



Agenda

Thursday 6th December 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.	Update on the Schools Funding Reforms	Information	Sara Haslam
4.	Out of County SEN provision (report to follow)	Information	Simon Smith
5.	2 Year Old Disadvantages Pupils	Comment	Sara Haslam
6.	Pupil Increase Funding Framework	Comment	Sara Haslam
7.	Amendment to the Schools Forum Terms of Reference	Comment	Sara Haslam
8.	Update on the Balances Control Mechanism Policy	Information	Sara Haslam
9.	Forward Plan		
	Chairs Business		

Date of Next Meeting:

March 7th Conference Room, Northgate House, Warwick 2pm

Schools Forum

October 18th 2012 - Minutes

PRESENT:	
Diana Turner	Governor
Chris Smart	Governor
Peter Reaney	Governor
Latika Davis	Governor
Philip Johnson	Governor
Larry Granelly	Governor
Phil Clucas	Governor
Cathy Clarke	Primary Headteacher
Stella Saje	Primary Headteacher
Gill 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
Steve Dyke	PVI Representative
Ian Froggett	Union Representative NAS/UWT, Chair of ATP
David Hazeldine	County Secretary ASCL
Max Hyde	County Secretary NUT
John Collins	Trade Union Representative
Sam Kincaid	Trade Union Representative
Hugh Disley	Head of Service Early Intervention
Cllr Rickhards	Elected Member
Mark Gore	Head of Service – Learning & Achievement
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:

Laurel Penrose	14-19 representative
David Kelham	Governor
Cllr June Tandy	Governor
Ramesh Sirvastava	Governor
Cllr Heather Timms	Elected Member
Cllr Carolyn Robbins	Elected Member
Cllr John Ross	Elected Member
Margaret Buck	Catholic Diocese
Mick Haynes	Unison
Adrian Ross	Unite
Paul Hamilton	GMB
Wendy Fabbro	Strategic Director - People Group
John Betts	Head of Finance

2.0 Minutes from Previous Meeting and Matters Arising

2.1 The following points were raised concerning the minutes from the previous meeting.

- Apologies were received from Cllr Rickhards but were not recorded on the minutes.
- Sam Kincaid, Union representative NAS/UWT was present at last meeting but not listed in the minutes.
- The wording of point 4.9 on page 3 was misleading. The point being made was that the use or non-use of a prior attainment factor in the new formula must be consistent across both the Primary and Secondary Sector.
- Point 8.2 on page 5 states that there is no intention to change the Early Years Funding Formula for 2013/14. The DfE has issued guidance recommending that the EYSFF should only use a basic rate and a deprivation rate. The Warwickshire formula already complies with this and therefore has not been subject to further review. However, it was confirmed that further consideration of the formula will take place once more information is known regarding the changes to Dedicated Schools Grant in terms of funding for disadvantaged 2 year olds.

2.2 There were no matters arising.

3.0 Dedicated Schools Grant 2011/12 Out turn

3.1 Simon presented the report.

3.2 Agreed: That the General DSG Reserve is retained in full until we have more clarity around budget levels for 2013/14.

3.3 The detail of centrally managed services includes £9.754m out of county expenditure in 2011/12. A request was made for further information regarding this expenditure including:

- Pupil year group.
- Year admitted to an out of county establishment.
- How long they have been in out of county
- Pupil's SEN status/needs.
- Pupil outcomes.

3.4 It was confirmed that the Cabinet Portfolio Holder and elected members have the responsibility for scrutinising out of county expenditure. However, it was confirmed that as this is a significant area of expenditure it was reasonable for Schools Forum to request and be provided with further information.

Action: A comprehensive report on 2011/12 Out of County expenditure would be provided at the next meeting.

3.5 A query was raised why the Secondary PRU out turn figure was overspent. Simon confirmed the actual figures were different to the budget as the budget for the Area Behaviour Partnership are calculated on an academic year basis, while the report showed the financial year position.

4.0 The Final Dedicated Schools Grant 2012-13

4.1 Simon presented a report detailing; 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.

Agreed: The Forum agreed the final allocation of the 2012/13 DSG.

