

Schools Forum

**10 May 2011
4pm**

Conference Room 2, North London Business
Park

**Agenda, Papers and
Minutes of the last meeting**

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Agenda

Meeting to start at 4pm with no training session

1. Welcome to new members
2. Apologies for absence
3. Declarations of interest
4. Minutes of previous meeting: 1 February 2011
5. Matters arising
 - 5.1 Actions from previous meeting
6. Items for Consultation
 - 6.1 Early Intervention Strategy – Jay Mercer
 - 6.2 Headteacher Proposals regarding Schools Forum – including training for new members – Paul Ferrie
 - 6.3 Dedicated Schools Grant 2010/11 – Centrally Retained Budget Outturn and School Balances – Val White/Linda Parker
 - 6.4 DSG 2011/12 Schools Budget – Val White/Linda Parker. (Formal acceptance of budget in July)
 - 6.5 School Funding Reform – DfE Consultation – Carol Beckman
 - 6.6 Scheme for Financing Schools – Changes – Nick Adams
7. Items for Information
 - 7.1. Schools Financial Value Standard – Nick Adams
 - 7.2. Exceptional Additional SEN funding
 - 7.3. Contracts Affecting Schools
8. Any Other Business

Schools Forum Members

Sector	Position	Name	School	Member Until
Nursery Schools (1)	Headteacher	Jane Chew		
Primary Schools (11)	Community – Headteacher 1	Vacant		
	Community – Headteacher 2	Jayne Franklin	Child's Hill	30 Sep 2013
	Community – Headteacher 3	Jeanette Adak	Monkfrith	30 Sep 2013
	Community – Headteacher 4	Helen Schmitz	Cromer Road	30 Sep 2013
	Community – Governor 1	Liz Pearson	Holly Park & Livingstone	30 Sep 2013
	Community – Governor 2	Kim Garrod	Church Hill	07 Dec 2013
	Community – Governor 3	Catrin Dillon	Martin Primary	07 Dec 2013
	VA – Headteacher 1	Clare Neuberger	Menorah Foundation	30 Sep 2013
	VA – Headteacher 2	Dee Oelman	St Mary's & St John's	30 Sep 2013
	VA – Headteacher 3	Tim Bowden	Holy Trinity	30 Sep 2013
	VA – Governor	Anthony Vourou	St John's N11	30 Sep 2013
	Community – Headteacher 1	Kate Webster	Queen Elizabeth Girls	30 Sep 2013
Community – Headteacher 2	Paul Ferrie	Ravenscroft	30 Sep 2013	
Secondary Schools (8)	VA – Headteacher 1	Vacant		
	VA – Headteacher 2	Seamus McKenna	Finchley Catholic	31 Nov 2013
	VA – Governor	Patricia French	St Mary's High	07 Dec 2013
	Foundation / Trust – Headteacher	Geoffrey Thompson	Mill Hill High	31 Nov 2013
	Foundation / Trust – Governor	Andrew Macalpine	Hendon	01 Feb 2014
	Community – Governor	<i>Vacant</i>		
Special Schools	Governor	Gilbert Knight (Chair)	Oakleigh	30 Sep 2013
	Headteacher	Jenny Gridley	Oakleigh	30 Sep 2013
Academies	Representative 2	Michael Whitworth	Wren Academy	30 Nov 2013
	Representative 1	Angela Trigg	London Academy	30 Sep 2013
Stakeholders	14-19 Partnership	Keith Murdoch	Woodhouse	30 Sep 2013
	Private Early Years	Sarah Vipond	Middlesex Uni	30 Sep 2013
	Unions	Alan Homes (Vice Chair)	NASUWT	30 Sep 2013
	Stakeholder	<i>Vacant</i>		
Non Voting Observers	Cabinet Member for Children	Cllr Andrew Harper	Deputy Leader	
	Director of Children's Service	Robert Mc-Culloch Graham	Barnet	
	Consultant to Schools Forum	Geoff Boyd	Consultant	
	Assistant Director,	Val White	Children's Service	
	Assistant Director, Schools and Learning	Mick Quigley	Children's Service	
Barnet Officers	Principal Education Psychologist	Brian Davis	Children's Service	
	Head of Finance	Linda Parker	Finance Directorate	
	School Funding Manager	Carol Beckman	Finance Directorate	
	Schools Finance Services Manager	Nick Adams	Finance Directorate	
	Clerk and minutes	Mark Callaghan	Finance Directorate	

4. Minutes of the last meeting (1 February)

Meeting of the Schools Forum

Tuesday 1 February 2010
(4pm, Training Room 7, Building 2 NLBP)

Attended

Members: Jeanette Adak (Head, Monkfrith)
Tim Bowden (Head, Holy Trinity)
Chris Brook (Barnet LNI)
Catrin Dillon (Martin Primary)
Jane Chew (St Margaret's Nursery)
Jo Djora (Head, Coppetts Wood)
Paul Ferrie (Head, Ravenscroft)
Patricia French (St Mary's High)
Kim Garood (Governor, Church Hill Primary School)
Jenny Gridley (Head, Oakleigh)
Alan Homes (NASUWT)
Gilbert Knight (Governor, Oakleigh)
Christopher Maslin (Hendon School)
Seamus McKenna (Head, Finchley Catholic)
Angela Murphy (Head, Bishop Douglass)
Clare Neuberger (Head, Menorah Foundation)
Dee Oelman (Head, St Mary's & St John's)
Elizabeth Pearson (Governor, Livingstone)
Helen Schmitz (Head, Cromer Road)
Geoffrey Thompson (Head, Mill Hill High)
Angela Trigg (London Academy)
Kate Webster (Head QE Girls)

LA Officers: Carol Beckman (School Funding Manager)
Nigel Bell (Senior Asset Manager)
Robert McCulloch-Graham (Director of Children's Service)
Linda Parker (Strategic Finance Manager)
Mick Quigley (Principal Inspector, Children's Service)
Kerry-Anne Smith
Val White (Assistant Director, PPP)

Clerk: Mark Callaghan (School Resources and Support Officer)

Consultant: Geoff Boyd

Not Present

Members: Jayne Franklin (Head, Childs Hill)
Andrew Macalpine
Keith Murdoch (Woodhouse)
Stephen Parkin (Governor, St Mary's High)
Sarah Vipond (Early Years Working Group)
Anthony Vourou (Governor, St John's N11)
Michael Whitworth (Wren Academy)

Other: Cllr Andrew Harper (Cabinet Member for Education, Children & Families)

1. Welcome and apologies for Absence

GK welcomed new members Andrew Macalpine and Jane Chew to the group, noting that AM was being represented by Chris Maslin for the meeting.

GK announced that Jonathan Hewlings from East Barnet is leaving the Forum. JH was thanked for his contribution to the group.

Apologies were received from Andrew Macalpine, Michael Whitworth, Cllr Andrew Harper and Jayne Franklin.

GK requested members to put forward nominations for potential Secondary school governor nominations in due course.

A: Letter of thanks to be issued to Jonathan Hewlings thanking him for his support, leadership and interest.

3. Declarations of interest

None received.

CM asked for a definition of interest. GK clarified the definition of interest, stressing the importance of financial and political interest.

4. Minutes of previous meeting: 07th December 2010

The minutes were agreed as a true and accurate record of the meeting.

A: MC to record CD as present in the minutes of the previous meeting.

5. Matters arising

AM stated that item 7.2.4 of the previous minutes noted the potential redundancies within the Children's Service and asked whether information is available on possible redundancies for staff working in schools and how this may affect the schools budget? MQ advised that the work on redundancies in the Children's Service was quantifiable as the extent of the budget reductions were known whereas the impact on schools will not be known until the schools budget is finalised. AH reminded the meeting that redundancies for school staff would be subject to a consultation process.

AM asked whether numbers for potential school redundancies are included in the provisional budget? MQ stated that the service is only aware of one school with potential redundancies at present and is in consultation with the school regarding this.

AM raised concern that she doesn't feel schools are being consulted with regarding potential redundancies. PF added that his school is having discussions around whether redundancies are likely. RMG explained schools set their own budgets and have responsibility for management of their staff. LP explained that within the LA, when reorganising services or reducing budgets, managers will be expected to minimise potential redundancies wherever possible and advised that schools seeking funding from the LA for redundancies would be expected to adopt a similar approach. VW will confirm that corporate arrangements are in place to cover eligible schools costs, where appropriate.

A: VW to raise the issue of contingencies for redundancies in schools with the corporate centre.

6 Items for Consultation/Decision

6.1 Funding Settlement 2011/12

Linda Parker/
Carol Beckman

LP/CB presented a paper to the group outlining the proposed funding settlement for 2011/12.

LP summarised the proposed settlement highlighting the following aspects:

- The per pupil rate for 2011/12 is the same as for 2010/11. Additionally the mainstreaming of Standards Funds into the DSG will amount to an additional £725 per pupil. Schools will also receive a fixed rate per pupil for the pupil premium for children eligible for free school meals, looked after children and service children. The children eligible for the pupil premium will be identified from the January 2011 School Census and schools will receive one allocation without in year adjustments.
- The provisional funding settlement for 2011/12 presented is based on pupil numbers from the October 2010 School Census free early years data. Figures from the YPLA for sixth forms are outstanding and the LA is still waiting on an update on the music grant.
- The likely rise in pupil numbers has been factored into the projected budget. The formula for converting 3 and 4 year old numbers into full-time equivalents is complicated, but the LA has a projected figure which has been included.
- Changes to centrally retained budgets – inclusion of PRU funding, contingency for early years, a number of reductions in Schools and Learning, cessation of BSF and a proposed reduction in the centrally retained element of Standards funds from £1,474,668 in 2010/11 to £825,500 in 2011/12
- The Central Expenditure Limit (CEL) will apply next year but the exact level of the CEL is not yet known due to the formula complications of mainstreaming Standards Funds.

LP advised the Forum that on the basis of current DfE advice regarding the accounting treatment of the inclusion of former Standards Funds into the DSG, any central retention of former Standards Fund monies may breach the CEL, but at present this can not be confirmed. AM asked how much the CEL is likely to be breached by? LP stated that the level of any possible breach can not be identified at present due to technical difficulties in the way that the CEL is calculated. AM stated that one of the purposes of the Forum is to ensure that the CEL is not breached and asked for assurance that at this stage the group is being informed of the possibility of a breach and not to agree it at the present meeting? VW advised that the LA is providing all of the information it currently has and that the Forum is being notified at this stage that on the basis of the current understanding, the item later on the agenda states that the CEL will be breached. If the DfE advice is confirmed, the breach would be due to the technicality of mainstreaming Standards Funds and is likely to affect all LAs.

