

Central Bedfordshire  
Council  
Priory House  
Monks Walk  
Chicksands,  
Shefford SG17 5TQ



**please ask for** Martha Clampitt  
**direct line** 0300 300 4032  
**date** 15 June 2012

## NOTICE OF MEETING

### CENTRAL BEDFORDSHIRE SCHOOLS FORUM

Date & Time

**Monday, 25 June 2012 at 9.30 a.m.**

Venue at

**Committee Room 2, Watling House, High Street North,  
Dunstable**

Richard Carr  
**Chief Executive**

To: The Chairman and Members of the CENTRAL BEDFORDSHIRE SCHOOLS FORUM:

School Members:

- Anne Bell, Headteacher, Willow Nursery School
- David Brandon-Bravo, Headteacher, Parkfields Middle School
- Paul Burrett, Headteacher, Studham CofE Lower School and Pre-School Greenleas Lower School
- Shirley-Anne Crosbie, Headteacher, Glenwood Special School
- James Davis, Governor, Leighton Middle School
- Angie Hardy, Headteacher, Clipstone Brook Lower School
- Richard Holland, Governor, Harlington Upper School
- Sue Howley MBE, Governor, Greenleas Lower School
- Sharon Ingham, Headteacher, Hadrian Lower School
- Jim Parker, Headteacher, Manshead Upper School
- John Street, Academy Middle School Representative
- Stephen Tiktin, Governor, Linslade Lower School

Non School Members:

- Mr M Foster, Trade Union representative
- Ian Greenley, Church of England Diocese Representative
- Bill Hamilton, Roman Catholic Diocese Representative
- Caroll Leggatt, PVI Early Years Providers Representative
- Robert Shore, Local Authority 14-19 partnership representative

Observer: Cllr Mark Versallion

Please note that there will be a pre-meeting starting **half an hour before** the Forum meeting to enable technical aspects of the reports to be discussed with officers before the Forum meeting begins.

# AGENDA

1. **Apologies for absence**

To receive apologies for absence and notification of substitute members.

2. **Election of Chairman and Vice-Chairman 2012/13**

To elect a Chairman and Vice-Chairman for the Municipal Year 2012/13.

3. **Minutes of the previous meeting and matters arising**

To approve the minutes of the previous meeting 5 March 2012 and to receive an update on any matters arising from these.

### Proposals

Item	Subject	Page Nos.
4	<b>Use of Dedicated Schools Grant (DSG) to support activities aimed at closing the gap for Ethnic Minority (EM) and English as an Additional Language (EAL) pupils</b>	* 17 - 18

To consider alternative models of distribution of the now discontinued Ethnic Minorities Achievement Grant (EMAG) in 2012/13.

### Updates and Feedback

Item	Subject	Page Nos.
5	<b>Outline Forward Programme</b>	* 19 - 20
6	<b>Revision to the Scheme for Financing Schools</b>	* 21 - 22
7	<b>School Forum Budget</b>	* 23 - 24

To receive an update on the use of the School Forum Budget for 2011/12 and 12/13.

- 8      **Schools Specific Contingency Budget**      \*    25 - 28
- To receive an update on the use of the School Contingency Budget for 2011/12 and 12/13.
- 9      **School Finance Update**      \*    29 - 30
- To update the Schools Forum on the Schools out-turn position for 2011/12.
- 10     **Dedicated Schools Grant (DSG)**      \*    31 - 48
- To note the update on the DSG arrangements and Funding Reform Consultation.

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**CENTRAL BEDFORDSHIRE COUNCIL**

At a meeting of the **CENTRAL BEDFORDSHIRE SCHOOLS FORUM** held at Council Chamber, Priory House, Monks Walk, Shefford on Monday, 5 March 2012

**PRESENT**

Jim Parker (Chairman)

School Members: Anne Bell Headteacher, Willow Nursery School  
David Brandon-Bravo Headteacher, Parkfields Middle School  
Shirley-Anne Crosbie Headteacher, Glenwood Special School  
Richard Holland Governor, Harlington Upper School  
Sue Howley MBE Governor, Greenleas Lower School  
Sharon Ingham Headteacher, Hadrian Lower School  
Anne Kentish Headteacher, Kensworth Lower School  
Ray Payne Headteacher, Henlow Middle School  
Stephen Tiktin Governor, Linslade Lower School

Observer: Cllr MAG Versallion Executive Member for Children's Services

Apologies for Absence: Mrs E Grant  
Ali Hadawi CBE  
Bill Hamilton  
Vaughan Johnson  
Caroll Leggatt  
Rob Robson

Substitutes: Rob Watson for Rob Robson

Members in Attendance: Cllr Mrs D B Gurney

Officers in Attendance: Mrs M Clampitt Committee Services Officer  
Mrs S Dakin Commissioning and Partnerships  
Manager / School Improvement Adviser  
Mr P Dudley Assistant Director Children's Services  
(Learning & Strategic Commissioning)  
Ms D Hill Senior Finance Manager - Children's  
Services  
Mr R Parsons Head of School Organisation and Capital  
Planning  
Mrs H Redding Head of Learning and School Support

**CBSF/11/38 Minutes of the previous meeting and matters arising****RESOLVED**

**that the minutes of the meeting of the Central Bedfordshire Schools Forum held on 23 January 2012 be confirmed and signed by the Chairman as a correct record.**

**Officers agreed to double check that the child care link had been included in Central Essentials.**

**CBSF/11/39 Chairman's Announcements and Communications**

The Chairman informed the Forum that he would be varying the order of the agenda and would consider item 6 – Trade Union and Professional Associations prior to item 3.

**CBSF/11/40 Trade Union and Professional Associations**

The Forum considered the report which sought approval for the continuation of Dedicated Schools Grant (DSG) funding for facilities to release time for trade unions and professional associations. Trade unions and professional associations made a significant contribution to the smooth running of schools both locally and nationally.

It was noted that the 2011/12 budget had a balance of £16,766 which was expected to be used by the end of the financial year. It was noted that should the balance not be used then it would be carried forward to the 2012/13 budget.

In response to a query raised at the Schools Forum, it was noted that the GMB were supported fully through Central Bedfordshire Council (CBC) arrangements.

**RESOLVED**

**that the continued funding for facilities release time for Teachers Unions and Professional Association for 2012/13, be approved.**

**The Forum voted unanimously to support the proposal.**

**CBSF/11/41 Support for Vulnerable Pupils at Key Stage 2**

The Forum received and considered a report which sought funding for allocation to maintained middle schools and primary schools with Year 5 pupils to support vulnerable pupils in Key Stage 2. The support for Vulnerable Pupils at Key Stage 2 was £90,000 which was broken down as £150 per pupil and £1,000 for administrative and other costs.

The Forum noted that Central Bedfordshire Key Stage 2 results were very low at 66% of pupils achieved Level 4 or above compared with 74% nationally and 76% for our statistical neighbours.

The additional funding would target 700 pupils. There would be requirements of the schools involved to provide half termly progress data and report back regularly. This would allow a review of the help being provided and where assistance is not working well alternatives would be suggested.

The Forum asked a number of questions and Officers provided clarification where possible. It was confirmed that equal weight was given to “making level 4” and “2 levels of progress”. This was a one year action plan.

### **RESOLVED**

**That £90,000 be allocated to maintained middle schools and primary schools with Year 5 pupils identified as not making sufficient progress towards their Key Stage 2 targets, be approved.**

**The Forum voted 7 in support, 5 against and 1 abstained.**

### **CBSF/11/42 Special Educational Needs**

The Forum received and considered a report which outlined how the centrally retained Dedicated Schools Grant (DSG) is used to support SEN functions, and set out future direction of travel.

The Head of Learning and School Support provided the Forum with a breakdown of where the funds were spent for the provision of SEN support. The areas were the following:-

- Early Years Children Disabilities Team
- Advisory Support Teachers retained within the Psychology and Advisory Support Team
- Sensory Impairment Teams
- Therapies
- Statements
- High Cost pupils
- Recoupment
- Hospital Recoupment
- Out of County Placements
- Additional Pupil support
- Access and Inclusion
- School Admissions

The Forum noted that improvements had been made and the provisions were far tighter than previously. Contracts had been set up to help monitor progress and groups were expected to report on progress.

It was agreed that updates should include the impact of money spent on commissioning services. It was noted that the Chairman of the Schools Forum sat on the Learning Transformation Board and he agreed to report to future meetings on these outcomes.

It was noted that the therapies budget had reduced over the last three years and was expected to reduce further with the combined services.

It was noted that work associated with the statutory assessment process for SEN were funded by the core budget but the actual money attached to statements of SEN was covered by the DSG.

The Forum congratulated the Head of School Support for the sterling job which had been done to reduce the number of Out of County placements, which currently stood at 18.

