

Decisions of the Schools Forum

School Funding Membership

Correction to papers - Nigel Taylor no longer represents Wessex Gardens, now the governor representative for Child's Hill (Community Primary).

Present:

Beata Felmer (substitute for Angela Trigg)
Carol Beckman
Catherine Peters
Claire Gray (clerk)
Debra Davies
Elizabeth Pearson
Gilbert Knight
Ian Harrison
Ian Stewart (substitute for Andrew McClusky)
Jo Djora
JodiMcCallum
Keith Nason
Kim Price (substitute for Joanne Kelly)
Lesley Ludlow
Marc Lewis
Matthew Glenn
Nigel Taylor
Perina Holness
Robin Archibald
Sarah Vipond
Simon Horne
Val White

2) Apologies:

Jude Stone

2. DECLARATIONS OF INTEREST

Keith Nason – Item 7b) de-delegation of Trade Union duties.

3. ELECTION OF CHAIR AND VICE CHAIR

As the previous meeting was not quorate and the Schools Forum Chair has not yet been elected, IH opened meeting.

(Last meeting was not quorate).
EP proposed Gilbert Knight.
NT – seconded.

Vice Chair – S Horne (volunteered), EP seconded.
SH appointed unanimously.

GK chaired the meeting from this point forward. He welcomed new members Robin Archibald, Beata Felmer and Jodi McCallum.

GK said farewell to Perina Holness and Carol Beckman, who were both attending their last Schools Forum meeting.

4. MINUTES OF PREVIOUS MEETING

Agreed as a true and accurate record of the meeting.

5. MATTERS ARISING

All London Councils have questioned the DWP about the Apprenticeship levy, as there is no clear guidance on whether the payroll costs of community schools will count towards the council's salaries total and thus to its liability for the levy. If they are, then it will be necessary to establish whether the levy costs will be passed on to community schools and, if so, how they can then access apprenticeship funding.

Any other matters arising are addressed in the agenda items for this meeting.

6. AGENDA ITEMS

7) 2016/17 Budget monitoring

The budget changes presented are mainly net nil effect as a result of academy conversions, only moving income and expenditure between lines. The current position also takes into account reduced Early Years (EY) expenditure and revised allocations for Post-16. **Minute item 6**

There are also corrections to lines 1.4.10 and 1.7.1 relating to the treatment of recoupment for academy bulge classes, and a further correction between lines 1.3.1 and 1.4.1 (central block/ Early Years central expenditure).

Attached to these minutes is a revised copy of the 2016/17 Q2 budget monitoring summary, as the Total Expenditure shown on Appendix 1 did not add up correctly. The variance of £348,225 remains the same.

Secondary quarter monitoring forecasts an overspend of £431k, compared to the previously reported underspend of £1.5m. This is due to:

- Revised top-up funding based on up to date (autumn term) pupil data
- Increased demand for Post16 top-up funding in FE and the private and independent sector
- Reduced expenditure for EY vulnerable families
- Reduced 2yo income
- Revised Post16 allocations
- No expected call on line 1.1.1 contingency of £147k

There is expected to be an overspend on growth funding, which will be the first call on the carried forward balances from previous years.

EP asked if provision of bulge classes for September 2017 were currently under discussion, and commented that the impact of 'placed pupils' in bulge classes was very challenging for schools. VW advised that demographic changes are being monitored and there are ongoing discussions with schools where bulge classes might be required.

As requested at the previous Schools Forum meeting, a summary of the DSG reserve position is now included in the meeting papers. After the drawdown expected for the 2016/17 financial year, the current carry forward projection is £3.245m.

JD asked if funding for schools with deficit budgets are allocated monies from reserve. CB advised that this is taken from a different budget.

Schools Forum decisions: To agree revisions to the 2016/17 budget; Agreed, unanimous.
To note Q2 position; agreed unanimously

7a) National Funding Formula

2017/18 Draft Schools Budget

IH advised that officers are happy to share current information, but the 2017/18 draft budget will be subject to change as the guidance being released from the EFA is particularly delayed this year.

Announcements so far have confirmed the postponement of a Central Block allocation, but confirmed that as a result of this Schools Forum approval can be sought to transfer funding between blocks.

