

# **Schools Forum**

**1 May 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> February 2011
4. Matters arising
  - 4.1 Actions from previous meeting
5. Items for Decision
  - 5.1. School Funding Consultation – Carol Beckman
  - 5.2. Capital working group proposal – Val White
6. Items for Consultation
  - 6.1. 2011/12 Dedicated Schools Grant provisional outturn – Kerry-Anne Smith
  - 6.2. DSG 2012/13 Draft Schools Budget – Kerry-Anne Smith
7. Items for Information
  - 7.1. DfE Financial Management Consultation – Nick Adams
8. 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 February 2012**

***(4.00 pm, Conference Room 1, NLBP)***

#### **Attended**

- Members: Tim Bowden (Head, Holy Trinity)  
Jane Chew (St Margaret's Nursery)  
Shelley Dannell (Head, Pavilion Pupil Referral Unit)  
Paul Ferrie (Head, The Totteridge Academy)  
Patricia French (Governor, St Mary's High)  
Kim Garrod (Governor, Church Hill Primary School)  
Alison Gould (substitute for Catrin Dillon (Governor, Martin Primary))  
Jenny Gridley (Head, Oakleigh)  
Gilbert Knight (Governor, Oakleigh)  
Sally Lajalati (Head, Collindale)  
Janet McIntyre (Chair, Christ Church)  
Keith Nason (NUT)  
Clare Neuberger (Head, Menorah Foundation)  
Dee Oelman (Head, St Mary's & St John's)  
Elizabeth Pearson (Governor, Livingstone)  
Angela Trigg (Principal, London Academy)  
Jeremy Turner (Head, Friern Barnet)  
Kate Webster (Head, QE Girls)
- LA Officers: Carol Beckman (School Funding Manager)  
Anisa Darr (Finance Manager, LBB)  
Claire Gray (Deputy School Funding Manager)  
Robert McCulloch-Graham (Director of Children's Service)  
Zahid Parvez (Business Consultant)  
Kerry-Anne Smith (Head of Finance Children's and Adults)  
Val White (Assistant Director, PPP)  
Stav Yiannou (BRSI Manager)
- Consultant: Geoff Boyd (Independent Consultant)
- Observers: Maggi Myland (Barnet UNISON)  
Louis Smyth (Assistant Branch Secretary of Barnet UNISON)
- Clerk: Mark Callaghan (School Resources and Support Officer)

#### **Not Present**

- Members: Jeanette Adak (Head, Monkfrith)  
Susan Convery (Head, Whitings Hill)  
Jayne Franklin (Head, Childs Hill)  
Seamus McKenna (Head, Finchley Catholic)  
Keith Murdoch (Principal, Woodhouse College)  
Helen Schmitz (Head, Cromer Road)  
Geoffrey Thompson (Head, Mill Hill High)  
Sarah Vipond (Early Years Working Group)  
Anthony Vourou (Governor, St John's N11)  
Michael Whitworth (Principal, Wren Academy)

<b>1. Welcome and apologies for absence</b>	
Apologies were received from Jeanette Adak, Cllr Andrew Harper, Seamus McKenna, Keith Murdoch, Helen Schmitz, Sarah Vipond, Anthony Vourou and Mick Quigley.	
GK advised that items 7.1 and 7.3 on the agenda will be considered prior to item 6.1 as they will inform the discussion on the schools budget.	
<b>2. Declarations of Interest</b>	
GK declared an interest in item 6.4 in his capacity as Chair of governors at Oakleigh. He advised that he will step down as Chair of the Forum for this item. JG declared an interest in item 6.4 in her capacity as headteacher at Oakleigh.	
<b>3. Minutes of previous meeting: 7 December 2011</b>	
KN advised that he was incorrectly recorded as an interim member in the membership list and questioned why he is listed as a stakeholder rather than a member. CB advised that the membership is divided into school members and stakeholder representative members, and as the Union representative he should sit in the stakeholder section.	
Janet McIntyre advised that she was incorrectly recorded as present at last meeting which she did not attend.	
<b>Action: MC to amend the membership list and minutes of the previous meeting accordingly.</b>	
<b>4. Matters arising (not occurring elsewhere on the agenda)</b>	
No issues were raised.	
<b>5. Actions from previous meeting</b>	
Item 6.2 – LA to email variations of Option Two to members sufficiently in advance of the February meeting to allow email consultation. CB advised that this had been delayed due to the Christmas break, however, the paper presented to the Forum was circulated to primary headteachers prior to the meeting. To be discussed in item 6.3 of the February meeting.	
Item 7.1 – Council Budget consultation analysis to include a breakdown of respondent groups. VW advised that the consultation has not yet been published or been submitted to cabinet, but a breakdown will be provided to the Forum in due course. VW confirmed that the consultation content picks up feedback from the consultation with headteachers around Children and Adolescent Mental Health Service (CAMHS).	
<b>6 ITEMS FOR DECISION</b>	
<b>7.3 Family Focus and Community Budget</b>	<b>Jay Mercer</b>
JM delivered a presentation to the Forum on Family Focus and the Community Budget, updating members on the presentation given last year. Item 7.3 was heard prior to item 6.2 to feed into the group's discussion on the DSG.	
The presentation highlighted that Barnet is one of the first 16 areas in the country to setup a community budget which has developed the Family Focus Programme, a combination of intervention measures for Tier Two, Three and Four families. JM explained the triangle of need and the business process for working with families. There is no fixed timescale for progression through the system, however, an average period of intensive assistance would be twelve months. One of the unique benefits of the programme is the use of Family Focus Workers who are not qualified social workers, which allows access to families traditionally reluctant to engage with Social Care.	
JM presented scores for the first cohort of families in the programme measured against the Home Office's "Resolving Chaos" index with 48 different categories. Estimated costs for the initial cohort of families without intervention were £1.65m per year.	
The intensive programme is now expanding with contributions from other community agencies targeting 54 families and 278 individuals. The key issue for success is data sharing and multi-agency governance.	
JM explained the government's new Troubled Families initiative with an estimated 705 families in Barnet	

likely to meet the intervention criteria. The local authority's role will be to verify the level of need and make planned interventions by 2015. This work will be co-ordinated by the appointment of a Troubled Families Manager. If Barnet hits the required criteria for intervention then it will receive back 40% of the investment. Schools can play a key role in this work.

It is proposed to continue to contribute the £450,000 towards this out of the DSG, which was originally for Extended Schools Co-ordinators and now equates to 4 Multi-Agency Co-ordinators. An additional £177,000 continues to be linked to the Safer Families Project intervention to prevent Domestic Violence. This totals £627,000, which it is hoped will be eligible for government match funding of 40%.

KW asked whether there are national guidelines for the proportion of investment contributed by each agency, noting that the contribution from police is small in relation to some of the other agencies. JM advised that the police were very proactive in ensuring that Community Safety grant money of £330,000 was used for this purpose. This highlights a difficulty when developing community budgets for central government initiatives as when attempting to engage local arms of organisations, it is much more difficult to persuade local managers to become involved.

RMG stated that through the Children's Trust Board the Council's growth funding totalling £1m, along with contributions from other budgets as outlined by JM, has been invested, into intervention for Tiers Two, Three and Four which has led to projected savings of more than £2m over the next two years. RMG explained that it is at the Children's Trust Board that investment levels are outlined. This is investment to provide future savings that will allow the continuation of early intervention work which would otherwise not be possible. The continuation of this work benefits schools by working with troubled families in the local community. RMG provided an example of such practical results where the intervention with one of the initial cohort families has led to three children no longer being in care, with an annual saving of £150,000.

