

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

**This meeting may
be filmed.***



**Central
Bedfordshire**

please ask for Martha Clampitt
direct line 0300 300 4032
date 11 September 2015

NOTICE OF MEETING

SCHOOLS FORUM

Date & Time

Monday, 21 September 2015 at 6.00 p.m.

Venue at

Council Chamber, Priory House, Monks Walk, Shefford

Richard Carr
Chief Executive

To: The Chairman and Members of the SCHOOLS FORUM:

School
Members:

Ali Brabner, Governor, Cranfield Academy
David Brandon-Bravo, Headteacher, Parkfields Middle School
Paul Burrett, Headteacher, Studham CofE Lower School and Pre-School
Shirley-Anne Crosbie OBE, Headteacher, The Chiltern 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 Academy
Jim Parker, Headteacher, Manshead Upper School
John Street, Academy Middle School Representative
Stephen Tiktin, Governor, Beaudesert Lower School
Rob Watson, Headteacher Stratton Upper School

Non School
Members

Mr M Foster, Trade Union representative
Mrs M Morris, Catholic Diocese Representative
Mrs S Mortimer, Vice Principal, Curriculum & Strategic Partnerships, Central Bedfordshire College
Sarah Stevens, Church of England Diocese Representative

Observer: Cllr MAG Versallion, Executive Member for Education and Skills

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.

***Please note that phones and other equipment may be used to film, audio record, tweet or blog from this meeting. No part of the meeting room is exempt from public filming.**

The use of arising images or recordings is not under the Council's control.

AGENDA

1. **Apologies for absence**

To receive apologies for absence and notification of substitute members.

2. **Chairman's Announcements and Communications**

To receive any announcements from the Chairman and any matters of communication.

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

To approve the minutes of the previous meeting held on 15 June 2015 and to receive an update on any matters arising from these.

Proposals

Item	Subject	Page Nos.
4	Revisions to the Scheme for Financing Schools To note the Directed revisions to the Scheme for Financing Schools and approve the LA proposed revisions to the Scheme for Financing Schools.	17 - 26
5	Dedicated School Grant Contingency Budgets To provide an update on the use of the School Contingency Budgets for 2015/16.	27 - 30

Update

Item	Subject	Page Nos.
6	Dedicated Schools Grant (DSG) Update To note the 2015/16 DSG and Growth Fund allocation. To note the 2016/17 funding arrangements and F40 group update.	31 - 40
7	High Needs Technical Sub Group Update To receive a verbal update.	
8	School Forum Budget To provide an update on the use of the School Forum Budget for 2015/16.	41 - 42
9	Work Programme	To follow

To consider the work programme for the Central Bedfordshire Schools Forum.

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **SCHOOLS FORUM** held at Council Chamber, Priory House, Monks Walk, Shefford on Monday, 15 June 2015

PRESENT

Jim Parker (Chairman)

David Brandon-Bravo (Vice-Chairman)

School Members:	Ali Brabner	Governor, Cranfield Academy
	Paul Burrett	Headteacher, Studham CofE Lower School and Pre-School
	Shirley-Anne Crosbie OBE	Headteacher, The Chiltern School
	Sue Howley MBE	Governor, Greenleas Lower School
	John Street	Academy Middle School Representative
	Stephen Tiktin	Governor, Beaudesert Lower School
	Rob Watson	Headteacher Stratton Upper School

Observer: Cllr M AG Versallion Executive Member for Children's Services

Apologies for Absence: James Davis
Mr M Foster
Sharon Ingham
Mrs M Morris
Mrs S Mortimer

Officers in Attendance:	Mrs M Clampitt	Committee Services Officer
	Ms D Hill	Senior Finance Manager - Children's Services
	Mrs H Knox	Acting Team Leader, Childcare Development
	Mr R Parsons	Head of School Organisation and Capital Planning
	Miss H Redding	Assistant Director School Improvement

CBSF/15/1. Election of Chairman and Vice-Chairman for 2015/16

The Forum were invited to make nominations for the Chairman and Vice-Chairman of the Central Bedfordshire Schools Forum.

Jim Parker was the only candidate nominated and seconded. He was therefore appointed Chairman.

David Brandon-Bravo was the only candidate nominated and seconded. He was therefore appointed Vice-Chairman.

RESOLVED

1. **that Jim Parker be elected Chairman of the Central Bedfordshire Schools Forum 2015/16.**
2. **that David Brandon-Bravo be elected Vice-Chairman of the Central Bedfordshire Schools Forum 2015/16.**

CBSF/15/2. Chairman's Announcements and Communications

The Chairman welcomed everyone to the first meeting of the new municipal year and the last meeting before the school holidays.

Page 8 of the minutes were asked to be expanded to contain more information requested for contingencies. More information of the discussion without naming the schools would be raised under Matters arising.

Page 14 that the terms of membership on the Forum be staggered so that the entire Forum is not up for re-election at the same time.

CBSF/15/3. Members' Interests

(a) **Personal Interests:-**

There were none made.

(b) **Personal and Prejudicial Interests:-**

There were none made.

CBSF/15/4. Minutes of the previous meeting and matters arising

RESOLVED

That the minutes of the meeting of the Central Bedfordshire Schools Forum held on 26 January 2015 be confirmed and signed by the Chairman as a correct record, subject to further detail being provided regarding minute no. CBSF/14/27 and Contingencies.

CBSF/14/27 – Contingencies

The Forum were asked to consider a funding request for de-delegated services in relation to deficits of three closing schools which would exceed £1m. The amount requested was £30.82 per pupil per school for school contingencies.

The Forum expressed concerns over the request and the fact that other schools and their pupils would be losing funding to cover the deficits for the three schools. The Forum ask for clarification on a number of issues including: capping of deficits, sale of land to offset deficits, alternatives available before top slicing DSG, possibility of other schools falling into similar situations. The Senior Finance Manager and the Assistant Director Schools answered the questions as follows:

1. One school has received a “Notice of Concern” and the Council has placed the Senior Finance Manager on the governing body to help the school control their spending. Prior to closure the school would have received a licensed deficit as their original deficit was quite small only £50k. Due to falling numbers of pupils the deficit has increased to continue to provide the full range of education.
2. The land for all three sites is not able to be sold to offset the deficits. There are very clear regulations regarding the land. One plot of land is not in the council’s ownership. The future use of the land will be subject to an Executive Report.
3. The three schools are committed to providing a good education for their remaining pupils until they transition to their next school.
4. Maintained schools through de-delegation, support deficits arising from closing maintained schools. Academies are dealt with by the EFA.

The Forum were understanding of two schools deficits and their efforts to manage their deficits, keeping them as small as possible. The Forum wanted to know if the agreement to pay could be considered on a school by school basis? It was clarified that this must be done as a collective process.

The Forum when put to the vote did not support the proposal and requested that alternatives be considered and if necessary a special meeting be called.

CBSF/15/5. High Needs Block Technical Sub Group - Draft Terms of Reference

The Forum received and considered the Draft Terms of Reference for the High Needs Block Technical Sub Group of the Schools Forum.

The Forum were asked for volunteers to sit on the Technical Sub Group and the following agreed:

Shirley Ann Crosbie OBE
Sue Howley MBE
Sarah Mortimer
Peter Cohen
John Street
David Brandon-Bravo
Ali Brabner

The Assistant Director School Improvement will arrange for a meeting date to be set and the draft document will be considered at that meeting.

CBSF/15/6. Early Years Reference Group Forum Representation

The Forum considered the request for Forum representation on the Early Years Reference Group.

The Forum were asked to provide 1 or 2 nominees to attend four meetings a year representing the Schools Forum. Sue Howley MBE and Paul Burrett volunteered to represent the Forum.

