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To: Forum Members: Richard Blofeld, Nick Breach, Fiona Bridger-Wilkinson, Jeanette Clifford, Kathryn Cockar, Paul Dick, Peter Fry, Reverend Mary Harwood, Jane Headland, Barbara Hunter, Brian Jenkins, Alan Macro, John Micklewhite (Vice-Chairman), Irene Neill, Chris Prickett, David Ramsden, Clive Rothwell, Pam Slingsby, Graham Spellman, Jo Stewart, Maria Tillett, John Tyzack (Chairman), Glyn Whiteford, Stacey Williams and Charlotte Wilson

Councillors: Councillor Alan Macro and Councillor Irene Neill

Officers:Carolynn Loosen, Ian Pearson and Claire White

SCHOOLS FORUM AGENDA

Monday, 10th December, 2012

5.00 pm in the Shaw House Church Road Newbury RG14 2DR

Item and Presenting Officer	Page No.
1 Apologies	
2 Minutes of previous meeting dated 15 October 2012	1 - 6
3 Actions arising from previous meetings	
4 Declarations of Interest	

Items for Decision

5 School Funding Reform 2013/14 - Claire White Agree criteria for funding pupil number growth and schools in financial difficulty.	7 - 12
6 Rates funding 2013/14 - Claire White	13 - 14

Items for Discussion

7 Review of DSG funding for 2013/14 and draft budget - Claire White	15 - 18
8 Update on schools in financial difficulty - Clare Warren	19 - 22
9 DSG monitoring 2012/13 month 7 - Claire White	23 - 26

Items for Information

None.

Any Other Business

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Agenda Item 2

Minutes of a Meeting of the Schools Forum

Monday 15th October 2012

Shaw House

Present:	Richard Blofeld	Headteacher	Robert Sandilands Primary School
	Nick Breach	Governor	Shaw cum Donnington Primary School
	Fiona Bridger-Wilkinson	Headteacher	Victoria Park Nursery School
	Jeanette Clifford	Governor	St Bartholomews School
	Kathryn Cockar	Headteacher	Kennet Valley Primary School
	Jacquie Davies (substitute)	Headteacher	Alternative Curriculum (PRU)
	Paul Dick	Headmaster	Kennet School
	Peter Fry	Headteacher	The Willink School
	Revd Mary Harwood	Church of England Representative	Oxford Diocese
	Jane Headland	Headteacher	Brookfields Special School
	Barbara Hunter	Headteacher	Francis Baily School
	Brian Jenkins	Early Years PVI Representative	Jubilee Day Nursery
	Chris Prickett	Headteacher	Streatley Primary School
	Clive Rothwell	Governor	John O'Gaunt School
	Pam Slingsby	School Business Manager	Basildon Primary School
	Graham Spellman	Roman Catholic Representative	Portsmouth Diocese
	Maria Tillett	School Business Manager	Theale Green School
	John Tyzack (Chair)	Chair of Governors	Whitelands Park Primary School
	Glyn Whiteford	Headteacher	Denefield School
	Irene Neill	Portfolio Holder for C&YP	
	Ian Pearson	Head of Education	
	Carolynn Loosen (Minutes)	Schools' Funding Officer	
	Claire White	Schools' Finance Manager	

Action

1. APOLOGIES RECEIVED

Margaret Goldie	Director	Communities
John Micklewhite (Vice Chair)	Headteacher	Birch Copse Primary School
David Ramsden	Headteacher	Little Heath School
Jo Stewart	Parent Representative	Kennet Valley Primary School
Stacey Williams	Headteacher	Reintegration Service
Charlotte Wilson	Headteacher	Trinity School

ABSENT

Alan Macro Shadow Portfolio Holder C&YP

2. MINUTES OF PREVIOUS MEETINGS DATED 9TH JULY 2012 AND 1ST OCTOBER 2012

The minutes of the meeting on 9th July and 1st October were approved.

3. ACTIONS ARISING FROM PREVIOUS MEETINGS

Reports on the Mental Health Services and the Behavioural Services Action Plan to be presented at the next Schools' Forum meeting.

C Burnham

An update of The Willows' five year plan with outturn 2011/12 and the effect of the September 2012 pupil numbers to be presented at the next Schools' Forum meeting.

C Warren

An update on dialogue between Adrian Slaughter and the academies on the Carbon Reduction Commitment is outstanding.

A Slaughter

Following the restructure of the Forum to maintain proportional representation Clive Rothwell remains a substantive member of the Forum representing the maintained secondary schools and Ken Somner moves to the post of substitute for the maintained secondary schools.

Nicola Walters of Acres of Fun Nursery has been appointed as the substitute for the Private Voluntary and Independent sector.

4. DECLARATIONS OF INTEREST

Maria Tillett declared an interest in item 5 relating to Theale Green's bid as she is the school's School Business Manager.

Reverend Mary Harwood declared an interest for item 6 on the agenda as she is also the Chair of Governors at the Chaddleworth and Shefford Federation.

5. FINAL DSG ALLOCATION 2012/13 AND USE OF BALANCE

Claire White presented a report on the final 2012/13 DSG allocation, which following the adjustments for the academies, final carry forward of 2011/12 centrally retained school budgets and final pupil numbers is £93.943m. This has resulted in an additional £655,000 of DSG to allocate.

The Heads Funding Group considered the allocation of the additional DSG which included revisiting the list of bids for funding from the last round of allocations which could not be progressed due to insufficient funds. The HFG has made the following recommendations:

Specialist Inclusion Support Service (Special Schools)

Demand for the Inclusion Support Service provided by The Castle School and Brookfields School staff to the other schools has increased significantly over the years. However the increase in demand means that special schools are subsidising the service and so they have requested a total of £45,000 in additional funding to sustain the service at the current level or the service will have to be scaled back.

DECISION: The Schools Forum agreed £20,000 of funding for The Castle School and £25,000 of funding for Brookfields School.

ACTION: Funding to be allocated to the special schools in October.

C Loosen

Specialist Family Support Worker ASD Resource

The bid for the Specialist Support Worker at the ASD Resource Unit of £32,260 involves recruiting a post and as the funding being considered is not on-going the HFG recommended that the funding be carried forward to 2013/14 and support of the bid be subject to on-going funding being available from the High Needs Block.