PF requested further clarification regarding which budget lines the £627,000 investment from schools comes from. KAS explained that the £627,000 is a subset of line 1.2.8 and forms part of the £907,000 total for this line. PF asked how this compares to the contribution from the DSG last year. KAS advised that this is the same amount contributed in 2010/11. RMG added that there will be no impact to the schools budget by contributing the £627,000, but hopefully the investment will lead to future budget savings.

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

**Kerry-Anne Smith**

CB advised the group that the spreadsheets circulated and tabled at the meeting replace the budget tables in items 6.1 and 6.2 of the papers.

KAS presented the budget paper on the 2011/12 DSG to the group and advised that the updated spreadsheets contain greater detail around recoument. There are no differences in the centrally retained budget lines.

There is currently a projected underspend of £656,000, against a reported underspend of £287,000 at month six. The main variances are on the SEN lines:

- a reduction in SEN pupil costs
- increased underspend on inter-authority recoument from £46,000 at month six to £131,000 at month nine
- one-off staffing underspend of £38,000
- reduction of £17,000 through the discontinuation of FMSiS

PF noted that Forum members asked officers at this time last year for a projection of the underspend which turned out to be higher than expected, and asked whether any assurances could be given at this stage of the accuracy of the projected underspend for 2012/13. KAS advised that managers review budgets regularly to work as efficiently as possible. The large increase in the underspend from month nine to twelve in 2010/11 was due to the exercise conducted around SEN accruals. A great deal of work has been done around improving the accuracy of the budget monitoring, including benchmarking against other local authorities, and the figures presented are as accurate as possible based on current information. VW stated that the underspend at month six was an indicator and the currently projected underspend at month nine is not unexpected. The SEN budgets are heavily demand led and it is difficult to predict precisely what the levels

of need will be.

JM stated that there is a positive trend where the quality of local placements is being recognised and the money involved is being used efficiently through excellent in-borough placements. This is in part attributable to the work which has been done to educate parents in the borough of the quality of provision. JG added that she attends tribunals where Barnet's decisions are upheld to place SEN children in-borough which leads to great financial savings comparative to out-of-borough placements.

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

**Kerry-Anne Smith**

KAS presented a paper outlining the proposed schools budget for 2012/13, noting that the recoupment was based on current academy conversions and estimates on the number of schools likely to convert during 2012/13. It is expected that the AWPU rate will remain approximately the same as in 2011/12 and the centrally retained budget will reduce slightly to take into account the impact of Academies on the DSG funding.

VW updated the Forum regarding the capital funding announcements made at the end of 2011. Barnet was allocated £9.4m in basic needs funding for 2011/12, reducing to £5m in 2012/13. Funding has been allocated based on local authority submissions on capacity in schools. The information for the borough of Barnet is up to date, and there is some capacity in secondary schools, so the formula used may have been disadvantageous to Barnet. RMG advised that there has been a strong lobbying campaign led by Cllr Harper regarding the distribution of the capital as 60% of the funding was allocated to London, but there were large discrepancies around how this money was divided across the boroughs with Barnet receiving only £3.3m and some boroughs such as Redbridge receiving up to £15m. There has been an announcement of £500m capital funding for free schools and the borough will need to look at how to access this.

KAS advised that the £468,000 academies recoupment included in the proposed budget is an updated estimate of the recoupment value based on Academies converted to date and 2 others expected at the time to convert at the 1st of April 2012. There is a contingency for future academy conversions and the part year impact of those on the budget. This estimate includes part-year costs for all secondary schools not yet converted and three primary schools.

KAS explained the calculation of the centrally retained budget and the Central Expenditure Limit (CEL). GB noted that some of the activities which local authorities do on behalf of schools should be undertaken by academies as they receive the recouped funding for this.

KAS explained the impact of academy conversions and the projected reduction of the centrally retained budget by £311,904. Changes in figures presented in the tabled report in line 1.2.1 relate to updated pupil numbers for SEN. The total for line 1.2.1 is £4.4m, from which the local authority will provide support for statements at academies. There will be no redundancies as a result of the reduction in the centrally retained budget. VW advised that the cut to the centrally retained budget will be met by reductions in service provision such as the behaviour service and narrowing the gap. GB asked whether a contingency of £160,000 is still required if the impact of academy conversions results in a reduction of the centrally retained budget by £311,000. KAS advised that this is currently an estimate of academy conversions and the contingency is in place to ensure the provision of services. PF asked why the contingency has reduced from £440,000 to £160,000. KAS advised that the revised figure is based on the scenario of all secondary schools and four primary schools converting to academies by September 2012.

DO asked whether school admissions will remain a co-ordinated service. VW advised that although this is a recouped service, the local authority retains statutory responsibility for admissions. RMG advised that it is very difficult to reduce budgets like for like in response to academy conversions as this would lead to the decommissioning of services. The borough has therefore made reductions to budget lines which have more flexibility for reduction.

KN asked whether free schools have any impact on the schools budget. CB stated that this will potentially be the case as the local authority will remain responsible for children with statements in free schools, as well as any other SEN costs. This year there has been a very minimal impact as the borough currently has only



one free school.

RMG clarified that even though there has been an increase in funding due to a rise in pupil numbers, the centrally retained elements of the budget have remained the same. CB noted that the only area of the centrally retained budget which may see an increase is for statemented children in academies for which the borough retains financial responsibility. This expenditure would previously have been from the individual schools budget (ISB) which has reduced correspondingly.

PF asked why some of the budget lines where underspends are projected have the same proposed budget for 2012/13. VW advised that officers have looked into this and are conscious that there has been an underspend over three years, however, this needs to be balanced against increasing need as pupil numbers are continually raising. The SEN budget is particularly volatile and the large underspend at the end of the last year was a one-off. JM stated that the borough can not rely on the trend of having an underspend to continue. Due to the nature of SEN provision, when issues arise they may require large amounts of funding. PF stated such an underspend should be utilised by the LA to maximise outcomes for SEN children. GB pointed out the FMSiS budget on line 1.6.5 has been removed as the LA are no longer required to provide this service and it should not appear in the 2012/13 projected budget. KAS confirmed it has been removed.

VW delivered a presentation highlighting the impact of academy conversions on the CEL in relation to the delegated element of the schools budget.

RMG advised that the role of the Schools Forum is likely to continue and cabinet and the lead member are lobbying to retain it as a means of continuing a degree of local autonomy in the schools budget. It is possible that next year the Forum will be asked to consider the proportional allocation of funding across primary and secondary schools.

GK asked the Forum to vote on the proposed draft budget for 2012/13. Ten forum members voted in favour, with no abstentions and no votes against. GK advised that the vote be recorded unanimously in favour of approving the proposed budget.

RMG added that the expected variance to the 2011/12 budget outturn did not include the allocation of £170,000 in SEN funding to individuals with SEN identified today.

### **6.3 Infant Class Size Funding 2012/13**

**Carol Beckman**

CB presented a paper and summarised the amended options proposed from those discussed at the previous meeting. CB reminded the group that the options arose from concern that the borough would have a large number of classes over size, but under the trigger point which would make them financially viable. There is additional concern that such classes will receive funding for a whole year when they are likely to reduce below the maximum size early in the year. CB advised that since the paper was circulated the January census data has become available and indicators suggest that there are only likely to be 12 or 14 classes eligible for the funding for infant class size.

