

# **Schools Forum**

**12 June 2012  
4.00pm**

Sapphire Room, The Emerald Suite  
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. Apologies for absence
2. Declarations of interest
3. Minutes of previous meeting: 1<sup>st</sup> May 2012
4. Matters arising
  - 5.1 Actions from previous meeting
5. Items for Decision
  - 5.1. School Funding Formula 2013/14 – Draft Consultation
  - 5.2. Transitional funding for maintained nursery schools in 2013/14
6. Any Other Business

## SCHOOLS FORUM MEMBERS

Sector	Position	Name	School	Member Until
Nursery Schools (1)	Headteacher	Jane Chew	St Margaret's	07 Dec 2013
Primary Schools (11)	Community – Headteacher 1	Jeanette Adak	Monkfrith	30 Sep 2013
	Community – Headteacher 2	Helen Schmitz	Cromer Road	30 Sep 2013
	Community – Headteacher 3	Susan Convery	Whitings Hill Primary School	30 Sep 2014
	Community – Headteacher 4	Sally Lajalati	Colindale	30 Sep 2014
	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
Foundation / VA Governor	Janet McIntyre	Christ Church CE	30 Sep 2014	
Secondary Schools (8)	VA – Headteacher	Seamus McKenna	Finchley Catholic	31 Nov 2013
	VA – Governor	Patricia French	St Mary's High	07 Dec 2013
	Community	Jeremy Turner	Friern Barnet	31 Nov 2014
	Foundation / Trust – Governor	<i>Vacancy</i>		
Special Schools	Governor	Gilbert Knight (Chair)	Oakleigh	30 Sep 2013
	Headteacher	Jenny Gridley	Oakleigh	30 Sep 2013
Academies	Academy / Principal	Michael Whitworth	Wren Academy	30 Nov 2013
	Academy / Principal	Angela Trigg	London Academy	30 Sep 2013
	Academy / Principal	Kate Webster	Queen Elizabeth Girls	30 Sep 2013
	Academy / Principal	Paul Ferrie	Totteridge Academy	30 Sep 2013
	Academy / Principal	Geoffrey Thompson	Mill Hill High	30 Sep 2013
Stake-holders	14-19 Partnership	Keith Murdoch	Woodhouse	30 Sep 2013
	Private Early Years	Sarah Vipond	Middlesex Uni	30 Sep 2013
	Unions	Keith Nason	Union representative	
	Stakeholder	Shelley Dannell	Head Teacher - Pavilion Team	
Non Voting Observers	Cabinet Member for Children	Cllr Andrew Harper	Deputy Leader	
	Director of Children's Service	Robert Mc-Culloch Graham	Children's Service	
	Consultant to Schools Forum	Geoff Boyd	Consultant	
Barnet Officers	Deputy Chief Executive	Andrew Travers	Finance Directorate	
	Assistant Director	Val White	Children's Service	
	Assistant Director, Schools and Learning	Mick Quigley	Children's Service	
	Principal Education Psychologist	Brian Davis	Children's Service	
	School Funding Manager	Carol Beckman	Finance Directorate	
	Schools Finance Services Manager	Nick Adams	Finance Directorate	
	Head of Finance, Children's and Adults	Kerry-Anne Smith	Finance Directorate	
	Clerk and minutes	Mark Callaghan	Finance Directorate	

### 3. MINUTES OF THE LAST MEETING (7 December)

#### Meeting of the Schools Forum

**Wednesday 1 May 2012**

***(4.00 pm, Sapphire Room, Emerald Suite, NLBP)***

**Attended**

Members:

Jeanette Adak (Head, Monkfrith)  
Tim Bowden (Head, Holy Trinity)  
Jane Chew (Head, St Margaret's Nursery)  
Susan Convery (Head, Whitings Hill)  
Shelley Dannell (Head, Pavilion Pupil Referral Unit)  
Paul Ferrie (Head, The Totteridge Academy)  
Kim Garrod (Governor, Church Hill Primary School)  
Jenny Gridley (Head, Oakleigh)  
Gilbert Knight (Governor, Oakleigh)  
Sally Lajalati (Head, Colindale)  
Janet McIntyre (Chair, Christ Church)  
Seamus McKenna (Head, Finchley Catholic)  
Keith Murdoch (Principal, Woodhouse College)  
Keith Nason (NUT)  
Clare Neuberger (Head, Menorah Foundation)  
Dee Oelman (Head, St Mary's & St John's)  
Elizabeth Pearson (Governor, Livingstone)  
Helen Schmitz (Head, Cromer Road)  
Angela Trigg (Principal, London Academy)  
Jeremy Turner (Head, Friern Barnet)  
Anthony Vourou (Governor, St John's N11)  
Michael Whitworth (Principal, Wren Academy)

LA Officers:

Nick Adams (Schools Finance Services Manager)  
Carol Beckman (School Funding Manager)  
Brian Davis (Principal Education Psychologist)  
Claire Gray (Deputy School Funding Manager)  
Robert McCulloch-Graham (Director of Children's Service)  
Kerry-Anne Smith (Head of Finance, Children and Adults)  
Val White (Assistant Director, PPP)

Consultant:

Geoff Boyd (Independent Consultant)

Observers:

Louis Smyth (Assistant Branch Secretary of Barnet UNISON)

Clerk:

Mark Callaghan (School Resources and Support Officer)

**Not Present**

Members:

Patricia French (Governor, St Mary's High)

Alison Gould (substitute for Catrin Dillon (Governor, Martin Primary))

Geoffrey Thompson (Head, Mill Hill High)

Sarah Vipond (Early Years Working Group)

Kate Webster (Head, QE Girls)

<b>1. Welcome and apologies for absence</b>	
Apologies were received from Patricia French, Alison Gold, Cllr Andrew Harper, Sarah Vipond and Kate Webster.	
<b>2. Declarations of Interest</b>	
None received.	
<b>3. Minutes of previous meeting: 1 February 2012</b>	
The minutes were agreed as a true and accurate record of the meeting.	
<b>4. Matters arising (not occurring elsewhere on the agenda)</b>	
No issues were raised.	
<b>5. Actions from previous meeting</b>	
GK confirmed that the minutes of the previous meeting and membership have been amended to record KN as the union representative on the Forum.	
<b>5 ITEMS FOR DECISION</b>	
<b>5.1 School Funding Consultation</b>	<b>Carol Beckman</b>
<p>CB presented a paper summarising the main issues covered in the government consultation "School Funding Reform: Next steps towards a fairer system" and explained that the intention at this stage is to inform the Forum about the government's proposals, how they affect Barnet and the importance of the Forum's input into Barnet's local authority response. CB noted that many of the proposals in the consultation are firm government intentions.</p> <p>The consultation was released on 26<sup>th</sup> March 2012 and closes on 21<sup>st</sup> May when Barnet will submit its response. As part of the engagement process the borough will be running three briefings with schools on 9<sup>th</sup> May 2012, two for mainstream schools and one for schools catering for high needs pupils. CB has also distributed a briefing sheet highlighting the main points from the consultation in the School Circular.</p> <p>CB advised that the funding formula for 2012/13 will remain the same as last year for academies and schools and the changes proposed will come into effect in 2013/14. The YPLA ceased to exist on 31<sup>st</sup> March 2012 and its function is now part of the new Education Funding Agency (EFA), which is a department of the DfE responsible for funding local authorities via the DSG, the direct funding of academies as well as sixth form funding. KN asked whether the EFA also funds free schools. RMG confirmed that this is the case. CB explained that the government's vision is that the next two years should be seen as a transition period until the next spending review in 2015. The government has not yet confirmed that there will be a national funding formula, however, local authorities have to proceed on the basis that it is likely to take place from this point.</p> <p>Through the proposals in the consultation, the government aims to increase the simplicity of school funding and achieve a greater level of consistency and equality between individual schools and different geographical areas. As a result of the academies program, the DfE has encountered difficulties with the recoupage process and they want a system in which maintained schools and academies can be funded side by side. They also want a system whereby funding follows the pupil for high needs more so than it does now, and where centrally retained funding is delegated to schools. Schools, with the approval of the Forum, will then be able to de-delegate funding back to the LA for services they want the local authority to provide (for example for contingencies).</p> <p>The 2012/13 budget will be used as a base and split into 3 blocks. The first is a schools block, which will be about £200m. The schools block will exclude SEN, but include other centrally retained funding. The second block is the early years block of approximately £16m which includes non-SEN and centrally retained funding. The third is the high needs block which will be approximately £43M. This includes support for all learners with special needs aged 0 to 25. This budget will be increased with funding for special needs learners currently in further education. The schools block will be funded based on the October census and the early years block on the January census. The high needs block will not be calculated from census data. The blocks are not ringfenced and the Forum would want to have a view on the movement of funding between them.</p> <p>CB summarised how funding will be allocated in the schools and high needs blocks:</p>	

### Schools block

Funding for mainstream primary and secondary schools will be protected by an MFG at -1.5% irrespective of changes to the funding formula. Previously the government allowed 37 different funding elements, but this is being reduced to 10 under the new system, 3 of which do not apply to Barnet. These include:

- a lump sum, smaller than the current lump sum for secondary schools
- an AWPU (but only 2 or 3 different rates)
- AEN and deprivation funding using Free School Meals (FSM), Ever 6 FSM or IDACI as deprivation measures
- Prior attainment (EYFS and KS2)
- EAL for the first 3 years of compulsory education
- Rates and council tax
- Split sites
- Funding for the early years single funding formula
- Statement top-ups
- 6<sup>th</sup> Form funding

All data will be provided by the DfE so every LA is using comparable data sets.