DECISION: Schools Forum agreed that £32,260 should be carried forward to 2013/14 and the bid reviewed once the 2013/14 High Needs Block funding is confirmed.

ASD Advisory Service 1FTE

The bid for the ASD Advisory Service of £31,270 also involves recruiting a post and so the HFG recommended that the funding be carried forward to 2013/14 and support of the bid be subject to on-going funding being available from the High Needs Block.

DECISION: Schools Forum agreed that £31,270 should be carried forward to 2013/14 and the bid reviewed once the 2013/14 High Needs Block funding is confirmed.

John O'Gaunt School

The Schools Forum had committed to financially support John O'Gaunt School on an annual basis, however the funding formula reform changes and the number of secondary schools that have converted to academy status means that this is no longer possible. Therefore in order to reduce the impact of loss of the financial support the Heads Funding Group recommended that £200,000 of the additional funding should be put aside to support John O'Gaunt subject to the new Headteacher, School Business Manager and Governing Body presenting a robust and radical recovery plan to the Schools' Forum in the Spring Term.

DECISION: The Schools Forum agreed that £200,000 should be set aside to support John O'Gaunt School once they have fulfilled the recovery plan requirement.

Theale Green Bid

Theale Green requested £50,000 of school contingency to support school improvement. The recommendation from the HFG was that the bid should not be supported as the school is not in financial difficulty and it will receive an allocation of the remaining additional funding to assist financing school improvement.

DECISION: The Schools Forum agreed that the bid should not be supported.

Allocation Method of the Remaining Balance

The HFG recommended that the remaining funding of £346,470 should be allocated across all schools. The secondary school representatives decided they wanted their share of the funding allocated based on pupil numbers. In addition to pupil numbers the primary school representatives wanted a lump sum element included in the primary school allocation method to assist the small schools. Claire

White presented costings for the primary school allocation based on a lump sum of £500 and pupil numbers and also a £1000 lump sum and pupil numbers.

DECISION: Secondary School allocation to be based on pupil numbers only and Primary School allocation to be based on £1000 lump sum and pupil numbers.

ACTION: Funding to be allocated to the schools on the agreed basis during October.

C Loosen

6. CLAWBACK OF EXCESS SURPLUS BALANCES – RECOMMENDATIONS FROM THE PANEL

John Tyzack reported on the Schools' Forum Excess Surplus Balances Panel meeting held on 9th October 2012.

Instead of all 17 schools with an excess balance at the end of March 2012, which were all primary schools, facing an automatic clawback the Schools Forum gave the schools an opportunity to explain the balance during interviews with the Schools Forum Excess Balance Panel, a sub group of the Schools' Forum. The panel members are John Tyzack (Chair), Richard Blofeld, Kathy Cocker, Graham Spellman, and Maria Tillett.

The panel based their recommendation on whether the school could provide supporting evidence that they had made firm plans for the use of the forecast surplus balance before 31st March 2012 and that that the surplus balance was now spent. Consideration was also given to schools where the surplus balance was due to exceptional circumstances, or if the school had received income in their main school budget from a third party, but had not spent it by the end of 2011/12.

No clawback was recommended by the panel for eight of the schools, however for the remaining schools claw backs were recommended. The total excess balance for 2011/12 was £257,878 and the proposed clawback is £46,483. There is also an excess balance relating to 2010/11 from Shefford Primary School which had been clawed back but was not reallocated as the school argued it was needed to repair the roof of its federation partner Chaddleworth Primary School. During 2011/12 the LA paid for the roof repairs and the school only had to contribute £7,500, so the excess balance panel decided that the £7,500 would be returned to the Shefford and Chaddleworth Primary School Federation but that £12,515 of their excess balance from 2010/11 would remain clawed back as the condition of its return had been that the money was required for the roof project and that the school did not have an excess balance at the end of 2011/12 which it did. The total value of the clawback is £58,998.

Three of the eight schools where clawbacks were recommended have written letters that were issued to the Schools' Forum members.

The Schools Forum clarified that the decision making had been delegated to the panel, but requested that the panel reconvene to review the letters for any new evidence that might impact on their original decision.

The letters were reviewed by the panel members after the main Schools Forum meeting and it was decided that the letters contained no new evidence that would

cause the panel to overturn their original decision.

DECISION: That £58,998 should be allocated across all primary schools that did not have an excess balance based on pupil numbers.

ACTION: Letters to be sent to all schools with an excess balance confirming the decision of the Forum.

J Tyzack

ACTION: Letters to be sent to all schools regarding the claw back of excess surplus balances.

J Tyzack

ACTION: Claw back funding to be reallocated to all primary schools except those that had an excess balance.

C Loosen

7. OVERVIEW ON HIGH NEEDS FUNDING ARRANGEMENTS FROM 2013/14

Claire White presented an overview of the High Needs Funding Arrangements from 2013/14 for SEN pupils in mainstream schools, resource units, special schools and pupil referral units. Forum members were concerned that the local authority will no longer arrange inter-authority recoupment and that the Local Authority in which the child lives will pay the top up funding direct to the school increasing the administration burden on the school. It was requested that the SEN service provide schools with the contact details LA staff in the other authorities.

The report included the proposed revised bandings and top ups for high needs pupils, which are still required to be expressed in terms of hours on a statement rather than the monetary value. The Headteacher members explained that the problem with hours being on the statement rather than the monetary value of the provision is that there is a conflict between the parent's expectation and the number of hours the funding will provide, which will be dependent on the cost of the staff assigned to the pupil. Ian Pearson explained that the use of hours on SEN statements was an historic problem and it was not possible to change.

Under the funding reforms every mainstream school will receive a notional SEN budget within their funding which is based on a formula, not the number of children identified as having special needs and it is for all pupil's SEN / AEN additional requirements, whether stated or not. Claire White's report identified schools where their notional SEN budget under place plus is less than their current statement commitments and therefore this will need addressing within the High Needs Funding Block.