KN noted from a union perspective that it is important not to encourage the use of unqualified teachers when taking qualifying measures.

TB raised concern that there is quite a contrast between the £40,000 proposed in the options at the previous meeting and the £3,500 proposed in the current paper. CB stated that the £3,500 would be for pre-qualifying measures as it is unlikely that classes will remain over size for more than five months. The aim is to find a logical amount of money which reflects the cost to schools.

KG asked what will happen if there are still 31 children in the class in September. CB advised that under the proposal the school would receive no additional funding. In reality it is unlikely that this will happen. CN stated that although this is unlikely, it would make a great difference to a school in terms of costs if they had to employ an additional teacher for twelve months with only £3,500 additional funding.

CB advised the group that the intention of the proposal is to find a resolution which least impacts on the DSG and invited discussion around varying the options put forward with estimates of the actual costs involved. An

additional difficulty is that the pupil numbers for September are based on a snapshot from the previous January census.

CB asked Forum members what the practice is in schools when this situation arises. The group consensus was that qualifying measures are not usually taken until they are legally required to employ an additional teacher.

TB suggested that it should be based on a M1 salary allocated in proportion to the number of months the teacher is in place. CB advised that if this was the case then there would need to be an application process with a procedure to establish who are the eligible children. VW noted that it would be necessary to prove that it was a particular child who triggered the measure. Additionally this would have to consist of a contingency fund which would further affect the ratio of the CEL.

JM noted that any procedure agreed at the meeting would only be for the financial year 2012/13 as the new admissions code states that a child over number is excepted for the whole of their infant schooling. There are two options available to the group: to leave the current system in place for 2012/13 or ask the local authority for a further proposal. CB reminded the Forum that pupil data indicates that this will not be the problem that officers initially thought.

Forum members agreed that the original proposal of £40,000 is too high and it should be reduced and extended to a greater number of schools.

JM proposed making the allocation 7/12 of an M1 salary plus on-costs for all schools who have classes over number. CG estimated that this would be approximately £17,500.

GK asked the forum to vote on the proposal put forward of 7/12 of an M1 salary plus on-costs for schools with infant class sizes of more than 30. The AWPU for those on roll should not reduce this amount.

Eleven forum members voted in favour, with no abstentions and no votes against. GK advised that the vote be recorded unanimously in favour of approving the proposed budget.

CB explained the proposal for bulge classed to the forum noting that it would be based on the same principle of a fully qualified teacher and for a whole year. KN asked how many bulge classes this would apply to. CB said about a dozen.

GK asked the Forum to vote on the proposal for bulge class funding for 2012/13. Forum members voted unanimously in favour of the proposal.

#### **6.4 Oakleigh Invest to Save Proposal**

**Val White**

PF assumed Chair of the Forum to allow GK and JG to withdraw from the discussion following their statement of declared interest.

VW explained that the proposal is a response to the pressure on SEN and primary places. The local authority has been working with the special school to increase in-house provision to create 21 more places. Plans included the construction of a portacabin at Oakleigh which was postponed last year due to a tree falling on site. VW acknowledged the assistance provided by Mapledown and Colindale schools to absorb extra places in response.

VW outlined the three options in the proposal, stating the local authority's preference is to invest in three additional classrooms to resolve pressure on places. The preferred proposal involved contributing a maximum of £440,000 from the underspend from 2011/12. In return this would reduce the need for expensive out of borough provision.

KN asked what would happen if the council is unable to bridge the gap in funding, and whether schools could contribute the same amount towards option two. VW advised that she has received confirmation that the council will bridge the gap.

PF asked Forum members to vote on the proposal to contribute £440,000 towards option three. Forum members voted unanimously in favour of the proposal.

<b>7 ITEMS FOR INFORMATION</b>	
<b>7.1 Funding Settlement 2012/13</b>	<b>Kerry-Anne Smith</b>
Discussed in item 6.2.	
<b>7.2 Children's Centre Funding Formula</b>	<b>Zahid and Stav</b>
<p>JM introduced Stav Yiannou and Zahid Parvez to the Forum.</p> <p>SY provided a summary of the consultation which took place last year that led to a reduction in the number of children's centres and the subsequent financial impact on schools. Last year saw a process of consultation which led to reduction in children's centres. It is no longer required to offer childcare at children's centres, and Barnet intends to offer cost neutral childcare at Children's Centres. The requirement for a qualified teacher at Children's Centres would require the continued contribution from the DSG.</p> <p>ZP explained that the view of the coalition government is that children's centres should meet the needs of the most deprived children and families, and therefore proposed shifting the funding towards the requirements of the local community. In so doing the aim is to remove the existing subsidy for centres with childcare, and to redistribute this to community work. The effect will be a reduction in funding of 10 – 15% on average for centres with child care. A transition plan has been put together to move towards cost neutral childcare.</p> <p>SY noted that children will still have access to the two, three or four year old free entitlement, and support for vulnerable children who require addition assistance above this will continue.</p> <p>EP requested clarification regarding payment by results referred to in point three. ZP advised that there is a trial taking place with 30 local authorities looking into a potential measure to reward Children's Centres around school and parent readiness. Barnet is proposing a SLA with an element for results for the 2012/13 financial year.</p> <p>SY noted that the increased access to children's centres reflects positive measures taken by headteachers.</p> <p>JM advised that a public consultation will be launched in due course.</p>	
<b>7.3 Family Focus and Community Budget</b>	<b>Jay Mercer</b>
Discussed prior to item 6.1	
<b>8 ANY OTHER BUSINESS</b>	
<b>8.1</b>	
<p>RMG tabled a paper presenting results of the early intervention work conducted with the initial cohort of families referred to in JM's presentation in item 7.3.</p> <p>RMG thanked all school headteachers and governors who took part in the recent Ofsted inspection. Informal results will be available on 2 February and formal results will be released in three weeks time.</p> <p>Meeting closed: 6:10pm.</p>	

**Dates for future meetings**

1 May 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

KN advised that he was incorrectly recorded as an interim member in the membership list and questioned why he is listed as a stakeholder rather than a member. **Action: MC to amend the membership list and minutes of the previous meeting accordingly.**

## 5. ITEMS FOR DECISION

### Item 5.1 School Funding Consultation

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

**School funding reform: Next steps towards a fairer system  
Consultation and operational guidance from the DfE  
(received 26 March 2012, response deadline Monday 21 May 2012)**

The Department for Education has issued a consultation document setting out the funding arrangements for 2013/14 and 2014/15. Although a consultation document, it contains 'firm intentions' and the invitation is to respond to 13 questions about some of the finer points. Therefore we need to:

- 1) Respond to the consultation
- 2) Begin to prepare for the main thrust of the proposals.

Below are set out the key highlights of the proposals. A link to the full document can be found at the end of this item.

#### **Government proposals**

Overall, the responses to the earlier consultation in July 2011 seem to have been heard. Despite the government's conviction that the current system is inequitable, too complex and inconsistent, there is recognition that local discretion should continue for longer and that schools need stability. The Dedicated Schools Grant (DSG) will continue, ring fenced for education, until the next spending review. It will be calculated in the same way as now with a flat cash settlement for both years. The difference is that it will have three (non ring fenced) blocks – Schools, Early Years and High Needs Pupils.