### **RESOLVED**

- 1. that the centrally retained Dedicated Schools Grant (DSG) used to support provision for vulnerable pupils be noted.**
- 2. that the unspent Dedicated Schools Grant (DSG) in 2011/12 being distributed to maintained schools as a one off payment based on the degree of incidence of low level needs, be agreed.**

**The Forum unanimously supported the proposal.**

### **CBSF/11/43 Ethnic Minority and English as an Additional Language**

The Forum received and considered a report which proposed that funding previously allocated to schools through the now discontinued Ethnic Minorities Achievement Grant (EMAG) be allocated to schools for the financial year 2012/13 through a top-slice of the Dedicated Schools Grant (DSG), in the same way as it was allocated in 2011/12.

It was noted that the allocation of the grant was based on the prescribed distribution of the previous standards fund grant.

The Forum felt that little impact could be made for the minimum £200 payment to a school. The Head of Learning and School Support identified that this was used for translation services. It was agreed that information on the impact on particular schools of not receiving this budget would be circulated to the Forum as soon as possible. The Head of Learning and School Support was asked to consult with the Learning Transformation Board on possible alternative ways of using the funding.

The Forum queried if any school relied on the additional payment? Examples of schools who relied on the additional payment were Stanbridge Lower School and Burgoyne Middle. Other would be identified though the provision of the budget information against particular schools.



The Forum voted not to allocate the £118,104 of top-slice DSG at the present time but rather to have new recommendations brought to the June meeting for consideration.

**RESOLVED**

- 1. that the £118,104 top-slice of Dedicated Schools Grant (DSG) for the continuation of the funding to replace the discontinued EMAG grant, not be agreed.**
- 2. that alternatives be brought to the June Schools Forum meeting for consideration.**

**CBSF/11/44 Dedicated Schools Grant (DSG)**

The Forum received and considered a report which provided an update on the Dedicated Schools Grant (DSG) arrangements and made recommendations for the 2012/13 distribution.

**1. Deployment of the DSG 2011/12**

The estimated DSG for 2011/12 is £172.555m. This is based on 37,044 (fte number of pupils at 01/11) multiplied by £4,658 (Guaranteed Unit of Funding (GUF)). The Local Authority Central Spend Equivalent Grant (LACSEG) deductions were attributed to 19 converted schools as at January 2012 as £476k. It was anticipated that a further 6 schools would convert before the end of the financial year at a cost of almost £91k. Any remaining budget would be transferred back into the School Contingency for 2012/13.

**RESOLVED**

**that the deployment of the 2011/12 Dedicated Schools Grant (DSG), be noted.**

**2. Private Voluntary and Independent (PVI) Sector**

The PVI sector for 2011/12 had a DSG allocation of £5.261M, based on the Early Years Single Funding model. As at January 2012, £4.083M had been spent with a further £798k estimated for the remainder of the financial year. The balance of £380k was proposed to be carried forward for the 2012/13 budget.

**RESOLVED**

**that the 2011/12 unspent Dedicated Schools Grant (DSG) for the Private, Voluntary and Independent (PVIs) providers be Earmarked and carried forward to 2012/13, be agreed.**

**The Forum unanimously supported the proposal.**

### **3. Central Services funded by retained DSG for 2012/13**

The table, at paragraph 11 of the report, detailed the initial allocations from 2011/12 and any adjustments made at January 2012. In addition, it was noted that for 2012/13 the proposals for the centrally retained DSG was £9.748M. This amount reflected the non-breaching of the Central Expenditure Limit (CEL) for 2012/13. Some of the proposals were reliant on other items on the agenda being approved.

#### **RESOLVED**

**That the allocation of Central Expenditure (CE) for 2012/13, be noted.**

### **4. Local Authority Central Spend Equivalent Grant (LACSEG) for 2012/13**

During 2011/12, there was an amount of £1M retained as Headroom to fund the LACSEG deduction. The Local Authority (LA) noted the pressure on School budgets and therefore have contributed £550K to the Schools Block to cover half of the estimated £1.1M LACSEG deduction for 2012/13. The Forum was asked to agree a payment of £550k from the DSG to cover the other half of the estimated LACSEG deduction.

#### **RESOLVED**

**that £550k Dedicated Schools Grant (DSG) be set aside for the Local Authority Central Spend Equivalent Grant (LACSEG) in 2012/13, be agreed.**

**The Forum unanimously supported the proposal.**

### **5. Schools Budgets 2012/13**

The School Budgets would be distributed during the week commencing 19 March 2012. It was noted that although the 'Ever6' formula had been used for calculating the Pupil Premium Grant, it would be the January Free School Meals (FSM) data, that would be used when calculating factors for the Schools Individual Budgets.

The Condition Survey factor was a fixed factor and did not alter regardless of building condition but instead on the school's ranking of condition. For 2012/13 the ranking had changed significantly and to provide the same level of funding during 2012/13 as had been awarded in 2011/12 it was proposed to add £167,698 to the Condition Survey Factor. This factor will be reviewed as part of the overall review of factors in June 2012.

#### **RESOLVED**

**that an additional £167,698 be added to the Condition Survey factor, be agreed.**

**The Forum voted 12 in favour and 1 abstained**

**6. Funding for Sixth Form SEN**

“Statement of Special Educational Needs” costs had increased by £126k for 2012/13 for pupils in mainstream schools, which would be paid by DSG set aside for School Support Services. DSG would cover any residual amounts.

**RESOLVED**

**That any shortfall in funding for sixth form SEN to be funded from unallocated DSG, be agreed.**

**The Forum unanimously supported the proposal.**

**7. AWPU**

It was noted that due to the sizeable reduction in DSG held for Central Services and the increase in the number of pupils that any residual DSG should be distributed to the Schools Individual Schools Budgets for 2012/13 through the Age Weighted Pupil Unit (AWPU).

**RESOLVED**

**that any residual DSG arising from the calculation of the Schools Individual Schools Budgets for 2012/13 be deployed through the Age Weighted Pupil Unit, be agreed.**

**The Forum unanimously supported the proposal.**

**CBSF/11/45 School Specific Contingency Budget**

The Forum received and considered a report which provided an update on the use of the Schools Specific Contingency Budget for 2011/12 and to propose the level for 2012/13. The Forum approved a budget for 2011/12 of £1,775,670. The 2011/12 budget was £500,000 for General Contingency plus a further £1,000,000 in anticipation of the cost of redundancies in schools during 2011/12, and £275,670 SEN Contingency.

It was noted that the estimated balance of the General Contingency for 2011/12 was £919,283 and should be sufficient to cover any redundancy costs during 2012/13.

The Forum considered the General Contingency be set at £500,000 and the SEN Contingency £275,670 for 2012/13.

**RESOLVED**

- 1. that the School Specific Contingency position statement as at January 2012, be noted.**
- 2. that the General Contingency Budget be set at £500,000 and the SEN Contingency £275,670 for 2012/13.**

**The Forum voted unanimously to support the proposal.**

**CBSF/11/46 Schools Forum Budget**

The Forum considered a report which provided an update on the use of the Schools Forum Budget for 2011/12 and to propose the level for 2012/13. It was agreed at the 7 March 2011 meeting that a budget of £3,000 be established to meet the costs associated with the operation of the Forum, of which £2,000 was set aside for the Chairman to use for commissioning consultancy and administration support.

The Forum noted that there was a balance of £611 for the 2011/12 budget.

Officers proposed for the 2012/13 budget that an amount of £3,000 with £2,000 be set aside for the Chairman to use for commissioning of consultancy and administration support should be it required. In addition, the Forum will continue its membership in the F40 group with payment of the membership fee of £1,000 from the budget.

**RESOLVED**

- 1. that the Schools Forum noted the position statement as at February 2011.**
- 2. that the Schools Forum budget be set at £3,000 for 2012/13, with the continued membership of the F40 group and £2,000 delegated to the Chairman of the School Forum to fund the commissioning of consultancy and administration support.**

**The Forum voted unanimously to support the proposal.**

**CBSF/11/47 Pupil Referral Unit**

The Forum received and considered a report which outlined the arrangements for the use of Central Bedfordshire's Pupil Referral Unit (PRU) in the Academic Year 2011/12, and proposals for the future.

On 1 September 2011, Central Bedfordshire PRU was registered with the Department for Education (DfE). The provision for primary age pupils was commissioned to a partnership of 3 Lower Schools in Dunstable and Houghton Regis. Secondary age aspect was retained by Central Bedfordshire Council whilst future delivery work was undertaken.

Once the outcome of the national consultation was known decisions would be made regarding delegated budgets for 2013/14. From 1 September 2011, the DfE made a Commencement Order which required an education be provided for all children who through illness, exclusion or otherwise would not receive suitable education unless arrangements had been made for them.

The budget for the PRU in 2011/12 was £1,757,334 and in 2012/13 would be £1,335,552. A Management Committee had been established and worked to national regulations. It met regularly to oversee governance of the PRU.

