

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 9 September 2016

NOTICE OF MEETING

SCHOOLS FORUM

Date & Time

Monday, 19 September 2016 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:

	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
	Karen Hayward, Headteacher, Sandy Upper School
School	Sue Howley MBE, Governor, Greenleas Lower School
Members:	Sharon Ingham, Headteacher, Hadrian Academy
	Kim McCamley, Headteacher, Sandye Place Middle School
	Anne Simpkins, Headteacher, Westfield Nursery
	John Street, Academy Middle School Representative
	Stephen Tikin, Governor, Beaudesert Lower School
	Rob Watson, Headteacher Stratton Upper School
	Mr M Foster, Trade Union representative
Non School	Mrs M Morris, Catholic Diocese Representative
Members	Mrs S Mortimer, Vice Principal, Curriculum & Strategic Partnerships, Central Bedfordshire College
Observer:	Cllr Steven Dixon, 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.

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AGENDA

1. **Apologies for absence**

To receive apologies for absence and notification of substitute members.

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

To approve the minutes of the previous meeting 13 June 2016 and to receive an update on any matters arising from these.

Proposals

Item	Subject	Page Nos.
3	Dedicated School Grant (DSG) Update and LA proposed amendments to Central Bedfordshire's Scheme for Financing Schools	13 - 26

This paper provides an update on the DSG and Growth Fund allocation for 2016/17 and funding arrangements for 2017/18. It asks Schools Forum to agree a DSG transfer from the Early Years block to the Schools block and to approve the LA proposed amendments to Central Bedfordshire's Scheme for Financing Schools.

Information

Item	Subject	Page Nos.
4	Dedicated School Grant Contingency Budgets	27 - 30
	To provide an update on the use of the School Contingency Budgets for 2016/17.	
5	School Forum Budget	31 - 32
	To provide an update on the use of the School Forum Budget for 2016/17.	
6	High Needs Block of the Dedicated Schools Grant (DSG) Update report regarding review of top-up element of high needs places and EHC Plans/Statements	To follow
	This report sets out the work agreed by the High needs Block Technical Sub Group regarding reviewing Top up payments for high needs placements and EHC Plans/statements.	
7	Early Years Funding Streams	To follow

To respond to Schools Forum request for information regarding Early Years and related Funding.

8 **Early Years Consultation**

33 - 36

To discuss the Early Years Consultation, questions previously circulated to the Forum.

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **SCHOOLS FORUM** held at Room 14, Priory House, Monks Walk, Shefford on Monday, 13 June 2016

PRESENT

David Brandon-Bravo (Chairman)
Sue Howley MBE (Vice-Chairman)

School Members:	Paul Burrett	Headteacher, Studham CofE Lower School and Pre-School
	Shirley-Anne Crosbie OBE	Headteacher, The Chiltern School
	Karen Hayward	Headteacher, Sandy Upper School
	Sharon Ingham	Headteacher, Hadrian Academy
	Kim McCamley	Headteacher, Sandye Place Middle School
	John Street	Academy Middle School Representative
	Stephen Tiktin	Governor, Beaudesert Lower School

Apologies for Absence: Ali Brabner
Cllr S Dixon
Mr M Foster
Mrs M Morris
Mrs S Mortimer
Anne Simpkins
Rob Watson

Officers in Attendance:	Mrs M Clampitt	Committee Services Officer
	Ms D Hill	Senior Finance Manager - Children's Services
	Miss H Redding	Assistant Director School Improvement

CBSF/16/1. Election of Chairman and Vice-Chairman for the municipal year 2016/17

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

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

Sue Howley MBE was the only candidate nominated and seconded. She was therefore appointed Vice-Chairman.

RESOLVED

- 1. that David Brandon-Bravo be elected Chairman of the Central Bedfordshire Schools Forum 2016/17.**
- 2. that Sue Howley MBE be elected Vice-Chairman of the Central Bedfordshire Schools Forum 2016/17.**

CBSF/16/2. **Minutes of the previous meeting and matters arising**

RESOLVED

that the minutes of the meeting of the Central Bedfordshire Schools Forum held on 14 March 2016 be confirmed and signed by the Chairman as a correct record, subject to the inclusion of Mrs K Hayward as being present at the meeting.

Under matters arising of the meeting held on 14 March 2016, the Forum had requested that a Technical Sub Group be formed for the Early Years Block and that the meetings take place after the Early Years Reference Group, as the membership is different.