The DSG will be based on the October school census (not January) and finalised in December, although the Early Years block will be an estimate as it will continue to be based on January data. This earlier allocation will mean schools receive their budget shares by the third week in January. The National Funding Formula for schools, expected for 2013/14 has been deferred until after 2014/15, partly because the consultation responses in July 2011 urged caution and sensitivity in the move from current arrangements. The next two years are a preparation period during which all primary and secondary schools (maintained, academies, free schools etc) will be funded in the same way, but still following the local funding formula each year.

**Allowable factors:** Local funding formulae for Reception to Year 11 must be simplified with the number of allowable factors reduced from 37 to 10. In fact they will reduce to three parts – a small lump sum, a per pupil amount (AWPU) and deprivation / additional need factors. The only premises factors allowed are business rates (NNDR) and split sites.

In Barnet we started the simplification process last year and the changes will not be as difficult as in some authorities, but we will need a major consultation with schools and the Schools Forum in the coming summer term as the new formula must be submitted to the Education Funding Agency (EFA, formerly YPLA) on a standard pro-forma by the end of October 2012.

There appears to be no way of targeting funding at underachieving groups or school specific circumstances so particular areas which will concern Barnet schools are funding for Excellence in Clusters (EIC), Newly Qualified Teachers (NQTs), Advanced Skills Teachers (ASTs), Ethnic Minority Achievement, swimming pools, internal and external areas, and caretaker's rent and council tax.

**AWPU:** Only one AWPU rate will be allowed for primaries (Reception to Year 6) and one, or maybe two for secondaries (Years 7-11), however, there will be no requirement for a fixed ratio between primary and secondary rates.

**Minimum Funding Guarantee:** Schools will continue to be protected by the Minimum Funding Guarantee (MFG) at the rate of -1.5% for 2013/14 and 2014/15. The MFG itself is to be simplified. There may be a need for a maximum funding cap if some schools benefit particularly highly in comparison to other schools.

**Delegation:** From April 2013 the whole of the Schools Block is to be delegated to schools, including those elements which were formerly in the centrally retained area of Section 251 (S251) but excluding those which will become part of the High Needs pupil block. However, with the agreement of the Schools Forum and individual schools the cost of those activities which they wish to continue to be run centrally (e.g. contingencies, behaviour support, insurance) can be top sliced from their funding. This means that there will be no further need for the Local Authority Central Spend Equivalent Grant (LACSEG).

In comparison to many authorities, Barnet has already delegated as much as possible to schools so this should not pose a particular problem, but the Schools Forum may take a different view.

**Sixth form:** Sixth form funding in mainstream schools is not covered in the consultation but the assumption seems to be that arrangements (if not the funding formula) remain the same.

**Early years:** Little change is planned for the Early Years block but there is no mention of how Nursery schools should be funded. At present they (and to some extent nursery classes) receive more favourable funding than private providers, and this issue will now have to be addressed. The current 90% top-up for 3 year olds in the DSG will be phased out over two years. In 2011/12 this was worth £256,000 to Barnet.

The consultation suggests that small schools with financial difficulties should consider federation, merger or joining a chain of academies.

**High needs pupils:** Major changes are planned for high needs pupils. Special schools will not have formula funding but, in line with all specialist providers, including additional resourced provision (ARPs) and alternative provision (AP), they will receive £10,000 (£8000 for AP) per place, plus a top-up linked to individual children on roll.

Pupils will be placed at special schools, ARPs and AP by commissioners who will be local authorities (or schools in the case of the Pupil Referral Unit (PRU)) and top-up payments will be made directly between the commissioner and the provider. This means that inter-authority recoupment will end as providers will be collecting their own top-ups. The system will be called "Place Plus" and arrangements will have to be put in place at schools to invoice and monitor income.

There will be funding protection for special schools, rather like the MFG and PRUs will have delegated budgets for the first time.

The intention is that there will be a clear local offer for high needs pupils and there should be no perverse incentives to place a child at a particular setting, because the cost should be the same wherever they are placed. This raises questions about relative costs at maintained and private providers. It is not clear if Barnet could have priority as a commissioner of places in Barnet special schools and ARPs – especially those in academies. This will simplify the process in some ways, but introduces a great deal of change over a very short period. Special schools and ARPs will be very concerned and the 'cost' of every child with high needs will need to be individually assessed. The High Needs block will cover support for all young people from birth to 25. The size of the block in 2013/14 will be based on planned expenditure from the 2012/13 S251. However, this may not be enough to cover the whole age range if current budgets only cover age 3-19.

The SEN team in the Children's Service will no doubt have many more points to make about the changes affecting high needs pupils.

**Schools Forum:** Schools Forum regulations will be amended so that decisions on funding are taken only by those members directly affected. The EFA will have observer status in line with their new role in overseeing and 'policing' the funding system.

A recent DfE review of Schools Forums suggested that in some local authorities, Schools Forums are not effective enough, but it is believed that Barnet's came out well and only minor changes will be needed when new regulations are released.

**Pupil Premium:** The Pupil Premium will continue as now but in the long term would become an integral part of the national funding formula. One problem looming is that the introduction of the Universal Credit to the benefits system will remove the current criteria for free school meal eligibility. The government will need to find a new way of identifying eligible pupils.

### **Preparing for 2013/14**

Alongside responding to the government consultation, we need to begin to prepare for the new arrangements that need to be in place for 2012/14. This will require an initial phase of briefings and consultations. We are proposing an additional Schools Forum meeting on the 12<sup>th</sup> June to receive and approve proposals to go forward for formal consultation with all schools before the end of the summer term. We are required to submit details of our revised funding formula to the Department for Education by the end of October. A proposed timetable to achieve this deadline is set out below:

### **Proposed timetable:**

Schools Forum	1 <sup>st</sup> May 2012
School briefings	9 <sup>th</sup> May 2012
Consultation deadline	21 <sup>st</sup> May 2012
Schools Forum (Extra)	12 <sup>th</sup> June 2012
Consultation with Schools on new funding formula	20 <sup>th</sup> June – 20 <sup>th</sup> July
End of summer term	20 <sup>th</sup> July 2012
Schools Forum	12 <sup>th</sup> July 2012
October census	4 <sup>th</sup> October 2012
Schools Forum	8 <sup>th</sup> October 2012
Submission of new formula	31 <sup>st</sup> October 2012
Schools Forum	4 <sup>th</sup> December 2012
January census	17 <sup>th</sup> January 2013
Release 2013/14 budget shares	18 <sup>th</sup> January 2013

### **Full documents are available at:**

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/a00205567/school-funding-reform-and-arrangements-for-2013-14>

### **Recommendation:**

- 1) to agree the proposed Barnet response to the consultation or to decide to make a separate Schools Forum submission
- 2) to agree the proposed timetable including the additional Schools Forum meeting on the 12<sup>th</sup> June 2012

## Item 5.2 Capital Working Group Proposal

**Author** Val White

**Position** Assistant Director, Children's Service

### Capital programme and school organisation

This item updates the Schools Forum on the capital programme and proposes a new sub-group of the Forum for consultation on capital programme and school organisation issues.

#### Capital programme

As outlined to the Schools Forum in February, Barnet received an allocation of £4.9m for Modernisation funding in 2012/13. Based on survey and condition data, this allocation of funding has now been programmed over a range of projects e.g. to replace windows, roofs, kitchens, electrical and mechanical systems. Barnet also received a further allocation of Basic Need funding to expand provision and has recently benefited from a further £4.1m Basic Need grant as part of the £600m 'one off' in year government allocation. This money, together with monies from council borrowing, section 106 monies and previous and future years basic need allocation is funding a programme of temporary and permanent expansions at primary and secondary level as set out in Appendix A. The level of demand for reception places continues to grow and for September 2013, at least an additional 15 classes are being provided. This may still not be sufficient. The position in London has now reached crisis levels and Barnet is working with other London boroughs to lobby for additional capital funding.

