



Thursday 18th October 2012
2:00 pm to 4:00 pm

Conference Room, Northgate House
Warwick

Schools Forum

| No | Item | Purpose | Officer Lead |
|----|---|-------------|--------------|
| 1. | Apologies | | |
| 2. | Minutes from Previous Meeting and Matters Arising | | |
| 3. | Dedicated Schools Grant 2011/12 Outturn | Comment | Simon Smith |
| 4. | Dedicated Schools Grant 2012/13 Final Position | Comment | Simon Smith |
| 5. | Main Schools Funding Formula 2013/14 – Final Recommendation | Comment | Sara Haslam |
| 6. | Centrally Managed Funding 2013/14 – Final De-delegation | Comment | Sara Haslam |
| 7. | Schools Balances as at March 2012 and claw back | Comment | Sara Haslam |
| 8. | Forward Plan | Information | Simon Smith |
| 9. | Chair's Business | | |

Date of Next Meeting:

December 6th Conference Room, Northgate House, Warwick
2pm

Schools Forum

September 27th 2012 - Minutes

| | |
|-------------------|---|
| PRESENT: | |
| Diana Turner | Governor |
| Peter Reaney | Governor |
| David Kelham | Governor |
| Latika Davis | Governor |
| Ramesh Sirvastava | Governor |
| Philip Johnson | Governor |
| June Tandy | Governor |
| Larry Granelly | Governor |
| Phil Clucas | Governor |
| Cathy Clarke | Primary Headteacher |
| Stella Saje | Primary Headteacher |
| Jill Humphriss | Primary Headteacher |
| Chris Errington | Primary Headteacher |
| Karen Ferguson | Primary Headteacher |
| Ramjit Samra | Secondary (Maintained) Headteacher |
| Tony Wilmot | Secondary (Maintained) Headteacher |
| Patsy Weighill | Secondary (Academy) Headteacher |
| Iain Blaikie | Secondary (Academy) Headteacher |
| Philip Hamilton | Secondary (Academy) Headteacher |
| Judith Humphry | Special School Headteacher |
| Rachel Gillett | Nursery School Head Teacher |
| Sybil Hanson | Diocesan Board of Education |
| Laurel Penrose | 14-19 Representative |
| Steve Dyke | PVI Representative |
| Ian Froggett | Union Representative NAS/UWT, Chair of ATP |
| David Hazeldine | County Secretary ASCL |
| Max Hyde | County Secretary NUT |
| Cllr Timms | Elected Member |
| Mark Gore | Head of Service – Learning & Achievement |
| John Betts | Head of Corporate Finances |
| Simon Smith | Strategic Finance Manager |
| Sara Haslam | Schools Funding & Strategy Manager |
| Clare Morris | Budget Planning Officer, Schools Funding Team |

1. Apologies – Apologies were received from the following:

| | |
|------------------------|--|
| Chris Smart | Governor |
| Cllr Robbins | Elected Member |
| John Collins | Trade Union Representative |
| David Kelham, Governor | Present at the meeting but apologies as had to leave early |

2.0 Minutes from Previous Meeting and Matters Arising

2.1 The minutes were agreed as accurate.

2.2 Matters arising:

2.3 The minutes from previous meeting recorded that Simon would look into the issue of academy funding for redundancy costs from the DSG. A draft paper was provided at the meeting.

2.4 Sara provided an update on the Clawback Policy. Schools Forum had previously recommend that the LA considers that the clawback process be put on hold for 1 year due to turbulence to funding. Cabinet have now agreed to revise the policy for balances at the end of 2011/12 in line with Academy regulations. The policy will apply to balances in excess of 12% rather than the previous maintained regulations for balances in excess of 8% for Primary, Nursery and Special schools and 5% for Secondary schools. Some work has begun looking at those schools with balances in excess of 12% and 32 schools have been identified.

2.5 The change to the Clawback Policy is temporary. A review of the policy for balances of maintained schools at the end of 2012/13 will be considered in due course. The EFA is also reviewing the 2012/13 clawback policy for Academies and that information will be taken into consideration when reviewing Warwickshire's future policy.

2.6 Sara will provide a further update on clawback at the October meeting.

3.0 School Funding Reforms Introduction and Context

3.1 Simon provided a verbal update.

- There is little flexibility available for local authorities within the reforms.
- There is a change in the approach to SEN funding.
- Timescales are tight for agreeing a new formula.
- DfE have stated that 40% of schools currently don't receive the appropriate level of funding but there has been no steer as to what is the correct level of funding should be.
- Feedback form the consultation indicates that option one is favoured by schools.
- Schools Forum should explore the feedback and issues to consider which principles are right for Warwickshire schools.

4.0 School Funding Reforms – Options Paper.

4.1 Sara presented a report detailing the work undertaken to establish 4 options and the results of the consultation. Members of the Forum were asked to consider what further information/work is required before a final

option is presented for recommendation in October and to Cabinet in December. The following points were raised:

4.2 Split site. One of the changes to the allocation is regarding the split site factor. There is a reduced amount of funding for this due to:

- The proposed changes to the criteria to attract funding
- Some schools have restructured and are no longer on split sites.
- One school currently receives substantial funding for pre 16 and post 16 sites and has not at this point been deemed a split site under the proposals.

4.3 Comments were made about the logic behind the criteria including issues regarding additional catering costs, staff ratios required for supervising pupils moving between sites and travel costs between sites.

4.4 Requested: some additional analysis regarding the split site factor is provided for the next meeting.

4.5 MFG and Capping. Sara confirmed MFG at minus 1.5% per pupil has been guaranteed for 2 further years but that the approach thereafter is unknown. The percentage is applied to funding per pupil in the previous year and therefore it is a cumulative effect. Information has been provided to schools over 3 years to demonstrate the reducing MFG.

4.6 The EFA have given the message that a MFG of 0% would mean non implementation of reforms.

4.7 Additional Needs. There was concern that FSM alone is not an accurate measure of additional needs. However, the most favoured option from the consultation (option 1) does not include prior attainment.

4.8 The measurement for prior attainment proposed in 2 of the options for primary schools is based on an EYFS score of less than 73. It was commented that heads are uncomfortable that this is not an accurate means of measuring additional SEN costs in schools. However it was confirmed that this is the only prior attainment data available for primary schools.

4.9 Simon confirmed it was not possible to use a prior attainment factor in Primary but not Secondary.

4.10 Requested: to review a different balance of FSM/Prior Attainment.

4.11 It was asked whether it was possible to change the AWPU/deprivation values to minimise the impact of winners and losers. Sara confirmed she had looked at an option where the AWPU was between that in option one/two and that in option three/four but that the impact on schools was not improved.

4.12 Consultation response. There was some discussion around the response rate to the consultation being low. However the consultation has

been accessible and recent workshops to explain the options were well attended.

4.13 There has been a higher percentage response from Secondary schools which may be due to School Business Managers having greater expertise to understand the proposals.

4.14 Although option one had the most number of schools voting as their favourite option, 63% of schools still didn't vote for option one.

4.15 It was requested:

- **To re-communicate to schools that any additional views can be fed to the Project Board.**
- **To Communicate to Primary schools that the Primary Head teacher members of schools forum would be happy to be contacted directly to discuss the proposals on a one to one basis.**
- **Some analysis of second, third and fourth choice votes be brought to the next meeting.**
- **To bring proposals of the 2 most favourite options to the next meeting.**

4.16 It was commented that schools will have individually voted on the option which most benefits their school. However Schools Forum must consider the best option for all schools and all pupils in Warwickshire. The Project Board have considered the principles not the effect on individual schools.

5.0 School Funding Reforms – Centrally Managed Services.

5.1 Mark Gore presented a report detailing the result of the consultation with schools regarding the de-delegation of centrally managed funding. Members of the forum were asked to consider what further information is required to be brought to the meeting in October where the maintained schools members of the Forum will vote on de-delegation. The following points were raised:

5.2 Sara confirmed the delegation of centrally managed funds does not have to be delegated based on pupil numbers other factors may be considered, such as EAL data.

5.3 Certain funding, historically held centrally by the Local Authority, must now be delegated to all schools. Academies can't de-delegate back to the local authority but the LA can trade services to academies. It was suggested it may be useful to ask academies what services they may be interested in. A service may not be viable if just maintained schools want to de-delegated money to the LA, but if academies want to trade a service may be viable.

5.4 A question was raised as to why supply cover costs for union duties are not met by the unions. The union representatives at the meeting noted that whilst it is a statutory responsibility of employers to release union representatives, this funding arrangement encourages union officials with local knowledge to work closely with schools and heads to resolve local level issues. If this was not available there would be greater call on national and regional reps who would struggle to cope with the excessive demands. Local issues are resolved much more quickly by local representatives and is probably why Warwickshire has a low level of disputes.

5.5 It was noted that a neighbouring authority had already agreed to de-delegate supply cover budgets for union representatives.

6.0 The Schools Funding Reforms – Revision to the schools Forum Constitution.

6.1 A paper was provided. The revision to Schools Forum (England) Regulations 2012 were noted and that Warwickshire complies with the changes.

