

**(BARKING AND DAGENHAM SCHOOLS FORUM)**

**(17<sup>th</sup> March 2015)**

<b>Title:</b> School Forum Report	
<b>Report of:</b> CORPORATE DIRECTOR	
<b>Open</b>	<b>For Decision / For Information</b>
<b>Wards Affected: All</b>	<b>Key Decision: No</b>
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<b>Accountable Divisional Director:</b> Jane Hargreaves – Divisional Director (Education)	
<b>Accountable Director:</b> Helen Jenner – Corporate Director (Children's Services)	
<b>Summary:</b> The purpose of this report is to update the Barking and Dagenham Schools Forum on: <ol style="list-style-type: none"><li>1. (Background)</li><li>2. The Dedicated schools Grant (DSG) 2014-15 year end forecast position.</li><li>3. Schools in Financial Difficulties update</li><li>4. Early Years Consultation</li><li>5. High Needs Working Group update</li><li>6. SEND consultation response</li><li>7. Future work plan and diary dates</li></ol>	
<b>Recommendation(s)</b> The Schools Forum is asked: <ol style="list-style-type: none"><li>(i) To note the DSG 2014-15 reported year end forecast (ref. 2.1)</li><li>(ii) To agree the Schools in Financial Difficulty contingency update (ref.3.2) and note revised de-delegated wording from 13 January 2015 report (ref. 3.6.1)</li><li>(iii) To agree the Early Years Single Funding Formula (EYSFF) (ref. 4.4)</li><li>(iv) To note the High Needs working group update (ref.6.1) and agree carry forward balance for the Maths and English Literacy project (ref. 2.4.3)</li><li>(v) To note final SEND Consultation document (ref. 7.4)</li><li>(vi) To note future diary dates and work plan (ref. 8.1)</li></ol>	
<b>Reason(s)</b> 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.

## 2. Dedicated Schools Grant 2014-15 Budget allocation update

### 2.1 Dedicated Schools Grant Forecast as at February 2015

Notes		Revised Block £'000	2014-15 Forecast £'000	Year End Variance £'000 (underspend) / overspend	% over/ (underspend)
2.2	2 Year Old Funding	7,052	4,252	(2,800)	(40%)
2.3	Early Years block	11,668	11,183	(485)	(4%)
2.4	High Needs block *	26,680	26,680	-	-
2.5	Schools block	182,898	182,016	(882)	(0.7%)
		<b>£228,298</b>	<b>£224,131</b>	<b>(£4,167)</b>	<b>(2%)</b>
2.4	2013-14 DSG carry forward *			(£3,566)	
<b>Anticipated 2014-15 DSG carry forward</b>				<b>(£7,733)</b>	
2 year old funding previously capitalised (approved at School Forum 24 <sup>th</sup> June 2014)				<b>(£850)</b>	

### 2.2 2 Year Old Funding under spend £2,800k

At Schools Forum 24 June 2014 approval was agreed to the capitalisation of £850k with regards to place planning to provide additional private, voluntary and independent (PVI) spaces for 580 children.

2.2.1 A further request to capitalise **£700k** of the reported 2014-15 carry forward balance is requested to School Forum. This will be from the '2 year old' programme to develop further childcare places within the PVI sector.

2.2.2 At the end of the autumn term, Barking and Dagenham were delivering just over 1400 '2 year old' places in the PVI sector. Capacity is fully utilised across the PVI sector at present, and there is currently no spare capacity in the market to deliver further 2 year old places.

2.2.3 Developments currently underway and completed with existing capital funding will provide some additional capacity, but there will still be a need for approximately 400 places. The funding will be used for expansion of three existing nurseries in areas of need and will also support development of a new nursery.

**(i) Decision – School Forum is asked for approval of capitalising £700,000 '2 year old' revenue funding from the reported early years under spend.**

**2.3 Early Years Block underspend £485k**

The under spend relates to previous years carry forward not applied

**2.4 High Needs break even**

2.4.1 A detailed analysis is attached as **Appendix A**.

2.4.2 Pupil Referral Units (PRU's) will carry forward any closing balances and reported as part of School Balances in the October Schools Forum due to having a delegated budget.

2.4.3 Maths and Literacy project – forecast reported under spend £200k

**(ii) Decision – School Forum is asked for approval to carry forward the under spend £200k on the Maths and Literacy project to continue the programme next financial year 2015-16**

**2.5 Schools Block underspend £882k**

Schools facing financial difficulties underspend £170k and growth fund £712k. The growth fund is anticipated to under spend by £712k; this has been earmarked for the 2015-16 growth Fund.