Overall, the projected 2017/18 DSG will be higher than 2016/17 as a result of:

- Increased pupil numbers
- An increase in the EY block covering both the EY national funding formula and the 30 hour 'working parent' extension
- The transfer of the ESG (retained duties) element from the LA into the DSG = £824k

The High Needs Block has seen an increase as a result of the DfE rebaselining exercise matching expenditure to income.

7b) Authority Proforma Tool (APT)

(Included in the Addendum paper tabled at meeting).

IDACI reprofiling

As a result of the Autumn 2015 deprivation dataset used in the 2016/17 funding formula and the impact of this on all authorities, the DfE has now reprofiled the IDACI deprivation bands so that a similar percentage of pupils now fall into each of the new bands as was the case in 2015/16. Barnet therefore proposes to revert to funding the top 3 bands, now A, B & C rather than bands 3, 4 & 5 that were funded in 2015/16. Although we do not yet have 2016 Census data, we anticipate this option will cause minimal turbulence at school level.

SH asked if this reflects what is being done in other authorities. CG confirmed that this is the option most neighbouring authorities adopted. ML asked if this meant that Barnet would be spending less on deprivation in 2017/18. CG replied that the same overall percentage of the schools budget is distributed through IDACI as in previous years.

It should also be noted that for any schools adversely affected the MFG protects against any significant turbulence.

We are asking Schools Forum to agree this proposal in principle.

Primary:Secondary ratio

The Barnet funding formula has consistently provided a ratio of 1:1.29 between Primary and Secondary funding. As a result of minor changes in the expected dataset, the 2017/18 ratio was reducing to 1:1.28. In order to rectify this, Barnet proposes to add £5 to the Secondary pupil AWPUP. We are asking Schools Forum to agree this proposal.

Schools Forum are being asked to agree this proposal in principle.

Minimum Funding Guarantee options

In 2016/17 Barnet applied an MFG top-up amount for schools needing protection, and applied a scaling option for any schools who benefitted from the funding formula. This scaling figure was set so that schools received 20% of their gains as without this the MFG top-up was not affordable within the DSG budget available.

Prior to implementation of the expected National Funding Formula, the council wants to ensure as many schools as possible are on the funding formula rather than receiving the MFG top-up or gains being scaled back. In order to do this, APT modelling for 2017/18 suggests that more schools (66%) would benefit from a cap rather than scaling. Early modelling (but only on 2016/17 data) would suggest that Barnet may be able to offer a cap of 2.25% for 2017/18, meaning schools will be allowed to retain up to 2.25% of any formula funding gains. This may be subject to change once actual October 2016 census data has been received.

The Schools Forum is therefore being asked to agree this proposal in principle so that work on the APT modelling can be continued ready for submission on 20th January 2017.

Decision:

IDACI reprofiling	Agreed in principle	Unanimous
Primary:Secondary ratio	Agreed in principle	Unanimous
MFG capping	Agreed in principle	Unanimous

Section 251 lines 1.4.2 and 1.4.3

Currently the lines shown on section 251 in relation to Schools Admissions and Servicing of Schools Forum cannot be increased year-on-year. In 2017/18 the DfE has permitted these items to be increased subject to line-by-line approval by Schools Forum. As a result of rising school admissions in recent years, Barnet is requesting an increase in line 1.4.2 by the equivalent of one Admissions Officer from 2017/18 (~£40,000).

We are requesting Schools Forum approval for this approval.

Decision:

Agreed in principle

Draft 17/18 schools budget (as at 3pm 8/12/16)

CB tabled a draft 2017/18 schools budget, prepared on 8th December as a result of the most up-to-date information available (See APPENDIX I). This is based on existing Section 251 categories as S251 format and guidance has not yet been confirmed.

This table includes a block analysis showing block income vs. expenditure. This has not been presented previously, but as a result of the baselining exercise this is now possible. However, members are asked to note that growth has not been taken into account in the block reprofiling as growth is not paid for due to the lag between paying out and receiving income on the increased pupil numbers. Growth funding remains the main pressure on the DSG.

The Schools Block GUF (guaranteed unit of funding) has been rebaselined by the DfE so that DSG block income more closely matches the block expenditure. The schools block allocation announcement is expected w/c 19th December 2016.

As a result of the rebaselining exercise, Barnet's HN block increased as money was moved from the Schools Block into High Needs. The HN block announcement is also expected w/c 19th December 2016.