CBSF/15/7. Dedicated Schools Grant (DSG) Update

This item was considered as part of Dedicated Schools Grant (DSG) Update and 2015/16 Funding Allocations item (Minute no. CBSF/15/12 refers).

CBSF/15/8. DfE capital allocations 2015/16 to 2017/18

The Forum considered the report which advised of the total Department for Education capital allocations to schools and the Council for 2015/16 and for 2015/16 – 2017/18 for Basic Need and Schools Capital Maintenance and invited the Forum to note the Council level allocations.

It was noted that for the first time the allocations cover more than a single year.

School Capital Maintenance Funding

The Head of School Organisation, Admissions and Capital Planning, Children's Services advised the Forum that the figures set out the allocation to the LA for its strategic programme of schools capital maintenance, having been calculated via a new methodology that uses pupil numbers (weighted to take account of phase and also schools that have been subject to significant modernisation) and the condition of schools based on the results of a national property data survey commissioned by the DfE.

It was also noted that for non VA schools the Council had developed a draft programme for 2015/16, a refresh of the condition data held by the Council for its schools had also been instructed to maximise the opportunity for a multi year allocation and enable a three year programme to be created. A draft Locally Co-ordinated Voluntary Aided Programme (LCVAP) had been agreed for 2015/16.

Basic Need

The 2017/18 allocation of £21m for Basic Need had previously been anticipated to equal the 2015/16 (£6.2m). It is currently anticipated to be reduced to £3.5m for 2017/18, this figure was based on current assumptions and the 2014 School Organisation Plan.

The Total Basic Need grant provided to our immediate Local Authority neighbours for the period 2011 – 18 is as follows:

Luton BC: £44m
Bedford BC: £22.5m
Central Beds: £68.4m

A breakdown of the allocations to Central Bedfordshire, including Schools DFC was set out at Appendix A to the report.

The Forum expressed concerns at the amount of physical space to be provided for new schools and extensions to existing schools as a result of the Government's amended Building Bulletin guidance. There were concerns of shoehorning children in at some Schools within 4 to 5 years.

The Forum requested that Councillors be made aware of the space issues facing schools and the financial support required to comply. The Executive Member for Education and Skills advised that although there was a deficit in external funding for new school places, the General Fund would cover the shortfall. The cost of borrowing to fund the capital value of these works impacted on the revenue budget for the Council. It was noted it was a Local Authority problem and alternative funding would be looked at.

RESOLVED

That the overall Department for Education allocations for 2015/16 and for 2015/16 to 2017/18 for Basic Need, be noted.

CBSF/15/9. Dedicated School Grant Contingency Budgets

The Forum considered a report which provided an update on the use of the School Contingency Budgets, as at 28 February 2015, which had been split into three notional blocks: Schools, High Needs and Early Years with each block holding its own contingency budget.

Schools Contingency

It was agreed at the Schools Forum meeting on the 14 October 2013 that the de-delegated contingency budget for 2014/15 would remain at the 2013/14 per pupil level of £5.63.

The balance as at 28 February 2015 for the Schools Contingency is £207,791.

High Needs Contingency

It was agreed at the Schools Forum meeting held on 20 January 2014 that unallocated 2014/15 High Needs Block funding would be held in contingencies until funding issues resolved, unspent funding will be redistributed to schools in 2015/16.

The balance as at 28 February 2015 for the High Needs Contingency is £1,284,495. At the Schools Forum meeting held on 26 January 2015 it was agreed that £1M would be transferred to the Schools Block and distributed to maintained schools and academies on a one off basis via the AWPU (age weighted pupil unit) for 2015/16. Any remaining balance would be transferred to support capital development in specialist provisions.

Early Years Contingency

The balance of unspent funds of £117,746 from 2013/14 had been carried forward to 2014/15. The balance, as at 28 February 2015, for the Early Years Contingency is £1,021,731. The balance will be carried forward to 2015/16 and £500,000 will be added to the Schools Block and distributed to maintained schools and academies on a one off basis via the AWPU (age weighted pupil unit) and the remainder for the termly census adjustments.

RESOLVED

That the Dedicated Schools Grant (DSG) Contingency spend to 28 February 2015, be noted.

CBSF/15/10. School Forum Budget

The Forum received and considered a report which provided an update on the Schools Forum Budget for 2014/15.

The Senior Finance Officer confirmed that as at 28 February 2015 the remaining balance for the year was £3,316 of which £1,444 had been carried forward from 2013/14. It was noted that any unspent budget would be carried forward to the next year. It was noted that the budget for 2014/15 was £3,000, with the continued membership of F40.

Members of the Forum were reminded that they could submit travel claims for attending the Forum meetings.

RESOLVED

That the Schools Forum Budget position statement as at 28 February 2015 be noted.

CBSF/15/11. **Dedicated Schools Grant (DSG) 2015/16 Funding Allocation for Early Years Block**

The Forum considered a report to note and approve the 2015/16 DSG allocation for Early Years Block including provision for two year olds and the early years pupil premium. In addition, they were asked to note and approve the early years contingency.

The Early Years Block has three defined areas:

- The three and four year old entitlement
- The early years pupil premium
- Funding for disadvantaged two year olds

The DfE confirmed on 17 December 2014 that the Early Years remains one of the funding blocks within the funding settlement for 2015/16. The Early Years Block includes:

- **The three and four year old entitlement**
This is a continuing entitlement which has been set at the same per pupil rate as in 2014/15 (£2,587 for CBC). The rate is multiplied by the January early years census for a provisional allocation. The figure is revised in July 2015 with the January 2015 pupil numbers (to cover the April to August 2015 period) and 7/12ths of the January 2016 pupil numbers (to cover the September 2015 to March 2016 period). The Schools Forum approved a local Funding Formula in 2009 for Central Bedfordshire. The Formula includes the following:
 - A base rate or enhanced base rate for settings providing flexible attendance
 - An enhancement for staff qualified at a higher level
 - An additional enhancement based on areas of deprivation
- **The early years pupil premium (EYPP)**
This new payment came into effect from April 2015 and pays an additional £300 per year per eligible child that takes up the full 570 hours to the provider. This is an hourly rate of 53p per child per hour. The estimated provisional allocation for Central Bedfordshire in October 2014 was £171k. The Department for Education will conduct a survey on take up of the EYPP in the Autumn 2015, any adjustments will be made following the survey in January 2016.
- **Funding for disadvantaged two year olds**
The funding for this element has been predicted on an hourly rate, announced in October 2014, of £5.03 for Central Bedfordshire Council. The initial allocation will be made in July 2015 for 2015/16 and will be based on eligible children participating (not demographic

information) in early education as detailed in the January 2015 early years census and school census.

- The DfE will allow for an update of figures in the autumn term 2015 and any required adjustments will be made in January 2016
- From June 2016 the allocations will be based on the 5/12ths and 7/12ths formula used for the three and four old entitlement
- An Early Years contingency will be held in case of a pressure resulting from this change in allocation

The Senior Finance Manager confirmed that £2.8m had been initially allocated for 2015/16 subject to School Forum approval.

The Contingency as at May 2015 for the Early Years was £2.43m. This was comprised of:

£1.276m for two year olds

£1.154m for payment made for three and four year olds (including £118k 2013/14 Early Years contingency balance was rolled forward)

£0.5m has been used from the Early Years Block Contingency to contribute to the increase in the Schools Budget for 2015/16.

Following approval at the January 2015 Schools Forum meeting (minute no. CBSF/14/26 refers), the three and four year old payments have been subject to an increase of just 5p per hour for PVI's and 15p per hour for Lower Schools from April 2015. These increases will help utilise some of the contingency, the balance will mitigate any shortfall in funding available for two year olds. There is anticipated a shortfall of £785k due to possible take up. The summer term traditionally has the largest number of children.