6.2 An appendix B was provided showing the current membership of Schools forum. It was confirmed that Diana Turner is a member of schools forum as a Primary maintained Governor although she is also a Governor at Bilton School.

6.3 The paper includes a list of people who may speak at the forum. It was confirmed that deputies attending Schools Forum on behalf of members may also speak and vote on behalf of members.

7.0 LA Block LACSEG – Consultation response.

7.1 Warwickshire is spending less than the DfE are proposing to recoup based on a national average and this will cause a significant financial impact on the Local Authority. The Local Authorities response to the consultation was provided for information which was based on the financial implications rather than opinion based.

8.0 Schools Forum – Forward Plan 2012.

8.1 A forward plan containing a provisional programme of possible issues for Schools Forum to consider over the next year was provided.

8.2 Sara confirmed that Warwickshire complies with the Early Years Funding Review and so there is no intention to change early years funding for 2013/14.

9.0 Chair's Business.

9.1 None.

10.0 Next Meeting.

10.1 The next meeting will be held on 18th October, Conference Room, Northgate House, Warwick at 2pm.

Schools Forum

18th October 2012

Dedicated Schools Grant (DSG) Outturn 2011/12

Recommendation

The School Forum is recommended to:

- Comment on the financial outturn position of the Dedicated School Grants as included as part of the authority's financial accounts for 2011/12.
- Agree that the General DSG Reserve is retained in full until we have more clarity around budget levels for 2013/14.

1. Introduction

1.1 The Dedicated School Grant (DSG) is the main funding stream that Warwickshire County Council is allocated to fund Schools and various pupil led services (predominantly Early Years and SEN).

1.2 The total DSG allocation for 2011/12 was £295.235m of which £251.507 (85.2%) was allocated to WCC maintained schools. While this is a reduction against the 2011/12 percentage, this change wholly relates to DSG funding being recouped by the Department for Education for those schools that transferred to Academy status during the year. Early Years providers were allocated £11.210m for 3 & 4 year old education, while centrally managed services were allocated £32.518m.

2 DSG Outturn Position

2.1 The final expenditure position against these allocations is included in the table below. It illustrates that WCC Maintained schools overspent their allocations by £2.421m, while there was also an over-spend against non-school budgets (including 3 & 4 year old provision) of £2.905m. Both of these balances are offset against DSG / School Balances.

| Description | 2011/12 Budget £m | 2011/12 Out-turn £m | Variance £m |
|----------------------------|-------------------------|---------------------------|----------------|
| Schools ISB | 251.507 | 253.928 | 2.421 |
| 3 & 4 Year Old Provision | 11.210 | 11.911 | 0.701 |
| Centrally Managed Services | 32.518 | 34.722 | 2.204 |
| Total DSG | 295.235 | 300.561 | 5.326 |

3 Individual School Balances (ISB) - WCC maintained schools

3.1 The Individual School Balances began the year at £22.589m, as a result of the final out-turn position with Individual School Budgets (ISB) the WCC Maintained school balances at year end are £20.131m and are the balances for schools that were maintained by WCC on 31st March 2012.

4 Centrally Managed Expenditure

4.1 Overall, including 3 & 4 year old provision, the 2011/12 outturn against non-ISB budgets was an over-spend of £2.905m. The over-spend (which will be met from earmarked DSG reserves) is the result of planned use of reserves as well as the increased unit cost of educating small numbers of very specialised and unique needs children in out of county settings. There has also been a higher than expected take up of the additional hours of free education for 3 & 4 year olds, these DSG over-spends were offset by under-spends within the Teaching & Learning service within the Integrated Disability Service.

| Detail of the Centrally Managed Services | 2011/12 Budget £m | 2011/12 Outturn £m | Variance £m |
|---|------------------------------|-------------------------------|------------------------|
| In year Statements | 1.539 | 1.554 | 0.014 |
| Out of County | 8.890 | 9.754 | 0.864 |
| Hospital Tuition | 0.473 | 0.301 | (0.172) |
| EMAG | 0.328 | 0.368 | 0.040 |
| Admissions | 0.561 | 0.479 | (0.082) |
| IDS | 3.320 | 3.073 | (0.247) |
| Secondary PRU | 2.417 | 2.880 | 0.463 |
| One Offs & Forum Agreements | 5.984 | 7.887 | 1.904 |
| Central Management Overheads | 2.350 | 2.350 | 0 |
| Other | 6.656 | 6.076 | (0.580) |
| Centrally Managed Services | 32.518 | 34.722 | 2.204 |
| 3 & 4 Year Old Provision | 11.210 | 11.911 | 0.701 |
| TOTAL | 43,728 | 46,633 | 2,905 |

5 Reserves and Balances

5.1 As mentioned above, the effect of the outturn financial position on school related reserves is as follows:

| Reserve | Opening Balance £m | Movement £m | Closing Balance £m |
|---------------------|-------------------------------|------------------------|-------------------------------|
| Schools Reserve | 22.589 | (2.458) | 20.131 |
| General DSG reserve | 4.363 | (2.675) | 1.688 |
| Total | 26,952 | (5.133) | 21.819 |

5.2 School balances have reduced this year and a specific report regarding schools balances and how these should be treated is included elsewhere on the agenda.

5.3 There continues to be a lot of uncertainty around funding that will be formally transferred into DSG as a result of the funding changes. Additional funding associated with post-16 SEN and free education offer for 2 year olds is expected to be transferred in but at this stage there is little clarity as to how much this will be. As a result, because of this uncertainty it is proposed that the General DSG reserve is maintained as a general contingency at this stage. A further report of its future use will be brought to the Forum when the 2013/14 budget is set, at which time we should have a full understanding of funding levels for the new financial year.

6 Conclusion

6.1 For the first time in a number of years both ISB and centrally managed DSG services have reduced their balance levels. In particular, centrally managed reserves were reduced by 60% with particular planned overspends being agreed with the School Forum mid-year.

6.2 There continues to be significant uncertainty around any additional DSG that may be allocated for 2013/14 so it is proposed that the general DSG reserve is retained to mitigate financial risk associated with these transferred balances.

| | Name | Contact Details |
|---------------------------|--------------------------|---|
| Report Author(s) | Simon Smith | simonsmith@warwickshire.gov.uk |
| Head of Service | Mark Gore and John Betts | markgore@warwickshire.gov.uk johnbetts@warwickshire.gov.uk |
| Strategic Director | Wendy Fabbro | wendyfabbro@warwickshire.gov.uk |
| Portfolio Holder | Cllr Heather Timms | cllrtimms@warwickshire.gov.uk |

Schools Forum

18th October 2012

The Final Dedicated Schools Grant 2012-13

Recommendation

That the schools Forum notes the final Dedicated Schools Grant funding and its allocation in 2012-13

1.0 Introduction

- 1.1 At the Schools Forum in March, a report was brought detailing the estimated Dedicated Schools Grant (DSG) and the services that would be funded from the grant. This report updates the members of the group on the final DSG.

2.0 Key Issues

- 2.1 Appendix A details the 2011/12 Final DSG funding, the indicative position as at March 2012 and the Final 2012/13 DSG funding, as notified by the Department for Education.
- 2.2 The Final DSG funding to the Local Authority is subject to the validation of pupil numbers and initial notification was received in July with a more up to date figure in September. The latter notification included the deduction for academy recoupment which was included at £75.414m. Whilst this is £0.429m more than the Local Authority recoupment figure submitted to the DfE, the settlement narrative does explain that the recoupment figures are estimates as some Local Authorities had not submitted final data. However, it is expected that this will be addressed during the autumn. The figures included in Appendix A are based on the DfE figures for recoupment.
- 2.3 Whilst the indicative position in March showed an over allocation of funding, the more up to date figures show a slight surplus. As the final recoupment figure is still to be confirmed, it is prudent to leave this relatively small surplus unallocated at this stage.