ACTION: The SEN Service to review and inform schools on a process for recouping funding from other Local Authorities.

J Seymour

8. UPDATE ON SEN REVIEW ACTION PLANS

Ian Pearson presented a report on the Special Educational Needs action plans for Individual Pupils with SEN and Out of Authority on behalf of Jane Seymour, the SEN Service Manager. The action plans continue to focus on the most efficient use of resources through early intervention, collaboration and improved systems.

The Schools Forum is to continue to receive an annual report from Jane Seymour.

9. DSG MONITORING 2012/13, MONTH 5

Claire White and Ian Pearson presented the DSG monitoring report as at 31st August 2012. No significant variances were reported.

10. SCHOOL FUNDING BENCHMARKING INFORMATION

Carolynn Loosen provided benchmarking information from the Section 251 budget statement workbooks which have recently been published by the DfE, for both West Berkshire's statistical neighbours and other unitary authorities. The benchmarking included both the guaranteed unit of funding that the LA receives and the delegated individual school budgets.

When compared to its statistical neighbours West Berkshire funds schools at or above the average in the primary phase and secondary phases though this is also reflected in the guaranteed unit of funding received. West Berkshire's guaranteed unit of funding is below average when compared to the other unitary authorities, though individual school budgets are well above the average. This may be because our level of delegation to schools is higher.

Meeting closed 6:30 p.m.

Schools Forum Excess Balance Panel meeting took place after the Schools' Forum meeting.

Date of next meeting: Monday 10th December 2012
Time: 5pm
Venue: Shaw House

West Berkshire Schools' Forum	
Title of Report:	School Funding Reform – Criteria for Growth Fund / Contingency Funding
Date of Meeting:	10th December 2012
Contact Officer(s)	Claire White
For Decision	

1. Background

Under School funding reform, from April 2013 local authorities can create a growth fund from the DSG in advance of allocating school budget shares. The purpose of the growth fund is to support maintained schools and Academies facing significant pupil number growth. It can also include funding schools where very limited pupil growth requires an additional class as required by infant class size regulations.

The growth fund will need to be ring-fenced so that it is only used for the purpose of supporting growth in pre 16 pupil numbers to meet basic need. 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.

Local authorities are required to provide on a transparent and consistent basis the criteria on which any growth funding is to be allocated. 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.

The Schools' Forum is required to agree the criteria and the total sum to be top sliced from each phase. The Schools' Forum will receive regular reports on the use of the funding.

Maintained primary schools have also opted to de-delegate funding for schools in financial difficulty. The Schools' Forum is required to set criteria for the allocation of this funding.

2. Growth Fund (All Maintained and Academy Schools)

The recommended criteria for the growth fund is as follows:

If a school experiences significant pupil growth between the October Census which generates the funding for the following financial year and the following September, the school will be entitled to additional funding for the period September to March, if the following criteria are met:

1. *The growth in total number of pupils (age 4 – 15) is 30 or more*

2. *The school has not exceeded its admission number unless requested to by the LA.*

The amount payable will be the equivalent of a teacher cost included in the formula pupil funding for each additional pupil, pro rata for the remaining 7 months in the financial year.

This equates to £594 per additional pupil in Primary, £713 per additional pupil in secondary, calculated as follows:

Primary: Teacher at M3 = £30,539 / 30 = £1,018 x 7/12 = £594

Secondary: Teacher at M3 = £30,539/25 = £1,222 x 7/12 = £713

If a school with infant classes is required to set up an additional class in the Autumn term as required by infant class size regulations, but the growth in pupil numbers is less than 30, then the following criteria apply (see Appendix A for some examples):

1. *The school cannot accommodate all its additional reception and Key Stage 1 pupils in classes of 30 or less i.e. the total number of pupils in the 3 year groups exceeds a multiple of 30.*
2. *The school has not exceeded its admission number unless requested to by the LA.*
3. *The school has been required to set up an additional class and employ an additional teacher.*

The funding will be the equivalent of the cost of a teacher at M3 (£30,539) for each new class (or the equivalent September 2013 rates if higher), Pro Rata (7/12) for the remainder of the financial year which equates to £17,814.

Before setting up an additional class and employing an additional teacher, schools should be aware that this additional in-year payment is temporary one-off funding for the remainder of the financial year in order to meet the pupil's basic need until full per pupil funding is received the following April. Schools will be required to meet the costs of the additional class from their formula pupil funding and lump sum from the following financial year. Schools accessing the infant class size funding where pupil numbers are just 2 or 3 above the limit, should carefully consider the longer term financial implications of employing an additional teacher (11 additional pupils are needed to pay for a M3 teacher, or 9 additional pupils for a M1 teacher).

The sum proposed to be set aside is £100,000, which will pay for 5 additional classes from September 2013 plus additional per pupil funding over 30 pupils in any one school if applicable.

Funding requests are to be submitted to Schools' Finance who will make payment following approval by the Head of Education if he is satisfied that the criteria are met. All approvals will be reported to Schools' Forum.

3. Schools' In Financial Difficulty (Maintained Primary Schools Only)

The funding for schools in financial difficulty is required to be delegated from April 2013. Each school phase in the maintained sector has the option of de-delegating the funding and continuing to have a centrally retained budget. The primary phase only has opted for de-delegation, and the amount totals £114k in the current year.

In order for primary schools to access this funding, a clear set of criteria needs to be set. The recommended criteria is as follows:

If a school has a deficit budget it may be entitled to additional support funding if the following criteria are met:

- 1. The school has sought and followed the advice of the Schools' Finance Advisor prior to going into deficit*
- 2. The school has a five year robust deficit recovery plan in place which has been discussed and verified by the Schools' Finance Advisor.*
- 3. Additional funding will only be payable for one of the following exceptional unforeseen circumstances which has taken the school into deficit:*
 - Payment to maintain current staffing levels to help cover a temporary downturn in pupil numbers, and evidence can be provided that the numbers are likely to recover within a 2 - 3 year period making downsizing of staff and resultant redundancy costs unreasonable.*
 - Payment to maintain current staffing levels on a temporary basis in a school causing concern (i.e. poor Ofsted), where to reduce the staffing would be detrimental to the recovery of standards in the short term.*
 - Payment to cover staffing costs during short term interim period whilst restructuring takes place due to an unforeseen sudden permanent downturn in pupil numbers*
 - Redundancy payments, where the redundancies are required in order to balance the budget over a 3 – 5 year period, but these costs will put the school further into deficit if not met (as per the Severance Funding Policy).*

In order to access this funding, a school will need to present in person (with the support of the Schools' finance Advisor) a case to the Heads Funding Group who after consideration of the case, will recommend the amount and duration of the financial support to Schools' Forum for approval or not.