The Terms of Reference for the Early Years Technical Sub Group must meet the Schools Forum regulations.

It was recommended that there be specific training provided for parts of the Early Years Funding to ensure clarity. Early Years Funding covers PVI's, nurseries, child minders, 2 yr funding and 3 yr funding.

The Forum noted the following regarding page 3 – 3rd bullet point – holiday provision:

1. SNOOSC – has no early years provision – split inclusion and core funding, lack of transparency and cannot be funded by DSG
2. Autism Beds – going to a panel not appropriate to be funded from DSG
3. Childcare provision – paper from Chair of Childcare panel to Schools Forum.

The Schools Forum has requested that a paper be brought to the September meeting covering the following:

1. What is funded from Early Years Block
2. What is funded in Early Years from High Needs Block
3. What other funding is used for Early Years or Early Help
4. Application for the Growth Fund – how do you apply
5. Extended Schools

Page 5 – The request to the Secretary of State for the additional funding for closing schools which was refused by the Schools Forum, has been found by the Council.

Page 7 – A concern was raised by Forum members, who sit on the Early Years Reference Group, relating to comments made by an Officer over the movement of funding from the Early Years Block to the High Needs Block prior to the freezing of money between Blocks at an Early Years Reference Group meeting. The Forum felt it was inappropriate for Officers to ask Schools Forum members about the validity of decisions taken at a formal quorate meeting whilst attending another meeting with external attendees.

Page 9 – NFFC – 4 attended – the conference was a waste of time. The first stage of the consultation on the national formula has been concluded but there is no date available for the second stage of the consultation. It was agreed that a refund for the cost of sending the delegates would be requested.

CBSF/16/3. **School Finance Update**

The Forum considered a report which provided an update on the 2015/16 Schools out-turn position, 2016/17 Risk Register, note the revised risk criteria and to discuss the proposal to reinstate the balance control mechanism for schools holding excessive uncommitted balances.

Central Bedfordshire had 87 maintained schools and 51 Academies as at 31 March 2016 with a delegated budget of £82.287m. Paragraph 10 of the report provides a breakdown of the maintained schools balances.

Approved licensed deficits were given to 1 nursery school, 3 lower schools and 1 middle school for 2015/16. 1 lower school and 1 middle school closed 2015/16 with licensed deficits in uncommitted revenue balances.

The Local Authority (LA) sought the views of the Schools Forum regarding the proposal to reinstate the clawback mechanism. The Forum agreed in principle to a consultation being carried out. The Forum also sought assurance that the consultation would clarify how the funds would be identified, contingency of set amount and possible clawback of amounts above and a time limit on the spending of the additional amounts. It was agreed that a detailed consultation framework would be reviewed by the Schools Forum prior to being sent to schools.

The categorisation of schools regarding risk was carried out in March 2016. There were two additional criteria introduced for Schools Causing Concern and Age Range Changes. The ratings were as followed:

No Rating: 50 schools
Green: 16 schools
Amber: 14 schools
Red: 7 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.

Appendix A to the report detailed the School 2015/16 Revenue and Capital Balances.

RESOLVED

- 1. That the Finance update for Schools be noted.**

2. That revised risk criteria be noted.
3. That the consultation with schools on an amendment to the Scheme of Financing Schools to reinstate the balance control mechanism be agreed.

CBSF/16/4. **Dedicated School Grant (DSG) Update and 2016/17 Funding Allocation**

The Forum received a report which provided an update on the Dedicated Schools Grant (DSG) and Growth Fund outturn for 2015/16 and 2016/17 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 2015/16

The Schools Block is based on a per pupil unit of funding of £4,289.09 multiplied by 35,866 pupils as reported on the October 2014 census.

The Early Years Block is based on a unit of funding of £3,979.80 multiplied by 2,652 full time equivalent number of pupils as reported on the January 2014 census. In April 2016, the block was updated for 7/12ths of the January 2014 pupil numbers to cover the period September 2014 to March 2015.

The High Needs Block is a single block of high needs pupils/students age 0 – 24. For 2015/16 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 2015/16 DSG based on the 51 Academy conversions at March 2016 was £192,114 (£89,800 went to Academies ISB). Direct payments to Academies included Early Years = £755k and High Needs = £3.482k. Paragraph 13 of the report provided a breakdown of the centrally retained DSG of £20.027m

A technical sub group has been set up to deal with High Needs Funding. A technical sub group is being set up to deal with Early Years Funding.