#### Capital and school organisation/place planning Group

Previously, a Schools Capital Group has acted as a consultation forum for the capital programme. However, the number of capital funding streams has now reduced and this group has not met for some time. The main focus for all new capital investment is to meet the growth in pupil numbers and new sources of capital investment are primarily being driven by school organisational issues. In view of this, it is proposed to convene a new group – Capital and Place Planning group (CAPP) to act as a consultation forum on both capital investment and on school organisation and place planning issues. Unlike the previous group, it is proposed that this new group would be constituted as a sub-group of the Forum with the following terms of reference:

**Terms of Reference:** The group's general responsibilities and functions would be to:

- receive updates on pupil places and pressures
- act as a consultation forum on capital investment
- act as a consultation forum on school catchment changes and strategic admissions issues

The day-to-day responsibility for these issues is overseen by an internal officer School Organisation and Place Planning group. This group would support the work of the CAPP.

**Structure and Governance:** The proposed membership of the CAPP is as set out in the Appendix C. It is proposed to have 5 primary headteachers reps (to allow for availability and to reflect the current demand on primary school places) and two secondary headteacher representatives and one special school representative. It is proposed to have a 'link' member nominated by the Schools Forum. The CAPP will be chaired by an Assistant Director from Barnet Children's Service. Members are able to delegate a deputy of suitable authority if they are unable to attend, by agreement with the chair.

The CAPP will be a sub-group of the School's Forum. The CAPP will update members of the School's Forum as appropriate.

**Meetings:** Meetings will be twice termly and dates for each year will be set in advance. The Local Authority will support the meeting; arranging dates and minutes etc.

**Roles and responsibilities of group members:** All members of the group are required to agree to undertake the following:



- Attendance at all meetings (or a replacement representative). Attendance at meetings will be subject to regular review
- The council will be responsible for an effective two-way communication system whereby the decisions and aims of the forum are disseminated to other heads in the borough and where relevant organisational issues from members' own agencies are communicated to the forum.
- The council will provide financial support to the group as and when required
- Act as a consultative group on strategic issues to members of the internal School Organisation and Place Planning Group

**Annual review:** The terms of reference and membership will be the subject of annual review to take account of local changes and developments.

**Recommendation:**

- To note the capital programme for 2012/13
- To approve the establishment of the sub-group Capital and Place Planning Group
- To nominate a member of the Forum to attend the Capital and Place Planning Group as a link member

**APPENDIX A: Expansion activity**

	<b>Temporary additional capacity for Sept 2012 (including schools that may become permanent in 2013)</b>	<b>Permanent additional capacity Sept 2012</b>	<b>Proposed additional permanent capacity from Sept 2013 and beyond, subject to consultation etc</b>
Primary	Brunswick Park Orion Blessed Dominic St Mary's and St John's Beis Yaakov Deansbrook Infants Moss Hall Infants Martin St Theresa's Underhill St Catherine's Coppetts Wood Summerside Queenswell (TBC)	Broadfields Rimon Free School	Brunswick Park Moss Hall Menorah Foundation Martin St Mary's and St John's Orion Blessed Dominic
Secondary		Compton London Academy	Christ's College (2013) Cophall (2014)
Special			Oakleigh Oak Lodge (TBC)

**APPENDIX B: PROPOSED MEMBERSHIP OF CAPITAL AND PLACE PLANNING GROUP**

<b>Organisation</b>	<b>Name</b>	<b>Role</b>
LB Barnet Chair	Mick Quigley	Assistant Director Schools and Learning
LB Barnet	Val White	Assistant Director Policy, Performance and Planning
LB Barnet	Alison Dawes	Head of Admissions
LB Barnet	Elaine Tuck	Strategy and Planning Manager
Primary	Alison Anscomb	Head teacher Claremont
Primary	Katie Dawbarn	Head teacher Wessex Gardens
Primary	John Maxwell	Head teacher Holly Park
Primary	Debbie Metcalf	Head teacher Danegrove
Primary	Tim Bowden	Head teacher Holy Trinity CE
Secondary	TBC	
Secondary	TBC	
Special	TBC	
School Forum link rep		

## 6. ITEMS FOR CONSULTATION

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

<b>Author</b>	<b>Kerry-Anne Smith</b>
<b>Position</b>	<b>Head of Finance (Children and Adults)</b>

#### Introduction

The purpose of this report is to inform the Schools Forum about the projected outturn of the centrally retained schools budget. Provisional Outturn was reported to the council's Cabinet Resources Committee on 4<sup>th</sup> April 2012.

#### 2011/12 Budget and Projected Spend

The Schools Budget and the use of the carry-forward under spend of £2.35m from 2010/11 was approved by the Schools Forum on 14<sup>th</sup> July 2011. At the Schools Forum 1<sup>st</sup> February, month 9 forecast and current budget were noted.

Officers of the council have provided provisional outturn figures against each of the centrally retained budgets and these figures were calculated as at the end of February 2012.

The overall position is an underspend of £549,000 against the Schools Budget based on known costs to date. Month 9 reported an underspend of £656,000. The figures are shown in the attached table.

#### Main Variances against the Budget:

1. SEN pupil costs underspend of £103,000 (Month 9 - £177,000). There was a net decrease in leavers and starters in the new academic year.
2. One-off saving in the support for inclusion team due to a delay in recruitment £33,000.
3. Lower levels of exceptional payments for SEN places than previous years creating an underspend of £260,000.
4. Inter-authority recoupment underspend of £98,000 (Month 9 - £131,000). Barnet charges other Local Authorities for Children placed in Barnet schools and other LAs charge Barnet for our children. This year there are less children out of Borough.
5. One-off staffing underspend of £38,000 due to the restructure and changes to provision of out of school education provision.
6. FMSiS is no longer being used in schools and this funding is not required in this year and will be a saving next year £17,000.

#### Other Items:

The council is currently in the process of closing the 2011/12 accounts and expect to have final outturn in approximately the middle of May 2012. This will be reported at the next available Schools Forum meeting.

#### Recommendation:

The Forum notes the budget outturn projections for 2011/12 and agrees to receive the final outturn figures which should be available for the next meeting.

#### Previous reports to the Forum:

- 14<sup>th</sup> July 2011 agreed the budget for 2011/12,
- 7<sup>th</sup> December 2011 and 1<sup>st</sup> February 2012 noted the budget and projected outturn.