LP advised that the DfE has confirmed that the recoupment process for academies will continue into the next financial year. SM asked about the level of the Extended Schools Sustainability budget? LP advised that the Extended Schools Sustainability budget for 2010/11 was just over £1m. It is proposed to retain £450K centrally in 2011/12 and devolve the remainder (proposed in item 6.2). AM requested that more detail is included in the Schools Forum papers for elements like this, such as the background and proposed use for retained funds. GK agreed that this would be useful for Forum members. RMG advised that the retained funding is for 4 multi-agency coordinators conducting early intervention work, 4 parental support workers and an element of management costs. HS asked whether this covers speech and language therapy provision? CB advised that Excellence in Clusters (EIC) schools put money into a central fund to pay for a speech and language therapist to service EIC schools. Previously money was devolved to schools but they were not happy holding the money so it reverted to central retention.

RMG advised that centrally retained former Standard Funds also support a dedicated Ethnic Minority Achievement (EMA) team and a number of posts to support narrowing the gap which have wide-ranging specialised knowledge, comprising 3 education specialists and a data analyst. This is part of a joint Every Child Counts (ECC) programme with Enfield council and Every Child a Writer (ECAW) with Haringey council. It provides an invaluable provision and the proposed amount retained is the same for 2011/12 as for 2010/11.

AT stated that academies do not receive detailed budget information from the DfE and asked if it would be possible for the LA to provide them with further information? LP stated that it would be possible to provide details of how funding for schools of a similar size and nature is calculated. CB added that the LA intend to provide information for new academies demonstrating how their funding is arrived at.

PF stated that schools were advised by the Young People's Learning Agency (YPLA) that they will be provided with figures at the end of March 2011, noting that it is not possible to do efficient budget planning with data received this late. When he phoned them to request assistance he was advised that he should have attended one of their workshops. He asked whether there is anything that can be done as a LA to stress the importance of receiving this information as soon as possible. SM added that the complexity of how sixth form funding is worked out is also an issue. AT noted that academies were informed by the YPLA that they would get an indicative budget by 31/01/2011 which they did not receive. Also there is concern regarding the quality of the information which they will receive. PF asked whether this is something that could be picked up by the LA. RMG advised that this is something that could be looked at outside of the Forum with the possibility of issuing a letter to the YPLA from the LA.

A: RMG to look into the possibility of issuing a letter to the YPLA from the LA stressing the importance of receiving funding information as soon as possible.

CB presented a paper outlining Standards Funds and the proposed options for their distribution noting that it was agreed at the previous meeting to continue to distribute Standards Funds in 2011/12 in the same way as in 2010/11. This includes the absorption of Standards Funds into the DSG. Where possible the mainstreamed Standards Funds will be identified to enable schools to see how their school budget was calculated. This is the case for a 1 year funding cycle as it is not yet known how the DSG will be calculated after this.

CB outlined 3 proposals for the distribution of Standards Funds 1.6, 1.7 and 1.8 in 2011/12.

Grant 1.6 – Extended Schools Sustainability:

The proposal is to devolve £600K of the total grant according to pupil numbers. AM asked for confirmation that £450,000 of the grant will be retained centrally? RMG confirmed that this is the case and will be used to cover costs for early intervention work and a parental support worker (as discussed earlier).

JD asked whether there will be an extended network board and if money will still be available for holiday activities? VW confirmed that the money will be devolved rather than having a bidding process.

PF asked whether the devolved money will be ringfenced? RMG confirmed that it will not be. SM raised concern that the Extended Schools money may get used for other purposes when the ringfence is removed. LP stated that this will be the case for all devolved Standards Funds. RMG stated that this will allow schools to manage accounts with a greater degree of flexibility.

JD expressed concern as to whether there will be sufficient money to fund Aiming High in the future. VW confirmed that there is no proposal to cut Aiming High funds.

JG expressed concern that allocating the money on a per pupil basis may have a detrimental impact on pupils with higher needs. VW explained that devolving a greater proportion of the fund to schools allows them to manage this on a local basis.

JD stated that although there is an overlap in services, she believes a priority for extended services is to provide opportunities for all children, and questioned whether pressure is being put on the wrong budget by retaining so much centrally, especially as MAGs were allocated £177K by the Schools Forum. AH stated that in removing the ringfence it leaves groups such as the Schools Forum to have to take decisions about targeting the money. The Forum may have to look at an equalities impact process for this as there could be a negative impact on protected groups.

RMG stated that special education and children in need are volatile budgets and dependent on population numbers. The only way to reduce pressure on budgets is to target early intervention. Extra money is being invested in early prevention to target known families to reduce pressures on schools. Centralised retention of an element of the former Standards Fund will pay for workers to go into families to do this work. SM asked how many families are being targeted? RMG stated that 2 groups are being targeted, the first with 25 families and the second with 230 families. From this investment schools should see an improvement in attendance and reduction in exclusions. From this investment future savings of £2m have been identified. JD stated that there needs to be clarity about how the money is going to be split. AM raised concern that the grant is being top-sliced while schools will have to manage with less money. RMG stated that most LAs are in the same position and if early intervention work is not funded then there will be an impact on other budgets.

AM raised concern that the forum was asked to approve the £177K funding for MAGs without sufficient detail about how the money would be used, and that the Forum is now being asked to approve the centrally retained portion of grant 1.6 without sufficient information about how it will be spent.

AM suggested that a paper should be produced for the next Forum meeting with more detail about how the retained funds will be used. RMG confirmed the retained funding is for 4 multi-agency coordinators conducting early intervention work, 4 parental support workers and also to cover management costs. LP advised that if the decision is delayed to the next meeting, the provisional schools budget figures will not be available for half-term. Alternatively, an additional Forum meeting would have to be scheduled in the next 2 weeks.

VW added that each year, over 2000 children are referred to children's social care. The priority is around identifying need and having the infrastructure in place to deal with it. The purpose of MAGs is to get people around the table and achieve results. This infrastructure costs money – the early intervention and prevention service costs around £10m and the retained portion of grant 1.6 is a contribution towards this.

GK stated that there is value in the use of centrally retained funds for early intervention work but that it would be useful to have more detail for such proposals in papers submitted, noting that cabinet papers include this detail. AM requested that more detail is included in such proposals in future and suggested that there should be a ceiling whereby detail should be provided when the Forum is asked to approve a proposal over a certain amount of money.

The group agreed to vote on the proposals.

Grant 1.6 – National Strategies – Primary – A or B

The group voted to proceed with the proposal with 7 members in favour and 3 against.

Grant 1.7 – National Strategies - Primary

The group voted to proceed with option B.

Grant 1.8 – National Strategies Secondary

AM asked whether the proposal includes academies. CB confirmed that it does.

The group voted in favour of the proposal.

A: GK to speak to GB regarding whether there should be ceiling above which detail should be provided for funding proposals to the Forum.

Item 6.3 Pupil Premium

Carol Beckman

CB presented a paper outlining the distribution of the Pupil Premium for 2011/12 and explained how the funds will be distributed to schools. The draft regulations state how it should be distributed for maintained schools and academies, but there is a choice as to how the Pupil Premium is distributed to PRUs. EP asked whether nursery children qualify for the Pupil Premium? CB stated that they do not. EP asked whether this is still the case if they are looked after children. CB advised that this is currently unclear and need to be looked into. JC noted that 46% of her school children are thought to be eligible for FSMs and if maintained nursery school children were eligible then they would receive the Premium. CB noted that if maintained nurseries schools received the Pupil Premium then it would have to be extended to private providers also. AM asked whether it will be allocated for in-year admissions. CB confirmed that it will not. Also that no adjustment will be made for leavers.

The proposal put to the Forum was to devolve the Pupil Premium down to Barnet's PRUs. The Forum voted in favour of the proposal.

Item 6.4 Minimum Funding Guarantee

Carol Beckman

CB presented a paper to the group outlining proposals for variations to the MFG explaining that it will be -1.5% for Barnet in 2011/12. The MFG is per pupil funding and some elements of last year's funding have been excluded. The Forum has influence when the LA want to vary the MFG apart from the 4 instances listed below where an application now has to be made to the Secretary of State:

1. Nursery Funding – Schools Forum approval (excluded from MFG)
2. Primary Strategy - Schools Forum approval (excluded from MFG)
3. Extended Schools – Schools Forum support for application to Secretary of State
4. New class startup - Schools Forum support for application to Secretary of State

The Forum was asked to approve the exclusion of nursery funding and primary strategy, and to exclude extended schools and new class startup with application to the Secretary of State. The Forum voted in favour of the proposals.

Item 6.5 Draft Schools Budget

Val White/Linda Parker

VW/LP presented a paper outlining the Draft Schools Budget for 2011/12 and summarised the elements of the proposed budget. CB confirmed that school budgets will be available on 23/02/2011.

JG asked whether the same amount of money is being allocated for SEN and EASEN in 2011/12 as in 2010/11 noting that there were headteachers who were disappointed that they submitted unsuccessful applications this year. LP confirmed that it is proposed to allocate the same amount of money in 2011/12 although there is an increase in the specific schools contingency budget by £250K. BD stated that the LA is aware of the pressure on schools due to increased pupil numbers and the need to expand provision for early years, for which it is intended to increase places. There is a need to work out how this is done in line with present numbers and negotiate with schools on how best the need is met. The LA will continue to work in partnership with schools regarding this. MQ acknowledged more complex cases are coming into schools and that population numbers are increasing.

JG asked the Forum if they wished to express a view on increasing the budget of SEN and EASEN. JD stated that part of the budget is allocated to children already in schools so the money available to the SEN and EASEN panels is less than indicated in the budget. LP stated that if the DSG numbers are higher than expected then the Forum may propose allocating additional funding.

The Forum was asked to approve the draft budget for 2011/12 in the knowledge that it is likely to change due to pupil numbers (including pupils with SEN) and clarification on the treatment of academy funding. In view of the mainstreaming of standards funds into the DSG, the draft budget as proposed will breach the CEL in 2011/12. The forum requested that as far as possible, any additional funding that becomes available is used to re-balance the CEL. The Forum voted in favour of the proposed budget.

7. Items for Information

Item 7.1 Finalised Terms of Reference

Carol Beckman

CB presented the Terms of Reference for the Schools Forum updated following discussion at the previous meeting, noting that item 1.1.5 has now changed and will be amended when the final MFG regulations are received. Also the section on membership needs to be amended with regard to academies and to replace Schools Improvements Partners with an alternative stakeholder representative.

MQ requested that item 2.2 is amended to Barnet headteachers representative bodies.

AM requested that the wording in item 5.7 – all proposals affecting schools is strengthened. CB explained that this item refers to individuals rather than schools.

