

(BARKING AND DAGENHAM SCHOOLS FORUM)

(Tuesday 4th October 2016)

Title: School Forum Report	
Report of: DIRECTOR of EDUCATION	
Open	For Decision / For Information
Wards Affected: All	Key Decision: No
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Accountable Director: Jane Hargreaves – Commissioning Director Education	
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. Capital Programme Presentation3. Elect a Chair and Deputy Chair from within its members4. The Dedicated Schools Grant 2016-17 budget allocation update5. The Dedicated Schools Grant 2016-17 year end forecast position6. Fairer Schools Funding Arrangements for 2017 to 2018 update and proposals7. Early Years Block8. Early Years National Funding Formula Consultation9. Apprenticeship Levy	
Recommendation(s) The Schools Forum is asked: <ol style="list-style-type: none">(i) To elect a Chair and Deputy Chair from amongst Forum members(ii) To note the updated final funding blocks for 2015/16 following the EY adjustment(iii) To note the updated funding blocks and reserve drawdown position.(iv) To note the forecast DSG outturn position for 2016/17(v) To agree core funding factor principles(vi) To agree split site definition and funding allocations(vii) To approve de-delegated budgets, per pupil, per sector(viii) To approve each line of the centrally retained services budget(ix) To agree growth fund top slice and allocation criteria(x) To agree a special School Forum meeting before 30 November 2016(xi) To note Schools Facing Financial Difficulty update and agree new requests(xii) Note the impact on schools of the Apprenticeship Levy	
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.
- 1.2 The London Borough of Barking and Dagenham School Forum meet five times per academic year and meetings dates were agreed at the last meeting 21 June 2016.

2. Barking and Dagenham Schools Forum Constitution

- 2.1.1 The Barking and Dagenham Schools Forum ("the Forum") is established in accordance with Section 47 of the School Standards and Framework Act 1998 (as amended) and The Schools Forums (England) Regulations 2012.
- 2.1.2 The constitution requires a Chair and Deputy Chair to be elected each year from amongst the Forum members. The Forum is asked to nominate and second a Chair and Deputy Chair from within its members.

<p><i>(i) Decision – to elect a Chair and Deputy Chair from amongst Forum members</i></p>
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2.2 Schools and Academy Members

- 2.2.1 The membership of the Forum shall be broadly proportionate to the total number of schools in each category, subject to the minimum membership requirements under the Regulations.
- 2.2.2 At a minimum, there must be at least one representative of head teachers and one representative of governors among the Primary and Secondary groups.
- 2.2.3 At least one academies member must be a representative of mainstream academies, which includes free schools, University Technical Colleges (UTCs) and Studio Schools. In addition, there must be one member for each of the following groups (if such exist in the Local Authority (LA)) area:
 - Special academies, including free schools
 - Alternative provision academies, including free schools
- 2.2.4 Table 1 sets out the updated breakdown of Schools Forum members by sector.

Table 1 – Schools Forum Members by Sector		
	Pupil Numbers (May 16)	No. of reps
Representing:		
Maintained Primary Schools	24,779	8
Maintained Secondary Schools	10,240	3
Academies & Free Schools	6,267	2
Total	41,286	13
Maintained Special Schools	290 Places	1
Maintained PRU	156 Places	1
Academy Special Schools	36 Places	1
		16
Early Years Representative		1
Church of England Representative		1
Catholic Representative		1
14-19 Representative		1
Trade Union Representative		1
		5
	TOTAL	21

2.2.5 Appendix A sets out the current full membership of Schools Forum.

3. Dedicated Schools Grant 2015-16 Budget allocation update

3.1 Table 2: Funding blocks revised 2015-16 following confirmation of growth – July 2016

Table 2 2015-16 DSG final funding blocks (July 2016)							
Notes	Funding Blocks	Funding Blocks Per January Forum	Growth / (Deductions)	Revised Blocks	Recoupment	Contribution (to)/from Reserve	Agreed Budget
		£'000	£'000	£'000	£'000	£'000	£'000
3.2	2 Year Old Funding	3,782	256	4,038		329	4,367
3.3	Early Years Block	11,550	466	12,016		166	12,182
	High Needs Block	25,296		25,296	(861)	3,703	28,138
	Schools Block	192,344		192,344		(1,453)	190,891
	TOTAL	232,972	722	233,694	(861)	2,745	235,578

3.2 2 Year Old Funding

Growth based on additional 51 pupils (FTE) as per January 2016 census (7/12ths of overall 87 FTE increase from January 2015 to January 2016). This amounts to £256k for 2015/16.

