

Schools Forum

18th May 2010 at 4pm
Training Room 7
North London Business Park

Agenda, Papers and
Minutes of the last meeting

Contents

Agenda.....	3
Schools Forum Members	3
2. Minutes of the last meeting.....	3
3. Matters arising	3
Items for Consultation.....	3
4. Building Schools for the Future	3
5. 2009/10 Dedicated Schools Grant outturn – centrally retained budget	3
6. 2010/11 schools budget including YPLA funding.....	3
7. Standards Funds 2010/11.....	3
8. Consultation on Dedicated Schools Grant 2011-13.....	3
9. School Balances, DCSF guidance, Barnet Schools Outturn 2009-10	3
10. Contract Standing Orders for Schools	3
Items for Information.....	3
11. Contracts Affecting Schools.....	3
12. Early Years Funding Formula	3

Agenda

1. Apologies for absence
2. Minutes of previous meeting: 2nd February 2010
3. Matters arising

Items for Consultation

4. Building Schools for the Future
5. 2009/10 DSG outturn
6. 2010/11 schools budget including YPLA funding
7. Standards Funds 2010/11
 - a) 1-2-1 Tuition (Grant 1.5)
 - b) Other grants
8. Consultation on Dedicated Schools Grant 2011-13
9. School balances and outturns
10. Contract standing orders

Items for Information

11. Contracts affecting schools
12. Early years funding formula
13. Any Other Business

Dates for future meetings:

- Tue 13th July 2010
- Tue 5th October 2010
- Tue 7th December 2010
- Tue 1st February 2011
- Tue 10th May 2011
- Tue 12th July 2011

Please note: some of these papers refer to the Department for Children, Schools and Families (DCSF). On 13th May, this government department was renamed the Department for Education (DfE)

Schools Forum Members

Schools Forum Membership	As at 18 th May 2010
---------------------------------	---------------------------------

Mrs	Clare	Neuberger	Menorah Foundation	Head	Primary	VA
Ms	Jo	Djora	Coppetts Wood	Head	Primary	Community
Ms	Jayne	Franklin	Childs Hill	Head	Primary	Community
Mrs	Angela	Murphy	Bishop Douglass RC	Head	Secondary	VA
Ms	Kate	Webster	Queen Elizabeth Girls	Head	Secondary	Community
Ms	Dee	Oelman	St Mary's & St John's	Head	Primary	VA
Dr	John	Marincowitz (Chair)	Queen Elizabeth's School, Barnet	Head	Secondary	Foundation
Ms	Jeanette	Adak	Monkfrith	Head	Primary	Community
Mrs	Helen	Schmitz	Cromer Road	Head	Primary	Community
Ms	Lisa	Clarke	Brookhill Nursery	Head	Nursery	Community
Mrs	Jenny	Gridley	Oakleigh School	Head	Special	Community
Mr	Tim	Bowden	Holy Trinity	Head	Primary	VA
Mr	Gary	Tucker	Christ's College Finchley	Head	Secondary	Community

GOVERNORS

Mr	Derrick	Brown	Headteacher, Ashmole	Governor	Secondary	Foundation
Ms	Hazel	Godfrey	Governor, Broadfields	Governor	Primary	Community
Mr	Jonathan	Hewlings	Governor, East Barnet	Governor	Secondary	Community
Mr	Ken	Huggins	Governor, The Compton	Governor	Secondary	Community
Mr	Gilbert	Knight	Governor, Oakleigh	Governor	Special	Community
Mr	Stephen	Parkin (Vice Chair)	Governor, St Mary's CE High	Governor	Secondary	VA
Ms	Elizabeth	Pearson	Governor, Holly Park & Livingstone	Governor	Primary	Community
Mr	Anthony	Vourou	Governor, St John's N11	Governor	Primary	VA

NON-SCHOOL MEMBERS

Mr	Mick	Quigley	Principal Inspector, Children's Svce	Other	Stakeholder – SIPs
Mr	Alan	Homes	NASUWT	Other	Union
Mr	Keith	Murdoch	Woodhouse College	Other	14-19 Partnership
Ms	Sarah	Vipond	Middlesex University Nursery	Other	Private Early Years Providers

OBSERVERS

Ms	Angela	Trigg	London Academy	Principal	Academies
Cllr	Andrew	Harper	Cabinet Member for Children	Other	Elected Members

OTHER ATTENDEES

Mr	Robert	McCulloch	Graham	Director of Children's Service	Officer
Ms	Val	White		Assistant Director, Children's Service	Officer
Mr	Graham	Durham		Assistant Director of Children's Service	Officer
Mr	Andrew	Travers		Deputy Chief Executive	Officer
Ms	Linda	Parker		Joint Head of Finance – Children's Service	Officer
Ms	Denise	Murray		Joint Head of Finance – Children's Service	Officer
Mr	Nick	Adams		Schools Finance Services Manager	Officer
Ms	Carol	Beckman		School Funding Manager	Officer
Ms	Sarrosh	Malik		School Resources & Support Officer	Officer (minutes)
Mr	Geoff	Boyd		Consultant	Other

2. Minutes of the last meeting

Tuesday 2nd February 2010 (4pm, Emerald Suite)

Attended	Members:	Alan Homes (NASUWT)	
		Angela Murphy (Head, Bishop Douglass)	
		Dee Oelman (Head, St Mary's & St John's)	
		Derrick Brown (Governor, Ashmole)	
		Elizabeth Pearson (Governor, Livingstone)	
		Gilbert Knight (Governor, Oakleigh)	
		Jayne Franklin (Head, Childs Hill)	
		Jeanette Adak (Head, Monkfrith)	
		John Marincowitz (Head, QE Boys)	
		Johnathan Hewlings (Governor, East Barnet)	
		Kate Webster (Head QE Girls)	
		Keith Murdoch (Principal, Woodhouse College)	
		Ken Huggins (Governor, The Compton)	
LA Officers:	Robert McCulloch Graham (Director of Children's Service)		
	Val White (Assistant Director, PPP)		
	Graham Durham (Assistant Director, Inclusion)		
	Linda Parker (Strategic Finance Manager)		
	Denise Murray (Strategic Finance Manager)		
	Carol Beckman (School Funding Manager)		
	Olaolu Yerokun (Contracts Officer)		
Clerk:	Sarrosch Malik (School Resources and Support Officer)		
Not Present	Members:	Anthony Vourou (Governor, St John's N11)	
		Gary Tucker (Head, Christ's College Finchley)	
		Hazel Godfrey (Governor, Broadfields)	
		Helen Schmitz (Head, Cromer Road)	
		Jenny Gridley (Head, Oakleigh)	
		Jo Djora (Head, Coppetts Wood)	
		Sarah Vipond (Early Years Working Group)	
		Others:	Angela Trigg (London Academy)
			Cllr Andrew Harper
			Elaine Runswick (16-18 Commissioning Board)
Geoff Boyd (Consultant)			
		Lucy Salaman (LSC Partnership Manager)	

1. Apologies for Absence

Apologies were received from Cllr Harper, Gary Tucker, Tony Vourou, Elaine Runswick, Sarah Vipond, Lucy Salaman and Helen Schmitz.

2. Minutes of previous meeting (20th January 2010)

The minutes were agreed as a true and accurate record of the meeting. Proposed: JH, Seconded: DO

3. Matters Arising

SP asked when the possible claw back of excessive balances would start. LP explained that individual school's situations will be taken in to consideration when checking balances over 5%-8%. For example, if schools order from revenue budgets but are supplied at the beginning of April, this would be taken into account.

SP wanted to know if it would only affect the current financial year. LP said if schools were entering in to a building contract for the following financial year, this would also be taken in to account.

4. Items for Agreement

4.1 Contracts affecting Schools

Olaolu Yerokun presented a table of contracts to the Schools Forum. DM explained that the LA is putting together a system so the Schools Forum can be given prior notice of contracts due for renewal.

JM expressed his concern that although energy arrangements are for 3-4 years, companies do not give quotes until schools are within three months of their expiry. He asked if schools can ask the LA to quote for electricity. OY explained that schools can and also most schools are in the group scheme.

AH said that the LA should look at making tendering efficient and have stronger bargaining powers. If rates are good then schools will opt in. DO asked why contract prices are on a weekly rate. OY replied that it is not a fixed price because market prices vary, so schools pay an average price.

JH commented that this was all very useful information. He said that one more piece of information which could be included on the report is a comment on the outcome of the contract process. He asked how the Schools Forum contributes practically. OY replied that a list would be available to the Forum six months before contracts expire.

AH asked why the computer consumables contract is with Havering. OY explained that Havering have lead with other authorities. AM said that the Forum should be told the benefit. She wanted to know why Catering was not on the contracts list. OY replied that there are four contracts which supply catering. DM added that there are no proposals to go out to tender and Barnet will retain in-house service. VW said that it is a traded service, and schools can market test it themselves. AM then asked if the in-house service is checked for value. VW explained that catering runs at cost as a business. AM wanted to know how many schools take up the service. VW said the take up has increased as there is now a wider service for kosher meals.

GK asked why heating oil costs £2.17 per litre. OY said he will check.

4.2 Early Years Funding 2010/11

CB gave the Schools Forum an update on the Early Years Funding for 2010/11. Barnet was expecting to introduce an Early Years Single Funding Formula in April 2010; however in December 2009 the government announced that the EYSFF would be delayed until next year until April 2011. She added that the extra time has been helpful as we had not been 100% sure of the formula.

CB asked the Schools Forum to endorse the following:

- PVI's to be funded according to formula from September 2010 (maintained nurseries cannot start so early because of funding regulations)
- Maintained schools funded for 2010/11 in the same way as 2009 on a single count.
- Those already in Phase 1 to be funded in the same way as they have since September 2009.