The Contingency also covers Inclusion funding awarded for children with additional needs.

The Forum expressed concerns regarding the proposal for two year olds and the impact on schools. It was requested that the Early Years Technical Sub Group be established to consider termly reports and provide the Forum with updates on the uptake and financial impact. Forum members unable to attend the meeting would be contacted to be part of the sub group.

It was agreed that a further report would come to the next meeting to enable the Forum to give their approval.

RESOLVED

- 1. That the 2015/16 DSG allocation for the Early Years Block be noted.**
- 2. That the Early Years Contingency be noted.**

CBSF/15/12. **Dedicated Schools Grant (DSG) Update and 2015/16 Funding Allocations**

The Forum received a report which provided an update on the Dedicated Schools Grant (DSG) and Growth Fund outturn for 2014/15 and 2015/16 DSG allocation.

From 2013/14, the DSG would be split into three notional blocks: Early Year, High Needs and Schools.

The Minimum Funding Guarantee (MFG) was set at negative 1.5% **per pupil** for 2015/16.

It was noted that the Chief Finance Officer (CFO) is no longer required to complete two statements annually instead the DfE have now requested one annual outturn statement, confirming that the DSG received by the Authority was fully deployed in support of the school budgets in accordance with the conditions of the School Regulations. In addition, it will also include a Non Maintained Special School (NMSS) statement and Fraud cases reported in school statement.

DSG Outturn 2014/15

The Schools Block is based on a per pupil unit of funding of £4,144.47 multiplied by 35,148 pupils as reported on the October 2013 census.

The Early Years Block is based on a unit of funding of £3,979.80 multiplied by 2,587 full time equivalent number of pupils as reported on the January 2014 census. In April 2014, the block was updated for 7/12ths of the January 2014 pupil numbers to cover the period September 2013 to March 2014.

The High Needs Block is a single block of high needs pupils/students age 0 – 24. For 2014/15 the block is split into two parts, pre-16 and post-16 (ages 16 – 24). The Forum noted that since August 2013, the post-16 funding has combined three previous budgets: SEN block grant, specialist placements funding and the cost of high needs student in Further Education (FE).

The distribution of the 2013/14 DSG based on the 48 Academy conversions at December 2014 was £183,434 (£83,790 went to Academies ISB). Direct payments to Academies included Early Years = £716k and High Needs = £3.481k. Paragraph 13 of the report provided a breakdown of the centrally retained DSG of £19.3m

A technical sub group has been set up to deal with High Needs Funding.

There is a carry forward to 2015/16 of £3.393m. The table in paragraph 14 of the report details the underspends. The underspend has been used in part to increase the Schools' individual budget for 2015/16 by £1.5m (£1m from SEN Contingency and £0.5m from Early Years Contingency) and a

transfer to capital for Specialist Provisions of £855k (£726k from SEN and £129k from SEN Contingency).

Growth Fund Outturn 2014/15

The Growth Fund is for significant pre-16 growth in schools. Funds are available to both maintained schools and academies. Where a school has elected to expand they are not eligible for the Growth Fund.

The amount for 2014/15 was set at £1m and has been overspent by £428,470. The Forum noted that any overspend would be the first call against the 2015/16 allocation for Growth Fund. An adjustment is due from the EFA of £248k in respect of a Growth Fund payment to Academies. The adjustment will be included in the 2015/16 Growth Fund

DSG Budget Allocation 2015/16

The Forum noted that on 26 March 2015, the DfE announced the DSG for 2015/16 and that it would remain split into three notional blocks: school, high needs and early years.

The final DSG for 2015/16 is £192.587m. This is based on:

- Schools Block: £154.186m – which is based on the SBUF plus a cash transfer to bring non-recoupment academies into the LA's overall budget calculation. The CRC deduction of £7.51 made the revised SBUF £4,289.09, an increase of £144.62 from 2014/15. In addition, pupil numbers had increased by 718 to 35,866, based on October 2014 census.
- High Needs Block: £27.935m – which is based on the 2014/15 carry forward plus an increase in places for academic year 2015/16 and an additional top-up of £47m distributed based on the 2-19 aged population in each Local Authority.
- Early Years: £10.476m – which is based on the same rate as in 2014/15 £3,979.80 for three to four year olds. Also the early year pupil premium (eypp) £300 per year per pupil equating to £171k. Funding for disadvantaged two year olds at an hourly rate of £5.03. The allocation would be made in June 2015 and was not available at the time of the meeting.

The above Schools Block included a cash transfer (£341k) for CBC's University Technical College which is based on what the UTC would have received in the 2014/15 formula based on pupil numbers in the October 2014 census and uplifted by the Minimum Funding Level (MFL).

Paragraph 30 of the report provided a breakdown of the indicative DSG Revenue allocation of £192.587m for 2015/16.

Paragraph 34 provided a list of the single national licence managed by the Department for Education for all state-funded schools in England. The

Forum noted that four new licenses had been added. It is estimated that this will cost be £242k.

Paragraph 37 provided a breakdown of the centrally retained DSG of £20.62m for 2015/16.

RESOLVED

- 1. That the 2014/15 DSG Outturn be noted.**
- 2. That the 2014/15 Growth Fund Outturn be noted.**
- 3. That the update on the 2015/16 DSG allocations be noted.**

CBSF/15/13. School Finance Update

The Forum considered a report which provided an update on the Licence Deficit Schools and the Schools Finance Risk Register.

Central Bedfordshire had 88 maintained schools and 48 Academies as at 31 March 2015.

There were 3 lower schools closed 2014/15 with unlicensed deficits in uncommitted revenue balances. In addition there are 2 middle schools and one upper school currently causing financial concern. The 2 middle schools are subject to a statutory notice for closure due to reducing pupil numbers and financial viability and the upper school is unable to set a balanced budget within the prescribed 3 year period. The Upper School has been sent a letter of intended Notice of Concern under Section 2.15 of Central Bedfordshire's Scheme for Financing Schools in 2014/15 should certain steps not be followed.

The categorisation of schools regarding risk was carried out in March 2015 and determined the following:

No Rating: 57 schools
Green: 22 schools
Amber: 5 schools
Red: 4 schools

The Forum noted that red and amber schools will receive a visit from the School Finance Adviser during the Autumn Term. All schools will be sent a letter advising of their RAG category and the use of criteria following the School Forum update.

RESOLVED

That the Finance update for Schools be noted.

CBSF/15/14. **Work Programme**

This will be circulated with the minutes.

(Note: The meeting commenced at 6.00 p.m. and concluded at 7.55 p.m.)

Chairman

Dated

Meeting: Schools Forum
Date: 21 September 2015
Subject: Revisions to the Scheme for Financing Schools
Report of: Director of Children's Services
Summary: To note the Directed revisions to the Scheme for Financing Schools and approve the LA proposed revisions to the Scheme for Financing Schools.

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

RECOMMENDATIONS:

- 1. To adopt the amendments to the Central Bedfordshire's Scheme for Financing Schools in line with the Department for Education (DfE) directed Revisions.**
- 2. To approve the LA proposed amendments to Central Bedfordshire's Scheme for Financing Schools.**
- 3. To note that the Scheme has been amended numerically to align with the Department for Education's statutory guidance for LA's.**
- 4. To approve the LA proposed amendments to Central Bedfordshire's Asset Loan Scheme.**

Background

1. The Scheme for Financing Schools sets out the financial relationship between the authority and the schools which it maintains. It is based on the legislative provisions in Section 45-53 of the Schools Standards and Framework Act 1998 and The School and Early Years Finance (England) Regulations 2014.
2. DfE directed revisions to the scheme are not subject to consultation with Schools Governing bodies or head teachers, however they do need to be submitted to the schools forum for their approval. The authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.
3. Any other LA proposed revisions to the scheme will be the subject of consultation with the governing body and the head teacher of every school maintained by the Authority before they are submitted to the schools forum for their approval.