5.0 The Schools Funding Reforms – Final Recommendation.

5.1 Sara presented the report.

5.2 Members of the Forum were asked to vote on the preferred funding formula option to be presented to Cabinet for final approval in December. It was explained that votes would be taken for option 1, option 2 and option 4. Before voting took place the following comments were made:

- It was confirmed that the EFA had not issued any specific guidance on how voting should be conducted, only that Schools Forum should be consulted and a consensus decision be taken to Cabinet for approval.
- Although 3 options would be subject to a vote at the meeting, it was noted that the Project Board only formally recommended Options 1 and 2 at its meeting on October 2nd. It was noted that, in terms of schools voting as “one school, one vote” in the consultation, Options 1 and 2 were the most popular. However, in terms of the pupils that these schools represent, Option 1 and 4 were the most popular. Therefore it was felt pragmatic to include Option 4 in the voting process in the interests of openness and transparency.
- At Schools Forum on 27th September, it was requested that the 2 most favourable options be brought to the meeting on 18th October and to offer schools who had not responded to the consultation to do so. This included primary head members of Schools Forum to take views from head teachers on all options. However, it was noted that there was no mechanism to report this supplementary feedback to the Project Board at this latter stage. Therefore, again, there was merit in retaining Option 4 to be voted upon.
- The EFA will review how decisions have been made and the winners and losers that result. That information will be published. Therefore it is important that there is transparency in the process.
- Views received in the Bedworth area concluded that head teachers had not initially fully understood the implications of the consultation. General opinion is

that a deprivation factor based on just Free School Meals numbers was not appropriate as SEN issues are not always related to FSM.

- Option 1 and 2 remove money from deprived areas and Option 3 and 4 move money into deprived areas. To take money out of deprived areas could not be beneficial.
- Warwickshire as a county has worked hard at “narrowing the gap” and Options 1 and 2 would have a negative effect on this.
- The Special head teacher at the Schools Forum stated that she would abstain from voting as the School Funding Reforms does not impact on special schools.

5.3 The results of the vote were:

- **Option 1 – 5 votes.**
- **Option 2 – 2 votes.**
- **Option 4 – 13 votes.**

Agreed: Option 4 will be presented to Cabinet in December for final approval and that this would be the basis of completing the pro forma to the DfE for 31st October.

6.0 The Schools Funding Reforms – De-delegation of Delegated Funding.

6.1 Sara presented the report.

6.2 Votes were taken on the de-delegation of funding for services to enable the LA to continue the delivery of these services on behalf of maintained schools.

6.3 Agreed: 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.

6.4 Agreed: 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.

6.5 Agreed: The table below shows the results of voting to de-delegate funding to the LA for other services:

	Primary	Secondary
School Improvement funding (Primary sector only vote)	De-delegate	N/A
Administration of Free school Meals eligibility	De-delegate	De-delegate
Support for Gypsy Romany Travellers	De-delegate	Delegate
Support for English as an Additional Language	De-delegate	De-delegate
Staff costs – supply cover	De-delegate	De-delegate

Behaviour Support Services (Primary sector only vote)	De-delegate	N/A
General Contingency Funding	Delegate	Delegate

6.6 The report provided also included details of baseline funding allocations for services for which funding is included in the Schools Block of the DSG that regulations state do not, during 2013/14, need to be delegated to schools.

6.7 Agreed: The non-delegated baseline schools block funding allocations detailed in 2.18 of the report were approved.

6.8 With the move nationally towards the increased delegation of funding to schools, a review would be undertaken during 2013/14 in relation to those budgets held centrally by the LA and which are currently not subject to forced delegation next year.

6.9 Action: A report providing further details of these services will be provided at the March Schools Forum meeting.

7.0 School Balances as at March 2012 and Claw Back

7.1 Sara presented the report.

7.2 The following members of Schools Forum volunteered to be on a panel to consider cases for claw back of surplus balances held at 31/3/12 in line with the Balance Control Mechanism Policy:

Chris Errington – Primary Head teacher
 Tony Wilmot – Secondary Head teacher
 Diana Turner – Governor
 Larry Granelly – Governor
 Sybil Hanson – Diocesan Board of Education

7.3 Agreed: Schools Forum recommended that Warwickshire's future Policy for Balances Control Mechanism is kept in line with the EFA regulations for academies.

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 During the meeting it was agreed that the following items would be added to the forward plan:

- Further information regarding Out of County expenditure.
- Update from Overview and Scrutiny regarding the School Funding Reforms to be provided at the next meeting on 6th December 2012.

- Further information regarding the funding allocations for services for which funding is included in the Schools Block of the DSG and will not be delegated in 2013/14, but may be subject to future delegation.