There is a significant increase in the EY block income as a result of the new Early Years National Funding Formula (EYNFF) hourly rate, and the increase to provide funding for the 30 hour 'working parent' entitlement from September 2017 onwards. The actual EY block allocation will be based on the January 2017 census figures, so figures used at the moment are only an estimate.

Section 251 line items to note:

- Expenditure on Line 1.2.3 top-up funding is increasing as this is demand led and now covers 19-25 year old pupils.
- Expenditure on Line 1.4.1 remains static, but this must be approved by Schools Forum each year.

Now the DSG income more closely reflects block expenditure, Schools Forum now has to approve the transfer between blocks if this is required.

The LA is asking members to approve the following budget items:

- Line 1.4.1 Contribution to Combined budgets
- The transfer of funding between blocks to recognise the cost of High Needs and growth in Barnet.

Decision:

Agreed unanimously.

2017/18 De-delegation from maintained schools

Barnet is again requesting de-delegation of the following items from maintained schools in 2017/18 at the same rate as 2016/17

1.1.2 Behaviour support services (HIST team)

1.1.3 UPEG (Narrowing the Gap)

1.1.9 Trades Union duties (supported by additional income from academies buying into the service).

SH asked if secondary schools de-delegated this year, 2016/17. CB confirmed that they did for Narrowing the Gap and Trade Union duties, but not Behaviour Support services.

Decision:

Item	Primary rate	Primary	Secondary rate	Secondary
Behaviour Support	£3.01 per pupil	4 for , 0 against, 0 abstained	Not de-delegated	
Narrowing the Gap	£9.55 per FSM pupil	4 for , 0 against, 0 abstained	£16.34 per FSM pupil	1 for, 0 against/ abstentions
Trades Union duties	£1.66 per pupil	4 for , 0 against, 0 abstained	£1.02 per pupil	1 for, 0 against/ abstentions

2017/18 High Needs Places

This agenda item includes a table showing the agreed HN places by term at Barnet schools, academies, PRUs and FE providers. This dataset for the 2017/18 financial year was submitted to the DfE in November 2016 and is provided for members' information.

The draft (tabled) 2017/18 budget reflects the cost of these places.

SH asked if the place funding varies to reflect take-up of places by Barnet pupils. CB advised that place funding is guaranteed, but the top-up funding varies based on the number and EHCP band of Barnet pupils placed at the school.

Schools Forum are asked to note the place numbers agreed with the DfE.

7c) 2017/18 Early Years proposals

Following on from the government EY consultation and Barnet's local consultation, this item is to seek the views of Schools Forum to inform proposals for the local 2017/18 Early Years funding formula to providers.

The release of the government response to this consultation has now provided additional detail regarding implementation requirements. LAs will be required to pass 93% of their allocation to providers in 2017/18 (95% in 2018/19), providing a universal base rate to all providers. A range of supplements are permitted as shown in the table below, but funding through supplements is capped at a total value of 10%.

Supplement	Requirement
------------	-------------

Deprivation	Mandatory
Flexibility	Optional
English as an additional Language (EAL)	Optional
Quality	Optional
Rurality/ Sparsity	Optional

There will also be a Maintained Nursery School supplement to support these settings, guaranteed until the end of this Parliament (2019/20); a new Disability Access Funding providing a lump sum per child per year to support disabled children to access their EY entitlement; a requirement that LAs have an Inclusion Fund to provide additional support to children with Special Educational Needs.

The government has announced that a supplement for providing the 30 hour 'working parent' offer is not permitted.

We are seeking Schools Forum's views on which of the optional supplements should be made available to providers in Barnet.

Comments from members suggest there is little appetite for a flexibility supplement, as this has an impact on the quality of provision, but that the most important supplement in their view is 'Quality' – recognising higher qualifications of leaders is the greatest driver of future outcomes for children.

The Rurality/ Sparsity option is not considered necessary in Barnet, and despite being a mandatory data return by schools, EAL was deemed too bureaucratic for small and private providers to collect and an unreliable measure on which to base funding.

JD asked how long this new EY formula would last once implemented. CB advised that this is for implementation in 2017/18 and would be under review thereafter.

