**(BARKING AND DAGENHAM SCHOOLS FORUM)**

**(12th January 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 8724 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 2015-16 allocation update
3. The Dedicated schools Grant 2015-16 year end forecast position.
4. School funding arrangements 2016-17
5. Centrally Retained Services
6. Growth Fund
7. Early Years funding requirements 2016-17
8. High needs funding requirements 2016-17
9. Schools block funding requirements 2015-16
10. Schools Funding Formula 2015-16
11. High Needs Working Group
12. Closure of School Accounts
13. Move to National Funding Formula – Consultation in 2016
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| **Recommendation(s)**The Schools Forum is asked:1. To confirm the centrally funded DSG for 2016-17 as agreed at Schools Forum 6th October 2015
2. To continue a contribution to the Local Safeguarding Children’s Board for 2016/17 (£50k)
3. To agree the growth criteria for 2016/17
4. To confirm the per pupil de-delegated amounts for 2016-17 as agreed at Schools Forum 6th October 2015
5. To agree the Schools in Financial Difficulty contingency
6. To amend the split site criteria to allow for additional sites
7. Agree to an additional allowance of between £15,000 to £20,000 for secondary schools on split sites due to curriculum demands.
8. To consider and recommend the final 2016-17 schools funding model which maintains a Primary:Secondary funding ratio of 1:1.30.
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| **Reason(s)** |
| None |

**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**
	1. Table 1: Funding blocks revised 2015-16 following confirmation of growth – January 2016

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2.2 **2 Year Old Funding**

Funding for 2 year olds is based on participation and the published 2 year old funding annual rate is £5,016.00 per child. Allocation reflects pupil numbers as per Jan 2015 census (754 pupils).

2.3 **Early Years Block**

As reported early years funding plus additional area cost adjustment funding of £496k. The allocation for 2015-16 includes early years pupil premium allocation of £341k.The early years block per pupil unit of funding will be £4,052.78. Growth reflects updated pupil information as per the Jan 2015 census (increase of 54 pupils).

2.4 **High Needs Block**

As reported High Needs funding plus agreed movements from Schools Block. The agreed budget reflects £1.3m savings identified from High Needs Working Group.

2.5 **Schools Block**

 As reported schools block funding plus growth of £6k relating to adjustment for Non-Recoupment Academies. The 15/16 schools block guaranteed unit of funding per pupil for Barking and Dagenham is £5,575.36.

2.6 **Total DSG funding**

Revised DSG total funding (prior to recoupment) of £232,972,000 as advised by the DfE November 2015.

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2.7 **DSG Reserve Balances**

 Projected DSG Reserve Balances at the end of 2015/16 is £7.367m plus £0.126m overspend. Total = £7.241m

**3 The Dedicated Schools Grant 2015-16 year end forecast position**

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3.2 **2 Year Old Funding**

Base funding of £3,783k and trajectory funding of £584k drawn down from DSG Reserve.

3.3 **Early Years block**

Forecast currently on budget.

3.4 **High Needs Block**

 Forecasting an underspend of £197k. This includes the achievement of £1.3m savings target. Appendix A provides the detailed reporting of the high needs block forecast, and Appendix B provides an update of the Alternative Resource Provision (ARP) within the borough for 2016-17.

3.5 **Schools block overspend £323k**

Forecast overspend on Schools Facing Financial Difficulties contingency of £448k partially offset by underspend of (£125k) on the Growth Fund.

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

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

1. **Dedicated Schools Grant 2016-17**

4.1 The Dedicated Schools Grant for 2016/17 was published by the Education Funding Agency on 17th December 2015. The total for 2016/17 is £240.263m.

4.2 **Basis of Dedicated Schools Grant**

4.2.1 **The schools block per pupil unit of funding**. The guaranteed unit of funding (GUF) 2016-17 for Barking and Dagenham has been confirmed as **£5,577.69,** an increase of £2.33 reflecting the incorporation of funding for the former Non-Recoupment Academies. Local Authorities now receive funding for these academies within their schools block allocations on the same basis as other schools/academies i.e. pupil count x SBUF. Funding is then recouped accordingly based on the funding model.

4.2.2 **The early years block per pupil unit of funding** for 2016-17 has been confirmed as **£4,052.78** per pupil. Funding for 2 year olds will be **£5,016** per pupil. Allocations are currently indicative based on January 2015 census and will be updated in year to reflect the January 2016 and January 2017 census data.

4.2.3 **High Needs Funding** An additional £464k of top-up funding has been provided by the DfE. This reflects the additional funding made available for High Needs per the December ministerial statement on the 2016/17 Schools revenue funding settlement.