Action: These items to be included on the Schools Forum Forward Plan

9.0 Chair's Business.

9.1 None.

10.0 Next Meeting.

10.1 The next meeting will be held on 6th December, Northgate House, Warwick at 2pm.

Schools Forum

6th December 2012

Update on the Schools Funding Reforms

This report relates to both maintained and academy schools

Recommendation

The Schools Forum is recommended to:

- Note the progress of the schools funding reforms since the meeting on October 18th

1.0 Introduction

1.1 At its meeting on October 18th where a recommendation was made to adopt “Option Four” as the funding formula for schools in Warwickshire from April 2013, it was requested that an update report be brought to this meeting for Forum member’s information.

2.0 Update

2.1 The termly Finance Newsletter was issued to all school and academies just before the half term break and included details regarding the decision made by the Schools Forum in terms of the recommendation of Option Four. The minutes of the Forum meeting were also published on the WCC website.

2.2 Following this, there were several emails received by officers in the Local Authority from schools or groups of schools regarding the decision; in particular the fact that Option One was that which was most favourable in the consultation but not the final recommendation.

2.3 To explain the decision making process in more detail, a letter was sent out to all schools and academies. This is attached as Appendix A.

2.4 On October 31st, the new national pro-forma was submitted to the Education Funding Agency (EFA), showing the allocation of funds to Warwickshire schools based on Option Four and the delegation and de-delegation of funding. Since this submission, several queries have been received from the EFA to which answers have been provided. The Local Authority has since received feedback that it complies with the regulations and indicative budgets for 2013/14 have been issued to schools based on this pro-forma.

2.5 On November 6th, a report was presented to the Children's and Young Peoples Overview and Scrutiny Committee. A copy of this report can be found at <http://democratic.warwickshire.gov.uk/cmis5/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/645/Meeting/2254/Committee/487/Default.aspx>.

2.6 The response from the committee was that whilst they were disappointed to the response to the consultation responses had not been higher, that they endorsed the decision of the Schools Forum.

2.7 In its new role as adjudicator of decisions taken by Schools Forum, the EFA has received a request to investigate the decision made by the Forum with regard to the recommendation of Option Four. An explanation of the decision making process and a copy of the letter issued to schools was sent to the EFA. The Local Authority has since received a response that they are satisfied with the decision making process and the Schools Forum recommendation.

2.8 The Cabinet meeting will take place on December 13th seeking final approval for the adoptions of Option Four. A copy of the Cabinet report is available at <http://democratic.warwickshire.gov.uk/cmis5/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/645/Meeting/2241/Committee/468/Default.aspx>

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Portfolio Holder	Cllr Heather Timms	cllrtimms@warwickshire.gov.uk

Appendix ANovember 16th 2012

Dear colleagues,

I am writing to you all regarding the Schools Funding Formula being proposed for adoption in Warwickshire from April 2013 and to explain the process by which the final option was selected. Understandably, it is apparent that there is some confusion relating the results of the consultation to that of the final recommendation of the Schools Forum.

You will recall that there were 4 options being considered by the Schools Forum and that you were all asked for your feedback on these options through a formal consultation process, the latter part being completed at the end of September.

As a reminder, the 4 options were as follows:

Option One – 84% funding allocated through a basic per pupil entitlement and 6% additional needs allocated on a FSM ever 6 years basis only

Option Two – 84% funding allocated through a basic per pupil entitlement and 6% additional needs allocated on a FSM ever 6 years basis and prior attainment.

Option Three – 78% funding allocated through a basic per pupil entitlement and 12% additional needs allocated on a FSM ever 6 years basis only

Option Four – 78% funding allocated through a basic per pupil entitlement and 12% additional needs allocated on a FSM ever 6 years basis and prior attainment.

In terms of the feedback from the consultation, 2 approaches were taken to assess the results; one was collating the responses on a “one school, one vote basis” and the other on the basis of the number of pupils that the respondents represented. In both approaches, Option One was the most favoured in the consultation and as such, this was the first preferred option recommended by the Project Board to the Schools Forum. However, it was recognised that using only “FSM ever 6 years” to allocate additional needs funding may be too narrow an approach. Therefore Option Two, the second most favoured in terms of the number of schools who responded, was also put forward by the Project Board.

However, the final recommendation to Cabinet has to come from the Schools Forum, the statutory body with the responsibility for this function, elected by their peers and representative of the type of schools within Warwickshire. After the consultation had closed, the members of the Forum continued to talk to colleagues to generate further feedback, a role that is fundamental to their membership. From these discussions, it became apparent that there was concern in relation to a formula that may result in shifts of funding from areas

where there are high levels of deprivation and higher additional needs. On the basis that Option Four was the second favoured in terms of the number of pupils represented and had a greater weighting towards additional needs funding than Options One and Two, this option was also included for the Schools Forum to consider at its meeting on 18th October.

