

DUDLEY SCHOOLS FORUM

TUESDAY 22ND JANUARY, 2013

**AT 6.00PM
AT SALTWELLS EDUCATION
DEVELOPMENT CENTRE
BOWLING GREEN ROAD
NETHERTON
DUDLEY
DY2 9LY**

If you (or anyone you know) is attending the meeting and requires assistance to access the venue and/or its facilities, could you please contact Democratic Services in advance and we will do our best to help you

**HELEN SHEPHERD
ASSISTANT DEMOCRATIC SERVICES OFFICER**

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**You can view information about Dudley MBC on
www.dudley.gov.uk**



IMPORTANT NOTICE

MEETINGS AT SALTWELLS EDUCATION DEVELOPMENT CENTRE, NETHERTON

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Centre

In the event of the alarm sounding, please leave the building by the nearest exit. There are Officers who will assist you in the event of this happening, please follow their instructions.

There is to be no smoking on the premises in line with national legislation. It is an offence to smoke in or on these premises.

Please turn off your mobile phones and mobile communication devices during the meeting.

Thank you for your co-operation.

| | | | |
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| Your ref: | Our ref: | Please ask for: | Telephone No. |
| | HS | Helen Shepherd | 01384 815236 |

10th January, 2013

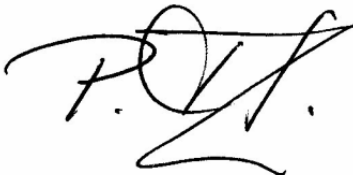
Dear Member

Dudley Schools Forum – Tuesday 22nd January, 2013

You are requested to attend a meeting of the Dudley Schools Forum, which will be held at Saltwells Education Development Centre, Bowling Green Road, Netherton, Dudley, DY2 9LY on Tuesday 22nd January, 2013 at 6.00 pm, to consider the business set out in the Agenda below.

Light refreshments will be available from 5.30 pm.

Yours sincerely



Director of Corporate Resources

Distribution:-

All Members of the Dudley Schools Forum, namely:-

| | | | | |
|--------------|------------|----------------|-------------|-------------|
| Mrs Belcher | Mr Conway | Mr Dalloway | Mr Derham | Mrs Garratt |
| Mrs Hannaway | Mr Harris | Mrs Hazlehurst | Mr Hudson | Mr Jones |
| Mr Kelleher | Mr Kirk | Mr Lynch | Ms Pearce | Mrs Quigley |
| Ms Richards | Mr Ridley | Mrs P Rogers | Ms S Rogers | Mrs Ruffles |
| Mr Shaw | Mr Timmins | Mr Ward | Mr Warren | Mr Weaver |
| Mrs Withers | | | | |

c.c - Councillor Crumpton – Cabinet Member for Integrated Children's Services;
Councillor S Turner – Chair of the Children's Services Scrutiny Committee;
Jane Porter – Director of Children's Services;
Ian McGuff – Assistant Director of Children's Services;
Dave Perrett – Assistant Director of Children's Services;
Karen Cocker – Children's Services Finance Manager, Directorate of Corporate Resources;
Sue Coates – Principal Accountant, Directorate of Corporate Resources.

AGENDA

1. APOLOGIES FOR ABSENCE

To receive apologies for absence from the meeting.

2. APPOINTMENT OF SUBSTITUTE MEMBERS

To report the appointment of any substitutes for this meeting of the Forum.

3. MINUTES

To approve as a correct record and sign the minutes of the meeting of the Forum held on 13th November, 2012 (attached).

4. MATTERS ARISING FROM THE MINUTES

Any other matters arising from the Minutes of the meeting of the Forum held on 13th November, 2012 not included on the agenda for this meeting.

5. SCHOOLS FORUM MEMBERSHIP – UPDATE (PAGES 1 - 5)

To consider the report of the Director of Children's Services.

6. BUDGET FACT SHEET NO. 2 NOVEMBER 2012 (PAGES 6 - 11)

To consider the report of the Director of Children's Services.

7. DEDICATED SCHOOLS GRANT BUDGET PROCESS 2013/14 (PAGES 12 - 25)

To consider the report of the Director of Children's Services.

8. FINANCIAL SUPPORT FROM THE DIRECTORATE OF CHILDREN'S SERVICES IN RESPECT OF SCHOOL'S EQUAL PAY LIABILITIES (PAGES 26 - 29)

To consider the report of the Director of Children's Services.

9. DATES OF FUTURE MEETINGS OF THE FORUM

| | |
|---------------------------------|--|
| 12 th February, 2013 | Saltwells EDC, Bowling Green Road, Netherton, DY2 4LY |
|---------------------------------|--|

| | |
|------------------------------|--|
| 19 th March, 2013 | Saltwells EDC, Bowling Green Road, Netherton, DY2 4LY |
|------------------------------|--|

| | |
|----------------------------|--|
| 4 th June, 2013 | Saltwells EDC, Bowling Green Road, Netherton, DY2 4LY |
|----------------------------|--|

9th July, 2013

Saltwells EDC, Bowling Green Road,
Netherton, DY2 4LY

DUDLEY SCHOOLS FORUM

Tuesday, 13th November, 2012 at 6.00 pm
at Hillcrest School and Community Centre

PRESENT:-

Mr L Ridney - Chair

Mr J Conway, Mrs Hannaway, Mr M Lynch, Mrs Quigley, Mrs A Richards, Mrs P Rogers, Mrs H Ruffles, Mr N Shaw, Mr R Timmins, Mr D Ward, Mr M Weaver and Mrs G Withers.

Persons not a member of the Forum but having an entitlement to attend meetings and speak

Director of Children's Services

Officers

Assistant Director of Children's Services (Education Services) (Directorate of Children's Services); Children's Services Finance Manager, Senior Principal Accountant and Miss H Shepherd (Directorate of Corporate Resources)

1. ELECTION OF VICE-CHAIR

RESOLVED

That Mr R Timmins be appointed Vice-Chair of the Forum for the remainder of the 2012/13 municipal year.

2. APOLOGIES FOR ABSENCE

Apologies for absence from the meeting were received on behalf of Mr C Derham, Mrs A Garratt, Mrs Hazlehurst, Mr S Hudson, Mr P Jones, Ms T Pearce and Councillor Crumpton.

3. MINUTES

RESOLVED

That the minutes of the meeting of the Forum held on 16th October 2012, be approved as a correct record and signed.

4. MATTERS ARISING FROM THE MINUTES

The Chair welcomed new Members to the meeting and confirmed that training for new and existing School Forum Members would take place on 29th January, 2013 at 6.00 pm and would be held at Saltwells Education Development Centre.

5. DEDICATED SCHOOLS GRANT OUTTURN 2011/12

A report of the Director of Children's Services was submitted providing Schools Forum members with financial data in respect of the Schools Budget for the 2011/12 financial year ending 31st March 2012.

Arising from a question raised from a Member, the Director of Children's Services confirmed that Pensnett School was still included in the schools funding as decommission work was on going.

In response to a question relating to the loans pool facility for Voluntary Aided and Foundation schools, it was confirmed that no schools had taken up on this option therefore the monies remained earmarked within the DSG reserve. In view of the length of time that the loans pool facility had been set aside, it was agreed that the item would be brought back to a future meeting of the Schools Forum for discussion.

The Assistant Director of Children's Services (Education Services) then referred to the proposal at Appendix B to the report submitted relating to the development of collaborative working in primary schools and apologised that the requested amendments made at the Budget Working Group had not been made in time for when the report was printed and that reference to co-operative trusts should be removed.

Following a query raised by a Secondary School Governor representative as to why this support was solely for Primary Schools, the Assistant Director of Children's Services (Education Services) stated that there were more good and outstanding Secondary Schools within the borough and therefore it was felt that targeting Primary Schools performing below national average should take priority.

A secondary school head teacher representative raised concerns and referred to difficulties secondary schools experienced especially without any additional funding and asked how the Primary Schools in receipt of the support would be identified.