LC commented that some providers are not entirely happy with the formula. CB said they will be looking at it again. SA added that the situation is improving. Four locality meetings are taking place, of which three have been positive but that there would be challenges. Barnet early years is successful because of diverse provision. CB added that the extension to 15 hours will still go ahead in September. The funding will come through the Standards Funds.

Recommendation: That the Schools Forum endorse this plan for the funding of three and four year olds in 2010/11.

Proposer: AH

Secunder: AM

This proposal was unanimously agreed by members.

4.3 London Pay Addition 2010/11

CB introduced the London Pay Addition grant which comes through the Standards Funds because the DCSF omitted it from the DSG. Last year it was distributed by pupil numbers.

AH asked if those who were employed centrally would be included in this year's allocation. LP explained that the sum is allocated according to school pupil numbers, while central staff is part of the centrally retained budget.

Recommendation: That the Schools Forum confirms that the London Pay Addition Grant should be distributed pro-rata of pupil numbers.

Proposer: DB

Secunder: SP

This proposal was unanimously agreed by members.

4.4 Standards Fund – Extended Services Disadvantage Subsidy

SA introduced the paper to the Schools Forum. She explained that this Standards Fund grant is to enable all children in care and also those eligible for free school meals to access enhancement activities from which they would otherwise be excluded due to an inability to pay.

In 2010/11 Barnet will receive £928,000 which will be distributed to all schools and the grant is being rebranded. (Last year it was called AZTEC).

By September 2010 all schools must be making the core offer:

- Childcare/safe place to be for secondaries
- Parenting Support
- Varied menu of activities – 8am-6pm
- Swift and easy access to specialist services
- Opening up to the wider community

However the cost of services is excluding some pupils, therefore the government has made more money available. In Barnet schools allowances are generally made for disadvantaged children. Now there will be money to target those in care or on Free School Meals, so the existing funding can be channelled to support the next set of children who may be just as needy but don't qualify for free school meals (FSM). FSM is a crude measure, but if this subsidy continues then Barnet may look to refine this. Barnet is asking schools to look closely at the needs of eligible pupils as schools are best placed to decide where the money is best used.

EP asked what would happen to schools with no FSM. SA explained that this would be taken into consideration because the LA knows that sometimes parents do not claim free school meals. SA mentioned that Barnet Hill had appeared by mistake on the list as it is now closed. DB asked if there was any other way to distribute money. AM suggested using IDACI. DB also wanted to know if there was any latitude on this and other grants. SA said there was no choice. AH asked if children with disabilities would be included. GD told the Schools Forum that 340 children with SEN in Barnet have access to other funding for short breaks and support.

Recommendation: The Schools Forum is asked to consider and approve the proposal for distribution of the Disadvantage Subsidy to schools.

Proposer: TB
Secunder: JA

This proposal was unanimously agreed by members.

4.5 Start-up funding for new reception classes

CB told the Schools Forum that due to a sudden rise in applications to Reception classes the LA had to ask schools in pressure areas to open additional classes. In September 2009 five new reception classes were opened and thanks are due to the headteachers who have been a part of this.

CB explained that after experience in 2009 it is suggested that a single one off payment could be made where in exceptional circumstances a school is asked by the LA to open a Reception class in response to pupil pressure and in order to fulfil the statutory obligation to provide sufficient places. An amount of £10k is proposed which can be used as required as the cohort moves up the school.

SP asked if this would apply to schools in the current financial year. CB replied it would be for the five schools due to open new Reception classes in 2010/11. VW added that there may be 8 or 9 more classes in the following year. VW explained that the one off lump sum will help the school to accommodate the extra children.

DO was concerned that junior school headteachers had not been involved. MQ explained that schools would need to include it in their forward planning.

DB commented that putting £10k in is welcomed. He said it would be useful to have numbers and names of schools. He asked if the £300k contingency for reorganisations would either go back to the schools budget, used for this or go to the Schools Forum. CB replied that the extra classes have been recognised as a pressure on the ISB. LP explained that in 2009/10 £400k was kept aside for reorganisations. In 2010-11 the budget for reorganisations within the centrally retained budget is reduced to £200k as additional funding has been moved into the ISB to fund additional classes.

VW added that the January PLASC shows that there are an extra 200 in Reception this year whereas last year there were 150 extra. AM said that the reorganisation issue should be brought up separately - she added that she welcomes the proposal, but is concerned about the difficulties of trying to predict the next six years. MQ explained that LA is not suggesting that the £10k will cover cost for the next six years, but it is a contribution towards school budgets. An Early Years consultant recently costed the equipment and resources needed for a reception class, which was not a luxury list, but totalled £14,000. Some of this amount (e.g. ICT) would be funded from capital resources.

CN told the Schools Forum that her school put in £15k for a new class. They bought bigger furniture so it could be used for older classes as well. TB asked if there would be retrospective funding as Barnet did get some extra money from the DCSF. VW said that the £1m was for capital.

Recommendation: That the Schools Forum considers the proposal of a one-off start up grant of £10k to schools asked to open a new Reception class in exceptional circumstances.

This proposal was unanimously agreed by members.

4.6 2009/10 DSG – Centrally Retained Budget Monitoring

LP presented a report to inform the Schools Forum about the projected outturn of the centrally retained schools budget. The current projection is an underspend of £256k. The Schools Forum was asked to choose from two options for the use of the projected underspend:

1. the full amount of the underspend (£256,000) to be carried forward to the new financial year and taken into account in setting the Schools Budget for 2010-11. It is proposed that £100,000 is allocated to the schools contingency budget in 2010-11 and the remaining amount, currently estimated at £156,000, earmarked for a pilot to assist schools to introduce a 'cashless' system for collection of income (see below for further details).
2. To distribute to schools the underspend in the schools contingency budget (£225,863) prior to 31st March 2010. The likely impact of this is an increase in school balances and if individual schools had balances in excess of 5% secondary or 8% primary and special school of budget share the balance may be clawed back. The amount per pupil on the current projected underspend would be £5.25 and the redistribution to schools would vary from £320 for the smallest school to £6,419 for the largest school.

The LA prefers option 1 which gives the opportunity to improving value for money.

DM said she had done some research on various options of cashless systems which can be expensive, but schools could get economies of scales if they bought in together. The system links to the ICT options under BSF. She said the LA does not want to miss this opportunity as the money will not be available in the future.

AM said that the need for cashless systems only arose because of the decision to recharge schools for cash collection. The catering service is a traded service and the cost of cash collection should have been covered within that contract. DM said that this would not be just for catering.

JM told the Schools Forum that Parentpay's marketing is very slick and the company is keen to work with schools so there should be no need to pay for a feasibility study. KW expressed her concern that it was not equitable. She said schools would rather have the cash from the underspend.

VW explained that this is a one off opportunity especially for smaller schools. KH asked how schools that already have the system set up would benefit. RMG replied that it was not possible for smaller schools to make this kind of an investment. EP added that if a big group of schools did it together they would get a better deal which smaller schools would benefit from. TB agreed with the proposal but was not sure if parents would be able to engage with this technology.

JH said that the issue is a problem for smaller schools, however the secondary schools can help the smaller schools with training. AM agreed with the issue around parents not being able to use the service. She also added that the underspend should go back to the schools. AH explained that it would be a small amount of money if it goes back to schools. He said he would support the recommendation.

JF asked if the cost would be £385k. DM explained that amount would cover the infrastructure for all schools and then maybe the Harnessing Technology grant could be used. DB told the Schools Forum that the cashless catering service would support some schools and not all. He added that central money should benefit all schools and not only some, unless it was only for primary schools.

DM said the LA estimates it will cost more than £156k, so we will need to look for other sources in the Children's Service to contribute.

JM reminded the Schools Forum that there were two options to choose from or members can roll this item forward and discuss at the next meeting. He added that he is supportive towards smaller schools

getting a cashless system and that secondary schools can do it themselves. DB suggested schools that currently have the system to help the smaller schools with cashless catering and offered to be involved in this.

It was agreed to consider this further at the next meeting.

4.7 2010/11 DSG and Schools Budget

LP circulated an updated spreadsheet to the members replacing the one sent with the Schools Forum papers. She explained that the DSG is based on pupil numbers from the January 2010 School Census. The majority of maintained schools had submitted the data last week, but data from the PVI's is not yet available so we are currently using last year's numbers for them. There is an expected increase of 553 pupils which has helped pressures in schools budget. There is also approximately £453k more from LSC.

From April 2010 funding for all nurseries will be on participation. The extension of the free entitlement will be funded through the Standards Funds. LP told the Forum that there are various pressures on the central expenditure listed in her report. The figures circulated today do not breach the CEL.

DO asked why the DCSF would not be providing funding for JCOSS. LP explained that the DSG for 2010-11 is based on pupil numbers as at January 2010 and JCOSS had no pupils on roll in January. VW explained that the local authority requested additional funding from the DCSF on two occasions but were told no additional funding will be provided. JH said if you open a school at any time other than January this situation would arise.

DO said that trades union facilities are not all funded by facilities time. She requested an explanation of the £177k resource to fund partnership in schools to promote every child matters. RMG reminded members that this was discussed at the last meeting and the local authority will work with schools and experiment with appointing a new profession of interdisciplinary workers. AM also queried what the combined services budget was for. RMG explained that the Schools Forum can expect to see more detail in future.

JM commented that the underspend was quite large for 2009/10. He asked if this could be avoided next year. AH explained that allocating in advance is difficult, especially for SEN. GD added that the LA faces huge pressures for complex cases and increased parent rights.

JH asked why line 1.2.4 was less than the current year provisional outturn. GD advised that there are 43 children in the older age group who are moving out of residential settings, although there may be younger ones moving in.

DB wanted to know if the one-off £100k of the reorganisation contingency will go into the ISB. LP explained that in setting the ISB, the requirement for 5 new reception classes opening in September 2010 was taken into account. The reorganisation contingency is required should there be unforeseen costs arising during the year.