A: Items 1.1.5 and 2.2 to be amended – CB

Item 7.2 DSG 2010/11 Projected Outturn

Linda Parker

LP presented a paper detailing the projected outturn of the centrally retained schools budget identifying the main variances. The previously reported overspend of £535,292 has now reduced to £162,372. It is hoped that this overspend will be further reduced and eliminated by the end of the financial year.

Item 7.3 Carbon Reduction Commitment Energy Efficiency Scheme - Update

Nigel Bell

NB presented a paper to the group providing an update on the CRCEES.

The previous recycling scheme was in a league-table, but the CRCESS is now direct tax. The idea behind the scheme is to simplify the process. Allowances will be bought for 2011/12. Currently the responsibility to recharge lies with the LA but the DfE is looking at the possibility of recharging schools. The LA will be writing to schools with current information about supplies and to request information to update records. The LA will also be writing to suppliers in due course which will be the basis for charging. The Forum was reminded of the importance of retaining copies of bills.

CM asked when the baseline is and whether schools are meant to have a reduction in subsequent years. NB confirmed that it is 2010/11. In previous years carbon use was the indicator. It is going to be set at £12 pound per ton of emission for the first three years, but the incentive is to reduce output.

CM asked whether there will be any capital money to replace old schools' facilities. NB stated that there will not. The priority is to look at compliance initially with a view to reduction in the future.

AM asked whether the LA will get fined to encourage reduction? NB stated that LAs will be judged on performance and fines will be related to data quality and timeliness of reporting. AM asked whether schools can be fined for providing incorrect information. NB stated that it is unclear at present whether LAs can pass fines on to schools.

KW asked what percentage of the energy price will be charged. NB stated that initial estimates indicate that the charge for secondary schools will be around £6K and £2K for primary schools, but there can be large fluctuations in energy prices.

RMG noted that some of Barnet's schools purchase their energy through the LA brokership team and there were savings for these schools of £120K in 2010/11. RMG asked whether the legislation is likely to last the course? NB advised that it most likely will and that its introduction was planned as the main driver in response to the Climate Change Act. JA stated that Monkfrith have experienced problems getting bills for electricity. NB advised that the LA is working to encourage suppliers to provide bills in a timely fashion.

9. AOB

No items were raised. The meeting closed at 18:26 pm.

Dates for future meetings

10 May 2011	4.30pm (with briefing at 4pm)
12 July 2011	4.30pm (with briefing at 4pm)

6. Items for consultation/decision

Item 6.1 Early Intervention Strategy

Author	Jay Mercer
Position	Deputy Director for Children's Services, Safeguarding, Prevention & Partnership

Item to be presented at the meeting.

Item 6.2 Headteacher Proposals regarding Schools Forum

Author | **Paul Ferrie**

Position | **Headteacher – The Ravenscroft School**

Context:

- Lack of detail in some paperwork mentioned at School's Forum previously
- Lack of detail on specific proposals around contingency and MAGs funding – therefore no time to consult with colleagues on what this meant
- Implications of breaching CEL not explained effectively to Heads; not formally agreed to breach CEL? (audit trail)
- Heads felt pressured not to defer, else threat to setting budgets for all schools
- Recognition of the financial pressure on the LA especially in the current climate, together with timescale demands
- Concern about how the decision making process is currently working and a genuine desire to work together with all stakeholders to improve the situation for the future, especially at a time with significant numbers of new members of the Forum

Proposals:

1. Schools Forum formally agrees to breaching of the CEL for 1 year only – if appropriate
2. LA to agree to look for opportunities (where they may arise) during the year to minimise that breach
3. School's Forum to agree that the CEL will revert to its previous limit for 2012/13
4. All papers for Schools Forum to be sent out at least 10 working days in advance of the meeting to allow time for Heads to consult on implications with colleagues
5. All necessary detail to explain the implications to be explicit within papers with the aim that no clarification is required during the meeting
6. Minutes of the meeting to be circulated to the Chair for checking within 5 working days of the meeting and then within 20 working days to all members
7. All meetings to be held in a room large enough to accommodate members of the Forum and those LA representatives present at Forum, together with room for the public if required
8. The 'Compositions and Procedures' document to be reviewed by working party for the start of 2011/12
9. Training and induction processes for members of the Forum to be reviewed

Proposed by P Ferrie on behalf of Secondary Head members and T Bowden on behalf of Primary Head members

Item 6.3 Dedicated Schools Grant 2010/11 – Centrally Retained Budget Outturn and School Balances

Author Val White/Linda Parker

Position Assistant Director, Children’s Service/ Head of Finance Children and Adult Services, Finance Services

1. Introduction

The purpose of this report is to inform the Schools Forum about the provisional school balances as at 31st March 2011 and the final outturn of the centrally retained schools budget.

2. Provisional School Balances as at 31st March 2011

The provisional schools balances figures as at the end of March 2011 are as follows:

Schools Outturn as at 31.03.11										
	Revenue			Capital			Total Balances			
	As at 31.03.11	Balance as % Final Budget Share 10/11	As at 31.03.10	Increase / - decrease	As at 31.03.11	As at 31.03.10	Increase / - decrease	As at 31.03.11	As at 31.03.10	Increase / - decrease
Sector										
Nursery	330,961	16%	141,303	189,658	209,371	194,960	14,411	540,332	336,263	204,069
Primary	7,576,138	7%	5,055,936	2,520,202	1,097,773	2,057,635	-959,862	8,673,911	7,113,571	1,560,340
Secondary	4,014,086	4%	2,525,181	1,488,905	752,573	1,115,454	-362,881	4,766,659	3,640,635	1,126,024
Special	526,454	8%	359,519	166,935	82,766	204,790	-122,024	609,220	564,309	44,911
Total	12,447,639	6%	8,579,077	3,868,562	2,142,483	3,572,839	-1,430,356	14,590,122	11,654,778	2,935,344

NB these figures exclude the 4 schools that have converted to academy status; the figures are provisional and figures for some schools may vary slightly.

The level of revenue balances has increased significantly by over £3,869k whilst capital balances have reduced. During the year the government withdrew the requirement to have a clawback procedure which may have been a contributory factor in the overall increase in revenue balances. It is worth noting the following:

- no primary schools were in deficit and 38 schools had a surplus balance of 8% or more of final budget share
- half of the secondary schools had a surplus balance of 5% or more with only 1 school with a deficit balance
- all the nursery schools had surpluses in excess of 10%

2. 2010-11 Centrally Retained Budget Outturn

Officers of the Council have provided end of year projections for the centrally retained budgets. The figures were previously reported to the Schools Forum in November 2010 and February 2011. The authority's accounts are in the processing of being closed and the statement of accounts is currently being prepared. The outturn figures for the centrally retained budgets are presented below.

The final figure is an underspend of £2.35m. The figures and explanations are shown in Appendix A. The main variances are as follows:

2.1 Payments to 3 and 4 year old providers:

Underspend of £1,045k – Early years funding has been particularly complex over the last year with the implementation of the extension of the free entitlement. Following the changes to national policy and guidance previously reported to the Schools Forum, the increase was eventually implemented in two phases. Phase One nursery schools and Private, Voluntary and Independent providers implemented the new entitlement from September 2010 with all other remaining providers implementing the increase in September 2011. When setting the budget in February 2010 there were a number of unknowns that would potentially have a significant affect on the demand for funding:

- Which of the three levels of flexibility each school and setting would choose. It was decided to assume the maximum impact as a result of all settings choosing the highest flexibility but this was not the case – many chose no flexibility.
- How maintained schools would implement the extra 2½ hours per week and what effect this would have on admissions – it was assumed all children would be accessing 15 hours from September 2010.
- How many of the private providers would withdraw from the system as we required all settings to offer the free entitlement at no charge, rather than a discount on the childcare invoice. In the event, 6 large settings decided to withdraw, saving at least £420,000.
- Whether the children at settings no longer offering the free entitlement would move to other settings – this does not seem to have happened. However, had the 6 settings not withdrawn, actual expenditure would have exceeded our estimates because several new nursery providers opened.
- The expansion of funded early years provision at childminders – we now have more childminders but this is still a very small part of the overall provision.
- How the general rising population would affect the demand for under 5s places and therefore funding. Although new providers are opening, the increase in numbers of children taking up the free entitlement does not seem to be as significant as at Reception age.
- What effect the opening of additional reception classes would have on the demand for nursery places at that school. The cost of nursery provision in schools was only £20,000 higher than estimated.

2.2 Special Educational Need Recoupment and Placements

Underspend £806k – A commitment to our performance in maintaining children in “in-borough provision” where possible, all special schools now becoming classed as outstanding and successful defence in SEN tribunals will all have a significant positive in year affect and this is the case this year; however outcomes continue to be difficult to predict. The movement into Barnet of families with children with complex needs (some of whom are already in residential provision) is increasing but the monthly and in year rate fluctuates enormously. During the year we have undertaken a thorough review of all outstanding liabilities that arise from external and inter-borough placements of children with SEN. Some long standing

commitments against which we were obliged to hold funds have been either paid or assessed as no longer necessary. This has resulted in the release of £1,501k. This work has required very detailed and extensive investigation of complex agreements and improvements in our business processes are underway to minimise the level of longstanding debts going forward. It is worth noting that had this adjustment not been made, the SEN placements and recoument budget would have overspent by £695k.

2.3 School Contingencies

Underspend £483k - The most significant underspend related to the adjustment for statement top-ups (£400,000). Also subject to fluctuation in demand, particularly with regard to movers in to the borough, this reflects the balance between a successful positive emphasis on prevention including maintenance of children in schools without statements and the issuing of statements for children in mainstream where required. The call on the contingency was much lower than anticipated and lower than in previous years. Other calls on the schools contingency were also favourable, such as national non domestic rates (NNDR) adjustment and permanent exclusions.

In accordance with Dedicated Schools Grant (DSG) terms and conditions any under or overspend in the centrally retained budget is carried forward to the following financial year to be used in support the Schools Budget in the following year or years. For purposes of carry forward, the Individual Schools Budget (ISB) is treated as spent when it is passed to schools (i.e. it does not include schools balances which are reported elsewhere on this agenda).

3. The use of the rolled forward underspend in the Centrally Retained Budget

The local authority has considered the use of the rolled forward underspend from 2010-11. There are a number of budget pressures and potential additional costs that may arise during the current financial year and the local authority has considered the use of the underspend and intends to allocate the one-off funding as follow:

3.1. Additional Funding for the Carbon Reduction Commitment (CRC) £160,000. On the 9th February the DfE wrote to Directors of Children's Services stating that the Financial Regulations would be amended for 2011-12 to allow the cost of schools' CRC allowances to be met from the central part of the schools budget. This includes CRC costs of all academies within the local authority area, even though academies are autonomous and the LA cannot influence the size of their carbon footprint. The estimated cost of the CRC allowances for Barnet schools is £350,000. Since the last meeting of the Schools Forum the Schools Budget has been adjusted to take into account some changes that have arisen subsequent to the February meeting and additional resources of £190,000 have been allocated towards the cost of the CRC allowances (item 6.4). It is proposed to fund the remaining £140,000 from the DSG underspend. The ongoing funding of the CRC allowances in 2012-13 will need to be addressed when the School Budget is set for that financial year.