It was stated that if there was any under-spend in the budget the Director of Children's Services would be prepared to explore a similar support scheme for secondary schools, but Primary Schools would currently take priority. It was also stated that there were targeted Primary Schools in mind, but none had yet been confirmed and that a report would be brought back to a future meeting of the Forum updating Members on the progress of the support scheme.

The Children's Services Finance Manager then referred to the remaining DSG reserve and stated that consideration was being given to using this money in helping Schools experiencing financial difficulty as a result of equal pay liabilities. The Director of Children's Services elaborated on this stating that the money set aside could be used to support equal pay liabilities for Schools that would have difficulty meeting their commitments but would have to meet a set criteria. Schools would have to demonstrate that they had followed advice and guidance of the Local Authority and not put themselves in that place deliberately. It would be distributed in a lump sum amount, just to help stabilise the situation.

RESOLVED

- (i) That the information contained in the report and appendices to the report submitted relating to the 2011/12 financial outturn in respect of the Schools Budget and the planned use of the roll forward reserves, be noted.
- (ii) That, the allocation of the £300,000 of the DSG reserve to the School Support Work project, be approved, in line with Forums combined budget powers, subject to a change in wording in Appendix B.
- (iii) That the information contained in the report and appendices to the report submitted in respect of the likely implications for Dudley in relation to the DfE assurances in respect of Local Authorities DSG reserve balances, be noted.
- (iv) That the Director of Children's Services report back to a future meeting of the Forum updating Members on the development of collaborative working in Primary Schools and the use of the remaining DSG reserve.

6. COMBINED SERVICES BUDGET OUTTURN 2011/12

A report of the Director of Children's Services was submitted providing School Forum Members with financial data in respect of the Combined Services Budget for the 2011/12 financial year ending 31st March, 2012.

RESOLVED

That the information contained in the report submitted on the Combined Services Budget for the 2011/12 financial year, be noted.

7. CONSULTATION ON EARLY YEARS SINGLE FUNDING FORMULA FOR TWO YEAR OLDS

A report of the Director of Children's Services was submitted to inform Members on the consultation process in respect of the implementation of the Government's proposed funding of the free entitlement to early education for two year olds.

Following the presentation of the report, the Assistant Director of Children's (Education Services) stated that setting the rate at £4.00 per hour for providers was a proposal until final confirmation of Dudley's allocation of DSG Funding had been received. It was also stated that the Government was promoting the scheme as education for two year olds, however Dudley was considering it more as family education and support which would obtain a more sustainable outcome.

Concerns were raised by Members with regards to the rate of pay and the impact this would have on the quality of service and considered that this was insufficient for qualified staff.

In response to a question raised by a Non School Member representative the Director of Children's Services stated that the funding for the early education for two years olds was transferring from the Local Authority's Early Intervention Grant (EIG) funding to the DSG from 2013/14 but after accounting for this transfer of £0.7million there still remained a reduction in Dudley's EIG for 2013/14 of £2.8million which was a budget pressure for the Directorate.

RESOLVED

That the information contained in the report and appendix to the report submitted in relation to the consultation process in respect of the implementation of the Government's proposed funding of the free entitlement to early education for two year olds, be noted.

8. SCHOOL FUNDING REFORMS – UPDATE

A report of the Director of Children's Services was submitted to update members of Dudley's progress in respect of the DfE's national school funding reforms for implementation in April 2013. A copy of the final Education Funding Agency funding reform proforma, was circulated at the meeting.

The Children's Services Finance Manager presented the report and in doing so referred to the 2013 School and Early Years Finance (England) Regulations and the responsibilities for financial issues relating to the Forum. She also referred to paragraphs (a) to (p) of the report submitted and members were given the opportunity to comment.

The Forum discussed paragraph (j) of the report submitted. The Director of Children's Services stated that each individual's case was evaluated. The Authority worked in partnership with Connexions in identifying and understanding individual's preferences. It was also stated that if a young person was not progressing well then an alternative would be looked at, however there was no facility to fund attendance in a provision at a distance outside of the borough. She also confirmed that there was a rise in the number of young people with special needs in the borough particularly in the 16-25 range.

RESOLVED

That the report submitted on Dudley's progress in respect of the DfE's national school funding reforms for implementation in April 2013 and the completed final Education Funding Agency funding reform proforma, circulated at the meeting, be noted.

9. SCHOOLS FORUM MEMBERSHIP – UPDATE

A report of the Director of Children's Services was submitted on an update on the current position relating to the new appointments, current vacancies, the DfE Best Practice Guide and future training to be carried out for Schools Forum Members in early 2013.

RESOLVED

That the report and appendices to the report submitted in relation to Schools Forum Membership, the DfE Best Practice Guide and the future training for Schools Forum members, be noted.

10. DATES OF FUTURE MEETINGS OF THE FORUM

RESOLVED

That the dates and venues of the remaining future meetings of the Forum in 2012/13 be noted.

11. COMMENTS OF THE CHAIR AND ASSISTANT DIRECTOR OF CHILDREN'S SERVICES (EDUCATION SERVICES)

It was requested by the Chair and the Assistant Director of Children's Services (Education Services), on behalf of the Forum that thanks be expressed and recorded to Hillcrest School for their co-operation in accommodating the Forum meeting.

The meeting ended at 7.25 p.m.

CHAIR

Schools Forum 22 January 2013

Report of the Director of Children's Services

Schools Forum Membership - Update

Purpose of Report

1. The purpose of this report is to advise on an Academy school representative appointment to Schools Forum.

Budget Working Group Discussed

2. No.

Schools Forum Role and Responsibilities

3. Schools Forum is responsible for ensuring that the constitution and membership meets the legislative requirements detailed in the School Forum (England) Regulations 2012.

Action for Schools Forum

4. To note the membership update and welcome the new member, Mr J. Kelleher.

Attachments to Report

5. Appendix A – Schools Forum Membership list.

Karen Cocker
Children's Services Finance Manager
7 January 2013

Schools Forum 22 January 2013

Report of the Director of Children's Services

Schools Forum Membership - Update

Purpose of Report

1. The purpose of this report is to advise on Academy school representative appointment to Schools Forum.

School Forum Membership

2. In accordance with the Schools Forums (England) Regulations 2012, the Schools Forum constitution was amended to increase the Academy representation to two members, to proportionally reflect Academy schools in Dudley.
3. With one existing Academy member, the Chairs of Governors for all Academies were invited to nominate a Schools Forum representative by 9 November 2012.
4. Two nominations were received with one candidate standing down before the election process went to ballot.
5. Mr J. Kelleher (a parent Governor for Earls High School) was therefore elected to the position of an Academy representative for Dudley's Schools Forum. This post is for a three year term of office to expire 31 October 2015.

Finance

6. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2012 which are effective from 1 January 2013 and relate to the 2013/14 financial year.
7. Schools Forums are regulated by the Schools Forums (England) Regulations 2012.
8. From 1st April 2006, the Schools Budget has been funded by a direct grant; Dedicated School Grant (DSG).

Law

9. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

10. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

11. Schools Forum to note the report and to welcome the new Academy representative member, Mr J. Kelleher.

A handwritten signature in black ink, appearing to read 'R. J. Porter', with a horizontal line drawn underneath the signature.