The Upper Schools had formed a consortium since June 2011 and prepared a 100 page submission for a Free School Alternative Provision. They had shared their proposals with the Middle Schools, and a representative for the Middle Schools had joined the Steering Group. The Bid had been submitted on 24 February 2012. An alternative model of delivery through a commission was being developed should the bid not be successful.

## **RESOLVED**

**that the current position of the PRU and support proposals for the future (as is required for provision that is funded through Dedicated Schools Grant (DSG)), be noted.**

### **CBSF/11/48 Capital allocations 2012/13**

The Forum received and considered a report which provided advice on the total Department for Education (DfE) capital allocations to schools and the Council for 2012/13 and invited comments on the proposed use of the Council level allocations for the Strategic Capital Maintenance Programme for 12/13.

The DfE allocations to schools and Local Authorities for the 2012/13 year is another one year allocation, pending considerations of the James Review, which could influence allocations for 2013/14.

The total capital allocation for Central Bedfordshire Council was £10,677,624 in total and specific grants were detailed in "Appendix A" to the report, including the Devolved Formula Capital (DFC).

There had been two significant changes to the DfE methodology for determining allocations:-

- Grant allocations for strategic capital maintenance had been reduced by 45% for 2012/13, which accounted for the anticipated number of pupils to be in academies.

- The allocation of Basic Need grant, provided to manage demographic growth in pupil numbers, had reduced by 40% over 11/12 levels as a result of changed DfE allocation methodology.

The Forum also considered a draft Strategic Maintenance programme prioritised against categories D1, D2, C1 and C2 works which were affordable from the £3,454,789 grant allocation. The focus would be on the external fabric of the buildings and heating systems, keeping the building watertight and warm. The information was contained in “Appendix B” to the report.

The VA schools were given a separate allocation of capital funding (LCVAP) amounting to £665,480, a 10% reduction from 2011/12. The reduction was linked to pupils in ‘modernised’ schools which had not been considered during 2011/12. This allocation and a draft programme for 12/13 was detailed in “Appendix C” to the report.

During 2011/12, major DfE consultation exercises have been undertaken as a result of the recommendations of the national James Review of schools capital, with more to follow. Proposals to make significant amendments to the School Premises Regulations and associated guidance and Building Bulletins have already been subject of consultation and a response submitted on behalf of Central Bedfordshire was shared.

The Schools Asset Management sub-group will be asked to consider issues arising from the potential implications of the expected DECC consultation on Carbon Reduction commitments and proposed penalties. This would be in conjunction with overseeing the delivery of the carbon reduction action plan.

The Forum noted that a paper would be considered by the Central Bedfordshire Council Executive at its meeting on 27 March 2012, which would outline the need to provide a significant number of new school places over the next five years and this programme will also require the Council to provide the funding for any shortfall in required funding.

## **RESOLVED**

- 1. that the overall Department for Education allocation for 2012/13 and the proposed used of the Council’s allocations, be noted.**
- 2. that, in the future, the minutes of the Schools Asset Management Sub-Group be referred to the Forum for information and comment, be noted.**

### **CBSF/11/49 Schools Forum Membership Review**

The Forum received and considered a report which detailed the changes to the composition of the Schools Forum from 1 April 2012.

The Forum noted that their appointments had been for three years from 1 April 2009. It was noted that a couple of people had been appointed within the last six months.

The existing composition of the Forum was 17 Members of which 12 were School members and 5 were non-School Members. Due to the number of schools which had converted to Academies, it was decided that this was the perfect time to review the composition of the Forum.

It was proposed that the Forum would now have 20 members of which 11 were School members, 5 were non-School Members and 4 would be Academy representatives.

The Forum had been informed that a new Union representative, Martin Foster, had been appointed from GMB. The Forum were concerned that the representative was not a Teacher or a representative of the Teachers Unions. It was noted that all of the Teaching Unions had been written to and none had responded to the request for a representative.

It was confirmed that the composition of the Schools Forum was the responsibility of the Local Authority. Letters would be sent to the Lower, Middle, Upper, Special and Nursery Schools to ask for nominations and then ballots would be sent out to all representatives on the Schools Forum.

**RESOLVED**

**that the implementation of the Schools Forum Membership Review and agree the changes which will take effect from 1 April 2012, be noted.**

The Chairman informed the Forum that whilst he had enjoyed his time as Chairman, he would not be standing again for Chairman and thanked Officers and the Forum members for their support during his three year Chairmanship.

The Forum thanked the Chairman for all of his work and excellent chairing of meetings.

Ray Payne, Headteacher from Henlow Middle School also announced that this would be his last meeting as his school would be converting to Academy status from 1 April 2012. He thanked the Forum for their hard work.

Pete Dudley, Assistant Director, thanked all of the members of the Forum for their dedication and hard work over the last three years. He also stated that it was a wonderful membership and a well working Forum.

(Note: The meeting commenced at 6.00 p.m. and concluded at 8.40 p.m.)

Chairman .....

Dated ..... ..

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**Meeting:** Schools Forum  
**Date:** 25 June 2012  
**Subject:** Use of Dedicated Schools Grant (DSG) to support activities aimed at closing the gap for Ethnic Minority (EM) and English as an Additional Language (EAL) pupils  
**Report of:** Helen Redding, Head of learning and School Support  
**Summary:** The report sets out the feedback received from the Headteachers and partners Reference Group in response to the request by Schools Forum for the Group to consider alternative models of distribution of the now discontinued Ethnic Minorities Achievement Grant (EMAG) in 12-13.

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**RECOMMENDATION(S):**

**Given that the recent DfE document 'Reformed Funding System: Operational implications guidance to Local Authorities' sets out that DSG cannot be topsliced in this way from 2013, the Reference Group:**

- **recommend to the Schools Forum that the £118,104 be allocated as proposed (as per previous years) for this year only.**

**Background**

1. The EMAG grant was part of the Standards Fund until 2010/11. Standards Funding has now been discontinued and been subsumed within the Dedicated Schools Grant (DSG).
2. The purpose of the EMAG grant was to support schools to narrow achievement gaps for EM (ethnic minority) and EAL (English as an additional language) pupils.
3. In 2011 -12 the total top-sliced DSG of £118,104.00 was distributed to maintained schools on the basis of the number of EM (ethnic minority) units at a school (as identified through the School Census Feb 2011 data).
4. Allocations for each Unit have been:
  - (a) £30 per lower school unit;
  - (b) £21 per middle school unit;
  - (c) £28 per upper school unit.
5. The rationale for this was to focus on early years and the need to improve KS4 results.

6. All maintained schools, including special schools, were allocated a minimum of £200. Schools with less than 8 EM units were allocated the basic £200.
7. The remaining surplus was used in 2011/12 to support 2 small Travellers' projects at Stanbridge Lower School and Burgoyne Middle School.
8. Schools are expected to use the grant in the following ways to secure enhanced levels of achievement for targeted pupil groups and greater educational and social inclusion.
  - (a) fund specialist teaching and non-teaching posts;
  - (b) provide supply cover costs to release staff for relevant training;
  - (c) fund training courses;
  - (d) purchase suitable teaching resources and materials;
  - (e) fund the provision of translators.
9. The Council no longer has an Ethnic Minority and Traveller Achievement Service so there is now a greater emphasis on schools supporting EM/EAL pupils through their own resources.
10. The DfE Paper 'Reformed Schools Funding System: Operational implications guidance for Local Authorities' sets out that this cannot be retained centrally from April 2013 and will have to form part of the schools formula.
11. Any decision will therefore only have effect for one year (2012/13)

#### **Actions taken since Schools Forum March 2012**

12. In March the Schools Forum voted not to allocate the £118,104 of top-slice DSG until the Head of Learning and School Support had consulted with the Learning Transformation Board on possible alternative ways of allocating the funding, and to feed back their recommendations.
13. A paper was taken to the Head teachers and Partners Reference Group asking them to provide a steer as to what proposals should be put to the Schools Forum in June
14. The Reference Group agreed that given this is only in place for one more year, it would not be good use of time to develop other models of allocating this funding. It was recommended that the same formula of allocation be applied for 12-13 as the previous year.

#### **Background Papers: Previously circulated**

**Meeting:** Schools Forum

**Date:** 25 June 2012

**Subject:** Outline Forward Programme

**Report of:** Deputy Chief Executive and Director of Children's Services

**Summary:** To provide an update on the likely programme for the next year and request Sub Group membership

Contact Officer: Dawn Hill, Technology House, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

**RECOMMENDATIONS:**

**To note the programme and to request membership to a Technical Funding Sub-Group.**

**Update**

1. Set out in the table below are the likely agenda items for the Schools Forum for the 2012/13 Financial Year. The programme will need to be flexible, to respond to national and local policy issues and the actual timings of preparatory work, including that of any sub-groups.