4. The LA as a minimum must publish the scheme on a website which is accessible to the general public and that any revised versions must be published by the date the revisions come into force, together with a statement that the revised scheme comes into force on that date. A revised scheme with track changes will be available on the Schools website.

Update

The DfE directed revisions

5. The DfE are considering two directed revisions to the scheme for financing schools. The first revision relates to the business interests of governors of maintained schools (section 2.9 of the Scheme). Second revision is to give clarity on borrowing powers for schools (section 3.6 of the Scheme).
6. These amendments are as follows:
- *Section 2.9 Register of business interest:*
The directed revision requires the addition of: “Details of any other educational establishments that they govern, any relationship between school staff and members of the governing body” and “The governing body should keep the register up to date and publish the register on a publicly accessible website”.
 - *Section 3.6 Borrowing by schools:*
The directed revision requires the addition of: “The Secretary of State’s general position is that schools will only be granted permission for borrowing in exceptional circumstances” and “Schools are permitted to use any scheme that the Secretary of State has said is available to schools without specific approval (i.e. Salix scheme)”.

The LA proposed amendments

7. The consultation took place from 22 June to 17 July 2015 regarding proposed changes. A letter was sent to all schools on 19 July 2015 and also posted on the Schools learning portal informing them of the proposals.
8. Proposed LA amendments are as follows:
- *Section 2.3 Submission of budget plans*
Change the deadline for budget submission from 31 May to 1st May.
 - *Section 2.10 Purchasing, Tendering and Contracting Requirements add:*
“For contracts over £60,000 schools should seek LA’s Procurement personnel countersignature”.
 - *Section 4.2 Control and Surplus Balances – reference to uncommitted balances add:*
“The LA will monitor schools that have build up significant uncommitted balances, and challenge schools seeking reasons for holding these balances”.
 - *Section 4.9 Licensed Deficit – amend the rate of interest charged;*
Form “7 day London Interbank Bid Rate” to “Bank of England Base Rate”
9. There were 16 responses received from an audience of 87 schools, of which 12 were Lower Schools, 3 Middle and 1 Upper. Out of 16 responses 14 disagreed with the proposal to change the required budget submission date.

10. The LA proposes that the change to the submission date stands:
- The Schools and Early Years Finance Regulation have been amended periodically requiring LAs to issues budget shares to Schools earlier – Prior to 2012/13 required no later than 31st March, 12/13 and 13/14 no later than 15 March, reviewed again 2014/15 requiring LAs to determine the budget share no later than 27 February. The LA over this period has not changed the current 31st May deadline to submit an approved budget to the LA.

Amendments to align with the DfE statutory guidance

11. The opportunity has been taken to align Central Bedfordshire Council's Scheme to the DfE statutory guidance for local authorities. The main changes are:
- *Section 1.4 Revision of the Scheme:*
Amend from: "Should the school forum not approve the modification the LA may apply to the Secretary of State for approval" to "Should the Schools Forum not approve proposed provisions or approves them subject to modifications which are not acceptable to the LA, the LA may apply to the Secretary of State for approval".
 - *Section 2.6 Audit: General:*
Update reference to audit regulations: "Accounts and Audit Regulation 1996" to "Accounts and Audit Regulations 2015."
 - *Section 2.14 Capital Spending from budget share:*
Update the time limit that DFC should be spend from "three and half years" to "three years".
 - *Section 2.16 Schools Financial Value Standard (SFVS)*
Amend to: "All maintained schools with a delegated budget must submit the form to the local authority annually before 31 March".
 - *Section 6.2.3 (Charging of schools budget share) Circumstances in which charges may be made*
Add "Where the authority is joined with the governing body in the action and has expenditure as a result of the governing body not taking authority advice, the charging of the budget share with the authority expenditure protects the authority's position".
 - *Section 13 Community Facilities - paragraph 13.11*
Add "Financial information relating to community facilities must be included in the returns made by schools under the Consistent Financial reporting Framework (CFR)".
 - *Section 13.23 (Community Facilities) banking*
Add "Schools are reminded that they may not borrow money without the written consent of the Secretary of State, though this requirement does not apply to monies lent to schools by the LA under Asset Loan Scheme (section 4.10)".

Asset Loan Scheme

12. The LA is proposing the make amendments to the Asset Loan Scheme (Appendix A). The rational for these amendments is to enhance the assessment criteria for asset loans and add clarity on the affordability of such loans. The LA is proposing to apply a number of checks to assess the projects and the ability of the school to be able to afford the repayments of the loan.

Appendices:

APPENDIX A

Asset ~~Purchase~~ Loan Scheme for Local Authority's Maintained Schools

Introduction

1. This scheme is designed for the benefit of schools to provide a means of funding particular projects at a time when sufficient funds may not be available at an individual school level. The scheme provides for schools to take out a loan and pay back in instalments.

Qualifying Schools

2. All LA schools within the scope of Central Bedfordshire's Scheme for Financing Schools.

Qualifying Asset Purchase and Capital Projects

3. New asset loans purchases which the LA is are satisfied are for a purpose in the interests of the school, with the overriding condition that the expenditure is for the enhancement, replacement, or provision of an asset which will have a life at least as great as the duration of the loan purchase agreement entered into with Central Bedfordshire. The LA will apply a number of checks to assess the projects that will be financed by the asset loan and the affordability of the loan.
4. Request for asset loan for capital projects related to expansions or addressing suitability issues, must be supported with clear rationale i.e;
 - Demand for places as judged by first and second preference data and PAN/admissions numbers
 - Performance – Ofsted rating and relevant attainment
 - Severity, impact and evidence of overcrowding/lack of key specialist facilities on school and curriculum,
 - Strength (not quantity) and independence of evidence to support the issues.

The evidence could include:

- Specialist reports, photographs
 - Ofsted or other reports on impact of facilities on teaching and learning
 - Evidence that the project is in interest of the school, this should include a copy of School Development Plan (SDP)
5. Requests for asset purchase agreements will be considered only if the request is made by resolution of the full Governing Body, and projects must conform with the delegated powers of Governing Bodies.

Method Of Financing Asset Loans Purchases

6. The Council reserves the right to utilise funds held as schools' balances to finance specific capital projects which are the subject of agreements entered into by individual schools under the Asset Purchase Loan Scheme, but all schools have an overriding right to access their own unspent reserves at any time.

Availability Of Asset ~~Purchase~~ Loan Funds

7. The annual volume of schools' total reserves will influence the total amount available annually for new asset purchases. The sum of Licence Deficit and Loans will not normally be more than 1/3 of schools' total unspent balances as at the previous 31 March.

Applications

8. Loan applications must be made on the prescribed form and be supported by a resolution of the full Governing Body. Schools are required to complete an application form and submit supporting information related to ability of the school to pay back the loan.

Approval Process

9. Assessment will be undertaken by a panel consisting of Council Officers representing Children's Service Finance and the School Organisation, Admissions and Capital Planning Team, in addition to two members of the School Forum, nominated on an annual basis by the Forum. Approval for successful applications will be ~~given under delegated authority from by the Deputy Chief Executive/Director of Children's Services~~ subject to the approval of the Director of Children's Services and the Chief Finance Officer, or their nominated representatives.
10. Applications which meet the criteria but cannot be funded within the limit of available funds in the year in which the request is made will be recommended for approval as a priority in the following financial year.

Approval For Financing The Purchase

11. Agreement with a Governing Body for a Capital Loan will be entered into by Central Bedfordshire Council, provided all the criteria of this scheme have been met.