4.3 **Dedicated Schools Grant indicative 2016-17 Block allocations**

4.3.1 Table 3: Latest Funding blocks following December 2015 announcement

**Notes**

**1 Early Years**

This is an indicative allocation based on the January 2015 census and will be updated in year to reflect the January 2016 and January 2017 census data

 **2 High Needs adjustments**

2016-17 additional top-up funding £464k

2016-17 adj for residency/location basis for post-16 and NMSS (£73k)

**3 Schools Block adjustments**

Reduction in NRA Cash Adjustment (£3,303k)

Increase in SBUF for existing pupils £80k

Pupil Growth (1,956 including former NRA pupils) £10,910k

Increase in NQT funding £1k

4.4 **2016-17 DSG Budget requirements**

4.4.1 The table 4 below shows the block values against the estimated spend for 2016-17.

4.4.2 Forecast position assumes High needs block contains demographic pressures and delivers the £1.2m of proposed savings as per Appendix A.

4.4.3 Tables 5 & 6 set out the projections for 2017/18 and 2018/19.

4.4.4 These are based on the following assumptions:

* Expenditure and DSG income will continue at current levels
* Loan repayments are made as per agreed schedules.
* The new special free school will attract average top up funding of £16k per place, with 30 places starting each September.
* No other demographic growth or pressures have been factored into estimated expenditure.



Note: This assumes that National Funding Formula is not implemented.



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1. **Centrally retained Services**

5.1 Funding for some services can be centrally retained before allocating the formula, with the agreement of the schools forum. A number of these services are subject to a limitation of no new commitments or increases in expenditure from 2015-16 and schools forum approval is required each year to confirm the amounts on each line. Appendix B sets out which services can be retained and the proposed amounts for 2016-17.

1. ***To confirm the centrally funded DSG for 2016-17 as agreed at Schools Forum 6th October 2015***
2. **Contribution to Local Safeguarding Board**

6.1 A Local Safeguarding Children Board (LSCB) must be established for every local authority area under the requirements of the Children Act 2004. The LSCB has a range of roles and statutory functions including developing local safeguarding policy and procedures and scrutinising local arrangements.

6.2 S13(4) of the Children Act 2004 sets out the statutory role of schools in the safeguarding of children and their representation on the LSCB. The statutory guidance ‘Working Together to Safeguard Children’ (2015) chapter 3 para 19, sets out requirements for the LSCB annual report to “list the contributions made to the LSCB by partners and details of what the LSCB has spent”.  “In addition all LSCB members have an obligation to provide LSCB’s with reliable resources, including finance, that enable the LSCB to be strong and effective.  Members should share the financial responsibility for the LSCB in such a way that a disproportionate burden does not fall on a small number of agencies”.

6.3 Schools Forum in March 2015 were presented with three options on how to provide financial support to the LSCB. The option to make a £50k contribution was agreed.

1. ***Decision required – Schools Forum approve a contribution of £50k to the LCSB.***

**7 Growth Fund**

7.1 £2,500,000 to fund additional classes opened from September 2016. The criteria for allocating this 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.

7.2 Where exceptional classes are required outside of the agreed growth plan then an additional £3,000 will be provided towards start up costs.

7.3 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.

7.4 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

7.5 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.

1. ***Decision required – School forum are asked to approve growth criteria for 2016-17 but with the funding for increase in PAN (7.5) coming into effect for 2015-16.***

**8. De-delegated Services**

8.1 Details of the de-delegated services are contained in Table 6. School forum are asked to agree the de-delegated per pupil amounts from the primary and/or secondary maintained.

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| **Table X: 2016-17 De-delegated Budgets** |
| **Description** | **2015/16 Per Pupil (£)** | **2015/16 Total (£)** | **2016/17 Per Pupil (£)** | **2016/17 Total (£)** |
| Schools in Financial Difficulty | 7.73  | 250,116  | 7.96  | 249,880  |
| Schools Specific Contingency | 6.18  | 199,964  | 6.38  | 200,281  |
| Free School Meals Eligibility | 1.55  | 50,154  | 1.59  | 49,913  |
| Support for Trade Union Duties | 8.72  | 282,149  | 8.55  | 268,402  |
|   | **24.18**  | **782,383**  | **24.48**  | **768,476**  |

1. ***Decision required: Approve a minor adjustment to the per pupil de-delegated amounts for 2016-17 compared to amount agreed at Schools Forum 6th October 2015***
2. ***Decision required: Schools Forum are requested to approve the Schools in Financial Difficulty contingency update (Appendix D)***

**9. Split Site**

9.1 Split site funding is an optional factor within the school funding regulations within which the authority can operate. There is a continuing need for Barking and Dagenham schools to expand and grow and is likely to lead to schools requiring additional sites. Schools Forum is requested to amend the criteria for split sites to include additional sites.

