

MEETING

SCHOOLS FORUM

DATE AND TIME

THURSDAY 6TH JULY, 2017

AT 4.00 PM

VENUE

BEST HUB, LANACRE AVENUE, GRAHAME PARK, COLINDALE, LONDON NW9 5FN

TO: MEMBERS OF SCHOOLS FORUM (Quorum 9)

Chairman: Gilbert Knight
Vice Chairman: Simon Horne

Members:

Andrew McClusky – Secondary Academy Principal
Angela Trigg – All-through Academy Principal
Anthony Vourou – VA/ Foundation Governor
Cllr Brian Salinger – Community Primary Governor
David Byrne – 14-19 providers
Jack Newton – Primary Academy Principal
Jeanette Adak – Community Primary School
Jo Djora – Primary Academy Principal
Joanne Kelly – Community PRU
Jodi McCallum – Early Years Learning Alliance
John Bowra – Secondary Academy Governor

Jude Stone – Community Primary School
Keith Nason – Trades Union representative
Lesley Burgess – Community Special School
Lesley Ludlow – Community Primary Governor
Matthew Glenn – VA/ Foundation All-through School
Michael Whitworth – All-through Academy Principal
Nigel Taylor – Community Primary Governor
Robin Archibald – Primary Academy Principal
Sarah Vipond – Private Early Years providers

Substitute Members:

Beata Felmer – All-through Academy
Ian Stewart – Secondary Academy
Kit Davies – 14-19 providers
Marc Lewis – All-through Academy

Patrick Keogh – Community PRU
Siobhan O’Connell – Private Early Years providers

Officers:

Ian Harrison – CE, Director for Education & Skills

Val White – Barnet, Programme Director, Education & Learning

Catherine Peters – CSG, Head of Finance

Claire Gray – CSG, School Funding Manager

Chris Munday – Barnet, Strategic Director for Children and Young People

Members:

Cllr Reuben Thompstone

You are requested to attend the above meeting for which an agenda is attached.

Claire Gray – School Funding Manager

Contact: School Funding Team
schoolfunding@barnet.gov.uk
020 8359 7377/ 020 8359 7378

ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Welcome to new members	
2.	Apologies for absence	
3.	Declarations of Interest	
4.	Minutes of Previous meeting	5 - 14
5.	Matters arising	
6.	Items for information 6a 2016/17 Final outturn 6b 2017/18 Section 251 and Early Years proforma submission 6c Maintained Nursery School assurance exercise	15 - 20
7.	Towards a National Funding Formula 7a 2017/18 Draft budget 7b DSG baselining exercise 7c 2017/18 Growth fund update 7d Update on funding arrangements for 2018/19 – verbal update	21 - 26
8.	Draft agenda for next meeting	27 - 28
9.	Any other business	
10.	Dates of future meetings Thursday, 12 October 2017 – 4pm. BEST hub Thursday, 7 December 2017 – 4pm. BEST hub Thursday, 1 February 2018 – 4pm. BEST hub	

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AGENDA ITEM 4

Attended	Name	Representing	Type of Member	Member until end
Members	Beata Felmer	London Academy	Substitute for Angela Trigg (Academy Principal)	
	Cllr Brian Salinger	Livingstone	Substitute for Elizabeth Pearson (Primary Community Gov)	Sep 2019
	Gilbert Knight	Oakleigh	Special School Governor	Sep 2019
	Jeanette Adak	Monkfrith Primary	Primary Community HT	Sep 2019
	Jo Djora	The Hyde Academy	Academy School Principal	Jul 2017
	Joanne Kelly	Pavilion PRU	Pupil Referral Unit	Sep 2019
	Jodi McCallum	Early Years Learning Alliance	Nursery Community HT	Nov 2019
	Keith Nason	NUT	Stakeholders - Unions	Sep 19
	Lesley Ludlow	Moss Hall Infants	Primary Community Governor	Apr 2017
	Sarah Vipond	Middlesex Uni. Nursery	Private Early Years Provider	Sep 2019
	Simon Horne	Friern Barnet	Secondary HT	Oct 2017
LA Officers	Claire Gray	School Funding Manager	LBB Officer	
	Val White	Lead Commissioner	LBB Officer	
	Karen Pearson	Head of Early Years	LBB Officer	
	Nick Adams	CSG – Finance Manager	LBB Officer	
	Catherine Peters	CSG – Head of Finance	LBB Officer	
	Cinzana Khan	CSG – School Funding	LBB Officer	