Affordability and Limitations on Value of Purchase Loans

12. Affordability of the loan
Before deciding whether to apply for a loan schools must consider the affordability of repayments. Before approving the loan the LA will consider a number of test to asses the affordability and viability of the loan. This will include:
 - a) the annual loan repayment must be less than 4% of the school's budget share academy received in the year that they apply
 - b) the school must not be in a financial difficulty or Notice of concern
 - c) the school's financial statements (year end returns) must show a cumulative revenue surplus
 - d) the school's latest budget forecast shows a forecast cumulative revenue surplus to the end of the financial year.
 - e) the school must have submitted all their key financial returns (in the last 12 months) on time
 - f) the school is not ranked Red or Amber in RAG rating analysis of its financial health.
13. The maximum permitted value of a ~~asset purchase~~ loan should not normally exceed 10% of a school's budget share.

14. The minimum value of a purchase considered to be appropriate to the scheme is £10,000.

Interest

15. Interest will be payable during the period over which the school spreads the cost of the purchase. The interest rate of such loans is the Bank of England Base Rate-7 day London Interbank Bid Rate.
16. An administration fee of £50 will be charged for processing each application and subsequently setting up the loan.

Methods Of Making Annual Payments Under The Asset ~~Purchase~~ Loan Scheme

17. Annual payments will be scheduled as an expenditure item in the annual school budget plan.
18. Schools entering into a loan agreement will be charged the repayment sum by reducing school's revenue payments invoice on 1 April following the date of the loan agreement and annually on the same date thereafter during the life of the agreement. The certification of the initial application form by the Headteacher and Chair of Governors will authorise the LA to reduce school's revenue payments invoice the school as per agreed repayments schedule until the loan has been repaid in full.

Permitted Payment Periods Under Asset ~~Purchase~~ Loan Agreements

19. The minimum payment period is twelve months, spanning two financial years.
20. The first payment should be within the full year of the approval of the loan.
21. The maximum payment period is three years from the first payment date.

Early Payment

22. Payment of any outstanding loan amount, and accrued interest, can be made at any time without penalty.

Payment Conditions In The Event Of Change Of School Status

23. The loan agreement will be between the corporate Governing Body at the time of the purchase/project and the Council. The following conditions therefore apply:

Reorganisation Of Schools

24. A school will be required to fully repay any outstanding amounts under a loan agreement prior to the dissolving of its Governing Body where this is due to closure or amalgamation.

Schools Leaving the Control of the LA

25. If a school leaves the control of Central Bedfordshire Council for whatever reason, e.g. obtaining status as a Foundation School or as an Academy, full and immediate repayment of the outstanding amount will be made by the school in question, unless the liability can be voluntarily transferred to the successor Governing Body, i.e. to the Academy Trust, in the commercial transfer agreement.

Multiple Asset Purchase Loan Agreements Entered Into By One Establishment

26. A school can have as many asset purchase agreements as it wishes, subject to the caveat that the sum of the annual payment due under a new agreement and annual payment(s) being made under earlier agreements, does not exceed the credit rating described in paragraph 11 above, and subject to the value of each individual purchase/project being in excess of the minimum purchase price/cost of project of £10,000.

Application Evaluation Criteria

27. Capital loans must be for capital (projects/asset purchase) purposes with the overriding condition that the expenditure is for the enhancement, replacement, or provision of an asset which will have a life at least as great as the duration of the purchase agreement.

Project cost and funding

28. Application will be evaluated and assessed based on cost of the project or asset. Schools applying for the asset loan should demonstrate that the costs are right for the project. The panel will consider:

- Clarity of scope and reasonableness of costs
- Value for money of the project or asset
- Evidence of the costs and costs certainty
- Proportion of the funding provided by other sources i.e other government grants, school's budget share.

1.

1. ~~Evidence that the scheme is in the interests of the school.~~

1. ~~In support of 2 (above) a copy of the School Development Plan.~~

1. ~~Evidence that the school is able to meet the payments for the duration of the agreement.~~

29. The school must not be in an overspent position as at the previous 31 March when the application is made or have in force an overspend agreement with the LA.

30. Evidence of adherence to the Councils financial procedures to Ordering and Receipting, Works, Goods & Services Standing Orders and Financial Regulations for Schools with reference to procurement

APPLICATION FORM TO ACCESS THE ASSET LOAN PURCHASE
SCHEME FOR LA MAINTAINED SCHOOLS

School Name:

**Amount of
Loan:**

£

No of Yrs:

**Projected start
date:**

**Completion
date:**

Please note: The maximum period is 3 years.

Brief Description of Proposal:

(use additional page if necessary)

Summary of Benefits to the School:

(use additional page if necessary)

Supporting evidence related to Capital Projects (refer to paragraph 3 of Asset Loan Scheme)

(use additional page if necessary)

Supporting evidence related to project cost and funding (refer to paragraph 28 to 30 of the Asset Loan Scheme)

(use additional page if necessary)

Date and Minute of Resolution of Full Governing Body:

I accept the terms and conditions of Central Bedfordshire capital loan scheme and will fully comply with Scheme for Financing Schools.

Signed:

Headteacher.....Date:.....

Chair of Governors.....Date:.....

This page is intentionally left blank

Meeting: Schools Forum
Date: 21 September 2015
Subject: Dedicated School Grant Contingency Budgets
Report of: Director of Children's Services
Summary: To provide an update on the use of the School Contingency Budgets for 2015/16

Contact Officer: Dawn Hill, Priory House, Shefford

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

- 1. To note the Dedicated School Grant (DSG) Contingency spend to 31 August 2015.**
- 2. To approve the transfer of £500k unallocated High Needs Block DSG to support capital development in specialist provisions/special schools from 2015/16.**
- 3. To approve transfer of any further unspent revenue High Needs Block funding to support capital development in specialist provisions/special schools.**

Background

1. From 2013/14 the Dedicated School Grant is split into three notional blocks; Schools, High Needs and Early Years with each block holding its own contingency budget.

School Block

2. The Schools Specific Contingency Budget falls under Schedule 2 (Part 5) of The School and Early Years Finance (England) Regulations 2013; '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)'. Part 5 relates to items that may be removed from Maintained Schools' Budget Shares by way of de-delegation. De-delegation is not an option for Academies, special schools, nurseries or PRUs.
3. Expenditure on the Schools Specific Contingency is central expenditure deducted for the purpose of ensuring that monies are available to enable an increase in a school's budget share after it has been allocated; and where it subsequently becomes apparent that a governing body have incurred expenditure which it would be unreasonable to expect them to meet from the

school's budget share which may include expenditure in relation to:

- schools in financial difficulty
- the writing off of deficits of schools which are discontinued, excluding any associated costs and overheads
- new, amalgamating or closing schools, or
- other expenditure where the circumstances were unforeseen when initially determining the school's budget share

High Needs Block

4. Contingencies are held centrally to fund the writing off of deficits of special schools which are discontinued. At the School Forum meeting in January 2015 it was agreed that as the High Needs Block settlement for 2015/2016 will not be received from the DfE until March 2015, the balance will be held in contingency and applied where it is required in 2015/2016. The following issues will be taken into account

- The resource implications of changes in SEND provision through the implementation of the Children and Families Act in 2014 is determined.
- The development of the Hub and Spoke model for the Jigsaw Centre.
- The implications of the development of Central Bedfordshire's vision for Special Schooling and Specialist Provision, including capital costs.
- How the EFA plans to top slice Local Authorities and whether that will impact on the initial settlement.
- How the EFA plans to apply growth in 2015

Early Years Block

5. Early Years provision is funded based on predicted total number of hour's attendance of registered pupils. The LA must review the budget share when further information on actual hours of attendance is available, in accordance with Part 3 of The School and Early Years Finance (England) Regulations 2013. The Early Years Contingency budget has been set aside to fund the headcount adjustment that is allowable within the regulations.