The intention of retaining three options for the Schools Forum to vote upon was therefore to enable an open and transparent debate and one that could be defended if called upon to do so by the Education Funding Agency. Whilst the Project Board recommendations of Option One and Two were made clear at the meeting, the final voting of the Forum was as follows:

- Option One 5 votes
- Option Two 2 votes
- Option Four 13 votes

As such, with the overriding support of the Schools Forum members, Option Four will be that recommended to the Cabinet on December 13th for final approval. Since the Schools Forum meeting, this decision has also been endorsed by the Children and Young Persons Overview and Scrutiny Committee.

Whilst the formal consultation played a vital role in assisting the decision making process, other factors, in particular the impact on the most vulnerable pupils, were also important to the Schools Forum members.

The selection of a final option was not an easy decision as ultimately some schools see reductions under each of the scenarios. That said, a decision has to be made to ensure that Warwickshire complies with the new Department for Education (DfE) regulations from next April. The impact of the changes on each school however continue to be mitigated by the Minimum Funding Guarantee but there remains some uncertainty regarding the longevity of these changes; further work will begin next year by the DfE to develop a National Funding Formula, of which an implementation date is yet to be announced.

I hope that this letter helps you to understand firstly the reason for the inclusion of the three options for consideration by the Schools Forum at its meeting in October and secondly that the Forum members, as elected, representative members of a statutory body, showed overwhelming support for Option Four.

Kind regards,



Mark Gore

Head of Service - Learning and Achievement

Schools Forum

6th December 2012

Introduction of disadvantaged 2 year old funding into the Dedicated Schools Grant and the implementation of a formula to allocate funding to providers

This report relates to both maintained and academy schools

Recommendation

The Schools Forum is recommended to:

- 1) Note the move of funding for free entitlement of nursery provision for 2 year olds from Council resources to the Dedicated Schools Grant from 2013-14
- 2) Note the extension of the programme for free entitlement of nursery provision for 2 year olds and the statutory nature of this entitlement from September 2013 and the further extension of the scheme in September 2014
- 3) Note the project management approach being taken to implement these changes
- 4) Agree to 3 Schools Forum members to be part of the Project Team to contribute to the detailed analysis work

1.0 Introduction

1.1 Currently 2 year old nursery provision is funded from Council resources on a non-statutory basis. However, in a move to align this provision with that of 3 and 4 year olds, funded from within the Dedicated Schools Grant (DSG), the Department for Education (DfE) has announced that from 2013-14, funding will be transferred to the DSG and that the Local Authority is required to establish a funding formula to allocate this funding to nursery providers.

1.2 This reports details the current position within Warwickshire, the changes in the regulations and the work required to comply.

2.0 Background

2.1 For the three years until 2011/12, Warwickshire County Council allocated £300,000 resources to fund a pilot scheme to offer a free nursery entitlement of 10 hours per week in the Nuneaton and Bedworth area to deprived 2 year olds.

However, it became apparent that there would be a national move to increase such provision and that, as a way of introducing a stepped change, the Council agreed to increase its funding levels to £1.2m in 2012/13. This has allowed the county to fund an increased offer of 15 hours entitlement and to a greater number of areas of the county.

2.2 Currently, these children are identified as being eligible by both health and county council staff and providers are funded at a rate of £4.85 per hour, the rate suggested by the DfE in 2009/10 when 2 year old pilot was first introduced.

2.3 Currently, the Local Authority funds around 880 places for such children

3.0 The new regulations

3.1 In April 2013, the School and Early Years Finance (England) Regulations 2013 will come into effect and, as part of this, funding will transfer from the WCC revenue funding settlement to the Dedicated Schools Grant and should fund a statutory free 15 hours entitlement of education provision to disadvantaged 2 year olds. Whilst the regulations are in place from April, the statutory date of provision is September 2013.

3.2 Funding for this provision is currently allocated from within WCC resources but the scheme is being extended and enforced. The expectation of the scheme is that from September 2013 20% of 2 year olds will be entitled to funding and from September 2014, this will increase to 40%.

3.3 Whilst the regulations have not been confirmed yet, it is expected that children eligible for September 2013 will be those where their families meet the criteria used to establish school-aged children's eligibility from free schools meals or those that are looked after by the Local Authority

3.4 Children eligible for September 2014 will be those where their families earn a gross annual income of no more than £16,190 and will be eligible for either free schools meals, Working Tax Credits or the new Universal Credit benefit, children with Special Educational Needs or a Disability or those that are looked after by the Local Authority.