Background papers

Final DSG 2012/13 settlement can be found at:
<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsvenuefunding/settlement2013pupilpremium/a00200465/schools-funding-settlement-2012-13>

| | | |
|---------------------------|-----------------------------|--|
| Report Author(s) | Sara Haslam and Simon Smith | sarahaslam@warwickshire.gov.uk simonsmith@warwickshire.gov.uk |
| Head of Service | Mark Gore and John Betts | markgore@warwickshire.gov.uk johnbetts@warwickshire.gov.uk |
| Strategic Director | Wendy Fabbro | wendyfabbro@warwickshire.gov.uk |
| Portfolio Holder | Cllr Heather Timms | cllrtimms@warwickshire.gov.uk |

| Dedicated Schools Grant - Allocation 2012-13 | Final 2011/12 £ | Indicative as reported to Schools Forum in March 2012 2012/13 £ | Final 2012/13 £ | Comments |
|--|--|---|--------------------|--------------------------|
| Individual School Budgets and Early Years | | | | |
| Allocated using the Local Formula (including academies) Extra AWPU paid to all schools Grants Allocation | 262,335,601 1,600,000 41,276,359 | 305,030,395 | 230,001,608 | Less £75.414M recoupment |
| Early Years Places to PVI sector (using Early Years Funding Formula) | 11,210,463 | 11,671,633 | 11,671,633 | |
| | 316,422,423 | 316,702,028 | 241,673,241 | |
| Centrally Managed Services | | | | |
| Child Protection | 142,369 | 142,369 | 142,369 | |
| Commissioning Vulnerable Children | 796,794 | 796,794 | 796,794 | |
| Statements | 1,539,088 | 1,539,088 | 1,539,088 | |
| Out of County | 8,890,371 | 9,890,371 | 9,890,371 | |
| Nurture Groups | 180,893 | 53,600 | 53,600 | |
| Hospital Tuition | 472,864 | 472,864 | 472,864 | |
| 14-19 Team | 743,860 | 743,860 | 743,860 | |
| EMAG | 110,000 | 110,000 | 110,000 | |
| EMTAS | 217,120 | 417,120 | 417,120 | |
| Admissions | 593,345 | 593,345 | 593,345 | |
| Advisory Team | 369,557 | 369,557 | 369,557 | |
| School Performance Management | 227,170 | 227,170 | 227,170 | |
| IDS | 3,319,581 | 3,319,581 | 3,319,581 | |
| EY Management | 460,653 | 460,653 | 460,653 | |
| Statutory Assessments | 66,296 | 66,296 | 66,296 | |
| Primary Strategy | 25,281 | 25,281 | 25,281 | |
| Education Safeguarding Service | 141,000 | 141,000 | 141,000 | |
| CRB | 289,968 | 289,968 | 289,968 | |
| Early Intervention | 644,381 | 644,381 | 644,381 | |
| Family and Parenting | 534,753 | 534,753 | 534,753 | |
| Family Information Service | 349,628 | 349,628 | 349,628 | |
| Parent Training | 163,567 | 163,567 | 163,567 | |
| Parent Support Advisors | 3,645 | 3,645 | 3,645 | |
| Family Support Workers | 286,094 | 286,094 | 286,094 | |
| New Agreements | | | | |
| Carbon Reduction Commitment | 411,000 | 411,000 | 411,000 | |
| Speech and language therapy | 51,000 | 171,000 | 171,000 | |
| Reading Advisor | 70,000 | 0 | 0 | |
| Taking Care | 52,000 | 52,000 | 52,000 | |
| Emotional well being and mental health | 40,000 | 210,000 | 210,000 | |
| Kooth Contract | 0 | 20,000 | 20,000 | |
| Smartmeters | 0 | 70,000 | 70,000 | |
| | 21,192,278 | 22,574,985 | 22,574,985 | |
| PRU Budgets | | | | |
| Primary PRU | 405,255 | 405,000 | 405,000 | |
| Secondary PRU | 2,416,936 | 1,272,000 | 1,272,000 | |
| EIS Behaviour Panel | 128,346 | 44,000 | 44,000 | |
| ABP Allocation | 0 | 1,410,000 | 1,410,000 | |
| Virtual Headteacher | 0 | 100,000 | 100,000 | |
| PRU grants | 56,283 | 0 | 0 | |
| PRU Budgets | 3,006,820 | 3,231,000 | 3,231,000 | |
| Contingency | 1,000,000 | 0 | 0 | |
| Other Costs and Overheads | | | | |

Appendix A

| Dedicated Schools Grant - Allocation 2012-13 | Final 2011/12 £ | Indicative as reported to Schools Forum in March 2012 2012/13 £ | Final 2012/13 £ | Comments |
|---|--------------------|---|--------------------|--|
| Contribution to Pensions | 737,013 | 737,013 | 737,013 | |
| North Leamington Prudential Borrowing | 265,820 | 265,820 | 265,820 | |
| Exceptional Pupil Increase | 160,000 | 160,000 | 160,000 | |
| Primary Expansion | | 140,000 | 140,000 | |
| WES Board support | 7,884 | 7,884 | 7,884 | |
| Termly Head Meetings | 25,007 | 25,007 | 25,007 | |
| Schools Forum operations | 21,862 | 21,862 | 21,862 | |
| Union cover and related activities | 209,287 | 180,000 | 180,000 | |
| Error contingency | 100,000 | 100,000 | 100,000 | |
| Parenting Participation | 8,800 | 8,800 | 8,800 | |
| General Overheads | 2,349,925 | 2,349,925 | 2,349,925 | |
| CYPF Finance retained | 587,931 | 587,931 | 587,931 | |
| Young Persons Learning Agency Special Educational Needs | -2,071,257 | -2,000,000 | -2,081,901 | |
| Other Costs and Overheads | 2,402,272 | 2,584,242 | 2,502,341 | |
| TOTAL ESTIMATED EXPENDITURE | 344,023,793 | 345,092,255 | 269,981,567 | |
| TOTAL ESTIMATED DSG FUNDING | 344,059,424 | 344,777,497 | 270,030,000 | Actual 2012-13 as per the DfE- £345.444 less 75.414 recoupment |
| VARIANCE | -35,631 | 314,758 | -48,433 | |

Schools Forum

18th October 2012

The Schools Funding Reforms – Final Recommendation

This report is relevant to both maintained and academy schools

Recommendation

The Schools Forum are requested to

- Note the further analysis carried out since the Schools Forum meeting in September
- Note that the Early Years Funding Formula will not be changed for 2013/14
- Note the changes to the Special Education Needs funding
- Recommend an option for the Local Main Schools Funding Formula for Warwickshire to be implemented in April 2013 which will be presented to the Cabinet for final approval in December.

1.0 Introduction

1.1 This report details the final Local Main Schools Funding Formula options that have been developed to comply with the new funding regulations, laid down by the Department for Education (DfE) and due to be implemented in April 2013.

1.2 The basis of the findings within this report are as detailed to the Forum in September. However, as a reminder, the key issues are as follows:

- Reduced formula headings
- Limited data to allocate funding to schools
- Use of October census data and submission of schools budgets to the DfE by October 31st
- Increased delegation of centrally retained funding
- New compliance role of the Education Funding Agency

1.3 The delegation and agreement of baseline budgets of centrally managed funding is covered within a separate report on this agenda.

1.4 There are four final options that had been considered which are summarised at Appendix A, along with the impact of each of them.

2.0 Update on feedback from the previous Schools Forum

2.1 At its meeting in September, the Forum requested that a final opportunity be given to those schools that had not responded to the consultation. This was undertaken and the response rate increased from 52% to 64%.

2.2 Further analysis of the options was also requested. These were as follows:

1. Amalgamation of the consultation responses to determine the most popular cumulative options rather than one single option
2. Development of an alternative option where prior attainment is included at a lower weighting in comparison to the Free School Meal element and EAL is re-introduced.
3. Review of the criteria for split sites
4. Impact of changes in geographical area without the Minimum Funding Guarantee

2.3 This analysis was carried out and reported to the Project Board on October 2nd.

2.4 Amalgamation of the consultation responses to determine the most popular cumulative options

2.5 The final response to the consultation is as follows:

Table One – Responses in terms of number of schools

| | Number of Schools who voted this option as their first choice | Number of Primary schools who voted for this as their first choice | Number of Secondary schools who voted for this as their first choice |
|--------------|---|--|--|
| Option One | 53 (36%) | 44 | 9 |
| Option Two | 38 (26%) | 32 | 6 |
| Option Three | 22 (15%) | 20 | 2 |
| Option Four | 33 (23%) | 22 | 11 |

2.6 In terms of the number of schools that voted, overall Option One and Two are the most popular although Option Four is the most popular with secondary schools.

Table Two – Responses in terms of number of pupils represented in the schools

| | Number of Schools who voted this option as their first choice | Number of Primary schools who voted for this as their first choice | Number of Secondary schools who voted for this as their first choice |
|--------------|---|--|--|
| Option One | 16,275 | 8,334 | 7,941 |
| Option Two | 10,347 | 6,147 | 4,200 |
| Option Three | 5,973 | 4,858 | 1,115 |
| Option Four | 14,318 | 4,153 | 10,165 |

2.7 In terms of the number of pupils represented by the schools who voted, Option One and Four are the most popular overall.

2.8 In terms of amalgamating the responses, the tables below show the cumulative effect of the first ranked options:

Table Three – Cumulative first options based on Option One and Two being most popular

| First options - with Option 2 as the 2nd most popular | No. of schools | want this option(s) | don't want this option(s) | No. of pupils | want this option(s) | don't want this option(s) |
|--|----------------|---------------------|---------------------------|---------------|---------------------|---------------------------|
| Option one | 53 | 36.30% | 63.70% | 16,275 | 34.69% | 65.31% |
| Option one & two | 91 | 62.33% | 37.67% | 26,622 | 56.75% | 43.25% |
| Option one, two & four | 124 | 84.93% | 15.07% | 40,940 | 87.27% | 12.73% |
| Option one, two, four & three | 146 | 100.00% | 0% | 46,913 | 100.00% | 0% |

Table Four – Cumulative first options based on Option One and Four being most popular

| First options - with Option 4 as the 2nd most popular | No. of schools | want this option(s) | don't want this option(s) | No. of pupils | want this option(s) | don't want this option(s) |
|--|----------------|---------------------|---------------------------|---------------|---------------------|---------------------------|
| Option one | 53 | 36.30% | 63.70% | 16,275 | 34.69% | 65.31% |
| Option one & four | 86 | 58.90% | 41.10% | 30,593 | 65.21% | 34.79% |
| Option one, four & two | 124 | 84.93% | 15.07% | 40,940 | 87.27% | 12.73% |
| Option one, four, two & three | 146 | 100.00% | | 46,913 | 100.00% | |

2.9 These results show that in terms of the number of schools voting, Option One and Two are most popular with 62.33% of the schools voting preferring these options which represents 56.75% of the pupils that the responses represent.