1. ***Decision required – Schools Forum approve amendments to the split site funding criteria to include additional sites.***

9.2 The Local Authority recommends that Schools Forum review its recommendation to reduce secondary split site funding. It is the Local Authority view that because of curriculum demands a further additional allowance (circa £15,000 - £20,000) for split site secondary schools would be appropriate to maintain.

1. ***Decision required – Schools Forum approve an additional allowance of £15,000 to £20,000 for secondary schools on split sites***

**10. Schools Funding Formula 2016-17**

10.1 The Dedicated Schools Grant for 2016/17 was published by the Education Funding Agency on 17th December 2015. The total for 2016/17 is £240,263k including an adjustment of £788k for high needs places funded by the EFA.

10.2 **Funding Factors.**

10.2.1 The same 10 factors have been used as in previous years.

10.2.2 Lump sum has been increased by £25k. This was reduced (alongside Secondary AWPU) in 2015/16 in order to retain funding in the Schools Block (to set against potential pressures in the High Needs Block). In the context of the progress made by the High Needs Working Group in identifying savings it has now been decided to build this back into the formula and lump sum was used so that all schools benefit equally.

10.2.3 The DfE has updated its IDACI dataset to reflect the recently published 2015 IDACI values. This has impacted on the bandings and will require the use of Bands 3&4 to allocate funding.

10.2.4 The final factor values are set out in Appendix E.

10.3 **Final Funding Model.**

10.3.1 The final model uses the October 2015 numbers on roll and gains have been capped at 3.11% as per the 2015-16 final model.

10.3.2 The final Model **allocates all available funding and has a ratio of 1:1.30**.

10.5 Summary of the model key features is contained in Appendix E

* 1. Impact on schools individual funding allocations are contained in Appendix F
1. ***Decision required – Schools Forum is requested to consider and recommend a final funding model which maintains a ratio of 1: 1:30.***

**11. LBBD High Needs Block (HNB) Working Sub Group**

11.1 The Schools Forum HNB working sub group met 19th November 2015 and it was reported that the proposed 10% cuts (£1.3m) within the HNB is on track; and further savings were being investigated to support some of the anticipated pressures for 2015/16 and subsequent years.

11.2 The work strands from the Isos report were discussed and an additional strand was added in connection with Health and support funding.

11.3 Proposed modelling work on the ARP vacancies was discussed with a request for more detailed analysis covering the last 2 years of the vacancies within the ARPS and this will be reported back to the next planned HNB meeting in January 2016.

11.4 The High Needs Exceptional one year funding in support of the SEND Strategy was discussed including process, proforma and timeline and has since been distributed to all Schools for completion by 30th January 2016

11.5 The next proposed HNB working group meeting is planned for January 2016, 2pm to 4pm, subject to diary commitments and an update of the working group will be reported to the next School Forum meeting in 5th March 2016.

**12. National Issues**

12.1 The Chancellor of the Exchequer published the government’s joint Spending Review 2015 and Autumn Statement on 25 November 2015, setting out public expenditure plans for 2016/17 to 2019/20. The main highlights for Education are:

* The Spending Review has protected the core schools’ budget in real terms, enabling the per pupil rate for the Dedicated Schools Grant to be protected in cash terms.
* The government will introduce the first national funding formula for schools, high needs and early years. The government will launch a detailed consultation in 2016 and implement the new formulae from 2017/18.
* There will be investment of “£3bn over the Parliament to open 500 free schools and provide 600,000 additional school places, rebuild and refurbish over 500 schools and address maintenance needs.
* The government plans to extend Academies and, in doing so, to save up to £600m on the Education Services Grant.

**13. Closure of School Accounts**

13.1 In order for the LA to report maintained schools year end position in line with statutory deadlines we will require complete and accurate returns (date to be advised). In order to facilitate this, school’s capital accounts will close at the end of February 2016.

13.2 We will require completed, reconciled electronic returns and all relevant authorised referenced background papers and supporting documents. More detailed guidance will be sent out in the coming weeks.

13.3 Governing bodies of maintained schools must provide the local authority (LA) with a financial statement presented in accordance with the approved headings and sub-headings set out in the CFR Regulations 2012, and in compliance with the normal established accounting practices of the LA.

13.4 Non compliance with these requirements will result in addition work for the LA in order to meet the required deadlines. Under section 2.1.1 application of Financial Controls to Schools and section 6.2.14 of the scheme for financing schools any additional costs incurred by the LA will be passed onto the non compliant school.

**14. Options Appraisal**

14.1 Not applicable.

1. **Consultation**

15.1 Not applicable.

1. **Financial Implications**

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

1. **Legal Implications**

17.1 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 – High needs block

Appendix B – Centrally retained Services

Appendix C – Details of ARP places 2016-17

Appendix D – Schools facing financial difficulties

Appendix E– Summary of Final Model’s Key figures

Appendix F – Final School Funding Model 2016-17