DD thanked members for their comments and advised that these views will be taken into account in proposals that are due to go to Chris Munday and Councillor Thompstone shortly.

7d) Removal of the Education Services Grant (ESG)

IH summarised the government announcements in relation to the removal of the Education Services Grant (general funding rate) in March 2017 and the transitional protection that will be allocated in its place from April – August 2017.

The retained duties element of the ESG has been moved into the Schools block of the 2017/8 DSG allocation at a value of £15 per pupil. This is to cover the statutory duties provided to all schools, including Academies and Free schools and amounts to a figure of £824k moving into the Schools block.

The general fund element, which covers services to maintained schools only, will be removed from September 2017. The current (2016/17) ESG general rate element generates £2.8m for Barnet. For the period April – August 2017, the DfE has announced that LAs will receive transitional funding of approx. £20 per pupil, meaning Barnet is likely to receive somewhere in the region of £740k for 5 months, a loss of just over £2m in 2017/18.

LAs will now require the agreement of the Schools Forum to retain funding for the following:

- Central services that were previously funded from the retained duties rate for all schools (the £824k that has been added to the DSG).

They will also require the agreement of the maintained schools members of the Schools Forum to retain funding to pay for services currently funded from the general funding rate for *maintained schools only*.

If the LA and Schools Forum are unable to agree on the level of DSG to be retained by the LA to cover retained duties, the matter has to be referred to the Secretary of State.

School Improvement Grant

LAs will also receive a separate grant for School Improvement, an item that was previously funded from the ESG. This grant will cover statutory intervention functions and services. Schools Forum can agree to de-delegate further funding for additional school improvement provision.

JD suggested that Headteachers are under the impression that £3.4m will be lost by Barnet, but that there is an expectation that this burden will be carried by schools in the form of a reduction in expenditure on schools from the DSG. IH advised that this is not the case, but the next meeting of the Schools Forum will receive additional information as shown in the recommendation below.

Proposals:

That Schools Forum:

- Approves the LA retention of £824k, the amount that has been transferred into the Schools Block to provide retained duties previously funded from the ESG

Recommendations:

That Schools Forum notes further information will be provided at the next meeting regarding:

- a. The optional de-delegation by maintained schools for additional school improvement support, and any proposals from the council for the Delegation of funds for this purpose
- b. The regulations in relation to retention of DSG funds to pay for services currently funded from the general funding element of the ESG (for services to maintained schools) and any proposals from the council to retain such funds.

Decision:

Approval for Barnet to retain £824k for the provision of statutory retained duties for all schools and academies. Agreed unanimously.

It was agreed that the Schools Forum will await further information from the LA regarding additional school improvement and [previously] general funding rate duties.

GK announced that due to her retirement, it is Carol Beckman's last Schools Forum meeting. He thanked Carol on behalf of past and present members of Schools Forum and thanked her for the work she had done in supporting members.

Meeting closed at 18:05.

Future meeting dates:

9th February 2017
11th May 2017
6th July 2017

It was also noted that there may be a need for an additional meeting on 12th January 2017.