There is a carry forward to 2016/17 of £3.109m. The table in paragraph 12 of the report details the underspends. The underspend has been used in part to increase the Schools' individual budget for 2016/17 by £105k from School Contingency and a transfer to capital for Specialist Provisions of £784k from SEN Contingency.

Growth Fund Outturn 2015/16

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 2015/16 was set at £2m and has been underspent by £241,830. The Forum noted that any unspent from 2015/16 will be used for the same purpose in 2016/17. An adjustment is due from the EFA of £18k in respect of a Growth Fund payment to Academies. The adjustment will be included in the 2016/17 Growth Fund

DSG Budget Allocation 2016/17

The Forum noted that on 31 March 2016, the DfE announced the DSG for 2016/17 and that it would remain split into three notional blocks: school, high needs and early years.

The final DSG for 2016/17 is £195,576m. This is based on:

- Schools Block: £157.412m – which is based on the SBUF published in July 2015. For CBC the SBUF is £4,294.39 an increase of £5.30 from 2015/16 to take into account the non-recoupment academy now incorporated into SBUF for 2016/17. In addition, pupil numbers had increased by 777 to 36,643, based on October 2015 census.
- High Needs Block: £25,795m – which is based on the 2015/16 carry forward plus an additional top-up of £47m distributed based on the 2-19 aged population in each Local Authority.
- Early Years: £12,369m – which is based on the same rate as in 2015/16 £3,979.80 for three to four year olds. This includes the early year pupil premium (eypp) £300 per year per eligible pupil equating to £171k and funding for disadvantaged two year olds at an hourly rate of £5.03.

Paragraph 28 of the report provided a breakdown of the indicative DSG Revenue allocation of £195.576m for 2016/17.

Paragraph 31 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 £245k.

Paragraph 33 provided a breakdown of the centrally retained DSG of £19.46m for 2016/17.

The Forum were asked to consider the proposal, within paragraph 37, for a new allocation process for the Growth Fund 2016/17. The Forum agreed that “the proposal to make provisional payments to schools, based on a commitment to fund to an upper limit. Actual costs and supporting evidence will be required and an adjustment will be made to the provisional allocation. This will not apply to pupil led funding.”

The Forum noted that the first stage of the Schools and High Needs National Funding Consultation, which had been launched on 7 March 2016. The Forum met on the 12 April 2016 and agreed a formal response to the consultation which was submitted to the DfE. The second consultation will commence following the DfE’s consideration of all responses.

RESOLVED

- 1. That the 2015/16 DSG Outturn be noted.**
- 2. That the 2015/16 Growth Fund Outturn be noted.**
- 3. That the update on the 2016/17 DSG allocations be noted.**
- 4. That the procedural changes to the Growth Fund allocations be agreed.**
- 5. That the update on the National Funding Consultation be noted.**

CBSF/16/5. Dedicated School Grant Contingency Budgets

The Forum considered a report which provided an update on the use of the Schools Contingency Budget for 2015/16. It was noted that the Dedicated Schools Grant since 2013/14 had been split into three notional blocks: Schools, High Needs and Early Years and each holds its own contingency budget.

Schools Contingency

The Forum noted that £500k had been ring-fenced for the three schools which were closing through applying for the Secretary of State to disapply the regulations.

The balance, as at 31 May 2016, of £655,962 (which contains the £500,000 ring-fenced) is split between de-delegated ring fenced funding for maintained schools only of £671,572 and £104,555 for all schools.

High Needs Contingency

The balance, as at 31 May 2016, of £1,385,726.

Early Years Contingency

The balance, as at 31 May 2016, of £880,987.

RESOLVED

that the Dedicated Schools Grant (DSG) Contingency spend to 31 May 2016 be noted.

CBSF/16/6. **School Forum Budget**

The Forum received and considered a report which provided an update on the Schools Forum Budget for 2015/16.

The Senior Finance Officer confirmed that as at 31 May 2016, the remaining balance for the year was £5,788 of which £5,253 had been carried forward from 2015/16. It was noted that any unspent budget would be carried forward to the next year. It was noted that the budget for 2016/17 was £3,000 with the continued membership of F40.

The Forum agreed that a refund would be requested for the four people (2 officers and 2 members) who attended the conference on the national formula. The attendees were very disappointed with the information covered and the change of speakers.