3.2. Increase Schools Contingency for:

- Special School and Resource Provision reorganisation £125,000
We are currently reviewing the pattern of provision for children with complex needs as the needs of the child population shifts and our intelligence with regard to projections of numbers improves. The review will ensure that funded provision meets the identified needs of children and young people in Barnet and that funding more closely matches the demand and take up of places. Moving to a new pattern of provision will require a transitional phase of funding to enable a level of stability in schools budgets.
- Pupil Places £100,000
The pressure on school places is continuing to increase year on year. For September 2011 an additional 8 forms of entry were planned and in view of the number of reception aged children that remain unplaced, an additional class is now being organised in East Finchley. We are witnessing further pressure in year 1 and year 2 as children continue to apply for places throughout the school year and the numbers are kept under constant review to see if additional classes are necessary. We are making increasing use of the Fair Access Protocol to place children in areas of high pressure where there are not enough children to warrant an additional class.

3.3. Additional one-off allocation to all schools £500,000 This year the devolved formula capital (DFC) funding for schools has been reduced significantly and to ensure schools have funding to maintain the quality of the school buildings and IT infrastructure, it is proposed to allocate one-off funding to schools. The funding would be allocated on pupil numbers and as this funding is one-off, Schools Forum approval is requested to exclude it from the Minimum Funding Guarantee. The funding is not ring-fenced but schools will be encouraged to use it for the maintenance and upkeep of the school buildings and IT equipment.

3.4. Contribution to the Capital Budget for the cost of meeting the increase in pupil places. (Revenue Contribution to Capital) £1.465m (or the remaining balance of the underspend should the final balance vary slightly) The provision of temporary school places to meet the increasing need for school places is becoming unsustainable and further investment is now needed in permanent provision at both primary and secondary level. The council has identified the need for approximately £36m for the next round of investment in permanent and temporary primary provision, and officers, in partnership with schools, are now devising a programme of activity for the next 3 years. This phase will invest in up to an additional 7 forms of permanent primary capacity and a range of temporary provision. There will be a need for further investment still as the latest GLA data projects that by September 2015 we will need an additional 18 forms of entry at primary level and a shortage of secondary school places will emerge around the same time. Government grant for pupil places for 2011/12 is £9m with no certainty of future years' funding. The council is seeking to develop an investment programme through borrowing and asset disposal to ensure that all children in Barnet have a school place.

4. Standards Fund – Extended Services Sustainability Grant

At the end of the financial year, £409k remains to be spent by the end of August 2011. The Extended Services Network Board wants to seek the view of the Schools Forum as to whether to devolve this money to schools, to be distributed on a per pupil basis. The board would wish schools to be aware of the aim of the fund to support extra curricular and holiday activity.

5. Recommendations and Comments

5.1 The Schools Forum is asked for its views on the use of the rolled forward underspends from 2010-11 of the Centrally Retained Budget and for the unspent Standards Fund for the Extended Services Sustainability Grant.

5.2 Schools Forum members are asked to support the application to the Secretary of State to consider the proposals for variations to the minimum funding guarantee for the one-off allocation of funding for the upkeep of school buildings and IT equipment.

Appendix A
2010-11 Centrally Retained Schools Budget Outturn May 2011

	Budget -NB reduced for recoupment of academies recoupment £	Outturn £	Variance (+ over/- under spend) £	Comments
ISB (Includes resources provision and statements at academies and YPLA funding)	208,139,332	208,182,847	43,515	Increased Academy SEN costs
1.0.8 YPLA Teachers Pay Grants	762,906	762,906	0	
1.0.9 Under 5s (PVI's etc)	5,665,588	4,620,486	(1,045,102)	Lower than anticipated spend on PVI providers and pre-school SEN costs
1.1.2 School Contingencies	505,119	22,052	(483,067)	Lower than anticipated draw down on SEN statement top-ups and NNDR adjustment
1.2.1 Provision for pupils with SEN (including assigned resources)	711,110	766,386	55,276	Bids that met the criteria for exceptional funding exceeded the budget; All bids agreed as other SEN budgets underspent.
1.2.2 Provision for pupils with SEN, provision not included in line 1.2.1	2,528,257	2,587,389	59,132	Increased costs of early years & pre-school SEN support
1.2.3 Support for inclusion	307,700	337,463	29,763	Costs include the Virtual Head Teacher for looked after children
1.2.4 Fees for pupils at independent special schools & abroad	7,628,540	7,404,217	(224,323)	Lower than anticipated spend on private and independent special school costs and reduction in commitments for prior years costs
1.2.5 SEN transport	400,000	400,000	(0)	
1.2.7 Inter-authority recoupment	1,971,860	1,389,910	(581,950)	Reduction in commitments for prior year costs
1.2.8 Contribution to combined budgets	457,460	337,936	(119,524)	Lower than anticipated Children In Need costs
1.3.1 Pupil Referral Units	1,591,685	1,615,279	23,594	Additional cost of external courses
1.3.2 Behaviour Support Services	300,340	286,762	(13,578)	Lower than anticipated staffing costs
1.3.3 Education out of school	431,835	419,046	(12,789)	Lower than anticipated staffing costs
1.0.10 Central expenditure on education of children under 5s	709,210	656,521	(52,689)	Lower than anticipated Early Autism Service costs and reduction in staffing costs
1.4.2 Free school meals - eligibility	3,568	3,568	0	
1.4.3 Milk	1,570	491	(1,079)	
1.5.1 Insurance	415,226	415,225	(1)	
1.5.2 Museum and Library Services	41,760	35,286	(6,474)	
1.5.3 School admissions	429,792	439,142	9,350	
1.5.5 Miscellaneous (not more than 0.1% total of net SB)	238,974	205,305	(33,670)	Govt decision to cease FMSIS
1.5.6 Servicing of schools forums	34,680	34,680	0	
1.5.7 Staff costs - supply cover (not sickness)	155,620	158,696	3,076	
1.6.2 Other Standards Fund Allocation - Non-Devolved	77,086	77,086	0	
1.7.1 Capital Expenditure from Revenue (CERA) (Schools)				
Total Planned Expenditure	234,278,258	231,158,679	-2,349,670	

Item 6.4 DSG 2011/12 Schools Budget

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Position Assistant Director, Children's Service/ Head of Finance Children and Adult Services, Finance Services

Updated Schools Budget 2011-12

The Schools Forum agreed a draft budget for 2011-12 at the last meeting in February.

There have been a number of changes since February and these are summarised below and detailed in Appendix A attached.

Changes to the Schools Budget 2011-12

1. Grant Funding from the Young Peoples Learning Agency (YPLA). The final allocations were distributed at the end of March and are as follows:

Grant Type	Estimated February 2011 £'000	Final Allocation £'000
School 6 th Form Grant	23,037	19,160*
Performance and Pay Grant	0	572
SEN Grant	2,774	2,773
Total	25,581	22,505

*Final allocations exclude Ashmole, Compton and Queen Elizabeth Schools.

However, the figures include allocations to schools expecting to convert to academies during 2011 i.e. East Barnet, Queen Elizabeth Girls', Henrietta Barnett, Ravenscroft and Whitefield.

2. Increase in Pupil Numbers. (154 @ £5,641.95=£868,860 additional grant). Since February more accurate pupil census data has become available and the estimated pupil numbers on which the level of dedicated schools grant is calculated has increased. The funding has been used to increase the ISB and certain centrally retained budgets.
3. Increase in ISB. (£280,000) Following publication of the provisional budget shares a number of adjustments were required as a result of revisions to data, correction of errors and decisions on the capacity of some schools.
4. Changes to the Centrally Retained Budgets.
 - All the centrally retained SEN budgets have been reviewed and many of the budgets have been realigned. The cost of the estimated commitments is greater than the budget as presented to the Schools Forum in February and an additional £600k is required to meet the ongoing commitments in 2011-12.
 - Purchase of Carbon Reduction Commitment – as detailed in the previous report, the DfE have amended the School Financing Regulations and the cost of purchasing CRC allowances for schools may be funded from the centrally retained budget. It is estimated that the total cost is £350,000 of which £190,000 has been identified in the budget attached and the remainder is to be funded from the 2010-11 centrally retained DSG underspend.
 - Reduction in School Contingencies. Following the review of SEN and taking into consideration the call on the SEN statements top-ups in 2010-11, the statement contingency has been reduced from £541,000 to £400,000. Furthermore the contingency for reorganisation in special schools and resources unit has also been reduced by £125,000 to £125,000.

5. Academies

In 2010-11 3 secondary schools converted to academy status. On 1st April 2011 East Barnet Secondary Schools converted and a further 5 more schools are expected to convert during the year.

The schools are as follows:

Independent Jewish Day
Queen Elizabeth School for Girls
The Henrietta Barnet
The Ravenscroft
Whitefield

In 2011-12 there is no change in the method of recouping funding from local authorities for academies. However, the method of recoupment has a significant impact on the Central Expenditure Limit (CEL).

6. The Central Expenditure Limit (CEL)

The CEL is determined by regulation (the Schools Finance (England) Regulations 2011). The regulations state that the centrally retained funding cannot increase by more than the same percentage as the schools budget as a whole unless agreed by Schools Forum. A local authority can ask the Secretary of State for a decision where the Forum does not agree its proportion for a higher increase.

The calculation is quite complex and the formula is shown at the bottom of Appendix A. The government ensured that the legal arrangements in the regulations are kept as simple as possible, without any exemptions being written in. So the CEL is not a sophisticated calculation that can adjust for different scenarios.

In 2011-12 the CEL calculation is further complicated by the requirement to restate the 2010-11 schools budget to take account of former grants that have now been mainstreamed. The CEL calculation assumes that the total of mainstreamed grants are added to the ISB although the regulations permit former standard funds to be retained centrally (such as minority ethnic achievement). As Barnet is retaining some former standards grants centrally, a breach of the CEL will occur even if the centrally retained budget increased at the same rate as the delegated budget.

So, for example, in Barnet due to the conversion of a number of schools to academy status, the 2011-12 Individual School Budget (ISB) actually decreases from the 2010-11 level. The local authority, however, still has a duty to fund and provide services such as the education of children with SEN, admissions etc regardless of the number of academies in the area.