	<b>Sept</b>	<b>Nov</b>	<b>Jan</b>	<b>March</b>	<b>June</b>
Dedicated School Grant	Yes	Yes	Yes	Yes	Yes
National Consultation	Yes	Yes	Yes		
Early Years Reference Group			Yes		
Technical Funding Group	Yes	Yes	Yes	Yes	Yes
SEN Review			Yes		
Pupil Referral Unit			Yes		
School Finance Update	Yes		Yes		Yes
Scheme for Financing			Yes		Yes
School Capital Programme				Yes	
School Carbon Reduction Action Plan				Yes	
14 – 19 Arrangements	Yes				
School Contingency and Forum Budget	Yes	Yes	Yes	Yes	Yes

### **Sub-Groups**

2. The Early Years Reference Group is already established as a sub-group to the Schools Forum on the Early Years Reform.
  3. The 14 – 19 Partnership effectively acts as a sub-group for 14-19 funding decisions, in its strategic capacity within the authority and the Children's Trust.
  4. It is proposed that a Technical Funding sub group is formed to work with LA officers on matters arising from the latest Consultation 'School Funding reform: Next steps towards a fairer system'.
  5. Members of the Technical Funding sub group will be required to meet outside of the normal School Forum meetings, frequency of which yet to be determined.
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### **Appendices:**

None

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**Meeting:** Schools Forum  
**Date:** 25 June 2012  
**Subject:** Revision to the Scheme for Financing Schools  
**Report of:** Deputy Chief Executive and Director of Children's Services  
**Summary:** To note the Directed revisions to the Scheme for Financing Schools.

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Contact Officer: Dawn Hill, Technology House, Bedford  
Public/Exempt: Public  
Wards Affected: All  
Function of: Council  
Reason for urgency (if appropriate)

**RECOMMENDATIONS:**

**To note the amendments to the Central Bedfordshire's Scheme for Financing Schools in line with the Department for Education's directed revisions.**

**Background**

1. The Scheme for Financing Schools sets out the financial relationship between the authority and the maintained schools which it funds. It is based on the legislative provisions in Section 45-53 of the Schools Standards and Framework Act 1998 and the Schools Finance Regulations 2008.
2. Under the Education Act 2011, the Secretary of State has the power to issue directed revisions to Local Authorities (LA's) schemes for financing schools. This means that authorities must incorporate within, or remove from, their schemes the specified wording. The Power of directed revision is used sparingly, to remove outdated provisions and to insert provisions that are required for the implementation of policy.

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**Update**

3. After consultation, which ended on 19 March 2012, the Department is directing local authorities with immediate effect to revise their Scheme for Financing Schools to include provisions about the Schools Financial Value Standard (SFVS) and to strengthen the wording on efficiency, value for money and fraud. The revisions also include changes to reflect legislation made by the Education Act 2011.

4. Following responses to this consultation, the Department will consider requests from local authorities if they wish to set an earlier deadline than the one set out in the direction (31 March) for schools to complete their SFVS returns, where there is a good reason for doing so. The Department will now also include the requirement for governors to monitor the progress of any actions in their SFVS.
5. This means that authorities must incorporate these changes in schemes with the specified wording and these changes come into immediate effect.
6. The changes are as follows:
  - Removal of requirement for schools to submit a Best Value Statement.
  - Removal of all requirements relating to the Financial Management Standard in Schools (FMSiS)
  - Removal of requirements relating to payments of General Teaching Council (GTC) fees.
  - Inclusion of the requirement on schools to achieve efficiencies and value for money, to optimise their resources.
  - Inclusion of the requirements of the Schools Financial Value Standard
  - Inclusion of a fraud provision which requires schools to have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.
  - Revisions have also been made to the scheme to take into account the DfE's amended Guide and Regulations to the Consistent Financial Reporting (CFR) Framework.

The revised Scheme is available from the schools learning portal.

7. The DfE published in September 2011 the new Schools Financial Value Standard (SFVS). The SFVS replaces the Financial Management Standard in Schools (FMSiS) which was withdrawn by the Secretary of State with effect from 15 November 2010.
8. Maintained schools are required to complete the SFVS once a year. Those Schools which never attained FMSiS were expected to complete and submit the SFVS to the Local Authority (LA) by 31 March 2012. Those schools who fell into this category were informed by letter of the requirements. For all other maintained schools the first run through is required by March 2013. An annual review is required thereafter.

**Appendices:**

None

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**Meeting:** Schools Forum

**Date:** 25 June 2012

**Subject:** School Forum Budget

**Report of:** Deputy Chief Executive and Director of Children's Services

**Summary:** To provide an update on the use of the School Forum Budget for 2011/12 and 12/13.

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Contact Officer: Dawn Hill, Technology House, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

**RECOMMENDATIONS:**

- 1. To note the School Forum position statement as at March 2012**
- 2. To note the School Forum spend to 31<sup>st</sup> May 2012**

**Background**

1. The School Forum Budget falls under Section 2 of The School Finance Regulations 2008. 'Classes or descriptions of planned expenditure prescribed for the purposes of the Schools budget of a Local Education Authority which may be deducted from it to determine the Individual Schools Budget' (top slice Direct Schools Grant - DSG) – 'establishment and maintenance, of and consultation with, schools forums'.
2. It was agreed at the School Forum meeting of the 7<sup>th</sup> March 2011 that a budget of £3,000 will be available for costs associated with the operation of the Forum e.g. venue hire, expenses and clerking costs, of which £2,000 be set aside and delegated to the Chairman of the Schools Forum to fund the commissioning of consultancy and administration support. The level of the budget will be reviewed annually.
3. The School Forum budget under spend from 2010/11, as at 31<sup>st</sup> March 2011 was £3,650, which was carried forward to 2011/12.

**Expenditure 2011/12**

4. It was resolved at the School Forum meeting of the 7<sup>th</sup> March 2011 that Central Bedfordshire would remain a member of the F40 Group, representing the lowest funded Local Authorities. It was further resolved at the June 2011 meeting that the School forum budget would also provide training and feedback to the National School Funding Consultation.
5. The following table sets out the expenditure for 2011/12 against the School Forum Budget.

	<b>BUDGET £</b>	<b>SPEND £</b>	<b>BALANCE £</b>
Carry Forward from 2010/11	3,650		
Budget Allocation 2011/12	3,000		
F40 Subscription		(1,000)	
Room Hire / Hospitality		(838)	
Professional Consultancy/Training		(4,528)	
<b>Total</b>	<b>6,650</b>	<b>(6,366)</b>	<b>284</b>

6. It was agreed at the School Forum meeting of the 5<sup>th</sup> March 2012 that a budget of £3,000 will be available for 2012/13, with the continued membership of the F40 group. The work in relation to the DfE response to the National Funding Consultation and issuing of a 'shadow settlement' for 2012/13 will be carried out by LA Officers. The consultation proposes that the amount set aside for School Forum administration is capped at the 2012/13 level as reported on the S251 for future years.
7. The following table sets out the expenditure to date for 2012/13.

	<b>BUDGET £</b>	<b>SPEND £</b>	<b>BALANCE £</b>
Budget Allocation 2012/13	3,000		
F40 Subscription		(1,000)	
Car Mileage		(95)	
<b>Total</b>	<b>3,000</b>	<b>(1,095)</b>	<b>1,905</b>

**Appendices:**

None



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**Meeting:** Schools Forum  
**Date:** 25 June 2012  
**Subject:** Schools Specific Contingency Budget  
**Report of:** Deputy Chief Executive and Director of Children's Services  
**Summary:** To provide an update on the use of the School Contingency Budget for 2011/12 and 12/13.

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Contact Officer: Dawn Hill, Technology House, Bedford  
Public/Exempt: Public  
Wards Affected: All  
Function of: Council

**RECOMMENDATIONS:**

1. To note the School Contingency position statement as at March 2012
2. To note the School Contingency spend to 31<sup>st</sup> May 2012

**Background**

1. The Schools Specific Contingency Budget falls under Schedule 2 of The School Finance Regulations 2008; 'Classes or descriptions of planned expenditure prescribed for the purposes of the Schools budget of a Local Authority which may be deducted from it to determine the Individual Schools Budget (ISB)' (top slice Direct Schools Grant – DSG).
2. At the Central Bedfordshire School Forum on 7<sup>th</sup> March 2011, the following budgets were agreed:
  - £500,000 General Contingency plus a further £1,000,000 in anticipation of the cost of redundancies in schools during 2011/12.
  - £275,670 SEN Contingency.

Total School Contingency Budget agreed for 2011/12 was £1,775,670.

3. The School Contingency carry forward from 2010/11, as at 31<sup>st</sup> March 2011 was £1,061,547 which is split into General (£845,708) and SEN Contingency (£215,839).
4. The General Contingency budget can be utilised to fund the following:
  - Rent and Joint Use equalisation charges;
  - Rates adjustments that have arisen from re-valuations or an adjustment to original formula;

- Lease/planning permission associated with curriculum classes;
- Adjustment to Formula i.e. floor area, teacher threshold, NQT, additional pupil numbers;
- DSG shortfall;
- Closing Schools;
- Redundancy costs where applicable
- Funding of exceptional circumstances, the Director of Children’s Services can authorise sums up to £10,000 in respect of any one school in a financial year.