Did not attend	Name	Representing	Type of Member	Member until end
Members	Andrew McClusky	Hasmonean High School	Academy School Principal	Oct 2018
	Jude Stone	Cromer Road	Primary Community HT	Mar 2018
	David Byrne	Barnet & Southgate Col	14-19 Provider Representative	
	Jack Newton	Grasvenor Infants	Academy School Principal	Nov 2018
	Robin Archibald	Broadfields Primary Academy	Academy School Representative	July 2019
	Lesley Burgess	Northway	Special School Headteacher	Sep 2019
	Michael Whitworth	Wren Academy	Academy School Principal	Nov 2019
	Angela Trigg	London Academy	Academy Representative	Sep 2019
	Elizabeth Pearson	Livingstone	Primary Community Gov	Sep 2019
	Nigel Taylor	Child's Hill	Primary Community Gov	May 2018
	Matthew Glenn	St Mary's & St John's	Primary VA/Foundation HT	Apr 2018
	Anthony Vourou	St John's N11	Primary VA/Found. Governor	Sep 2019
Non Members	Cllr R Thompstone	Lead member for Children's Services	Elected Member	
	Ian Harrison	Education & Skills Director (Cambridge Education)	LBB Officer	
	Chris Munday	Commissioning Director for Children and Young People	LBB Officer	

Current vacancies	2 VACANCIES		Primary Community HT	
	VACANT		Primary Foundation/VA Gov	
	2 VACANCIES		Primary Foundation/VA HT	
	VACANT		Secondary Community/VA Governor	
	VACANT		Secondary Community/VA Headteacher	
	VACANT		Academy Representative	
	VACANT		Special Academy Representative	

In GK's absence, SH (Vice-Chair) started the meeting.

1 APOLOGIES FOR ABSENCE

Apologies were received from Ian Harrison, Nigel Taylor, Matthew Glenn, Elizabeth Pearson and Angela Trigg. Cllr Brian Salinger attended as substitute for Elizabeth Pearson, Beata Felmer as substitute for Angela Trigg.

2 DECLARATIONS OF INTEREST

None.

3 MINUTES OF LAST MEETING

Agreed as a true and accurate record.

4 MATTERS ARISING

VW updated the Forum on the Apprenticeship Levy. The government has confirmed that staff costs of community schools will count towards the liability of the council. This is considered unfair and organisations are continuing to lobby central government to create a level playing field between schools. In the meantime, for the first year, due to the uncertainty associated with the levy implementation, the council proposes that it will cover the cost of levy contributions for community schools, rather than pass the cost on to individual schools. This is a significant investment for the council, likely to be in the region of £300-£400k. The introduction of the levy does represent a significant increase in investment in apprenticeship training however, and it is hoped that this will result in a significant increase in the number of local people taking up apprenticeship opportunities. It is envisaged that schools will very actively promote apprenticeship opportunities and at end of 2017/18, if it is felt that more apprenticeships would be generated by passing on levy contributions directly to

schools, this option will be considered. As an indication of the potential impact on community school budgets, school levy contributions are currently in the £2k- £20k range

Cllr S asked when bulge classes for September 2017 were going to be decided. VW said the decisions had already been made.

5 ITEMS FOR INFORMATION

2016/17 Budget monitoring (Provisional Quarter 3) – Catherine Peters

GK arrived during this item and took over chairing the meeting.

CP introduced the item and drew attention to the financial report circulated. She explained that since the last Schools Forum meeting on 8th December 2016, there had been no changes to the budget.

The third quarter provisional monitoring position forecasts an increase in the overspend of £247k. If there is an actual overspend, this will be the first call on DSG reserves. CP went on to explain the reasons for over and underspends shown on the table in Appendix 1 by S251 line reference.

CP said there were no calls on contingency anticipated, there was a reduction in net movement in OOB provision, additional bulge classes had resulted in an overspend, there had been a reduction in spend due to Oak Lodge's academy conversion, increased expenditure for EYVF, but there was a small underspend that was less than Q2 projections. There has been a reduction in grant income.

The reserve position was £5m at the beginning of the year and there will be a drawdown of approximately £1.3m.

SV asked if there were any changes to the FEE2 eligibility criteria.

KP replied that EYVF was an additional type of funding, separate to FEE2, for children on a social care plan. They will now receive funding for a fixed period of time, usually 12 weeks rather than ongoing funding, at which point a progress review takes place.

6 Towards a National Funding Formula.

GK introduced Item 6 – Towards a National Funding Formula.

6a) 2017/18 Draft Budget

CG presented the paper in IH's absence, referring to the table on page 21. She explained it had been updated since the December meeting and includes known as well as new DfE information.

The gross schools block income had been updated using pupil numbers on the October 2016 census and the net figure deducts academy recoupment. The cost of copyright licensing has been factored into the total, it is a deduction from the DSG.

EYPP and the new Early Years Disability Access Fund (EY DAF) is also included in the DSG income total.

The disability access fund (DAF) is being introduced as part of the Early Years National Funding Formula (EYNFF) from 2017/18 to help children with special educational needs (SEN) access early years places.

Under the terms of the EYNFF, local authorities must pass on at least 93% of the funding for 3&4 year olds to providers. Barnet is complying with this, with a notional pass through rate of £5.44 to providers

There will be a new school admissions post, costing £40k, to increase school numbers.