Jane Porter
Director of Children's Services

Contact Officer: Karen Cocker, Children's Services Finance Manager
Karen.cocker@dudley.gov.uk Tel: 01384 815382

| <u>SCHOOL MEMBERS</u> | <u>DUDLEY SCHOOLS FORUM CONSTITUTION</u> | <u>GOVERNORS - 3 year term of office</u> | | | | | <u>Date of Appointment</u> | <u>HEADTEACHERS - 3 Year Term of Office</u> | | | |
|---|---|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|----------------------------|---|---|---|---|
| | | <u>1 May 2009 to 30 April 2011</u> | <u>1 May 2009 to 30 April 2012</u> | <u>1 May 2010 to 30 April 2013</u> | <u>1 May 2011 to 30 April 2014</u> | <u>1 May 2012 to 30 April 2015</u> | | <u>1 November 2009 to 31 October 2012</u> | <u>1 November 2010 to 31 October 2013</u> | <u>1 November 2011 to 31 October 2014</u> | <u>1 November 2012 to 31 October 2015</u> |
| <u>Nursery School Headteachers</u> | <u>One nursery headteacher</u> | | | | | | | | | | |
| <u>Netherton Park Nursery</u> | Mrs Helen Ruffles, Netherton Park Children's Centre, Netherton, Dudley DY2 9QF | | | | | | Jun-10 | | √ | | |
| <u>Primary School Headteachers</u> | <u>One primary school headteacher for each of the five townships</u> | | | | | | | | | | |
| Brierley Hill | Mr Steve Hudson, Ashwood Park Primary School, Off Bells Lane, Ashwood Park Estate, Wordsley, Stourbridge, DY8 5DJ | | | | | | Oct-11 | | √ | | |
| Central Dudley | Mr Damien Ward, Sledmere Primary, The School Drive, Buffery Road, Dudley, DY2 8EH | | | | | | Oct-12 | | | | √ |
| Halesowen | Mrs Pauline Rogers, Hasbury CE Primary School, Hagley Road, Hasbury, Halesowen, B63 4QD | | | | | | Oct-12 | | | | √ |
| North Dudley | Mrs Pat Hazlehurst, Christ Church Primary School, Church Road, Coseley, Bilston, WV14 8YB | | | | | | May-10 | | √ | | |
| Stourbridge | Mrs J Quigley, Wollescote Primary School, Drummond Road, Wollescote, Stourbridge, DY9 8YA | | | | | | Jun-12 | | | √ | |
| <u>Primary School Governors</u> | <u>One primary school governor for each of the five townships</u> | | | | | | | | | | |
| Brierley Hill | Mr R Timmins, Crestwood Park Primary School | | | √ | | | May-10 | | | | |
| Central Dudley | Ms T Pearce, Northfield Road Primary School | | | | | √ | May-12 | | | | |
| Halesowen | Mike Weaver, Our Lady and St Kenelm Catholic School | | | | | √ | Oct-12 | | | | |
| North Dudley | Mr Philip Harris, Christ Church Primary School | | | | √ | | May-11 | | | | |
| Stourbridge | Mrs Jill Belcher, Peters Hill Primary School | | | | √ | | Oct-12 | | | | |
| <u>Secondary School Headteachers</u> | <u>One secondary school headteacher for each of the five townships - up to a maximum of four</u> | | | | | | | | | | |
| Brierley Hill | Mr Ben Warren, The Summerhill School, Lodge Lane, Kingswinford, DY6 9XE | | | | | | Feb-12 | | | √ | |
| Central Dudley | Mrs April Garratt, Hillcrest School and Community College, Simms Lane, Dudley, DY2 0PB | | | | | | May-10 | | √ | | |
| Halesowen | Neil Shaw, Leasowes Community College, Kent Road, Halesowen, B62 8PJ | | | | | | Oct-12 | | | | √ |
| North Dudley | Idle township until next elections (ex M Elwiss) | | | | | | Oct-12 | | | | |
| Stourbridge | Mr Peter Jones, Oldswinford Hospital School, Heath Lane, Stourbridge Dudley, DY8 1QX | | | | | | Oct-11 | | | √ | |
| <u>Secondary School Governors</u> | <u>One secondary school governor for each of the five townships up to a maximum of four</u> | | | | | | | | | | |
| Brierley Hill | Vacancy | | | | | √ | No app as at Sep 12 | | | | |
| Central Dudley | | | | | | | | | | | |
| Halesowen | Mrs Gill Withers, Leasowes Secondary School | | | | √ | | May-11 | | | | |
| North Dudley | Mr L Ridney, Coseley Secondary School | | | | | √ | May-12 | | | | |
| Stourbridge | Mr Jim Conway, Ridgewood High School | | | | √ | | May-11 | | | | |
| <u>Special School Headteacher</u> | <u>One special school headteacher for all townships</u> | | | | | | | | | | |

| <u>SCHOOL MEMBERS</u> | <u>DUDLEY SCHOOLS FORUM CONSTITUTION</u> | 1 May 2009 to 30 April 2011 | 1 May 2009 to 30 April 2012 | 1 May 2010 to 30 April 2013 | 1 May 2011 to 30 April 2014 | 1 May 2012 to 30 April 2015 | Date of Appointment | 1 November 2009 to 31 October 2012 | 1 November 2010 to 31 October 2013 | 1 November 2011 to 31 October 2014 | APPENDIX A 1 November 2012 to 31 October 2015 |
|---|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|------------------------|--|--|--|--|
| All townships | Mr David Kirk, Rosewood School, Bell Street, Coseley, West Midlands, WV14 8XJ | | | | | | Oct-12 | | | | √ |
| Special School Governor | One special school governor for all townships | | | | | | | | | | |
| All townships | Mr I Dallaway, Pensmeadow School | | | | | √ | Mar-12 | | | | |
| ACADEMY MEMBER | | | | | | | | | | | |
| 1 Representative | Ms S Rogers, Windsor High School, Richmond Street, Halesowen, West Midlands, B63 4BB | | | | | | May-11 | | | √ | |
| 1 Representative | Mr Joe Kelleher, (Parent Governor The Earls High School) | | | | | | Nov-12 | | | | √ |
| Pupil Referral Units | | | | | | | | | | | |
| All PRUs | Chris Derham - PRU Manager | | | | | | Oct-12 | | | | √ |
| NON SCHOOL MEMBERS | Representatives from Bodies Approved By Schools Forum | | | | | | | | | | |
| Unions and Professional Associations, nominated by the staff side of the Directorate Joint Consultative Committee | Mr Martin Lynch, Dudley National Union of Teachers, The Kahan Centre, High Street, Kingswinford, DY6 8AP | | | √ | | | Nov-10 | | | | |
| Worcester Diocesan Board of Education, nominated by the Board | Angela Hannaway, Headteacher, Halesowen CE Primary, High Street, Halesowen, B63 3BB | | | | | √ | Nov-12 | | | | |
| Catholic Schools Commission, nominated by the Commission | Vacancy EX Mrs Brenda Beale, (ex headteacher St Josephs Primary School, Stourbridge) | | | √ | | | May-10 | | | | |
| Early Years Provider Reference Group, nominated by the Group | Ann Richards, Cradley Play Nursery, 12 - 18 Lyde Green, Cradley, Halesowen, B63 2PG | | | | | √ | May-12 | | | | |
| Dudley 14-19 Strategic Partnership, nominated by the Partnership | Vacancy | √ | | | | | Feb-08 | | | | |

Schools Forum 22 January 2013

Report of the Director of Children's Services

Budget Fact Sheet No.2 November 2012

Purpose of Report

1. The purpose of this report is to update Schools Forum on the latest Budget Fact Sheet which was issued to schools in November 2012.

Discussed at HTCF – BWG

2. Yes – 7 November 2012.

Schools Forum Role and Responsibilities

3. From 1st April 2006, the Schools Budget has been funded by a direct DfE grant: Dedicated School Grant (DSG).
4. The Forum is the 'guardian' of the local Schools Budget, and its distribution among schools and other bodies, and therefore must be closely involved throughout the development process.

Actions for Schools Forum

5. To note the information contained within the draft Budget Fact Sheet No 2 - November 2012.

Attachments to Report

6. Appendix A – Budget Fact Sheet No.2 – November 2012.

Sue Coates
Senior Principal Accountant
7 January 2013

Schools Forum 22 January 2013

Report of the Director of Children's Services

Budget Fact Sheet No.2 November 2012

Purpose of Report

1. The purpose of this report is to update Schools Forum on the latest Budget Fact Sheet which was issued to schools in November 2012.