2.10 In terms of the number of pupils that these schools represent, Option One and Four are the most popular which covers 58.9% of schools and 65.21% of pupils.

2.11 Development of an alternative option where prior attainment is included at a lower weighting in comparison to the Free School Meal indicator and EAL is re-introduced.

2.12 Appendix B shows an alternative option that was developed with a lower prior attainment rate and an element for English as an additional Language (EAL). The parameter of retaining funding overall and within the sectors dictates to a degree the values that can be assigned, as with the other options.

2.13 The impact is that 119 schools will lose out as opposed to 120 in Option One and Two and 124 in Option Four. Further analysis shows that the schools losing or gaining are essentially the same, maximum and minimum losses are the same as Option One and Two as is the impact on small schools.

2.14 As the impact was not greatly advantageous to schools overall, the Project Board agreed to retain the options that had been consulted upon.

2.15 Review of the criteria for split sites

2.16 The Project Board noted the comments made at the Schools Forum regarding the split site values and criteria. It was agreed that the criteria was still considered relevant and that the value represented a contribution to these costs at a level that allowed the majority of funding to be pupil focused, as per the national agenda. Where schools will have seen a reduction in funding due to this factor, as with other changes, the Minimum Funding Guarantee will mitigate the impact.

2.18 Impact of changes in geographical area without the Minimum Funding Guarantee

Appendix C summarises the level of the Minimum Funding Guarantee and capping of each of the options on a geographical basis.

3.0 Other supplementary Issues

3.1 Early Years Funding

3.2 The Early Years Single Funding Formula (EYSFF) was introduced in Warwickshire in April 2010 and consists of a unit hourly rate, varying depending on type of institution, and a deprivation rate based on pupils who live within the 30% most deprived areas. This formula was reviewed in 2011/12 to assess its relevance. Evidence suggested that the rates were comparable to costs incurred and that there was no necessity to introduce further supplementary factors.

3.3 Since this review, the DfE has issued further guidance and recommended that the EYSFF should be kept simple and that the only 2 mandatory elements should be a basic rate and a deprivation rate. As such, the formula in Warwickshire has not been subject to further review in 2012/13.

3.4 However, there are changes to the Dedicated Schools Grant (DSG) in terms of disadvantaged 2 year olds. Currently the funding for these is included within the Early Intervention Grant, a grant which is received by the Local Authority from the

Department for Communities and Local Government. This is to be transferred to the DSG for September 2013 and is to be increased to expand the range of 2 year olds that are targeted. However, at this stage, the monetary values are not known.

3.5 It is suggested that further consideration of the formula, in light of the changes, should be given once more information is known.

3.6 Special Education Needs

3.7 Within the schools budgets, there will remain a “notional SEN” budget made up of the additional needs specific funding and a percentage of the basic pupil entitlement. As Forum members will be aware, the funding reforms will impact to a significant degree on the way that both lower level and high level additional needs are funded.

3.8 To summarise, this is the position:

- The expectation is that all low level additional needs will be funded from within the schools main budget. This equates to learning support (school action or school action plus) and low level statement pupils who would previously have been funded on a band A,B or B/C. The funding that would have been allocated to these pupils in 2012/13 is included in the schools budgets, although the way that it is allocated will be either on a FSM ever 6 years or prior attainment basis rather than being pupil specific. An agreement of what actions should be undertaken within schools to cover these pupils needs is being developed by Jessica Nash and the SEN team in conjunction with school SENCOs and head teachers.
- If a school has a pupil with high needs, that is, in excess of a £6,000 threshold, then the school will need to contribute from its main schools budgets the initial £6,000. An agreement will then need to be made with the Local Authority for “top up” funding from the High Needs Block for the additional support that the pupil requires. Again, a set of criteria in order to allocate this top up is being developed. However, due to the timing of the reforms and the need for a practical approach to be in place to inform schools budgets in January, the current statement matrix will be used as a basis for top up funding in 2013/14.

3.9 Special schools funding arrangements are also subject to change in April 2013. These schools will be funded on the basis of £10,000 per place within the school with top up funding, if required, being agreed between the Local Authority and the school on a pupil by pupil basis, depending on needs. Work is underway with special school head teachers to determine the impact of this and to develop a universal set of top up rates. However, again as a result of the rapid introduction of these reforms, it is intended that 2013/14 is used as a transitional year with the

continuation of current top rates used in 2013/14 but with the intention of having a revised, consistent approach in 2014/15.

3.10 This period of funding reform has also been an ideal opportunity to consider the relevance of the current Dual Funding Scheme that exists between main stream and special schools. Currently Warwickshire County Council has a policy whereby Special School pupils may also attend mainstream schools in order to support their individual Statement objectives. For a tier 1 pupil, the Special School is funded for the pupil according to the Special Needs Resources Unit Matrix and the main stream school receives funding for the child as a subsidiary pupil into their own school funding. For tier 2 arrangements, both the Special School and mainstream school is funded for the pupil according to the Special Needs Resources Unit Matrix. However, it is proposed that the policy in its current format ends as at March 31st 2013.

3.11 The reason for this is twofold. Firstly, the DfE will now be providing the Local Authority with the pupil data for each school and will only be using the main registered pupil on roll. Whilst previously the Local Authority has added to this figure the subsidiary/dual registered pupils, we will no longer be able to do this. Secondly, in a time of real cuts in funding, it is imperative that value for money is achieved in all aspects of education and that schools are accountable for the outcomes of their pupils. Analysis of the dual funding arrangements has shown that, in the majority of instances, outcomes are either not clearly defined or are not achieved.

3.12 The proposal is that appropriate resources to support individual Statement objectives is instead included in the Top Up funding for the respective Special and it will then be the decision of the Special School to commission provision from the mainstream school if such an approach is in line with promoting and achieving the outcomes for the pupil. The impact of this proposal is that the funding previously received directly by the mainstream school for these subsidiary pupils will not be included in the Main Schools Funding from April 2013 onwards. However, the existing arrangement has always been contingent on individual Statement objectives being supported by a dual placement arrangement which have had to be reviewed under the 2001 SEN Code of Practice on an annual basis.

3.13 Finally, there will be additional funding transferred into the High Needs Block for post 16 SEN provision. This funding has previously been managed by the Education Funding Agency but, as with the disadvantaged 2 year old funding, the value is currently unknown. However, with the Local Authority needing to take on new roles and responsibilities with regard to this, this could be a high risk area. Further details will be brought to the Forum once known.

4.0 Options for recommendation

4.1 As has been noted in the last report to the Schools Forum, there are two key differing principles within the 4 final options. These are:

- The use of only FSM ever 6 years to allocate additional needs funding or the use of both FSM ever 6 years and prior attainment data
- A differing relationship between a basic pupil entitlement and the additional needs unit rate.

4.2 Option One and Three use FSM ever 6 years only to allocate additional needs funding and the basic pupil entitlement is higher in Option One and Two to that in Three and Four.

4.3 The consultation responses are a fundamental part of the School Forum decision making process but, depending on the data used to identify the most popular options, there is no one option that most of the schools who responded wanted to have in place in Warwickshire from April 2013.

4.4 As such, based on the cumulative position of the voting, the Schools Forum are asked to vote for one of the following options.

- Option One
- Option Two, or
- Option Four

5.0 Voting

5.1 The voting will be undertaken as follows:

5.2 Each of the 3 options will be selected separately and members at the meeting will be asked to vote.

5.3 If at this stage there is no option with a majority, then the members who have voted for the least popular option will be asked to vote again for their second choice. The option with the most votes at this stage will be option that will be taken forward for Cabinet approval.

6.0 Final Agreement of the option

6.1 Further to the recommendation of an option by the Schools Forum, a report will be taken to the Cabinet in December, detailing the process taken during the

review, the basis on which the final 3 options were selected and the final recommendation.

6.2 At least one option will need to be recommended; otherwise the Local Authority will not be compliant with the new regulations from April 2013.