**3 Schools Facing Financial Difficulty Contingency**

3.1 No formal requests have been made.

**3.2 Table 2 Schools Facing Financial Difficulty Contingency 2014/15**

	2012-13	2013/14 support given	2014/15	2015/16	2016/17	2017/18
De-delegated amount	£1,386,000	£1,250,000	£1,000,005	£250,000	£250,000	£250,000
c/f under spent from previous year's de-delegation		£71,100	£59,300			
c/f from previous year		£418,000	-£59,540	£169,765	£65,765	£761,765
<b>Contingency</b>	<b>£1,386,000</b>	<b>£1,739,100</b>	<b>£999,765</b>	<b>£419,765</b>	<b>£315,765</b>	<b>£1,011,765</b>
<b>In year allocations:</b>						
Warren recovery plan	-£582,000	-£321,640				
Warren closing balance			-£170,000			
Eastbrook		-£500,000		-£400,000	£100,000	£100,000
Eastbrook Support funding agreed February 2012		-£160,000	-£160,000	-£160,000		
Barking Abbey loan		-£400,000		£40,000	£180,000	£180,000

	2012-13	2013/14 support given	2014/15	2015/16	2016/17	2017/18
Leys Primary	-£60,000	-£99,000				
Dorothy Barley Juniors		-£92,000				
Village Infants		-£80,000				
Henry Green Primary	-£60,000	-£80,000				
St Joseph's, Barking	-£60,000	-£66,000				
Marks Gate Juniors	-£126,000					
Thomas Arnold Primary	-£80,000					
Eastbury Primary Loan			-£450,000	£150,000	£150,000	£150,000
Dorothy Barley Infants			-£50,000	£16,000	£16,000	£18,000
<b>Balance / (over allocation)</b>	<b>£418,000</b>	<b>-£59,540</b>	<b>£169,765</b>	<b>£65,765</b>	<b>£761,765</b>	<b>£1,459,765</b>

3.3 Future allocations are indicative; all allocations will be considered and approved in the financial year to which the support relates.

3.4 No further applications have been submitted since the last Schools facing Financial Difficulties meeting 16th September 2014. Dorothy Barley Infants have completed a loan agreement for £50,000 payable over 3 years, Eastbrook have requested £160,000 continued support from previous School Forum approval February 2012 in support of EAL children and Warren's closing balance was a deficit of £170,000.

3.5 The 2014/15 de-delegated amount is £169,765 surplus.

**(iii) Decision – the 2014-15 under allocation of £169,765 to be carried forward to 2015-16 de-delegated Schools facing Financial Difficulties budget.**

### 3.6 De-delegated Services

3.6.1 Correction of wording from the School Forum report 13 January 2015, section 9.1.1 regarding de-delegation to academies, special schools, nurseries or PRU. **De-delegation is not an option for academies, special schools, nurseries or PRUs.** Where de-delegation has been agreed for maintained primary and secondary schools, the local authority will offer the service (Free school meals eligibility and Support for Trade Union Duties) on a buy-back basis to those schools and academies in the area which are not covered by the de-delegation.

3.6.2 The de-delegated support for Trade Union duties budget allocation 2015-16, total £282,149 (£8.72 per pupil) was agreed and a separate meeting is currently being organised with all TU representatives on the 2016-17 proposed allocation.

#### **4. Early Years Single Funding Formula (EYSFF)**

4.1 The EYSFF working group as directed by Schools Forum undertook a review of Barking and Dagenham EYSFF but ensured any proposals would be fit for purpose for all the providers of Early Years provision within Barking and Dagenham.

4.2 The overall aim of the EYSFF working group was to revise the formula in anticipation of the future changes of the School Funding Reform and to simplify the existing formula but to ensure transparency and fairness to all early years providers but, with as little turbulence to settings funding but to include benchmarking of other London boroughs in the final proposed model.

4.3 A consultation exercise was undertaken covering a two week period to seek the views of all providers and associated parties with regards to the proposed formula changes. A summary of the responses is attached as **Appendix B** and in total 12 returns were received from maintained schools:

##### **4.3.1 Consultation Question 1: Sustainability Re-apportionment**

*We are proposing to stop using the formula element for Sustainability. We propose increasing the deprivation element to counteract this. Are you happy with this solution, and if not where would you like it to be included?*

100% replies were happy to increase deprivation to compensate, and the proposed formula has included this.

##### **4.3.2 Consultation Question 2: Deprivation Factor Bandings**

*We currently use 5 IDACI bands to assess deprivation needs. The school funding formula uses only 2 selecting only the schools in the two lowest classifications receiving funding. Would you prefer to adopt this method for EYFF or suggest an alternative?*

30% returns wished to continue using the current method and 70% wished to adopt the schools 2 band method of IDACI. The proposed formula has included this and rates have increased from bandings of 0.10p -0.30p to 0.61p – 0.76p.