CB presented a slide detailing deleted funding elements. Schools will still be responsible for expenditure on the same things at school level, but the funding for them will be absorbed into other funding elements. There is uncertainty regarding whether nursery schools will be protected by the MFG.

HS asked what internal and external measurements refer to. CB advised that these are school measurements used to provide funding for things such as cleaning and grounds maintenance.

PF asked whether there has been any discussion around NQTs and ASTs to date and whether there is any flexibility for these elements. CB advised that this has been discussed within the authority. The funding for NQTs is small and could possibly be absorbed by schools. For ASTs it is not certain whether funding could be de-delegated for this. MQ advised that the legal situation needs clarifying for ASTs. Most local authorities have stopped having a funding element for this. The cost for ASTs depends on the size of the school and its ability to absorb the cost. Barnet has a comparatively large AST programme, and would consequently require a transitional exit system.

DO asked about prior attainment in junior. CB advised that EYFS assessments will be used. Data is available for children up to year 3, and by October will be available for year 4 also.

### High needs block

The high needs block includes funding for special schools, Additional Resourced Provision (ARPs), PRUs and statements in mainstream schools as well as other placements and SEN services. The definition of high needs would benefit from further clarification. Special schools and ARPs will receive £10K per place (£8K for PRUs), with the number of places being negotiated between the EFA, the local authority and the provider. Independent special schools will also be eligible for this funding. Above this basic rate, each child placed will have a cost associated with their need as specified on their statement. There will be no formula funding and additional top-ups will need to be agreed with the local authority. Schools will be responsible for collecting the money from the placing party as there will no longer be inter-authority recoupment. Setting the price for places is a complex issue although it is hoped that a banding system will operate.

JG asked whether special schools will be protected by the MFG. CB confirmed that they will but in a different form.

Mainstream schools will not receive the basic £10K for pupils with special needs, but they will need to collect statement top-up funding from the local authority.

#### **5.1.1 Draft response to School Funding Consultation**

**Carol Beckman**

CB presented a paper to the Forum with draft Barnet responses to the consultation which was circulated in the additional papers pack. Comments on the responses should be fed back to CB.

Sessions have been scheduled for 9<sup>th</sup> May 2012 to brief all schools on the consultation. The morning session is now full, but there are places available on the afternoon sessions. Forum members were asked to encourage attendance from all schools at the briefings.

Barnet's response to the consultation will incorporate feedback from schools and the Forum. It will then go to Cllr Harper for approval before submission by 21<sup>st</sup> May 2012. If any schools or groups want to submit an independent response, or make comments not raised in the consultation questions, they are encouraged to do so.

CB advised that officers are carrying out modelling to build a replacement school funding formula. This will go to the Forum meeting on 12<sup>th</sup> June 2012. Consultation with schools will then run from 20<sup>th</sup> June until the end of the summer term. The results being presented to the Forum meeting on 8<sup>th</sup> October for final sign-off. Once the formula has been agreed, funding allocations for Reception to Year 11 will be calculated from the October 2012 census. Allocations for nursery children will be based on the January census. The funding allocations will go to the Forum meeting on 4<sup>th</sup> December 2012 to enable discussion around de-delegation of budgets. School budget shares will then be released by 18<sup>th</sup> January 2013 which will allow schools additional time to plan their budgets.

DO asked how the first £10K for statemented pupils in mainstream schools will be funded. CB advised that this will be come from the budget share.

DO asked whether Forum members should attend the briefing sessions on 9<sup>th</sup> May. CB advised that it would be useful for them to attend to hear the views of other schools.

GK emphasised that the consultation proposes major changes to the funding of schools and encouraged members to read the consultation document and prepare questions and comments. GK reminded members that they can make an individual response. Also that schools can make a response to individual issues.

JT asked whether the MFG rolls on from one year to the next. CB advised that it does currently, but it is uncertain how it will function under any new system after 2014/15.

JG stated that it is difficult to know the impact of the funding changes until it is worked out as a budget. CB advised that the requirement for special schools is that Barnet pupil top-ups must be set at a rate such that the school would receive at least 98.5% of their 12/13 funding as if all of their pupils were Barnet children. JG requested clarification that the worst case scenario is that funding is reduced in real terms by -1.5% and whether this will continue in future years. CB confirmed that assuming no change of pupils this is the case for 2013/14, but it is not yet known how funding protection will operate in future years. RMG stated that schools will have additional functions to undertake which they do not currently and may have to make financial provision for this. CB stated that although the MFG will provide protection at -1.5%, this does not mean that schools will receive all of their funding at the outset of the financial year as they will have to administer the claiming process for out of borough pupils and special needs pupils over the £10K base allocation.