Update

School Contingency

6. De-delegation from the Schools Block did not take place in 2015/16. However, the LA did apply to the Secretary of State to disapply the regulations to allow a £500k top-slice to DSG across all maintained schools and academies. This was to support schools in financial difficulty and would specifically apply to three closing middle schools which are at risk of closing with a deficit balance. The saving to DSG once the schools are closed would be applied to all schools.

7. The following table sets out the expenditure to 31 August 2015:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2014/15	208,413		
Budget Allocation 2015/16 (ring-fenced)	500,000		

Unallocated DSG (All Schools)	1,460		
VAT Reimbursement CLA		40,269	
Total School Contingency	709,873	40,269	750,142

The C/F balance of £208,413 is split between de-delegated ring fenced funding for Maintained schools only of £171,572 and £36,841 for all schools.

High Needs Contingency

8. It was agreed at the School Forum meeting of the 26 January 2015 that unallocated 2014/15 High Needs Block funding would be redistributed to schools. £1M transferred to the Schools Block and distributed to maintained schools and academies on a one-off basis via the age weighted pupil unit (AWPU) for 2015/16 and the balance of £129k has been transferred to support capital development in specialist provisions.
9. The following table sets out the expenditure to 31 August 2015:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2014/15	1,129,263		
Transfer to ISB		(1,000,000)	
Transfer to capital for development in specialist provisions		(129,263)	
Unallocated HN Block 2015/16	1,145,590		
HN Block adjustment for growth		290,230	
Post 16 SEN		(405,684)	
Total SEN Contingency	2,274,853	(1,244,717)	1,030,136

Early Years Contingency

10. It was previously agreed that £500k would be transferred to the Schools Block and distributed to maintained schools and academies on a one-off basis via the age weighted pupil unit (AWPU) and the remainder used for the termly census adjustments.
11. The following table sets out the expenditure to 31 August 2015:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2014/15	1,154,191		
Transfer to ISB		(500,000)	
Budget Allocation 2015/16	156,510		
EY Block adjustment for growth in FTEs (Jan14 – Jan 15)		409,687	
January 2015 census adjustment		(92,263)	
May 2015 census adjustment		(758,892)	
Total Early Years Contingency	1,310,701	(941,468)	369,233

Appendices:

None

Meeting: Schools Forum
Date: 21 September 2015
Subject: Dedicated Schools Grant (DSG) Update
Report of: Director of Children's Services
Summary: To note the 2015/16 DSG and Growth Fund allocation. To note the 2016/17 funding arrangements and F40 group update.

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

RECOMMENDATIONS:

1. To note and comment on the update to 2015/16 DSG allocations.
2. To note and comment on the update to 2015/16 Growth Fund.
3. To note and comment on the 2016/17 funding announcement.
4. To note and comment on the F40 Group update

Background

1. Since the beginning of the financial year 2006/07 local authorities 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. From 2013/14 the Dedicated School Grant is split into three notional blocks; Early Years, High Needs and Schools.
2. The School and Early Years Finance (England) Regulations 2014 define the local authority education budgets (the non-schools education budget, the schools budget, the central expenditure and the individual schools budget) and set out how local authorities are to allocate funding from the individual schools budget (ISB) to maintained schools and private, voluntary and independent providers of free early years provision (relevant early years providers) through a locally determined formula.
3. The Regulations give effect to the decisions made to reform the school funding system through simplified local formulae, greater delegation to schools and new arrangements for funding pupils with high needs.
4. The Minimum Funding Guarantee (MFG) for schools has been set at negative 1.5% per pupil for 2015/16. The calculation has been simplified compared with previous years and the Regulations set out the factors which are excluded from the calculation.

Local Authority Assurance Statement

5. The Department has decided that it is no longer necessary to collect two assurance statements for the DSG. LAs will now only be required to submit an annual outturn statement, confirming that the DSG received by the authority was fully deployed in support of the schools budgets in accordance with the conditions of the grant and The School and Early Years Finance (England) Regulations 2014. However, the statement has now been expanded to include a Non Maintained Special School (NMSS) statement and Fraud cases reported in schools statement. Submission of the statement usually takes place in October each year.
6. The NMSS statement requires confirmation that based on the LAs work in reviewing Individual Placement Agreements for high needs pupils/students within NMSS, nothing has come to their attention that causes them to believe that the learners reviewed were not correctly defined as high needs students.
7. The Fraud cases statement requires the confirmation of the number and value of fraud cases reported in schools and the number of those that have been investigated and where appropriate action taken.

2015/16 DSG Budget Allocation

8. On 16 July 2015, the Department for Education (DfE) announced details of the updated Dedicated Schools Grant (DSG) for 2015 to 2016. The DSG remains split into three blocks; School, High Need and Early Years.

School Block

9. The Schools Block is calculated based on school block unit of funding (SBUF) announced in July 2014 plus a cash transfer to bring non-recoupment academies into LAs overall budget calculation. For CBC the SBUF is £4,289.09 (after the CRC deduction of £7.51) an increase of £144.62 from 2014/15. Central Bedfordshire's pupil numbers based on October 2014 census data has increased by 718 pupils to 35,866.
10. The DfE has made a cash transfer (£353k) for Central Bedfordshire's University Technical College (UTC) and this is based on what the UTC would have received in the 2015/16 formula based on the pupil numbers in the October 2014 census, uplifted by the Minimum Funding Level (MFL) increase for relevant authorities.
11. To protect schools from significant budget reductions, the Minimum Funding Guarantee is continuing to ensure that no school sees more than a 1.5% per pupil reduction in 2015/16 (excluding sixth form funding) compared with 2014/15.

High Needs Block

12. The High Needs Block for 2014/15 has been carried forward plus:
 - Increase in places for academic year 2015 to 2016
 - Additional top-up of £47m distributed based on the 2-19 aged population in each LA.

Early Years Block

13. The Early Years Block will include:

- The three and four year old entitlement – set at the same per pupil rate as in 2014/15 (for CBC £3,979.80). Initially, this has been multiplied by pupil numbers from the January 2014 early years census and school census to produce a provisional allocation. This has been updated for January 2015 pupil numbers and will be further updated in July 2016 based on 5/12ths of the January 2015 pupil numbers (to cover the April 2015 to August 2015 period) and 7/12ths of the January 2016 pupil numbers (to cover the September 2015 to March 2016 period).
- The early years pupil premium (EYPP) – a provisional allocation as announced in October 2014. It will pay early years providers an additional £300 per year for each eligible child that takes up the full 570 hours with them. This equates to an hourly rate of 53p per child per hour. The indicative allocation for Central Bedfordshire Council is estimated at £171k. The Department will conduct a survey in the autumn 2015 to check take-up of the EYPP. Any adjustments required to allocations following the survey will be made in January 2016.
- Funding for disadvantaged two year olds for which the hourly rate was announced in October 2014 (for CBC at £5.03). The DfE has announced the actual allocation for 2015/16, which for CBC is £1.64M. The allocations is based on number of eligible children **participating** (instead of demographic information) in early education as recorded in the January 2015 early years census and school census (344 pupils). The DfE will offer local authorities an opportunity in the autumn term of 2015 to report any significant increases in participation since January 2015 via a voluntary data collection. Allocations will be adjusted in January 2016 to reflect these increases. A local authority's initial 2015/16 allocation will not be adjusted at this point if local authorities choose not to submit an autumn count.