##### **4.3.3 Consultation Question 3: Quality Element in Formula Funding**

*Do you want to keep the quality element in the formula, currently assessed on staff qualifications, and are you happy to keep staff qualifications as the deciding factor?*

90% returns wished to stay using current formula and 10% wished to abolish the quality element. The proposed formula has included a quality element.

##### **4.3.4 Consultation Question 4: Re-allocation of the DSG blocks**

*Of the 33 London Boroughs our Barking and Dagenham is ranked as the borough who gives 7<sup>th</sup> lowest proportion of their DSG to the Early Years Block (EYB) giving Early Years only 5.2%. The London Borough average is 6.81% and the National Average is 6.6%. You are asked to consider re-aligning the blocks to meet the London Borough or National average EYB proportions.*

45% returns wished to not re-align the blocks, and 55% wished to re-align the blocks to the London Average, where this would cost from the other 2 blocks c£3 million. The proposed formula has increased the rate to just above the England average.

#### 4.4 **Table 3 - Proposed EYSFF Formula changes**

<b>Table 3</b> <b>Factors</b>	<b>EXISTING RATE £</b>		<b>PROPOSED RATE £</b>	
	<b>PVI</b>	<b>Nursery</b>	<b>PVI</b>	<b>Nursery</b>
Base Rate	3.00	3.00	3.00	3.00
Deprivation class	0.10 – 0.30	0.10 - 0.30	0.61 – 0.76	0.61 – 0.76
Quality	0.20	0.20	0.20	0.20
Flexibility	0.20	0	0.20	0
Sustainability class 1-9	0.06 - 0.46	0	0	0
Premises / Manager	0.10	0	0.04	0.04
Head Teacher on Site	0	0.17	0	0.17
Premises Factor	0.04	0.04	0.04	0.04
<b>Total 3 and 4 Year Old Funding</b>	<b>£3.80 – £4.10</b>	<b>£3.61 – £3.81</b>	<b>£3.80 – £4.30</b>	<b>£3.97 – £4.17</b>

4.4.1 Individual setting comparisons is attached as **Appendix C**

#### 4.5 **Table 4 Early Years Benchmarking S251 2013 – 14**

<b>S251 Budget Statement 2013-14</b>	<b>Planned spend<sup>1</sup> on 3 and 4 year olds - average rate per hour (2013-14)</b>
<b>England - Average (mean) or Total</b>	<b>£4.21</b>
<b>England - Average (median)</b>	<b>£4.04</b>
<b>England - Minimum</b>	<b>£2.99</b>
<b>England - Maximum</b>	<b>£6.81</b>
<b>London - Average (median)</b>	£4.58
<b>London - Minimum</b>	£3.68
<b>London - Maximum</b>	£6.81
301 Barking and Dagenham	<b>£3.87</b>
302 Barnet	£4.57
303 Bexley	£3.85
304 Brent	£4.51
305 Bromley	£4.03
202 Camden	£6.27
306 Croydon	£3.97
307 Ealing	£4.31
308 Enfield	£3.99
203 Greenwich	£4.61
204 Hackney	£5.43
309 Haringey	£4.68
310 Harrow	£4.14

<b>S251 Budget Statement 2013-14</b>	<b>Planned spend<sup>1</sup> on 3 and 4 year olds - average rate per hour (2013-14)</b>
311 Havering	£4.14
312 Hillingdon	£4.65
313 Hounslow	£4.58
206 Islington	£4.62
207 Kensington and Chelsea	£5.89
314 Kingston upon Thames	£3.87
208 Lambeth	£5.88
209 Lewisham	£5.41
315 Merton	£4.60
316 Newham	£4.51
317 Redbridge	£3.76
318 Richmond upon Thames	£3.68
210 Southwark	£5.80
319 Sutton	£4.34
211 Tower Hamlets	£5.47
320 Waltham Forest	£4.45
212 Wandsworth	£5.52
213 Westminster	£6.81
201 City of London	£5.78

- 4.6 The current average EYSFF hourly rate for Barking and Dagenham is £3.87, statistical neighbours is £4.58, and the England average rate is £4.04. The proposed rate equates to an average £4.09 per hour (*just above the average England rate*) and the proposed EYSFF additional cost to the early years block would be c£681k; however this is modelled with the highest number of funded places in the summer term, and assuming that the take up of these places within each of the early year's settings is as per the data collection census. The deprivation element is also modelled as the census.
- 4.7 There are no losers with the revised model and the average setting gain is £5,825.20 covering a range of £36.00 per year to £36,936 additional funding per year.
- 4.8 If approved the EYSFF would be implemented from the start of the financial year but subject to the governments review with regards to the Early Years and Funding Reform.