Due to the recoupment for academies the Schools Budget for 2011-12 is less than the budget in 2010-11 (it is estimated £37.6m will be recouped from the schools budget for the schools that have converted last year and schools expected to convert this year. It is therefore inevitable that the CEL will be breached in 2011-12 because the schools budget has decreased.

Recommendations

Final Budget 2011-12

The final 2011-12 budget will be agreed in July after the DfE publish the finalised DSG for each local authority.

This report is for information but the Schools Forum is asked for its views on the proposed budget set out in these papers.

Appendix A

	Schools Budget as presented to Schools Forum February 2011	Section 251 Submission	Changes to SB	Comment	
<u>Schools Budget 2011 - 2012</u>					
<u>Income</u>					
Dedicated Schools Grant					
Estimated Pupil Projection (including early years calculation 0.6 FTE nursery child)	44,283	44,437	154	Latest estimate as at mid March 2011 - Increase in pupil numbers	
	£	£	£		
Rate (10/11 GUF)	4,916.66	4,916.66			
Standards Funds Rate (S/F GUF)	725.19	725.19			
Dedicated Schools Grant	249,838,044	250,706,888	868,845	Figures provided by YPLA 31/3/11 - now excludes 2010 academy converters	
YPLA 6th Form and SEN	25,811,864	22,505,269	-3,306,595		
Pupil Premium	3,558,900	3,558,900	0		
Less estimated cost of DSG recoupment for schools converting to academy status		-34,295,030		3 conversions in 2010-1; 1 primary and 5 secondary projected in 2011-12	
			-34,295,030		
TOTAL SCHOOLS BUDGET	279,208,808	242,476,027	-36,732,780		
<u>Expenditure</u>					
Section 251 Line nos.					
1.0.1	Individual Schools Budget	254,861,869	255,141,512	279,643	Change between provisionals and original budget shares as a result of data changes and other changes agreed with schools increase of £279,643;
	less recoupment for academies		-37,595,030		Budget shares and YPLA funding for converting academies
1.0.2	Pupil Premium - maintained schools	3,537,400	3,537,400	0	
1.0.3	Pupil Premium - non - maintained schools	21,500	21,500	0	
A	Total for Lines 1.0.1 to 1.0.4 Delegated Budget	258,420,769	221,105,382	-37,315,387	
1.0.5	Central expenditure on education of children under 5 (Formerly 1.0.10)	840,030	840,030	0	
1.1.1	Support for schools in financial difficulty (Barnet does not use this line)	0	0	0	Reduction is SEN top-ups contingency £141k and Special School and Resource Provision £125k
1.1.2	School Specific contingencies LACSEG (Academy recoupment of central expenditure)	1,124,000	858,000	-266,000	
		170,496	168,447	-2,049	
1.1.3	Early Years Contingency	200,000	200,000	0	
1.2.1	Provision for pupils with SEN including indiv. ass. resources	1,361,110	2,390,149	1,029,039	Realignment of SEN figures following analysis of commitments; Overall increase in SEN budgets of £610k
1.2.2	Provision for pupils with SEN not included in line 1.2.1 - SEN	1,811,470	494,035	-1,317,435	
1.2.3	Support for inclusion	294,700	489,700	195,000	
1.2.4	Fees for pupils with SEN at indep spec. schools & abroad	7,511,963	7,806,458	294,495	As per line 1.2.1
1.2.5	Home to post 16 provision transport SEN/LLDD transport exper.	400,000	400,000	0	

1.2.6	Fees to independent schools for pupils without SEN	0	76,575	76,575	Budget previously in line 1.2.4
1.2.7	Inter authority recoupment	1,971,860	2,304,860	333,000	As per line 1.2.1
1.2.8	Contribution to combined budgets	907,460	907,460	0	
1.3.1	Pupil Referral Units	1,707,335	1,815,335	108,000	Increase in budget to account for former standards funds
1.3.2	Behaviour support Services	252,730	237,730	-15,000	Reductions in cost of service
1.3.3	Education out of school	488,725	537,971	49,246	Increase in budget to account for former standards funds
1.3.4	14-16 More practical learning options	64,000	64,000	0	
1.4.1	Support to underperforming minority ethnic grants and EAL	281,500	281,580	80	
1.5.1	Free school meals eligibility	3,568	3,568	0	
1.5.2	Milk (Nursery, Primary, Special only)	0	0	0	
1.5.3	School kitchens repair and maintenance (Barnet has devolved this)	0	0	0	
1.6.1	Insurance	415,226	415,226	0	
1.6.2	Museum and Library services	32,753	32,753	0	
1.6.3	School admissions	394,192	394,192	0	
1.6.4	Licenses and subscriptions (Barnet does not use this line)	0	0	0	
1.6.5	Miscellaneous (max 0.1% of net Schools Budget)	305,580	211,580	-94,000	Reduction is due to ending of standards funds grants
1.6.6	Servicing schools forums	34,680	34,680	0	
1.6.7	Staff costs - supply cover (not sickness)	155,620	155,620	0	
1.6.10	Purchase of Carbon Reduction Commitment Allowance		191,656	191,656	New commitment as notified by DfE March 2011
1.8.1	CERA	59,040	59,040	0	
1.8.2	Prudential borrowing costs	0	0	0	
B	Total for Lines 1.1.1-1.8.2 (total central budget)	20,788,038	21,370,645	584,656	
C	TOTAL SCHOOLS BUDGET	279,208,807	242,476,027	-36,732,780	
		0	0		

<u>Calculation of Central Expenditure Limit</u>			
	Restatement of 2010-11 Section 251 Budget		Budget Restated for 2010-12
D	ISB plus YPLA		214,177,810
E	Budget for provision of hours for free entitlement		5,415,588
F	(D+E) Total Planned Expenditure treated as delegated		219,593,398
G	Total Centrally retained expenditure		19,097,582
H	Total of mainstream grants*		31,452,196
I	Total adjusted budget		270,143,176
	CEL calculation	(B-G)/G must be less than or equal to (C-I)/I	
	Increase in total centrally retained expenditure budget compared to 2010/11 above	(B-G)/G	11.90%
		(C-I)/I	-10.24%
	Has the Central Expenditure Limit been breached?		Yes

Item 6.5 School Funding Reform – DfE Consultation

Author Carol Beckman

Position School Funding Manager

A consultation on school funding reform: rationale and principles Consultation Response Form – The closing date for this consultation is: 25 May 2011

1. Do you agree with the stated characteristics of an ideal school funding system? (Section 2)

All

Some

None

Not Sure

These are the same principles that local authorities apply to their school funding formulae.

2. Are there further characteristics the system should have? (Section 2)

Yes

No

Not Sure

If 'Yes', what are they?

The system should be **responsive** to changing need; it should use the most **up-to-date data** available (ie the January census of the same year); it should be produced in a **timely** manner allowing schools enough time to construct budgets in advance of the new financial year. It should also provide **protection** from large swings in funding which schools cannot absorb quickly.

3. Do you agree with the analysis of how the current system falls short of these aims? (Section 3)

Yes

No

Not Sure

The disadvantages have been overstated. The current system does have inconsistencies between different authorities both in terms of the total amount of the Schools Budget and the local priorities assigned to different elements of funding. However, there are also variations among LAs on the degree of delegation to schools. Comparisons of school funding may not take into account non-delegated services provided free to schools.

Setting aside differences between LAs, the system is working fairly well in most authorities, and there is a danger of confusing the shortcomings of Spend Plus and the determination of the DSG for each authority with the formula for distributing budget shares to individual schools.

The complication of funding Academies and Free Schools differently from maintained schools was a result of successive central government decisions. EYSFF has created an additional funding stream for maintained schools and at secondary level, the late announcement of YPLA 6th form funding and the impenetrable formula and presentation add further to the complication - an issue which is not addressed in the consultation. The conclusion that a national funding formula would solve all problems is not proven, as schools would still have 4 sources of income (YPLA for 6th forms, LA for early years, EFA for Reception to Y11 and LA for SEN), with possibly a 5th for capital.

4. Do you agree with the case for reforming the system?

Yes

x No

Not Sure

Given the track record of the YPLA, setting up a successful system for nearly 25,000 schools which meets the criteria above seems rather optimistic.

Much could be achieved far more simply and cheaply, by reviewing the DSG to bring it back into line with individual LA needs; giving additional guidance to LAs on the services which should be delegated; and specifying the form in which the school allocations should be published.

Being able to demonstrate the use of public funds to the general public and parents is essential, but parents' main concern is likely to be the services their children receive not the money available. There are always competing priorities and what can be cheaply offered in one authority may be very expensive in another.

5. Do you agree that the aim of ensuring all deprived pupils get the same level of funding no matter where they live is the right one? (Section 4)

Yes

x No

Not Sure

Deprived pupils should get the same level of support as pupils in other areas but the cost of this will vary. An area cost adjustment needs to be applied to high cost areas such as London.

6. Do you agree the underlying funding formula needs to change to meet this aim more quickly and effectively?

It is not clear if the 'underlying funding formula' refers to the calculation of the DSG or individual LA formulae. If the latter, there is little evidence to make this statement, but if the former, most LAs would agree that Spend Plus, whilst providing complete simplicity, is now out of date and should be replaced with a new DSG formula drawing on the work done with SFIG and PWC last year.

7. Do you think the school funding system should be based on a purely national formula? Or should there be flexibility for local decisions about funding levels? (Section 5)

Purely National

Some local flexibility

x

A lot of local flexibility

Not Sure

Local authorities will continue to have responsibility for SEN and this creates a stumbling block since LAs have different views on the level of funding which should be made available in a standard formula for high incidence low level need and the level needed for individually assigned resources.

LAs use measures such as EAL, free school meals, IMD, low attainment and mobility to generate funds for low level SEN, but these then begin to merge with deprivation. SEN is not always linked to deprivation.

Furthermore there would be concern that a national formula would have the following problems: a long consultation, refinement and setup process; a long transition period and therefore higher cost; later delivery of budget shares than LAs currently provide; schools will feel they have no input into the process; it will be unrepresentative of some LA's needs.

It is not an easy task to manage for 120 schools but far more difficult for 200 times that number. A simple formula that gives (say) an amount per pupil and an amount per FSM is attractive until one considers that other factors such as rates, swimming pools, split sites and special schools need to be considered.

8. If so, should that flexibility be limited, and if so how? (Section 5)

Yes

x No

Not Sure

How?

LAs already have limitations on the flexibility they can apply to the DSG and schools may only use money for particular goods and services. If a national formula were in place with LAs given a smaller DSG, the same kind of limitations would need to apply. Central prescription seems to contradict localism and the local authority as a commissioner of services.