3.5 It is expected locally that the number of children eligible in September 2013 will be around 1,200 and in September 2014 around 2,400.

4.0 Funding Allocation from the Department for Education to the Local Authority

4.1 Nationally, the funding levels for the extension of 2 year free entitlement have been announced as follows:

2012-13 £291m Included in Warwickshire County Council revenue funding

2013-14 £530m Included in the Dedicated Schools Grant

2014-15 £760m Included in the Dedicated Schools Grant

4.2 The 2 year old funding within the DSG will not be ring fenced but it will be identified as a separate allocation.

4.3 Allocation of funding to the Local Authority for 3 and 4 year olds is based on the census count of actual pupil numbers. However, this is not a viable approach to funding a scheme that is yet to commence, so a proxy measure will be introduced. The formula for distribution will need to take account of the number of children that are likely to meet the criteria and also the likely costs of each area to provide places. The latter will probably mean that an area cost adjustment will be applied.

4.4 Whilst the exact formula approach is yet to be confirmed, it will be used for 2013-14 and 2014-15. After this period, a decision will be made as to whether the use of actual pupil numbers would be more relevant.

4.5 At the time of writing this report, it is not clear the level of funding that will be transferred from WCC revenue funding or the amount that will be introduced into the DSG for 2013/14.

5.0 Funding Allocation from the Local Authority to Providers

5.1 The Local Authority is required to allocate funding for disadvantaged 2 year olds through an extension of the Early Years Single Funding Formula (EYSFF), the method of allocating funding for the free entitlement of 3 and 4 year olds.

5.2 Extending the EYSFF to include 2 year olds advantages:

- Recognises that the 2 year old scheme is an extension of the 3 and 4 year old scheme
- It will probably relate to the same providers, therefore funding calculated on the same formula makes sense
- The EYSFF requires the Local Authority to work with providers to determine costs as a way of calculating funding rates, therefore this is an opportunity for both parties to work together and engage afresh in an open and honest way
- If the funding rates for all EY provision is within one formula, the DfE is better able to collate data for comparison and benchmarking purposes

5.3 The difference to the current EYSFF is that:

- There is no mandatory deprivation supplement as there is for 3 and 4 year olds. As all of the children attracting this funding will have already been identified as being from a deprived background, this would be an unnecessary requirement

- The rules on the place based funding are to be relaxed to encourage, where needed, the expansion of provision for 2 year olds meeting the 20% and 40% entitlements. Places rather than participation funding will, however, be a temporary arrangement.

5.4 This does not mean, however, that the EYSFF for 3 and 4 years old will simply be extended to include 2 year olds. A core principle of the EYSFF is that the hourly rate is established after considering the costs of provision. As the costs associated with these children will be higher due to smaller child/carer ratios, the Local Authority is expected to determine a separate rate for 2 year olds.

5.5 It will also be permissible that the DSG is used to check the eligibility of 2 year olds for such funding. The Local Authority already has a Free School Meal eligibility checking service that is funded by the DSG for mainstream schools so this can be extended to include these younger children too.

6.0 Project Management Approach

6.1 Local Authority officers within the Learning and Achievement Unit have been working to understand the implications of these changes but, as with the main schools funding reforms, the time scales for implementation of a revised EYSFF are tight.

6.2 Following recent funding reviews, the suggested approach is that a Project Team is established to consider the detailed workings and that these are reported to a Project Board who will suggest an approach to be recommended by the Schools Forum. In turn, this recommendation will need to be agreed by the Cabinet.

6.3 It is suggested that the Project Team be as follows:

- **Project Managers:** Katie Penfold and Jo-Anne Haines (both Principal Accountants)
- **Local Authority Officers:** Diana Spragg (Senior Officer Early Years & Childcare Sufficiency and Business Support), Michelle Taylor (Manager for Administrative and Financial Services) and Penny Harding (Nursery Funding Officer)

6.4 The Schools Forum is requested to volunteer additional members of the Project Team to represent the following sectors:

- PVI
- Nursery schools
- Nursery classes

6.5 Due to the volume of the PVI sector, it is suggested that there be another representative who can be selected by the Early Years team following discussions with their colleagues.