Recommendation: The Schools Forum is asked to approve the provisional 2010/11 schools budget as outlined in the report and in the revised table circulated at the meeting.

This proposal was unanimously agreed by members.

4.8 Traded Services 2010/11

5. Items for information

5.1 Children and Young People Plan

VW presented the paper showing a review of the plan. She said that Headteachers had already seen this. The Children and Young Peoples Strategic Partnership Board will be called the Children's Trust Board from April.

RMG clarified the relationships with different boards. The Children's Trust is a mechanism for planning with sub boards. The Trust will have true representation from the family of schools. He said the new trust will be discussed at CYPSPB. The overlap between services needs to be eliminated.

AH asked if there would be more information available about procurement and commissioning. RMG explained that it is complicated and will take at least a year to get everything sorted out. Barnet is currently looking for more efficient way of commissioning and a closer relationship with the PCT. RMG said he hopes to engage the Schools Forum on this in the future.

5.2 Building Schools for the Future

VW made a presentation including the key dates. The Strategy For Change submission will hopefully be followed by an invitation to present the Outline Business Case by August.

6 Any Other Business

None.

BSF

Progress update
2nd February 2010

www.barnet.gov.uk

Key dates

- 22 February – Cabinet to approve draft Strategy for Change (SfC)
- 8 March – submission of SfC and draft Schools SfCs
- mid April – feedback on SfC submission
- 10 August – submission of OBC to PFS

www.barnet.gov.uk

Strategy for Change

Process:

- SfC has been developed in consultation and collaboration with internal colleagues, schools and stakeholders and with support from PFS
- There are educational and technical/estates elements
- Key areas are pupil place planning and site options appraisals

www.barnet.gov.uk

SfC - Transformational overview

- Key headings in document:
 - ◆ Choice, diversity and access
 - ◆ Learning
 - ◆ Curriculum
 - ◆ Every Child Matters agenda
 - ◆ Inclusion
 - ◆ SEN
 - ◆ Change management
 - ◆ Sustainability

ICT is golden thread through all education transformation

www.barnet.gov.uk

Transformation – Barnet's vision

- Inspiring each student to be an active partner in their learning experience and ensuring every individual makes maximum progress
- Insisting on excellent, innovative and relevant approaches to curriculum design and organisation of learning, responsive to pupil need, to be delivered in an agreed collaborative approach across all providers
- Ensuring effective partnerships of all organisations and services are committed to parents, carers, families and the wider community all supporting young people in their achievements, talents and interests as well as effecting community cohesion and enabling young people to make positive lifestyle choices

www.barnet.gov.uk

SfC - Key estate proposals and project planning

- Investment Strategy
- Deliverability
- Affordability
- Resources and Capability
- Benefits Realisation

www.barnet.gov.uk

School's Strategy for Change

- Individual schools undertaking visioning and consultation with staff, governors, pupils and parents
- Regular meetings with wave one schools being held
- Specific workshops being held to inform individual schools vision e.g. on ICT, curriculum and learning transformation

www.barnet.gov.uk

Stakeholder and working groups

- Heads and governors group
- PE and sport
- Culture, community and extended services
- Estates Management working group
- ICT group being established
- Barnet youth board involvement

www.barnet.gov.uk

External Advisors

- Appointment of (subject to Member approval):
 - ◆ Technical: Gardiner & Theobald
 - ◆ ICT : Mouchel
 - ◆ Finance: BDO Stoy Hayward
 - ◆ Legal: Trowers & Hamlin

The BSF Programme Director has been appointed and will start end of February

www.barnet.gov.uk

Funding the affordability gap

- BSF Financial costs can be separated into three discrete elements as follows:
 - ◆ development and procurement costs;
 - ◆ capital construction risk contingency; and
 - ◆ LEP and School operational costs.

www.barnet.gov.uk

Development and procurement costs (Oct 2009-2012/13)

Funding Source	Total 2009-2013
PfS Grant - Project Support Funding	50,000
Section 106 Agreements	511,000
Council RCCO (£250,000 p.a. from 2010-11)	750,000
Council Capital	800,000
DSG - non ISB budgets - Surplus C/fwd 2008-09	100,000
DSG - non ISB Budgets (£200,000 p.a. from 2010-11)	600,000
* DSG - ISB Budgets	0
BSF Schools (DFC)	1,189,000
	4,000,000

www.barnet.gov.uk

Other affordability elements

- Risk strategy - to be agreed by the S151 Officer
- *Operational costs – ISB from 2012/13

The funding strategy to address the capital and revenue affordability gap of the overall programme will be presented to the May meeting of the Schools Forum for approval.

www.barnet.gov.uk

Options for Local Education Partnership

- Joint LEP with neighbouring borough(s) being considered
- Savings on cost and time
- Need robust agreement between local authorities

www.barnet.gov.uk

Communications

- Newsletter circulated to stakeholders
- BSF pages on Barnet website
- Insert in Barnet First (March edition)
- Standing item at project team meetings
- Barnet Parents consultation planned for March
- Schools consulting with their communities

www.barnet.gov.uk

Next steps

- Site options workshops
- Agree options around LEP
- Agree Facilities Management strategy
- Agree ICT strategy
- Consultation event with parents (1st march 2010)
- Cabinet approval of SfC

www.barnet.gov.uk

3. Matters arising

4.1 – Contracts - The margin added onto the market rate for the Heating Oil contract is 2.17p and not 217p as stated at the last Schools Forum.

Items for Consultation

4. Building Schools for the Future	
Author	Denise Murray and Val White
Position	Joint Head of Finance and Assistant Director, Children's Service
Date	10th May 2010
1. Summary	
<p>The paper outlines the capital and revenue affordability implications of BSF and seeks the agreement of the Schools Forum to the structure of a funding strategy to address the remaining potential affordability gap of Barnet's BSF programme.</p>	
Recommendations	
<ul style="list-style-type: none">• The Forum further consider the financial implications of the BSF programme• The Forum consider and agree options for a funding strategy	
2. Background	
<p>Central government funding for the first wave of schools will bring around £75m (excluding ICT) of new investment. However, this funding is not intended to meet the full costs of the programme, and like all other BSF programmes, there remains a gap in funding.</p>	
<p>An outline of the "Building Schools for the Future – Affordability Issues" was presented to Schools Forum on 2 February 2010 where it was explained that the affordability issues of BSF can be divided into the following three stages:</p>	
<p>Stage 1: costs relating to the programme development and procurement Stage 2: construction costs and risk contingency for the overall programme; and Stage 3: costs related to the operation of the Local Education Partnership (LEP) and individual BSF schools.</p>	
<p>The Schools Forum was also advised that a funding strategy to address any capital and revenue affordability gaps of the overall programme would be presented to the May meeting of the Schools Forum for approval. This paper considers various options to address the identified and anticipated capital and revenue affordability gap within the programme.</p> <p>Our Strategy for Change has now been submitted and is awaiting approval. The next stage, the Outline Business Case (OBC) is in preparation to be submitted in August 2010. The OBC translates the educational vision into firm proposals which then form the basis for procurement. The OBC requires commitment letters from the first six BSF schools and the Council's S151 Officer providing resolutions in principle to the commitment and affordability of the programme. To this end, detailed work is underway with internal and external professionals and individual BSF schools, to firm up the potential financial capital and revenue implications of the proposals inherent within the programme, and the overall impact on the Council and schools.</p>	
<p>The funding strategy to address the affordability gap is required for submission of the OBC</p>	

Stage 1: Development & Procurement

The cost of developing the programme and procurement of the LEP is estimated to be of the order of £4.0m over three years, from entering the programme to closing the contract with the LEP.

BSF Service Provider - Development and Procurement Budget					
	Remit / SFC	OBC / Procure	Procure / FBC	Construction	
	Provisional Outturn 2009/10	2010/11	2011/12	2012/13	Total
External Advisers	£70,227	£828,574	£280,892	£158,598	£1,338,290
Surveys	£37,179	£102,000	£20,000	£0	£159,179
Planning Briefs	£0	£20,000	£0	£0	£20,000
Internal Project Team :	£115,518	£587,000	£553,159	£462,000	£1,717,677
Other Department Costs e.g., Planning, ICT, Communications and Highways	£0	£74,000	£44,500	£26,500	£145,000
Playing Field (Strategy)	£0	£15,000			£15,000
School Support	£0	£120,000	£30,000	£30,000	£180,000
Consumables	£13,007	£40,046	£50,000	£25,000	£128,053
Procurement Risk Contingency	£0	£178,700	£97,900	£70,200	£346,800
Total LEP Solution	£235,932	£1,965,320	£1,076,451	£772,298	£4,050,000

With the exclusion of £0.1m of project support funding from Partnership for Schools (PfS) the funding for the development and procurement is anticipated to come from the Council (£2.061m) and has been approved by Cabinet at its meeting of 22 February 2010, centrally retained DSG (£0.7m) as advised to the Schools Forum at its meetings of 7 July 2009 and 2 February 2010.

However, in spite of this contribution a significant gap of (£1.189m) remains and it is proposed that the six schools in the first wave contribute to this gap from their Devolved Formula Capital (DFC). Whilst the principle is accepted and agreed by the Head Teachers and Governing bodies of the six schools, there is a risk that the assumptions about the reduced need for repair and maintenance and the level of DFC allocation in future years may be optimistic. Work is underway to test the assumptions as far as possible but we need to identify a source of funding to support any potential shortfall in the development and procurement costs. We are seeking to identify £500k for this purpose.

Options:

1. The risk remains with the first six schools for any affordability gap in the development and procurement costs;
2. The Forum supports the re-alignment of the 2011/12 centrally retained Dedicated Schools Budgets to a value not exceeding £500,000 to bridge the affordability gap;
3. The Forum supports the carry forward of a £500,000 earmarked reserve derived from resources from centrally retained DSG under spends in 2009-10.