RESOLVED

- 1. That the Schools Forum spend to 31 May 2016 be noted.**
- 2. That a refund be requested from the conference on the national formula.**

The Forum noted that the Clerk would be changing from the next meeting. The Forum thanked the existing clerk for her work with the Forum.

(Note: The meeting commenced at 6.00 p.m. and concluded at 7.40 p.m.)

Chairman

Dated

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Meeting: Schools Forum
Date: 19 September 2016
Subject: Dedicated School Grant (DSG) Update and LA proposed amendments to Central Bedfordshire's Scheme for Financing Schools

Report of: Director of Children's Services

Summary: This paper provides an update on the DSG and Growth Fund allocation for 2016/17 and funding arrangements for 2017/18. It asks Schools Forum to agree a DSG transfer from the Early Years block to the Schools block and to approve the LA proposed amendments to Central Bedfordshire's Scheme for Financing Schools.

Contact Officer: Dawn Hill, Priory House, Shefford

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

- 1. To note and comment on the update to 2016/17 DSG allocations.**
- 2. To agree the transfer of £226,821 for 2016/17 from the Early Years Block to the Schools Block (increasing to £237,044 2017/18).**
- 3. To note and comment on the update to 2016/17 Growth Fund.**
- 4. To note and comment on the 2017/18 funding announcement.**
- 5. To approve the LA proposed amendments to Central Bedfordshire's Scheme for Financing Schools.**

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. 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 2015 define the local authority education budgets (the non-schools education budget, the schools budget, the central expenditure and the Individual Schools Budget (ISB)). The regulations set out how local authorities are to allocate funding from 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. 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. LAs are 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 2015. The statement also includes 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

DSG Budget Allocation 2016/17

8. On 21 July 2016 the DfE announced details of the DSG for 2016 to 2017. The DSG remains split into three notional blocks; School, High Needs and Early Years.

School Block

9. The Schools Block is calculated based on school block unit of funding (SBUF) published in July 2015. For CBC the SBUF is £4,294.39 an increase of £5.30 from 2015/16 to take into account the non-recoupment academy now incorporated into the SBUF for 2016 to 2017. Central Bedfordshire's pupil numbers, based on October 2015 census data has increased by 777 pupils to 36,643.
10. 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 2016/17 (excluding sixth form funding) compared with 2015/16.

High Needs Block

11. The High Needs Block for 2015/16 has been carried forward plus:
 - Increase in places for academic year 2016 to 2017
 - Additional top-up of £47m distributed based on the 2-19 aged population in each LA.

Early Year Block

12. The Early Years Block includes:

- The 3 and 4 year old entitlement – set at the same per pupil rate as in 2015/16 of £3,979.80. This has been multiplied by pupil numbers from January 2015 early years census to give a provisional allocation. This has been updated in July 2016 based on the January 2016 pupil numbers and will be further updated in July 2017 based on 5/12ths of the January 2016 pupil numbers (to cover the April 2016 to August 2016 period) and 7/12ths of January 2017 pupil numbers (to cover the September 2016 to March 2017 period).
- Participation funding for disadvantaged two year olds – set at the same hourly rate as in 2015/16 of £5.03. The final allocation will be based on 5/12ths of January participation numbers plus 7/12ths of January 2017 participation numbers.
- The early years pupil premium will pay early year providers an addition £300 per year for each eligible child. The final allocation will be based on 5/12ths of January eligible pupil numbers plus 7/12ths of January 2017 eligible pupil numbers.

13. The table below illustrates the indicative DSG revenue allocation for 2016/17.

Block		2016/17 Allocation (M)
Schools	Schools Block	157.359
Early Years	3&4 year olds funding	10.431
	3&4 year olds adjustment (Jan Census)	(0.062)
	Indicative EYPP	0.139
	Indicative Two Year Olds Funding	1.658
High Needs	2015/16 HN base line	25.354
	Additional top-up	0.441
NQT		0.053
Total Indicative Allocation DSG		195.373

14. As in 2015/16 the DSG includes funding for the cost of monitoring and quality assurance of NQT induction (£53k).

15. 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.

16. 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);
- Copyright Licensing Agency (CLA);
- Education Recording Agency (ERA);
- Filmbank Distributors Ltd. (for the PVSL);
- Mechanical Copyright Protection Society (MCPS);
- Motion Picture Licensing Company (MPLC);

- Newspaper Licensing Authority (NLA);
- Performing Rights Society (PRS);
- Phonographic Performance Limited (PPL); and
- Schools Printed Music Licenses (SPML)

The CLA deduction for 2016/17 will be £245k, an increase of £3k from 2015/16.