14. The table below illustrates the updated DSG revenue allocation for 2015/16.

Block		2015/16 Allocation (M)
Schools	Schools Block	*153.833
	Cash Transfer (UTC)	0.353
Early Years	3&4 year olds funding	10.554
	3&4 year olds adjustment (Jan Census)	0.151
	Indicative EYPP	0.171
	2 Year Olds funding	1.644
High Needs	2014/15 HN base line	24.905
	2015/16 Growth & Place Review	0.216
	Additional top-up	0.233
NQT		0.054
Deduction for CRC		See note *
Total Updated Allocation		192.114

15. As in 2014/15 the DSG will include funding for the cost of monitoring and quality assuring of NQT induction. The CBC's allocation for 2015/16 is £54k.
16. *Following the Department for Energy and Climate Change's consultation in 2012, schools were removed from the main scheme in 2014/15. LAs are no longer required to administer the CRC on behalf of Schools. For 2015/16, a simple deduction of £7.51 per pupil will be made to DSG allocations. In 2014/15 the CRC deduction was £263k, for 2015/16 this is estimated to be £269k.
17. As in previous years, to protect LAs with falling pupil numbers, a cash floor of minus 2% has been applied to the DSG allocations. This will ensure that no authority will lose more than 2% of its budget in cash terms.
18. The Department has agreed with the following agencies to purchase a single national licence managed by the Department for all state-funded schools in England:
 - Christian Copyright Licensing International (CCLI) (**new for 2015/16**);
 - Copyright Licensing Agency (CLA);
 - Education Recording Agency (ERA);
 - Filmbank Distributors Ltd. (for the PVSL);
 - Mechanical Copyright Protection Society (MCPS) (**new for 2015/16**);
 - Motion Picture Licensing Company (MPLC);
 - Newspaper Licensing Authority (NLA);
 - Performing Rights Society (PRS) (**new for 2015/16**);
 - Phonographic Performance Limited (PPL) (**new for 2015/16**); and
 - Schools Printed Music Licenses (SPML)
19. This takes into account the four additional national licences, the rise in the number of pupils; the fact that local authority maintained nursery schools will now be covered for their relevant licences, and the inclusion of non-recoupment academies. For 2015/16 this will be £242k.
20. The following table represents the distribution of the 2015/16 DSG based on the Academy conversions as at August 2015 (50 including the Free school and UTC).

	DSG £'000	ISB Academies £'000	Revised DSG £'000	ISB Schools £'000	Central Spend	
					LA £'000	Academies £'000
Schools	154,240	85,706	68,534	65,266	3,268	0
EY	12,520	0	12,520	9,780	1,832	908
High Needs	25,354	3,357	21,997	8,341	10,254	3,402
Total	192,114	89,063	103,051	83,387	15,354	4,310

21. The ISB will be made available to maintained schools on a monthly basis; that is, subject to an initial advance (1/36 of school's budget share) and consequent year end adjustment, the school's budget share will be transferred into the schools bank account in equal instalments. However schools may adjust the proposed instalments by writing to the Senior Finance Manager Children's Services, with a supporting cashflow, demonstrating the schools requirements.
22. Central Bedfordshire Council is committed to working in a paperless environment using electronic ways of communicating with schools. All maintained schools will access the monthly payment information via the School's learning portal which will be updated on a monthly basis.

23. The centrally retained DSG of £19.66M is further analysed in the table below.

Services	DSG £'000
Special Education Needs (Inc Post 16)	9,500
Academies Statements/Early Years	4,310
Two Year old Funding	1,644
EY Pupil Premium	171
Growth Fund	2,248*
DSG Contribution to Central Overheads	719
School Admissions	261
School Contingency	501
DSG central adjustments (CLA & UTC)	254
Teachers Unions & Professional Associations	53
Early Years Contingency	0
School Forum	3
Total CE	19,664

24. *The 2015/16 Growth fund includes £248k recoupment adjustment for growth fund paid to academies for period April14 to August14.

2015/16 Growth Fund

25. The School and Early Years Finance (England) Regulations, Schedule 2, prescribes expenditure that may be deducted from the Schools budget before determining the Individual Schools Budget and held centrally. Growth Funding falls into this category and is for the purpose of expenditure due to significant growth in pupil numbers as a result of the LA's duty under section 13(1) of the 1996 Act to secure that efficient primary and secondary education are available to meet the needs of the population and in order to make provision for extra classes in order to comply with the School Admissions (Infant Class Sizes) Regulations 2012.
26. Local Authorities are required to produce criteria on which any growth funding is to be allocated, and set out the circumstances in which a payment could be made and a basis for calculating the sum. The School Forum regulations requires the agreement of the School Forum for both the central spend on and the criteria for allocating funds.
27. The following table sets out the expenditure to end of August 2015.

	Budget £	Spend £	Balance £
2015/16 Allocation	2,247,730		
2014/15 B/F balance		(428,470)	
Growth Fund:			
Alameda Academy		(63,408)	
Church End Lower		(45,004)	
Clipstone Brook Lower		(70,705)	
Cranfield Academy		(147,764)	
Edward Peake Middle		(89,548)	
Etonbury Middle Academy		(204,870)	
Fairfield Park Lower		(45,004)	
Greenleas Lower		(64,915)	
Holywell Academy		(43,204)	
Leedon Lower		(48,034)	
Redborne Academy		(63,408)	
Robert Bloomfield Academy		(39,118)	
Roecroft Lower		(79,418)	
Russell Lower		(58,080)	
Shefford Lower		(46,313)	
Silsoe Lower		(60,410)	
St Andrews Lower		(262,218)	
Stratton Upper Academy		(106,202)	
Infant Class Size:			
Total Growth Fund	2,247,730	(1,966,094)	281,636

28. The School and Early Years Finance Regulations 2014 allows LAs to carry over any unspent money from the 2014/15 growth and infant class size funds to be used for the same purpose in 2015/16. The overspend for 2014/15 (428k) will be the first call on the 2015/16 allocation for Growth Fund.
29. Where an LA makes a growth fund payment to an academy for the period April to August, the DfE will make an appropriate recoupment adjustment. Growth fund adjustments will not be made for “diseconomies of scale” or “start-up” funding. The final pro-forma submitted to the EFA included a request to adjust the recoupment by £248k. This has been added back to the Growth fund pot for 2015/16.

Funding announcement for 2016/17

30. On 16 July 2015 the DfE announced the Schools Block Unit of Funding (SBUF) for the next financial year. The DfE has confirmed that the extra £390M fair funding uplift made in 2015/16 will continue in base-line budgets for 2016/17 and beyond.
31. For 2016/17 the SBUF have been adjusted to incorporate the funding added for the former Non-Recoupment Academies (NRAs). It means that in 2016/17 the LAs will receive funding for NRAs within their schools block allocation on the same basis as other mainstreamed maintained schools and academies, i.e. by multiplying their SBUF by the schools block pupil count. Final DSG allocation for schools block will be made in December 2015, in line with latest data on pupil count. For CBC the initial 2016/17 SBUF is £4,294.39, an increase of £5.30 for the former Non-Recoupment Academies (UTC).

32. The Early Years block per pupil unit of funding for 2016/17 will be confirmed after the spending review and will continue to be based on participation.
33. The High Needs block funding will also be confirmed after the spending review. At this stage the LAs should assume that 2016/17 high need funding will remain as they were allocated in 2015/16.
34. Authorities will continue to have flexibility to move funding between the blocks, provided that they comply with requirements on the minimum funding guarantee (MFG) and have the agreement of schools forum or the Secretary of State on any increase in centrally held budgets where such approval is required under the regulations.
35. The table below illustrates the estimated DSG for 2016/17.

