

(BARKING AND DAGENHAM SCHOOLS FORUM)

(Tuesday 25 June 2013)

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 Schools Forum on: <ul style="list-style-type: none">- The Dedicated Schools Grant 2012/13 outturn- The High Needs growth for 2013/14- The 2013/14 Schools Facing Financial Difficulty contingency- Feedback from the Schools Forum Sub Group – Funding Review- Feedback from the Local Authority / Headteacher Steering Group- The updated draft Scheme for Financing Schools- The School Funding Arrangements for 2014/15 recently published by the DfE	
Recommendation(s) The Schools Forum is asked: <ul style="list-style-type: none">(i) To approve the application of the 2012/13 DSG final outturn under spend (ref 2.3)(ii) To agree the terms of reference for the Sub Group – Schools Facing Financial Difficulty (ref 2.6)(iii) To allocate exceptional one off funding of £771,000 to Eastbrook, Leys Primary, Dorothy Barley Juniors and Village Infants as recommended by the Schools Forum Sub Group (ref 2.7.1 / 2.7.3 / 2.7.4 / 2.7.5)(iv) To loan Barking Abbey the sum of £400,000 as recommended by the Schools Forum Sub Group (ref 2.7.2)(v) To agree to a reduction of £680,000 to the centrally retained DSG ‘top slice’ for 2014/15 (ref 2.10)(vi) To approve the allocation of growth funding for additional classes (ref 2.13)	
Reason(s) None	

1. Introduction and Background

- 2.1 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. Proposal and Issues

Barking and Dagenham School Forum – Schedule of Meetings

- 2.2 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 up to June 2014 for the School Forum and its two sub groups, Schools Facing Financial Difficulty and Funding Review. Additional meetings can be scheduled if required.

Dedicated Schools Grant – 2012/13 Outturn

- 2.3 At the Forum meeting on 26 February 2013 the forecast outturn for the 2012/13 Dedicated Schools Grant (DSG) was an under spend of £4,996,810. The final outturn for the financial year 2012/13 was an under spend of £5,650,937. A reconciliation between the forecast and final outturn position is detailed below:

2012/13 forecast outturn under spend	£4,996,810
Early years PVI allocations (3 & 4 year olds) under spend	£165,000
VoIP telephony system under spend	£166,000
£400,000 loan to Barking Abbey School deferred to 13/14	£400,000
NNDR increases not forecast	<u>(£76,873)</u>
2012/13 final outturn under spend	£5,650,937

The Schools Forum is asked to approve the application of the 2012/13 final outturn under spend as detailed below:

- The sum of £165,000 (Early Years PVI allocations under spend) is added to the 2013/14 Early Years Block. The Early Years Block is estimated to over spend by £168,501 in 2013/14, as reported to Schools Forum on 26 February 2013
- The sum of £400,000 (deferred loan to Barking Abbey School) is added to the 2013/14 Schools Facing Financial Difficulty contingency to fund the loan payment in 2013/14
- The sum of £89,127 (VoIP telephony under spend of £166,000 less NNDR revaluations of £76,873) is added to the 2013/14 Schools Facing Financial Difficulty contingency to increase provision for 2013/14
- The sum of £4,996,810 is allocated to the 2013/14 High Needs Block. No allocations will be made without Schools Forum approval.

Decision – the Schools Forum is asked to approve the application of the 2012/13 DSG final outturn under spend as detailed in section 2.3

2013/14 High Needs Block Growth

- 2.4 The Education Funding Agency (EFA) did provide additional funding for demand growth within the High Needs Block (HNB) for in house special schools, ARP's and the Tuition Centre. The additional funding allocated covered the 'per place' funding factor with the 'top up' funding having to be found with the existing HNB. At Schools Forum on 26 February 2013 the HNB growth was estimated at £500,000. The growth funding has been finalised at £749,000. £74,666 of the funding is for 16 additional places at the Tuition Centre leaving a balance of £674,334. At Schools Forum on 26 February 2013 it was agreed to use £739,462 from the DSG under spend to fund pressures within the HNB. This requirement can be reduced by £174,334 to £565,128.