	Schools Forum Feb 2012	Schools Forum May 2012	2011/12 Provisional Outturn	2011/12 Variance	Comments
<b>SCHOOLS BUDGET INCOME</b>	<b>Budget</b>	<b>Budget</b>	<b>Forecast</b>		
<b>Pupils</b>	<b>44,746</b>	<b>44,746</b>	<b>44,746</b>	<b>0</b>	<b>Final pupil numbers</b>
<b>DSG</b>	<b>252,450,000</b>	<b>252,450,000</b>	<b>252,450,000</b>	<b>0</b>	
Recoupment - from ISB	(42,030,969)	(42,030,969)	(42,030,969)	0	
Recoupment - LACSEG					
<b>Recoupment (Budget Shares &amp; LACSEG)</b>	<b>(42,030,969)</b>	<b>(42,030,969)</b>	<b>(42,030,969)</b>	<b>0</b>	
YPLA	19,115,470	19,115,470	19,115,470	0	
YPLA SEN	2,773,085	2,773,085	2,773,085	0	
TPG	572,180	572,180	572,180	0	
Bursaries	218,120	218,120	218,120	0	
YPLA reduction for Academies (in year)	(6,533,768)	(6,533,768)	(6,533,768)	0	
<b>Total YPLA</b>	<b>16,145,087</b>	<b>16,145,087</b>	<b>16,145,087</b>	<b>0</b>	
Underspend	2,350,000	2,350,000	2,350,000	0	
			0		
PP Free School Meals	3,910,344	3,910,344	3,910,344	0	
PP Non maintained	0	0	0	0	
PP LAC	87,840	87,840	87,840	0	
PP Service Children	8,200	8,200	8,200	0	
PP FSM & SC reduced for Academies	(392,085)	(392,085)	(392,085)	0	
<b>Pupil Premium</b>	<b>3,614,299</b>	<b>3,614,299</b>	<b>3,614,299</b>	<b>0</b>	
<b>Total Income</b>	<b>232,528,417</b>	<b>232,528,417</b>	<b>232,528,417</b>	<b>0</b>	

		Schools Forum Feb 2012	Schools Forum May 2012	2011/12 Provisional Outturn	2011/12 Variance	Comments
<b>SCHOOLS BUDGET EXPENDITURE</b>		<b>Budget</b>	<b>Budget</b>	<b>Forecast</b>		
1.0.1	Individual Schools Budget	254,057,531	254,057,531	254,057,531	0	
	LESS Academies Recoupment	(48,364,058)	(48,364,058)	(48,364,058)	0	
	Less Academies Statements			0	0	
1.0.1	ISB Net (i.e. Maintained schools and delegated to Academies)	<b>205,693,473</b>	<b>205,693,473</b>	<b>205,693,473</b>	<b>0</b>	
1.0.3	Pupil Premium - maintained schools FSM & SC	3,526,459	3,526,459	3,526,459	0	
	Pupil Premium - LAC	87,840	87,840	87,840	0	
1.0.3	Total Pupil Premium	<b>3,614,299</b>	<b>3,614,299</b>	<b>3,614,299</b>	<b>0</b>	
1.0.4	Threshold and Performance Pay (Devolved)			0	0	
	<b>Distributed to maintained schools and settings</b>	<b>209,307,772</b>	<b>209,307,772</b>	<b>209,307,772</b>	<b>0</b>	
	<b>Centrally retained</b>					
<b>1.0.5</b>	<b>Central expenditure on education of children under 5</b>	<b>840,030</b>	<b>840,030</b>	<b>840,030</b>	<b>0</b>	
1.1.2	School specific contingencies				0	
	Statements	400,000	400,000	400,000	0	
	Special & Resourced Schools	250,000	250,000	250,000	0	
	SEN Contingency	123,000	123,000	123,000	0	
	School Organisation	300,000	300,000	300,000	0	
	LACSEG	168,447	168,447	168,447	0	
	Pupil Premium	10,000	10,000	10,000	0	
<b>1.1.2</b>	<b>Total Contingencies</b>	<b>1,251,447</b>	<b>1,251,447</b>	<b>1,251,447</b>	<b>0</b>	
1.1.3	Early Years contingency	200,000	200,000	200,000	0	
	<b>Total School Contingencies</b>	<b>1,451,447</b>	<b>1,451,447</b>	<b>1,451,447</b>	<b>0</b>	
1.2.1	Provision for pupils with SEN (including assigned resources)	2,390,149	2,390,149	2,287,149	(103,000)	Underspend on SEN pupil costs
1.2.2	SEN support services	494,035	494,035	494,035	0	
1.2.3	Support for inclusion	489,700	489,700	456,700	(33,000)	One off underspend due to delays in recruitment
1.2.4	Fees for pupils with SEN at independent special schools & abroad	7,806,458	7,806,458	7,546,458	(260,000)	Lower levels of exception SEN spend than previous year
1.2.5	SEN transport	400,000	400,000	400,000	0	

		Schools Forum Feb 2012	Schools Forum May 2012	2011/12 Provisional Outturn	2011/12 Variance	Comments
	<b>SCHOOLS BUDGET EXPENDITURE</b>	<b>Budget</b>	<b>Budget</b>	<b>Forecast</b>		
1.2.6	Fees to independent schools for pupils without SEN	76,575	76,575	76,575	0	
1.2.7	Interauthority recoupment	2,304,860	2,304,860	2,206,860	(98,000)	Recharges to other LA higher than expected
1.2.8	Contribution to combined budgets	907,460	907,460	907,460	0	
1.3.1	Pupil Referral Units	1,815,335	1,815,335	1,815,335	0	
1.3.2	Behaviour Support Services	237,730	237,730	237,730	0	
1.3.3	Education out of school	537,971	537,971	537,971	0	
1.3.4	14-16 More practical learning options	64,000	64,000	64,000	0	
1.4.1	Support to underperforming ethnic minority groups and bilingual learners	281,580	281,580	281,580	0	
1.5.1	School meals - nursery, primary and special schools	0	0	0	0	
1.5.2	Free school meals eligibility	3,568	3,568	3,568	0	
1.5.3	Milk	0	0	0	0	
1.5.4	School kitchens repair and maintenance	0	0	0	0	
1.6.1	Insurance	415,226	415,226	415,226	0	
1.6.2	Museum and Library Services	32,753	32,753	32,753	0	
1.6.3	School admissions	394,192	394,192	356,192	(38,000)	Operational cost savings
1.6.4	Licences/subscriptions	0	0		0	
1.6.5	Miscellaneous (not more than 0.1% total of net SB)	211,580	211,580	194,580	(17,000)	FMSiS Costs no longer required
1.6.6	Servicing of schools forums	34,680	34,680	34,680	0	
1.6.7	Staff costs supply cover (not sickness)	155,620	155,620	155,620	0	
1.6.8	Supply cover long term sickness	0	0		0	
1.6.9	Termination of employment costs	0	0		0	
1.6.10	Purchase of carbon reduction commitment allowances	351,656	351,656	351,656	0	
1.7.1	Other Specific Grants	0	0		0	
1.8.1	Capital Expenditure from Revenue (CERA) (Schools)	1,524,040	1,524,040	1,524,040	0	
1.8.2	Prudential borrowing costs	0	0	0	0	
1.2.1 - 1.8.2	<b>Subtotal other Centrally Retained</b>	<b>20,929,168</b>	<b>20,929,168</b>	<b>20,380,168</b>	<b>(549,000)</b>	
	<b>Total Centrally Retained Budget</b>	<b>23,220,645</b>	<b>23,220,645</b>	<b>22,671,645</b>	<b>(549,000)</b>	
	<b>TOTAL EXPENDITURE</b>	<b>232,528,417</b>	<b>232,528,417</b>	<b>231,979,417</b>	<b>(549,000)</b>	

## Item 6.2 2012/13 Proposed Schools Budget

**Author** Kerry-Anne Smith

**Position** Head of Finance (Children and Adults)

### Introduction

The purpose of this item is to report the current Schools Budget for 2012/13 as reflected in the Section 251 submission made by the Local Authority to the DfE and seek approval from the Schools Forum for some small adjustments.

A draft budget was submitted and agreed at the Schools Forum 1<sup>st</sup> February 2012. Since then original school budget shares have been calculated, 6<sup>th</sup> form funding has been announced and proposed changes due in the schools funding reform consultation have necessitated some changes. The changes are detailed below.