Lines 1.5.1 to 1.5.3 are new lines on S251 in relation to former ESG statutory (retained) duties. The expenditure on these lines is £797k, matching the allocation received and retention of this funding was approved by Schools Forum at the last meeting.

The main call on the DSG underspend was to fund the cost of growth. CP stated the expected call on reserves for 17/18 would be £1.5m. Moving forward and as a result of implementation of the NFF in 2018/19 and 2019/20, there is likely to be a further call on reserve to fund growth.

Cllr Brian Salinger asked with regard to school admissions whether the Education department funds investigating fraudulent school applications. VW replied that the council bears this cost centrally.

6b) APT submission

CG introduced the paper and said that the Minimum Funding Guarantee continues at - 1.5%, as in 2016/17. She went on to explain that under capping arrangements applied for 2017/18, schools would retain up to 2.25% of any gains to ensure as many schools as possible were above the minimum funding level prior to implementation of the National Funding Formula.

As a result of the revised IDACI bands published by the ONS in 2015, the funded bands have been reprofiled by the DfE.

Barnet always paid the top 3 bands, but as no Barnet pupils fell into Band 6, Bands 3, 4 and 5 were used in 2016/17. Due to the reprofiling, Barnet now has pupils in the most highly deprived Bands, so we have reverted to funding the top 3 most deprived bands, now classified as A, B and C.

The formula funding rates shown on page 23 have been submitted on the APT and will be going to CELS for ratification on 21st Feb.

6c) Early Years

KP reminded members that the EYNFF was announced in December 2016, and that an additional 15 hours free entitlement would be available for eligible children from September 2017. The hourly rate received by Barnet will be £5.90 per hour per child. The Early Years block income has been based on estimated January 2017 EY pupil numbers.

Under EYNFF requirements, a universal base rate must be paid to all providers, and LAs must include a deprivation supplement within the local formula. 93% of EY funding received must be passed on to providers.

KP talked about the options on page 25, which showed different early years funding proposals. Lower supplements mean a higher base rate. Option 1, with the lowest supplement of 5% and a higher base rate was chosen. As a result of this, the base

rate being paid by Barnet will be £5.17 per hour to all providers. This base rate will be the same for the universal 15 hour entitlement and the additional (working parent) 15 hour offer.

The EYPP rate to providers remains at 0.53p per hour per eligible child, the same as in 2016/17. The EYPP allocation is based on actual take up, so income received matches expenditure.

The income received by Barnet for 2 year olds is £5.92 per hour but Barnet will continue to fund providers at £6 per hour.

KP explained that although the same universal base rate must apply to all providers, a maintained nursery school supplement could be paid under the EYNFF to ensure that their funding remained at 2016/17 levels.

Cllr BS asked why Barnet was the only local authority that doesn't make a lump sum allocation to maintained nursery schools or why the Early Years formula does not cover NNDR.

CG explained a working group that was set up to discuss these issues came to the conclusion that private providers (PVIs) also faced similar premises costs as nurseries. Barnet's maintained nursery schools have received additional lump sum allocations agreed by the Schools Forum in the form of transitional funding in order to allow additional time to move towards the EYNFF.

KN asked if extra funding for nurseries would be continuing.

CG replied that it would, but only until the gap between nursery schools and other providers closes. There will be a £0.30 supplement per hour per child for maintained nursery schools in 2017/18, to ensure that they receive the same level of funding as they did in 2016/17. Barnet will submit evidence of this supplement to the DfE as requested to ensure we receive this allocation within the Early Years Block.

JM said the past 3 years have been very difficult for nurseries and that 4 outstanding nursery schools will close because of this lack of extra funding. She said qualified teachers cost the nursery schools more.

VW stated that many PVIs have the same issue regarding qualified staff, and also have to deal with the lower pupil:teacher ratio of 8:1. SV agreed that this is also an issue for PVI providers.

VW said that we would be moving to a nationally set EYNFF and funding for it was not Barnet's decision. The Schools Forum is also consulted on funding issues and provides a balance across all sectors and types of schools.

KP continued presenting the Early Years Funding Formula paper. She provided details of the SEN Inclusion Fund and the Disability Access Fund (DAF) – a lump sum paid to providers at the rate of £615 per child per annum for eligible children. DAF is designed to provide greater access to Early Years for HN children. SEN Inclusion funding is expected to target Early Years children who have EHCPs or emerging/complex needs.

KN asked if more SEN funding was expected due to the increase to 30 hours.

CG said yes, the SEN Inclusion Fund has been set at £200k to cover this additional

demand.

6d) NFF consultation, stage 2

The government has advised that a soft national funding formula will apply for 2018/19. The DfE will calculate the Schools Block and pass funding to the LA. The LA will have some discretion regarding movement between blocks to cover some parts of the formula, particularly growth.

In 2019/20, the hard formula will be introduced and used to calculate individual school's funding. Most London authorities will lose funding, but outer London authorities lose less than inner London.