Points to consider:

- The development and procurement costs are up front costs, incurred for the programme as a whole. The development of an effective LEP will be to the benefit of all schools as the programme progresses.
- Retaining a share of **DSG centrally- retained budget** reduces resources available at LA level to support all schools. The Schools Forum's approval would be required if the Central Expenditure Limit was breached as a result.

- An **earmarked reserve** is the most appropriate financial treatment for pressures not quantified as the resources can be returned to the originator should the pressure not materialise. The option of a reserve becomes more favourable, if windfall savings from elsewhere amongst centrally retained budget lines are identified.

Recommendation: That the Schools Forum supports the carry forward of a £500,000 earmarked reserve derived from centrally retained DSG under spends in 2009-10, to bridge the affordability gap identified or reduce the financial burden on BSF schools.

Stage 2: Capital Affordability

A capital affordability gap occurs where there is a shortfall of grant funding compared with the cost of the scheme. This gap is calculated for the first wave as a whole as funding is not ring-fenced to individual schools. The indicative capital proposals within Barnet's Strategy for Change require a number of costs that are either not eligible for BSF funding or result in Barnet's allocated funding envelope being exceeded. These costs amount to £5.0m

Capital Affordability Summary	£
Capital Costs	74,289,032
Land Swap & Site Development	2,390,000
Hydrotherapy Pool	560,000
Design & Risk Contingency	3,024,646
BSF Schools Capital Sustainability	250,000
Total Indicative Capital Costs	80,513,678
FAM Funding	75,433,678
Affordability Gap	5,080,000
Council Capital Contribution	3,900,000
BSF Schools DFC Contributions	1,180,000
Funding sources to bridge the gap	5,080,000

The funding to address the capital affordability is anticipated to come from the Council and has been approved by Cabinet (22 February 2010) and Cabinet Resources Cabinet (22 April 2010). As above, the approach adopted in bridging the residual gap is to ask the first six schools that stand to benefit from the programme to contribute a large proportion of their Devolved Formula Capital towards the build cost; a total of approximately £1.18m (approx 3 years worth of contributions) for the wave. The risks associated with this are as above.

Options:

- 1 The risk associated with capital affordability remains with the six schools and the LA. Projects will be scoped within the overall budget envelope.
2. The Forum agree 'borrowing' against potential future savings which would be funded by the DSG

Points to consider:

- With the implications of the DSG funding review imminent and uncertainty around future arrangements any agreement to borrowing should be subject to a robust review of the potential savings which will be generated as a result of the investment and the adequacy of the DSG settlement.

Recommendation: That the Schools Forum recommend that BSF schools, including PFI schools, within the first BSF wave contribute their DFC towards the capital cost.

Stage 3: a) Operating costs for Design & Build Schools

A LEP is the default procurement vehicle for BSF programmes. The LEP will enter a long-term Strategic Partnering Agreement with the Council to develop and procure BSF building projects, and to supply managed services for ICT and facilities management to schools in the BSF programme. The Agreement will grant the LEP exclusive rights to provide these services for a fixed term (generally 10 – 15 years), subject to satisfactory performance and could enable schools outside the programme flexibility to purchase services. The Agreement could also allow the LEP to negotiate directly with the Council to provide other services.

The Facilities Management strategy and ICT output specification designed to meet the needs of every school are being developed and the ongoing capital and revenue cost to schools will be finalised at OBC stage. The indication is that aspects of the draft proposals may result in an affordability gap for some schools.

The Council are proposing that schools consider making a contribution via the schools element of the dedicated schools grant and a pooling of an element of devolved formula capital to a lifecycle sinking fund to meet the annual revenue payment and provide a guaranteed level of long term maintenance and technology refresh for the design and build schools.

The Schools Forum is asked to note that the affordability gap is a national problem that all authorities in the BSF programme are aware of and must resolve; and the Stage 3 associated costs will not be incurred until 2013/14, providing schools with an opportunity to plan for a re-profiling of their budget.

Option:

1. The full operating costs fall to each individual BSF school.
2. The Forum supports the re-alignment of the 2013/14 centrally retained Dedicated Schools Budgets to a value not exceeding £200,000 to bridge the affordability gap arising from **obligatory** services that relate to the running of a BSF school; and
3. The Forum supports the re-alignment of the 2013/14 centrally retained Dedicated Schools Budgets to a value not exceeding £200,000 to bridge the affordability gap arising from **obligatory and optional** services.

Points to consider:

- Retaining a share of **DSG centrally- retained budget** reduces resources available at LA level to support all schools. The Schools Forum's approval would be required if the Central Expenditure Limit was breached as a result.
- Consideration should be given to the implications on the schools financial position of the unavoidable necessity to acquire the **obligatory** services that relate to the running of a BSF school, at standard / base levels which will ultimately result in an affordability gap which can not be mitigated without the re-direction of learning resources.
- In agreeing to the provision of financial support the Schools Forum will need to seek assurance that the scope and specification of ICT and/or Facilities Management service agreed are not over specified.

Recommendation: That the Schools Forum supports the re-alignment of the 2013/14 centrally retained Dedicated Schools Budgets to a value not exceeding £200,000 to bridge the affordability gap arising from obligatory services that relate to the running of a BSF school

Stage 3: b) Operating costs for Private Finance Initiative (PFI) Schools

The BSF programme expects that Private Finance Initiative is used to fund 100% new builds with value in excess of HM Treasury threshold. PFI schemes are 25 year commitments, funded by a PFI credit, which will contribute to the cost of the new buildings and the lifecycle maintenance of the school for the lifetime of the PFI contract. There is one PFI school in Barnet's first wave.

Service specifications for PFI schools are set at a higher standard than conventional service contracts. The PFI credit is intended to cover only that part of the charge relating to the repayment of the capital cost of the build, lifecycle costs and the cost of borrowing. This is a revenue cost and a revenue affordability gap will arise as the PFI credit does not cover the full cost of the PFI unitary charge. The PFI school must agree to pay the council, from its delegated budget, that part of the Unitary Charge that relates to the operation and management of the school facilities which is anticipated to be significantly more than the current budgets.

The typical annual affordability gap for a PFI secondary school is £500,000 and detailed costs for Barnet's PFI scheme are being modelled. Whilst the costs will not be incurred before 2014/15, the funding model, overall affordability and strategy to meet the gap must be transparent, sustainable and outlined within the OBC.

The option for each individual BSF PFI school to meet its respective revenue affordability gap is not considered viable. The size of the affordability gap could threaten the school budget and impact on learning outcomes. Schools in the programme have no choice in the decision about whether it is a PFI scheme or a Design and Build scheme.

Options:

1. Each PFI school meets the full obligatory costs associated with PFI;
2. The Forum recommends that financial support should be provided collectively by the **BSF schools** within the first wave;
3. The Forum agrees that the financial support should be provided collectively from all **secondary** schools within the authority;
4. The Forum agrees that the financial support should be provided collectively from **all** schools within the authority;
5. The Forum agrees to a combination of the above i.e. to share the affordability gap, so the individual school bears some cost e.g. 5% and the rest is managed collectively by all schools.

Points to consider:

- A strategy of support ensures the payment is manageable within the **individual school** budgets without destabilising the school.
- There is a very real risk that funding this revenue costs from a too small funding pot (e.g. **secondary estate** only) would make too big a demand on these budgets and put at risk the improvement in outcomes which BSF is aiming to deliver.

- The D & B **schools in the wave** may consider the requirement to subsidise the new PFI school as inequitable. However this may be offset by the fact that the PFI schools would be required to contribute DFC to a capital affordability gap for the D& B schools (see Stage 2)
- By finding the balance of the funding from **all schools** this recognises that all pupils will benefit from BSF over time, and spreads the costs and the risk more widely so it does not destabilise any schools budgets. The disadvantage is that **primary schools** that will not benefit directly from BSF will have to contribute to the affordability gap. However, some primary pupils will benefit from the BSF investment when they attend the secondary schools
- A strategy of **shared responsibilities** establishes the principle that the school that directly benefits from the PFI funded new build makes a specific contribution towards the affordability gap. e.g. in addition to the general operational costs, makes a further contribution of 5% towards the affordability gap (based on the typical gap for an average secondary school of £500,000 this is estimated to be £25,000), with the remainder being funded collectively by all schools.
- It should be noted that dependent on the level of DSG funding, minimum funding guarantee and the overall affordability gap, the provision of financial support may not result in a real terms reduction to any schools budget or a funding cut. It would reduce the sum available from any growth that may become available through the funding formula for distribution to all schools.

Recommendation: That the Schools Forum agrees to share the responsibility of the affordability gap, so the individual school bears some cost e.g. 5% and the rest is managed collectively by all schools.

5. 2009/10 Dedicated Schools Grant outturn – centrally retained budget

Author	Linda Parker
---------------	---------------------

Position	Joint Head of Finance, Children's Service
-----------------	--

Date	10th May 2010
-------------	---------------------------------

1. Introduction

The purpose of this report is to inform the Schools Forum about the final outturn of the centrally retained schools budget.

2. 2009-10 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 2009 and February 2010. The authority's accounts are now closed and the statement of accounts is currently being prepared. The outturn figures for the centrally retained budgets are now final (subject to audit).

The final figure is an underspend of 4.3% (£995,400) of the centrally retained budget. The figures and explanations are shown in Appendix A.

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 of 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).

The underspend in relation to prior years is as follows:

Financial Year	Centrally Retained DSG (Under)/Over Spend £'000	% of centrally retained budget
2006/07	(832.4)	4.0%
2007/08	(246.0)	1.2%
2008/9	(271.3)	1.2%
2009/10	(995.4)	4.3%

3. The use of the rolled forward underspend

The rolled forward underspend from 2009-10 allows for provision to be made for a number of budget pressures and potential additional costs during the current financial year as follows:-

1. Basic free entitlement to education for 3 and 4 year olds: £250,000

At the time of the last Schools Forum the census of private early years providers was not available and numbers were estimated. At the same time, negotiations with these providers were just beginning regarding the government requirement to ensure the free entitlement is free and unconditional at all settings. We expected most of the independent schools to cease claiming free entitlement funding from September 2010.