Background

2. Budget Fact Sheet No. 2 – November 2012 provides the latest available information for schools relating to schools funding.
3. Budget Fact Sheets can be found at the following website:
http://insidedudley/education/library/childrensservic_1/budgetfactsheet_1/budgetfactsheet_6/default.html
4. The latest Budget Fact Sheet provides information regarding the following:
 - School Funding Reform – Local Funding formula for Dudley 2013/14;
 - School Funding Reforms - De-delegations;
 - Funding for High Needs Pupils;
 - Special School Budgets;
 - School Budgets 2013/14 and 2014/15;
 - SEN Units in mainstream schools;
 - Pupil Referral Units;
 - Pupil Premium;
 - Summer Schools;
 - Early Years Single Funding Formula (EYSFF) for Two Year Olds;
 - Schools Forum.
5. The next budget fact sheet will be issued during the Spring term.

Finance

6. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2012 which are effective from 1 January 2013 and relate to the 2013/14 financial year.
7. Schools Forums are regulated by the regulated by the Schools Forums (England) Regulations 2012.
8. From 1st April 2006, the Schools Budget has been funded by a direct grant; Dedicated School Grant (DSG).

Law

9. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

10. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

11. Schools Forum to note the contents of Budget Fact Sheet No.2 – November 2012.



Jane Porter
Director of Children's Services

Contact Officer: Karen Cocker, Children's Services Finance Manager
Karen.cocker@dudley.gov.uk Tel: 01384 815382

Directorate of Children's Services

Budget Fact Sheet

No. 2 – November 2012

- **School Funding Reform –Local Funding formula for Dudley schools 2013/14**

Consultation on the proposed local funding formula for Dudley schools ended on 5th Oct 2012. Outcomes were reported to Headteachers Budget Working Group (HTCF-BWG) and Schools Forum who made their recommendations to the Director of Children's Services at a meeting on 16th October 2012.

The Director of Children's Services has now made final decisions in respect of the local funding formula to be implemented from April 2013 and confirmed these in a letter dated 31st October 2012 which has been issued to all headteachers and governors.

The required pro forma has subsequently been submitted to the DfE and is currently awaiting scrutiny by the Education Funding Agency (EFA) and confirmation of suitability to use for 2013/14 school funding.

- **School Funding Reforms – De-delegations**

Consultation on additional de-delegations also closed on 5th October 2012 and outcomes were again reported to HTCF-BWG and Schools Forum. Schools Forum is responsible for decision making regarding de-delegation and these decisions were made at a meeting on 16th October 2012. The Director of Children's Services notified all headteachers and governors of School Forum decisions in respect of de-delegations from April 2013 by letter which was issued on 31st October 2012. Further discussions will be held at BWG in respect of the operational and reporting requirements of the de-delegated services. Academy Schools will be contacted shortly in respect of the buy back arrangements in respect of de-delegated services which include:

- Trade Union Facilities in schools
- Newly Qualified Teachers
- Behavioural Support Services – LACES
- EMAS service – Family Support

A summary of consultation responses is available as follows;

[Inside dudley / Directorates / Children's Services / Under useful links select CS Electronic Library / Children's Services Accountancy Team / Funding Reforms / Consultation Outcomes](#)

- **Funding for High Needs Pupils**

Work is still ongoing in respect of funding for High Needs pupils, however Dudley has now established a draft banded framework which seeks to identify a continuum of funding for pre 16 SEN. Further work is required in relation to the equivalence of funding compared with other local authorities and the post 16 element will need further discussions when data is made available by the EFA.

Special School Budgets

Special schools will be funded from the high needs block at £10,000 per place in addition to top up funding per pupil based on an individual assessment of need for each pupil. The seven special schools budgets for 2012/13 have been aligned to the new funding framework applicable for 2013/14 in order that potential funding issues can be identified at an early stage. This work will be ongoing until the Spring 2013 term.

- **School Budgets for 2013/14 and 2014/15**

It is a statutory requirement that school budgets are issued by 15th March, and budgets for Early Years Funding are issued by 31st March annually. It is anticipated that pupil datasets will be issued by the DfE during mid December and that the value of Dedicated Schools Grant will be confirmed sometime during December 2012.

Following the publication of school budgets for 2013/14 indicative school budgets for 2014/15 will be prepared based on estimated pupil data and will be available during May 2013.

As 2015/16 falls within the next government spending review period and it is government's intention to progress further towards implementation of a National Funding Formula then further changes to Dudley's local funding formula are expected from 2015/16. As and when government spending decisions are confirmed work will continue to produce indicative school budgets for future periods in order to assist schools with financial planning.

- **SEN Units in Mainstream Schools**

Dudley commissions 135 SEN places in mainstream schools. The DfE proposed regulations from 2013 will amend the funding which can be allocated for each pupil via the delegated budget and from 2013/14, the funding must be available from the High Needs Block, therefore a funding review is underway. Given the extent of the change programme for schools in 2013/14, it is proposed that this review is undertaken during 2013/14 for implementation in 2014/15 therefore SEN unit budgets will remain on a centrally commissioned basis for 2013/14.

- **Pupil Referral Units (PRUs)**

All PRUs will have delegated budgets from 1st April 2013 in addition to changes in their governance arrangements. PRUs will be funded from the high needs block at £8,000 per place in addition to top up funding per pupil based on an individual assessment of need for each pupil.

- **Pupil Premium**

The Government has confirmed that for 2013/14 the Pupil Premium will be set at £900 per pupil for every child registered as eligible for Free School Meals (FSM) at any point in the last six years. Further detail in respect of the Service Children Premium for 2013/14 is yet to be confirmed by the DfE.

Indicative allocations will be available to schools during the Spring term 2013 when school funding budgets for 2013/14 will also be issued.

- **Summer Schools**

The Government will be making £50 million available for the Summer Schools scheme to run again next year, providing up to two weeks of support for disadvantaged children. Details of how secondary schools can sign up to run summer schools in 2013 will be announced shortly by the DfE.

Early Years Single Funding Formula (EYSFF) for Two Year olds

Local Authorities (LAs) will be required to fund providers of free early education for less advantaged two year olds through an Early Years Single Funding Formula (EYSFF) from September 2013. Two year old places will be delivered by the private and voluntary childcare sector in close partnership with the network of children's centres across Dudley localities.

A full consultation in respect of the proposed EYSFF for Dudley will be published on 26th November 2012 and will close on 18th January 2013. Outcomes from the consultation will be reported to HTCF-BWG on 6th February 2013 and to Schools Forum on 12th February 2013. A final decision will be made by the Director of Children's Services on or before 31st March 2013, which is the deadline for issuing budgets to nursery education providers.

- **Schools Forum**

Future meetings are as follows; 13th November 2012, 11th December 2012, 22nd January 2013, 12th February 2013 and 19th March 2013.

With effect from October 2012 School Forum agendas and minutes of the meetings are available on the Council website together with details of Forum members as follows;

dudley.gov.uk / meetings and decisions / Committee Management Information System / Committees / Current Committees / Dudley Schools Forum / Meetings tab (minutes are available within the relevant meeting date).

- **Further Details**

sue.coates@dudley.gov.uk or telephone 01384 814217.

Jane Porter - Director of Children's Services

Schools Forum 22 January 2013

Report of the Director of Children's Services

Dedicated Schools Grant Budget Process 2013/14

Purpose of Report

1. The purpose of this report is to update Schools Forum on the 2013/14 Dedicated Schools Grant budget process.

Budget Working Group Discussed

2. Yes – 16 January 2013.

Schools Forum Role and Responsibilities

3. From 1st April 2006, the Schools Budget has been funded by a direct DfE grant: Dedicated School Grant (DSG).
4. The Forum is the 'guardian' of the local Schools Budget, and its distribution among schools and other bodies, and therefore must be closely involved throughout the development process.

Action for Schools Forum

5. To note the contents of this first report in respect of the 2013/14 Dedicated Schools Grant planning process. Further updated information will be presented to the February and March 2013 Schools Forum meetings before final school budgets are issued on 15 March 2013 and the commencement of the 2013/14 financial year.

Attachments to Report

6. Appendix 1 - Reform of funding for high needs pupils and students: Operational implications for educating institutions.
7. Appendix 2 – Local Authority Schools Budget proforma for submission to the EFA on 22 January – to be tabled at the meeting.