17. The following table represent the distribution of the 2016/17 DSG based on the Academy conversion as at August 2016 (51 including the Free School and UTC)

	DSG £'000	ISB Academies £'000	Revised DSG £'000	ISB Schools £'000	Central Spend	
					LA £'000	Academies £'000
Schools	157,412	(88,789)	68,623	66,105	2,518	0
EY	12,166	0	12,166	8,873	1,815	1,479
High Needs	25,795	(3,718)	22,077	8,687	9,682	3,707
Total	195,373	(92,507)	102,866	83,665	14,015	5,186

18. The centrally retained DSG of £19.2M is further analysed in the table below;

Services	DSG £'000
Special Education Needs (Inc Post 16)	8,927
Academies Statements/Early Years	5,186
Two Year old Funding	1,658
EY Pupil Premium	139
Growth Fund	2,018
DSG Contribution to Central Overheads	719
School Admissions	260
School Contingency	4
DSG central adjustment (CLA)	245
Teachers Unions & Professional Associations	42
Early Years Contingency	0
School Forum	3
Total CE	19,201

19. In 2016 two Nursery Schools have merged with academies, Arlesey Nursery merged with Gothic Mede academy from 1 April 2016 and The Lawns Nursery merged with Biggleswade academy from 1 May 2016. The EY funding allocation for these academies will no longer include factors for Lump sum and Rates, these factors will be included within the School block. The LA is proposing that Schools Forum agrees to make a DSG transfer from EY Block to Schools block for the equivalent amount.
20. The Lump sum for a Nursery school is £100k. The amount to be transferred in 2016/17 is £191,667 (11/12ths for The Lawns). The total rates for both Nurseries amount to £37,044 (£14,364 for Arlesey and £22,680 for The Lawns). The amount required to be transferred in 2016/17 is £35,154. The total amount to be transferred in 2016/17 is £226,821 and £237,044 thereafter.

Growth Fund 2016/17

21. 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.
22. 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.
23. The following table sets out the expenditure to 31 August 2016.

	Budget £	Spent £	Balance £
2016/17 Allocation	2,018,000		
2015/16 B/F balance	241,830		
Growth Fund			
Alameda Academy		(32,146)	
Bigglewade Academy		(85,600)	
Church End Lower		(45,150)	
Clipstone Brook Lower		(52,570)	
Cranfield Academy		(207,241)	
Etonbury Middle		(321,726)	
Fairfield Park Lower		(75,260)	
Greenleas Lower		(45,876)	
Holywell Academy		(25,422)	
Leedon Lower		(45,150)	
Leighton Middle		(55,814)	
Redborne Academy		(45,396)	
Roecroft Lower		(45,150)	
Russell Lower		(45,150)	
Silsoe Lower		(100,468)	
St Marys Stotfold Academy		(19,275)	
Total Growth Fund	2,259,830	(1,247,394)	1,012,436

24. The revised School and Early Years Finance Regulations 2015 allows LAs to carry over any unspent money from the 2016/17 growth and infant class size funds to be used for the same purpose in 2017/18.

Funding announcement for 2017/18

25. On 21 July 2016 the DfE announced funding arrangements for 2017/18. For 2017 to 2018, the government has confirmed that no local authority will see a reduction from their 2016 to 2017 funding on the schools block of the DSG (per pupil funding) or the high needs block (cash amount). Final allocations for schools and high needs blocks will follow in December 2016 on the basis of pupil numbers recorded in the October 2016 census.
26. The current minimum funding guarantee (MFG) for schools will be retained so that no school can face a funding reduction of more than 1.5% per pupil in what it receives through the local authority funding formula, providing continued protection from excessive year-on-year changes.
27. Early this year the DfE carried out an exercise with local authorities to '**re-baseline**' the DSG blocks for each local authority. The DfE have used these new 2016 to 2017 baselines in calculating allocations for the schools block and high needs block in 2017 to 2018.
28. The schools block baseline will also include funding for the previous Education Services Grant (ESG) retained duties (£15 per pupil) which will be transferred into the schools block for 2017/18 (£618k for CBC). LAs will be able to retain funding from the DSG from maintained schools, including special schools and pupil referral units (PRUs), for statutory duties previously covered by the ESG.
29. The DfE have recalculated the schools block per pupil unit. For CBC this will be £4,314.16 an increase of £19.77; due to the transfer of the ESG retained duties and the one off DSG funding of £105k added to schools in 16/17. The recalculation of baselines has resulted in CBC improving their ranking in the per pupil funding table (33rd less funded compare to 19th in 16/17).
30. The HN block for 2017/18 will include £125M in total from the department's post-16 budget. This is a transfer of place funding for high needs places in further education (FE) colleges and post-16 charitable and commercial providers. These institutions currently receive £6k per place from the EFA as part of their post-16 allocations. This place funding has been paid out of a separate departmental budget and from 2017/18 all of these places will be funded from the initial high needs block allocations to LAs. Deductions will then be made to fund institutions directly, as a result of information collected from LAs, before the high needs block allocations are finalised in March 2017. The EFA will continue to pay this place funding directly to institutions. For CBC this transfer is £678k

