

	<p>Children, Education, Libraries and Safeguarding Committee</p> <p>16th July 2015</p>
<p>Title</p>	<p>Annual Report on school funding arrangements</p>
<p>Report of</p>	<p>Commissioning Director, Children and Young People and Director of Children’s Services Education and Skills Director</p>
<p>Wards</p>	<p>All</p>
<p>Status</p>	<p>Public</p>
<p>Enclosures</p>	<p>Appendix A - Annual Report on school funding arrangements</p>
<p>Officer Contact Details</p>	<p>Chris Munday Commissioning Director Children and Young People and Director of Children’s Services chris.munday@barnet.gov.uk 0208 359 7099</p> <p>Ian Harrison Education and Skill Director ian.j.harrison@barnet.gov.uk 0208 359 7943</p>

<p>Summary</p>
<p>This report contains an annual update on school funding arrangements in Barnet (Appendix 1). The report sets out a range of matters for the Children, Education, Libraries and Safeguarding Committee to consider in relation to proposed funding arrangements for 2016/17. It proposes that schools are consulted on three options for the school funding formula for 2016/17, as set out in section 2.10 of the Appendix.</p>

Recommendations

That the Children, Education, Libraries and Safeguarding Committee:

- 1. Note the annual report on school funding arrangements and agree to consult schools on the approach set out in the report.**
- 2. Note the views of the Schools Forum as set out in section 1.5 of the report and agree to consult schools on the three options for the Schools Funding Formula as set out in section 2.10 of the Appendix.**
- 3. Delegate to the Commissioning Director, Children and Young People (Director of Children's Services) authority to make any necessary amendments to the Schools Funding Formula to enable the changes to be included in the submission of the Authority Proforma Tool (APT) to the DfE on 31 October.**

1. WHY THIS REPORT IS NEEDED

- 1.1 At its meeting on 9th March 2015, the Children, Education, Libraries and Safeguarding Committee received a report on 'The structure of the Schools Forum and its decision-making and advisory powers'. It set out the roles and responsibilities of the Schools Forum and the local authority. The report can be found at:
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=697&MId=7927&Ver=4>
- 1.2 The report proposed that an annual report on the local funding formulae for schools and early years and other financial issues affecting early years and schools (as described in 1.3 below) should be submitted to the committee, so that members can take decisions that are within the committee's remit that relate to the major issues considered by the Schools Forum. This proposal was agreed by the committee.
- 1.3 This report sets out proposed arrangements for various financial issues relating to schools, as a basis for consultation with schools, including:
 - The local funding formula for schools.
 - Financial issues relating to:
 - arrangements for the education of pupils with special educational needs
 - arrangements for the use of pupil referral units and the education of children otherwise than at school
- 1.4 The proposed arrangements and proposals for consultation are set out in the Appendix to this report, as follows:
 - Section 1 - Introduction, including outline explanations of the Dedicated Schools Grant, Section 251, school and sixth-form funding, the growth fund and the use of the overall Schools Budget.

- Section 2 - The local funding formula for schools, including proposals to consult on possible changes to the formula.
 - Section 3 - SEN and PRU funding – an explanation of financial arrangements for the education of pupils with special educational needs and funding of pupil referral units.
- 1.5 The Schools Forum met on 2nd July and considered the attached appendix. The Schools Forum welcomed the report and recommended that the council consult schools on the three options set out in section 2.10 of the Appendix.
- 1.6 Following consideration of this report by the Children, Education, Libraries and Safeguarding Committee, it is proposed to consult schools between 3 September and 14 October 2015 on the three options for the local funding formula for schools set out in section 2.10 of the Appendix and the financial issues indicated above. This is to enable the outcome of the consultation to inform the submission of the Authority Proforma Tool (APT), which shows details of the Schools Budget and must be submitted to the Department for Education (DfE) by 31 October each year. The Schools Forum is due to meet again on 15 October 2015 and will receive the feedback from the consultation with schools and will have a further chance then to comment on the proposed options.
- 1.7 As the Children, Education, Libraries and Safeguarding Committee is not due to meet at the end of October, it is proposed that the Commissioning Director, Children and Young People (Director of Children’s Services) be authorised to decide on any amendments to the Schools Funding Formula to enable the changes to be included in the submission to the DfE on 31 October. The changes will be reported to the meeting of the CELS committee in January, which will be able to agree amendments to the changes, if it wishes. The formula has to be finalised and re-submitted to the DfE by late January.