Appendices

Appendix A – Examples of Infant Class Size Additional In-Year Funding

Examples of Infant Class Size Additional In-Year Funding

Example 1

	October 2012 Census	October 2013 Census
Reception Pupil Numbers	23	31
Year 1 Pupil Numbers	20	25
Year 2 Pupil Numbers	22	20
Total Pupil Numbers	65	76
Number of Classes run by school	3	3

Although pupil numbers have increased by 11, and the reception class exceeds 30, under infant class size regulations the school is still only required to run 3 classes, therefore no additional in-year funding will be payable. Total pupil numbers would need to exceed 90 to trigger the requirement for a 4th class.

Example 2

	October 2012 Census	October 2013 Census
Reception Pupil Numbers	20	21
Year 1 Pupil Numbers	20	20
Year 2 Pupil Numbers	19	20
Total Pupil Numbers	59	61
Number of Classes run by school	3	3

Total pupil numbers have increased by 2 taking the total over 60 and requiring 3 classes. However the school is already running and funding 3 classes within their existing budget, so no additional in-year funding will be payable – their budget requirement for the year has not changed by the admission of these 2 pupils.

Example 3

	October 2012 Census	October 2013 Census
Reception Pupil Numbers	20	21
Year 1 Pupil Numbers	20	20
Year 2 Pupil Numbers	19	20
Total Pupil Numbers	59	61
Number of Classes run by school	2	3

Same pupil numbers as the above example, except the school were operating with 2 classes. The school is therefore eligible for additional in-year funding if they operate a third class. However if their budget with just 2 extra pupils would not sustain the cost of an additional teacher beyond the following April, then they would need to carefully consider the implications of accepting an additional pupil taking them over 60 (unless exceptions to the regulations apply, such as pupils with a statement of SEN naming the school or pupils moving into the area outside the normal admission round).

Example 4

	October 2012 Census	October 2013 Census
Reception Pupil Numbers	20	31
Year 1 Pupil Numbers	20	20
Year 2 Pupil Numbers	19	20
Total Pupil Numbers	59	71
Number of Classes run by school	2	3

The school were running and funding 2 classes before the September admissions took them over 60 pupils. Additional in-year funding would therefore be payable for the additional class, and the additional 12 pupils will generate enough funding to sustain the cost of the additional teacher from April 2014.

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West Berkshire Schools' Forum	
Title of Report:	Rates Funding 2013/14
Date of Meeting:	10th December 2012
Contact Officer(s)	Claire White
For Decision	

1. Background

The new School Formula has a formula factor for non domestic rates: schools are to be funded according to the actual cost of their rates bill.

The current system is that the original budget allocation will be based on an estimate, and during the year there will be funding adjustments if the actual bill received and paid by the school varies from the estimate. The difference is met from the school contingency budget. For most schools, the estimate equals the actual because the final school's budget is set in early March by which time the rates bills for the following year can be calculated as the multiplier has been set. The main adjustments during the year are for rating revaluations.

Under the funding reforms, the new funding rules state that there can be no in year adjustments to the formula and no contingency can be set aside for this purpose. School budgets are also required to be determined and submitted to the Education Funding Agency by mid January well before rates bills for the following year are known.

A system therefore needs to be determined for funding schools for their actual rates bills within the funding rules.

2. Options

Option 1 – Fund the schools retrospectively

Fund the school on previous year actual (in year 1 this will be after adjusting for rate revaluations). The school can still budget for their actual rates, which they will know before setting their budgets. If a school has a rating revaluation during the year, they can put a provision in their year end accounts for receiving the income to cover this in the following year. The advantage of this method is that it is straightforward.

Option 2 – Fund the schools by estimate

The School Funding Officer will prepare an estimate for each school based on the rateable values and estimating the multiplier that will be payable in the following year. The following year, an adjustment for the previous years actual compared to the estimate will need to be calculated and made for each

school. The same process for rating revaluations will apply as in Option 1. The advantage of this method is that if the multiplier estimate is close to the actual, the funding received by each school should be close to the actual. However, due to always needing to adjust the previous year allocation, it is less straightforward, and to be purposeful depends on being able to make a good estimate of the multiplier in early January – if it is overestimated funding would then need to be clawed back the following year.

Recommendation from Heads Funding Group: Option 1

West Berkshire Schools' Forum	
Title of Report:	DSG Funding 2013/14
Date of Meeting:	10th December 2012
Contact Officer(s)	Claire White
For Information	

1. Changes to DSG Funding 2013/14

The current system is relatively simple – every LA has a Guaranteed Unit of Funding (GUF) which is multiplied by the total number of pre 16 pupils recorded in the January census – this includes mainstream schools, special schools, providers of alternative provision, and early year's providers. In 2012/13 West Berkshire's GUF is £4,891, which multiplied by 23,591 pupils has provided a DSG allocation of £115.4m.

From 2013/14, DSG funding is being split into 3 funding blocks, each calculated in a different way. The blocks are not ring fenced, though provide a guideline on how the funding should be allocated.

The **Schools' Block** contains funding delegated to mainstream primary and secondary schools (reception to year 11), and the relatively few central services which can continue to be centrally retained. It includes new delegations to schools from 2013/14 but excludes funding for resource units and top up funding for high needs pupils in mainstream schools. The DfE has also made adjustments for hospital schools and the universal provision for 3 year olds. The DfE has taken the 2012/13 budget, made the relevant adjustments, and divided by the relevant number of pupils from the October 2011 census (excluding resource unit pupils but adding reception uplift) to arrive at the new GUF. The estimated 2013/14 GUF for the Schools' Block is £4,359, which will be applied to the October 2012 census figures for primary and secondary schools.