Individual schools could lose up to 1.5% of their funding when the NFF is introduced. Barnet is anticipating a gain of up to 2.4% on the central services block.

The MFG will continue at -1.5% in 2018/19 and 2019/20 and schools gaining under the national funding formula will be allowed a maximum gain of 3% in 2018/19 and 2.5% in 2019/20.

The government will be putting an emphasis on prior attainment, a funding factor Barnet has not used previously as it didn't feel the data collected was reliable.

Lump sums per school will be set at £110k. The lump sum currently paid to schools is £122k but the difference will be protected by the MFG.

Overall, if the NFF had been implemented in 2016/17, Barnet would have lost 0.8% in funding. If transitional protection had been applied, then the actual reduction would have been 0.3%.

The impact of the proposals hasn't been possible to model due to the complexity of the formula factors.

In conclusion, the main change for Barnet will be implementing prior attainment funding.

SH commented that the figures are not as high as those shown in the press and on committee websites. CG said because of flexibility between blocks, the effects of the NFF could be dampened.

JD said the COLLECT website shows what individual funding would be on the NFF, but CG warned that these figures are based on 2016/17 baseline data and are what schools would have received if the NFF had been implemented in 2016/17.

7

Changes to the Scheme for Financing Schools

NA presented the item, explaining there were 4 main changes:

- 1) Salaries: non-teaching employees to be paid in accordance with the Unified Reward Scheme
- 2) That the council should be allowed to examine the medium term financial plans of schools. It is important to know schools are prepared with 3 year plans and the council should be able to check whether they are realistic and to help avoid schools being in deficit positions.
- 3) Schools would be audited in a 3-5 year cycle. The audit committee found, on

rare occasions, that high-priority recommendations weren't implemented.

BS advised that the audit committee can request that chairs and heads appear before them if the recommended actions are not put into place.

- 4) It is proposed to increase the level of spending for building works and ICT purchases to £6,000. It is a considerable increase but the current level doesn't meet requirements. The new levels would assist schools.

LL asked whether a model appraisal framework for non-teaching staff would be provided in light of implementation of the Unified Reward scheme in community schools. This was confirmed.

Cllr BS said with regards to IT in larger schools, spending £6k was not difficult. However, in smaller schools, this amount would be difficult or impossible to spend.

GK said this wasn't really the case, and referred to his own school as an example, which needed to spend £12k on a new server.

NA added that it depended on how the school's ICT plan was formulated.

GK said that a decision was required for the proposed Scheme changes but the meeting was not quorate (BF had left the meeting early).

SH said the only option was to vote to recommend as it was not possible to delegate the decision to the chair as the meeting was not quorate.

Result of vote to recommend: Approved (but meeting not quorate).

8 Additional paper – Closing bulge classes

CG presented this paper and asked if a vote could be taken to recommend a funding adjustment for closing bulge classes, so that bulge classes/pupil numbers could be adjusted when they move out of the schools upper year group.

BS asked what would happen if a school needed to make someone redundant as a result of a bulge class leaving and therefore incurred extra costs because of this.

SH said the schools might have made different arrangements, such as taking on temporary staff for a bulge class.

KN commented that just because someone was on a temporary contract, this did not mean they didn't incur redundancy costs.

GK asked how often something like this happened. CG said this applied to 4 schools for 2017/18.

VW stated this had previously been approved by Schools Forum, but continued approval was required.

The vote to recommend was unanimous, but the meeting was not quorate.

9 Any other business

KN suggested writing a letter to those that didn't attend the meeting as a lot of members may think that there will be enough people to make the meeting quorate but this is not the case.

Members approved the draft agenda for the next meeting.

The meeting closed at 5:30pm.

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AGENDA ITEM 6

6.1 2016/17 Final Outturn

Author : Catherine Peters
Position : Head of Finance

Introduction

This report shows the final outturn position which will be reported as part of the quarter four Budget and Performance Monitoring report 2016/17 to the Performance and Contract Management Committee on 4th July 2017. It is presented to Schools Forum to note.

2016/17 Schools budget

There are no budget changes since the provisional Q3 position reported to the Schools Forum on 9th February 2017.

2016/17 Schools budget monitoring

In Q3 there was a reported overspend of £246,679 but the final outturn monitoring position, is an underspend of £547,780 giving a variance of £794,459 as shown in Appendix II.