6.6 There is already in place an Early Years and Childcare Transformation Board whose remit is to make decisions regarding the Early Years provision in general. Its members are as follows:

- Councillor Heather Timms
- Councillor Carol Fox
- Mark Gore (Head of Service – Learning and Achievement)
- Hugh Disley (Head of Service – Early Intervention)
- Jane Williams (Head of Children, Young People and Families, Warwickshire Primary Care Trust)

6.7 It is suggested that this group is used as the Project Board for this particular project.

7.0 Key milestones

7.1 The key milestones of the project will be as follows:

December –

- Formalise the Project Team and Project Board
- Determine the project documentation (PID, Project Plan, risk register etc)
- Establish the providers to contact for cost analysis
- Understand DSG funding for 2013-14

January

- Provider costs gathered

February

- Provider costs analysis and correlation to DSG funding

March

- Report to Schools Forum with a recommendation
- Report to Cabinet for final approval
- Communication with providers and budgets allocated

8.0 Conclusion

8.1 With both an extension of the 15 hours free entitlement for 2 year olds and the transfer of this funding to the DSG, there is a requirement to amend the way in which

funding is allocated to providers. The Local Authority will need to carry out a review of the costs of such provision and extend the EYSFF accordingly, ready for implementation in April 2013.

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Schools Forum

6th December 2012

Pupil Increase Framework

Recommendation

The School Forum is recommended to:

1. Comment on the proposed Pupil Increase Framework
2. Agree any variations to the Framework included in paragraph 6.4 and 6.8
3. Offer suggestions for prioritisation of bids where the overall budget in exceeded

1.0 Introduction

1.1 The Schools Forum agreed at its meeting in October to allow a contingency from the Dedicated Schools Grant (DSG) of £400,000 to allocate to schools during 2013/14 where there is an increase in pupil numbers in the autumn term compared to the previous autumn term on which the main schools funding formula is based.

1.2 The new schools funding regulations note that once the Schools Forum has agreed this value, there is a need to have criteria to allocate the funding to schools and that the Forum should be updated regularly on the allocation of this budget during the financial year.

2.0 The current position

2.1 Currently Warwickshire County Council has an Exceptional Pupil Increase Policy which was agreed in November 2007 and is basically as follows:

“The Exceptional Pupil increases policy will allocate additional funds if one or more of the following criteria are met:

- *If pupil numbers increase by more than 20 or 20% between the January pupil count and the September (Autumn) pupil count, and the school sets up an additional class to accommodate the increased pupils, providing the published admission number is not exceeded.*
- *If as a result of an increase in the schools Published Admission Number the school needs to set up an additional class.*
- *If the increase in pupil numbers would have resulted in more than a 4% increase in budget, if the budget was recalculated for a September pupil count and the school sets up an additional class to accommodate the increased pupils, providing the published admission number is not exceeded.”*

2.2 In practice, any additional funding allocations tends to occur through two routes: one is an exercise of the policy noted above that is carried out after the October census to compare these pupil numbers with those included in the schools funding formula (taken from the January census) and the second is in conjunction with the Primary Expansion Capital Project. In both instances, the funding recognises that the school has had to incur additional teaching costs for a new class in September for which they will not receive formula funding until the following April.

3.0 The new regulations

3.1 Attached at Appendix A is an extract from the Department for Education (DfE) guidance regarding this funding allocation.

3.2 In terms of the details of the any new policy, the key points are that:

- the criteria is applicable to both maintained and academy schools
- It relates to both the primary and secondary sector
- It should be used to meet “basic need” and/or to meet the infant class size regulations
- Any unused funding at the end of the year should be transferred to the overall DSG for the next year
- The Schools Forum is required to agree the retained funding levels, the allocation criteria and receive updates regarding the actual use of the funding

4.0 The proposed framework

4.1 The regulations note this this funding should be used to offset short term additional costs where schools have seen an increase in pupils due to “basic need”. This term has been used in capital funding for some time now and has been in relation the new places required within schools to ensure that the statutory duty that the Local Authority has to ensure sufficiency of school places is met. However, more recently, the Secretary of State for Education has referred to pupil increases in schools not only being as a result in demographics, but also as a result of parental choice. As such, and in the spirit of the government agenda, the Framework is recommended to cover both the instances where the Local Authority has identified a demographic pressure for a school to expand and also where a school has seen an increase in pupils due to parental choice.

4.2 In all schooling sectors, if pupil numbers increase significantly, there is likely to be an impact on teaching costs. The intention of the Framework is to offer a contribution to support schools to fund these additional teaching costs.