Karen Cocker
Children's Services Finance Manager
7 January 2013

Schools Forum 22 January 2013

Report of the Director of Children's Services

Dedicated Schools Grant Budget Process 2013/14

1. The purpose of this report is to update Schools Forum on the 2013/14 Dedicated Schools Grant budget process.

Background

2. The School funding reform: Next Steps Towards a Fairer System published in June 2012 announced that 2013/14 would see the first steps towards reforming the funding system. The Government's intention is to introduce a national funding formula during the next spending review period to reduce the funding differences between similar schools in different areas.
3. For 2013/14 the arrangements for calculating the Dedicated Schools Grant (DSG) have therefore changed in line with the Department for Education (DfE) School Funding Reforms aided by the Education Funding Agency (EFA).

Role of the Department for Education (DfE)

4. The Department for Education is responsible at a national level for the education service. This includes responsibilities for planning and monitoring the education service in schools in England, ensuring the provision of integrated services for children, and bringing together policy relating to children and young people.

Role of the Education Funding Agency (EFA)

5. The Education Funding Agency is the Department of Education's delivery agency for funding and compliance. They provide revenue and capital funding for education for learners between the ages of 3 and 19, or the ages of 3 and 25 for those with learning difficulties and disabilities and also support the delivery of building and maintenance programmes for schools, academies, Free Schools and sixth-form colleges. They are the first port of call for queries from open academies, and carry out a number of compliance and assurance activities on behalf of the Secretary of State, including monitoring funding agreements and admission appeals. The EFA are implementing funding reform for pre- and post-16 education for 2013/14.

Dedicated Schools Grant Process For 2013/14

6. Unlike previous years whereby the local authority was required to estimate the DSG in December/January in preparation for the forthcoming financial year, the school funding reforms allow the DfE to provide local authorities with their provisional DSG funding settlement in December; this was announced on 19 December 2012. This report summarises the DfE settlement for Dudley, identifying any issues or actions for Schools Forum.

7. The 2013/14 settlement marks the first step towards a national funding formula. The DfE will continue to refine the school funding arrangements so that they are better placed to move to a new national funding formula during the next spending review period for 2015 onwards.
8. The DSG can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance Regulations. The Schools Budget consists of delegated budgets allocated to individual schools, Pupil Referral Units (PRUs) and Early Years Provision in Private, Voluntary and Independent (PVI) providers, a budget for other provision for pupils which local authorities fund centrally, which now includes the bulk of high needs provision, including post-school provision up to age 25, together with centrally retained expenditure in respect of special education needs and early years services.
9. The distribution of the DSG to local authorities will continue to be based on the current "spend-plus" methodology for 2013/14 but the presentation of the settlement data has been changed to show three, un-ringfenced funding blocks for each local authority:
 - Schools Block;
 - Early Years Block; and
 - High Needs Block
10. The Central Expenditure Limit (CEL) calculation will no longer be a requirement for Schools Forum approval, but for 2013/14 there will be a series of central expenditure limits rather than a single one. Authorities are free to move funding between the blocks provided that they comply with requirements of the Minimum Funding Guarantee (MFG) and central expenditure. Further information will be reported at the February meeting.
11. For 2013/14 there are three additional budgets which are to be funded by the DSG:
 - Early education for 2 year olds from lower income households;
 - Newly Qualified Teachers (NQT) induction;
 - Post 16- 18 SEN and 19 -24 Learning Difficulties and Disabilities.

DSG Schools Block

12. The pupils counted for the purpose of calculating the DSG Schools Block allocations are those recorded in the School Census in maintained schools and academies going through recoupment in National Curriculum Year Groups R-11 aged 4 or above, but not including those pupils in SEN (Special Education Needs) units or Resourced Provision within such institutions; funding for these pupils is provided under the High Needs Block. Also counted towards the Schools Block are those relevant pupils in Alternative Provision (AP) who do not fall under the High Needs Block. Any pupils recorded as Year R but who are less than 4 years old are not counted, because funding for these pupils is provided under the Early Years Block.
13. The Schools Block allocation is derived from the October 2012 School Census pupil count plus a new allocation of £66,000 to enable schools to pay for the services of their preferred appropriate body for monitoring and quality assure NQT (Newly Qualified Teachers) induction. The Schools Block has been set at a cash flat rate per pupil; £4459.29 for Dudley.

14. Although the overall schools budget will stay at the same level on a per pupil basis before the addition of the Pupil Premium, the actual cash level of each school's individual budget will vary in line with pupil number changes and variations due to changes in each local authority's formula funding methodology, which was a requirement of the school funding reforms.
15. To protect schools' from significant budget reductions, the Minimum Funding Guarantee will continue to ensure that no school sees more than a 1.5% per pupil reduction in 2013/14 budgets (excluding sixth form funding) compared to 2012/13 and before the Pupil Premium is added.
16. From 2013/14, where a mainstream school has a number of funded places in a SEN unit or Resourced provision, then funding will be allocated from the High Needs Block and not through the Schools delegated budget which is funded through the Schools Block. The change in funding arrangements for Dudley schools is under discussion with the 8 schools affected.
17. The Schools Block budget will cover:
 - a. Mainstream Schools delegated budgets (but excluding SEN top up which will be funded from the High Needs Block);
 - b. Central Services – where the value of the budget is capped in line with the previous funding period. As agreed by Schools Forum;
 - c. Central Schools expenditure As agreed by Schools Forum;
 - d. Items that may be removed from Maintained Schools' Budget Shares - De-delegation. As approved by Schools Forum.

DSG Early Years Block

18. The DSG Early Years Block covers all pupils in maintained schools and academies going through recoupment in National Curriculum year groups N1 and N2, all relevant pupils in Private, Voluntary and Independent (PVI) providers, and under 5s in Alternative Provision. In addition, any pupils recorded as Year R, but who are less than 4 years old, are counted in the Early Years Block. Two-year-olds with SEN are funded under the High Needs Block.
19. The Early Years Block allocation is derived from the January 2012 Early Years Census, Schools and Alternative Provision Census to be updated for the January 2013 and January 2014 Census pupil data count. The allocation announced by the DfE in December 2012 is therefore provisional and will be updated in the Summer of 2013 and the Summer of 2014 to produce the Early Years Block allocations for the financial year 2013/14. This In-year adjustment process will leave local authorities with some uncertainty in budget planning for the early years sector, which is made more difficult when there is volatility in the pupil numbers; many local authorities are experiencing a rising population in the early year's sector.
20. The Early Years Block has been set at a cash flat rate per pupil; £3650.97 for Dudley. Additional funding in respect of the new DfE initiative for early education places for 2 year olds from lower income households has been allocated of £2.843m.
21. From 2013/14, where a nursery school/provision has a number of funded places in a SEN unit or Resourced Provision then funding will be allocated from the High Needs Block and not through the early years formula budget which is funded through the Early Years Block. The change in funding arrangements for Dudley

schools is under discussion with the 7 schools affected.

22. The Early Years Block budget will cover:

- a. Netherton Park nursery school's budget share (but excluding SEN top up which will be funded from the High Needs Block);
- b. Maintained schools' nursery classes early years single funding formula budget allocation;
- c. Early years providers single funding formula budget allocation;
- d. Central Services – where the value of the budget is capped in line with the previous funding period. As agreed by Schools Forum;
- e. Central Early Years expenditure. As agreed by Schools Forum;
- f. Funding for early education for two year olds from the 20% most socially disadvantaged areas in the Borough.

DSG High Needs Block

23. The DSG High Needs Block allocations will no longer be derived from pupil counts census data. Previously this included the Pupil Referral Unit together with a selection of pupils recorded on the Alternative Provision Census.

24. The High Needs Block will bring together funding for all high needs pupils/students to enable local authorities to commission places for their young people from 0-24 from a single funding stream.

25. Additional funding will be allocated in respect of requested growth in high needs places, subject to formal confirmation by the Chief Finance Officer by 25 January 2013. For Dudley the request includes growth in Alternative Provision and Special Schools a total of 18 places in excess of the existing 1103 already approved.