The main reasons for over and underspends are as follows:

S251 Line reference	Main reasons for over/underspend	£'000
1.0.1	Mainly due to special 6 th form places not funded by the EFA and NNDR adjustments offset by a reduction in projected expenditure for 3&4 year olds and Oak Lodge conversion to Academy status	(1,032)
1.1.1	No call on contingency anticipated	(147)
1.2.1, 1.2.2 & 1.2.3	This is the net position relating to top up funding for high needs in <ul style="list-style-type: none"> maintained provider schools (nursery, primary and secondary) including those who are out of borough academy and free schools and additional funding for high needs pupils in Academy ARPs and independent and non-maintained special schools, pre and post 16 <p>The underspend takes account of revised data for the autumn term and is based on current known data. It also reflects the reduction in the net movement of Out of Borough provision</p>	(360)
1.2.5	Reduced costs based on decisions and payments agreed by the Complex Need Panel	(50)
1.2.6	Correction to Hospital place funding	11
1.2.11	Increase in the number of personal travel budgets via direct payments for SEN & Disability	80
1.3.1	Early Years Vulnerable families : lower than estimated following review of criteria	(184)
1.4.10	Growth – Additional bulge classes	105
1.4.13	Increased expenditure on Hard to Place pupils	32
1.7.1/2	Reduction in funding following Oak Lodge Conversion (high needs and post 16 recoupment) and reduction in early years income	997

Figures in brackets denotes an underspend

Items for information

The main changes between Q3 and the outturn were as follows:

- Reduction in early years funding (£-1,172k)
- Increase HN funding to private independent and OOB providers based on final data, (+£213k)
- Reduction in SEN Support (-£36k)
- Direct Payments relating to the increase in the number of personal travel budgets for SEN and Disability (+£31k)
- Reduced expenditure for early years vulnerable families due to low take up (-£141k)
- Payment correction in Growth fund (-£58k)
- Increase in expenditure relating to (+£32)
- Expected reduction in income following reduced take up for 3 and 4 year olds (£332k)

2016/17 DSG Reserve position

The position on the DSG reserve is shown below:

DSG Reserve	2016/17
Balance brought forward	5,019,442
Drawdown from reserve	(1,342,,390)
Contribution to reserve (underspend)	547,757
<i>Estimated Balance to be carried forward</i>	4,224,809

Recommendation:

- To note the final outturn monitoring position for 2016/17

Previous reports to the Forum:

- 11 October 2016 noted the 2015/16 outturn and quarter 1 budget adjustments and monitoring position
- 8 December 2016 agreed revisions to the 2016/17 budget and noted the quarter 2 budget monitoring position
- 9 February 2017 noted the provisional quarter three monitoring position for 2016/17

6.2 2017/18 section 251 & EY Proforma submissions

Item 7.1 and Appendix III show the 2017/18 draft budget, and these are the figures submitted to the DfE in Barnet's section 251 return. The Early Years Proforma was submitted at the same time, with the rates as reported to Schools Forum previously, with the inclusion of a £0.30 per hour supplement for Maintained Nursery schools.

6.3 Maintained Nursery School assurance exercise

In March 2017, the EFA requested verification of our MNS funding for the 2016/17 financial year in order to derive local authorities' final allocations of MNS supplementary funding for 2017-18 and future years.

Barnet completed this exercise and submitted the return to the EFA by the required deadline of 30th March 2017.

2016-17 Quarter 4 - Budget Monitoring (Final Outturn)					
		Budget	Projection	Variance	Explanation
EXPENDITURE					
Schools Block					
		£	£	£	
1.0.1	Individual Schools Budget	169,915,445	168,883,891	(1,031,554)	Reduced take up for 3 and 4 year olds
1.1.1	Contingencies	147,130	186	(146,944)	No call on contingency anticipated
1.1.2	Behaviour Support Services	79,130	79,147	17	
1.1.3	Support to UPEG and bilingual learners	87,000	87,037	37	
1.1.9	Staff costs - supply cover for facility time	48,770	48,770	0	
		170,277,475	169,099,030	(1,178,445)	
High Needs Block					
1.2.1	Top-up funding - maintained schools	16,969,420	16,040,312	(929,108)	Reflects the final Out of Borough provision and increase in demand for places for post 16 further education; place numbers in the private and independent sector
1.2.2	Top-up funding - academies, free schools and colleges	7,434,150	7,948,770	514,620	
1.2.3	Top-up and other funding - non-maintained and independent providers	9,084,010	9,138,215	54,205	
1.2.4	Additional high needs targeted funding for mainstream schools and academies	0		0	
1.2.5	SEN support services	3,581,850	3,531,330	(50,520)	Reflects decisions and payments agreed by Complex Needs Panel
1.2.6	Hospital education services	530,010	541,146	11,136	(Original budget on Integra not correct)
1.2.11	Direct payments (SEN and disability)	300,000	380,679	80,679	Increase in the number of personal travel budgets
		37,899,440	37,580,453	(318,987)	
Early Years Block					
					Low take up for Early Years Vulnerable families. The Eligibility criteria has been reviewed and with the take up projected to increase
1.3.1	Central expenditure on children under 5	1,131,390	947,267	(184,123)	
		1,131,390	947,267	(184,123)	
Central Block					
1.4.1	Contribution to combined budgets	469,260	468,890	(370)	
1.4.2	School Admissions	361,200	361,244	44	
1.4.3	Servicing of schools forums	34,680	34,679	(1)	
1.4.10	Pupil growth / Infant class sizes	1,456,322	1,561,134	104,812	Increase in bulge classes
1.4.11	SEN transport	400,000	400,000	0	
1.4.13	Other items	106,500	139,000	32,500	Hard to place pupils
		2,827,962	2,964,948	136,986	
	TOTAL EXPENDITURE	212,136,267	210,591,698	(1,544,569)	
INCOME					
1.7.1	Estimated Dedicated Schools Grant for 2016-17	(204,576,977)	(203,786,715)	790,262	Income reduction following Oak Lodge Conversion - increase in high needs recoupment and reduction in EU funding to PVI's
1.7.2	Dedicated Schools Grant b/f	(1,342,390)	(1,342,390)	0	
1.7.4	EFA funding	(6,216,900)	(6,010,350)	206,550	Income reduction due to Oak Lodge Conversion - Post 16 recoupment
	TOTAL INCOME	(212,136,267)	(211,139,455)	996,812	
GRAND TOTAL		0	(547,757)	(547,757)	