9. If there is local flexibility, what should the roles of local authorities, schools and the Schools Forum be in decision making? (Sections 5 and 6)

Local authorities:

There may be an attraction to LAs to reduce the workforce and pass the work of school funding up to central government. However, elected members would then be virtually powerless to influence schools or encourage new initiatives without any financial levers. Furthermore the work on providing funding for children with complex needs and early years, monitoring school finances and querying funding allocations would remain with the LA, so the work load reduction would be small.

Schools:

Through group and individual communication with the LA, schools need to feel part of the process which decides the income they receive to run the school and meet targets. If they remain accountable to the LA they will need to be able to put their case for suitable funding - a dialogue which is unlikely to work at national level.

Schools Forum:

The Schools Forum plays an important role in challenging the LA and gaining acceptance from schools. It helps validate LA decisions and if managed well provides a helpful resource in the schools funding process. It can complicate and slow down decisions and is an expense, but the advantages outweigh this and the Schools Forum should continue to take an active part in local decision making. Introducing regional Schools Forums would risk losing contact with a wide range of ordinary headteachers and governors.

10. If there is local flexibility for maintained schools, how should Academies and Free Schools be funded? (Section 5)

Through the fair
funding formula

Taking into account local
decisions

x Not Sure

Comments:

This depends on the level of local flexibility. Academies are already subject to LA policy and strategy for children with SEN, especially if they have additional resourced provision. Bearing in mind the principle that academies should not be advantaged or disadvantaged by their status, they should also be able to benefit, or be restricted by local flexibility. This is not a case of academies having funding policy imposed upon them because through the Schools Forum they are part of the consultation and decision making process.

11. How do you think SEN support services might be funded so that schools, Academies, Free Schools and other education providers have access to high quality SEN support services? (Section 7)

A national approach to this is unlikely to be practical as it could not be as informed or responsive to individual needs. The local authority is in the best position to assess local need and commission provision for all children regardless of their age or school.

12. How do you think a national banded funding framework for children and young people with SEN or who are disabled could improve the transparency of funding decisions to parents while continuing to allow for local flexibility? (Section 7)

This could reduce the perception of inequality between LAs.

13. How can the different funding arrangements for specialist provision for young people pre-16 and post-16 be aligned more effectively to provide a more consistent approach to support for children and young people with SEN or who are disabled from birth to 25? (Section 7)

The YPLA approach to SEN is completely different from the DSG - particularly in Barnet where post 16 students with statements are not eligible for additional funding. Moreover the annual SEN block grant from the YPLA is reducing in real terms while the numbers of students with SEN staying on past 16 is increasing. This should be reformed to ensure that LAs not only have the responsibility but also the funding to make suitable provision.

14. How successfully has the EYSFF been implemented? How might it be improved? (Section 8)

x Very Fairly A little Not at all Not Sure

Given the complexity of change, implementation has gone smoothly, but it has involved both maintained and private providers making major changes to the way they run their provision and charge parents for services beyond the basic 15 hours. In the past three years we have ended place funding, full day places and top-up funding as well as introducing the extension to the free entitlement and the Early Years Single Funding Formula preceded by a 1 year pilot.

15. How important is an element of local flexibility in free early education funding? What might alternative approaches look like? (Section 8)

x Very Fairly A little Not at all Not Sure

The profile of providers in LAs varies enormously. In some areas the market is dominated by maintained or by private providers. Others like Barnet have a mix. Barnet also has a mix of private providers ranging from childminders and very small half-day term time playgroups to big all day, all year commercial nurseries and pre-prep schools. Whilst the EYSFF has brought a measure of equality to providers, primary/infant with nurseries and nursery schools receive additional funding from the former standards funds. Maintained nursery schools need a supplement to make them viable. On the other hand private providers may have more opportunities for additional income by taking younger children, opening for longer or charging higher fees for additional hours or services.

EYSFF has proved to be time consuming for two reasons: firstly the change to a different formula and charging system (ie no top-ups) has been a challenge for many settings and schools were not used to termly claims and adjustments; secondly the process of termly estimation of a more complex formula, re-calculating actuals, reporting to settings and inputting in-year adjustments for 200 providers is data heavy. It is possible that the system should be a little looser about the funding for hours and weeks attended, but the

opportunities for fraudulent claims or inadequate funding for small providers make this a problem.

16. How should we identify the total amount of funding for early years and free early education for three year olds and four year olds not in reception from within the overall amount of 3-16 funding? (Section 8)

It is not clear why it is necessary to identify the quantum of funding for early years. LAs have limited control over the number of providers operating in their area as market forces influence whether a provider opens or closes. In London, a large provider could open just inside the border but take the majority of children from out of borough. This means that prediction of the amount needed for early years varies from year to year locally, even without taking into account fluctuations in population. If a national funding formula was brought in for Reception to Year 11 a small grant for provision of the free entitlement is unlikely to match actual need accurately, bearing in mind that most private providers work on very tight budgets and cannot absorb sudden changes in funding. One alternative would be to combine the funding with the Early Intervention Grant so there is more local flexibility. If so the formula should include both headcount and deprivation from the early years census.

17. Should the formula include only pupil led factors or also school led factors? (Section 9)

Only pupil-led factors

Include school-led factors

Not Sure

As mentioned in the response to Question 7, it is unfair not to fund schools adequately for their facilities - factors such as small schools, split sites, swimming pools, large buildings or grounds should all be taken into account. We would also like clarification of future capital funding for schools as the low settlement of 2011/12 cannot be sustained long before the school estate begins to become run down again.

18. What factors should be included? (Section 9)

As above - small schools (eg nurseries), split sites, swimming pools, grounds area, internal area, one and a half form entry, NND rates, council tax for resident caretakers. A change in the regulations to allow the business rates for community schools to be paid directly by the council from the DSG would helpful.

19. What is the right balance between simplicity and complexity? (Section 9)

The balance will depend less on the mathematics than the presentation. If good design, technology, helpful text, colour, e-links and even pictures are all employed well, the most complex system can be broken down so that everyone understands what they need to know. Openness and transparency can be achieved by making all allocations of public money to schools (whether academies or maintained schools) available on public websites. With the right tools available well in advance a complex formula can be used to predict future allocations at both school and local authority level. The worst aspects of any funding system are late delivery, inadequate presentation and unpredictability.

20. What level of change in budgets per year can schools manage? (Section 10)

On average 85% of a school's expenditure goes on staffing. For teachers the process of making a teacher redundant takes around 9 months including consultation, notice periods and reorganisation of the curriculum and timetable. Staff reductions of any kind cannot usually be managed within a term because of the complex relationship between staffing, timetabling, children with SEN and lesson preparation.

The non-staffing budget is mostly made up of inescapable commitments such as classroom consumables, energy, rates, essential services and contracts which are difficult to reduce at short notice. Without inflation or pay awards, some schools might be able to absorb a maximum of a 5% reduction in a year, but the capacity to do this in successive years diminishes quickly.

21. How much time do schools need to plan for changes in their funding? (Section 10)

See answer to question 20

22. When is the right time to start moving towards a fair funding formula? (Section 10)

2012 – 13 x 2013 – 14 2014 - 15 2015 - 16 Not Sure

There is not enough time to develop and consult on a national funding formula for 2012/13.

If there is convincing evidence that a national formula would deliver an improvement on existing arrangements, consensus could be reached on the formula, staff recruited and transition protection put in place quickly there would be no reason to delay, but this would still be a tight timescale.

Transition is likely to be needed for at least 3 years.

23. Have you any further comments?

All local authorities have had a Fair Funding Formula for some time. To avoid confusion it would be better if proposals for a National Funding Formula were called just that, not Fair Funding.

**Academies Pre-16 Funding: Options for the 2012/13 Academic Year
 Consultation Response Form
 The closing date for this consultation is: 25 May 2011**

1 Do you agree with our analysis that the current system is not appropriate to fund an increasing number of Academies in a fair and transparent way? (see section 2 in the consultation document)

Yes

No

Not Sure

Replication was always difficult and imprecise, creating work at the YPLA which could be done more easily at the LA. There is very little transparency on the use of public money as the academies themselves do not understand how their funding has been arrived at, and it is not possible for LAs or the public to see how local academies' funding is arrived at. However, it is not clear why the replication funding process puts 'additional data burdens on academies' as LA funding formulas are required to use easily available information (mainly from PLASC).

2 Do you agree with the principles for an alternative method of funding Academies in 2012/13? (see section 3 in the consultation document)

All

Some

None

Not Sure

Comments:

3 Are there other aims we should have for the Academy funding system in the absence of cross-system reform, such as a Fair Funding Formula? If yes, what are they?

Yes

No

Not Sure

The formula should be published on a public website and the individual allocations should also be available publicly - like Section 251. Academies themselves should have a more detailed notification of what makes up their funding

4 Do you agree with the broad analysis of how each option might work? (see section 4 in the consultation document)

All

Some

None

Not Sure

Roll Forward would repeat all the problems there have been with Spend Plus and not meet the criteria of being equivalent to other schools. This method locks in funding for particular circumstances that change – notably schools which are rebuilt especially if they move from a split to a single site.

An **academies only formula** would also be unfair as it would not be equivalent to other local schools, it could also lead to transition problems and would not necessarily be easier to understand or more transparent.

LA based calculations would certainly come slightly later for academies, but as their financial year often runs with the academic year, this still gives the academy 6 months to prepare their budgets, whereas maintained schools receive only a few weeks - and for 6th form funding just a day or two. It is right that, to ensure equivalent funding, academies should be reliant on the local funding formula, which they as full members of the Schools Forum are consulted on and contribute to. This option has least disadvantages and meets all the criteria as the calculations could be published in S251.

5 Which option do you think is the best way of funding Academies in 2012/13? (see section 4 in the consultation document)

- Roll forward Fair funding formula for Academies only Local authority based calculations
 Not sure

LA based calculations – but on the assumption that LAs receive funding to cover the cost, and academies are required to submit the data needed to meet LA deadlines for production of budgets.

6 Are there potential advantages and disadvantages in implementing each option that we have not considered? If yes, what are they?

Yes

No

Not Sure

Please see answer to Question 4

7 Are there changes you think we should consider to the way the Local Authority Central Spend Equivalent Grant (LACSEG) is calculated for FY2012/13? If yes, what are they? (see section 5 in the consultation document)

Yes

No

Not Sure

If academies were funded by Option 1 or 2, there would be no need for recoupment as an LA's DSG would be calculated only on pupils in maintained schools. There is already confusion between the amount recouped from the LA and the amount paid to the academy. If recoupment is to continue, S251 should be renumbered to keep all the LACSEG lines together and make the calculation clearer.