26. From 2013/14 all local authorities will have additional responsibilities for High Needs Students who are post 16-18 SEN or 19 – 24 with Learning Difficulties and Disabilities. The funding arrangements for this category of student will not commence until August 2013 but will be funded from the High Needs Block. Dudley will be responsible to fund only the 'top up' value or 'Element 3' of the cost of the High Needs Student where Dudley is the home local authority. Therefore the DSG allocation from the DfE to fund this activity for 2013/14 part year is £1.272m, which equates to £1.908m in a full year. Element 1 and 2 costs of approximately £11,000 per student will be paid directly to the provider by the EFA. The funding allocation of £1.272m is subject to final confirmation with the EFA as the planned place numbers are still being validated. The final data will be reported to Forum in February or March.

27. The High Needs Block budget will cover:

- a. Specials Schools delegated budgets at £10,000 per place;
- b. Pupil Referral Unit delegated budgets at £8,000 per place;
- c. SEN Units or Resourced provisions at £10,000 per place;
- d. Top up budget (element 3) for Special Schools, PRUs, 16-18 SEN or 19 – 24 with Learning Difficulties and Disabilities, Mainstream SEN pupils, SEN units or Resourced provision, Dudley resident pupils in other local authority schools with SEN;
- e. Independent Placements;
- f. Alternative Provision;
- g. Special education needs services: Counselling, Learning Support, Physical and Medical, Visually Impaired, Autism Outreach, Early Years;
- h. Hospital Education ;

- i. Central Services – where the value of the budget is capped in line with the previous funding period. As agreed by Schools Forum.

28. Appendix 1 outlines the top up arrangement under the place plus approach and provides a summary of the impact of the reform of funding for high needs pupils and students with the operational implications for educating institutions.

Dedicated Schools Grant (DSG) 2013/14 and Impact for Dudley

29. Table 1 summarises the provisional DSG settlement for 2013/14 in line with the details outlined in paragraphs 6 to 28 above.

30. The total provisional DSG at December 2012 is £234.136m. It is not possible to make a comparison with 2012/13 DSG of £229.636m due to the impact of the school funding reform changes which include additional funding, as detailed in paragraph 11, and baseline adjustments for hospital tuition and inter authority recoupment for extra district pupils for 2013/14.

31. The following DfE adjustments are still required before the final DSG for 2013/14 can be determined:

- Early Years Block will be amended in the Summer of 2013 and Summer of 2014 for updated pupil count data.
- Post 16 SEN and 19-24 LDD budget of £1.272m is still under discussion with EFA; the new responsibility is effective from August 2013.
- Growth for planned places in the High Needs Block is to be confirmed and this is expected before 31 March 2013.

Table 1 -Dudley Provisional Dedicated Schools Grant 2013/14 at December 2012

| | Pupil Data | Unit of Funding | Schools Block £m | Early Years Block £m | High Needs Block £m |
|---|-------------------|------------------------|-----------------------------|---------------------------------|--------------------------------|
| Total Funding Pupil Led | 43,014 | £4,459.29 | 191.812 | | |
| Total Funding Pupil Led | 2,782 | £3,650.97 | | 10.157 | |
| Newly Qualified Teachers | | | 0.066 | | |
| 2 Year Olds Early Education | | | | 2.843 | |
| Baseline Funding | | | | | 27.748 |
| April – July Post 16 SEN Funding | | | | | 0.239 |
| Aug – March 2014 Post 16 SEN and 19 -25 LDD | | | | | 1.272 |
| Provisional 2013/14 DSG Budget | | | £191.878 | £13.000 | £29.259 |

Dedicated Schools Grant and Academy School Budgets

32. The calculation of each authority's DSG must include the pupils educated in the Academy schools within the borough. The pupil data is required to be supplied to the local authority by the academy school at October school census date.
33. It is a condition of the Dedicated Schools Grant that the Authority must maintain a single formula for funding both maintained schools and Academies in its area. The authority is responsible for calculating the Academy schools' delegated budget by replicating the local funding formula and these details are communicated to the EFA who are then responsible for funding Academy schools.

Local Authority Schools Budget Proforma for the EFA

34. It is a statutory requirement for each LA to submit to the EFA a proforma which details the proposed allocation of the DSG and detailed tables supporting the proforma. The detailed tables provide funding information at individual school level and both these tables and the pro forma are subject to scrutiny by the EFA. The deadline for LAs to submit their final proformas and detailed tables to the Education Funding Agency (EFA) is **22 January 2013**. Therefore the proforma will be tabled as Appendix 2 to this report at the Schools Forum meeting on 22 January for approval.

School Budgets and Final DSG Determination

35. Indicative school budgets for 2013/14 will be made available to mainstream schools during February 2013. At that time the indicative Pupil Premium allocations for 2013/14 will be issued.
36. Final budgets will be issued to primary, secondary, special and pupil referral unit schools by 15 March 2013 and for maintained nursery schools/classes and early years providers by 31 March 2013, in line with the DFE statutory regulations.

Coverage and Conditions of Dedicated Schools Grant

37. The School and Early Years Finance (England) Regulations 2013 prescribe how a local authority can allocate the DSG funding. These are effective from 1 January 2013.
38. The DSG is paid as a ring-fenced grant and is subject to formal grant conditions. The conditions include a requirement to use the grant in support of the Schools Budget and a provision for the Secretary of State to recover grant

Pupil Premium

39. The implementation of a pupil premium grant in 2011/12 provided additional funding for pupils from socially deprived backgrounds and is a key priority for the coalition Government; it was worth £625m nationally in 2011/12 rising to £1.25bn in 2012/13 and £2.5bn by 2014/15.

40. The Pupil Premium level of funding for 2013/14 for disadvantaged pupils is £900 per pupil. The Pupil Premium is calculated using the pupil numbers from the schools census.

In-year Adjustments to Mainstream Schools' Budgets – Changes for 2013/4

41. Some formula factors (for example, rates and PFI) may be based on actual cost and these costs can change after budgets have been determined. In these situations, the adjustments relating to that year will be made retrospectively to the following year's budget rather than changing the budgets once they were issued. Authorities will need to notify the EFA of any changes relating to Academies so that they can apply similar adjustments. For rates, authorities can if they wish announce that rates will be funded on actuals and handle payments for maintained schools centrally where they have done so previously; the adjustment would then be carried forward to the following year's DSG.

Department for Energy and Climate Change (DECC)

42. In December 2012 DECC published the Government's response to the consultation about simplification of the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. There are no changes to the arrangements for the forthcoming financial year of 2013/14, which means the requirement to purchase CRC allowances for energy use will continue. For 2014/15 DECC has announced the decision to withdraw all state funded schools in England from CRC participation. Further discussions will be held with local authorities regarding the funding implications of this decision. This budget features within the Central Schools expenditure heading of the DSG.

Copy Right Licensing

43. The DfE has agreed with the Copyright Licensing Agency (CLA), and the Music Publishers Association (MPA), to purchase a single national licence managed by the DfE for all state-funded schools in England. This means that local authorities and schools will no longer need to negotiate individual licences. The Department will pay the cost, including VAT, to the CLA and will provide this as a service to local authorities at a charge. These arrangements will cover recoupment Academies as well as maintained schools, and we will allow local authorities to hold this money centrally rather than include it in school budgets.

44. For Dudley the charge has been set at £76,116 for 2013/14. The administration arrangements are yet to be determined by the DfE but authorities should take into account that schools will no longer have to pay for these licences when calculating school budgets. It is proposed therefore that the value of £76,116 is top sliced from the funding to be allocated to mainstream and special schools for this to be retained and paid centrally from 2013/14.