**General Contingency Expenditure 2011/12**

5. It was resolved at the School Forum meetings of the 19<sup>th</sup> September 2011 and 28<sup>th</sup> November 2011 that:-
- DSG received from Bedford Borough for sole registered PRU pupils would be transferred to the Central PRU Budget
  - An additional £45 per statutory pupil be transferred to Schools
6. The following table sets out the expenditure for 2011/12 against the School General contingency budget.

	<b>BUDGET £</b>	<b>SPEND £</b>	<b>BALANCE £</b>
Carry Forward from 2010/11	845,708		
Budget Allocation 2011/12	1,500,000		
Floor Area Adjustments		(18,195)	
Rent Adjustments		(2,309)	
Rates Adjustments		48,607	
Lump Sum		(7,915)	
ISB Adjustments		(1,190,971)	
Legal Fees		(753)	
EYSFF		(236,900)	
Admissions		(665)	
Early Years Extended Offer		373,607	
Redundancy		(722,903)	
Unspent DSG supporting Central Services		585,394	
4% Threshold Pupil Numbers		(323,363)	
Misc		(30,344)	
<b>Total General Contingency</b>	<b>2,345,708</b>	<b>(1,526,709)</b>	<b>818,999</b>

7. The detail on the spend is as follows -
- Floor Area adjustments to the initial allocation of SBS.
  - Equalisation of Rental costs
  - Rates adjustments that have arisen from revaluations/ rates relief.
  - Lump sum adjustment as agreed by School Forum for St Vincent School
  - Individual School Budget Adjustments
  - Legal Fees – School in Financial difficulty
  - Adjustment to allocation of Early Years Funding based on October headcount
  - Admissions responsibilities
  - Funding of the Early Years extended offer for 3 and 4 year olds funded by Standards Funds

- Redundancy payments
- Unspent central DSG returned to contingencies
- Increase in Pupils numbers above the 4% threshold
- Miscellaneous credits bank interest, accruals, closed cost centres

8. The balance has been Earmarked and carried forward to 2012/13.

### SEN Contingency Expenditure 2011/12

9. The SEN Contingency had been agreed to fund :

- A growth in Behavioural Emotional and Social Difficulties (BESD) provision
- Revised formula for Special Schools
- Additional and alternative models of specialist provision within mainstream schools
- Additional support to mainstream schools:-
  - i. Specialist support services and BESD services
  - ii. Special Schools Outreach
  - iii. Commissioned support

10. The following table sets out the expenditure for 2011/12 .

	<b>BUDGET £</b>	<b>SPEND £</b>	<b>BALANCE £</b>
Carry Forward from 2010/11	215,839		
Budget Allocation 2011/12	275,670		
Out of County Placements		(200,000)	
Outreach		(203,030)	
Closing School		(£8,561)	
<b>Total SEN Contingency</b>	<b>491,509</b>	<b>(411,591)</b>	<b>79,918</b>

11. The balance has been Earmarked and carried forward to 2012/13.

### Spend to Date

12. It was agreed at the School Forum meeting of the 5<sup>th</sup> March 2012 that a budget of £500,000 would be set for General Contingency and £275,670 for SEN Contingency for the 2012/13 financial year.

There has been no expenditure to date.

### Appendices:

None

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**Meeting:** Schools Forum  
**Date:** 25 June 2012  
**Subject:** School Finance Update  
**Report of:** Deputy Chief Executive and Director of Children's Services  
**Summary:** To update the Schools Forum on the Schools out-turn position for 2011/12.

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Contact Officer: Dawn Hill, Technology House, Bedford  
Public/Exempt: Public  
Wards Affected: All  
Function of: Council  
Reason for urgency  
(if appropriate)

**RECOMMENDATIONS:**

**To note the Schools out-turn position for 2011/12.**

**Background**

1. There were 112 Schools in Central Bedfordshire (excluding Academies) as at 31<sup>st</sup> March 2012 with a delegated budget of £132,563M.
2. The financial controls within which delegation works are set out in Central Bedfordshire Council's Financial Regulations for Schools in accordance with Section 48 of the Schools Standards and Framework Act (1998) and approved by the Secretary of State.
3. The LA may suspend a school's right to a delegated budget if the provisions of the Scheme have been substantially or persistently breached, or if the budget share has not been managed satisfactorily.
4. The Scheme (Section 4.9) permits schools to plan for a deficit budget with the normal maximum length of time over which schools may recover will be three years.
5. Unlicensed deficits are reported to the Department for Education as part of the School's Consistent Financial Reporting (CFR) return.
6. The Schools Forum at its meeting on 7<sup>th</sup> March 2011 resolved that there be no balance control mechanism from 2011/12 onwards.

7. Section 151 of the Local Government Act 1972 states that every local authority make arrangements for the proper administration of their financial affairs, including the supervision of all systems and records used for accounting purposes relating to the finances of Central Bedfordshire Council. Schools are required to operate accounting systems in support of proper budget monitoring and control arrangements.
8. To assist the Section 151 Officer in exercising his duties under the Act, Schools are categorised into Red, Amber, Green (RAG) ratings of risk. This process takes place twice a year in June following the financial year end and receipt of the current budget plan, and January, following the Schools completion of the year end forecasts outturn. A regular update is held as schools circumstances change.

**Update**

9. Maintained Schools balances as at 31<sup>st</sup> March 2011 are as follows:-

Sector	Revenue £		Capital £	
	2010/11	2011/12	2010/11	2011/12
Nursery (4)	518,464	543,885	101,718	30,758
Lower (87)	3,614,327	4,927,203	2,653,277	1,473,802
Middle (14)	1,097,376	1,875,755	774,138	499,432
Upper (3)	864,708	1,178,060	16,657	30,234
Special (4)	796,459	1,023,035	176,652	73,534
<b>Total</b>	<b>6,891,334</b>	<b>9,547,938</b>	<b>3,722,442</b>	<b>2,107,760</b>

10. Earmarked reserves for 2011/12 will not be known until late June when Schools complete their annual CFR return. However, the rise in balances held is believed to be in part due to the increased funds directed through the ISB of £1.2M from School Contingency mid way through the year and the pending outcome of the National Consultation with the uncertainties for School funding in future years.
11. At the 2011/12 financial year end, 6 schools held an agreed licensed deficit with a value of £ 509,670, with no school exceeding their agreed limit. One Lower school held an unlicensed deficit.
12. One school chose not to submit full year end accounts and therefore the LA had no choice but to close the accounts on their behalf on estimated figures.
13. The categorising of schools into a risk register will take place during June and brought back to the next meeting of the School Forum. There were no Schools issued with a Notice of Concern in 2011/12.

**Appendices:**

None

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**Meeting:** Schools Forum  
**Date:** 25 June 2012  
**Subject:** Dedicated Schools Grant (DSG)  
**Report of:** Deputy Chief Executive and Director of Children's Services  
**Summary:** To note the update on the DSG arrangements and Funding Reform Consultation

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Contact Officer: Dawn Hill, Technology House

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency  
(if appropriate)

#### **RECOMMENDATIONS:**

- 1. To note the deployment of the 2012/13 DSG**
- 2. To note the update on the School Funding Reform Consultation**
- 3. To request membership to a Technical Funding sub group to work with LA officers following the outcome of the Consultation.**

#### **Background**

1. Since the beginning of the financial year 2006/07 local authorities (LA) have received allocations of DSG to finance the Schools Budget in each authority. The full DSG received must be applied to the Schools Budget in each authority; although authorities may provide additional resources in support of the Schools Budget should they decide to do so.
2. The Schools Budgets, as set out in the Statutory Section 251 budget, comprises the following:
  - a) Individual Schools Budgets (ISB), delegated to individual schools, by phase (also known as School Budget Shares). These allocations are delegated via the local Fair Funding Formula, which the Local Authority (LA) sets, in conjunction with its Schools' Forum.
  - b) Central Expenditure. This is the amount held back centrally for expenditure on pupils and includes:
    - Expenditure to fund Nursery Education in non-maintained settings (Private, Voluntary and Independent Sector)
    - School Specific Contingency
    - Special Education Needs - provision for statemented pupils, pupil referral units, behaviour support units
    - Termination of Employment costs

3. Central expenditure must not increase as a proportion of the overall Schools Budget. This mechanism is known as the Central Expenditure Limit (CEL) and can only be breached in exceptional circumstances and with the specific approval of the Schools' Forum. In the case of Schools' Forum refusal the LA can ask the Secretary for State to approve the breach. The final Schools' Budget depends on the January PLASC count and is determined by the units of funding (no of pupils - FTE) multiplied by the Guaranteed Unit of Funding (GUF).
4. After taking advice from the Director of Children's Services, the Chief Finance Officer (CFO), must sign two statements annually: the Actual deployment (out-turn) and Budgeted Allocation of the DSG, confirming that it has been fully deployed in support of the School's Budget in accordance with the condition of the grant and the School Finance Regulations.
5. The DfE will continue with the current funding system for schools for 2012/13. For DSG, this means a continuation of the "spend plus" methodology and is subject to the recent School Funding consultation. In the longer term, the Government's intention is to bring in a simpler and more transparent funding system. This should help reduce the funding differences between similar schools in different areas

### Deployment of DSG 2012/13

6. The budget allocation of DSG for 2012/13 is the full time equivalent (FTE) number of pupils as at Jan 12 of 37,333 multiplied by the GUF £4,658 to give £173.901M. The School Forum agreed at the meeting of the 5<sup>th</sup> March 2012 that unspent DSG in 2011/12 to be distributed to schools as a one-off payment based on degree of incidence of low level needs (HILLN). The sum of £309K has been added to the 2012/13 DSG allocation. The table below represents the initial distribution of the 2012/13 DSG based on the current number of academies.

