

(BARKING AND DAGENHAM SCHOOL FORUM)

(Wednesday 28 November 2012)

Title: School Funding Update	
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 School Forum on: <ul style="list-style-type: none">- The meetings schedule for the year commencing 1 October 2012- The recommendations from the School Forum Sub Group – Schools Facing Financial Difficulties- The School Funding Reform process for 2013/14	
Recommendation(s) <ul style="list-style-type: none">(i) To allocate exceptional one off funding of £140,000 to Thomas Arnold Primary and St Joseph’s Primary (Barking) as recommended by the Schools Forum Sub Group (ref 2.3)(ii) To allocate exceptional one off funding of £362,000 to Warren as recommended by the Schools Forum Sub Group (ref 2.3)(iii) To agree, in principle, to the de-delegation of funding for the items listed in exception 1 (ref 2.9.1)	
Reason(s) None	

1. Introduction and Background

- 2.1 The Schools 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. Proposal and Issues

Barking and Dagenham School Forum – Schedule of Meetings

- 2.1 The Schools Forums (England) Regulations 2012 state that Forums must meet at least four times a year. Please refer to Appendix 1 for a schedule of meetings for the year 1 October 2012 to 30 September 2013. Additional meetings can be scheduled if required.

Schools Facing Financial Difficulty

- 2.2 The Schools Forum Sub Group – Schools Facing Financial Difficulty met on 14 November 2012. Three schools made representations for exceptional funding and the Schools Forum is asked to consider the following recommendations from the Sub Group :

2.2.1 Thomas Arnold – Exceptional funding of £80,000 (one off) in 2012/13

The school is seeking exceptional funding to appoint a highly experienced practitioner to address significant weaknesses in numeracy and literacy of identified children in upper key stage 2 who are not performing at age related expectations. In addition the school needs to buy in support from a recognised teaching school to boost the capacity for improvement, an issue raised in the mock Ofsted in September. The additional funding is required to assist the school on their upward trend in terms of pupil attainment and to speed up the school improvement process before an imminent Ofsted.

2.2.2 Warren Comprehensive – To fund Warren's contribution to their recovery plan for 2012/13 and 2013/14 of £362,000

There has been an agreed recovery plan in place since 2010/11 to bring the deficit position at Warren school back to a balanced budget. Table 1 summarises the recovery plan:

Table 1: Warren Recovery Plan 2010/11 to 2013/14

Financial Year	Agreed School Payback	Agreed School Forum Support	Deficit Balance
	£	£	£
			1,850,000
2010/11	(216,000)		1,634,000
2011/12	(282,000)	(450,000)	902,000
2012/13	(282,000)	(300,000)	320,000
2013/14	(80,000)	(241,640)	0

The school has achieved a significant payback of £498k for 2010/11 and 2011/12. However this payback has impacted upon the schools capacity to raise achievement further. The school is in a vulnerable position as it is currently at the floor targets of 40% set by the DfE (49% if English grade boundaries had not changed). At its last Ofsted in March 2011 the school was judged as Satisfactory with good capacity to improve. The required payback of £362k for 2012/13 and 2013/14 will severely hamper the school with its capacity to improve. The Sub Group has satisfied itself that the school's budget is on a sound financial basis on which to move forward. Warren will be required to attend the Sub Group twice a year to provide an update on its financial position.

2.2.3 St Joseph's Primary School (Barking) – Exceptional funding of £60,000 (one off) in 2012/13

Over the previous three years the school has held a healthy balance. The school is showing progress against its school improvement plan. However the plan, and special leave, has resulted in additional leadership costs being incurred. Under normal circumstances the school could have managed this exceptional cost. However the school has experienced a higher than average number of pupils with special educational needs which has used up the balances leaving the school unable to meet the additional leadership costs. The Sub Group has requested the school to come back in February 2013 to provide an update on its financial position for 2013/14.

- 2.3 The Schools Facing Financial Difficulty contingency for 2012/13 is £1.636m. Talking into account additional funding approved to date, and including the three additional requests for funding detailed in paragraph 2.2.1 to 2.2.3, the balance on the contingency is £18,000. Any requests for exceptional funding received before the end of the financial year that exceed £18,000 will have to be met from the balance of DSG carried forward from 2011/12. The details are summarised in table 2 below:

Table 2: Schools Facing Financial Difficulty Contingency 2012/13

	£	£
2012/13 Contingency		1,636,000
In year allocations:		
Warren recovery plan	(300,000)	
Barking Abbey loan (pending)	(400,000)	
Primary Schools – Reading Comprehension Project	(250,000) Note 1	
The Leys Primary	(60,000)	
Marks Gate Juniors	(126,000)	
Henry Green Primary	(60,000)	
Thomas Arnold Primary	(80,000)	
Warren - 2012/13 school payback	(282,000)	
St Joseph's Primary (Barking)	(60,000)	(1,618,000)
Contingency balance		18,000

Note 1 - It is planned to run this project from January 2013 to January 2014. Therefore the full £250,000 ear marked provision will not be required in 2012/13. The amount of funding required in 2012/13 is being finalised but on a pro rata allocation it would be approximately £62k in 2012/13 with the remainder being required in 2013/14.