The DfE Next Steps Timetable

45. Table 2 detailed the DfE next steps timetable as issued 19 December 2012.

Table 2 - Next Steps Timetable

| Date | Action |
|-------------------------|---|
| 19 December 2012 | 2013-14 Schools Block confirmed 2013-14 Provisional Early Years Block 2013-14 Provisional High Needs Block |
| 7 January | Responses to the EFA on 16-24 high needs student numbers. |
| 22 January 2013 | Local authorities submit final formula proformas |
| 25 January 2013 | Confirmation from Chief Finance Officers on High Needs growth and Hospital education funding. |
| 7 February 2013 | EFA issues summary of 16-24 participation numbers to be funded in 2013/14 academic year. |
| February 2013 | DSG payment dates confirmed. |
| March 2013 | High Needs Block confirmed Confirmation of DSG to be paid to local authorities net of recoupment for existing academies. |
| April 2013 | EFA issues summary of 16-24 allocations to all institutions. |
| June 2013 | Early Years Block updated for Early Years pupils from January 2013 Census |
| April 2014 | Early Years Block updated for Early Years pupils from January 2014 Census |

Finance

46. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2012 which are effective from 1 January 2013 and relate to the 2013/14 financial year.

47. Schools Forums are regulated by the regulated by the Schools Forums (England) Regulations 2012.

48. From 1st April 2006, the Schools Budget has been funded by a direct grant; Dedicated School Grant (DSG).

Law

49. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

50. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

51. Schools Forum is invited to note the contents of the report and in particular:

- The provisional DSG settlement for 2013/14 and the impact for Dudley.
- To approve the Local Authority schools budgets proforma to be submitted to the EFA on 22 January, to be tabled as Appendix 2.
- To approve a top slice from mainstream and special schools budgets of £76,116 for 2013/14 to hold as a centrally retained budget on behalf of the copyright licensing payment for all schools, as advised by the DfE in December 2012.
- A further update will be provided at the February and March meetings, to include the central expenditure budget allocations for Schools Forum approval.



Jane Porter
Director of Children's Services

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Reform of funding for high needs pupils and students: Operational implications for educating institutions

Introduction

1. The Government announced new arrangements for funding educational provision for pupils and students with high needs as part of the School Funding Reforms for 2013/14. These arrangements will be introduced in April 2013 for schools and Academies, and in August 2013 for further education (FE) institutions.

Defining High Needs

2. The reference to pupils and students with high needs means young people who need educational provision that costs more in total, including the basic provision given to all pupils and students, than about £10,000 per year. This threshold defines the level of need that the DfE would expect to be met through mainstream funding and those for whom additional funding is required.
3. Pupils and students with high needs include pupils aged from birth to 19 with high-level special educational needs (SEN), pupils of compulsory school age in alternative provision (AP), and those aged 16-25 with high-level learning difficulties or disabilities (LDD) including those aged 19-25 who are subject to a learning difficulty assessment (LDA).

The new approach to high needs funding: A summary

4. Under the new approach to high needs funding, which is termed 'place-plus':
 - Mainstream providers (schools, Academies, FE colleges) will be expected to contribute the first £6,000 of the additional educational support provision for high needs pupils and students from their notional SEN budget (pre-16) or a specific additional education support allocation of £6,000 for each high needs student on roll during the last academic year (post-16) – this is over and above the costs of per-pupil or per-student teaching and learning provided by the educating institution;
 - Specialist SEN / LDD settings will receive a base level of funding of £10,000 per planned place for pupils pre-16, and an allocation generated by the 16-19 national funding formula plus £6,000 for each high needs student on roll during the last academic year – this is equivalent to the level up to which mainstream settings will be expected to contribute;
 - AP settings will receive a base level of funding of £8,000 per planned place; and
5. Top-up funding above these levels will be provided on a per-pupil basis by the commissioner placing the pupil – this will be agreed between the commissioner and educating institution.

6. Under the place-plus arrangements, local authority commissioners and educating institutions will deal directly to agree top-up funding for individual pupils placed in a particular setting. Funding will be paid in or close to the pupil's real-time movements, and will flow directly between the commissioner and educating institution

Implications for mainstream schools and Academies

7. The new funding arrangements for high needs provision in mainstream schools and Academies will be similar to current pre-16 funding arrangements: educating institutions will receive formula funding, including a notional SEN budget, from which they will be expected to contribute to the cost of provision for high needs pupils, and above which additional per-pupil funding will be provided. Under the new arrangements, mainstream educating institutions will be expected to contribute the first £6,000 of additional educational support for each high needs pupil over and above standard teaching and learning. This will require some local authorities to delegate more funding for SEN to schools, and some to reduce their current level of delegation.
8. For post-16 provision in mainstream schools and Academies, educating institutions will receive an allocation through the 16-19 national funding formula plus £6,000 per post-16 high needs pupil. This allocation will usually be based on the number of high needs students in the last academic year.
9. Top-up funding above the base level of funding will be agreed between the commissioner and the educating institution, and paid directly to the educating institution by the commissioner.

Implications for specialist SEN and AP settings

10. These reforms will introduce a new way of funding specialist SEN and AP settings. Under place-plus:
 - Specialist SEN settings will receive a base level of funding of £10,000 per planned place for their pre-16 provision.
 - For post-16 provision, specialist SEN settings will receive an allocation through the 16-19 national funding formula plus £6,000 per post-16 high needs pupil. This allocation will usually be based on the number of students in the last academic year.
 - AP settings will receive £8,000 per planned place.
11. The initial allocation of per-place base funding will be based on the number of places for which educating institutions are funded during FY2012-13 (or AY2012/13 for Academies), and adjusted if necessary with regard to future plans.
12. The number of places funded in each educating institution will be reviewed at least every two years, as part of the process that the EFA will co-ordinate annually. Reviews of the number of funded places and any cases put forward for

adjustments will be based on evidence of demand for places and dialogue between commissioners and the educating institution.

13. Top-up funding above the base level of funding will be agreed between the commissioner and the educating institution, and paid directly to the educating institution by the commissioner.

Implications for mainstream FE and specialist colleges

14. Under the reformed approach to high needs funding, mainstream FE colleges and independent specialist providers (ISPs), and all other institutions offering post-16 high needs provision, will be funded in the same way.
15. Under these new arrangements, educating institutions will receive an allocation through the 16-19 national funding formula plus £6,000 per post-16 high needs student. This allocation will usually be based on the number of students in the last academic year.
16. Rates of top-up funding should be determined by August 2013 when local authorities will have worked with mainstream FE and specialist colleges with whom they place high needs students to agree rates of top-up funding for students educated in those settings in AY2013/14. The simplest way of doing this is to deduct the average per-student allocation from the 16-19 national funding formula and £6,000 from the total cost of the placement. Before August 2013, educating institutions should work with the commissioning local authorities to agree rates of top-up funding to be used in AY2013/14.

Implications for hospital education settings

17. From April 2013, there will be a new approach to funding hospital education provision. The DfE intend that these arrangements would also cover hospital education provision for young people aged 16-18 that is provided in secure forensic psychiatric units.
18. The aims of these arrangements are to ensure that there is high-quality education provision for pupils who are admitted to hospital or a medical facility as a result of a medical referral, while avoiding a need for a massive inter-authority recoupment operation.
19. To implement these reforms, the DfE will distinguish hospital education provision from other provision that is more akin to SEN and AP and then calculate the current spend on each hospital education setting, and top-slice this from the national DSG. This funding will then be passported (i.e. passed on directly) to the educating institutions by the maintaining local authority.
20. If the educating institution becomes an Academy, their funding will be passported to them by the EFA. These arrangements will avoid a need for inter-authority recoupment, or for hospital education providers to recover funding from the home local authorities of the pupils that they admit

21. As part of the process for confirming the number of places to be funded in FY2013-14, the EFA will also confirm with local authorities the number of places in and total funding for hospital education settings that they maintain.

Schools Forum 22 January 2013

Report of the Director of Children's Services

Financial Support from the Directorate of Children's Services in respect of School's Equal Pay Liabilities

Purpose of Report

1. The purpose of this report is to outline a proposal to use the Directorate's Dedicated Schools Grant unallocated reserve to provide financial support in respect of school's equal pay liabilities.

