

BARKING AND DAGENHAM SCHOOLS FORUM

(Tuesday 23rd June 2015)

Title: School Forum Report	
Report of: CORPORATE DIRECTOR	
Open	For Decision / For Information
Wards Affected: All	Key Decision: No
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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: <ol style="list-style-type: none">1. (Background)2. The Dedicated Schools Grant (DSG) 2014/15 Outturn3. The 2014/15 Schools Facing Financial Difficulty contingency4. Reported School Balances 2014/155. 2015-16 Dedicated Schools Grant budget update6. Update on High Needs Working Sub Group7. Proposed meeting dates 2015/168. Pilot School Brokerage service	
Recommendation(s) The Schools Forum is asked: <ul style="list-style-type: none">• To approve the application of £129k under spend to the 2014-15 Early Years Block (2.3.2)• To approve the application of £1,258k 2014-15 under spend to the 2015-16 High Needs Block. (2.3.3)• To approve the application of the 2014-15 under spend of £636k growth funding to the 2015-16 growth fund budget. (2.3.4)• To approve the under spend of the de-delegated Schools Facing Financial Difficulty contingency £68,579 in 2014/15 and carry forward to 2015/16. (3.1)• To approve the application of the additional criteria of the growth fund in support to schools that have increased their PAN by AWPU in agreement with the LA as a ‘one off payment’. (2.4)• To approve revenue loans to schools listed in table 2 of the report. (3.6)• To approve the updated allocation of DSG including 2014-15 carry forwards. (4.1)• To comment and note the reporting of the school balances. (5.1)• To approve the Schedule of Meetings. (7.1)• For school contributors as part of a pilot scheme to investigate the possibilities of a new initiative (8.1)	
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.

2. Dedicated Schools Grant – 2014-15 Outturn

- 2.1 At the Forum meeting 17 March 2015 the forecast outturn for the 2014-15 DSG was an under spend of £4,167m in total across all blocks. The final outturn for the financial year 2014/15 was an under spend of £3,101m. Reconciliation between the previous forecast reported and final outturn is detailed below:

2014/15 forecast outturn under spend (reported 17 March 2015)	£4,167
2 year old funding decrease under spend (<i>capitalisation</i>)	(£564)
Early Years block decrease spend	(£356)
High Needs block increase in income	£1,258
Schools block decrease under spend	<u>(£1,404)</u>
2014/15 final outturn under spend	£3,101

- 2.2 Table 1 below the reporting of the individual blocks:

Table 1 - Dedicated Schools Grant 2014/15 Outturn					
Notes	Funding Blocks	Revised Block £'000	2014/15 outturn £'000	Year End Variance £'000	% Over/(under spend)
2.3.1	2 Year Old Funding*	7,052	5,037	(2,015)	(28.57%)
2.3.2	Early Years block	11,668	11,539	(0,129)	(1.11%)
2.3.3	High Needs block	26,680	25,422	(1,258)	(4.72%)
2.3.4	Schools block	182,898	182,202	(0,696)	(0.38%)
	*Less capitalisation 2 year old funding (<i>agreed SF 17 March 2015</i>)		700	700	
	*Less capitalisation 2 year old funding (2013-14)		297	297	
2.3.5	TOTAL	228,298	225,197	(3,101)	(1.36%)
	Remaining 2013-14 c/f (£3,566m earmarked to HNB)			(7,733)	
2.3.6	2014-15 DSG carry forward			(10,834)	

- 2.3 The School Forum is asked to approve the application of the 2014/15 final under spend as detailed below:

2.3.1 **2 Year Old Funding under spend £1,018k**

£1,018k under spend will be carried forward to 2015/16 to fund trajectory funding and place led demand. In total £1,847m has already been capitalised in order to provide further places.

2.3.2 Early Years block under spend £129k

£129k underspend earmarked towards the new Early Years Single Funding Formula (EYSFF).

(i) Decision – Schools Forum is asked to approve the application of £129k under spend to the 2014-15 Early Years Block.

2.3.3 High Needs block (HNB) under spend £1,258k

Appendix A attached provides the detailed reporting of the high needs block outturn.

- £200k SEN Maths/Literacy project under spend (*already approved at School Forum 17 March 2015*)
- £483k PRU under spend
- £704k post 16 funding (academic year) under spend
- £541k ARP funding under spend
- £1,065k overspend non maintained fees (pre 16)
- £395k sum of under spend; panel, LACHES, initiatives, special school

(ii) Decision – Schools Forum is asked to approve the application of the under spend £1,258k to the 2015-16 High Needs Block.