DSG	Academies		Revised DSG	ISB	Central Spend
£'000	ISB £'000	LACSEG £'000	£'000	£'000	£'000
174,210	60,407	465	113,338	103,504	9,834

7. Academies receive a Local Authority Central Spend Equivalent Grant (LACSEG) deducted from the DSG for those services that are the responsibility of the Academy but are retained centrally e.g. behaviour support, practical learning etc. It was agreed at the School Forum meeting on the 5<sup>th</sup> March 2012 that the cost of LACSEG up to £550K would be funded from DSG, the remainder funded by the Authority.
8. The LACSEG deductions attributable to 30 converted schools as at May 2012 is £465K. It is anticipated that a further 22 schools will convert by the end of this financial year.
9. The Schools Finance Regulation 2012 governs the operation of the Central Expenditure Limit and ensures central spend does not increase as a proportion of the overall Schools Budget. The CEL can only be breached in exceptional circumstances and with the specific approval of the Schools Forum. The proposed allocation of DSG for Central services has reduced from 2011/12 reflecting services increasingly being commissioned to be run through schools. The CEL has not been breached.
10. Unallocated DSG from 2011/12 of £26,878 has been transferred to School Contingency for redistribution in 2012/13.



### **School Budgets 2012/13**

11. School Budgets were distributed during the week ending 9<sup>th</sup> March 2012 ahead of the advised target date of week commencing 19<sup>th</sup> March 2012. Guidance notes have been posted on the Schools portal. Details of Schools 'Ever6' which represents pupils on the January 2012 School Census known to have been eligible for Free School Meals (FSM) in any of the previous six years will be used for the calculation of the Pupil Premium. Details are available from the DfE's 'Key to Success' website which can also be accessed from a link on the Schools portal.

### **Consultation on School Funding Reform**

12. On the 26<sup>th</sup> March 2012, the Department for Education launched a third Consultation 'Next steps towards a fairer system' which ended the 21<sup>st</sup> May 2012 (eight weeks). This consultation builds on how a fairer system may be implemented and operated. Full details can be found on the DfE website [www.education.gov.uk](http://www.education.gov.uk).
13. The document in part a decision document clearly outlined the way forward for 2013/14. Only 12 questions were being asked, six of which related to High Needs pupils.
14. There will be no additional funding before at least 2015. DfE have confirmed they will not introduce a National funding formula in 13/14 but instead work towards introducing one in the next CSR. The 2013/14 settlement will be based on 2012/13.
15. The DSG will now be split into three Notional un-ringfenced blocks; Schools, Early Years and High Needs. It is proposed that ALL the Schools Block will be delegated to Schools with only three exceptions; maintained schools agree a service should be provided centrally, historic commitment or statutory function. Funding will now be based on the October census, apart from Early Years where this will be based on the January counts.

### **Schools Block**

16. The local formula will be restricted to only ten factors. LAs and School Forum can limit gains to afford the necessary protection that may be required. The factors are as follows:
  1. Basic per-pupil entitlement - AWPU (single unit rate for Primary/Secondary, although the department are asking should a separate KS3 and KS4 be permitted)
  2. Deprivation (based on FSM and/or IDACI – a single rate or a form of banding)
  3. Looked after Children
  4. Low cost, high incidence SEN (prescribing Early Years Foundation Stage Profile for Primary and KS2 data for Secondary)
  5. English as an additional language (for only three years after entry into compulsory school system)
  6. Lump Sum (Requesting a response on what the upper limit should be in the range £100-£150K with the same lump sum applicable to Primary/Secondary)
  7. Split Site (to encourage schools who adopt efficient solutions, such as merging and federating)
  8. Rates
  9. PFI contracts
  10. Only applicable to five LA's London fringe area

17. The DfE may set a minimum threshold for the basic entitlement, either at 60% for AWPU, 80% all pupil led factors or no threshold and accept that there will continue to be variation across the country. The intention is to move to National consistency and a suggested fixed range for the Primary to Secondary funding ratio. No restriction will be placed on the ratio for 2013/14 but it may be considered from 2014/15.
18. A number of small school factors (infant class size, small school protection) will not be permitted going forward and may have significant impact on our small rural schools. Once the protections from existing levels of funding decrease it is possible some schools may need to consider more efficient organisational structures e.g. federating, merging or becoming part of an Academy chain. Schools funded on split sites will still be permitted, in line with the encouragement for schools to merger/federate.
19. The Minimum Funding Guarantee will be simplified but continued to be set at negative 1.5% for both 13/14 and 14/15, with looser arrangements thereafter. However, in order to make the formula changes affordable gains at a per pupil level will be allowed to be capped or scaled back. A National prescribed maximum gain will not be set this will be left for local decision, taking into account the affordability of the protection. Authorities and their Schools Forums will therefore need, as part of their formula modelling, to determine whether and how to limit gains.
20. There are some services where maintained schools will be able to decide that some funding should be retained centrally rather than delegated e.g. Contingencies (including support for schools in financial difficulties and to support basic need pupil growth), support for minority ethnic pupils or underachieving groups, behaviour support service. For each of these, it would be for the School Forum members in the relevant phase (primary or secondary), to decide whether that service should be retained centrally.
21. For each service retained centrally the LA will need to make a clear statement of how the funding is being taken out of the formula. Academies will continue to receive a share of funding for those services in their delegated budgets.

### **High Needs Block**

22. Proposed changes to high needs pupils will change the way Special Schools, special units and provisions in mainstream schools are funded.
23. The High Needs Block will be drawn from the 2012/13 S251 Budget Statement and the 2011/12 information on student numbers and spend on students aged 16 – 25 in FE providers independent specialist providers held by the YPLA
24. Special Schools will no longer have a delegated budget on the same basis as Primary and Secondary. Instead Schools will receive a proposed £10K base funding per planned place with top up funding above this level from each LA placing pupils in the school. There will be a condition of grant in the first year ensuring that the school's total funding for 2013/14 would not be more than 1.5% below that received in 2012/13. The number of places will be set initially on the current number of funded places, thereafter any changes will be agreed between the provider and commissioners, and a case out to the EFA as part of a standard annual process.

25. Special units in mainstream schools will be funded like Special Schools with base funding and top up funding. The places and the pupils do not count towards AWPU or other mainstream funding.
26. Inter Authority recoupment will be replaced by direct funding between commissioner and provider.
27. The Pupil Referral Unit (PRU) will be receiving a delegated budget for the first time in 2013/14. The LA will be needed to identify funding needed to operate then rework them as £8K base funding per place plus per pupil top up funding.

### **Early Years Block**

28. The Early Years Block will be calculated based on three January counts e.g. 2013/14 based on estimate on January 12, updated for January 13 numbers in the Summer 2013 and adjusted at year end for Jan 14 count.
29. The 90% funding floor that Central Bedfordshire currently benefits from (£98K 2012/13) is to be phased out entirely from 2014/15 using 2013/14 as a transition year reducing the protection to 85%.
30. It is not envisaged that this will be an issue for Central Bedfordshire as there is an increasing number of three year olds attending early years provisions as a result of two year old funding.
31. There are no major changes to the Early Years Single Funding Formula proposed other than constraining premises factors and requiring indicators to be based on child level definitions of eligibility rather than characteristics of setting.

### **Pupil Premium**

32. No new announcements on Pupil Premium this will still remain as a separate grant, however the long term intention is to include in the DSG alongside existing deprivation funding within the DSG. This is currently based on FSM entitlement and will mean reviewing once Universal Credits (UC) have been introduced as the majority of criteria for determining FSM will no longer exist. Proposals for new criteria to align with UC are being considered.