In the event, the early years census showed additional growth causing the 2009/10 budget to overspend, and providers are finding creative ways to meet the regulations and continue to claim funding. This budget in the DSG had already been marked as a risk, and we now think it is more likely that it will overspend. As funding rates have already been announced for 2010/11 we are not able alleviate the pressure by adjusting the formula and therefore the budget should be increased by £250,000 for the growth in demand.

2. School Reorganisations contingency £100,000

The addition of 5 new reception classes from September 2010 has already been built into the ISB therefore the contingency sum was reduced from £400,000 to £200,000. However, in the event that additional funding is required to meet any unforeseen events this budget is to be increased by £100,000 from the rolled forward underspend.

3. BSF £500,000

Details of the funding requirements for BSF are elsewhere on this agenda and what is certain is that additional funding will be required further to the Government's funding of Barnet's BSF. The funding must be identified before the BSF proposals are finalised. It is proposed to earmark £500,000 of the underspend as a capital contribution to BSF.

4. SEN Placements, Therapies and Recoupmnt £145,400

The SEN budget is demand driven and the average cost and complexity of individual placements is increasing. In 2009-10 a number of agreements were reached with other local authorities over outstanding long term debtors and creditors. This resulted in a one-off underspend but with many authorities improving the speed with which agreements on funding and invoicing are made, the level of uncertainty has diminished. For 2010/11, based on all known placements, this budget is fully committed and additional funding is therefore earmarked (£145,400) for an unforeseen net increase in the numbers, cost of SEN children requiring specialist independent provision, other local authority special school provision or therapies.

The Schools Forum is asked for its views on the use of the rolled forward underspend from 2009-10.

Appendix A

Schools Budget: Outturn 2009-10

	Section 52 Description	Section 52 Budget £	Actual Spend 2009-10 £	Variance £	Variance %	Comment	Note: Movement between ISB & centrally retained £
1.0.1	Individual Schools Budget	203,952,383	205,445,162	1,492,779	0.73%	Actual spend includes funding allocated from schools specific contingencies and staff supply cover costs (see lines 1.1.2 and 1.5.7) & funding for nursery classes £612,775 (1.0.9)	1,515,284
1.0.8	Threshold and Performance Pay (Devolved)	742,588	763,905	21,317	2.87%		
1.0.9	Expenditure for Education of Children under 5s in Private/voluntary/independent settings	4,504,388	4,022,773	(481,615)	-10.69%	Claims in final term higher than predicted; £612,775 transferred to ISB to fund free education entitlement in nursery classes	(612,775)
1.1.2	School-specific contingencies	1,000,570	0	(1,000,570)	-100.00%	Of this £802,509 moved to the ISB (£198,061 unallocated)	(802,509)
1.2.1	Provision for pupils with SEN (including assigned resources)	548,760	581,577	32,817	5.98%		
1.2.2	Provision for pupils with SEN, provision not included in line 1.2.1	2,879,461	2,774,917	(104,544)	-3.63%		
1.2.3	Support for inclusion	300,750	236,901	(63,849)	-21.23%		
1.2.4	Fees for pupils at independent special schools & abroad	6,825,739	7,160,413	334,674	4.90%	Increase in complexity and cost of placements	
1.2.5	SEN transport	400,000	400,000	0	0.00%		
1.2.7	Inter-authority recoupment	2,209,230	803,196	(1,406,034)	-63.64%	One-off underspend in 2009-10 caused by reaching agreement with other local authorities over outstanding long-term debts	
1.2.8	Contribution to combined budgets	280,000	200,361	(79,639)	-28.44%		
1.3.1	Pupil Referral Units	1,553,630	1,606,217	52,587	3.38%	Additional one-off staff costs	
1.3.2	Behaviour Support Services	343,198	339,701	(3,497)	-1.02%		
1.3.3	Education out of school	414,400	376,452	(37,948)	-9.16%	Staffing underspend	
1.3.4	14-16 More practical learning options	0	140,907	140,907	n/a	Eligible costs previously funded by non schools budget	
1.3.5	Central expenditure on education of children under 5s	495,040	678,679	183,639	37.10%	Service to young children with autism previously funded by non schools budget	
1.4.2	Free school meals - eligibility	3,533	3,608	75	2.12%		
1.4.3	Milk	17,070	39,128	22,058	129.22%	Lower external grant funding	
1.5.1	Insurance	425,000	376,212	(48,788)	-11.48%	Insurance costs lower than projected	
1.5.2	Museum and Library Services	42,330	40,638	(1,692)	-4.00%		
1.5.3	School admissions	383,037	390,408	7,371	1.92%	Purchase of IT system to manage primary admissions across London & maintain waiting list	
1.5.4	Licences/subscriptions	2,858	15,639	12,781	447.20%	Eligible costs previously funded by non schools budget	
1.5.5	Miscellaneous (not more than 0.1% total of net SB)	227,825	224,769	31,707	-1.34%		
1.5.6	Servicing of schools forums	34,150	34,340	190	0.56%		
1.5.7	Staff costs - supply cover (not sickness)	100,000	0	(100,000)	-100.00%	All spend incurred in schools (ISB line 1.0.1 above)	(100,000)
1.6.2	Other Standards Fund Allocation - Non-Devolved	82,920	82,920	0	0.00%		
1.7.1	Capital Expenditure from Revenue (CERA) (Schools)	330,340	330,199	(141)	-0.04%		
1.8.1	TOTAL SCHOOLS BUDGET	228,099,200	227,069,022	(995,415)	-0.45%		0

6. 2010/11 schools budget including YPLA funding

Author Linda Parker

Position Joint Head of Finance, Children's Service

Date 10th May 2010

The Schools Forum agreed the budget for 2010-11 at the last meeting in February. This was based on estimated pupil numbers from the January censuses and these figures have not yet been confirmed by the DCSF.

However the grant funding from the Young Peoples Learning Agency (YPLA), formally the Learning and Skills Council, has been confirmed.

The YPLA grants for 2010-11 estimated in February 2010 and the final allocations are as follows:

Grant Type	Estimated February 2010 £'000	Final Allocation £'000
School 6 th Form Grant		23,037,744
Teachers Pay Grant	762,906	762,906
SEN Grant		2,774,122
Total		26,574,772

From April 2010 16-19 funding for FE and sixth form colleges will be passported from the YPLA through local authorities to the colleges. Barnet has 2 such colleges Woodhouse College and Barnet College and their funding is as follows:

	Apr 10-Mar 11
Barnet College	13,581,862
Woodhouse College	6,135,102
TOTAL	19,716,964

7. Standards Funds 2010/11	
Author	Mick Quigley and Carol Beckman
Position	Children's Service
Date	10th May 2010

Grant 1.5: One-to-one tuition in Barnet – 2010-2011

One-to-one tuition is aimed at supporting and improving pupil progress in English and mathematics. This is the second full year of funding and, similar to last year, funding for 2010-11 is ring-fenced at LA level which will enable LAs to ensure that all funding is spent appropriately and to make strategic decisions about how tuition should be targeted at pupils across the authority.

The two pupil guarantees that were due to commence in September 2010 were, at the last minute, removed from the Children, Schools and Families Bill going through Parliament. However, the funding for tuition for the next academic year, will continue.

Funding

The total grant for Barnet schools is £1,413,267 with the number of pupils in the relevant key stage identified by the DCSF accordingly:-

KS2 : 1944 KS3 : 1392 KS4 : 80 (National Challenge schools only)

Funding Options

For the 2010-2011 allocation, the Schools Forum requested that, in addition to the formula agreed last year, an alternative model be provided which did not include a basic entitlement.

In the attached papers Option A for both primary KS2 and secondary KS3 schools includes a basic entitlement whilst Option B excludes that entitlement. Only Option B is practical for KS4 National Challenge Schools.

The local authority would recommend to Schools Forum adopting **Option A** for KS2 and KS3 as this provides all relevant schools with a small element of funding and excludes larger variances, particularly for primary schools.

The DCSF has monitored the implementation of 1 to 1 tuition by the LA and complimented last year's decision to include a basic entitlement.

'Schools are aware of their tuition allocation and its associated funding which has been devolved according to a "basic entitlement" supplemented by a formula based allocation derived from progress measures. The role of the Schools Forum in agreeing this allocation is a particular strength.' DCSF Nov 2009

An allocation, based on one third of the average for Barnet Secondary schools, is proposed for JCOS which will open in September 2010 with Y7 pupils only.

Data collection and clawback of funding

Funding for one-to-one tuition is ringfenced at LA level. This means that LAs have the option of recycling funding amongst their schools to ensure the allocation is used fully. To help monitor the uptake of tuition, the DCSF has set up a one-to-one tuition data collection site to provide information on the numbers of tuition places being delivered by schools.

The DCSF will monitor where take-up of tuition places is too slow and where delivery of an LA's full allocation may be at risk. If it becomes clear that an LA will be unable to deliver all of its allocated places, the DCSF will have the option to clawback funding before the end of the financial or academic year in both 2009-10 and 2010-11 and to allocate the spare places to another LA which is able to make use of them. Any decision to claw back funding will be taken in consultation with the Head of School Improvement.