8 What factors would you want us to take into consideration if we were to make changes?

Academies have full representation on Schools Forums and therefore are consulted on the local funding formula. If they were on a completely separate formula, their membership should be removed.

Option 3 would allow the DfE to make savings on manpower by 2012/13 while the discussion and possible implementation of a national funding formula could continue with equal contributions from all interested parties.

Options 1 and 2 would subject academies to two changes in funding formula in a very short period, rather than the more measured approach being applied to maintained schools.

9 Have you any further comments?

Local authorities are best placed to calculate local funding and it seems more logical to commission LAs to calculate academy funding rather than get another agency to replicate the LA formula or set up a different formula which would no longer give parity with maintained schools.

A funding formula which works for academies, does not necessarily work for all schools - if Option 1 or 2 is adopted, this must not create a fait à complis to local authorities for a national funding formula.

It is not clear why Free Schools should be treated differently from Academies.

Item 6.6 Scheme for Financing Schools – Changes

Author Nick Adams

Position Schools Finance Services Manager

Each authority has its own Scheme for Financing Schools under section 48 of the School Standards and Framework Act 1998 and schedule 14 to the Act. Consultation has been undertaken with schools in light of revised statutory guidance for local authorities: Issue 5.

The authority sought the views of all maintained schools to the proposed changes to the Scheme in the light revised guidance issued by the DfE in December 2010. Details were issued to schools in the School Circular in mid February 2011 and schools were asked to report their comments to the Schools Finance Services Manager by 8 April 2011.

Local authorities must take this guidance into account when they revise their Schemes, and consult all schools prior to seeking approval from the Schools Forum.

The details of the proposed changes are set out in Appendix A but the main issues of note are:

- Best Value Statement & Checklist deleted.
- Expenditure on community facilities is to be treated as for the purposes of the school and schools can spend funds on pupils on the roll of other schools.
- Financial Management Standard in Schools requirement deleted.
- Bank accounts – approved bank accounts must be consistent with the authority's Treasury Management policy.
- Claw-back of surplus revenue balances requirement deleted.
- Responsibility for redundancy and early retirement costs – new clause and Annex giving guidance.
- Responsibility for repairs and maintenance and capital work – de minimis level for the purchase of IT equipment reduced to £2,000.

During the consultation period only one comment was received, which was from St Michael's Catholic Grammar School. This is attached as Appendix B.

The background to this is that in the light of significant changes in the banking world and the economic crisis, the DfE have sought fit to include guidance that the approved list of bankers with which schools may be allowed to bank must be consistent with the authority's Treasury Management Policy. This has been clarified to include both investment and current account banking. School accounts contain funding for which the authority is the owner. The effect of the change in the list of approved banks is to delete three banks but add an additional bank to give schools a choice of seven banking organisations.

The points raised by St Michael's have been considered by officers responsible for the authority's Treasury Management Policy but it is considered appropriate to follow DfE guidance in this matter. Four schools including St Michael's will need to change bankers, when the Scheme is changed.

Decision required

The Forum is asked to approve the changes to the Scheme set out in Appendix A.

SCHEME FOR FINANCING SCHOOLS – PROPOSED CHANGES

The following paragraph numbers refer to the number in the Barnet Scheme for Financing Schools last revised January 2010. Where there are minor changes these are signified by new words underlined. Other changes are shown by existing clause (where relevant) and new clause. Where helpful a note of the effect is added. In responses please always refer to the paragraph number and title.

1.1 The Funding Framework

Delete existing section and substitute an updated version as follows:

1.1 The Funding Framework

The funding framework which replaces Local Management of Schools is set out in the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998.

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although at a minimum an authority must appropriate its entire Dedicated Schools Grant to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their School Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the schools budget left after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and regulations made under that section. All proposals to revise the scheme must be approved by the schools forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school* and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (*Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act).

An authority may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (schedule 17 to the Act).

Each authority is obliged to publish each year a statement setting out details of its planned Schools Budget and other expenditure on children's services, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State, but each school must receive a copy of each year's budget and out-turn statements so far as they relate to that school or central expenditure.

Effect

DfE updating re change of titles or legislative terms:

1.3 Publication of the Scheme

A copy of the scheme will be made available to the Governing Body and headteacher of each school covered by the scheme, via the Council website and any approved revisions will be notified to each such school.

1.4 Revision of the Scheme

Any proposed revisions to the scheme will be the subject of consultation with schools, before they are submitted to the Schools Forum for their approval.

2.9 Best Value

Delete

When submitting the annual budget plan, the Governing Body of each school must also submit a statement setting out what steps they will be taking in the course of the year to ensure that expenditure, particularly in respect of large service contracts, will reflect the principles of the best value regime.

To assist schools in doing this these principles are contained at Annex B to this scheme.

Substitute new clause

Schools should seek to achieve value for money and efficiencies, taking into account the purchasing, tendering and contracting requirements outlined in section 2.15. Schools must demonstrate "best value" principles in their expenditure.

Effect

No need to prepare or submit Best Value statement to LA. Also Annex B is deleted.

2.18 Spending for the Purposes of the School

Governing Bodies are allowed to spend budget shares for the purposes of the school, subject to complying with all legal requirements and the requirements of this scheme.

The Governing Body may not make or sanction gifts or ex gratia payments from public funds. Payments to staff in cash or kind, gifts or benefits are not permitted.

By virtue of section 50(3A) amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school. Schools are also allowed to spend their budgets on pupils on the roll of other maintained schools.

Effect

Self explanatory broadening of permitted expenditure.

2.20 Financial Management in Schools

Section deleted.

Effect

The Financial Management Standard in its current form has been abolished.

3.6 Restrictions on Accounts

Only accounts with an approved bank or building society may be held with the purpose of receiving budget share payments and other income and holding reserves. These are listed in Annex C The list will be reviewed and revised periodically to ensure it is consistent with the authority's Treasury Management policy. Schools

must review their choice of banker annually early each Spring term to ensure it conforms to the approved list for the following financial year.

Delete

Schools having bank accounts with other banks prior to 1 April 2001 are allowed to retain those accounts.

Retain next paragraph

Schools are allowed to have accounts,.....etc

Effect

*The revision to the list of Approved Banks deletes the following
Allied Irish Bank, Bank of Ireland, Northern Rock*

But adds –

Nationwide Building Society,

In the light of the authority's current Treasury Management Policy.

4.1 The Right to carry forward Surplus Balances

Whilst schools receive delegated budget shares and other revenue funding to meet the educational needs of pupils in the school at that time, schools are allowed to carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.

Delete

Surplus budget share balances held by schools as permitted under this scheme are subject to the following restrictions with effect from 1 December 2009:

a. the authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be recurrent balance as defined in the Consistent Financial Reporting Framework;

b. the authority shall deduct from the calculated balance any amounts for which the school already has a contractual prior-year commitment to pay from the surplus balance

If the result is a sum greater than 5% of the current year's budget share for secondary schools, 8% for nursery, primary and special schools or £10,000 (where that is greater than either percentage threshold), then the authority shall deduct from the current year's budget share an amount equal to the excess.

Funds deriving from sources other than the authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

Where a school has a revenue balance in excess of the percentage prescribed above, and that excess relates to a sum for expenditure that has necessarily had to be deferred from the previous financial year, it may apply to the Schools Forum for that sum to be exempt from claw-back.

For guidance the deferred expenditure must be either

Capital expenditure, or

Revenue expenditure that will result in the acquisition of a tangible durable asset or the improvement to the school's facilities within a reasonable timescale.

Proposed expenditure in respect of a reasonable revenue provision to maintain staffing levels in respect of a school which is able to demonstrate a falling roll.

The reason for deferral must be that the cost of the project is of a size of which it is not reasonable for the school to spend from the budget share of a single year, and/or there is a genuine and documented reason for deferral of expenditure, e.g. time lag between governing body decision to proceed with a project to completion/payment (building design, planning permission etc)

The deferred expenditure must be clearly documented in the school's Improvement Plan and the school's Asset Management Plan.

Funds held in relation to a school's exercise of powers under s.27 of the Education Act 2002 (community facilities) will not be taken into account unless added to the budget share surplus by the school as permitted by the Authority.

The total of any amounts deducted from schools budget shares by the authority under this provision are to be

applied to the Schools Budget by the authority.

Effect

This removes possibility of “claw-back” of excessive revenue balances.

4.8 Balances of Closing and Amalgamating Schools

When a school closes any balance (whether surplus or deficit) reverts to the LEA; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus transfers to an academy where a school converts to academy status under section 4(1)(a) of the Academies Act 2010.

6.2 Circumstances in which Charges may be made

As existing except

6.2.8 Recovery of penalties imposed on the LA by HM Revenue & Customs and Excise or Teachers Pensions, the Environment Agency or regulatory authorities as a result of school negligence.

Additional clause

6.2.21 Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.

11.11 School Meals

Delete

The authority will produce a school meals policy document to which governing bodies are required to have regard in discharging their duties in relation to school meals.

Delete because non financial

New clause and Annex

11.14 Responsibility for Redundancy and Early Retirement Costs

The Education Act 2002 sets out how premature retirement and redundancy costs should normally be funded. Where a school is expecting the local authority to bear any costs in relation to redundancy or early retirement, it must follow the authority's redundancy policy and procedures.

Annex B provides guidance and summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central Schools Budget or the local authority's non-schools budget.

Governing Bodies must take account of this guidance in reaching any decision concerning redundancies or early retirements.

Effect

This new clause provides guidance on this area.

Delete

SECTION 12: GM AND GM SPECIAL SCHOOLS

12.1 S.255 Loans

Amounts due for repayment of loans made under s.255 of the Education Act 1996 may be charged by the LEA against the schools' budget share where payments are not made to the Secretary of State.

SECTION 13: RESPONSIBILITY FOR REPAIRS & MAINTENANCE AND CAPITAL WORK

13.1 All funding for repairs and maintenance to schools is delegated. Schools are also provided with devolved capital funds and it is expected that these funds are used to implement capital works which have been identified as priority works in the school's Asset Management Plan. Only capital expenditure

relating to major schemes at community and foundation schools and the LA liability at VA schools is retained by the LA. Capital expenditure for the purposes of this scheme is as defined in the CIPFA Code of Practice on local authority accounting.

Annex D – Capital/Revenue Split, sets out the nature of works to be classified as Capital (column 1), Revenue: repairs and maintenance (column 2), in line with the DfE' interpretation of the CIPFA code of practice. The only departure from the description in this annex will be in relation to any works costing below £5,000, which will be deemed to be repairs and maintenance and will be required to be met from the schools delegated budget.

The same definition and the £5,000 limit have been used in determining the level of provision to be delegated to schools.

For voluntary aided schools, the liability of the Authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by the DfE to categorise such works, not the de minimis limit used by the Authority.