2013/14 Schools Facing Financial Difficulty Contingency

- 2.5 The Schools Facing Financial Difficulty contingency is set at £1,739,127 as detailed below:

Agreed de-delegation (Forum decision 26/02/13)	£1,250,000
Barking Abbey loan deferred from 2012/13	£400,000 (1)
Balance of £89,127 carried forward from 2012/13	<u>£89,127 (1)</u>
2013/14 Schools Facing Fin. Difficulty Contingency	£1,739,127

(1) These two transfers into the contingency are subject to Schools Forum approval

- 2.6 The first meeting of the Schools Forum Sub Group – Schools Facing Financial Difficulty met on 11 June 2013. The terms of reference for this sub group are attached in Appendix 2 which the Schools Forum is asked to approve. Once approved, they will be sent to the council's legal department.

Decision – the Schools Forum is asked to agreed the terms of reference for the Sub Group – Schools Facing Financial Difficulty

- 2.7 At the sub group meeting four schools made representations for exceptional funding and Barking Abbey returned, as requested by Schools Forum, in relation to their representation for a loan of £400,000. The Schools Forum is asked to consider the recommendations from the sub group:

2.7.1 Eastbrook Secondary School – Exceptional funding of £500,000 (one off) in 2013/14

By way of background information, in the 2013/14 funding settlement Eastbrook 's school budget was £560,686 down on 2012/13. The school is seeking exceptional funding of £500,000 to manage a fall in pupil numbers. The head teacher presented two scenarios:

Scenario 1 (assumes MFG reduction of 1.5% in 2014/15)

2013/14 Year 7 figures of 130 (108 names at present)	
2014/15 Year 7 figures of 175	
Forecast outturn 2014/15 with no redundancies	£1,982,202 deficit
Forecast outturn 2014/15 with 18 agreements for staff to leave and 4 normal leavers	£565,016 deficit
Allocation of £500,000 exceptional funding from Schools Forum	(£500,000)
	£65,016 deficit

Scenario 2 (assumes MFG reduction of 1.5% in 2014/15)

2013/14 Year 7 figures of 110 (108 names at present)	
2014/15 Year 7 figures of 120	
Forecast outturn 2014/15 with no redundancies	£2,726,357 deficit
Forecast outturn 2014/15 with 18 agreements for staff to leave and 4 normal leavers	£935,578 deficit
Allocation of £900,000 exceptional funding from Schools Forum	(£900,000)
	£35,578 deficit

In respect of scenario 2, the Schools Forum is asked to note a possible further exceptional sum of funding for £400,000 in 2014/15. Eastbrook will come back to the sub group once their October 2013 pupil count numbers are known.

2.7.2 Barking Abbey Secondary School – A loan of £400,000 to be repaid over 3 years

On 21 February 2012 the Schools Forum agreed to set aside a sum of £400,000 for a loan to Barking Abbey on condition the school revised the loan repayment period and a robust business case was presented to ensure repayment of the loan. The school complied with this request and this information was reported back to Forum on 03 July 2013. At its meeting on 26 February 2013 the Forum asked Barking Abbey to report back to the sub group before any loan payment was made. As requested Barking Abbey came back to the sub group meeting on 11 June 2013 again presenting a detailed business case and loan repayment plan. As the Forum had agreed the loan in July 2012 and the school have acted upon this agreement, out of good faith the sub group is recommending the School Forum agree to the loan of £400,000 to Barking Abbey. The loan will be repaid in three instalments of £40,000, £180,000 and £180,000 in 2014/15, 2015/16 and 2016/17 respectively.