2.3.4 Schools block under spend £696k

- Schools facing financial difficulties under allocation £68k (*See section 3*).
- Growth fund underspend £636k

(iii) Decision – Schools Forum is asked to approve the application of the 2014-15 under spend £636k growth fund to the 2015-16 growth fund budget.

2.3.5 Final Budget DSG allocation for 2014/15 £223,918m

Barking and Dagenham total DSG allocation for the financial year 2014/15 as notified from the DfE less academy recoupment £9,820m was £214,098k.

2.3.6 Total 2014/15 DSG under spend £10,834k carry forward balance.

The total of all DSG under spends.

2.4 Growth Fund

2.4.1 Barking and Dagenham are experiencing huge growth in population and the requirement for school places within the borough and Cabinet has received regular reports about the continuing demand for school places. This is a national issue, however for Barking & Dagenham this has been a major priority for investment since 2007.

2.4.2 Based on the statistics released by the GLA, the position on overall population forecast is as follows:

- **Borough Population** - Current 199,990 (2014) and by 2020 the population forecast will be 225,381 and increase of 25,391 or 12.7%.
- **Young Population (0-19 years)** - Current 62,740 (2014) and by 2020 the population forecast for this group will be 69,740 an increase of 7,000 or 11.2%
- **Largest Population Growth (10-14 years)** - Projected growth in a 5 year period to 2020 is 3,964 pupils or 30.5%.

2.4.3 The most recent set of pupil forecast figures have been reviewed over the last 3-4 months and are based on GLA data linked to birth data and some input from local level gained through the experience of the Children's Services Department. The forecasts indicate:

- the secondary school population across the Borough will increase from its present levels of 14,900 to 21,189 by the school year starting September 2020.
- the primary School population across the Borough will increase from its present levels of 22,549 to 29,550.

2.4.4 In support of growth and school places, it is proposed to utilise the growth fund £3m was set for 2015/16, under spend £636k 2014/15 to support growth in schools who accommodate additional classes or whereby schools increase its Published Admission Number (PAN) working in conjunction with the LA .

2.4.5 In accordance with the School Funding Reform guidance on growth criteria, it is proposed to fund additional school places at the AWPU rate to schools who have agreed with the LA to provide an extra class in order to meet basic need in the area (either a bulge class or as an ongoing commitment). The payment will be a 'one-off' payment in support of this to the school.

(iv) Decision - School Forum is asked to approve the application of the additional criteria of the growth fund in support to schools that have increased their PAN by AWPU in agreement with the LA as a 'one off payment'.

3 2014/15 Schools Facing Financial Difficulty Contingency

3.1 The Schools Facing Financial Difficulty Contingency for 2014/15 was approved by School Forum as £1.0m less £0.060m over allocation from the previous year (2013/14) totalling £999,765. The 2014/15 de-delegated amount has been under allocated by £68,579 and recommended to be carried forward to 2015/16.

(v) Decision – Schools Forum to approve the under spend of the de-delegated Schools Facing Financial Difficulty contingency £68,579 in 2014/15 and carry forward to 2015/16.

3.2 Appendix B details the final allocations and for information closing school balances for 2014/15 of the reporting schools in financial difficulties.

3.3 Three year budget plans are required to be submitted to the LA by 29th June 2015. Any school forecasting a deficit position in any of the 3 years will be required to attend the Schools facing financial difficulties sub group.

- 3.4 Allocations for 2015-16 and 2016-17 are provisional. These future allocations will be considered prior to the financial year commencement taking into account prevailing conditions at that time.
- 3.5 As at 31st March 2015 two schools had unlicensed deficits totalling £808k. Schools finance have met with these schools and agreed recovery plans.
- 3.6 **Table 2: Schools facing Financial Difficulty - Unlicensed Deficits as at 31 March 2015**

	2013/14	2014/15	2015/16	2016/17
Eastbury Primary School	(£306,443)	(£456,101)		
(Loan £450k – 2013/14)				
Ripple Primary School	15,984	(£351,725)		
	(£290,459)	(£807,826)		

- 3.7 The sub group Schools Facing Financial Difficulties met on 17 June 2015 and propose loans to the two schools listed in table 2.

(vi) Decision – Schools Forum is asked to approve revenue loans to both schools listed in table 2 of the report.