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Option One

| SUMMARY OF KEY VALUES | | | |
|--|-------------------------|--|--------|
| AWPU | Primary | | 2,855 |
| | KS3 | | 3,740 |
| | KS4 | | 4,985 |
| Lump sum | | | 95,000 |
| Additional Needs (FSM ever 6) | Primary | | 1,180 |
| | Secondary | | 1,390 |
| Additional Needs (Prior Attain) | Primary | | 0 |
| | Secondary | | 0 |
| LAC | | | 1,590 |
| Split Site Rates | £38,500 base as actuals | | |

Option Two

| | | | |
|--|-------------------------|--|--------|
| AWPU | Primary | | 2,855 |
| | KS3 | | 3,740 |
| | KS4 | | 4,985 |
| Lump sum | | | 95,000 |
| Additional Needs (FSM ever 6) | Primary | | 680 |
| | Secondary | | 950 |
| Additional Needs (Prior Attain) | Primary | | 680 |
| | Secondary | | 950 |
| LAC | | | 0 |
| Split Site Rates | £38,500 base as actuals | | |

Option Three

| | | | |
|--|-------------------------|--|--------|
| AWPU | Primary | | 2,640 |
| | KS3 | | 3,540 |
| | KS4 | | 4,720 |
| Lump sum | | | 95,000 |
| Additional Needs (FSM ever 6) | Primary | | 2,400 |
| | Secondary | | 2,600 |
| Additional Needs (Prior Attain) | Primary | | 0 |
| | Secondary | | 0 |
| LAC | | | 2,800 |
| Split Site Rates | £38,500 base as actuals | | |

Option Four

| | | | |
|--|-------------------------|--|--------|
| AWPU | Primary | | 2,640 |
| | KS3 | | 3,540 |
| | KS4 | | 4,720 |
| Lump sum | | | 95,000 |
| Additional Needs (FSM ever 6) | Primary | | 1,460 |
| | Secondary | | 1,780 |
| Additional Needs (Prior Attain) | Primary | | 1,460 |
| | Secondary | | 1,780 |
| LAC | | | 0 |
| Split Site Rates | £38,500 base as actuals | | |

| | | |
|-----------------|-------------------|--------------------|
| Proposal | Primary Funding | 144,295,879 |
| | Secondary Funding | 136,521,851 |
| | TOTAL | 280,817,730 |

| | |
|-------------------|--------------------|
| Primary Funding | 144,289,240 |
| Secondary Funding | 136,533,844 |
| TOTAL | 280,823,084 |

| | |
|-------------------|--------------------|
| Primary Funding | 144,278,484 |
| Secondary Funding | 136,553,667 |
| TOTAL | 280,832,150 |

| | |
|-------------------|--------------------|
| Primary Funding | 144,306,731 |
| Secondary Funding | 136,525,233 |
| TOTAL | 280,831,965 |

| | | |
|---------------|----------------|---------------|
| % AWPU | Primary | 77.26% |
| | Secondary | 90.21% |
| | Overall | 83.56% |

| | |
|----------------|---------------|
| Primary | 77.27% |
| Secondary | 90.21% |
| Overall | 83.56% |

| | |
|----------------|---------------|
| Primary | 71.45% |
| Secondary | 85.38% |
| Overall | 78.23% |

| | |
|----------------|---------------|
| Primary | 71.44% |
| Secondary | 85.40% |
| Overall | 78.23% |

| Variance in geog area | |
|-----------------------|--------|
| North | -0.07% |
| Central | -0.02% |
| South | 0.12% |
| East | -0.02% |

| Variance in geog area | |
|-----------------------|--------|
| North | -0.05% |
| Central | -0.03% |
| South | 0.11% |
| East | -0.03% |

| Variance in geog area | |
|-----------------------|--------|
| North | 0.07% |
| Central | -0.03% |
| South | 0.02% |
| East | -0.04% |

| Variance in geog area | |
|-----------------------|--------|
| North | 0.08% |
| Central | -0.05% |
| South | 0.04% |
| East | -0.05% |

| | |
|---------------------------|---------|
| PRIMARY | |
| Number of schools losing | 103 |
| Number of schools gaining | 89 |
| Max loss | -30,259 |
| Max gain | 19,238 |
| Average loss | -8,086 |
| Average gain | 9,440 |
| SECONDARY | |
| Number of schools losing | 17 |
| Number of schools gaining | 18 |
| Max loss | -90,483 |
| Max gain | 85,276 |
| Average loss | -52,704 |
| Average gain | 50,062 |

| | |
|---------------------------|---------|
| Number of schools losing | 103 |
| Number of schools gaining | 89 |
| Max loss | -30,259 |
| Max gain | 20,987 |
| Average loss | -8,181 |
| Average gain | 9,475 |
| Number of schools losing | 17 |
| Number of schools gaining | 18 |
| Max loss | -90,483 |
| Max gain | 85,276 |
| Average loss | -53,045 |
| Average gain | 51,051 |

| | |
|---------------------------|---------|
| Number of schools losing | 118 |
| Number of schools gaining | 74 |
| Max loss | -19,603 |
| Max gain | 30,259 |
| Average loss | -6,957 |
| Average gain | 10,957 |
| Number of schools losing | 18 |
| Number of schools gaining | 17 |
| Max loss | -90,483 |
| Max gain | 85,276 |
| Average loss | -47,226 |
| Average gain | 52,179 |

| | |
|---------------------------|---------|
| Number of schools losing | 106 |
| Number of schools gaining | 86 |
| Max loss | -19,603 |
| Max gain | 30,259 |
| Average loss | -7,279 |
| Average gain | 9,183 |
| Number of schools losing | 18 |
| Number of schools gaining | 17 |
| Max loss | -90,483 |
| Max gain | 87,199 |
| Average loss | -47,722 |
| Average gain | 51,031 |

| | |
|---|----------|
| Secondary schools less than 600 pupils and primary schools less than 100 pupils | -147,758 |
|---|----------|

| | |
|---|----------|
| Secondary schools less than 600 pupils and primary schools less than 100 pupils | -147,758 |
|---|----------|

| | |
|---|----------|
| Secondary schools less than 600 pupils and primary schools less than 100 pupils | -280,072 |
|---|----------|

| | |
|---|----------|
| Secondary schools less than 600 pupils and primary schools less than 100 pupils | -336,865 |
|---|----------|

| SUMMARY OF KEY VALUES | | | |
|---------------------------------------|--------------|--|--------|
| AWPU | Primary | | 2,855 |
| | KS3 | | 3,740 |
| | KS4 | | 4,985 |
| Lump sum | | | 95,000 |
| Additonal Needs (FSM ever 6) | Primary | | 990 |
| | Secondary | | 1,260 |
| Additonal Needs (Prior Attain) | Primary | | 200 |
| | Secondary | | 260 |
| EAL | | | 200 |
| LAC | | | 1,000 |
| Split Site | £38,500 base | | |
| Rates | as actuals | | |

| | | | |
|-----------------|-------------------|--------------------|------------|
| Proposal | Primary Funding | 144,291,399 | 2,843 |
| | Secondary Funding | 136,514,797 | -1,902 |
| | TOTAL | 280,806,196 | 941 |
| Inlcuding MFG | | | |

| | | |
|---------------|----------------|---------------|
| % AWPU | Primary | 77.27% |
| | Secondary | 90.22% |
| | Overall | 83.56% |

| Variance in geog area | |
|------------------------------|--------|
| North Warks | -0.07% |
| Central | -0.02% |
| South | 0.12% |
| East | -0.03% |

| | |
|---------------------------|---------|
| PRIMARY | |
| Number of schools losing | 102 |
| Number of schools gaining | 90 |
| Max loss | -30,259 |
| Max gain | 19,238 |
| SECONDARY | |
| Number of schools losing | 17 |
| Number of schools gaining | 18 |
| Max loss | -90,483 |
| Max gain | 85,276 |

| | |
|--------------------------------|------------------------|
| Small schools - overall | -147,758 |
| Small schools - details | See separate worksheet |

Minimum Funding Guarantee and Capping - Geographical Analysis of Options

| Option One | MFG | Capping |
|-------------------|------------|----------------|
| North | 2,348,337 | -749,952 |
| East | 891,070 | -441,978 |
| South | 1,149,592 | -691,210 |
| Central | 1,255,221 | -844,110 |

Option Two

| | | |
|---------|-----------|----------|
| North | 2,450,815 | -736,017 |
| East | 848,642 | -440,313 |
| South | 1,142,661 | -679,043 |
| Central | 1,276,874 | -853,083 |

Option Three

| | | |
|---------|-----------|----------|
| North | 1,230,323 | -701,141 |
| East | 661,099 | -138,277 |
| South | 1,412,739 | -235,046 |
| Central | 991,215 | -344,436 |

Option Four

| | | |
|---------|-----------|----------|
| North | 1,356,530 | -923,727 |
| East | 520,370 | -118,028 |
| South | 1,325,896 | -330,742 |
| Central | 1,064,618 | -339,760 |

Schools Forum

October 18th 2012

The Schools Funding Reforms – De-delegation of Newly Delegated Funding

This report only relates to maintained schools

Recommendation

The Schools Forum is recommended to:

- agree the retention of £400,000 contingency funding to provide support for schools with a significant increase in pupils in 2013/14 on the basis that any underspend in 2013/14 will be recycled into the DSG in 2014/15.
- agree the retention of £100,000 to assist schools with amalgamations or mergers on the basis that any underspend in 2013/14 will be recycled into the DSG in 2014/15.
- Determine whether funding for the follow services should be de-delegated to enable the Local Authority to continue the delivery of these services on behalf of maintained schools:
 - School Improvement Funding
 - Administration of Free Schools Meals Eligibility
 - Support for Gypsy Romany Travellers
 - Support for English as an Additional Language
 - Staff Costs – Supply Cover
 - Behaviour Support Services
 - General Contingency Funding
- Approve the baseline funding allocations for services outlined in paragraph 2.18, which will determine maximum expenditure for these services from 2013/14

1.0 Introduction

1.1 As members of the forum will be aware, part of the Department for Education's (DfE) schools funding reforms is that certain funding, historically held centrally by the Local Authority, must now be delegated to schools and included in their core schools budget. However, if a sector of maintained schools would prefer for the Local Authority to retain that funding, then the funding can be "de-delegated" to enable the Local Authority to continue to deliver these services on behalf of maintained schools.