Budget Working Group Discussed

2. Yes – 16 January 2013.

Schools Forum Role and Responsibilities

3. From 1st April 2006, the Schools Budget has been funded by a direct DfE grant: Dedicated School Grant (DSG).
4. Expenditure on the pay arrears due to staff employed at maintained schools and other staff whose salaries are met from the Schools Budget, and expenditure on the costs of financing payment of such arrears is a permissible charge to the DSG under Part 2, Central Expenditure of the 2012 School and Early Years Finance (England) Regulations.

Action for Schools Forum

5. To give a view on the criteria proposed for the allocation of the £2m DSG reserve in respect of schools' equal pay liabilities.

Attachments to Report

6. Appendix A – Modelled example of the eligibility criteria.

Karen Cocker
Children's Services Finance Manager
7 January 2013

Schools Forum 22 January 2013

Report of the Director of Children's Services

Financial Support from the Directorate of Children's Services in respect of School's Equal Pay Liabilities

Purpose of Report

1. The purpose of this report is to outline a proposal to use the Directorate's Dedicated Schools Grant (DSG) unallocated reserve to provide financial support in respect of school's equal pay liabilities.

Background

2. At the November 2012 Schools Forum meeting, in presenting the 2011/12 DSG outturn report, the Director of Children's Services advised that consideration was being given to using the unallocated DSG reserve of £2m to assist in supporting schools' equal pay liabilities, which were shortly to be settled and that further information would be presented to Forum in January.
3. Equal pay liabilities for Dudley schools have been under discussion for a number of years commencing in 2007/08 when the Director of Finance advised all schools to set aside annual funding from their delegated budget to meet these future liabilities. Despite this advice, some schools have made minimal provision to meet their liabilities whilst other schools have made more than adequate provision either by setting aside reserves and/or an annual budget to repay the loan charges. Whilst the payment of equal pay liabilities is a legitimate expense to be charged to a schools budget share, it is recognised that the value of the equal pay liabilities for Dudley is a significant cost to schools.
4. To-date some staff groups of equal pay liabilities in schools have been settled and it is anticipated that the remaining groups will be settled shortly. Therefore given the confidential nature of the data, until final equal pay liability values have been announced it is not possible to publicise actual financial data to identify which schools could benefit from the lump sum allocation. However, the Director has identified a criteria for allocating the £2m funds and a worked example is attached at Appendix A, Schools Forum is asked to consider that criteria, as detailed below:
 - A one off financial injection totalling £2m from the DSG reserve, to be allocated on the basis of a school's % total equal pay liability annualised as a proportion to its 2012/13 budget share. From this data a cap can be determined below which a school must meet their equal pay liability commitments and above this cap the excess liability will be funded from the DSG by way of a one off allocation using the £2m reserve.

5. It is unlikely that the Director will wish to provide financial support to a school where they have failed to make reasonable provision to meet their equal pay liabilities since 2007. Therefore where a school meets the criteria for financial support but has made minimal effort to set aside funds from their delegated budget for their equal pay liability, then the Director will be writing to these schools to establish if there are any extenuating circumstances the schools wishes to be considered before a final decision is taken in allocating the £2m.
6. The advantage of this model, as outlined in Appendix A, is that the allocation of funding reflects the schools equal pay liability in proportion to the budget share resources available to the school. The allocation of the £2m is made to those schools with the greatest liability proportionate to their ability to repay based on their annual delegated budget.

Finance

7. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2012 which are effective from 1 January 2013 and relate to the 2013/14 financial year.
8. Schools Forums are regulated by the regulated by the Schools Forums (England) Regulations 2012.
9. From 1st April 2006, the Schools Budget has been funded by a direct grant; Dedicated School Grant (DSG).

Law

10. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

11. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

12. Schools Forum is invited to comment on the criteria proposed for the allocation of the £2m DSG reserve in respect of school's equal pay liabilities. A further update of financial support to schools will be provided at a subsequent Forum meeting.



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Director of Children's Services

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Financial Support from the Directorate of Children's Services in respect of School's Equal Pay Liabilities

Appendix A

EXAMPLE FOR DEMONSTRATION PURPOSES

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|-------------|----------------------|--|---|--|------------------|--|-----------------------------|------------------------|---|
| School Name | Total Value of Claim | Principal Repayable on Liability (at 4%) | Interest Repayable on Liability (at 4%) | TOTAL Principal & Interest payable on liability before any payments or contributions from reserves | Delegated Budget | Total P & I payable on liability before any payments or contributions from reserves as % of Delegated Budget | Annual Liability at P&I cap | Liability at gross cap | Amount to be subsidised (Diff between total gross liability and liability at cap) |
| | | (1) * 4% | (1) * 4% | (2)+ (3) | | (4)/(5) | (5) * cap of 2.4% | (7) * 0.08 | (1) - (8) |
| | | 4% | 4% | | | | 2.400% | | |
| | £ | £ | £ | £ | £ | % | £ | £ | £ |
| A | 814,878 | 32,595 | 32,595 | 65,190 | 2,098,514 | 3.11 | 50,364 | 629,554 | 185,324 |
| B | 374,415 | 14,977 | 14,977 | 29,953 | 1,273,336 | 2.35 | 30,560 | 382,001 | 0 |
| C | 696,022 | 27,841 | 27,841 | 55,682 | 2,091,695 | 2.66 | 50,201 | 627,509 | 68,514 |
| D | 604,293 | 24,172 | 24,172 | 48,343 | 4,432,116 | 1.09 | 106,371 | 1,329,635 | 0 |
| E | 416,168 | 16,647 | 16,647 | 33,293 | 1,424,980 | 2.34 | 34,200 | 427,494 | 0 |
| F | 167,187 | 6,687 | 6,687 | 13,375 | 1,345,541 | 0.99 | 32,293 | 403,662 | 0 |
| G | 380,256 | 15,210 | 15,210 | 30,420 | 2,189,054 | 1.39 | 52,537 | 656,716 | 0 |
| H | 549,321 | 21,973 | 21,973 | 43,946 | 1,183,087 | 3.71 | 28,394 | 354,926 | 194,395 |
| I | 84,512 | 3,380 | 3,380 | 6,761 | 623,480 | 1.08 | 14,964 | 187,044 | 0 |
| J | 341,948 | 13,678 | 13,678 | 27,356 | 1,123,762 | 2.43 | 26,970 | 337,129 | 4,819 |
| K | 469,070 | 18,763 | 18,763 | 37,526 | 1,200,749 | 3.13 | 28,818 | 360,225 | 108,845 |
| L | 185,604 | 7,424 | 7,424 | 14,848 | 1,356,409 | 1.09 | 32,554 | 406,923 | 0 |
| M | 294,963 | 11,799 | 11,799 | 23,597 | 902,900 | 2.61 | 21,670 | 270,870 | 24,093 |
| N | 232,951 | 9,318 | 9,318 | 18,636 | 761,321 | 2.45 | 18,272 | 228,396 | 4,555 |
| O | 142,820 | 5,713 | 5,713 | 11,426 | 955,230 | 1.20 | 22,926 | 286,569 | 0 |
| P | 286,204 | 11,448 | 11,448 | 22,896 | 1,149,408 | 1.99 | 27,586 | 344,822 | 0 |
| Q | 345,287 | 13,811 | 13,811 | 27,623 | 3,482,186 | 0.79 | 83,572 | 1,044,656 | 0 |
| R | 291,881 | 11,675 | 11,675 | 23,350 | 5,159,299 | 0.45 | 123,823 | 1,547,790 | 0 |
| S | 251,419 | 10,057 | 10,057 | 20,114 | 5,007,627 | 0.40 | 120,183 | 1,502,288 | 0 |
| T | 641,244 | 25,650 | 25,650 | 51,300 | 5,365,841 | 0.96 | 128,780 | 1,609,752 | 0 |
| | | | | | | | | | |
| | 7,570,443 | 302,818 | 302,818 | 605,635 | 43,126,535 | | 1,035,037 | | 590,545 |

This would be the equivalent annual payment by schools

This would be £2m when all schools were added