31. The table below illustrates the estimated DSG for 2017/18.

Block		2017/18 Allocation (M)
Schools	Schools Block baseline	157.466
	ESG Retained Duties transfer	0.618
Early Years	3&4 year olds baseline	10.409
	Indicative EYPP	0.139
	Indicative 2 Year Olds funding	1.658
High Needs	HN baseline	25.886
	Post-16 budget funding transfer	0.678
Total Indicative Allocation DSG		196.854

32. To ensure that LAs can start planning budgets for next year with certainty, proposals made in the first stage of the national funding formula consultation to create a new central schools block, allow local flexibility on the minimum funding guarantee and to ring-fence the schools block within the dedicated schools grant will not be implemented for 2017/18.
33. 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.
34. The DfE will launch the second stage of the national funding formula consultation for schools and high needs in the autumn, to apply from 2018/19. On the 11 August 2016 the DfE launched the consultation to set out plans for a national funding formula for early years, this consultation closes on 22 September 2016.

Amendments to CBC's Scheme for Financing Schools

35. At the Schools Forum meeting on 13 June 2016, Schools Forum agreed to consult with all maintained schools on an amendment to the Scheme for Financing Schools to reinstate the balance control mechanism section:
- **4.2 – Controls on Surplus Balances**
36. The LA is also proposing to amend the following sections of the scheme:
- **2.14 – Capital Spending from Budget Share** to provide further clarity where the school budget share is used to meet the cost of capital expenditure on the school premises in accordance with Councils procedures and responsibilities for repairs and maintenance (paragraph 12 of the scheme).
 - **4.10 – Licensed Deficit** to add further reference to the Scheme which requires schools to apply for a provisional Licensed Deficit where financial forecast of future years are predicting a deficit.

- **6.2 – Circumstances in Which Charges May Be made** to add to conditions in which schools budget share is charged where a school has failed to provide evidence of the actual costs incurred for expenditure that the school has claimed on the provisional Growth Fund.
37. The consultation with maintained schools took place from 1 July 2016 to 29 July 2016. A letter and proposed amendments (Appendix A) were emailed to all maintained schools and also made available on the schools learning portal.
 38. The LA received 19 responses in total (22% of schools) – 1 nursery, 14 lower, 1 middle, 2 upper and 1 Special schools. Sixteen schools agreed in principle to the inclusion of the balance control mechanism.
 39. Option 3 implementing a 10% (secondary and special schools) and 15% (primary and nursery) of ISB allowable balance was the preferred option.
 40. The additional proposed changes detailed in paragraph 36 received three responses (1 school agreed, 2 schools disagreed).
 41. The LA proposes to implement the changes with School Forum's agreement, with immediate effect based on the attached scheme including Option 3.

Appendices:

Appendix A – Scheme for Financing Schools LA's proposed changes September 2016.

Appendix A

2.14 Capital Spending from Budget Shares

Governing bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises¹ in accordance with the Councils accounting procedures. (The Central Bedfordshire Council's capital de-minimis is £2,000). However, schools are not permitted to use their budget shares to contribute to capital works.

- (a) if this results in a in-year deficit or overall accumulated revenue deficit or
- (b) if existing devolved formula capital balances are held by the school for the current or previous financial years.