GB stated that under-occupancy could create serious problems in special schools as they will be funded on pupil numbers rather than places. JG advised that this is unlikely to affect Barnet special schools as they are oversubscribed. BD stated that the redistribution of places at ARPs last year will prove useful as it has removed them from the system.

CN asked whether there was any indication yet as to which types of schools will be winners and losers under the new formula. CB advised that schools more likely to be disadvantaged by the changes are those with EIC funding and small schools with low FSM numbers.

EP asked whether there will be protection for nurseries. CB advised that this will only be the case if the government agrees that nursery schools are protected by the MFG under the new system.

SD asked whether the move to funding on the October census will affect PRUs. CB explained that PRUs are not funded on the census. They are funded £8K per place plus a per pupil top-up which will be collected from



the placing commissioner, therefore in principle they should not lose out.

PF requested clarification regarding the movement of budgets between the funding blocks and whether there are certain changes in the consultation which members could push for. CB advised that there could be focus on the following areas:

- nursery schools
- whether it is right that schools previously heavily targeted by standards funds should receive a reduction in funding and if there is a way to target them
- administration of claiming funding for special and resourced pupils
- ghost pupils – there will no longer be funding for bulge classes which are not full. It is also unclear how authorities will be able to fund 1 ½ FE schools and there will no longer be funding for infant classes over size
- it will be difficult to fund expanding schools without holding back a large contingency for this
- ASTs

Also there are areas which have not been taken into account by the consultation such as hospital education or children educated at home.

GK reminded members to encourage colleagues to attend the briefings on 9<sup>th</sup> May. CB reiterated that it is important that all schools are involved in the consultation process as the changes are going to have a large impact and will be implemented next year.

**Action: comments on the draft consultation response to be made to Carol Beckman**

**Action: members to encourage colleagues to take part in the consultation**

**Action: MC to distribute the link to the consultation document**

## 5.2 Capital Working Group Proposal

Val White

VW presented a paper updating the Forum on the schools capital programme and the increasing priority of funding school expansions to accommodate the rising number of pupils. This means that the focus of most capital expenditure is now on providing temporary and permanent expansions within the primary sector and planning for expansion at the secondary level for the pupils coming through.

VW explained that 15 new primary classes have been put in place for September 2012, with consultation taking place with two additional schools - this may still not be enough as there is no sign of demand abating.

VW proposed establishing a new capital and pupil place planning working group (CAPP) to replace the Schools Capital Group, as a sub-group of the Schools Forum. Interest has been expressed from primary headteachers in joining the group and secondary headteachers will be asked for volunteers at the secondary headteacher's meeting which will take place in a couple of weeks.

PF asked how the group differs from the School Organisation and Place Planning (SOPP) group. VW explained that the SOPP is an internal officer group and the capital and pupil place planning (CAPP) working group is external.

The group voted unanimously in favour of establishing the capital and pupil place planning sub-group.

VW requested interest from forum members to join the group. PF agreed to be the link representative from the Forum.

GK asked whether the group will support the SOPP or vice versa. VW advised that the group will inform the SOPP and will act as a consultative forum for discussion, which will then feed into the Schools Forum on spend on this area.

KN requested clarification regarding the schools listed in both the temporary and permanent expansion columns in the table in Appendix A. VW advised that this is where temporary capacity is provided in 2012 and becomes permanent in 2013.

VW updated the group on the position with free schools. Etz Chaim is now up and running, and is interested in becoming part of the schools network. Rimon has now been approved and will open in September 2012. It is looking to open at a site at a synagogue in Golders Green. Barnet has received a list of applicants for 2013 who are being interviewed by the DfE. This includes the Archer Group secondary school, two Jewish primaries and Marco Polo Academy, a primary with a mixed Mandarin/English curriculum. In addition there is a Greek orthodox secondary school looking to establish in either Barnet or Enfield and a Hindu secondary school looking to open in Harrow or Barnet. Barnet will be notified of the successful schools in July.

RMG advised that the local authority has no power to make decisions about the establishment of free schools as they apply directly to the Secretary of State. He is aware that the borough of Kingston has set up a free school commission. VW advised that a paper is going to Cabinet which will invite sponsors for the new school at Mill Hill East. Parameters will be set up for this process and it will involve a subgroup of the Children's Trust Board. Barnet will have an influence in the process as the local authority is commissioning the school to meet the needs of the new regeneration area.

**Action: MQ and VW discuss secondary representation on the group.**

## **6 ITEMS FOR CONSULTATION**

### **6.1 2011/12 Dedicated Schools Grant Provisional Outturn**

**Kerry-Anne Smith**

KAS summarised the paper issued on the provisional outturn for the 2011/12 DSG as reported to Cabinet Resources Committee in April. The borough is currently closing its accounts, after which the outturn will be finalised. The deadline for schools to submit their accounts was 30<sup>th</sup> April and it will take a couple of weeks for the accounts to be finalised.