3.3 Early Years Block

Growth based on additional 115 pupils (FTE) as per January 2016 census (7/12ths of overall 198 FTE increase from January 2015 to January 2016). This amounts to an increase of funding for 2015/16 of £466k.

3.4 Table 3: Dedicated Schools Grant Outturn Position 2015-16

Table 3 - 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 Year Old Funding	4,367	3,562	(805)	(18.43%)
	Early Years block	12,182	12,027	(155)	(1.27%)
	High Needs block *	28,138	26,833	(1,305)	(4.64%)
	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	
				(£1,031)	

Table 3 provides an updated outturn position for 2015/16 after the inclusion of growth which was confirmed by the DfE in July.

The High Needs Block did not require the full allocation of reserve drawdown and reported an underspend of £1.3m.

<p>(ii) Decision – to note the updated final funding blocks for 2015/16 following the EY adjustment.</p>

4. Dedicated Schools Grant 2016-17 Budget Allocation Update

4.1 Table 4: Funding blocks revised 2016-17 following confirmation of Early Years growth

Table 4 2016-17 DSG Funding blocks update as at August 2016								
Notes	Funding Blocks	Funding Blocks Per June Forum	Growth/(Deductions)	Revised Blocks	Projected Funding Growth	Agreed Carry Forwards	Contribution (to)/from Reserve	Agreed Budget
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
4.2	2 Year Old Funding	4,073	145	4,218			379	4,597
4.3	Early Years Block	11,550	660	12,210	284		1,236	13,730
4.4	High Needs Block	24,376	(60)	24,316			1,594	25,910
4.5	SEND Strategy	0	0	0			3,200	3,200
4.6	Schools Block	200,032		200,032		40	0	200,072
4.7	TOTAL	240,031	745	240,776	284	40	6,409	247,509
4.8	15/16 DSG C/fwd					8,689		
	16/17 drawdown per table above					-6,449		
	2015/16 Early Years Block adjustment for Jan 2016 Census					431		
	DSG projected C/fwd at end of 2016/17					2,671		

4.2 **2 Year Old Funding**

Growth based on additional 29 pupils (FTE) as per January 2016 census.

Projected funding growth reported in June was based on additional 38 pupils (FTE).

4.3 **Early Years Block**

Growth based on additional 198 pupils (FTE) as per January 2016 census (projected growth reported in June was based on a further 199 FTE pupils).

Partially offset by reduction in Early Years Pupil Premium (£142.5k) as a result of allocations being updated to reflect January 2016 census data (initial allocations based on DfE estimates looking at 3-4 year old take up of free early years provision and school FSM take up). Projected funding growth based on additional 120 pupils (FTE).

4.4 **High Needs Block**

Deductions reflect recoupment for ARP places at Eastbury Primary, which converted to academy status from 1st April 2016.

Further savings of £1.3m were taken from the High Needs budget in 2016/17 and the High Needs Working Group (HNWG) is to be scheduled to review the achievement of further savings.

4.7 **Total DSG funding**

Revised DSG total funding (prior to schools recoupment) of £240,776,300 as advised by the DfE July 2016. Actual funding after recoupment is £207,861,000.

4.8 DSG Reserve Balances

Projected DSG Reserve Balance at the end of 2016/17 is £2.671m.

iii) Decision – to note the updated funding blocks and reserve drawdown position.