The condition (a) above excludes contribution for repairs and maintenance described in Section 12 of the scheme where the LA has required schools to contribute for items such as health and safety testing and servicing of electrical wiring and emergency lighting systems, fire alarm systems and heating systems and appliances, as well as kitchen maintenance and pest control.

The governing body must notify the LA in advance of any such expenditure in excess of £10,000.

If the expected capital expenditure from the budget share in any one year will exceed £10,000 the governing body must additionally take into account any advice from the authority's designated Director of Children's Services as to the merits of the proposed expenditure.

Where the premises are owned by the LA, or the school has voluntary controlled status, then the governing body shall seek the consent of the LA to the proposed works. However, consent for building work can only be withheld by the LA on Health and Safety grounds.

4.2 Controls on Surplus Balances

Surplus balances held by schools are permitted under this scheme and to subject to the following restrictions with immediate effect. ~~Central Bedfordshire does not operate a balance control mechanism. The LA will monitor schools that have build up significant uncommitted balances, and challenge schools seeking reasons for holding these balances.~~

- (1) For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;
- (2) the Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance;
- (3) the Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned (earmarked) for specific

¹ This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the 1998 Act.

purposes permitted by the authority, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums. The Authority may not take into account any change in planned assignments which could be the sole reason for considering that a sum is not properly assigned.

(4) (calculation of claw-back amount - one of the options below)

Option 1

if the result of steps (1) – (3) is a sum greater than 5% of the current year's budget share for secondary schools, 8% for nursery, primary and special schools, or £25,000 (where that is greater than either percentage threshold), then the Authority shall deduct from the current year's budget share an amount equal to the excess.

Option 2

if the result of steps (1) – (3) is a sum greater than 5% of the current year's budget share for secondary schools, 8% for nursery, primary and special schools, or £25,000 for schools more than 100 pupils and £35,000 for schools with less than 100 pupils (where that is greater than either percentage threshold), then the Authority shall deduct from the current year's budget share an amount equal to the excess. (note: in 16/17 we have 22 lower schools with less than 100)

Option 3

if the result of steps (1) – (3) is a sum greater than 10% of the current year's individual school budget share for secondary and special schools and 15% for primary and nursery schools, then the authority shall deduct from the current year's budget share an amount equal to the excess.

Funds deriving from sources other than the Authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

Funds held in relation to a school's exercise of powers under s.27 of the Education Act 2002 (community facilities) will not be taken into account unless added to the budget share surplus by the school as permitted by the Authority.

Where the total balance exceeds the threshold's set out in (4) above, Governing bodies are required to report to the LA on the use which the school intends to make of surplus balances – after taking account of any earmarked funds, as per the annual CFR return.

The following list of purposes and/or projects which may be permitted by the Authority for deduction from the schools surplus balances when calculating the claw-back amounts.

- Revenue contribution to a specific capital project which has been costed and planned for the use of devolved formula capital received or described in the LA capital programme, including ICT and equipment.
- Managing short-term implications of pupil numbers whilst class and/or staffing structures are revised.

- Managing long-term unexpected staff sickness.
- Monies held on behalf of another school that will be distributed or spent in the next financial year.

All such expenditure must be clearly costed and identified within the school's financial plan submitted to the Authority. The plan will be reviewed and agreed by a Sub Group of the Schools Forum, each year and monitored to ensure such surpluses are used appropriately for the benefit of the school. The Sub-Group of the Schools Forum will consider the explanations provided by schools and make recommendations to the Authority, it is the Authority that will ultimately determine whether deduction of 'excess balances' is to be made.

The total of any amounts deducted from schools' budget shares by the Authority under this provision are to be applied to the Schools Budget of the Authority for the following financial year. Any surplus balances removed from schools will be redistributed to all maintained schools (excluding academies) holding less than the permitted surplus percentages/amount in the following financial year.

The calculation of the excess balance will be notified by a letter in the format of Appendix (E). Schools will also be required to complete the Declaration of Earmarked Funds and Surplus Balances, which must be submitted to the LA and supported by relevant evidence.

Relevant evidence must support B02 Uncommitted Revenue Balances and be in written form and may comprise of:

Finance Governors Minutes

Three year plans

Projected Pupil Numbers

Correspondence with Contractors

Any other relevant information

APPENDIX (E)

The Head Teacher and Chair of Governors

Dear Colleague

2016/2017 Confirmation of School Budget Surplus / Deficit Balances

I am writing to confirm your final position for _____, which should correspond to that previously reported to you in your Period 13 report and your Final CFR return.