Required decision - to allocate exceptional one off funding of £140,000 to Thomas Arnold Primary and St Joseph's Primary (Barking) as recommended by the Schools Forum Sub Group

Required decision – to allocate exceptional one off funding to Warren to cover their pay back of £362,000 for 2012/13 and 2013/14 as recommended by the Schools Forum Sub Group

- 2.4 For information, commitments against the 2013/14 Schools Facing Financial Difficulty contingency are:
- Estimated pro rata balance of the Primary Schools – Reading Comprehension Project (£188,000)
 - Warren school 2013/14 payback (£80,000)
 - Warren pre agreed School Forum support (£241,640)
- 2.5 In 2012/13 the Employment Assistance Scheme, for use by all schools, was funded from within the centrally retained element of the DSG. As there is no centrally retained DSG from 2013/14, it is unlikely this arrangement will continue. The feedback from schools using the scheme is positive.

The School Funding Reform process for 2013/14

- 2.6 The Schools Funding report is scheduled for Cabinet on 19 December 2012. The report will be made public on 11 December.

2.7 The DfE timetable for funding reform actions and decisions is detailed below in table 3:

Table 3: DfE Funding Reform Timetable

28 November 2012	School Census data base closed	
10 December 2012	EFA confirms pupil numbers to be used for Schools Block and Early Years Block. DfE provides updated data sets for pupil characteristics	LA's can estimate their 2013/14 DSG
December 2012	DfE confirms DSG allocations for 2013/14 (prior to academy recoupment)	
18 January 2013		LA's submit final school budget pro-forma's, and underlying data, to EFA by 18 January
February / March 2013	EFA confirms academies budgets by 31 March 2013	LA's confirm budgets for their maintained schools by 31 March 2013
June 2013	Early Years Block updated for January 2013 early years pupil number	

2.8 Currently the DSG is calculated using pupil data (January census) and one guaranteed unit of funding. Once calculated, the total grant is allocated between the school's budget (distributed to individual schools via the existing funding formula) and the centrally retained budget. From 2013/14 the DSG will be calculated and distributed over three blocks; Schools Block, Early Years Block and High Needs Block. The sum of the three blocks is the total DSG. The details are summarised in table 4 below:

Table 4: 2013/14 DSG Methodology

SCHOOLS BLOCK	EARLY YEARS BLOCK	HIGH NEEDS BLOCK
Method of calculation: October 2012 census data X Schools block guaranteed unit of funding	Method of calculation: Initially January 2012 census data X Early Years guaranteed unit of funding In June 2013, the Early Years Block will be updated for January 2013 early years pupil numbers	Method of calculation: Fixed at 2012/13 S251 (budget)
Method of allocation: Funding formula	Method of allocation: Early Years Single Funding Formula and direct budget allocation	Method of allocation: Direct budget allocation
Key components of block: <ul style="list-style-type: none"> - Delegated schools budgets 	Key components of block: <ul style="list-style-type: none"> - 15 hours free entitlement to nursery education for 3 and 4 year olds - Nursery education - Portage Service 	Key components of block: <ul style="list-style-type: none"> - Special School provision - SEN / SEN placements - Alternative Provision - Inclusion support - ARP's

2.9 The new funding regulations work on the basis that services within the Schools Block and the funding for them should be delegated to schools in the first instance. The regulations allow three exceptions to this which are detailed below:

2.9.1 Exception 1 – Where maintained schools agree that a service should be provided centrally – There is a limited range of services where central provision for maintained schools may be argued for on the grounds of economies of scale or pooled risk. These are:

- Support for Schools in Financial Difficulty
- School specific contingencies (i.e. growth fund and exceptional unforeseen costs)
- Free school meals eligibility
- Licenses / subscriptions
- Trade union facilitation time

An agreed allocation criteria is required for the growth fund.

Required decision – to agree, in principle, to the de-delegation of funding for the items listed within exception 1

2.9.2 Exception 2 – Historic commitments – It is recognised that some commitments have been made in good faith on the basis of previously locally agreed decisions. These are covered as part of exception 3.

2.9.3 Exception 3 – Statutory functions of the local authority – There are some services that have traditionally been met through the budget for schools which relate to the statutory functions of the authority and these are allowable for ‘top slice’ from the schools block. This expenditure is limited to the value of the 2012/13 budget with no new commitments. These are:

- Co-ordinated admissions scheme
- Servicing of the Schools Forum
- Carbon reduction commitment
- Capital expenditure funded from revenue
- Contribution to combined budgets (Forum approval)

2.10 In 2013/14 newly delegated funding to schools includes 14-16 practical learning options and school meals / milk. This funding was previously held within the centrally retained budget. These services must now be traded with schools and Council officers will be talking to schools before the next Forum in February 2013.

2.11 The funding for the 15 hours of free education for 2 year olds has moved from the Early Intervention Grant into the DSG. The value of the transfer into the DSG, and how this transfer has been calculated, is still pending from the DfE.

3. Options Appraisal

3.1 Not applicable.

4. Consultation

4.1 Not applicable.

5. Financial Implications

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

6. Legal Implications

6.1 The Schools Forums (England) Regulations 2012 govern the constitution, meetings and proceedings of the Forum, and matters on which the Local Authority must consult, and that it may consult on other financial matters that it sees fit.

7. Other Implications

7.1 **Risk Management** - None

7.2 **Contractual Issues** - None

7.3 **Staffing Issues** – None

- 7.4 **Customer Impact** - None
- 7.5 **Safeguarding Children** - None
- 7.6 **Health Issues** - None
- 7.7 **Crime and Disorder Issues** – None
- 7.8 **Property / Asset Issues** – None

Background Papers Used in the Preparation of the Report:

None.

List of appendices:

Appendix 1 – School Forum – Schedule of Meetings for year 1 October 2012 to 30 September 2013