Ieuan Renowden, Special Projects Consultant

Other Standards Funds for 2010/11 announced so far:

Standards Funds 2010/11

<p>1.1 School Development Grant (includes EIC, BIP, ASTs, Specialist Schools)</p> <p>SSG School Standards Grant SSG(P) School Standards Grant (Personalisation)</p> <p>1.2 School Lunch Grant*</p> <p>1.3 Ethnic Minority Achievement Grant</p> <p>1.5 1-2-1 Tuition</p> <p>1.6 Extended Schools</p> <p>1.6a Activities Support Fund</p> <p>1.7 Primary Strategy</p> <p>1.8 Secondary Strategy</p> <p>1.9 City Challenge</p> <p>1.10 Extension to the Free Entitlement for 3 and 4 year olds</p> <p>1.13 Aimhigher</p> <p>LPA London Pay Addition</p> <p>2.8 Harnessing Technology</p> <p>2.1a Devolved Formula Capital</p>	<p>Already allocated via DCSF and local formula</p> <p>Already allocated via DCSF formula</p> <p>Already allocated via DCSF formula</p> <p>Not yet allocated. Propose that this grant is allocated in the same way as in 2009/10</p> <p>Allocated already via local formula.</p> <p>Not yet allocated. Propose that this grant is allocated via option A above.</p> <p>Allocated throughout the year via the Learning Network Boards</p> <p>Allocated already via local formula.</p> <p>Allocated throughout the year via the inspectors in Schools and Learning</p> <p>Allocated throughout the year via the inspectors in Schools and Learning</p> <p>Allocated to named schools as required by the DCSF</p> <p>Allocated in the autumn and spring terms according to the early years funding formula.</p> <p>Allocated termly to named schools as required by Aimhigher</p> <p>Already allocated via local formula</p> <p>Already allocated via local formula</p> <p>Already allocated via DCSF formula</p>
---	--

*** School Lunch Grant** Lump sum for food and labour +
Amount per pupil for food and labour +
Amount for equipment +
Amount for advice etc

KS2

	3 Yr Avg number pupils not making 2 LP in En & ma	Basic Entitlement - 12 Pupils	Share of remainder	Total Grant	Pupils			Difference between Option A and Option B	
						Allocation Share	Pupils	Funding	Pupils
						OPTION A - Basic entitlement		OPTION B - No Basic	
Akiva	1	4,964.64	905.50	5,870.14	14	1,686.10	4	4,184.03	10
All Saints' CE (N20)	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62	3
All Saints' CE (NW2)	3	4,964.64	2,716.50	7,681.14	19	5,058.31	12	2,622.83	7
Barnfield	6	4,964.64	5,433.00	10,397.64	25	10,116.62	24	281.02	1
Beis Yaakov	3	4,964.64	2,716.50	7,681.14	19	5,058.31	12	2,622.83	7
Bell Lane	10	4,964.64	9,055.00	14,019.64	34	16,861.04	41	- 2,841.40	- 7
Blessed Dominic RC	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62	3
Broadfields	19	4,964.64	17,204.50	22,169.14	54	32,035.97	77	- 9,866.83	- 23
Brookland Junior	7	4,964.64	6,338.50	11,303.14	27	11,802.72	29	- 499.59	- 2
Brunswick Park	6	4,964.64	5,433.00	10,397.64	25	10,116.62	24	281.02	1
Chalgrove	3	4,964.64	2,716.50	7,681.14	19	5,058.31	12	2,622.83	7
Childs Hill	10	4,964.64	9,055.00	14,019.64	34	16,861.04	41	- 2,841.40	- 7
Christ Church CE	1	4,964.64	905.50	5,870.14	14	1,686.10	4	4,184.03	10
Church Hill	6	4,964.64	5,433.00	10,397.64	25	10,116.62	24	281.02	1
Claremont	8	4,964.64	7,244.00	12,208.64	30	13,488.83	33	- 1,280.19	- 3
Colindale	6	4,964.64	5,433.00	10,397.64	25	10,116.62	24	281.02	1
Coppetts Wood	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62	3
Courtland	-	4,964.64	-	4,964.64	12	-	-	4,964.64	12
Cromer Road	11	4,964.64	9,960.50	14,925.14	36	18,547.14	45	- 3,622.00	- 9
Danegrove	12	4,964.64	10,866.00	15,830.64	38	20,233.24	49	- 4,402.60	- 11
Deansbrook Junior	22	4,964.64	19,921.00	24,885.64	60	37,094.28	90	- 12,208.64	- 30
Dollis Junior	24	4,964.64	21,732.00	26,696.64	65	40,466.48	98	- 13,769.85	- 33
Edgware Junior	19	4,964.64	17,204.50	22,169.14	54	32,035.97	77	- 9,866.83	- 23
Fairway	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62	3
Foulds	6	4,964.64	5,433.00	10,397.64	25	10,116.62	24	281.02	1
Frith Manor	10	4,964.64	9,055.00	14,019.64	34	16,861.04	41	- 2,841.40	- 7
Garden Suburb Junior	6	4,964.64	5,433.00	10,397.64	25	10,116.62	24	281.02	1
Goldbeaters	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62	3
Hasmonean Primary	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43	8
Hollickwood	3	4,964.64	2,716.50	7,681.14	19	5,058.31	12	2,622.83	7
Holly Park	12	4,964.64	10,866.00	15,830.64	38	20,233.24	49	- 4,402.60	- 11
Holy Trinity CE	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62	3
Independent Jewish Day	3	4,964.64	2,716.50	7,681.14	19	5,058.31	12	2,622.83	7
Livingstone	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43	8
Manorside	4	4,964.64	3,622.00	8,586.64	21	6,744.41	16	1,842.22	5

KS2

	3 Yr Avg number pupils not making 2 LP in En & ma	Basic Entitlement - 12 Pupils	Share of remainder	Total Grant	Pupils	Allocation Share	Pupils	Difference between Option A and Option B		
								Funding	Pupils	
					OPTION A - Basic entitlement		OPTION B - No Basic			
Martin	9	4,964.64	8,149.50	13,114.14	32	15,174.93	37	- 2,060.79	-	5
Mathilda Marks Kennedy	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43		8
Menorah Foundation	1	4,964.64	905.50	5,870.14	14	1,686.10	4	4,184.03		10
Menorah Primary	6	4,964.64	5,433.00	10,397.64	25	10,116.62	24	281.02		1
Monken Hadley CE	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43		8
Monkfrith	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43		8
Moss Hall Junior	10	4,964.64	9,055.00	14,019.64	34	16,861.04	41	- 2,841.40	-	7
Northside	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43		8
Osidge	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62		3
Our Lady of Lourdes RC	3	4,964.64	2,716.50	7,681.14	19	5,058.31	12	2,622.83		7
Pardes House	3	4,964.64	2,716.50	7,681.14	19	5,058.31	12	2,622.83		7
Parkfield	10	4,964.64	9,055.00	14,019.64	34	16,861.04	41	- 2,841.40	-	7
Queenswell Junior	20	4,964.64	18,110.00	23,074.64	56	33,722.07	82	- 10,647.43	-	26
Rosh Pinah	9	4,964.64	8,149.50	13,114.14	32	15,174.93	37	- 2,060.79	-	5
Sacred Heart RC	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62		3
St Agnes' RC	9	4,964.64	8,149.50	13,114.14	32	15,174.93	37	- 2,060.79	-	5
St Andrew's CE	3	4,964.64	2,716.50	7,681.14	19	5,058.31	12	2,622.83		7
St Catherine's RC	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43		8
St John's CE (N11)	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43		8
St John's CE (N20)	3	4,964.64	2,716.50	7,681.14	19	5,058.31	12	2,622.83		7
St Joseph's RC Junior	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62		3
St Mary's and St John's CE	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43		8
St Mary's CE (EN4)	4	4,964.64	3,622.00	8,586.64	21	6,744.41	16	1,842.22		5
St Mary's CE (N3)	6	4,964.64	5,433.00	10,397.64	25	10,116.62	24	281.02		1
St Paul's CE (N11)	6	4,964.64	5,433.00	10,397.64	25	10,116.62	24	281.02		1
St Paul's CE (NW7)	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43		8
St Theresa's RC	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43		8
St Vincent's RC	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62		3
Summerside	10	4,964.64	9,055.00	14,019.64	34	16,861.04	41	- 2,841.40	-	7
Sunnyfields	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62		3
The Annunciation RC Junior	7	4,964.64	6,338.50	11,303.14	27	11,802.72	29	- 499.59	-	2
The Hyde	8	4,964.64	7,244.00	12,208.64	30	13,488.83	33	- 1,280.19	-	3
The Orion	7	4,964.64	6,338.50	11,303.14	27	11,802.72	29	- 499.59	-	2
Trent CE	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43		8
Tudor	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62		3
Underhill Junior	12	4,964.64	10,866.00	15,830.64	38	20,233.24	49	- 4,402.60	-	11
Wessex Gardens	10	4,964.64	9,055.00	14,019.64	34	16,861.04	41	- 2,841.40	-	7
Whitings Hill	5	4,964.64	4,527.50	9,492.14	23	8,430.52	20	1,061.62		3
Woodcroft	9	4,964.64	8,149.50	13,114.14	32	15,174.93	37	- 2,060.79	-	5
Woodridge	2	4,964.64	1,811.00	6,775.64	16	3,372.21	8	3,403.43		8
TOTAL	477	372,347.86	431,923.52	804,271.38	1,944	804,271.38	1,944			