**(iv) Decision – School Forum to approve the implementation of the EYSFF subject to the School Funding Reform of Early Years.**

## **5. Early Years Pupil Premium (EYPP)**

- 5.1 Early Years Pupil Premium will be introduced for eligible 3 and 4 year olds from April 2015 if they meet at least 1 of the following:

- Income Support
- Income-based Jobseekers Allowance
- Income-related Employment and Support Allowance
- Support under part IV of the Immigration and Asylum Act 1999
- The guaranteed element of State Pension Credit
- Child Tax Credit (provided they're not also entitled to Working Tax Credit and have an annual gross income of no more than £16,910)
- Working Tax Credit run-on, which is paid for 4 weeks after they stop qualifying for Working Tax Credit
- Universal Credit
- They have been in local-authority care for 1 day or more in England and Wales
- They have been adopted from care in England or Wales
- They have left care under a special guardianship order or residence order in England or Wales

5.2 Children must receive free early education in order to attract EYPP funding. They do not have to take up the full 570 hours of early education they are entitled to in order to get EYPP.

5.3 The allocation for Barking and Dagenham is £341,466 for 1,185 eligible children. This represents 53p per hour (equivalent to £302 per year) for pupils who meet the criteria.

5.4 4-year-olds in primary school reception classes who already receive the school age pupil premium are not eligible for EYPP funding.

5.5 Local Authorities have been allocated £10,000 to implement the EYPP.

## **6. High Needs Working Group update**

6.1 ISOS Partnership presented at the last High Needs Working Group meeting 24 February 2015, their report on the SEN High Needs and Block Funding Review. Included in their report was benchmarking data, a review of the existing proposed savings and suggested areas for future savings. Three working option models were presented with regards to Barking and Dagenham to consider for shaping future high needs spending. Further work is required to model Barking and Dagenham's structure into three models for further discussion:

1. High Delegation Model
2. The Pooled Risk Model
3. The Invest-together Model

6.2 It was also suggested to look at Redbridge, low cost, high outcomes and Newham, middle to low spend in comparison to Barking and Dagenham.

6.3 The next meeting is scheduled for 5<sup>th</sup> May 2015.

## **7 DfE SEND Consultation**

7.1 The DfE undertook a consultation inviting interested individuals and organisations to help them work out ways in which they could distribute special educational needs and disability (SEND) funding more fairly.



- 7.2 The DfE collated a pack of data about children and young people with SEND, and how they have been funded.
- 7.3 The consultation period ran from 13<sup>th</sup> November 2014 to 27<sup>th</sup> February 2015.
- 7.4 The London Borough of Barking and Dagenham consultation response is attached as **Appendix D**.

## **8 Future Work Plan**

- 8.1 Future work plan and proposed dates for reporting items to Schools Forum:
- 8.1.1 Agree dates of next years meetings:
- 24 June 2015 (already agreed)
  - 6 October 2015
  - 12 January 2016
  - 15 March 2016
  - 21 June 2016
- 8.1.2 Final DSG outturn 2014-15 – June
- 8.1.3 Schools in Financial Difficulties Sub Group revised Terms of Reference – (*outcome from Ofsted*) - June
- 8.1.4 School Balances 2014-15 - October
- 8.1.5 School Forum Constitution, membership and election of chair(s) - October
- 8.1.6 Local School Funding Formula – October
- 8.1.7 Scheme for Financing - October

## **9 Options Appraisal**

- 9.1 Not applicable.

## **10 Consultation**

- 10.1 Not applicable.

## **11 Financial Implications**

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

## **12 Legal Implications**

- 12.1 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.

## **13 Other Implications**

- 13.1 **Risk Management** - None
- 13.2 **Contractual Issues** - None
- 13.3 **Staffing Issues** – None
- 13.4 **Customer Impact** – None
- 13.5 **Safeguarding Children**- None
- 13.6 **Health Issues** - None
- 13.7 **Crime and Disorder Issues** – None
- 13.8 **Property / Asset Issues** – None

**Background Papers Used in the Preparation of the Report:**

None.

**List of appendices:**

Appendix A – High Needs Block analysis 2014-15

Appendix B – EYSFF Consultation responses

Appendix C – Proposed EYSFF allocations 2014-15

Appendix D – DfE SEND funding: longer- term changes, call for evidence – LBBD  
Response