5.0 How much should the contributions be?

5.1 Currently, the Exceptional Pupil Increase Policy funds schools for the teacher costs between September and the next April. This has been a value of £20,000 in the past few years, based on 7 months of a teacher salary (M4) with pension and superannuation on costs. Such a value would be a reasonable amount to continue to fund. The funding is outside of the core schools funding formula and is therefore not factored into the Minimum Funding Guarantee calculation.

5.2 An overall budget of £400,000 would offer support to 20 schools.

6.0 In what circumstances should the funded be allocated?

6.1 Primary Schools

6.2 The essence of the Framework is that it offers support to schools where there are additional costs. The funding should be allocated to schools where the increase in pupil numbers will cause a breach of regulations if an additional class is not established. This would be the case with regard to The School Admissions (Infant Class Sizes) (England) Regulations 2012. This states that an infant class size should not exceed 30 pupils for one teacher.

6.3 Whilst the previous policy included a specific increase in pupil numbers, the key factor is the extra costs associated with a change in organisational structure. A primary school with an additional 20 pupils may easily absorb these within the current class structure.

6.4 Therefore, it is proposed that the new Framework should be as follows:

If a primary school has to increase its class structure in the Autumn Term and incur additional teaching costs as a result of this, then a one off contribution of £20,000 will be made to the school. This increase may be as a result of either the Local Authority requesting this expansion or due to parental choice. The school would need to provide evidence to the Local Authority that these additional teaching costs had been incurred.

6.5 Secondary Schools

6.6 Secondary schools are organised in a more complex manner than primary schools and the Framework regarding changes in pupil numbers may need to be different. However, the core principle of the school being offered additional funding only when additional costs are incurred still apply to the same degree as within the primary sector.

6.7 With the greater flexibility in the secondary sector in terms of class sizes and the nature of Key Stage 4 whereby classes are likely to be smaller, it is suggested that additional funding should only be available to schools where there is a bulge in pupil numbers in year 7. This is on the basis that where pupil numbers increase by small amounts in each year group, these could be absorbed within existing class structures. However, where a school is seeing a significant increase in the number of pupils joining in year 7 in the autumn to those leaving in year 11 in the summer and this results in additional tutor or teaching groups, then it is recognised that additional funding is likely to be required. However, as with primary schools, evidence will need to be provided to quantify this increase in costs.

6.8 Therefore, it is proposed that the new Framework should be as follows:

If a secondary school has to increase its class structure in the Autumn Term due to a greater number of pupils on roll at the school in year 7 than the number on roll leaving the school in the previous term from year 11, and that additional teaching costs are incurred as a result of this, then a one off contribution of £20,000 will be made to the school. This increase may be as a result of either the Local Authority requesting this expansion or due to parental choice. The school would need to provide evidence to the Local Authority that these additional teaching costs had been incurred.

7.0 What if the funding is oversubscribed?

7.1 The budget for the framework has been agreed as £400,000 and whilst this is based on recent funding levels, it may be that the number of schools needing to re-organise class structures is in excess of the 20 that this will fund.

7.2 On this basis, there may need to be a set of criteria against which bids are prioritised. It is recommended that those schools seeing an increase in pupil numbers as a result of a Local Authority request in order that it meets its sufficiency of places are given the first priority.

7.3 If there is then insufficient budget to fund the remaining schools, there may be several options, including:

- Identification of DSG underspends elsewhere, or
- Priority to schools expanding within their Local Authority agreed PAN, or
- A reduced amount of funding per school

7.4 The Schools Forum are requested to consider this prioritisation criteria.

Conclusion

The Schools Forum are required to agree to the criteria for allocating the centrally retained Pupil Increase Funding and this report offers a suggested framework to be implemented in April 2013. However, views are sought from the Forum with regard to the criteria that may be used to prioritise bids where they exceed the overall available budget.

Background papers:

Devolved Capital Programmes 2012-13 (Department for Education) 27th November 2012

Written Ministerial Statement (Secretary of State for Education)- Education Capital - Allocation of extra £500 million to address the shortage in pupil places and the launch of the consultation on school premises regulations. November 3rd 2011

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6th December 2012

Item No 06

Extract from the Department for Education “2013-14 Revenue Funding arrangements: operational guidance for Local Authorities”

.... The main change is that funding for significant pupil growth can be retained centrally before the formula is calculated, and that funding for additional classes needed as a consequence of infant class size regulations can be funded as part of this. The requirements are that:

a. the growth fund can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need and to support additional classes needed to meet the infant class size regulation;

b. the fund must be used on the same basis for the benefit of both maintained schools and recoupmnt Academies;

c. any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and Academies through the local formula;

d. local authorities will be required to produce criteria on which any growth funding is to be allocated. These should provide a transparent and consistent basis (with differences permitted between phases) for the allocation of all growth funding. The criteria should both set out the circumstances in which a payment could be made and provide a basis for calculating the sum to be paid; and

e. local authorities will need to propose the criteria to the Schools Forum and gain its agreement before growth funding is allocated. The local authority will also need to consult the Schools Forum on the total sum to be top-sliced from each phase and must regularly update the Schools Forum on the use of the funding.