### **School Forum**

33. There are no changes to the powers of Schools Forums at this stage however, for 2013/14 the School Forum Regulations will be amended to:
  - Remove the requirement to have a minimum of 15 people on a Forum;
  - Limit the number of LA attendees from participating in meetings unless they are a Lead Member, A Director of Children's Services (or their representative) or are providing specific financial or technical advice;
  - Confine the voting arrangements to allow only schools members and providers from the PVI sector to vote on the funding formula;
  - Require LAs to publish Forum papers, minutes and decisions promptly on their websites;
  - Require Forums to hold public meetings – as is the case with other council committees

The EFA will also be given observer status.

34. Regulations currently require only the schools forum to be consulted on the formula. Authorities will now be required to consult with all bodies affected by formula changes.
35. It is also incumbent on each group of schools forum members to ensure that they communicate with the people or organisations they represent at least before debating major issues and again afterwards.

### Timeline

36. Mar - Apr	LAs complete section 251 budget statements
Apr - June	LAs undertake detailed modelling of new formula in conjunction with schools forums
May - Sept	LAs able to requests exceptional factors and MFG exclusions to EFA
June - Oct	<b>Consultation with all schools and Academies on new formula</b>
By July	Reconstitution of schools forums where necessary
To Sept	EFA will confirm baselines with LAs once section 251 statements have been submitted
End of Oct	LA's submit pro-forma to EFA
Dec	Census data and schools / high need block confirmed
Mid Jan	LA's submit any final changes to pro-forma to EFA

### Modelling

37. With the close of the consultation being before the next School Forum meeting, a sub group of the School Forum was convened on the 26<sup>th</sup> April 2012 to discuss a response (Appendix A). School Forum members from all School phases were present. Officers provided modelling to demonstrate the impact of lump sums being set at a maximum level and deprivation moving to a unit rate using either FSM, Ever 6 or IDACI.
38. Modelling showed that higher lump sums protected smaller schools although not entirely in all cases, although at the highest level of £150K moved funding away from the larger schools.
39. The current system for distributing deprivation funding requires a minimum of 15% of pupils to be deemed deprived before the school attracts funding. This directs funding to those schools in the most deprived wards. The move to a unit rate will significantly impact those schools, redistributing the current 'deprivation pot' amongst all schools that have a deprived pupil.

#### Example of Impact:

Lower	52 Pupils loss £5k (includes £40k protection)
	51 Pupils loss £5k (includes £63k protection)
	65 Pupils loss £6k (includes protection £100k)
	<i>Larger Lump sum:</i>
	234 Pupils loss £14k (includes £7k protection)
	246 Pupils loss £25k (includes £10k protection)
Middle	190 Pupils loss £23k (includes £122k protection)
	384 Pupils loss £143k no protection overall reduction to numbers
	464 Pupils loss £49k (includes £97k protection)
Upper	793 Pupils loss £64k (includes £162k protection)
	693 Pupils loss £60k (includes £17k protection)

# **School funding reform:**

## **Next steps towards a fairer system**

### **Consultation Response Form**

The closing date for this consultation is:

21 May 2012

Your comments must reach us by that date.

**THIS FORM IS NOT INTERACTIVE. If you wish to respond electronically please use the online response facility available on the Department for Education e-consultation website (<http://www.education.gov.uk/consultations>).**

The information you provide in your response will be subject to the Freedom of Information Act 2000 and Environmental Information Regulations, which allow public access to information held by the Department. This does not necessarily mean that your response can be made available to the public as there are exemptions relating to information provided in confidence and information to which the Data Protection Act 1998 applies. You may request confidentiality by ticking the box provided, but you should note that neither this, nor an automatically-generated e-mail confidentiality statement, will necessarily exclude the public right of access.

**Please tick if you want us to keep your response confidential.**

Name

Organisation (if applicable)

Address:

If you have an enquiry related to the policy content of the consultation you can contact either

Ian McVicar : Telephone: 020 7340 7980 e-mail: [ian.mcvicar@education.gsi.gov.uk](mailto:ian.mcvicar@education.gsi.gov.uk) or

Natalie Patel: Telephone: 020 7340 7475 e-mail: [Natalie.patel@education.gsi.gov.uk](mailto:Natalie.patel@education.gsi.gov.uk)

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Consultation Unit by e-mail:

[consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk), by Fax: 01928 794 311, or by telephone: 0870 000 2288.

Please tick the box that best describes you as a respondent.

<input type="checkbox"/> Maintained School	<input type="checkbox"/> Academy	<input type="checkbox"/> Teacher
<input type="checkbox"/> Individual Local Authority	<input checked="" type="checkbox"/> Schools Forum	<input type="checkbox"/> Local Authority Group
<input type="checkbox"/> Teacher Association	<input type="checkbox"/> Other Trade Union / Professional Body	<input type="checkbox"/> Early Years Setting
<input type="checkbox"/> Governor Association	<input type="checkbox"/> Parent / Carer	<input type="checkbox"/> Other

If 'Other' Please Specify:

### Simplification of the local funding arrangements

#### Basic per-pupil entitlement

*In paragraphs 1.3.10 and 1.3.11 we discuss the basic per-pupil entitlement. The difference between providing education for Key Stage 3 compared to Key Stage 4 is sometimes significant due to the additional costs of practical work and examinations incurred in the latter Key Stage.*

**Question 1: Should local authorities and Schools Forums be able to agree separate rates for Key Stage 3 and Key Stage 4?**

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

The local authority and their schools forums should be able to exercise discretion when setting per-pupil rates. To apply a single Secondary AWPU value to an authority with Middle Schools will cause considerable shift in funding between phases. A separate rate for Key Stage 3 and Key stage 4 will give enough flexibility to ensure the ratio of Primary to Secondary is maintained within the guidelines suggested.

Is this the right time to debate the differences in the cost of providing education at different Key Stages.

*In para. 1.3.13 we consider setting a minimum threshold for the basic entitlement. There is an interaction between the amount of funding that goes through the basic entitlement and the amount remaining for other factors, such as deprivation and low-cost SEN. There are three options available:*

- a) *To require a minimum percentage to go through **the basic entitlement only** (and we think that 60% represents a reasonable starting point);*
- b) *To require a minimum percentage to go through **all of the pupil led factors** (so would include the basic entitlement, deprivation, looked after children, low cost SEN and EAL). We think that 80% represents a reasonable amount for this threshold.*
- c) *To not set a threshold at all and accept that there will be inconsistency in some areas*

**Question 2 : Do you think we should implement option a, b or c?**

<input type="checkbox"/> (a)	<input type="checkbox"/> (b)	<input checked="" type="checkbox"/> (c)	<input type="checkbox"/> None	<input type="checkbox"/> Not Sure
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Comments:

The LA would prefer no threshold to allow flexibility over funding distribution. The restriction of factors in its self applies the majority of funding through the basic entitlement.

**Deprivation**

*In paragraphs 1.3.15 to 1.3.23 we discuss deprivation funding and the issue of banding. Our preference is to allow banding only for IDACI under a new system, and to keep it as simple as possible, for example by only allowing a certain number of bands with a fixed unit rate applied to each and a minimum IDACI threshold. We do not propose to allow banding for FSM.*

**Question 3: Do you agree with our proposals on banding? How do you think they might be applied locally?**

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

To apply a fixed rate to each banding doesn't provide for existing distributions where funding has been directed to those MOST deprived areas. The LA has set a threshold below which schools do not attract funding so the 'pot' is not diluted across



schools with few deprived pupils. Setting a unit rate per pupil moves completely away from directing funds to deprived wards.

Local Authorities in consultation with their School Forum should be free to decide their own banding; depending on the spread of deprivation in their areas, and be permitted to set thresholds.

### Lump Sums

*In paragraphs 1.3.38 to 1.3.42 we discuss the issue of lump sums. Many local formulae currently allocate a lump sum to schools. We want to set the upper limit on the lump sum at a level no higher than is needed in order to ensure that efficient, small schools are able to exist where they are genuinely needed. We think that the upper limit should probably fall somewhere between £100k and £150k, and is certainly no higher than £150k.*

**Question 4: Where within the £100k-150k range do you think the upper limit should be set?**

<input type="checkbox"/>	£100k	<input type="checkbox"/>	£110k	<input type="checkbox"/>	£120k	<input type="checkbox"/>	£125k	<input type="checkbox"/>	£130k
<input type="checkbox"/>	£140k	<input type="checkbox"/>	£150k	<input checked="" type="checkbox"/>	None	<input type="checkbox"/>	Not Sure		

Comments:

LA's in consultation with School Forum should be free to decide the upper limit to take account of small schools within the area.

The outcome of question 2 will affect the available sum to be distributed through lump sum.

Setting an upper limit at this stage will adversely affect smaller schools. It would therefore be prudent to let local authorities set the level of the lump sum, at least until the reforms have been fully tested.