### 2012/13 Budget Proposal

#### Centrally Retained

The main changes required since the 1<sup>st</sup> February draft are for the announcement of the YPLA (now EFA) 6<sup>th</sup> form funding, the schools funding reform consultation and the reduced estimate of this year's LACSEG recoupment value.

The first draft of the budget reported the retained budgets as either having stayed the same as the 2011/12 budget or being reduced. Due to the changes lines 1.1.2 (contingencies), 1.2.1 (SEN) and 1.6.10 (CRC) have needed adjustment.

YPLA funding was announced 30<sup>th</sup> March 2012 and has been amended in the s251 statement.

The schools funding reform consultation has stated there are lines within the s251 that cannot be increased in 2013/14 from the s251 2012/13 budget submission. One of these lines is the Carbon Reduction Commitment (CRC). In previous years this has been part funded by the DSG underspend. This is an unsustainable position for the Local Authority due to the uncertainty of the regulations. We propose to increase the funding from the main DSG grant by £100k.

LACSEG recoupment estimate has reduced from £461k to £143k due to announcements that certain lines will not be recouped. Part of this will fund the above CRC additional budget and the remaining has been added to the contingencies.

#### Contingencies

Guidance has been issued that SEN contingencies fall within the categories which exclude them from the LACSEG recoupment for Academies and we therefore have removed them from 1.2.1 back to the contingency line 1.1.2.

#### Other Items

- Pupil Premium is included in the Schools budget and has been added in with no effect on any other budgets as income balances to expenditure.
- Academy SEN payments. The council still has the responsibility to make payments for SEN to academies and is now reported in the centrally retained line in 1.2.1. In 2011/12 it was shown in the ISB.

#### Recommendation

To approve adjustments to the draft budget for 2012 /13 in the knowledge that it is likely to further change due to academy conversions and any underspend. In consequence of Academy conversions, the draft budget as proposed will breach the CEL in 2012/13.

	Schools Forum 1st Feb 2012 (from papers) Budget12/13	Adjustments	Schools Forum 1st May 2012 Budget12/13	Comments
<b>SCHOOLS BUDGET INCOME</b>				
<b>Pupils</b>	<b>45,778</b>	<b>0</b>	<b>45,778</b>	
GUF Per Pupil £5,641.85				
<b>DSG</b>	<b>258,277,852</b>	<b>4</b>	<b>258,277,856</b>	
Recoupment - from ISB	(64,546,484)	7,811,530	(56,734,954)	Includes only academies which converted before 1/4/12
Recoupment - LACSEG	(461,288)	323,386	(137,902)	LACSEG regulations have changed since initial estimate
<b>Recoupment (Budget Shares &amp; LACSEG)</b>	<b>(65,007,772)</b>	<b>8,134,916</b>	<b>(56,872,856)</b>	
YPLA (EFA) - 6th forms	6,110,652	2,420,948	8,531,600	8 mainstream secondaries (including bursaries)
YPLA (EFA) SEN	2,773,085	13,619	2,786,704	Revised 30/3/12
YPLA (EFA) Teachers Pay Grant	185,224	196,229	381,453	Revised 30/3/12
Bursaries	76,950	(71,896)	5,054	Non mainstream schools
YPLA (EFA) reduction for Academies (in year)				
<b>Total YPLA (EFA)</b>	<b>9,145,911</b>	<b>2,558,900</b>	<b>11,704,811</b>	YPLA (EFA) 6th forms as at 30/3/12
Underspend	0			
Pupil Premium allocated to Schools	0	5,495,500	5,495,500	
Pupil Premium managed Centrally	0	64,481	64,481	
<b>Pupil Premium</b>	<b>0</b>	<b>5,559,981</b>	<b>5,559,981</b>	
<b>Total Income</b>	<b>202,415,991</b>	<b>16,253,801</b>	<b>218,669,792</b>	



		Schools Forum 1st Feb 2012 (from papers) Budget12/13	Adjustments	Schools Forum 1st May 2012 Budget12/13	Comments
<b>SCHOOLS BUDGET EXPENDITURE</b>					
1.0.1	Individual Schools Budget (excluding academy statements)	241,865,677	2,735,022	244,600,699	Change in 6th form funding
	LESS Academies Recoupment	(64,290,047)	7,555,092	(56,734,955)	Includes only academies which converted before 1/4/12
<b>1.0.1</b>	<b>ISB Net (ie Maintained schools and delegated to Academies)</b>	<b>177,575,630</b>	<b>10,290,114</b>	<b>187,865,744</b>	
1.0.2	Pupil Premium allocated to Schools	0	5,495,500	5,495,500	
1.0.3	Pupil Premium managed Centrally	0	64,481	64,481	
1.0.4	Threshold and Performance Pay (Devolved)	0	0	0	
1.0.10	Central expenditure on education of children under 5	840,030	(840,030)	0	Moved to 1.0.5 in centrally retained below
	<b>Distributed to maintained schools and settings</b>	<b>178,415,660</b>	<b>15,010,065</b>	<b>193,425,725</b>	
	<b>Centrally Retained Schools Budget</b>				
<b>1.0.5</b>	<b>Central expenditure on education of children under 5</b>	<b>0</b>	<b>840,030</b>	<b>840,030</b>	Previously 1.0.10 above
1.1.2	School specific contingencies				
	Statements	0	400,000	400,000	
	Special & Resourced Schools	0	250,000	250,000	
	SEN Contingency	0	123,000	123,000	
	School Organisation	300,000	41,533	341,533	Already allocated the £300k to classes, add £40k for one more class
	LACSEG Unknown in year converters	162,275	(38,527)	123,748	Estimate as number of converters unknown
	Pupil Premium	0	0	0	Not required
1.1.2	<b>Contingencies</b>	<b>462,275</b>	<b>776,006</b>	<b>1,238,281</b>	
1.1.3	Early Years contingency	200,000		200,000	
<b>1.1.2-1.1.3</b>	<b>Total School Contingencies</b>	<b>662,275</b>	<b>776,006</b>	<b>1,438,281</b>	
1.2.1	Provision for pupils with SEN (including assigned resources)	6,692,077	(472,300)	6,219,777	SEN contingencies transferred to 1.1.2. Also adjustment for academy SEN and YPLA (EFA) funding
1.2.2	SEN support services	494,035	0	494,035	
1.2.3	Support for inclusion	489,700	0	489,700	