5. Dedicated Schools Grant 2016-17 Forecast Outturn Position

5.1 Dedicated Schools Grant Forecast Outturn 2016-17

Notes		2016-17 Budget £'000	2016-17 Forecast Outturn £'000	Year End Variance £'000 (underspend) / overspend	% over/ (underspend)
5.2	2 Year Old Funding	4,597	4,597	0	0.00%
5.3	Early Years Block	13,730	13,936	206	1.50%
5.4	High Needs Block	25,910	26,212	302	1.17%
5.5	SEND Strategy	3,200	3,110	(90)	(2.81%)
5.6	Schools Block	200,072	199,856	(216)	(0.11%)
	TOTAL	£247,509	£247,711	£202	0.08%

	£'000
2015-16 DSG Carry Forward	8,689
Budgeted Drawdown (See Section 4)	(6,449)
2015/16 Early Years Block adjustment for Jan 2016 Census	431
Recoupment Adjustment (Sydney Russell Growth)	115
Projected Underspend/(Overspend)	(202)
2016-17 DSG Carry Forward	2,584

5.2 2 Year Old Funding

Current projected to outturn on budget.

5.3 Early Years Block

Currently projecting an overspend of £206k relating to additional 200 PVI pupils during the year. Projected additional funding of £284k for these pupils is already built in to the budget as set out in Table 4.

5.4 High Needs Block

Projected overspend on ARP provision £309k due to additional places created at the Monteagle ARP and majority of vacancies being filled from September. Projected £400k overspend on SEN Contingency (In Borough Top-Ups) due to demographic pressures with an increasing number of pupils with SEN requirements.

Partially offset by projected underspend on Out of Borough placements (£387k) as a result of work to keep children within LBBD provision where possible and, if not, to place them in maintained rather than independent settings. Other minor variances (£20k).

5.5 **SEND Strategy**

Projected underspend of (£90k).

5.6 **Schools Block**

Underspend on de-delegated budgets totalling (**£626k**), which is broken down Between Schools Facing Financial Difficulties (£533k) and the General Contingency (£93k). The Schools Facing Financial Difficulties position reflects the in-year contribution to the fund and also expected loan repayments.

Growth fund overspend of **£784k** due to additional growth classes (particularly in the Secondary phase), however a recoupment adjustment is to be requested in relation Sydney Russell growth and should offset (£115k) of this as per Table 6.

Balance of underspend (**£374k**) relating to Centrally Retained Budgets.

iv) Decision – to note the forecast DSG outturn position for 2016/17

6.0 **Schools Funding Formula 2017 to 2018 - Principles**

6.1 **National Funding Formula**

Following the first stage of the consultation carried out from March-April this year the government has subsequently decided to delay implementation of the proposed new funding model until 2018/19. On that basis the government has also confirmed that Local Authorities will not see any reduction in their Schools Block per pupil funding or High Needs block (cash amount) from 16/17 to 17/18. It remains for the local authority, working with its schools forum, to decide how best to design its local formula to meet local circumstances. Local authorities will have the same freedom to set local formulae for their schools in 2017-18 as they did in 2016-17.

6.2 **Funding Factors**

It would be proposed to maintain the funding factors at 2016/17 levels (as set out in Appendix B). However, the DfE have indicated that the IDACI funding factors could change back to what were used previously. This will be subject to the affordability of the Schools Block model within the overall DSG allocation, however the intention would be to keep the factors as close 2016/17 as possible while also maintaining the Primary/Secondary ratio of 1:1.30.

(v) Decision required – Schools Forum to agree principle of retaining funding factors at current levels subject to overall affordability of the model and maintaining a ratio of 1:1.30.

6.3 **Split Site Funding**

It is proposed that the Secondary split site funding be maintained at £200,000 for secondary Schools and £160,000 for primary schools.

A split site school will be defined as one where there is a road between sites used for curriculum purposes. A school can only receive one split site funding allocation.

(vi) Decision required – Schools Forum to agree split site definition and funding allocation of £200k for Secondary Schools and £160k for Primary Schools. Decision required by both Primary and Secondary phases.