2.7.3 Leys Primary School - Exceptional funding of £99,000 (one off) in 2013/14

The school is seeking exceptional funding of £99,000 to ensure a sustained improvement and removal from special measures by approximately October 2013. The last monitoring visit stated that the school is making good progress in the three identified priority areas and the schools wants to continue this upward trajectory and will apply the exceptional funding as detailed below:

- Compromise agreements (£8,000)
- Short term supply (£21,000)
- Executive Head Teacher costs – in federation with Beam primary (£25,000)
- Regeneration of the Leys estate (£45,000)

The Leys did carry forward a balance of £50,385 into 2013/14 and £44,000 of this balance is committed to curriculum development leaving a small contingency of £5,485.

2.7.4 Dorothy Barley Juniors – Exceptional funding of £92,000 (one off) in 2013/14

The school was judged to require special measures in December 2012. At its monitoring visit in May 2013 HMI stated that the School Action Plan to remove special measures was fit for purpose. The request for exceptional funding is to address the Ofsted Key Issue 1 and 2 in particular of rapidly improving teaching and learning and raising achievement. These areas need to be developed (building capacity) to deliver on HMI expectations on the sustainability of the school to improve over the medium to long term:

- Secondment of Dorothy Barley Infant school deputy head teacher from September 2013 to July 2014 to lead the lower phase Yr. 3 & 4, support RI teachers across the school and to add capacity at senior level (£75,000)
- Teaching and middle leadership support from Upton Cross Primary (NLE school) from April 2013 to July 2014 to plan, do and review model, to implement a coaching model for Leadership and to assist / support SLT strategy (£18,000)

2.7.5 Village Infants School – Exceptional funding of £80,000 (one off) in 2013/14

The school is requesting exceptional funding of £80,000 to fund a Teacher (£60,000) and a Teaching Assistant (£20,000). Village infants are a 3 form entry infant school that was planned for amalgamation at the end of last summer (July 2012). The final decision not to amalgamate was not made until the middle of the summer vacation. This uncertainly resulted in the Governing Body being unable to recruit the specialised staff needed to provide for a very large group of key stage 1 children with significant levels of SEN and EAL.

The school has one of the lowest SEN notional budgets allocated from the Schools block (£47,000) but spends £125,000 on their 5 pupils with statements and their 23 pupils on SA+ band C and above. The school does apply to the SEN contingency fund but still has to use a high percentage of its budget to cover SEN provision. The school needs to be able to employ an experienced specialist teacher to lead on teaching and learning for those complex children and coach and mentor existing staff to adapt the curriculum to ensure progress. The school also needs to employ an experienced specialist TA to support this work. This early intervention will guarantee that the school has robust systems in place to cater for not only all current pupils as they move through the school, but also future pupils with similar needs.

The school has a healthy carry forward budget which has already been allocated to other priorities on the School Development Plan, one of these being ICT which is an area of need identified by Ofsted.

2.8 The Schools Facing Financial Difficulty contingency for 2013/14 is shown below in table 1:

Table 1: Schools Facing Financial Difficulty Contingency 2013/14

	2013/14	2014/15	2015/16	2017/18
Contingency	£1,739,127			
In year allocations:				
Warren recovery plan	(£321,640)			
Eastbrook	(£500,000)	(£400,000)		
Barking Abbey loan	(£400,000)	£40,000	£180,000	£180,000
Leys Primary	(£99,000)			
Dorothy Barley Juniors	(£92,000)			
Village Infants	(£80,000)			
Balance	£246,487			

Decision – to allocate exceptional one off funding of £771,000 to Eastbrook, Leys Primary, Dorothy Barley Juniors and Village Infants as recommended by the Schools Forum Sub Group

Decision – to loan Barking Abbey the sum of £400,000 as recommended by the Schools Forum Sub Group

Schools Forum Sub Group – Funding Review Group – Feedback

- 2.9 At the Schools Forum on 26 February 2013, the Forum agreed to set up a Funding Review Sub Group to review the High Needs Block and school funding arrangements and funding formula for 2014/15. As the discussions and findings of this group remain at the draft stage, a more detailed report will be brought back to the Schools Forum in October 2013. However a clear steer is coming from this sub group that, in 2014/15, the High Needs Block should not receive any funding from the Schools Block. When setting the blocks for 2013/14 the Forum agreed to move £1.2m from the Schools Block to the High Needs Block and apply £739,462 of retained carry forward to the 2013/14 High Needs Block. This steer will require savings to be found within the High Need Block and these will need to be carefully planned as the High Needs Block is currently under considerable pressure and the rapid demand growth will only add to this pressure. The sub group have talked about using the retained carry forward as a 'buffer' until the efficiencies can be achieved in full. The Local Authority is currently modelling options based on the sub group's steer and these will be tied into the process that will take place now the DfE have issued their school funding arrangements for 2014/15.