Block		2015/16 Allocation (M)
Schools	Schools Block	154.186
Early Years	3&4 year olds funding	10.554
	3&4 year olds adjustment (Jan Census)	0.151
	Indicative EYPP	0.171
	2 Year Olds funding	1.644
High Needs	HN base line	24.905
	Growth & Place Review	0.216
	Additional top-up	0.233
NQT		0.054
Total Updated Allocation		192.114

De-delegated services

36. Funding for de-delegated services must be allocated through the formula but can be de-delegated for maintained mainstream primary and secondary schools with schools forum approval. De-delegation is not an option for academies, special schools, nurseries or PRUs. In the case of special schools and PRUs, the funding to buy such services will be included in any top-up payments.
37. Schools forum members for primary maintained schools and secondary maintained schools must decide separately for each phase whether the service should be provided centrally and the decision will apply to all maintained mainstream schools in that phase. Funding for these services will then be removed from the formula before school budgets are issued. The services which may be de-delegated are:
 - contingencies (including schools in financial difficulties and deficits of closing schools)
 - behaviour support services
 - support to underperforming ethnic groups and bilingual learners
 - free school meals eligibility
 - insurance
 - museum and library services
 - licences/subscriptions
 - staff costs supply cover (e.g. long-term sickness, maternity, trade union and public duties)

38. The School and Early Years Finance Regulations state that “expenditure on the schools specific contingency” is central expenditure deducted for the purpose of ensuring that monies are available to enable an increase in a school’s budget share after it has been allocated and where it subsequently becomes apparent that a governing body have incurred expenditure which it would be unreasonable to expect them to meet from the school’s budget share which may include expenditure in relation to:
- (i) schools in financial difficulty,
 - (ii) the writing-off of deficits of schools which are discontinued, excluding any associated costs and overheads,
 - (iii) new, amalgamating or closing schools, or
 - (iv) other expenditure where the circumstances were unforeseen when initially determining the school’s budget share.”
39. The LA does not intend to make a proposal to School Forum for de-delegated funds for schools specific contingency for 16/17. However, the LA intends to repeat the 2015/16 request to the Secretary of State for a disapplication from the regulations to fund the required ‘Schools in Financial difficulty’ amount of £500k from the central schools budget. The amount of £500k would equate to £13.95 per pupil and would be topsliced across all maintained school and academy budgets if agreed. The funds would be ringfenced and specifically applied to three closing middle schools which are at risk of closing with deficits.
40. A separate paper will be presented to Schools Forum to agree 2016/17 de-delegation for Trade Union duties.

Centrally retained services

41. Funding for some services can be centrally retained before allocating the formula, with the agreement of the schools forum. A number of these services are subject to a limitation of no new commitments or increases in expenditure from 2015 to 2016 and schools forum approval is required each year to confirm the amounts on each line. The LA is proposing to centrally retain DSG from Schools Block for service listed below:
- Growth Fund £2M to remain at 2015/16
 - Servicing Schools Forum £3k to remain at 2015/16.
 - Admissions £260k – a separate paper will be presented to School Forum in January 2016

Individual School Budgets (Schools Block)

42. The distribution of DSG to School Individual Budgets is reflected in the table.

Factor		Actual 2014/15	Actual 2015/16	Indicative 2016/17
A basic per pupil entitlement	Primary AWPU	£2,959	£3,086	*£3,044
	KS3 AWPU	£4,221	£4,348	£4,306
	KS4 AWPU	£4,930	£5,057	£5,015
Deprivation	IDACI Band 2 &3	£554	£554	£554
	IDACI Band 4	£1,108	£1,108	£1,108
	IDACI Band 5	£1,662	£1,662	£1,662
	IDACI Band 6	£2,216	£2,216	£2,216
Looked After Children		£468	£468	£468
Prior Attainment		£0	£0	£0
EAL		£0	£0	£0
Lump Sum		£120,000	£120,000	£120,000
Split Site		£120,000	£120,000	£120,000
Rates		Based on actual	Based on actual	Based on actual
PFI		£0	£0	£0
Pupil Mobility		£0	£0	£0
Post -16		n/a	n/a	n/a
Exceptional Premises factors	Joint Use	£98,330	£98,330	£98,330
	Rent	£40,060	£40,060	£40,060
Sparsity		£0	£0	£0
Growth Fund		£1,000,000	£2,000,000	£2,000,000
Falling Roles Fund		£0	£0	£0
School Admissions		£260,490	£260,490	TBA
School Forum		£3,000	£3,000	£3,000
Copyright Licenses		£142,240	£241,612	£241,612

43 *The indicative AWPU for 2016/17 has been reduced to take into account the one off increase in 2015/16 of £42 per pupil funded from unspent DSG from previous years.

44. Should the LA intend to make changes to the funding formula for 2016/17, the regulation requires that the LA must engage in open and transparent consultation with all maintained schools and academies. CBC is not intending to make changes to the funding formula for 2016/17.

F40 Group Update

45. In July 2015 the f40 group proposed to the DfE a model for distributing educational funding from 2017/18. The proposal retains the existing Dedicated Schools Grant (DSG) structure within three blocks: Schools, Early Years and High Needs, however the model allocates the funding available through a needs-based formula for each block, removing any reliance on historic spending patterns. LAs, following discussions with Schools Forum, will be free to move funding between blocks.

Schools Block

46. The F40 proposals for Schools Block include;
- The national pot for the Schools Block to be top-sliced for PFI and exceptional pupil growth. (i.e. Exceptional pupil growth as defined by the DfE).
 - The Schools Block should then be distributed between local authorities on six formula factors:
 - Age weighted pupil unit
 - Deprivation
 - High incidence SEN/prior attainment
 - English as an Additional Language (EAL)
 - Lump sum
 - Sparsity
 - Area costs to be added

EY Block

47. The model proposes a flat amount:
- Each 2 year old on roll
 - Each 3&4 year old on roll
 - An allowance for deprivation using the number of 3&4 year olds qualifying for Early Year Pupil Premium (EYPP).
 - Area cost to be added

High Needs Block

48. Model 1 - Funding would be allocated through a formula-based high needs allocation with local authorities, in consultation with Schools Forums and local providers, having discretion to vary place numbers. The formula takes into account total pupil numbers, local population, IDACI data and area cost adjustment.
Model 2 – Funding will be distributed on pupil numbers alone.
49. The table below illustrates a direct comparison of the proposals with the 2016/17 indicative allocation for CBC.

Block		2017/18 F40 proposal 1 (M)	2017/18 F40 proposal 2 (M)	2016/17 Initial allocation (M)	Diff (M)
Schools		161.573	161.573	154.186	7.387
Early Years	3&4 year old	10.663	10.663	10.554	0.109
	2 year old	1.869	1.869	1.644	0.225
High Needs	Model 1	24.641	0	25.354	-0.713
	Model 2	0	26.793		1.439

If High Needs model 1 is applied, the net increase for CBC all blocks could be £7M, for model 2 the net increase would be £9.1M. The only block negatively impacted would be High Needs Block under model 1. However, the council is able to move money between blocks if required with School Forum approval.

Appendices:

None

Meeting: Schools Forum

Date: 21 September 2015

Subject: School Forum Budget

Report of: Director of Children’s Services

Summary: To provide an update on the use of the School Forum Budget for 2015/16.

Contact Officer: Dawn Hill, Priory House, Shefford

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

1. To note the School Forum spend to 31 August 2015.

Background

1. The School Forum Budget falls under Schedule 2 of The School and Early Years Finance (England) Regulations 2013. ‘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’ – ‘establishment and maintenance of, and consultation with, Schools Forums’. Any deduction must not exceed the amount deducted for the previous funding period.
2. A budget of £3,000 for 2015/16 has been set for costs associated with the operation of the Forum, with the continued membership of the F40 group and £2,000 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.

Expenditure 2015/16

3. The following table sets out the expenditure to 31 August 2015.

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2014/15	3,316		
Budget Allocation 2015/16	3,000		
F40 Subscription		(1,000)	
Total	6,616	(1,000)	5,316

Any balance remaining at year end will be carried forward to 2016/17.

Appendices: None

This page is intentionally left blank