing Issues** – None

16.4 **Customer Impact** – None

16.5 **Safeguarding Children-** None

16.6 **Health Issues** - None

16.7 **Crime and Disorder Issues** – None

16.8 **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 - Schools Balances