Local Authority / Headteachers Steering Group Meeting - Feedback

- 2.10 At the School Forum on 26 February 2013, the Forum agreed to delegate the detailed review of the 2013/14 centrally retained DSG to the Local Authority / Head Teacher Steering Group with the findings of the review and any recommendations being brought back to the full Schools Forum. The Steering Group last met on 20 May 2013 and initial savings of £680,000 are proposed for 2014/15 from the centrally retained DSG. Any saving against the centrally retained DSG budget will

reduce the 'top slice' required from the DSG and release funding to be applied to the blocks. The proposed savings are achieved by deleting the ViOP telephony provision and reducing the DSG contribution to the Community Service by £100,000 to £310,000. Appendix 3 details the centrally retained DSG budget for 2013/14 and summarises the outcomes from the Steering Group. The Schools Forum is asked to agree to a reduction of £680,000 to the centrally retained DSG 'top slice' for 2014/15.

Decision required – The Schools Forum is asked to agree to a reduction of £680,000 to the centrally retained DSG 'top slice' for 2014/15

Scheme for Financing Schools

- 2.11 In March 2013 the Secretary of State for Education issued their revised scheme for financing schools. This guidance must be used by Local Authorities when updating their local schemes. Appendix 4 details the draft revised Barking and Dagenham Scheme for Financing Schools. Schools are requested to read the draft scheme and provide any comments or queries to Dawn Calvert (Dawn.Calvert@lbbd.gov.uk) and Gaspare Nicolini (Gaspare.nicolini@lbbd.gov.uk) by Friday 26 July 2013. The final scheme will be brought back to Forum in October 2013 for formal approval.

Department for Education – School Funding Arrangements for 2014/15

- 2.12 On 4 June 2013 the Department for Education (DfE) published a document which confirms the school funding arrangements for 2014/15. This follows the DfE's recent review which looked at the arrangements for 2013-14 and sought views from colleagues across the sector. The published document gives details of the small changes that are being made which the DfE believe will address the main concerns that have been expressed over recent months and will continue the move towards the DfE's goal of a national funding formula. The documents can be found on the DfE website at <http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/a00221523/review-of-2013-14-school-funding-arrangements>
- 2.12 The local authority will work with the Schools Forum Funding Review Sub Group to work through the changes required, model the various options and agree the consultation process to ensure both the DfE timetable and Local Authority reporting requirements to Schools Forum and Members are achieved.

Growth Fund 2013/14

- 2.13 At the Schools Forum on 26 February 2013 it was proposed to allocated £57,000 per class to school's with a class opening in September 2013 which is additional to the classes opening in September 2012. A request has been made to allocate this funding now rather than in September. The Schools Forum is asked to approve the allocation of growth funding for additional classes to be issued by the end of June 2013. This will include additional class funding (1 reception class) for John Perry

Primary School. John Perry agreed to take an additional reception class. The demountable was handed over to the school on 26 October and just missed the October census date. The school received no funding for this additional reception class in their 2013/14 budget.

Decision – to approve the allocation of growth funding for additional classes to be issued by the end of June 2013.

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 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.

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 the period June 2013 to June 2014

Appendix 2 – Schools Forum Sub Group – Schools Facing Financial Difficulty – Terms of Reference

Appendix 3 – Centrally Retained DSG Budget 2013/14

Appendix 4 – Draft Barking and Dagenham Scheme for Financing Schools