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2016/17 PROVISIONAL BUDGET MONITORING - QUARTER 3					APPENDIX II		
2016-17 Quarter 3 - Budget Monitoring (Provisional)					Qtr 4		
					Projection	Variance from Qtr 3	
EXPENDITURE							
Schools Block							
		£	£	£	£	£	£
1.0.1	Individual Schools Budget	169,915,445	170,055,403	139,958	(1,031,554)	(1,171,512)	Reduced take up for 3 and 4 year olds in PVIs
1.1.1	Contingencies	147,130	0	(147,130)	(146,944)	186	
1.1.2	Behaviour Support Services	79,130	79,130	0	17	17	
1.1.3	Support to UPEG and bilingual learners	87,000	87,000	0	37	37	
1.1.9	Staff costs - supply cover for facility time	48,770	48,770	0	0	0	
		170,277,475	170,270,303	(7,172)	(1,178,445)	(1,171,273)	
High Needs Block							
1.2.1	Top-up funding - maintained schools	16,969,420	15,794,317	(1,175,103)	(929,108)	245,995	End of year adjustments to reflect the reduction in the net movement in Out of Borough provision; the increase in demand for places in Post 16 FE and place numbers in the private and independent sector
1.2.2	Top-up funding - academies, free schools and colleges	7,434,150	8,020,799	586,649	514,620	(72,029)	
1.2.3	Top-up and other funding - non-maintained and independent providers	9,084,010	9,099,262	15,252	54,205	38,953	
1.2.4	Additional high needs targeted funding for mainstream schools and academies	0		0		0	
1.2.5	SEN support services	3,581,850	3,566,943	(14,907)	(50,520)	(35,613)	Reduction in no. of EY cases approved by the complex needs panel and a small reduction in therapy costs.
1.2.6	Hospital education services	530,010	541,146	11,136	11,136	0	Correction to hospital allocation
1.2.11	Direct payments (SEN and disability)	300,000	350,000	50,000	80,679	30,679	Increase in the number of personal travel budgets issued
		37,899,440	37,372,467	(526,973)	(318,988)	207,985	
Early Years Block							
1.3.1	Central expenditure on children under 5	1,131,390	1,087,842	(43,548)	(184,147)	(140,599)	Take up significantly below expectations
		1,131,390	1,087,842	(43,548)	(184,147)	(140,599)	
Central Block							
1.4.1	Contribution to combined budgets	469,260	464,533	(4,727)	(370)	4,357	
1.4.2	School Admissions	361,200	361,200	0	44	44	
1.4.3	Servicing of schools forums	34,680	34,680	0	(1)	(1)	
1.4.10	Pupil growth / Infant class sizes	1,456,322	1,619,234	162,912	104,815	(58,097)	Payment correction to growth fund.
1.4.11	SEN transport	400,000	400,000	0	0	0	
1.4.13	Other items	106,500	106,500	0	32,500	32,500	Increase in the funding to schools to enable the admission of pupils above the published
		2,827,962	2,986,147	158,185	136,988	(21,197)	
	TOTAL EXPENDITURE	212,136,267	211,716,759	(419,508)	(1,544,592)	(1,125,084)	
INCOME							
1.7.1	Estimated Dedicated Schools Grant for 2016-17	(204,576,977)	(204,118,540)	458,437	790,262	331,825	Adjustment to grant income to reflect reduced take up of 3 and 4 year olds.
1.7.2	Dedicated Schools Grant b/f	(1,342,390)	(1,342,390)	0	0	0	
1.7.4	EFA funding	(6,216,900)	(6,009,150)	207,750	206,550	(1,200)	
	TOTAL INCOME	(212,136,267)	(211,470,080)	666,187	996,812	330,625	
	GRAND TOTAL	0	246,679	246,679	(547,780)	(794,459)	

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7.1 2017/18 Draft budget

In an update to the detail provided to Schools Forum at the meeting on 9 February, Appendix III shows the revised 2017/18 draft budget that formed the basis of the section 251 submission on 31st March.