1.2 This report details the funding within the Schools Block of the Dedicated Schools Grant (DSG) that this relates to, includes details of the services provided by the Local Authority with this funding and offers feedback from consultation with schools to assist the Schools Forum members in making a decision regarding de-

delegation. It also notes the level of other centrally retained funding within the schools block that cannot be increased above the 2012/13 position.

2.0 Key Issues

2.1 Attached at Appendix A is the Schools Forum report from September that details the services that are provided by the Local Authority funded by these budgets.

2.2 Attached at Appendix B is the monetary value of the delegated funding and the feedback from the consultation.

2.3 For clarity, the funding allocated to academy schools cannot be de-delegated back to the Local Authority. However, if the Local Authority continues to provide the services, it may trade with academy schools. The funding allocated to special schools within Appendix B cannot be de-delegated either due the different way that these schools are to be funded. Instead this funding will transfer to the High Needs Block to contribute to top up funding arrangements.

2.4 Allocation of contingency for pupil increases

2.5 Part of the current contingency funding retained by the Local Authority provides funding for schools where pupils increase significantly from the January census to the October census or where expansion of pupil places is encouraged through the capital programme.

2.6 The Local Authority, under the new regulations, is allowed to continue to retain funding for this purpose and the Schools Forum is required to agree the level of retained funding and the criteria on which it is allocated to schools.

2.7 Currently £300,000 is retained for such purposes but this year the required funding is likely to be £360,000. A group of Local Authority Officers met recently to consider both the value required for 2013/14 and the criteria for its allocation. Based on recent funding levels and the planned primary expansion capital programme, it was suggested that an amount of £400,000 is retained. Should this not be spent by the end of the financial year, the arrangement is that the balance transfers to the Dedicated Schools Grant for reallocation in 2014/15.

2.8 The criteria currently used for allocating this funding differs according to whether the pupil increase is due to natural increases or as a result of the capital expansion programme, which supports basic need requirements across the County. Whilst the group of officers agreed that a consistent framework needed to be developed to cover all pupil increases, this framework is still being developed. As such, it will be presented to the Schools Forum in December.

2.9 Funding for mergers and amalgamations

2.10 In addition to pupil expansion funding, the Local Authority can request the Schools Forum to agree to retain funding centrally to assist schools in restructuring.

As the main schools funding formula report notes, there may well be an impact on small schools of the changes to the way that schools are funded. One solution to these changes may be for smaller schools to amalgamate or federate. However, in order to do this, additional costs will be incurred. It is suggested that £100,000 is retained centrally to offer such assistance which would equate to offering 2 schools £50,000 each as a contribution to additional one off costs or to assist the school in being able to manage down combined costs.

2.11 As with the pupil increase funding, any underspend at the end of the year would be transferred back to the overall Dedicated Schools Grant in 2014/15 for re-allocation.

2.12 De-delegation options

2.13 Under DfE guidance, budgets detailed in Appendix B should be delegated to schools in the first instance and included in their main schools budget. Given these services are predominantly pupil based, it is presumed that delegation would be on a per-pupil basis and form part of AWPU funding. For de-delegation to be agreed, members of the Schools Forum are required to determine which, if any, of the funding should be de-delegated back to the Local Authority to enable the continued delivery of these services on behalf of maintained schools. Clearly, in the event that de-delegation is not agreed, the responsibility for meeting any additional costs associated with these services, or any additional support required for these groups of children, will need to be met from within school budgets.

The specific areas for agreement are:

- School Improvement
- Administration of Free School Meals Eligibility
- Support for Gypsy Romany Travellers
- Support for English as an Additional Language
- Staff Costs – Supply Cover
- Behaviour Support Services
- General Contingency

2.14 Whilst the Schools Forum may agree to de-delegate the funding, if, as a result of a lower level of financial protection, the Local Authority considers the risk of retaining the service provision too high, then the Local Authority has the right to not accept the de-delegation of the budgets. A report will be brought to the Forum in December with an updated position following the decision taken by the Forum.

2.15 Non Delegated Schools Block Funding

2.16 In addition to the budgets mentioned in this report for de-delegation, there are other funding streams that are included in the Schools Block of the DSG that the regulations state do not, during 2013/14, need to be delegated to schools.

2.17 However, these budgets cannot be increased from the position that they have been reported on the Section 251 in 2012/13.

2.18 The budgets that this relates to and the values are as shown in the following table:

| Budget Heading | 2012/13 Funding Allocation included in the Section 251 |
|----------------------------------|---|
| Contribution to combined budgets | £917,701 |
| School Admissions | £802,233 |
| Miscellaneous | £7,966 |
| Servicing of Schools Forums | £47,282 |
| Termination of Employment Costs | £574,329 |
| Carbon Reduction Commitments | £411,001 |
| Capital Expenditure from Revenue | £1,422,367 |
| Prudential Borrowing | £265,820 |
| TOTAL | £4,448,699 |

2.19 The regulations state that no new commitments should be made against these funding allocations during 2013/14 and that the intention is that these budgets should start to reduce as contracts or spending commitments come to an end. At this stage, the funding should be delegated to schools.

2.20 The budget holders responsible for these funding streams will be made aware of this position and further reports will be brought to the Schools Forum during 2013/14 with an update of where further funding can be delegated to schools.

Background papers

| |
|--|
| |
|--|

| | Name | Contact Details |
|---------------------------|-----------------------------|--|
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| Portfolio Holder | Cllr Heather Timms | cllrtimms@warwickshire.gov.uk |

Schools Forum September 27th 2012

The Schools Funding Reforms – Delegation of Centrally Managed Funding

This report only relates to maintained schools

Recommendation

- That the Schools Forum notes the result of the consultation with schools regarding the de-delegation of centrally managed funding
- That the Schools Forum requests further details regarding this centrally managed funding to be brought to the meeting in October where the maintained schools members of the Forum will need to vote on de-delegation

1.0 Introduction

1.1 As noted in the report relating to the main schools funding formula elsewhere on the agenda, part of the Department for Education's schools funding reforms is that certain funding, historically held centrally by the Local Authority, must now be delegated to schools and included in their core schools budget. However, if a sector of maintained schools would prefer for the Local Authority to retain that funding, then the funding can be "de-delegated"

1.2 This report details the central budgets that this relates to, the impact of the funding being delegated to schools and the responses from consultation with schools regarding de-delegation.

2.0 Key Issues

2.1 In line with the schools funding reforms, there is a move to maximise the delegation of certain funding to school from April 2013 onwards.

2.2 The guidance states the following:

"Several budget headings which can currently be retained centrally **will have to be delegated through the formula from 2013/14**. For each of these, LA's will need to identify how funding will be delegated through allowable factors".

2.3 As a result, this funding must initially be allocated to schools as part of the Individual School Budget but can then be de-delegated back to the Local Authority to be held centrally on behalf of maintained schools, should they choose to do so. In a practical sense academy budgets will no longer have a DSG LACSEG element, which will be replaced by this additional allocation. While academies will not be in a position to agree de-delegation of these funds, the Local Authority may offer the service on a traded basis.

2.4 The delegated funding headings that relate to Warwickshire are as follows:

- 14-16 practical learning options
- Contingencies – School Improvement and General Contingency
- Administration of free school meal eligibility
- Support for minority ethnic pupils and underachieving groups
- Staff costs – supply cover (LT sickness, maternity, trade union and public duties)
- Behaviour support services

2.5 As part of the recent consultation with schools regarding the final school funding options, feedback was also sought on the preference to delegate this central funding.

2.6 75 primary schools responded to the consultation and 4 maintained secondary schools. The Forum members will need to vote at the meeting in October to de-delegate funding back to the LA from the sector that they represent. However, should the remaining funding be insufficient to fund the service and the risk of a trading service being viable too high, then the Local Authority has the right to decide not to continue with the service.

2.7 These budget headings are included in the Section 251 budget return submitted annually to the DfE. The values are allocated to each sector based on pupil numbers to the early years, primary, secondary and special schools. However, funding included in the Special Schools column must be added to the High Needs Block and used for top up funding. This cannot be de-delegated due to the revised way in which these schools will be funded

2.8 Funding included in the Early Years column can be retained centrally, should the Schools Forum recommend this approach.