The **Early Years Block** contains funding for 3 and 4 year olds funded via the Early Years Single Funding Formula, plus centrally retained expenditure on children under 5. There will no longer be an adjustment for universal provision (£730k received in 2012/13). The estimated 2013/14 GUF is £3,909, and will be applied to the pupil numbers recorded in the January 2013 census. There will be an adjustment using the January 2014 census to reflect actual take up. Funding for 2 year olds will also be added to the DSG as a total amount, £1.073m (based on the DfE estimate of number of 2 year olds accessing this funding), although this is not ring fenced for 2 year olds or the early years block.

The **High Needs Block** contains funding for Special Schools, Pupil Referral Units, Resource Units, Top Up funding for high needs pupils in mainstream schools, funding for high needs pupils in non maintained special schools, plus centrally

retained budgets for SEN support services. The funding to be allocated is based on the actual LA budget for 2012/13, and the DfE has not yet stated whether there will be any increase where demand/pupil numbers have increased within these services. Adjustments have been made for recoupment, as the LA where the pupil resides will be responsible for top up payments. The estimated DSG for this block is currently £15.2m, though further adjustments are still expected.

2. Estimated DSG and Budget Requirement 2013/14

The following table provides an early estimate of what the DSG for 2013/14 is likely to be. Our actual allocation is due from the DfE by the end of December. The budget for schools is an estimate based on the new formula using the draft October 2012 census. The other blocks show the adjusted equivalent budgets for the current year. The breakdown of the budget, split between the three blocks is shown in Appendix A.

	GUF	Pupil No's	DSG Funding £'000	Budget £'000	Headroom/ (Shortfall)
Schools Block	£4,359	21,735 (draft Oct 12)	£94,743	£94,909	(£166)
Early Years Block	£3,909	1,477 (last yr no.)	£5,774 + £1,073	£6,978	(£131)
High Needs Block	n/a	n/a	£15,225	£15,034	£191
Total			£116,815	£116,921	(£106)

3. Next Steps

Data from the October census is due from the DfE mid December, which will determine the schools block DSG and the funding required for the school formula.

The final DSG allocation for all blocks is due from the DfE by the end of December.

The most difficult task is determining the high needs budget for 2013/14. The top up rates for our own schools need to be finalised, but we also need to find out the top up rates from the other LA's where our children are being placed and we are now responsible for.

Through the work already completed on top up rates, it is clear that there will be an increase in the budget requirement for top up funding.

If there is not enough funding available in the High Needs DSG Block, there may be a requirement to use funding from the Schools Block, which could mean a reduction in the per pupil funding that schools receive.

Funding required for the early years block is also difficult to determine, and will need to be based on current year actual take up, with a contingency set for in year increases in numbers.

The final decision on the schools budget needs to be made at the January meeting, as submission to the EFA is required by 18th January (which will be submitted as a draft subject to Schools' Forum approval on 21st January 2013).

Appendices

Appendix A – DSG Budget 2013/14 - Baseline

APPENDIX A

DSG Budget 2013/14 as at 30 November 2012

Description	Cost Centre	Baseline	Recoupment Adjustments	Other Adjustments	De-Delegations	SF Approvals	Proposed Budget 2013-14	DSG Grant	Balance Under / (Over) spend
Schools Block									
Primary Schools (excluding nursery)	90020	47,607,989			-504,777		47,103,212		
Academy Schools (excluding 6th form funding)	DSG top slice	24,771,439					24,771,439		
Secondary Schools (excluding 6th form funding)	90025	21,905,220			-63,216		21,842,004		
School Contingency - Pupil Growth/Infant Class Size	90235	100,000					100,000		
Schools in Financial Difficulty (primary schools)	90230				113,998		113,998		
Trade Union Costs Primary	90045				24,642		24,642		
Trade Union Costs Secondary	90050				15,862		15,862		
Support to Ethnic minority & bilingual Learners	90255				193,518		193,518		
Behaviour Support Services	90349				167,930		167,930		
Schools Finance - Supporting Schools in Fin Diff	90711				52,043		52,043		
Schools Finance - Servicing of Schools Forum	90019	95,320					95,320		
Carbon Reduction Commitment Allowances	90028	105,000					105,000		
School Admissions	90742	324,073					324,073		
Schools Block Total Expenditure		94,909,041	0	0	0	0	94,909,041	94,742,865	-166,176
Early Years Block									
Early Years Funding - Nursery Schools	90010	707,873					707,873		
Early Years Funding - Maintained Schools	90037	1,023,650					1,023,650		
Early Years Funding - PVI Sector	90036	3,981,260					3,981,260		
Early Years Funding - Contingency		0		302,509			302,509		
2 year old funding	new	0		770,582			770,582		
Central Expenditure on Children under 5	90017	192,500					192,500		
Early Years Block Total		5,905,283	0	1,073,091	0	0	6,978,374	6,846,684	-131,690
High Needs Block									
Special Schools - Place Funding (x 332)	90540	6,334,163	-1,464,398	-1,549,765			3,320,000		
Special Schools - Top Up Funding	new			1,549,765			1,549,765		
Resource Units - Place Funding (excl. Academies x 68)	new	1,263,980	-150,000	-681,980			432,000		
Resource Units - Top Up Funding Maintained	new			681,980			681,980		
Resource Units - Top Up Funding Academies	90026	915,042		-630,000			285,042		
Mainstream - Top Up Funding Maintained	new	463,739	-46,863				416,876		
Mainstream - Top Up Funding Academies	new	134,290					134,290		
Pupil Referral Units - Place Funding (x 86)	90320	1,523,725	8,890	-844,615			688,000		
Pupil Referral Units - Top Up Funding	new			844,615			844,615		
Non LEA Special School (gross of 6th form)	90575	3,784,992		-350,000			3,434,992		
Contingency for in year Top Ups	90237	250,000					250,000		
Other Place/Top up funding to replace recoupment	to allocate			838,143			838,143		
LAL Funding	new	134,598					134,598		
HN Outreach Special schools/PRU	new	60,650					60,650		
Social Inclusion	90231	144,098					144,098		
Sen Pre School Children	90238	55,367					55,367		
Special Needs Support Team	90280	435,900					435,900		
Sensory Impairment	90290	239,940					239,940		
Home Tuition	90315	243,028					243,028		
Equipment For SEN Pupils	90565	40,590					40,590		
SEN Commissioned Provision	90577	473,590					473,590		
ASD Teachers	90830	177,252					177,252		
Early Intervention	90957	80,230					80,230		
SEN Inclusion	90965	73,420					73,420		
High Needs Block Total		16,828,594	-1,652,371	-141,857	0	0	15,034,366	15,224,569	190,203
TOTAL EXPENDITURE		117,642,918	-1,652,371	931,234	0	0	116,921,781	116,814,118	-107,663
Funding Changes:									
Funding to replace recoupment				838,143					
Academy Place Funding removed from resource units				-630,000					
Non maintained special school place funding removed				-350,000					
2 Year Old Funding				1,073,091					
Total				931,234					