		Schools Forum 1st Feb 2012 (from papers) Budget12/13	Adjustments	Schools Forum 1st May 2012 Budget12/13	Comments
<b>SCHOOLS BUDGET EXPENDITURE</b>					
1.2.4	Fees for pupils with SEN at independent special schools & abroad	7,756,458	0	7,756,458	
1.2.5	SEN transport	400,000	0	400,000	
1.2.6	Fees to independent schools for pupils without SEN	76,575	0	76,575	
1.2.7	Interauthority recoupment	2,304,860	0	2,304,860	
1.2.8	Contribution to combined budgets	907,460	0	907,460	
1.3.1	Pupil Referral Units	1,815,335	0	1,815,335	
1.3.2	Behaviour Support Services	207,730	0	207,730	
1.3.3	Education out of school	537,971	0	537,971	
1.3.4	14-16 More practical learning options	64,000	0	64,000	
1.4.1	Support to underperforming ethnic minority groups and bilingual learners	216,580	0	216,580	
1.5.1	School meals - nursery, primary and special schools	0	0	0	
1.5.2	Free school meals eligibility	3,568	0	3,568	
1.5.3	Milk	0	0	0	
1.5.4	School kitchens repair and maintenance	0	0	0	
1.6.1	Insurance	415,226	0	415,226	
1.6.2	Museum and Library Services	24,753	0	24,753	
1.6.3	School admissions	364,192	0	364,192	
1.6.4	Licences/subscriptions	0	0	0	
1.6.5	Miscellaneous (not more than 0.1% total of net SB)	195,580	0	195,580	
1.6.6	Servicing of schools forums	34,680	0	34,680	
1.6.7	Staff costs supply cover (not sickness)	145,620	0	145,620	
1.6.8	Supply cover long term sickness	0	0	0	
1.6.9	Termination of employment costs	0	0	0	
1.6.10	Purchase of carbon reduction commitment allowances	191,656	100,000	291,656	CRC funded from main DSG, not from underspend
1.7.1	Other Specific Grants	0	0	0	
1.8.1	Capital Expenditure from Revenue (CERA) (Schools)	0	0	0	
1.8.2	Prudential borrowing costs	0	0	0	
<b>1.2.1 - 1.8.2</b>	<b>Subtotal other Centrally Retained</b>	<b>23,338,056</b>	<b>(372,300)</b>	<b>22,965,756</b>	
	<b>Total Centrally retained Schools Budget</b>	<b>24,000,331</b>	<b>1,243,736</b>	<b>25,244,067</b>	
	<b>TOTAL EXPENDITURE</b>	<b>202,415,991</b>	<b>16,253,801</b>	<b>218,669,792</b>	

## 7. ITEMS FOR INFORMATION

### Item 7.1 DfE Financial Management consultation

<b>Author</b>	<b>Nick Adams</b>
<b>Position</b>	<b>Schools Finance Services Manager</b>

#### **DfE Consultation on Improving the Assurance System for Financial Management in Local Authority Maintained Schools**

##### **Introduction**

The National Audit Office (NAO) published a report on *Oversight of financial management in local authority maintained schools* in October 2011.<sup>1</sup> The report recognised a weakness in the current assurance system.

The Department accepted the NAO's finding and agreed to strengthen the arrangements for approaching LAs about the financial management of their schools where there appeared to be problems.

The Department propose approaching individual LAs to understand the problems in this respect. Strengthening the system should help to ensure that LAs and their schools are managing the very large amounts of public funding they receive appropriately, securing value for money across all of their spending.

The DfE welcomes all responses and will take them into account in finalising the proposal. Their aim is to publish the final system for implementation from June 2012.

As Barnet is unlikely to trigger any of the criteria using the passed few years' data, this is for the Schools Forum's information and comment.

##### **Role of local authorities in schools' financial management**

Local authorities are responsible for the effective oversight of financial management in their schools. The Department has no intention of intervening directly in regard to individual schools. It recognises the statutory responsibilities of section 151 officers, and does not wish to infringe on their established role.

However, the Department does have overall responsibility for the system through which funding is provided to schools by LAs. For this reason, it already requires both information on how the money is distributed and spent, and assurances that it is being used with regularity and propriety and that value for money is being secured. Their proposal is for the DfE to use that information to identify where there may be problems and seek appropriate additional assurances.

##### **Proposed System**

The DfE intend to use information that is already collected, or plan to collect from LAs which indicates that there is reasonable concern about schools financial management. There is no indication this will involve any additional information from schools.

Section 1 of the consultation explains what information will be analysed and in what terms. It discusses the proposed criteria for identifying LAs and asks respondents to consider whether these are the most appropriate criteria to use.

A summary of the proposed criterion is attached as appendix 1 and comments on how these might affect Barnet will be available at the Forum meeting. Initial analysis shows Barnet would not trigger any of the criteria, although the SFVS is newly introduced for all maintained schools for 2012/13.

Once the DfE have identified which LAs may have problems of financial management in some of their schools, they will approach these LAs to better understand the issues and seek appropriate additional assurances.

Section 2 outlines the proposed process for how and when the DfE will approach these LAs, asking for respondents' views on whether this is the right process and timeline to use.

<sup>1</sup> [www.nao.org.uk/publications/1012/schools\\_financial\\_management.aspx](http://www.nao.org.uk/publications/1012/schools_financial_management.aspx)

Section 3 discusses the complications arising from Academy conversions. The DfE can only receive information after the end of each financial year, and so will inevitably be analysing information that includes schools that have subsequently become Academies and so are no longer within the local authorities' remit. It asks for respondents' views on how they can best take account of this.

### **Role of the Schools Forum**

In the consultation document the DfE state "Schools Forums have an important role in the decision-making process for how school funding is distributed locally. We know that many Schools Forums already provide effective challenge to other schools and/or their LA on how well funding is being allocated, managed and used.

We think that our proposed process could be strengthened, therefore, by involving Schools Forums if we have identified causes for concern that fall within their remit. Schools Forums have a role in the overall distribution of the DSG (i.e. Appendix 1 criteria A and B) and the management of individual school balances (i.e. Appendix 1 criteria C and D) but not in individual schools' implementation of the SFVS (i.e. Appendix 1 criteria E and F). Therefore, where an LA meets any of criteria A-D, we could request that the CFO shares our initial letter and their proposed response with their Schools Forum."

### **For comment:**

The Forum may wish to comment on Question 17 of the consultation -

*Do you think it would be effective to involve Schools Forums in this process? If so, how can this best be done?*

And comments will be included in the LAs response.

### **Consultation Arrangements**

The consultation is addressed to Local Authorities, Local Authority Groups, Teacher Associations, Governor Associations, LA Maintained Schools, School Forums and Academies, Trade Unions/Professional Bodies.

The consultation was issued on 2 April and closes on 11 May 2012.

The full consultation document and how responses can be completed online are available at:

[www.education.gov.uk/consultations](http://www.education.gov.uk/consultations)

by emailing [financial.management@education.gsi.gov.uk](mailto:financial.management@education.gsi.gov.uk)

or by downloading a response form which should be completed and sent to:

Bharti Vakharia, Funding Policy and Efficiency Team, Department for Education

Sanctuary Buildings - 4<sup>th</sup> Floor, Great Smith Street, London, SW1P 3BT

The results of the consultation and the Department's response will be published on the DfE e-consultation website in summer 2012.

The local authority intends to submit a response to the consultation in early May 2012.

**Appendix 1**

**Proposed DfE Criteria for Approaching LAs**

**Substantial over or under-spends of DSG (from CFO assurance statements)**

Proposed Criterion A: An LA has over-spent its DSG by 2% or more (i.e. it is 2% or more in deficit)

Proposed Criterion B: An LA has under-spent its DSG by 5% or more (i.e. it is 5% or more in surplus)

**% of schools in deficit or excessive surplus (from section 251 outturn returns)**

Proposed Criterion C: An LA has 2.5% of schools that have been in deficit of 2.5% or more since 2007-08 (i.e. for 4 years)

Proposed Criterion D: An LA has 5% of schools that have had a surplus of 15% or more since 2006-07 (i.e. for 5 years)

**Schools Financial Value Standard Returns (from CFO Assurance Statements)**

Proposed Criterion E: For 2011-12, of an LA's schools that never attained FMSiS, and are still eligible, at least 1 did not complete the SFVS by 31 March 2012

Proposed Criterion F: For 2012-13 onwards, 2% or more of an LA's schools did not complete the SFVS by the end of March deadline