Schools Forum

6th December 2012

Amendment to the Schools Forum Terms of Reference

This report is relevant to maintained and academy schools

Recommendation

The Schools Forum is recommended to:

1. Comment on the amendment to the current Schools Forum Terms of Reference to include a Traded Union representative as a non-school member.
2. Note that new elections to the Schools Forum will take place in the spring of 2013 for membership for a further 12 months

1.0 Introduction

1.1 This report seeks to understand the views of the current Schools Forum members to the amendment of the Terms of Reference for this Forum in Warwickshire to include a Trade Union representative as a non-schools member.

2.0 Background

2.1 The Schools Forum will be aware of the Schools Forum (England) Regulations 2012 that came into effect on October 1st 2012.

2.2 The main changes to these regulations were that the membership should be representative of the types of schools in which pupils are educated. Paragraph 8(4) also includes details of those who are allowed to speak during Schools Forum meetings.

2.3 The intention of the new regulations is that the Forum is representative of the pupils to which decisions are made and as such, the membership and voting rights have been changed to reflect this. As such, those who are allowed to contribute to discussions are restricted.

2.4 It was noted at the meeting in September that whilst Trade Union members were included in the Warwickshire Terms of Reference of the Schools Forum, they were no longer included in the group of representatives allowed to speak at these meetings.

3.0 Inclusion of Trade Unions as non-school members

3.1 Whilst it is the role of the Local Authority, according to the regulations, to decide on the membership of the Schools Forum, comments are being sought from the current membership regarding the inclusion of a Trade Union representative as a non-schools member.

3.2 This would mean that the views of unions could be heard at Forum meetings although, as with other non-school members, they would not be entitled to vote on schools funding issues.

3.3 The regulations state that the Local Authority must select one or more Early Years providers and one or more from the 14-19 partnership as non-school members. It then states that the Local Authority should consider whether it would include representatives from both the catholic and Anglican Church. Trade Unions are not noted as a group specifically that should be considered but they are also not precluded from being considered.

3.4 Schools Forum members will recall that upon election last May, the current membership was for 12 months to ensure that there was flexibility in the make-up of the group to reflect the change in school structures. The Terms of Reference would also need to be updated. Depending on the continued conversion of primary schools to academy status, it may be that the Forum will need to include a representative from this sector.

3.5 The views of the Forum would be appreciated to advise the Local Authority as to whether, when the Terms of Reference are updated in the spring in advance of a new term of membership in May, it would be beneficial for a Trade Union officer to be included as a non-school member.

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Schools Forum

6th December 2012

Balances Control Mechanism Policy 2012/13 - Update

This report is relevant to maintained schools

Recommendation

The Schools Forum is recommended to:

- Note the conclusions of the Schools Forum Sub Group to not claw back any funds from the March 2012 maintained school balances

1.0 Introduction

1.1 At the last Schools Forum meeting in October, a report was presented noting the school balances at the end of March 2012. A Sub Group was appointed to meet to discuss whether any of these funds should be clawed back, as per the amended Balances Control Mechanism Policy whereby only those over 12% were to be considered.

2.0 Feedback from the Sub Group

2.1 A meeting was held on 14th November to which the Sub Group either attended or fed their views. The 2011/12 balances of each school over the 12% threshold level were considered and the reasons for their under spend discussed in relation to the permitted carry forward criteria.

2.2 The conclusion of the group was that each of the schools had complied with the Balances Control Mechanism Policy and, as such, should not have funds clawed back.

2.3 However, the group requested that these schools provide the Local Authority with evidence at year end (March 2013) that the funding had been used in year as suggested it would. Whilst the Schools Forum also recommended at its last meeting that the Balances Control Mechanism Policy should no longer be applied, if, in the event that the Cabinet do not approve this recommendation, that where expenditure had not been incurred as stated, that it should be clawed back.

2.4 The report to the Cabinet on December 13th detailing the schools funding reforms will also include a recommendation that the Balances Control Mechanism Policy is frozen, in line with the deletion of such an approach by the Department for Education with academy schools.

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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
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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