West Berkshire Schools' Forum	
Title of Report:	Update on Schools in Financial Difficulty
Date of Meeting:	10th December 2012
Contact Officer(s)	Clare Warren
For Discussion	

1. Background

In May 2012, 3 schools budgeted a deficit:

Firtree	£72,730
John O'Gaunt.	£474,640
Stockcross	£8,800

The Schools Finance Team has been working closely with these schools to support their recovery plans and monitor their progress as shown below.

A further 34 schools estimated a deficit budget for 2013/14 if no action is taken.

In the initial calculations for the new Funding Formula 36 schools were identified as likely to be negatively affected by the change in the funding calculations. When indicative budgets become available (by mid-December) those schools being negatively affected will be reviewed and those likely to go into deficit next year will be offered further support.

Currently support is also being provided to a further 3 schools at their request.

2. Review of Schools with deficits in current year 2012/13

2.1 Fir Tree: The school has had an IEB in place for the last year and has a shadow Governing Body. The school is also due to become an academy from 1st February 2013, sponsored by Trinity School.

They have worked hard with parents and the local community to improve the perception of the school, which in previous years has resulted in pupils starting at the beginning of the school year but moving schools quite quickly.

The school achieved an improvement in their KS2 results in the summer and in September, 18 pupils started in reception bringing the school total to 147 pupils in the census which was in line with budget. A further 16 started in the nursery.

The school has worked very hard to contain costs in all areas, but particularly in supply staff costs. It budgeted to end 2012/13 with a deficit of £73k but period 7 budget monitoring forecasts that this is more likely to be £56k (brought forward deficit of £15k). Key risk areas to achieving this are the state of the school buildings if further urgent repairs are required, and supply costs over the winter months.

It is expected, due to the level of SEN and Deprivation in the school, that it will gain under the new funding formula.

The School Finance Advisor is meeting with the school on a monthly basis to monitor their financial situation and provide support.

2.2 John O'Gaunt: The school achieved strong examination results over the summer. The pupil numbers at the October 2012 census were 438 compared to a budgeted 441. The new Head Teacher and School Business Manager are currently considering their options in a number of key areas to make the school viable in light of the fact that they will be severely negatively impacted by the new funding formula. The additional financial support of £295,000 being provided by Schools Forum is also being withdrawn from April 2013. The new Head Teacher has been working hard to promote the school in the local area and the school had a very successful open evening in September with a lot of positive feedback.

Current budget monitoring indicates that the school is likely to end 2012/13 with a deficit of £413k compared to a budgeted £475k, achieved through tighter cost controls (brought forward deficit was £392k).

The School Finance Advisor is meeting with the school almost weekly to provide support to the new SBM

2.3 Stockcross: The deficit for 2012/13 arose mainly as a result of redundancy. This redundancy cost has not been incurred as expected and the school is currently forecasting a break even position. As well as the saving on the redundancy costs the school is due to receive income from insurance receipts and income from teaching which offsets the additional staff costs of £20k.

The school is expected to lose under the new funding formula so will be monitored closely

2.4 Other schools receiving additional financial support:

As well as John O'Gaunt, The Willows also received additional funding from the Schools' Forum in 2012/13.

The Willows: The school has continued to work hard to improve the school and at the October Census has 220 pupils. This is 30 down on budget but up on the previous year of 193 [including nursery].

Currently the school is forecasting a small under spend compared to a balanced budget position (after additional funding of £113,832).

The school will benefit from the new Funding Formula due to the level of deprivation and FSM and therefore the impact of the indicative funding calculations will be reviewed as soon as they are available to understand the impact on the school

3. Potential School Deficits 2013/14

Schools with a significant new deficit forecast for 2013/14 have been contacted and support offered.

Support has been offered by:

- An initial phonecall
- Visit to review current position
- Help to prepare budget for next year
- Help and advise with regards to budget strategy for 3-year budget

Most schools have been working on their plans and no longer anticipate a deficit in 2013/14. The remaining schools are working with the Schools' Finance Advisor.

It is also noted that governors from most schools have attended the recent SFVS training and were given the opportunity to share ideas with regards to achieving Value for Money as well as opportunities for collaboration and improving the use of resources. This has been very positively received and should be helpful in achieving balanced budgets.

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Agenda Item 9

West Berkshire Schools' Forum	
Title of Report:	DSG Monitoring 2012/13, Month 7
Date of Meeting:	10th December 2012
Contact Officer(s)	Claire White, Ian Pearson
For Discussion	

1. Background

1.1 The main source of funding for schools is the Dedicated Schools Grant (DSG). It is a ring fenced specific grant and can only be used on school/pupil activity.

1.2 The grant is calculated by multiplying a guaranteed unit of funding per pupil (set by the DfE) by the actual pupil numbers from the January census count (so January 2012 census for 2012/13 budget).

1.3 The use of the grant is split between:

- a. The Individual School's Budget – the ISB or delegated budget.
- b. The Centrally Retained School's Budget – the non delegated budget

1.4 The Local Authority uses a local formula to distribute the ISB to schools.

1.5 Centrally Retained Overspends, unless funded from outside the DSG, are carried forward and top sliced from the following year's DSG allocation. Underspends must be carried forward to support the school's budget in future years.