With regard to the purchase of Information Technology equipment (hardware and where part of a package software, cabling, installation etc but not training or support) the de minimis level to be eligible capital expenditure is £2,000.

Effect

Allows purchase of ICT equipment from capital at a lower level.

SECTION 14: POWER TO PROVIDE COMMUNITY FACILITY

14.1 Introduction

As existing except the fourth paragraph

Delete

The budget share of a school may not be used to fund community facilities – either start-up costs or ongoing expenditure - or to meet deficits arising from such activities. For these purposes, the school budget share includes any surplus balances from previous years and the Schools Standards Grant.

The mismanagement of community facility funds can be grounds for suspension of the right to a delegated budget.

New paragraph

The budget share of a school, including balances from previous years, may be used to fund community facilities – either start-up costs or ongoing expenditure - or to meet deficits arising from such activities, however the Governing Body must ensure that the school provides and maintains high educational standards. The mismanagement of a community facility can be grounds for suspension of the right to a delegated budget.

Effect

Schools can use their Budget Shares for community facilities.

New ANNEX B

RESPONSIBILITY FOR REDUNDANCY AND EARLY RETIREMENT COSTS

This guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central Schools Budget or the local authority's non-schools budget.

Section 37 of the 2002 Education Act says:

(4) costs incurred by the local education authority in respect of any premature retirement of a member of the

staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met

(5) costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.

(6) The fact that the authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal/resignation costs to delegated school budget

- If a school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school
- If a school is otherwise acting outside the local authority's policy
- Where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
- Where staffing reductions arise from a deficit caused by factors within the school's control
- Where the school has excess surplus balances and no agreed plan to use these
- Where a school has refused to engage with the local authority's redeployment policy

Charge of premature retirement costs to local authority non-schools budget

- Where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards
- Where a school is closing, does not have sufficient balances to cover the costs and where the central Schools Budget does not have capacity to absorb the deficit
- Where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale
- Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of local authority or government intervention to improve standards

An example of where a charge to the central Schools Budget might be appropriate would be a school reorganisation. A reorganisation involving the closure of a number of schools would be likely to result in savings because there would be a reduced amount being allocated through the formula for factors such as flat rate amounts to all schools or floor area. If the ongoing costs of the VER/redundancy exceeded the savings in the formula, then this would qualify.

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, but not from the delegated budget. Section 37 states:

(7) Where a local education authority incur costs—

*(a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or
(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,
they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.*

(8) Any amount payable by virtue of subsection (7) by the governing body of a maintained school to the local education authority shall not be met by the governing body out of the school's budget share for any financial year.

(9) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.

(The DfE will review this provision in the context of the forthcoming changes which will allow other community facilities costs to be charged to delegated budgets from 1 April 2011, but this remains the legal position for the time being).

ANNEX C APPROVED BANKS AND BUILDING SOCIETIES

With reference to Section 3.5 of the scheme the following are the approved banks and building societies, in accordance with the authority's Treasury Management Policy.

Allied Irish Bank
Banco Santander Central Hispano Group (includes Abbey National, Alliance & Leicester and Girobank)
Bank of Ireland
Barclays Bank plc
Cooperative Bank plc
HSBC Bank plc
Lloyds Banking Group plc (includes Bank of Scotland, Lloyds TSB, HBOS)
Northern Rock plc
Royal Bank of Scotland Group including National Westminster Bank

Proposed amendments -

Delete - Allied Irish bank
Bank of Ireland
Northern Rock

Add – Nationwide Building Society

7. Items for information

Item 7.1 Schools Financial Value Standard

Author

Nick Adams

Position

Schools Finance Services Manager

Introduction

The DfE has undertaken consultation on this new Standard to replace the Financial Management Standard in Schools which ended on 30 April 2011. The purpose of this paper is to inform Forum members of the main features of the new Standard on the basis that it will be introduced largely in the format consulted upon. The DfE has also consulted on the replacement to the CFO FMSiS Assurance statement.

Schools' Financial Value Standard - Description

The Standard is aimed at governors in the first place. It takes the form of a series of questions, which school governing bodies should formally discuss with the Head and other senior staff. The following paragraphs in inverted commas are directly from DfE documents.

“The governing body may wish to delegate the consideration of the questions to a Finance Committee or similar; but the chair of governors must sign the completed form. There should be at least a minuted report to the full governing body.”

The draft Standard consists of 25 questions in 5 sections –

- The Governing Body
- The School Staff
- Setting the Budget
- Value for Money
- Protecting Public Money

“There is no prescription of the level of evidence or assurance that the governing body should require: the important thing is that they should be in a position to feel confident about their answers. The DfE website includes advice and tools for governing bodies in relation to each question, which they can use if they wish to. The advice and tools provide clarification of what the question implies, examples of good practice, and access to materials which will assist action on that issue where it is necessary.”

“Each question requires an answer of Yes, In Part, or No. Where the answer is In Part or No, the column for comments, evidence and proposed actions should be used to enter a very brief summary of the position and proposed remedial action. Where the answer is Yes, the column should be used to indicate the main evidence on which the governing body based its conclusions. At the foot of the list of questions is a section which requires a summary of remedial actions and the timetable for reporting back.”

It is proposed that the SFVS to be done annually, with the first run before September 2012; except in case of schools not having passed FMSiS before the end of Mar 2012 (Barnet has none).

“The standard will not be formally assessed like FMSiS. However, a copy of each signed record must be sent to the local authority's finance department, where it will be used to inform the programme of financial assessment and audit. Local authority and other auditors will have access to it, and when they conduct an audit will be able to check whether the self-assessment is in line with their own judgement. They should make the governing body and the local authority aware of any discrepancies in judgement.”

Local authority accountability for DSG – replacement for FMSiS

“The Financial Management Standard in Schools (FMSiS) was withdrawn by the Secretary of State with effect from 15 November 2010. Consequently, local authorities' Chief Finance Officers (section 151 officers) will not be asked to give any assurance in relation to the attainment by schools of FMSiS during the financial year 2010-11.

With effect from the financial year 2011-12 the DfE intend to include SFVS in the outturn statement in regard to DSG which is signed by Chief Finance Officers. CFOs would be expected to say each year how many SFVS reports from schools they had received, and give an assurance that they are taking the contents of these reports into account in planning their future programme of audit. They would also be expected to give a general assurance that they have a system of audit in place which gives them adequate assurance over schools' standards of financial management and the regularity and propriety of their spending.

In the course of developing SFVS, questions have arisen about what will happen to schools which do not carry out the assessment as required. One suggestion is that the names of schools not reporting against SFVS should be published: for 2011-12 this would be only those schools which had failed to attain FMSiS, but from 2012-13 it could be any school. Publication by local authorities would seem less burdensome than for the DfE to collect all the names and publish them."

The consultation response from Barnet indicated that if the new Standard was thought worthwhile it should be made compulsory with a directed change to authorities' Schemes for Financing Schools.

School Forum members are asked to note this report. Further information will be given when the result of the consultation is given and the new Standard is launched.

Item 7.2 Exceptional Additional SEN funding scheme

Author Brian Davis

Position Principal Education Psychologist

**Summary by School -
End of Year 2010/11**

	Summer 2010		Autumn 2010		Spring 2011		Financial Year 2010-11		
	Total Allocations		Total Allocations		Total Allocations		TOTAL	Main payment	Additional Payment
3519 BROADFIELDS	-		-		-		-	-	-
2010 CHILDS HILL	-		-		-		-	-	-
2015 COPPETTS WOOD	10,943		5,961		4,470		21,374	21,374	-
5400 HENDON	-		-		-		-	-	-
5427 JCOSS	-		6,240		-		6,240	6,240	-
2036 LIVINGSTONE	-		-		-		-	-	-
7010 MAPLEDOWN	51,446		63,740		47,805		162,991	157,218	5,773
7005 NORTHWAY	43,428		27,667		20,750		91,846	66,725	25,121
7000 OAK LODGE	63,096		93,583		48,470		205,149	125,888	79,262
7009 OAKLEIGH	29,040		8,976		6,732		44,748	44,748	-
2052 SUMMERSIDE	23,516		6,519		4,890		34,925	31,057	3,868
	221,470		212,686		133,118		567,273	453,250	114,023
					Annual Budget		453,250		
					Budget Remaining		-		114,023

Item 7.3 Contracts Affecting Schools

Author		Ola Yerokun									
Position		Business Support and Contracts Officer									
Contract	Consortia	Value	Supplier	Start Date	Expiry Date	Duration	Comments				
1	OGC	£160,000	PACE Fuel	30-Nov-09	29-Nov-11	2 Years	New tender arrangements will be reported in due course				
2	ESPO (Authority Specific)	£550,000	Hopwells	28-Jul-08	28-Jul-11	3 year + option to extend	Tender process ongoing (reported in Dec 2010 SF)				
3	ESPO (Authority Specific)	£650,000	Danish Bacon Company	28-Jul-08	28-Jul-11	3 years + option to extend	Tender process ongoing (reported in Dec 2010 SF)				
4	ESPO (National)	£180,000	Raynor's	23-Feb-09	22-Feb-12	2 years + 1 year extension	1 year extension taken till Feb 2012 (reported in Dec 2010 SF). New tender arrangements will be reported in due course				
5	ESPO (National)	£50,000	Bunzl	01-Apr-08	31-Mar-11	3 Years	1 year extension taken till March 2012 (reported in Dec 2010). New tender arrangements will be reported in due course				
6	BARNET QUOTATION	£11,000 PA	General Business Holdings	01-Dec-08	30-Nov-11	1 year + 1 year extension	New tender arrangements will be reported in due course				
7	LCSG	£150,000PA	Unique Office Solutions	01-Jun-07	31-May-11	4 Years	Tender process ongoing (reported in Dec 2010 SF)				
8		£596,400- £671,340 £7,900 PA	Contract A, C & D – Turners Cleaning Support Services Contract B – Churchill Contract Services	04-Apr-08	03-Apr-12	3 yrs + option to extend	1 year extension taken till April 2012. New tender arrangements will be reported in due course				
9		£4,315,000 PA (estimated)	Star Cars and Bus Ltd, H&B Travel, Lady Fare, Cavendish Cars, Brent Couriers, Metro Cars, Elite Broadway Cars, Chequers Transport, Bee Line Coaches	2004	2011	7 years	Tender process ongoing (reported in Dec 2010 SF)				
10		£233,000	Enpeyz	01-Apr-09	31-Mar-12	3 years + 2yr extension	New tender arrangements will be reported in due course				
11		£180,000	Enpeyz	01-Apr-09	31-Mar-12	3 years + 2yr extension	New tender arrangements will be reported in due course				