### Free Schools, University Technical Colleges (UTCs) and Studio Schools

*In paragraphs 1.8.12 to 1.8.14 we discuss the funding of Free Schools, UTCs and Studio Schools. We have decided that Free Schools, UTCs and Studio Schools, like other Academies, should move across to be funded from 2013/14 through the relevant local simplified formula. One consequence of this is that confirmed funding levels for new schools will not be available until the spring prior to a September opening.*

**Question 5: What sort of information do Free School, UTC and Studio School proposers need, and at what stages, to enable them to check viability and plan effectively?**

Comments:

### **Improving arrangements for funding pupils with high needs**

*In Section 3 and Annex 5a, b and c we discuss the new arrangements for funding pupils with high needs. In Section 3.8 we discuss the roles and responsibilities under the new place plus approach, specifically those of providers, commissioners and the EFA, We want to ensure that unnecessary bureaucratic burdens are not placed on providers and that there is clarity as to the respective roles and responsibilities of the EFA and local authorities.*

**Question 6: What are the ways in which commissioners can ensure responsibilities and arrangements for reviewing pupil and student progress and provider quality can be managed in a way that does not create undue administrative burdens for providers?**

Comments: The Local Authority is already responsible for monitoring pupil progress for pupils with statements of SEN through the Annual Review of Statement process. This could continue to be managed through the Annual Review with some adaptations to the Annual review paperwork. Provision mapping and pupil progress would need to be summarised in the Annual Review paperwork. A common reporting framework would better support this. This would need to be considered in the light of the Government response to the SEN Green paper recommendations and any implications which arise regarding changes to the SEN Code of practice and implications for pupils with a single plan with high needs. It is not yet clear whether it would increase undue administrative burden. With regard to provider quality, commissioners are and should continue to be responsible for quality assurance of this, although the most efficient and effective way to do this is in partnership in order to avoid duplication and over burderning providers. Where providers are providing for more than one Local Authority area, this would be better managed in broader cross border partnerships. If Providers do not provide what is required, they will not continue to be commissioned, and so it is their interests to do this.

Detailed written contracts setting out expected outcomes would be required, which will increase bureaucracy, but will also be able to better demonstrate value for money

*In section 3.9 we discuss transitional protection for providers. We want to ensure that the transition from the current funding system to the new arrangements is as smooth as possible. In the document we set out a number of ways we intend to provide support through the transitional period and enable commissioners and providers to become accustomed to the new approach*

**Question 7: Are there other ways that we can help to ensure a smooth transition for commissioners and providers to the reformed funding approach for high needs pupils and students?**

Comments: There needs to be absolute clarity and transparency so that the approach is applied consistently and is not open to manipulation. It would be helpful to have consistent indicators linking level of need to funding bands to support high needs. There are examples in some Local Authorities already. The impact of any changes should be monitored carefully and adjustments considered if appropriate.

*In Annex 5a, paras 38 to 41 we discuss the level of base funding for AP settings and suggest that £8,000 would be an appropriate level of base funding.*

**Question 8: Do you agree that £8,000 per-planned place would be an appropriate level of base funding for AP settings within a place-plus funding approach?**

Yes

No

Not Sure

Comments: As AP settings vary significantly, this may be too much in some cases. Other pupils would need the top up funding as suggested. We have concerns regarding the high mobility of some of this population, where pupils may be moving in and out of such provision. Managers and Governors of such provision will need budget/business management skills.

*In Annex 5a paras 42 to 46 we discuss the top-up funding for AP settings. For short-term and part-time placements, we propose that appropriate pro rata arrangements would be put in place for calculating top-up funding and that it would be sensible to calculate top-up funding for short-term placements on a termly or half-termly basis, while part-time placements could be calculated on a daily rate. For very short-term placements, for example those that lasted less than ten days in an academic year, we would envisage that AWPU would not be repaid by a commissioning mainstream school and that the commissioner would pay an appropriate level of top-up funding to reflect this.*

**Question 9: Do you agree that it would be sensible to calculate pro rata top-up payments for short-term placements in AP on a termly or half-termly basis?**

Termly

Half-termly

Not Sure

Comments: AP providers would not be able to respond quickly enough unless payments were very regular and calculable on an agreed daily rate

**Question 10: Do you agree that it would be sensible to calculate pro rata top-up payments for part-time placements in AP on the basis of a daily rate?**

Yes

No

Not Sure

Comments: Short term placements may be part time across a week or for blocks which might vary in length. A daily rate would need to be responsive to this. The question is unclear as to what it is referring.

*In Annex 5a paras 47 to 52 we discuss hospital education. Hospital schools occupy an important place in the education system and we need to think carefully about how hospital education is funded within the parameters of a new approach to high needs funding. Hospital education is not an area where commissioners plan education provision and where pupils and their families exercise choice about the institution in which they will be taught. In funding terms, our aim must be to ensure that high-quality education provision is available whenever a pupil has to spend time in hospital.*

**Question 11: What are the ways in which hospital education could be funded that would enable hospital schools to continue to offer high-quality education provision to pupils who are admitted to hospital?**

Comments: Central Bedfordshire does not have any hospitals but would welcome consistency in charges from other Authorities.

*In Annex 5a paras 53 to 56 we discuss the base level of funding for specialist providers. Under the place-plus approach there will be a simple process, with clear responsibilities and transparent information, for reviewing and, if appropriate, adjusting the allocation of base funding for specialist placements. The key components of this process are set out in the document.*

**Question 12a: Do you agree with the proposed process for reviewing and**

**adjusting the number of places for which specialist settings receive base funding?**

Yes

No

Not Sure

Comments: How this would work in practice and what is meant is still very unclear, and would need to be further clarified before a response could be made. If this is based on October returns, this would not reflect the increase in pupils across the school year, and therefore required places, common across some special school settings. This would mean that there could be significant numbers of unfunded places for a considerable amount of time. This population is small and therefore there can be significant fluctuations year on year in numbers in a cohort which can have a significant impact for commissioners (as exemplified with the YPLA funding of LLDD placements). On the flip side, providers need some budget stability.

**Question 12b: Are there any other ways in which this process could be managed in a way that is non-bureaucratic and takes account of local need and choice?**

Comments: Other proposals would require places and place funding to be reviewed at another point in the year, which would mean holding back some resource. This would increase the administrative burden.

**Simplifying arrangements for the funding of early years provision**

*In paragraphs 4.5.1 to 4.5.5 we discuss the 90% funding floor for three year olds. Current funding for three year olds is based on the actual number of three year olds who take up their entitlement to free early education or an amount equivalent to 90% of the estimated three year old population doing so, whichever is higher. We now think the time is right to phase out the floor so it is removed entirely from 2014-15. We also think it is right that we use 2013-14 as a transition year. Removing the floor from 2014-15 will require a level of transition support for local authorities, enabling them to increase participation levels. There are various options for how this transitional protection could operate but we think the most obvious way is to lower the floor in 2013-14 from 90% to 85%.*

**Question 13: Do you have any views on the move to participation funding for three year olds, particularly on how transitional protection for 2013-14 might operate?**

Comments:

The LA agrees that the floor could be withdrawn, the 3 year old offer is now so mainstream that it should not be necessary any longer.

Using 2013/14 as a transitional year at a suggested 85% floor is an acceptable level.

*In paragraphs 4.6.1. to 4.6.3 we discuss free early education provision in academies. A small number of Academies with early years provision which existed prior to September 2010 continue to be funded by the Young People's Learning Agency (YPLA) through replication. We believe there is a strong case to be made for bringing together free early education funding for three and four year olds for all providers. This would mean that wherever a child accesses their free early education they would be funded and paid by local authorities through the EYSFF. This would further support simplicity and transparency in funding for free early education.*

**Question 14: Do you have any views on whether free early education in all Academies should be funded directly by local authorities?**

Comments:

There is a strong case to be made for all early education funding to be paid through the local authority as it is now, Academies, PVIs and Maintained sector. It is really the only way that we can ensure parents are not claiming for more hours etc and helps transparency.

**Question 15: Have you any further comments?**

Comments:

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, would it be alright if we were to contact you again from time to time either for research or to send through consultation documents?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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All DfE public consultations are required to conform to the following criteria within the Government Code of Practice on Consultation:

Criterion 1: Formal consultation should take place at a stage when there is scope to influence the policy outcome.

Criterion 2: Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

Criterion 3: Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

Criterion 4: Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

Criterion 5: Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.

Criterion 6: Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

Criterion 7: Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

If you have any comments on how DfE consultations are conducted, please contact Carole Edge, DfE Consultation Co-ordinator, tel: 01928 738060/ email: [carole.edge@education.gsi.gov.uk](mailto:carole.edge@education.gsi.gov.uk)

**Thank you for taking time to respond to this consultation.**

Completed questionnaires and other responses should be sent to the address shown below by 11 October 2011

Send by e-mail to: [schoolfunding.consultation@education.gsi.gov.uk](mailto:schoolfunding.consultation@education.gsi.gov.uk)

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