APPENDIX I

Barnet Schools Budget Preparation April 2017 to March 2018-Version 1											
Schools Forum - 8 December 2016											
S251line	S251 Desc	Subgroup	Gross 1718	Recoupment 1718	Net 1718	Gross Budget 1617	Net Budget 1617	Proj Outturn 1617 at M6	Net 1516 (Outturn)	Gross Budget Change in 1718 from 1617	Net Budget Change in 1718 from 1617
1.0.1	Individual Schools Budget before Academy recoupment	2,3&4 year olds	26,278,515	-	26,278,515	19,050,560	19,050,560	19,046,461	18,266,894	7,227,955	7,227,955
		BudgetShares	246,995,209	- 101,215,405	145,779,804	240,578,335	144,769,295	144,766,119	146,195,968	6,416,874	1,010,509
		HighNeedsPlaces	9,427,488	- 4,598,500	4,828,988	8,077,920	6,095,590	6,722,262	6,441,429	1,349,568	- 1,266,602
		1.0.1 Total	282,701,212	- 105,813,905	176,887,307	267,706,815	169,915,445	170,534,842	170,904,291	14,994,397	6,971,862
1.1.1	Contingencies	Contingency	400,000	-	400,000	147,130	147,130	-	77,598	252,870	252,870
1.1.2	Behaviour Support Services	Dedelegation	78,876	-	78,876	79,130	79,130	79,130	77,610	- 254	- 254
1.1.3	Support to UPEG and bilingual learners	Dedelegation	79,997	-	79,997	87,000	87,000	87,000	85,561	- 7,003	- 7,003
1.1.9	Staff costs - supply cover for facility time	Dedelegation	48,174	-	48,174	48,770	48,770	48,770	47,510	- 596	- 596
1.2.1	Top-up funding - maintained schools	HighNeeds	16,404,939	-	16,404,939	16,969,420	16,969,420	16,472,005	15,775,159	- 564,481	- 564,481
1.2.2	Top-up funding - academies, free schools and colleges	HighNeeds	7,745,279	-	7,745,279	7,434,150	7,434,150	7,573,614	6,602,530	311,129	311,129
1.2.3	Top-up and other funding - non-maintained and independent providers	HighNeeds	9,638,811	-	9,638,811	9,084,010	9,084,010	9,320,448	8,797,764	554,801	554,801
1.2.5	SEN support services	Services	3,566,943	-	3,566,943	3,581,850	3,581,850	3,566,151	3,314,558	- 14,907	- 14,907
1.2.6	Hospital education services	HighNeeds	541,146	- 135,287	405,860	530,010	530,010	541,146	530,006	11,136	- 124,151
1.2.11	Direct payments (SEN & Disability)	HighNeeds	300,000	-	300,000	300,000	300,000	300,000	210,003	-	-
1.3.1	Central expenditure on children under 5	Services	1,171,390	-	1,171,390	1,131,390	1,131,390	976,390	1,782,091	40,000	40,000
1.4.1	Contribution to combined budgets	CAF Team	279,262	-	279,262	285,540	285,540	279,662	285,567	- 6,278	- 6,278
		Safer Families	183,720	-	183,720	183,720	183,720	183,720	183,238	-	-
		1.4.1 Total	462,982	-	462,982	469,260	469,260	463,382	468,805	- 6,278	- 6,278
1.4.2	School Admissions	Services	361,200	-	361,200	361,200	361,200	361,200	359,403	-	-
1.4.3	Servicing of schools forums	Services	34,680	-	34,680	34,680	34,680	34,680	34,680	-	-
1.4.10	Pupil growth / Infant class sizes	Growth	1,400,000	-	1,400,000	1,456,322	1,456,322	1,619,234	1,447,107	- 56,322	- 56,322
1.4.11	SEN transport	Services	400,000	-	400,000	400,000	400,000	400,000	400,000	-	-
1.4.13	Other items	FairAccess	106,500	-	106,500	106,500	106,500	106,500	137,500	-	-
1.5.1	Former ESG Expenditure	Retained Duties	824,548	-	824,548	-	-	-	-	824,548	824,548
		Total Expenditure	326,266,677	- 105,949,192	220,317,485	309,927,637	212,136,267	212,484,492	211,052,176	16,339,040	8,181,218
1.7.1	Dedicated Schools Grant	DSG	- 319,553,635	105,949,192	- 213,604,443	- 302,368,347	- 204,576,977	- 204,576,467	- 205,038,940	- 17,185,288	- 9,027,466
1.7.2	Balance b/fwd	Income	- 1,713,042	-	- 1,713,042	- 1,342,390	- 1,342,390	- 1,773,875	163,898	- 370,652	- 370,652
1.7.4	Post 16 allocations from EFA	Post16	- 5,000,000	-	- 5,000,000	- 6,216,900	- 6,216,900	- 6,134,150	- 6,177,134	1,216,900	1,216,900
		Total Income	- 326,266,677	105,949,192	- 220,317,485	- 309,927,637	- 212,136,267	- 212,484,492	- 211,052,176	- 16,339,040	- 8,181,218
Block Analysis											
		DSG Income	DSG Expenditure	Difference	Status						
	Schools Block	243,954,165	245,792,166	1,838,000	Overspent						
	Early Years Block	28,344,279	27,449,905	- 894,373	Underspent						
	High Needs Block	47,255,191	48,024,606	769,415	Overspent						
	Total DSG	319,553,635	321,266,677	1,713,042	Overspent						

This page is intentionally left blank