6.4 De-delegation

It is proposed that no further contributions are made to the Schools Facing Financial Difficulties contingency and that the Schools General Contingency is reduced by £50k. Free School Meals Eligibility to remain unchanged. Trade Union model and proposed savings currently being reviewed and this will be submitted to Schools Forum for agreement once finalised.

Table 7 – De-delegated Budgets & Per Pupil Rates

Description	2015/16 Per Pupil (£)	2015/16 Total (£)	2016/17 Per Pupil (£)	2016/17 Total (£)	2017/18 Per Pupil (£)	2017/18 Total (£)
Schools in Financial Difficulty	-7.73	-250,587.28	-7.96	-249,880.32	0.00	0.00
Schools Specific Contingency	-6.18	-200,264.56	-6.38	-200,280.96	-4.78	-150,053.76
Free School Meals Eligibility	-1.55	-50,094.65	-1.59	-49,913.28	-1.59	-49,913.28
Support for Trade Union Duties	-8.72	-282,680.60	-8.55	-268,401.60	-8.55	-268,401.60
	-24.17	-783,627.09	-24.48	-768,476.16	-14.92	-468,368.64

Per pupil figures for 2017/18 are indicative based on 2016/17 pupil numbers.

(vii) Decision required – Schools Forum to agree overall de-delegated budgets and indicative per pupil rates (by phase). Exact per pupil amounts to be confirmed once final pupil number data available.

6.5 **Central Services** proposal to continue centrally retained budgets as per Appendix C, with budgets to remain the same as 2016-17 apart from licences/subscriptions that are purchased directly by the DfE and recharged to local authorities. These have increased to £154k for 2017-18 compared with £148k for 2016-17 to reflect estimated increase in pupil numbers.

6.6 Schools Forum approved the funding of the Community Music Service from Centrally retained budgets. It is recognised that in preparation of the new funding formula, the Music Service is looking towards a charging model.

(viii) Decision required – Schools Forum to agree each line of the Centrally Retained Service budgets as listed in Appendix C.

6.7 Growth Fund

6.7.1 The growth fund was reduced to £2.5m in 2016/17 to reflect academy growth built in to the funding model, however this has proven insufficient – particularly due to additional growth now that additional Primary numbers are feeding through to Secondary phase. Analysis to be carried out ahead of proposed November meeting

to assess expected 2017/18 requirement and whether the top slice will need to be increased accordingly.

- 6.7.2 Criteria for allocating growth is to award AWPU (Primary AWPU or KS3) x 30 to each school, adjusted to reflect the proportion of the year which is not funded within the school's budget share, until the school receives funding through their funding formula. Additional classes must be part of the growth plan agreed and co-ordinated by the Schools Estates team. Where primary schools have expanded from 1.5 to 2 forms of entry, AWPU x 15 will be used as the basis for allocating funding.
- 6.7.3 Where exceptional classes are required outside of the agreed growth plan then an additional £3,000 will be provided towards start up costs.
- 6.7.4 Where a phase is added to an existing school in response to basic need for pupil places, for example a secondary school adding a primary class, funding will be made available in recognition of initial set up costs incurred. A one-off payment of £60,000 will be made.
- 6.7.5 Where a school adds additional classes on a new split site a one off, one time payment of £95,000 will be made. A split site school will be defined as one where there is a road between sites used for curriculum purposes
- 6.7.6 Where a school increases its PAN in agreement with the School Estates team funding will be provided on the basis of AWPU x the number of additional pupils taken until these are reflected in the school funding formula. Funding will be adjusted to reflect the proportion of the year which is not funded within the school's budget share.

(ix) Decision required – Schools Forum to discuss and comment on proposed top slice for Growth Fund and accompanying allocation criteria.

- 6.8 Detailed modelling to take place once October census is complete and additional meeting proposed to review the outcomes of this modelling in the context of the overall DSG position.