2.9 Each of the funding streams will be considered individually.

3.0 14-16 practical learning options

3.1 Delegated value per pupil: £12.63

3.2 This funding cannot be de-delegated to the Local Authority. This funding currently funds 4 or 5 staff who carry out roles in relation to the secondary schooling sector, such as intervention, raising the participation age, post 16 bursary work etc.

3.3 The Learning and Achievement Unit will need to assess this service in relation to its other priorities and resource it from current Local Authority funding if this work is to continue.

4.0 Contingencies

4.1 This funding is an amalgamation of several sub headings but as there are several distinct funding issues involved, it warrants separate consideration of each.

A. School Improvement

4.2 **Delegated value per pupil : £7.53 (Primary sector only)**

4.3 This funding buys in support for schools where some intervention or assistance may be required. It does not support staffing but without the funding, the staff employed by the Local Authority to carry out statutory intervention work would have no resources to offer practical support to schools.

4.4 Whilst there is a risk to vulnerable schools if this funding is delegated, the Local Authority would still be able to carry out its statutory functions.

4.5 **Result of the consultation:**

4.6 The consultation responses were that 53 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 23 schools that would prefer the funding to be delegated.

B. General contingency

4.7 **Delegated value per pupil : £5.24**

4.8 Whilst the spirit of these reforms is to delegate out to schools funding which is non-specific, the Local Authority is allowed to retain a general contingency for either

1. schools in financial difficulty
2. unforeseen circumstances, or
3. assist schools in mergers and amalgamations.

4.9 The Local Authority recommends that funding is not retained to cover the first 2 instances but that, due to the uncertain consequences of the funding reforms generally on smaller, more vulnerable schools, that a certain level should be retained to provide support for schools wanting to restructure. It is suggested that an amount of £100,000 is retained, offering the ability to offer £50,000 for 2 schools per year if required. If this was acceptable, the revised delegated value per pupil would be £3.77.

4.10 This issue was not included as part of the recent consultation.

5.0 **Administration of Free School Meals Eligibility**

5.1 **Delegated value per pupil : £0.83**

5.2 Warwickshire County Council offers the Free School Meals eligibility checking service providing both on-line and telephone checking of eligibility against the DfE's live data on the Eligibility Checking Service. Eligible applications are automatically transferred to Warwickshire's central Free School Meals Database. Schools are normally informed on the same day of a successful application but where eligibility cannot be established electronically Warwickshire County Council liaises directly with the applicant regarding appropriate proof of benefit .All eligible applicants are notified

in writing and weekly lists are sent electronically to schools detailing all students entitled to Free School Meals. On-going eligibility is checked throughout the year – there is no need for parents to reapply and schools receive access to the Free School Meals administrative service for advice and guidance.

5.3 Result of the consultation:

5.4 The consultation responses were that 63 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 11 schools that would prefer the funding to be delegated. Of the secondary school responses, 3 of the 4 would prefer the funding to be de-delegated also.

6.0 Support to underperforming ethnic minority groups and bilingual learners

6.1 This budget currently funds both the Gypsy Romany Travellers (GRT) Service along with the English as an Additional Language (EAL). It is more useful to consider the services separately.

A. Gypsy Romany Travellers (GRT)

6.2 Delegated value per pupil : £3.30

6.3 In terms of GRT, the current funding provides one social worker and four others who provide a liaison with schools and GRT families to encourage and support their participation in school. This is a vulnerable group of children and the relationships between the current WCC officers and these families have taken a long time to establish.

6.4 If this service was not provided centrally, then schools may well see an increase in special needs costs with these children attending less and having lower attainment. Someone from the school would need to contact/visit these families to get the pupil back into school and it would mean that the relationships and understanding of the culture of these families would need to be available in many schools. There is a significant safeguarding issue at stake; if these vulnerable children are not being kept track of in schooling, then there is the increase potential that they may fall outside of the LA radar.

6.5 There are 51 schools with GRT children, with a wide geographical spread including 227 pupils in total. A further 76 are home educated. Other Local Authorities who have disbanded their GRT services are calling Warwickshire for assistance, but unfortunately we do not have the capacity to assist.

6.6 The Local Authority recommends that this funding is de-delegated to retain a central provision for these vulnerable pupils.

6.7 Result of the consultation:

6.8 The consultation responses were that 45 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 29 schools that would prefer the funding to be delegated. Of the secondary school responses, 2 of the 4 would prefer the funding to be de-delegated.

B. English as an additional language (EAL)

6.9 Delegated value per pupil : £4.70

6.10 In terms of English as an Additional Language, there are 4.2 FTE teachers employed in addition to 2.3 FTE intervention workers. Support includes initial language assessment and reports, meetings with parents, guidance on admission and induction arrangements, short term targeted intervention and advice at no cost to the school. During 2011/12, the service worked with 163 pupils from 53 schools. There is also a traded service which offers provision for Advanced EAL learners.

6.11 There are around 200 new EAL children in Warwickshire and these are again vulnerable children in the new OFSTED regime with issues of safeguarding if they are not monitored in schools.

6.12 There is a traded service established that allows schools to buy in extra EAL support over and above the core assessment and report. This may be extended to trade with academy schools for the whole process.

6.13 The Local Authority recommends that this funding is de-delegated to retain a central provision for these vulnerable pupils.

6.14 Result of the consultation:

The consultation responses were that 43 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 32 schools that would prefer the funding to be delegated. Of the secondary school responses, all of the 4 would prefer the funding to be delegated.

7.0 Staff costs – supply cover

7.1 Delegated value per pupil : £3.27

7.2 The Trade Union and Labour Relations (Consolidation) Act 1992 creates a statutory right for Union Representatives of recognised unions to reasonable paid time off from employment to carry out trade union duties and to undertake trade union training.

7.3 In order to comply with these Regulations, WCC operates a county wide “pool” arrangement covering all maintained schools, whereby appointed union representative of each of the recognised unions attend consultative meetings on a county basis and are also called upon to represent members in individual schools. This avoids schools needing to establish individual bargaining arrangements for each school.

7.4 Where appointed representatives are absent from the classroom to attend to their union duties, the school where they are employed are reimbursed for the cost of a supply/cover teacher from this centrally held DSG budget.

7.5 The implications of this budget being delegated to schools would be that there would be no further reimbursement of supply cover arrangements which would have a disproportionate effect on the schools that employ union representatives leaving these schools financially disadvantaged.

7.6 Some union representatives are retired from teaching and are paid directly from the centrally held budget, as they are not attached to a school.

7.7 Result of the consultation:

7.8 The consultation responses were that 36 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 38 schools that would prefer the funding to be delegated. Of the secondary school responses, only 1 of the 4 would prefer the funding to be de-delegated.

8.0 Behaviour Support Services

8.1 Delegated value per pupil : £0.94

8.2 This money goes directly into primary schools for non-statement pupils at risk of permanent exclusion or following a managed transfer. Last year this money enabled additional school based staff support to compliment the commissioned support from Early Intervention Service with 29 pupils.

8.3 Often the pupils concerned are unexpected arrivals with very complex home circumstances and it has been crucial to ensure the child, school and family get appropriate support rapidly.

8.4 The team already trades with schools and it maybe that this process can be included in the traded offer.

8.5 Result of the consultation:

8.6 The consultation responses were that 56 primary schools would prefer to de-delegate the funding to the Local Authority to continue to provide the service as opposed to 20 schools that would prefer the funding to be delegated. Of the secondary school responses, only 1 of the 4 would prefer the funding to be de-delegated.

9.0 Other centrally managed funding

9.1 In addition to these centrally managed budgets to be delegated to schools, the Local Authority has the option to top slice funding for pupil increases due to basic need in both the primary and secondary sector before the overall grant is allocated to schools. However, the value and the criteria for allocation needs to be approved by the Schools Forum and a separate work stream, in conjunction with Learning and Achievement Officers, is underway to develop this policy, which will be brought to the Schools Forum for approval in October.

10.0 Conclusion

10.1 Whilst the inference is that these centrally held budgets should be included in the schools budgets, there are instances where both the Local Authority and the schools that have responded to the consultation would prefer for the funding to be de-delegated so that the central service can be retained.

10.2 The response from the primary sector was more extensive and in favour of de-delegation. There was little response in this consultation exercise from the secondary sector and when this issue was included in the initial consultation in June, most secondary schools indicated that they would prefer the funding to be included in their budgets.

10.3 The Schools Forum will need to vote by sector in October as to whether each of these funding streams should be de-delegated back to the Local Authority.

Background papers

“School Funding Reform: Next steps towards a fairer system” – DfE March 2012
 “School funding reform: Arrangements for 2013-14” - DfE July 2012

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Schools Forum

18th October 2012

School Balances as at March 2012 and Balances Control Mechanism Policy

Recommendation

The Schools Forum is recommended to:

- Note the current position on school balances
- Nominate representatives from the Schools Forum to be part of the panel to consider cases for claw back in line with the Balances Control Mechanism Policy
- Receive a report at its December meeting on the outcome of the panel and consider any suggestions for utilising any claw back
- Agree whether to continue with a Balances Control Mechanism Policy for balances at March 2013 or to cease the policy in line with the new academy regulations

1.0 Introduction

1.1 This report informs the Schools Forum of the position of school balances and the implementation of the Balances Control Mechanism for surplus balances held at 31st March 2012. It details a temporary approach taken during this year and recommends that the Schools Forum decides on the approach to be taken going forward.