4 2015-16 Dedicated Schools Grant budget update

- 4.1 The Local Authority's allocated 2015-16 Dedicated Schools Grant was published by the Education Funding Agency 31st March 2015, this together with the DSG balance brought forward from 2014-15 and early years January census adjustment, is now fully allocated in support of the Schools Budget in 2015-16. Appendix C details the breakdown reporting analysis.
- 4.2 The Early Years Block allocation published in December 2014, based on January 2014 census counts, are provisional. Early Years Block allocations will be initially adjusted in summer 2015, to be based on counts from the January 2015 School Census, Early Years Census and Alternative Provision Census.

(vii) Decision – Schools Forum is asked to approve the updated allocation of DSG including 2014-15 carry forwards.

5 2014/15 School Balances

- 5.1 The School Balances for 2014/15 total £16,249,500 and have decreased by £262,687 and are reported as attached in Appendix D. In total 27 schools have increased their balances and 22 schools have decreased their balances.

- 5.2 Any school with a year end balance of over 8% primary of school budget share and 5% secondary schools or £250k will be required to produce written explanation to the Schools facing financial difficulties sub group detailing the future use of their balance.
- 5.3 The DFE has stated that the 5% and 8% thresholds are not 'targets' but the maximum percentage which should reasonably be retained to deal with unforeseen circumstances. In practice, most primary schools should be able to manage with balances of around 4-5 % and secondary schools 2-3%.
- 5.4 The Schools facing financial difficulties sub group will review the terms of reference and report back to School Forum of the revised working remit of this group to include challenge around reported school balances and regular financial update on the schools who have revenue loans with the LA.
- 5.5 Also included in the appendices (Appendix F) is a summary of other London Borough school balances for the last 3 years for School Forum as information.

(viii) School Forum is asked to comment and note the reporting of the balances.

6 High Needs Working Group meeting update

- 6.1 The group met 5 May 2015 and work continued working with ISOS on the proposed three options/models in their report on the High Needs Block:-
 - 1. The high delegation
 - 2. The pooled risk
 - 3. The invest together
- 6.2 The Working Party proposed moving forward to Option 3 - invest together - with some elements of Option 2 - pooled risk
- 6.3 The sub group felt that no matter what option was chosen, an individual person should be commissioned who would be held account by schools for the HN budget expenditure and report directly to Schools Forum
- 6.4 Further actions were to undertake fact finding visits to:
 - i) Local Authorities where the demographic is similar e.g. Redbridge, Manchester, Birmingham or Coventry.
 - ii) Broader statistical neighbours e.g. Peterborough.
 - iii) Partnership models such as Cambridgeshire, Leicestershire, NW Lincolnshire and Wiltshire were also discussed.
 - iv) Wiltshire was also recommended by the sub group

7 Barking and Dagenham School Forum – Schedule of Meetings

- 7.1 Schools Forums (England) Regulations 2012 state that Forums must meet at least four times a year. A proposed schedule of meetings is attached as Appendix E and proposes dates up to June 2016 for the School Forum and its sub groups; Schools Facing Financial Difficulty and Schools Forum Funding Review sub group. Additional meetings can be scheduled if required.

(ix) Decision – the Schools Forum is asked to approve the Schedule of Meetings to July 2016 as detailed in Appendix E.

8 School Brokerage Service

- 8.1 The beginning of the new Government and new policies including the ongoing work of the School Funding Reform and possible revisions to school funding contributes to on going demand and pressures currently placed upon schools financially. Early media is suggesting a possible cut of 7% on a per pupil basis. Therefore schools require being financially efficient and demonstrating good value for money.
- 8.2 A trial pilot service of the School Brokerage in Schools is being investigated and the possibilities of working towards a pilot scheme to demonstrate and report to schools the savings from such a new scheme.
- 8.3 Benefits will demonstrate significant savings, economies of scale, engagement with local providers, alternative procurement routes and impartial advice and assistance.

(x) Decision – the Schools Forum is asked for school contributors as part of a pilot scheme to investigate the possibilities of a new initiative and report back to school forum of the savings/findings.

9 Options Appraisal

- 9.1 Not applicable.

10 Consultation

- 10.1 Not applicable.

11 Financial Implications

- 11.1 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 Final Monitor 2014-15
- Appendix B – Reported Schools Facing Financial Difficulties 2014-15
- Appendix C – Dedicated School Grant 2015-16
- Appendix D – Reported School Balances 2014-15
- Appendix E – Schedule of Meeting dates 2015-16
- Appendix F – Summary London Boroughs School balances (3 years)