KAS explained the variances from the Month 9 outturn. The underspend is now £549K. This is part of a large budget and the variance in underspend comes mainly from SEN, a one-off saving from a delay in recruitment for the Inclusion Team and other one-off savings.

KAS advised that the £549K reported underspend does not include a potential underspend on contingencies, therefore it is possible that the final figure will be approximately £700K. Final outturn figures will be reported at the June meeting of the Forum, along with options for the use of the underspend noting the decision in February for a capital contribution already agreed.

### **6.2 2012/13 Proposed Schools Budget**

**Kerry-Anne Smith**

KAS presented the proposed schools budget for 2012/13. Variances in the proposed budget since the last meeting include changes in pupil numbers for sixth form funding and pupil premium as a result of the YPLA announcement for Sixth Form funding, as well as changes to the LACSEG. In February 2012 it was expected that the LACSEG would be £431K, but has since reduced to £138K due to DfE changes to which funding elements should be included.

An extra amount on line, 1.1.10, has been added to the budget for the carbon reduction commitment of £100K. When the new funding system is implemented the authority will not be able to increase the centrally retained element of the budget, so it makes sense to include it now in full (rather than as use of an underspend) as the local authority is responsible for this cost. SEN Contingencies have also been moved back to the contingences line from 1.2.1 where they were originally put to avoid being recouped.

KAS presented a table explaining the central expenditure limit (CEL) and reminded members that this is an area where the Forum has the power to make decisions. The CEL will need to be agreed at the next Forum meeting. The table explained the impact of academies on the CEL showing that with academies included the centrally retained element increases by 7.73% in relation to delegated budgets which breaches the CEL, however, when the academies are removed central expenditure shows a negative figure and the CEL is not breached in comparison to the total budget.

## **7 ITEMS FOR INFORMATION**

### **7.1 DfE Financial Management consultation**

**Nick Adams**

NA explained that the intention of the government is to implement a system to oversee how local authorities manage schools' money. They want a system which is able to deal with local authorities that have extreme

problems. The criteria which will be used is shown in Appendix 1 of the paper issued, and will look at how authorities manage the DSG and schools with surplus or deficit budgets. Barnet is unlikely to meet any of these criteria based on the information submitted. For example the criteria for deficits is schools with deficit balances of 2.5% over 4 years. NA stated that the Schools Financial Value Standard (SFVS) is new and he has every confidence will be easily managed by schools.

NA advised that question 17 in the consultation asks whether it would be useful to involve the Schools Forum and asked the group whether they had a view they would like included in Barnet's response. There was no comment on this point.

PF noted that the margin for overspending is 2.5% whereas it is 5% for underspending, and asked whether the percentage should be the same for both. NA advised that the aim of the system is to target a number of specific local authorities and the percentages have been adjusted accordingly.

GK asked Forum members if they were happy with the proposed system. The group agreed that they were happy with the proposed system

<b>7.2 Scheme for Financing Schools: DfE Directed Revisions April 2012</b>	<b>Nick Adams</b>
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NA presented a paper on DfE changes to the Scheme for Financing Schools, and explained that as directed revisions their implementation is compulsory and consultation with schools is not required.

Exclusions from the scheme are the clauses on:

- Best Value
- FMSiS
- General Teaching Council (GTC) fees

Inclusions in the Scheme are clauses on:

- efficiency and value for money – this is straight forward as schools wish to make best use of resources and need to follow contract standing orders with schools
- SFVS – all schools required to undertake this and briefing sessions have been held
- prevention of fraud – this is a good idea and ties in with Barnet's zero tolerance policy and initiative for heightening awareness
- premature retirement costs – costs for staff employed for community purposes can be met from delegated funding as long as it does not impinge on delivery of education

HS requested clarification of what constitutes community purposes. NA advised that it refers to people employed for non-educational purposes, for example in children's centres and sports facilities.

NA stated that the Scheme says that schools can return the SFVS any time in the financial year, and proposed asking schools to submit it to the local authority before Christmas as schools are busy following this period with budgets and it allows more flexibility to look at financial controls etc., as well as ensuring that all returns are made by year end.

DO suggested that a deadline of 31<sup>st</sup> January might be more appropriate as it will be a busy period due to the funding allocations moving forward and it would also provide more time for schools to look into traded services. NA stated that he was happy to take this forward based on a submission date of 31<sup>st</sup> January. The group agreed unanimously that 31<sup>st</sup> January was an appropriate deadline.

**8 ANY OTHER BUSINESS**

No issues raised.