(x) Decision required – Schools Forum agree to reconvene a special Schools Forum meeting to review and agree the 2017-18 funding model(s) before submission to the DfE - Proposed date 22nd November 2016 10:00 – 12:00

7. Schools Facing Financial Difficulty

Schools Forum are requested to note the position of outstanding loans as presented in Appendix D:

Ripple Primary have made early repayment of their 2016/17 instalment

A representation was made to the sub group to issue a loan to Monteagle Primary School for £58k repayable over 2 years - this was agreed by the sub group for recommendation to Schools Forum.

A representation was made to the sub group for Barking Abbey's first loan repayment to be deferred until 1st April 2017 – this was agreed by the sub group for recommendation to Schools Forum.

(xi) Decision required – Schools Forum to agree loan of £58k to Monteagle Primary repayable over two years.

(xii) Decision required – Schools Forum to agree deferral of Barking Abbey's first loan repayment to 1st April 2017.

8. Early Years Block

On the 11th August the Secretary of State for Education a consultation on an Early Years National Funding Formula. The Government want to implement a strong and sustainable early years funding system that is fair and transparent. The consultation are on proposals to introduce an early years national funding formula. The formula will allocate funding for the three- and four-year-old entitlement, both the existing universal 15 hour entitlement and the new 30 hour entitlement for working parents, on a formulaic. It will commence, for the existing 15 hours, in April 2017 and for the additional 15 hours, in September 2017, when 30 hours of free childcare is implemented nationally.

8.1 The Government is proposing:

- a universal base rate of funding for each child;
- an additional needs factor, reflecting the extra costs of supporting children with additional needs to achieve good early learning and development outcomes;
- and
- an area cost adjustment, reflecting the different costs of providing childcare in different areas of the country.

The base rate will take up approximately 89.5% of the funding rate followed by adjustments for:

- Free School Meal eligibility, proposed weighting 8%;
- English as an Additional Language, proposed weighting 1.5%; and
- Disability Living Allowance proposed weighting 1%.

The area cost adjustment reflects cost differentials between local areas particularly in terms of the staff costs which are the main cost driver for childcare providers. The area cost adjustment will be based primarily on the general labour market measure, but adjusted for relative nursery premises costs (based on rateable values).

The response to the National Funding Formula is attached in Appendix E.

9 Apprentice Levy

9.1 The government plans to introduce an apprenticeship levy from April 2017. This is to help meet its target of 3 million apprentices by 2020. The apprenticeship levy requires all employers operating in the UK, with a pay bill over £3 million each year,

to make an investment in apprenticeships. The apprenticeship levy will be at a rate of 0.5% of an employer's pay bill. This will include all schools that are part of the local authority and larger academy trusts. The levy will be collected monthly by HMRC via the PAYE system and converted into digital vouchers that can only be spent on apprenticeship training.

- 9.2 The Government has proposed that all public sector employers with over 250 staff should recruit 2.3% of their staff as apprenticeships every year and employers will be required to submit a report to government on progress towards meeting this target. Schools will be included in this target if they are within the local authority and Multi-Academy Trust that has in excess of 250 staff.
- 9.3 Impact on Schools - All maintained schools that are part of their local authority will be included in both the levy and the public sector target because they are counted as being part of a local authority's wage bill.
- 9.4 0.5% of each school's annual wage bill will contribute to the total that the council will pay as its contribution to the Apprenticeship Levy. LBBB will be required to co-ordinate the payment of the levy on behalf of all maintained schools for which it remains responsible. It will not be expected to undertake this role for academies. Further updates are expected in October and December.

10 Options Appraisal

- 10.1 Not applicable.

11 Consultation

- 11.1 Not applicable.

12 Financial Implications

- 12.1 The School Funding Formula is 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.

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 – School Forum Membership

Appendix B – Funding Model Key Figures

Appendix C – Centrally Retained Budgets 2017-18

Appendices D(i) and D(ii) – Schools Facing Financial Difficulties Update

Appendix E – Response to Early Years National Funding Formula consultation