2.0 The Balances Control Mechanism Policy

2.1 From April 2007, The Balances Control Mechanism Policy has been in place as required by the Secretary of State. The policy is set out in the "Scheme for Financing of Schools". The operation of this policy resulted in no claw back of funds from Warwickshire schools last year.

2.2 Warwickshire has required schools to take a planned and managed approach to the reduction of balances. This means schools have been able to plan a reduction in balances, choosing to use resources in the most appropriate way for the individual school. Provided a school then reduces balances in line with its plans, no further action will be taken. This approach means plans for using balances are developed with three-year school budgets and should be linked to School Improvement and Development Plans

2.3 This year, maintained schools were limited to carrying forward 12% of their 2011/12 budgets. This increase to the previous arrangements, of 8% and 5% for primary/special schools and secondary schools respectively, was introduced to recognise that the implementation of the government's funding reforms may cause some turbulence in school budgets and a higher balance control threshold could serve to mitigate the effects of this. This approach was approved by Warwickshire's Cabinet in September as a temporary one year arrangement.

2.4 The overall balance position for schools as at March 2012 was as follows:

| Sector | Balances at 31st March 2011 £000 | Balances at 31st March 2012 £000 | Difference £000 |
|---------------|--|--|----------------------------|
| Nursery | 401 | 342 | -59 |
| Primary | 11,393 | 13,502 | 2,109 |
| Secondary | 9,323 | 5,121 | -4,202 |
| Special | 1,472 | 1,166 | -306 |
| Total | 22,589 | 20,131 | -2,458 |

2.5 At the 31st March 2012 total school balances were at £20.131m, a decrease of £2.458m (10.9%). It is possible that the consistently high balances are a reaction to uncertainty regarding revenue funding. Secondary school balances have reduced significantly as a result of 18 schools in this sector converting to Academy status. These 18 schools account for £3.849m of the drop in balances within this phase

2.6 With the current year agreement of a threshold for all schools set at 12% of the current year's Section 251 budget, still 20 schools exceeded this level. However, this is a significant fall compared to last year when the threshold levels were set at 8% and 5% for the primary/special and secondary phase respectively. Further information on schools exceeding the threshold can be found in Appendix A.

2.7 Any resources that are clawed back are reinvested in schools (or school services) as a 'one off' because the funding is not recurring. Although we do not yet know what the sum, if any, we may have, it would be helpful if the Forum could identify one or two areas of possible investment that could be worked up as costed proposals for December's meeting.

3.0 Schools Forum Panel

3.1 In order to consider the cases of individual schools potentially eligible for claw back, the schools forum is requested to provide a panel of representatives. The panel should consist of (if possible):

- One primary head teacher
- One secondary head teacher
- Two governors
- One other voting member of the Forum

3.2 It is recommended that the panel meet during early November subject to confirmation at a later date, should this be necessary.

4.0 Future Balances Control Mechanism Policy

4.1 As with many finance issues relating to schools currently, the equity between maintained and academy schools is an issue to bear in mind.

4.2 The new "Academies Financial Handbook 2012" states that for Academy schools, balance control limits have now been removed in order to allow them to build up reserves for long-term capital projects or other projects for the benefit of their pupils. The reason behind this change is that Academies do not have the option of borrowing from the Local Authority as it is perceived maintained schools do.

4.3 However, Warwickshire no longer offer loan arrangements to maintained schools and therefore it is an option that Warwickshire also removes its Balance Control limits in order to align itself with the national agenda and to ensure the equitable treatment of maintained and Academy schools.

4.4 While the government have not set a specific limit on the amount Academies can carry forward into the next year, the Department for Education (DfE) will continue to monitor the spending of surplus balances. The Education Funding Agency (EFA) will also verify the sums of unspent funds when it checks Academy's accounts and highlight and report, to the relevant DfE Boards, any cases where it has serious concerns about a long-term substantial surplus with no clear plans for use. The Local Authority would continue a similar approach to monitor the spending of significant surplus balances through the 3 year budget submission process

4.5 This is a significant shift in the approach that WCC has formally taken in the past, although as the Forum members will be aware, we have not clawed back significant levels of funding in the past few years. However, there is the issue of

equity within the schools in Warwickshire and, as more and more schools convert to academy status, this will become more apparent.

4.6 The schools Forum is therefore asked to make a recommendation that, for the school balances as at March 2013, to either

- Retain the current policy in place since 2007 whereby there are 5% and 8% thresholds levels depending on the type of school
- Retain the temporary 12% thresholds as a means of recognising that this will concentrate on those schools with more significant balances
- Relax the thresholds entirely as is the case with academy schools from 2013/14 onwards. This offers schools the autonomy to utilise their funding in a manner that best suits them and their pupils, although the reverse consequence of this is that school balances may well increase which may appear at odds with the austerity of public finances generally

Background papers

Academies Financial Handbook 2012 - A copy of this document can be found at <http://media.education.gov.uk/assets/files/pdf/a/academies%20financial%20handbook%20sept%202012v11.pdf>

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Excess School Balances as at 31 March 2012

Appendix A

| School | Excess Over 12% | Capital Work | Investment on furniture/equip ment | Planned building maintenance | Maintenance of staffing levels | Total planned spend |
|---------------|----------------------------|---------------------|---|---|---|--------------------------------|
| School 1 | 12,227 | 19,000 | 1,500 | 0 | 0 | 20,500 |
| School 2 | 44,872 | 8,000 | 31,500 | 0 | 30,000 | 69,500 |
| School 3 | 21,386 | 0 | 0 | 0 | 58,000 | 58,000 |
| School 4 | 8,006 | 25,000 | 25,000 | 4,500 | 0 | 54,500 |
| School 5 | 7,535 | 5,800 | 1,000 | 0 | 0 | 6,800 |
| School 6 | 17,860 | 0 | 0 | 0 | 23,000 | 23,000 |
| School 7 | 6,971 | 4,000 | 2,000 | 0 | 10,000 | 18,000 |
| School 8 | 105,557 | 75,556 | 51,640 | 0 | 0 | 132,196 |
| School 9 | 43,498 | 17,000 | 0 | 0 | 77,000 | 94,000 |
| School 10 | 58,310 | 0 | 0 | 0 | 110,000 | 110,000 |
| School 11 | 17,497 | 0 | 23,000 | 0 | 20,000 | 43,000 |
| School 12 | 17,344 | 0 | 46,000 | 0 | 0 | 46,000 |
| School 13 | 27,487 | 0 | 0 | 30,000 | 0 | 30,000 |
| School 14 | 24,063 | 0 | 0 | 0 | 67,535 | 67,535 |
| School 15 | 59,588 | 97,000 | 2,000 | 11,000 | 13,000 | 123,000 |
| School 16 | 2,217 | 0 | 5,000 | 0 | 28,000 | 33,000 |
| School 17 | 28,641 | 0 | 8,500 | 0 | 55,300 | 63,800 |
| School 18 | 97,101 | 42,000 | 8,000 | 60,000 | 0 | 110,000 |
| School 19 | 30,758 | 52,000 | 0 | 27,000 | 0 | 79,000 |
| School 20 | 50,648 | 370,000 | 0 | 0 | 0 | 370,000 |
| Total: | 681,565 | 715,356 | 205,140 | 132,500 | 491,835 | 1,551,831 |

Schools Forum – Forward Plan 2012

Forward Plan

The table below contains provisional items for the Schools Forum for the next year. This table will be updated and reported to each meeting of the Forum.

| For Decision | For Information / Comment |
|---|---|
| 6th December 2012 | |
| <ul style="list-style-type: none"> • Review of the Schools Forum Constitution and membership • Pupil Increase Framework | <ul style="list-style-type: none"> • Update on academies • PRU Performance Update • National Funding Formula Update • Update on further ABP allocation methodology • Update on Local Funding Formula Review ahead of Cabinet decision • Revised Schools Financing Regulations |
| 7th March 2013 | |
| <ul style="list-style-type: none"> • Dedicated Schools Grant – Indicative 2013/14 • New Schools Forum voting process | <ul style="list-style-type: none"> • Update on academies • Updated Scheme for Financing Schools • Update on National Funding Formula and Local Funding Formula |
| 16th May 2013 | |
| <ul style="list-style-type: none"> • | <ul style="list-style-type: none"> • Update on academies • Update on National Funding Formula and Local Funding Formula |
| Dates of future Meetings | |
| <ul style="list-style-type: none"> • March 7th 2013 2pm Conference Room, Northgate House, Warwick • May 16th 2013 2pm Conference Room, Northgate House, Warwick • October 17th 2013 2pm Conference Room, Northgate House, Warwick • December 5th 2013 2pm Conference Room, Northgate House, Warwick | |

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