Meeting closed 5.30pm

**Dates for future meetings**

12 June 2012	4.00pm
12 July 2012	4.00pm
8 October 2012	4.00pm
4 December 2012	4.00pm

## 4. MATTERS ARISING

### Item 4.1 Update on actions from previous meeting

#### 5.1.1 Draft response to School Funding Consultation:

- comments on the draft consultation response to be made to Carol Beckman
- members to encourage colleagues to take part in the consultation
- MC to distribute the link to the consultation document

#### 5.2 Capital Working Group Proposal

- MQ and VW discuss secondary representation on the capital and pupil place planning working group

## 5. ITEMS FOR DECISION

### Item 5.1 School Funding Formula 2013/14 – Draft Consultation

<b>Author</b>	<b>Carol Beckman</b>
<b>Position</b>	<b>School Funding Manager</b>

#### **Proposal for new school funding formula for 2013/14 for all Barnet schools, academies and free schools**

##### **Introduction**

This paper presents the draft consultation proposal on changes to the Barnet school funding formula (from 2013/14) in anticipation of the national changes, as presented at the last Schools Forum. We would like Schools Forum comments on and approval of the consultation before it is circulated to all Barnet schools, academies and free schools.

As members will recall, the government consultation set out a requirement that the formula should be simpler than we have been used to in Barnet and rather than making adjustments to the existing formula we are proposing a new formula for the transition towards 2015.

In deciding on a new formula, the main choices are:

- a) To build a formula which predicts the national funding formula (due after 2015) and reflects current school need. This will produce greater variation from current funding and probably put more schools on the minimum funding guarantee
- b) To build a formula which as closely as possible mirrors the current funding profile of schools, much of which is historical

The government proposals set out a maximum of 10 allowable funding factors in any new funding formula, grouped in the following categories:

1. lump sums (basic entitlement, split sites and rates);
2. per pupil amount (AWPU)
3. additional educational need (Free school meals, IDACI, prior attainment and EAL)

It will be important to get the balance of distribution right, particularly between the AWPU and AEN, and to use each allowed element to best advantage.

The DfE will issue the decisions made by ministers following the consultation 'in June', but we cannot delay consultation until then because of the school holidays. There will not be time for a school consultation in the autumn term.

##### **ACTION**

**The Schools Forum is asked to review the draft consultation and approve it for circulation to all schools.**

## DRAFT

### Consultation with Schools, Academies and Free Schools on Barnet's School Funding Formula for 2013/14

Deadline for Response: 31<sup>st</sup> July 2012

#### Government requirements

The government requires all local authorities to create new funding formulae for funding schools in their area in 2013/14. The same formula will apply to academies and free schools as well as maintained schools. From now on funding will be based on the October census not January.

The formula may only consist of the following elements:

- a) A lump sum (maximum £150,000)
- b) A flat rate per pupil like the AWPU but with separate rates only for primary (Reception-KS2), KS3 and KS4
- c) Free school meal eligibility:
  - a. either, eligibility on the October census
  - b. or, any eligibility over the last 6 years (called FSM6, as used for the Pupil Premium).
- d) IDACI (Income Deprivation Affecting Children Index) in 6 bands of increasing deprivation – data is matched to children's postcodes. IDACI measures deprivation on a scale from 0 to 1, with 1 being the highest. Few areas of Barnet have a score above 0.5.
- e) Prior Attainment – EYFS for primaries and KS2 for secondaries
- f) English as an Additional Language (EAL) – for the first 3 years of formal education only
- g) Rates (NNDR and council tax)
- h) Split Site allowances

and also:

- a) Looked After Children (Barnet is not proposing to use this)
- b) PFI contract support (Barnet has no PFI contracts in schools at present)
- c) Bucks, Herts, Kent, Essex and West Sussex with some schools in the outer London fringe (Not applicable to Barnet).

As well as their budget share, schools will continue to receive:

- a) Pupil premium for free school meals, service children and looked after children
- b) Early years funding for nursery children
- c) Post 16 allocations for 6<sup>th</sup> forms
- d) Statement top-ups under the new 'place-plus' system
- e) Additional resourced provision funding if applicable but under the new 'place-plus' system.

Special schools will not receive formula funding, just £10,000 per place and then place-plus top-ups for individual children.

It is important to emphasise that the total amount of money Barnet has to distribute to schools will remain roughly the same. Although many of our current funding elements will no longer be used, the money that would have been distributed through those factors will now be allocated through the rest of the formula.

The main Barnet formula factors no longer allowed are:

Insurance	Excellence in Clusters
Ghost pupils	Advanced Skills Teachers
One and Half FE	Newly Qualified Teachers
Swimming Pools	Ethnic Minority Achievement
Grounds (external area)	Leadership Incentive Grant
Internal area (repairs & cleaning)	Mobility

### **Protection and Transition**

We recognise that with fewer funding factors, we will no longer be able to target groups of under-achieving pupils or schools in challenging circumstances and the new formula will have a narrower range between the highest and lowest funded schools. For some schools, especially those in the EIC and LIG groups, the formula funding will be substantially lower than the current Barnet formula.