KS3

	Average no. of pupils not making 3 level progress in English and maths	Basic Entitlement - 12 Pupils	Share of remainder	Total Grant	Pupils	Share allocation £	Pupils	Difference between Option A and Option B	
								Funding	Pupils
		OPTION A - Basic entitlement				OPTION B - No Basic			
Ashmole School	61	4,964.64	22,261.04	27,225.68	66	26,898.76	65	326.92	1
Bishop Douglass School Finchley	89	4,964.64	32,479.23	37,443.86	91	39,245.73	95	- 1,801.87	- 4
Christ's College Finchley	52	4,964.64	18,976.63	23,941.26	58	22,930.09	55	1,011.17	3
Copthall School	76	4,964.64	27,735.07	32,699.71	79	33,513.21	81	- 813.50	- 2
East Barnet School	95	4,964.64	34,668.84	39,633.47	96	41,891.51	101	- 2,258.04	- 5
Finchley Catholic High School	62	4,964.64	22,625.98	27,590.62	67	27,339.72	66	250.89	1
Friern Barnet School	99	4,964.64	36,128.58	41,093.21	99	43,655.36	106	- 2,562.15	- 7
Hasmonean High School	30	4,964.64	10,948.05	15,912.69	38	13,228.90	32	2,683.79	6
Hendon School	86	4,964.64	31,384.42	36,349.06	88	37,922.84	92	- 1,573.78	- 4
Mill Hill County High School	73	4,964.64	26,640.26	31,604.90	76	32,190.32	78	- 585.42	- 2
Queen Elizabeth's Girls' School	69	4,964.64	25,180.52	30,145.16	73	30,426.47	74	- 281.30	- 1
Queen Elizabeth's School, Barnet	6	4,964.64	2,189.61	7,154.25	17	2,645.78	6	4,508.47	11
St James' Catholic High School	96	4,964.64	35,033.77	39,998.41	97	42,332.47	102	- 2,334.06	- 5
St Mary's CofE High School	98	4,964.64	35,763.64	40,728.28	98	43,214.40	104	- 2,486.12	- 6
St Michael's Catholic Grammar	4	4,964.64	1,459.74	6,424.38	16	1,763.85	4	4,660.53	12
The Compton School	66	4,964.64	24,085.72	29,050.36	70	29,103.58	70	- 53.22	-
The Henrietta Barnett School	1	4,964.64	364.94	5,329.57	13	440.96	1	4,888.61	12
The Ravenscroft	126	4,964.64	45,981.82	50,946.46	123	55,561.37	134	- 4,614.91	- 11
Whitefield School	94	4,964.64	34,303.90	39,268.54	95	41,450.55	100	- 2,182.01	- 5
JCOSS: 33% of average	23	4,964.64	8,393.51	13,358.15	32	10,142.16	25	3,215.99	7
TOTAL	1,306	99,292.76	476,605.26	575,898	1,392	575,898.03	1,392		

KS4

	Average of pupils not making progress in KS4	Basic Entitlement - 12 Pupils	Share of remainder	Total Grant	Pupils	Share allocation £	Pupils
Whitefield School	36					14,893.91	36
TOTAL	80					33,097.59	80

8. Consultation on Dedicated Schools Grant 2011-13	
Author	Linda Parker & Carol Beckman
Position	
Date	10th May 2010
<p>Linda Parker and Carol Beckman will deliver a presentation clarifying the DCSF's proposed elements of a new formula to calculate each local authority's Dedicated Schools Grant and plans to mainstream most specific grants (i.e. Standards Funds) into the DSG so that a response by the Schools Forum can be submitted to the DCSF. The consultation does not impact on local schools funding formulae.</p> <p>This consultation seeks views on the future distribution of school funding from 2011-12 and can be viewed using the following link: http://www.dcsf.gov.uk/consultations/index.cfm?action=consultationDetails&external=no&consultationId=1709&menu=1</p> <p>Summary proposals</p> <p>The DCSF's intention is to return to a formula based approach to distributing the Dedicated Schools Grant to local authorities. The consultation sets out the principles of a new formula and seeks views on the options for distributing funding for the formula factors.</p> <p>Work on the review of the DSG formula began in 2008 with the aim of developing a new methodology which distributes resources in line with relative need, recognising the different costs of educating particular groups of pupils and of providing education in different areas.</p> <p>The consultation document sets out the broad principles underpinning how such a formula might operate. In particular it should recognise that fairness does not mean every pupil or each area getting the same level of funding.</p> <p>The consultation builds on the pre-budget report and the document "Investing for the future, protecting the front line: school funding 2010-13" issued by the DCSF on 15 March 2010 from which the main points were:</p> <ul style="list-style-type: none"> • Reducing central DCSF costs • Protecting front line spending in schools – continuation of the minimum funding guarantee • Providing a real terms increase of 0.7% for schools over 2011-13 (equivalent to 2.7% in cash terms) • The schools increase would allow for: continuation and expansion of one-to-one tuition; maintenance of the extended services subsidy; school places for all children from the September following their 4th birthday; delivery of pupil and parent guarantees. • A pupil premium agreed locally to ensure that LA deprivation funding is passed on in full by 2014-15. • Setting schools efficiency targets of 0.9% (£650m) • 1000 more primary school bursars • Changes to funding for 14-19 diplomas to be deferred until the next review. <p>The formula for distributing the Dedicated Schools Grants to local authorities would move away from the current system which is a single funding rate per pupil to a 5 element funding formula:</p> <ul style="list-style-type: none"> • Basic entitlement (75% of the allocation) • Additional educational need (linked heavily to deprivation) • High cost pupils (low incidence, high need) • Sparsity (e.g. very rural areas where schools are small) • Area Cost Adjustment (recognising higher staffing costs in different geographical areas) <p>We do not know yet what effect the change of government will have on these proposals.</p>	

9. School Balances, DCSF guidance, Barnet Schools Outturn 2009-10	
Author	Nick Adams
Position	Schools Financial Services Manager
Date	12th May 2010

1. Introduction

This report sets out

- A summary of the latest DCSF Guidance on managing school balances
- Extracts from the guidance that are points of interest
- The outturn position of Barnet schools for 2009/10
- Procedure for possible claw-back of surplus balances.

2. DCSF Guidance for local authorities on managing school balances - Summary

This guidance was issued on 15 March 2010. The DCSF summary is as follows.

- “Whilst we will not prescribe a particular process for local authorities to follow, they should ensure that balance control is a key part of multi-year planning and in year monitoring, with school finance officers working with both school improvement and asset management colleagues, and engaging the Schools Forum and members appropriately. Local authorities and schools should take an active role in agreeing how balance control works and is defined locally.
- **It is important that the 5% and 8% thresholds are not seen as targets**, and that schools with balances over the threshold are challenged on their whole balance. **It is not the case that schools should only justify surpluses over the thresholds.** Local authorities have the power to amend their thresholds in agreement with their Schools Forum.
- **Local authorities should clearly define what counts as a committed balance**, taking into account this guidance but not restricting themselves to it where tighter local definitions are more appropriate. All committed balances, whether they are for capital projects, for planned falling rolls or a fall in funding, for accruals or committed orders, or for single status payments, should be based on sound planning and rigorous evidence. Ongoing costs should be funded on a sustainable basis and not from balances.
- Monies held for other schools, for example as part of a cluster or partnership agreement, and privately raised funds, should be accounted for separately.
- Local authorities should make allowances for unspent Standards Funds only where these are ring-fenced, specifically allocated for an academic year and/or allocated part way through the financial year. From 2011-12, we are proposing that a number of grants, including School Development Grant and School Standards Grant, will form part of DSG.
- **Clawed back funds could be spent on invest to save schemes** such as supporting the training of school business managers or pump priming federations or partnership arrangements, rather than simply be re-allocated based on pupil numbers.”

3. DCSF Guidance – main body of guidance

Much of the Guidance and recommended practice has been adopted by Barnet but points of interest are as follows. (The extracts from the DCSF document are in normal type or Bold with their numbering; *comments on Barnet policy and practice are in italics.*)

Introduction

..... Where strict local processes have been set in agreement with the Schools Forum this guidance should not be seen as advising a softening of this approach.....

Processes

3. **The use of surplus school balances should not be seen as just an issue for finance teams.....**
4. **Work on surplus balances should not be seen as just a year-end issue.** Instead, it should be integrated with multi-year school budget planning and in-year monitoring. **Schools with surpluses already above the threshold should be subject to ongoing monitoring** to ensure that approved plans to spend their balances are delivered, or the excessive surplus is otherwise clawed back.....

Thresholds

8.....**The responsibility is with schools over the thresholds to show that they have plans for their *whole balance*** – not just the part of the balance that takes the school over the threshold. **It is not the case that schools should only justify surpluses above the thresholds.** When attempting to justify excessive surpluses, the total balance must be taken into account.

9. It is important that schools understand that **the 8% and 5% thresholds are not targets** and should not be seen as acceptable or allowable levels, but the **maximum percentage which might be retained to deal with exceptional circumstances**, whether predicted or unforeseen. In practice, most primary schools should be able to manage with balances of, say, 4-5% and secondary schools with 2-3%.

Defining a “committed” Balance

10.Local authorities should take into account this guidance in ***clearly defining to their schools what they consider to be valid reasons for classing a sum as committed.....***
- *details are clearly set out in Barnet’s Scheme*

Capital

16. **We do not expect schools to use their revenue balances for capital projects**, but they are able to do so. Revenue funding should not be used for capital projects until all capital resources have been exhausted.
17. In assessing the validity of commitments, it is important that finance teams work closely with asset management colleagues, for instance to check with the relevant team that the work or project has been approved in line with the authority’s Scheme for Financing Schools.
19. **Revenue funding cannot be “converted” to capital in school accounts until it is spent.....**

Standards Fund

30. Current arrangements allowing the expenditure of Standards Funds over seventeen months have caused complications in calculating balances. The main allocations of School Development Grant (SDG) and School Standards Grant (SSG) are effectively now annual allocations known before the start of the financial year with some predictability, and are treated by most schools as part of their core budget.

31. Local authorities should make allowances for unspent Standards Funds only where these are ring-fenced, specifically allocated for an academic year and/or allocated part way through the financial year. It is legitimate for other unexpected income received late in the financial year to be treated as a valid reason for holding a surplus balance.
32. **We are proposing to move School Development Grant and School Standards Grant into the DSG from 2011-12** in order to streamline the number of grants to local authorities. This will mean that from 2011-12 these monies will be treated as part of the core budget by all schools, and any unspent monies included in balance calculations.

The Barnet Scheme has been revised to include all unspent Standards Fund grants as part of the revenue balance. Our analysis of late allocations shows that these were not significant in comparison with the size of unspent balances.