1.6 The Authority and Schools' Forum are responsible for ensuring that the DSG is deployed correctly, and monitoring of spend against the DSG needs to take place regularly to enable decision making on overspends/underspends and to inform future year budget requirements.

2. Monitoring Position as at Month 7 (31 October 2012)

2.1 The following is the position as at the end of October 2012. A further analysis per cost centre is shown in Appendix A:

	Total Budget £m	Forecast Variance £m	Forecast Outturn £m
ISB Delegated Budget	84.010	0	84.010
Centrally Retained Budget	9.212	-0.317	8.895
Support Service Recharges	0.721	0	0.721
Total Expenditure	93.943	-0.317	93.626
DSG Grant	-93.943	0	-93.943
Net Budget	0	-0.317	-0.317

2.2 All delegated (ISB) money is transferred to schools, and any overspends or underspends on individual schools budgets are carried forward on the schools budget.

2.3 The Centrally Retained Budget is currently showing an underspend of £317k, mainly due to less than anticipated SEN placements in Out of Authority non maintained schools.

3. School Contingency Budget

3.1 Within the Centrally Retained Schools Budget, three contingency budgets are held for schools. The position on these budgets as at 31st October 2012 is as follows:

	Total Budget £	Amount Delegated £	Commitments £	Balance Available £
School Contingency (90235)				
Newly Qualified Teachers	275,000	88,050	88,300	
Infant Class Size	50,000	0	89,732	
Resource Unit	50,000	-24,901	16,236	
Link Group Funding	7,000	0		
Headroom to be Allocated	654,640	311,021	200,000	
Rates Adjustments	0	53,192		
LACSEG Contingency	58,020	0		
Other (Trinity split site)	0	3,205		
Excess Balance Clawback	0	-7,496		
Total 90235	1,094,660	423,071	391,268	280,321
SEN Contingency (90237)				
New Statements	200,000	169,655	16,914	
Recouped from other LA's				
Other				
Total 90237	200,000	169,655	16,914	13,431
Schools in Financial Difficulty (90230)				
John O'Gaunt	295,000	295,000		
The Willows	113,830	113,832		
Other (redundancy payments)				
Total 90230	408,830	408,832	0	0
Total – All Contingency Budgets	1,703,490	1,001,558	408,182	293,750