All primary and secondary schools will continue to receive protection from the minimum funding guarantee at -1.5% in both 2013/14 and 2014/15. This means that, assuming pupil numbers remain the same, the school is guaranteed 98.5% of their 2012/13 funding in 2013/14.

Schools for whom the funding formula is much lower will find their funding gradually decreasing year on year and unfortunately we do not know how long this transitional protection will continue after 2015. In 2015 the government propose to introduce a National funding formula and have not given assurance of the transition of this.

### **Central Services**

Currently, local authorities retain part of the Dedicated Schools Grant for contingencies (e.g. extra classes), insurance, behaviour support, salary safe-guarding and union officials in schools. From 2013/14 this money will all be distributed to schools and academies in the funding formula, but if maintained schools wish the council to continue providing such support, they can vote, via the Schools Forum, to de-delegate the money back to the authority. Academies will receive their whole allocation and will not be able to de-delegate or benefit from support unless they buy back in. The value of these services is estimated to be £1.5m.

### **Children with High Needs**

At present Barnet schools are expected to provide the first 10 hours per week of support for children with AEN or a statement of SEN, with top-ups provided by Barnet for the number of hours above 10, in bands of 5 hours.

From April 2013 a system of top-ups will still apply for children with high need with the following differences:

- a) The cost of the education and support for each child will be agreed between the school and the child's local authority (ie where they live)
- b) The school will be responsible for the first £10,000 from the delegated budget
- c) The school will be responsible for collecting the top-up from the child's local authority, whether Barnet or another LA
- d) Schools will need to have an agreement for each child in order to ensure that they are clear what they have to provide and how the money will be paid. They may need to develop new systems for requesting payment, monitoring income and chasing non-payment.

A similar system will apply to schools with additional resourced provision (ARPs). Unlike now the children in the ARP will **not** be funded through the formula. Instead the school will receive a base amount of £10,000 per ARP place and then a top-up for each ARP child in the same way as above.

## New funding formula

The government has provided Barnet with data sets based on census data and a modelling tool to develop a new formula. Studying this data and comparing with the current formula, it is clear that there are two main options:

- a) Develop a formula which predicts a national funding formula and matches the current characteristics of schools, especially with respect to deprivation
- b) Develop a formula which matches the current allocations as closely as possible, bearing in mind that historical factors have had a major impact on current funding.

The current Barnet funding formula is heavily linked to free school meals. The measure is used extensively in the additional educational needs formula and in many of the former standards funds as well as for funding the provision of meals. It tends to underestimate deprivation in faith schools, especially in those where there is a cultural reluctance to claim benefits.

Barnet already uses IDACI in the early years formula and in a small part of the main formula. Using IDACI, schools of all types in the west of the borough tend to score more highly because most of the local postcodes are in areas of high deprivation, whereas in the north and east, nearly all postcodes are less deprived so individual children in need are more difficult to target.

The table below shows the proportion of funding that is **currently** distributed:

- between primaries and secondaries
- between different types of funding factors.

The current factors have been grouped so they match up with the funding elements in the new formula. For example former funding for grounds, swimming pools and insurance have transferred to the per-pupil rate, whereas mobility, EMAG, EIC and LIG have moved into the deprivation/low achievement elements. The figures include academies but exclude early years, statement top-ups and 6<sup>th</sup> form funding.

### Analysis of Formula Budget Shares 2012/13

Primary: £112.6m - 56%	Secondary £87.7m - 44%
LUMP SUMS 9.2%	LUMP SUMS 6.3%
<small>RATES &amp; SPLIT SITES 0.9%</small>	<small>RATES &amp; SPLIT SITES 0.7%</small>
DEPRIVATION 7.9%	DEPRIVATION 6.0%
ADDITIONAL EDUCATIONAL NEED 6.6%	ADD EDUCATIONAL NEED 4.2%
AWPU 75.4%	AWPU 82.9%



The ratio of AWPU to AEN/Deprivation is currently 86% to 14% (84%:16% in primaries; 89%:11% in secondaries). The ratio is higher in secondaries because the AWPU is larger because of the higher cost of delivering the KS3 and KS4 curriculums.

The current ratio of deprivation (free school meals, IDACI and mobility) to additional educational need (EAL, ethnic minority achievement and prior attainment) is 56%:44% (primaries 55%:45%, secondaries 59%:41%)

In creating the new formula we aim to maintain the balance between base funding for all children and additional educational need directed at only some groups of children.

### **What happens next?**

Please study the background information above and then answer the questions of the consultation. All primary and secondary maintained schools, academies and free schools will be consulted and we are hoping for a high response rate to give the Schools Forum and local authority a clear indication of the range of views.

Once the consultation has closed at the end of term, we will analyse the responses and discuss them with the Schools Forum in October so that we can finalise the formula and submit it to the EFA (Education Funding Agency) by the end of October 2012.