The main changes since the draft budget was last presented to Schools Forum on 9 February are:

1. INCOME

- The gross Schools Block income has been revised in light of actual pupil numbers on the October 2016 school census combined with our estimates of EY pupil numbers from the January census.
- £289k Increased call on reserve as a result of the items detailed below.

2. EXPENDITURE

- Line 1.0.1 – Reduced 2, 3 & 4 year old expenditure, based on actual 2016/17 claims
- Line 1.0.1 – Updated actual budget shares to all schools now incorporating increased NNDR liability for VA/ Foundation schools. This reflects our amended section 251 submission to ensure NNDR was included in school baselines.
- Line 1.0.1 – amended HN place numbers in light of EFA approval for increased places at Oak Lodge w.e.f September 2017
- Line 1.1.1 – use of contingency budget to offset increased cost of NNDR to VA/ F schools.
- Line 1.3.1 – Reduction in central spend on Under 5s as a result of expected reduction in EY block income due to lower pupil numbers
- Line 1.3.1 – EY contingency. Allocation set aside to cover expected reduction in EY block income that will be recovered by the EFA.
- Line 1.4.3 – CLA. Copyright licencing now correctly shown as expenditure on this line, rather than as a reduction to Schools Block income as presented previously.

The following table gives the revised breakdown by block, and these figures formed the basis of our baseline return to the DfE as discussed in the next agenda item.

Block Analysis			
	DSG Income	DSG Expenditure	Difference
Schools Block	242,110,175	245,234,560	3,124,384
Early Years Block	27,319,557	26,689,468	- 630,089
High Needs Block	48,696,715	48,033,977	- 662,738
Total DSG	318,126,448	319,958,006	1,831,558

Towards a National Funding Formula

After the 2017/18 drawdown of £1.8m as shown above, the position on the DSG reserve is:

DSG Reserve	2016/17
Balance brought forward	5,019,442
Drawdown from reserve	(1,342,,390)
Contribution to reserve (underspend)	547,757
<i>Estimated Balance to be carried forward</i>	4,224,809
2017/18 Drawdown from reserve	(1,831,558)
<i>2017/18 Estimated Balance to be carried forward</i>	2,393,251

7.2 DSG baselining exercise

After the stage 2 consultation on the National Funding Formula, the DfE carried out an exercise to establish accurate 2017-18 baselines upon which to base 2018-19 allocations through the national funding formulae. Local authorities submitted 2017-18 baseline information directly to enable the production of 2018-19 allocations and give local authorities the opportunity to provide a more accurate starting point for each block, constrained to their overall 2017-18 DSG allocation.

Barnet has completed this return, and it was submitted to the DfE by the required deadline of 13th April 2016. There have been no further details on the outcome of this baselining exercise released by the DfE since the date of submission.

7.3 2017/18 Growth fund update

St Mary's & St John's diseconomy funding

Officers have been in discussion with the school regarding allocation of an 'Exceptional' amount of diseconomy funding to St Mary's & St John's for the 2017/18 financial year. Due to the application of the minimum funding guarantee/ cap for a Primary school expanding to All-through, the school does not benefit fully from the formula funding for secondary pupils. As a result of this, the secondary per pupil funding has been capped and reduced by £117,517. It has therefore been agreed that this amount will be awarded from the Growth Fund as an exceptional diseconomy allocation for 2017/18.

The school has been advised that this is likely to be a one-off allocation as, depending on any future National Funding Formula arrangements, the LA may not have the discretion to award exceptional diseconomy funding in future.

Saracens High School

The council has been working with the DfE to support the provision of new secondary school places in Colindale through the development of the Saracen's High School. This new free school will eventually offer 6 forms of secondary provision on its permanent site on Grahame Park Way (subject to planning permission). Our projections indicate a pressing need for the provision to open in September 2018 ahead of when the school's permanent site is ready for occupation. The DfE is prepared to open the school in temporary premises as an exception, on condition that the revenue funding awarded to the school equates to the minimum of 120 pupils attending in its first year. To enable the school to open within this very tight timescale, an undertaking has been provided to the DfE to underwrite the risk that fewer than 120 pupils attend in its first year of opening. Based on current pupil data, the risk is considered low. If the funding is required, it would have to come as an exceptional allocation from the Growth Fund.

Recommendation:

- To approve use of the growth fund for these exceptional items.