Appendices

Appendix A – DSG 2012/13 Budget Monitoring Report

APPENDIX A

Dedicated School's Grant (DSG) 2012/13 BUDGET MONITORING								
MONTH 7 - OCTOBER 2012								
Budget manager	Cost Centre	Description	Budget for Year	Budget to 31/10/12	Actual to 31/10/12	Variance to 31/10/12	Forecast Variance for Yr	Comments
Ian Pearson	90010	Nursery Schools	730,020.00	424,141.62	642,158.00	218,016.38	0.00	
Ian Pearson	90020	Primary Schools	47,011,340.00	47,011,340.00	46,754,225.42	-257,114.58	0.00	
Ian Pearson	90025	Secondary Schools	23,458,870.00	26,121,782.60	24,465,394.42	-1,656,388.18	0.00	
Ian Pearson	90026	Academy Schools	1,267,360.00	631,145.28	852,826.58	221,681.30	0.00	
Ian Pearson	90540	Special Schools	6,037,230.00	6,147,368.34	6,183,344.16	35,975.82	0.00	
Maria Shepherd	90036	Early Years Funding for PVI	4,481,260.00	2,231,667.48	2,833,885.63	602,218.15	0.00	on budget
Ian Pearson	90037	Early Yrs Funding Maintained Sector	1,023,650.00	1,023,650.00	772,193.00	-251,457.00	0.00	Online
Ian Pearson	90038	Pupil Premium	0.00	621,703.82	439,474.04	-182,229.78	0.00	Forecasts set to Budget initially
DELEGATED ISB TOTAL			84,009,730.00	84,212,799.14	82,943,501.25	-1,269,297.89	0.00	
Margaret Goldie	90006	CRB Checks	40,000.00	23,240.00	26,896.00	3,656.00	0.00	Online
Janet Scott	90017	Early Years Support Team	63,440.00	36,858.64	33,584.23	-3,274.41	0.00	Forecasts set to Budget initially
Adrian Slaughter	90028	Schools Carbon Reduction Commitment	105,000.00	52,290.00	105,000.00	52,710.00	0.00	No further expenditure anticipated so on line for year end
Ian Pearson	90029	DSG Revenue Cont to Capital	1,101,680.00	548,636.64	0.00	-548,636.64	0.00	Forecasts set to Budget initially
Mark Lewis	90041	R & M Non Delegated	27,050.00	13,470.90	18,035.25	4,564.35	10,481.00	All open orders reviewed and closed as necessary. Further Service Contracts have been ordered (total value £3,927). Based on 2011/12
Ian Pearson	90039	Diploma Grant	12,170.00	7,070.77	0.00	-7,070.77	0.00	Forecasts set to Budget initially
Ian Pearson	90045	Service Tenancy - Primary	-30,460.00	-17,935.47	-19,593.33	-1,657.86	5,000.00	Not all rent income likely to be realised
Ian Pearson	90050	Service Tenancy - Secondary	-9,050.00	-5,347.69	-6,555.75	-1,208.06	0.00	Forecasts set to Budget initially
Ian Pearson	90112	Special Costs Primary	24,680.00	14,339.08	0.00	-14,339.08	0.00	Forecasts set to Budget initially
Ian Pearson	90117	Special Costs Secondary	18,640.00	10,829.84	-26,330.00	-37,159.84	0.00	Forecasts set to Budget initially
Jane Seymour	90200	Castle/Vict Co-Locatio	6,660.00	3,525.01	5,338.35	1,813.34	0.00	Overspent due to 2011/12 costs being paid
Ian Pearson	90230	Schools in Financial Difficulty	408,830.00	237,530.23	408,832.00	171,301.77	0.00	Forecasts set to Budget initially
Jane Seymour	90231	Non Delegated Contingency	160,680.00	115,218.88	137,948.45	22,729.57	-7,000.00	Underspend to offset 90577
Ian Pearson	90235	School Delegated Contingency	1,094,660.00	635,997.46	423,071.26	-212,926.20	0.00	Forecasts set to Budget initially
Ian Pearson	90236	Managed Moves/Exclusions Contingency	0.00	0.00	-54,618.00	-54,618.00	0.00	Online
Jane Seymour	90237	Special Needs Delegated Contingency	200,000.00	116,200.00	169,655.58	53,455.58	0.00	On target
Rhian Ireland	90238	Sen Pre School Childrn	33,220.00	16,544.39	16,717.84	173.45	5,000.00	£5000 over budget based on information known about likely commitments to December 2012 for assessed needs of children
Maxine Slade	90255	Virtual School Service	173,550.00	100,226.65	97,347.11	-2,879.54	0.00	Forecast to outturn to budget - service fully staffed
Rhian Ireland	90280	Specl Needs Spprt Team	236,160.00	136,844.59	131,555.62	-5,288.97	5,000.00	£5000 pressure on car allowances
Jane Seymour	90290	Sensory Impairment	227,420.00	113,707.00	110,727.90	-2,979.10	0.00	On target
Cathy Burnham	90315	Home Tuition	207,910.00	116,679.74	101,995.28	-14,684.46	0.00	forecast online
Cathy Burnham	90320	Pupil Referral Units	1,455,830.00	1,455,830.00	468.60	-1,455,361.40	67,000.00	payments for 6th form are a yr in arrears
Cathy Burnham	90341	Ed Psychology - DSG	95,250.00	55,340.25	0.00	-55,340.25	0.00	online
Cathy Burnham	90349	Behaviour Support - DSG	140,020.00	80,726.63	134,052.02	53,325.39	-3,000.00	small underspend due to delay in admin assistant post being taken up
Ian Pearson	90510	Kennet Sports Centre	0.00	0.00	3,629.27	3,629.27	0.00	Forecasts set to Budget initially
Ian Pearson	90515	Willink Sports Centre	52,040.00	20,003.83	19,991.59	-12.24	0.00	Forecasts set to Budget initially
Anne Cooper	90565	Equipment For SEN Pupils	38,470.00	19,158.06	1,826.40	-17,331.66	0.00	Online
Anne Cooper	90575	Non LEA Special School (OofA)	3,539,670.00	1,746,342.41	1,637,961.84	-108,380.57	-400,000.00	Online
Jane Seymour	90577	SEN Commissioned Provision	448,790.00	223,497.42	283,232.88	59,735.46	7,000.00	Additional running costs of new premises to be offset by 90231
Anne Cooper	90605	Recoupment Special Schools	-1,470,000.00	-898,060.00	-1,026,799.35	-128,739.35	0.00	Online
Anne Cooper	90610	Hospital Tuition	31,010.00	15,442.98	20,820.82	5,377.84	0.00	Online
Anne Cooper	90615	Recoupment Resourced Units	-150,000.00	-90,470.00	263,622.24	354,092.24	0.00	Online
Anne Cooper	90620	Recoupment Mainstream Schools	-50,000.00	-58,100.00	449,911.35	508,011.35	0.00	Online
Anne Cooper	90623	Recoupment PRU's	8,890.00	4,427.22	0.00	-4,427.22	0.00	Online
Joseph Holmes	90711	Schools Finance	153,970.00	89,456.57	84,944.84	-4,511.73	-10,970.00	0.00
Jane Seymour	90722	Special Needs Assess - DSG	219,370.00	127,453.97	125,338.42	-2,115.55	0.00	offset 90712 staffing costs
Ian Pearson	90736	Pupil & Student Services - DSG	60,160.00	34,952.96	41,092.91	6,139.95	0.00	Online
Caroline Corcoran	90742	Place Planning, Transport and Finance DSG	149,380.00	86,531.65	84,108.48	-2,423.17	16,890.00	Due to urgent work on statutory function to meet Council's priorities, additional resource has been required. Offset by maternity leave
Caroline Corcoran	90743	Admissions	0.00	0.00	14.78	14.78	0.00	This budget is being closed
Rhian Ireland	90830	ASD Teachers	109,930.00	63,605.39	66,751.75	3,146.36	2,000.00	£2000 pressure on car allowances
Cathy Burnham	90903	Peer Monitoring Funding	7,000.00	4,067.00	3,100.00	-967.00	0.00	online
Maxine Slade	90917	Children in Public Care	50,420.00	28,298.02	12,593.96	-15,704.06	0.00	Forecast to outturn to budget - cost centre will be subject to fluctuations in line with school year
Rhian Ireland	90957	G202A Early Interventi	48,040.00	26,058.68	10,978.89	-15,079.79	-4,000.00	Refers to post number (0.2fe) 02999 vacancy periods 1-6
Cathy Burnham	90961	Vulnerable Children	98,510.00	49,057.98	17,949.62	-31,108.36	0.00	On target to meet budget.
Rhian Ireland	90965	G202 Sen Inclusion Pro	73,420.00	42,070.21	12,077.54	-29,992.67	-10,000.00	Underspend for 1st term on training and supplies/services
Avril Allenby	90994	Primary Strategy 1:1 Tuition	0.00	0.00	-9,000.00	-9,000.00	0.00	Budget will outturn to zero - 1:1 Tuition programme finished and unspent funding returned to DfE 2011. Clawback funding from Park House and Stockcross expected to be claimed by DfE
CENTRALLY RETAINED TOTAL			9,212,410.00	5,401,617.89	3,918,276.64	-1,483,341.25	-316,599.00	
SUPPORT SERVICE RECHARGES			720,890.00	420,520.00	420,520.00	0.00	0.00	
TOTAL DSG EXPENDITURE			93,943,030	90,034,937	87,282,298	-2,752,639	-316,599	
Ian Pearson	90030	DSG Grant Account	-93,943,030.00	-54,580,900.43	-51,101,474.12	3,479,426.31	316,599.00	Rebalance DSG
NET DSG EXPENDITURE			0	35,454,037	36,180,824	726,787	0	

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