Following approval by the EFA, we intend to issue budgets for April 2013 to March 2014 to schools by the end of January 2013. The main budget will be based on the October 2012 census, but as early years funding is based on the January census, and we may not yet have received 6<sup>th</sup> form allocations, these will be estimates and will be firmed up later in the year. Final adjustments to the **2012/13** budget shares will be made in February as usual.

**SCHOOL FUNDING FORMULA  
CONSULTATION RESPONSE FORM**

Please answer the questions below and return by email, school bag or post to:

Mark Callaghan, School Funding Team, London Borough of Barnet  
North London Business Park, Oakleigh Road South, London N11 1NP  
Email: [schoolfunding@barnet.gov.uk](mailto:schoolfunding@barnet.gov.uk); Tel: 0208 359 7378

**Question 1**

In creating a new formula, do you think we should:

- a) build a formula which predicts the national funding formula (due after 2015) and reflects current school need? This will produce greater variation from current funding and probably put more schools on the minimum funding guarantee
- b) build a formula which as closely as possible mirrors the current funding profile of schools, much of which is historical?

a)                       b)                       No Preference

Comment:

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**Question 2**

The lump sum must be the same for both primaries and secondaries. What do you think it should be?

£50K or less     £50k-£100k     £100k-£150k     No Preference

Comment:

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**Question 3**

Do you think there should be a single rate for the secondary AWPU or two (KS3 & KS4)?

Single                       KS3 & KS4                       No Preference

Comment:

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**Question 4**

Deprivation funding can use either FSM or IDACI, or both. Which do you think should be used in the Barnet formula?

FSM  IDACI  FSM & IDACI  No Preference

Comment:

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**Question 5**

Do you think it is better to measure deprivation based on free school meals from eligibility in the last census (FSM), or from eligibility in any census in the last 6 years (FSM 6)?

FSM  FSM 6  No Preference

Comment:

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**Question 6**

There are a total of 6 bands for IDACI: 0 – 0.2; 0.2 – 0.25; 0.25 – 0.3; 0.3 – 0.4; 0.4 – 0.5; 0.5 – 1. Do you think it is best to use the five upper bands to calculate IDACI funding, or to use only the three upper bands?

5 bands  3 upper bands  No Preference

Comment:

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**Question 7**

In the new funding formula, which measure of Prior Attainment should be used?

EYFS  KS2  Both  Neither

Comment:

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**Question 8**

In the new funding formula, should EAL data be used?

Yes

No

No preference

Comment:

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**Other comments**

Please write here any other comments you wish to make about the introduction of a new funding formula.

Comment:

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Thank you for completing the questionnaire.

## Item 5.2 Transitional funding for maintained nursery schools in 2013/14

**Author** Carol Beckman

**Position** School Funding Manager

### Introduction

The DFE consultation document, "School Funding Reform – next steps towards a fairer system" provides a lot of information about funding for primary and secondary schools. It touches on the early years funding formula but does not address the status of maintained nursery schools, and in particular whether they can continue to benefit from the minimum funding guarantee.

We understand that, in line with all early years providers, nursery schools are expected to be funded wholly by the Early Years Single Funding Formula (EYFSS). When the Barnet EYFSS was set up, no differentiation was made in funding rates between different types of provider, but our four nursery schools continued to receive the old school based funding elements, e.g. standards funds, internal and external areas, rates, council tax etc, as well as the minimum funding guarantee. These elements have provided in the region of £200,000 extra for each school, and means that EYFSS is only about half of their total budget.

If we cannot provide the minimum funding guarantee to nursery schools, the sudden cut in funding would be disastrous for them. In the longer term the schools may be able to review both their costs and their offer, for instance by taking younger children and/or opening longer. In the short term we would not want to jeopardise the future of the schools, all four of which are judged outstanding by Ofsted and provide high quality provision for 500 three and four year olds.

On average, our nursery schools receive 65% more per nursery place (15 hours per week, 38 weeks per year) than the average private provider (£4000 vs £2400). Although the EYFSS regulations allow differential rates for different types of provider, we are not proposing a consultation to change EYFSS to favour maintained nursery schools at the moment because we do not believe that such a large differential would be supported by the private providers which outnumber maintained nursery classes about 2:1.

Regulations allow the local authority to hold a contingency for schools which are in financial difficulties or are being reorganised and we feel the four nursery schools come under this heading. We would like to ask the schools forum for advance confirmation that such a contingency would be approved for 2013/14 to allow the nursery schools longer to address the difficulties they face under the reformed funding arrangements. There would be no additional cost because this is money that would have gone to the nursery schools anyway had the funding continued in the same way as 2012/13.

### ACTION

**The Schools Forum is asked to support the nursery schools by advance approval of transitional funding for 2013/14.**