Early Years funding

- 1.8 On 2nd June the government published the Childcare Bill which will extend entitlement to free early education for 3 and 4 year old children of working families from 15 hours a week to 30 hours a week. At the same time, the government announced a review of funding rates for early years education for 3 and 4 year olds. The government said that it is ‘committing to increase the average childcare funding rates paid to providers (the hourly funding provided for each free place) with the Department for Education set to begin a review before summer, overseen by Childcare Minister Sam Gyimah’. It also announced plans for the early introduction of the extended entitlement – with pilots in some areas offering 30 hours worth of free places from September 2016.
- 1.9 As the planned changes could affect the early years funding the council receives from the DfE and the amount that the council can pay to providers, it has been decided to postpone consultation on early years funding issues until

the autumn term, when more information is expected to be available on the government's plans for funding provision for 3 and 4 year olds. Any changes to the Early Years Single Funding Formula (funding for 3 and 4 year olds) have to be submitted to the DfE by 31 January 2016.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The proposed recommendations enable a consultation process to be undertaken with schools to inform the allocation of school funding in 2016/17.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The alternative option would be not to undertake a consultation programme and continue with the current arrangements. This is not recommended as it would not allow the issues raised in Appendix A to be explored with schools.

4. POST DECISION IMPLEMENTATION

- 4.1 If the recommendations are approved, the consultation with schools will commence as set out in Appendix 1.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

Ensuring that resources available to schools are appropriately allocated and support the delivery of the council's Corporate Plan to ensure that 'Barnet's children and young people will receive a great start in life' and that 'Barnet schools will be amongst the best in the country, with enough places for all and with all children achieving the best that they can'.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

There are no financial implications arising directly from this report. It is only proposed to consult on options for changing the schools funding formula that do not require a significant increase in budget provision other than for increasing pupil numbers. Any increase will be containable within the overall Schools Budget (with funding from the Dedicated Schools Grant).

5.3 Legal and Constitutional References

The composition, constitution and procedures of Schools Forums are set out in the Schools Forums (England) Regulations 2012 (S.I. 2012/2261). They set out the respective roles and responsibilities of the local authority and the Forum.

The Council Constitution's Responsibility for Functions, Annex A, delegates the Children, Education, Libraries and Safeguarding Committee the power to be responsible for those powers, duties and functions of the Council in

relation to Children's Services. The Constitution further delegates the Committee the responsibility for adequate investment in educational infrastructure in order to meet the needs of the borough's learners.

The School and Early Years Finance (England) Regulations 2014 relate to the financial year commencing on 1 April 2015. Regulations are made on an annual basis setting out the requirements for local authorities in determining the schools budget. It is assumed that future regulations governing future financial years will place the same requirements on local authorities. The 2014 Regulations require that a local authority consult its schools forum and maintained schools about any proposed changes to its formula to determine the budget shares for maintained schools.

5.4 **Risk Management**

The annual submission of school funding information to the Department for Education is governed by a strict timetable to ensure that schools are allocated budgets in good time for each new financial year. The deadlines required by the Department can vary. There is a risk that the Committee meeting dates do not align well with the Government timetable. The process will be reviewed after the first year to assess the level of this risk.

5.5 **Equalities and Diversity**

The Council has a duty contained in section 149 of the Equality Act to have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it

The protected characteristics are:

- age
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;
- sex;
- sexual orientation.

In reviewing the arrangements for the education of pupils with special educational needs and for the use of pupil referral units and the education of children otherwise than at school, this report seeks to ensure that the particular needs of vulnerable children and young people are championed

5.6 **Consultation and Engagement**

The regulations set out the requirements to consult with schools for aspects of school funding. This consultation will be undertaken where required.

6 **BACKGROUND PAPERS**

Children, Education, Libraries and Safeguarding Committee 9th March 2015

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=697&MId=7927&Ver=4>