Use of clawed back funds

33. Local authorities, in consultation with their Schools Forum, should ensure that any funds clawed back are spent productively so that local and national priorities such as the standards agenda and narrowing the gap either benefit directly or by reallocation of resources through supporting efficiency measures elsewhere in the budget. Simply redistributing relatively small sums to all other schools will be of little benefit. Instead, **clawed back funds could be used to fund invest to save priorities** which can lead to greater efficiency savings and value for money in schools' spending. Examples of invest to save schemes include:

- **Energy efficiency** measures;
- Supporting the training and introduction of **school business managers**;
- **Pump priming federation and partnership** arrangements;
- Adaptations to schools enabling them to admit more pupils with **special educational needs**, avoiding expensive out of authority placements.

4. Barnet Schools Outturn 2009/10

The summary position is as follows:

Sector	Revenue			Capital			Total Balances		
	As at 31.03.10	As at 31.03.09	Increase / (decrease)	As at 31.03.10	As at 31.03.09	Increase / (decrease)	As at 31.03.10	As at 31.03.09	Increase / (decrease)
Nursery	141,303	175,472	-34,169	252,314	194,960	57,354	393,617	370,432	23,185
Primary	5,055,936	5,595,750	-539,814	2,394,558	2,057,635	336,923	7,450,494	7,653,385	-202,891
Secondary	3,022,319	4,128,642	-1,106,323	1,060,392	1,115,454	-55,062	4,082,711	5,244,096	-1,161,385
Special	359,519	365,616	-6,097	124,050	204,790	-80,740	483,569	570,406	-86,837
Total	8,579,077	10,265,480	-1,686,403	3,831,314	3,572,839	258,475	12,410,391	13,838,319	-1,427,928

Revenue balances have reduced across all sectors and overall by 16%.

Capital balances have remained largely static.

Comparison of revenue balances is as follows –

- At the end of 2008/09, 9 Primary and 1 secondary school had a deficit
- At the end of 2009/10, 5 Primary and 3 Secondary schools had a deficit; of these two were part of an agreed recovery plan.
- At the end of 2008/09, 29 schools had a revenue balance greater than the allowed level of 8 or 5%, but after review no claw-back was made.
- At the end of 2009/10, 10 schools had a revenue balance greater than the allowed level of 8 or 5%. These schools are:

Brookhill Nursery	£47,069	11%
Brookland Infant	£91,941	9%
Colindale	£163,941	9%
Deansbrook Junior	£117,079	9%
Edgware Junior	£116,699	9%
Hyde	£152,514	9%
Livingstone	£125,430	9%
Manorside	£83,693	9%
Whitings Hill	£247,166	16%
Ravenscroft	£405,866	9%

5. Procedure for possible claw-back of surplus balances.

School Forum members will recall that the Forum supported a change to the Scheme which meant unspent Standard Fund balances were to be included in the total revenue balance and not allowed to be carried forward as committed item. This change was approved by the Council and all schools formally notified of this change in January 2010. The DCSF Guidance endorses local policies to tackle the problem of high balances.

The Schools Forum also agreed a procedure whereby it would examine all cases where a school had a balance in excess of the allowed 8 or 5% against the criteria set out in the Scheme for Financing Schools and decide whether claw-back of excessive surplus revenue balances should take place.

Accordingly, in accordance with national and local policy, all of the ten schools listed above will be asked

- A) To justify the whole of their revenue balance
- B) To submit evidence in respect of specific sums
 - contractual prior year commitments
 - details of items deferred and assigned.

It is recommended that evidence for A should consist of a statement from the Headteacher, approved by the Chair of Governors of no more than 1 side of A4 (font size 12).

Evidence for B must meet the requirements of the Scheme. Evidence for the contractual prior year commitments could consist of purchase orders or contracts. Evidence of the latter could consist of some or all of the following - reports to governors, minutes of governors meetings, School Improvement Plan, 3 Year Financial Plan, Asset Management Plan.

The timetable would be as follows

- Schools are being requested to supply details as agreed to be received by the authority by 22 June 2010
- The Schools Finance Services Manager to seek clarification of any evidence or omission of evidence by 29 June 2010.

- Report and summary of each school's evidence together with officer's comments as to whether the evidences meets the criteria of the Scheme to be presented to the Schools Forum meeting on 13 July 2010.
- Schools to be informed of the decision and in the event of claw-back any sum would be deducted from the Schools Budget Share for 2010/11.

6. Recommendation

The Forum is asked to note the DCSF Guidance and the detailed procedure for deciding on the claw-back of surplus revenue balances by the Schools Forum.

10. Contract Standing Orders for Schools

Author	Nick Adams
Position	Schools Finance Services Manager
Date	12th May 2010

Under the Scheme for Financing Schools all schools must abide by Contract Standing Orders for Schools. These were last approved by the Council and issued in 2000 and thus were ripe for review and updating.

Accordingly a review has been carried out by a small group consisting of representatives from Legal, Internal Audit, the Council's Head of Corporate Procurement and the Schools Finance Services Manager. The aim of the review was to

- Update financial levels, terminology and titles of Council's officers and committees.
- Where possible simplify procedures and explanations of requirements
- Adopt current best practice for procurement

In the light of considerable changes since Contact SOs for Schools were issued it was felt better to prepare a new document rather than update the existing lengthy Standing Orders.

Accordingly a new set of Contract SOs have been prepared modelled on the Council's Contract Procedure Rules. The new document contains charts which allow easy appreciation of action required in respect of

- Authorisation and acceptance thresholds and
- Quotation and tendering thresholds.

It makes clear that schools must consult the Council's Procurement Officer in respect of high value contracts (over £156k) often affected by EU legislation, which will both offer support but also safeguard the position of schools and the Council. The new document is 15 pages as opposed to 24 pages of the existing.

The new Contract Standing Orders for Schools are attached. Existing Contract Standing Orders can be accessed on the Funding and Finance website via the following link –

<http://cms.barnet.lgfl.net/web/bgfl/funding-finance>

Details of good practice in respect of finance and procurement procedures will be included in an update section of the Financial Guide for Schools.

Recommendation: The Schools Forum are asked to consider the draft new Contract Standing Orders and comment accordingly.

Items for Information

11. Contracts Affecting Schools					
Author		Ola Yerokun (email: olaolu.yerokun@barnet.gov.uk)			
Position		Contracts Officer, Children's Service			
Date		10 th May 2010			
Contracts Expiring					
The full contracts list is now available on the Barnet Grid for Learning: http://cms.barnet.lgfl.net/web/bgfl/contractsforschools					
		Current arrangement		New arrangement	
Category	Contract	Supplier	Expiry date	Anticipated length of new contract	Contract status
Supply Contracts					
	Clinical Waste Disposal	General Business Holdings	30-Nov-10	1 year	Procurement are in discussion with provider to extend contract for another year. It will not be tendered as the threshold is below tendering level
	Kitchen Equipment	Hobart	01-Dec-10		An OGC framework agreement. OGC are currently in preparation for a tender process and due to award contract in September/ October. A mini-competition might be required by Barnet when contract has been awarded
Insurance					
	Fire and Terrorism, Balance of Perils, Personal Accident, Third Party Hirers	Zurich Municipal	30-Sep-10		The terms of these contracts will be reviewed closer to the expiration dates when decisions will be made to continue current contract or seek new quotations
	Employers Liability, Public Liability and Professional Negligence, Motor Minibus	AIG UK	30-Sep-10		

12. Early Years Funding Formula	
Author	Carol Beckman
Position	Schools Funding Manager
Date	10th May 2010

Following the decision to implement an interim formula for private providers from September 2010, Sheila Abbott and Claire Gray ran a series of workshops for small groups of PVIs during March and April to offer support and guidance on the implementation process and compliance with the Code of Practice. SA discussed the flexibility models that providers might consider, and asked each setting to agree the level of flexibility that will be offered.

Based on the flexibility models proposed by settings and the cost of the proposals on the overall quantum of Early Years funding available, the Funding team produced a 'Free Entitlement' calculator (available at <http://cms.barnet.lgfl.net/web/bgfl/funding-finance>) that has enabled both Phase 1 and Phase 2 private and maintained providers to estimate their termly funding for the 2010/11 financial year.

Although not moving onto the Early Years formula until April 2011, maintained schools and nursery schools are able to use this calculator to estimate the additional Standards Fund grant that will be paid to schools offering the extension and additional flexibility with effect from September. (Schools have received the 'basic' 12.5 hour nursery funding in their school budget share, based on their PLASC 2010 nursery pupil numbers).

SA is currently contacting those providers that have not attended any of the workshops to establish the flexibility options that they intend to offer and ensure that they are clear about any changes they may need to make to their invoicing and pricing arrangements. The Schools Funding Team is in the process of putting payment arrangements and reporting systems in place for the autumn term.

Although the same principles and main formula factors have been used for the interim formula distribution as have been proposed for full implementation in 2011/12, the Funding team will continue to review the formula and model the impact of any amendments to current proposals.

One of the major elements that will need to be considered in further detail prior to full implementation is the incorporation of a quality or qualifications supplement, and what data or information should be used in the distribution of such a formula factor. The dilemma is whether to provide an incentive to improve qualifications by giving extra funding to settings with more highly qualified staff, or to provide additional funding for lower quality settings with lower qualifications in order to help them improve.

Any changes to Early Years funding formula proposals for 2011/12 will be included as part of the wider review and consultation with schools on changes to the schools formula that will take place during the autumn term. PVI providers will be consulted on those areas which affect them.

LA officers are finalising the guidance documents and provider agreements complying with the new Code of Practice that will come into effect from September 2010. They are also in the process of piloting a basic Barnet in-house software package for invoicing that will be made available free to those schools and settings that request it. The software is likely to be available by summer half-term, and all settings will be offered training during the latter half of the summer term.

A further progress report will be provided at the next Schools Forum on 13th July 2010.