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Appendix III – 2017/18 Draft Budget

TABLE 2				Schools Forum 6 July 2017			Schools Forum 9 February 2017					
Type	S251line	S251 Desc	Subgroup	Gross 1718	Recoupment 1718	Net 1718	Gross 1718	Recoupment 1718	Net 1718	Change since last Schools Forum	Gross Budget 1617	Net Budget 1617
Expenditure	1.0.1	Individual Schools Budget before Academy recoupment	2,3&4 year olds	24,439,074	-	24,439,074	26,640,556	-	26,640,556	2,201,482	19,050,560	19,050,560
			BudgetShares	246,673,594	- 101,051,915	145,621,679	245,560,573	- 101,095,018	144,465,555	1,113,021	240,578,335	144,769,295
			HighNeedsPlaces	9,597,355	- 4,586,500	5,010,855	9,486,488	- 4,633,500	4,852,988	110,867	8,077,920	6,095,590
	1.0.1 Total			280,710,024	- 105,638,415	175,071,609	281,687,617	- 105,728,518	175,959,099	977,593	267,706,815	169,915,445
	1.1.1	Contingencies	Contingency	-	-	-	400,000	-	400,000	400,000	147,130	147,130
	1.1.2	Behaviour Support Services	Dedelegation	78,609	-	78,609	78,609	-	78,609	-	79,130	79,130
	1.1.3	Support to UPEG and bilingual learners	Dedelegation	84,732	-	84,732	84,732	-	84,732	-	87,000	87,000
	1.1.9	Staff costs - supply cover for facility time	Dedelegation	48,039	-	48,039	48,039	-	48,039	-	48,770	48,770
	1.2.1	Top-up funding - maintained schools	HighNeeds	16,255,946	-	16,255,946	16,145,946	-	16,145,946	110,000	16,969,420	16,969,420
	1.2.2	Top-up funding - academies, free schools and colleges	HighNeeds	7,693,776	-	7,693,776	7,693,776	-	7,693,776	-	7,434,150	7,434,150
	1.2.3	Top-up and other funding - non-maintained and independent providers	HighNeeds	9,528,811	-	9,528,811	9,638,811	-	9,638,811	110,000	9,084,010	9,084,010
	1.2.5	SEN support services	Services	3,666,943	-	3,666,943	3,666,943	-	3,666,943	-	3,581,850	3,581,850
	1.2.6	Hospital education services	HighNeeds	541,146	- 135,287	405,860	541,146	- 135,287	405,860	-	530,010	530,010
	1.2.11	Direct payments (SEN & Disability)	HighNeeds	350,000	-	350,000	350,000	-	350,000	-	300,000	300,000
	1.3.1	Central expenditure on children under 5	Services	1,505,420	-	1,505,420	1,561,167	-	1,561,167	55,747	1,131,390	1,131,390
			EY contingency	744,974	-	744,974	-	-	-	744,974	-	-
	1.4.1	Contribution to combined budgets	CAF Team	279,968	-	279,968	279,968	-	279,968	-	285,540	285,540
			Safer Families	183,720	-	183,720	183,720	-	183,720	-	183,720	183,720
	1.4.1 Total			463,688	-	463,688	463,688	-	463,688	-	469,260	469,260
	1.4.2	School Admissions	Services	401,200	-	401,200	401,200	-	401,200	-	361,200	361,200
	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	1,300,000	-	1,300,000	1,300,000	-	1,300,000	-	1,456,322	1,456,322
	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	106,500
			CLA - other items	245,626	-	245,626	-	-	-	245,626	-	-
	1.4.13 Total			352,126	-	352,126	106,500	-	106,500	245,626	106,500	106,500
	1.5.1	Education welfare service - Former ESG retained duties	Retained Duties	286,891	-	286,891	286,891	-	286,891	-	-	-
	1.5.2	Asset management - Former ESG retained duties	Retained Duties	26,000	-	26,000	26,000	-	26,000	-	-	-
	1.5.3	Statutory/ Regulatory duties - Former ESG retained duties	Retained Duties	485,000	-	485,000	485,000	-	485,000	-	-	-
	Expenditure Total			324,958,006	- 105,773,702	219,184,304	325,400,746	- 105,863,805	219,536,941	442,740	309,927,637	212,136,267
Income	1.9.1	Dedicated Schools Grant	DSG	- 318,126,448	105,773,702	- 212,352,746	- 318,858,054	-	- 318,858,054	731,605	303,710,737	205,919,367
	1.9.4	Post 16 allocations from EFA	Post16	- 5,000,000	-	- 5,000,000	- 5,000,000	-	- 5,000,000	-	6,216,900	6,216,900
	1.9.2	Balance b/fwd	Income	- 1,831,558	-	- 1,831,558	- 1,542,692	-	- 1,542,692	288,866	-	-
	Income Total			- 324,958,006	105,773,702	- 219,184,304	- 325,400,746	105,773,702	- 219,627,044	442,739	309,927,637	212,136,267

AGENDA ITEM 8

8. Draft agenda for next meeting

- Apologies for absence
- Declarations of interest
- Minutes of previous meeting
- Matters arising
- Items for information
 - 2017/18 Budget monitoring
- Towards a National Funding Formula
- Draft agenda for next meeting
- AOB
- Dates of future meetings

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