Your school had a balance of £ _____ (including earmarked funds) as at 31st March 2017.

<u>Committed Revenue (B01)</u>	<u>-</u>	<u>Per your CFR Return</u>
<u>Uncommitted Revenue (BO2)</u>		<u>Per your CFR Return</u>
<u>Devolved Formula Capital (B03)</u>	<u>-</u>	<u>Per your CFR Return</u>
<u>Other Capital (B05)</u>	<u>-</u>	<u>Per your CFR Return</u>
<u>Extended School Balance (B06)</u>	<u>-</u>	
<u>Total Reserves</u>	<u>£</u>	

These balances are subject to Section 4 The treatment of Surplus Balances in the Scheme for Financing Schools and are subject to claw-back of £ _____ calculated as per Section 4 of the Scheme.

<u>Uncommitted Revenue (BO2)</u>	<u>£</u>
<u>5,8% and other thresholds allowed</u>	<u>£</u>
<u>Claw-back</u>	<u>£</u>

Where schools have a surplus balance that exceeds above thresholds prescribed in section 4 of the Scheme, the Governing Body are required to put in place a financial plan which gives explanations of holding these balances. Relevant evidence must support B02 Uncommitted Revenue Balances and be in written form and may comprise of:

- Finance Governors Minutes
- Three year plans
- Projected Pupil Numbers
- Correspondence with Contractors
- Any other relevant information

The plan will be reviewed and agreed by a Sub Group of the Schools Forum. If the Sub Group of the Schools Forum is minded to believe that the school is not retaining the balance for appropriate reasons, then the excess amount of £....will be clawed back from school's budget share.

Yours sincerely,

4.9 Licensed Deficit

Add:

Where financial forecast of the future years are predicted to be in deficit, Schools are required to apply for a provisional licensed deficit. The request for a provisional licensed deficit must be supported by an explanation of the circumstances, which are forecast to cause the School's budget to go into deficit and a detailed recovery plan. The plan will include as a minimum:

- Forecast pupil numbers and other key drivers over the expected recovery period (maximum 3 financial years)
- Detailed information of staffing costs.
- Identification of risks which may impact on the likely recovery plan and an assessment of the likelihood that each risk will occur; the consequent impact on the recovery and what action will be taken to mitigate these effects.

6.2 Circumstances In Which Charges May Be Made

Add:

6.2.20 Recovery of monies from a school relating to provisional Growth Fund payments, where a school has failed to provide evidence of the actual costs incurred for expenditure that the school has claimed on the provisional Growth Fund payments. (i.e. evidence for allocations made based on estimated costs such as; Programme Management, Accommodation, Staffing, Recruitment, Marketing)

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Meeting: Schools Forum
Date: 19 September 2016
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 2016/17.

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 2016.**

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 2015; '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 unforeseen circumstances and any potential overspends in the centrally retained High Needs Budgets. The following issues remain unresolved:
- The resource implications of changes in SEND provision through the implementation of the Children and Families Act in 2014 is determined.
 - The final allocation for High Needs places
 - The implications of the development of Central Bedfordshire's vision for Special Schooling and Specialist Provision, including capital costs.

Early Years Block

5. Early Years provision is funded based on predicted total number of hours' 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 2015. The Early Years Contingency budget has been set aside to fund the headcount adjustment that is allowable within the regulations.

Update

School Contingency

6. The following table sets out the expenditure to 31 August 2016:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2015/16	776,127		
Unallocated DSG (All Schools)	4,390		
School Split Site Funding		(20,000)	
Transfer to ISB		(104,555)	
Total School Contingency	780,517	(124,555)	655,962

7. The C/F balance of £776,127 is split between de-delegated ring fenced funding for Maintained schools only of £671,572 and £104,555 for all schools. The balance of the de-delegated funding will be applied to the closing schools deficits. The remaining balance has been redistributed to all schools in 2016/17 via the Age-Weighted Pupil Unit (AWPU).

High Needs Contingency

8. At the meeting of the 14 March 2016 School Forum agreed in principle an application to the Secretary of State (SoS) to transfer unspent 2015/16 HN Block DSG to capital. On 16 June 2016 the SoS agreed the transfer. The funding will

support increasing demand for places in specialist SEND provisions and a contribution towards the expansion of primary and secondary provision at Ivel Valley Special School and also the expansion of the Alternative Provision Academy of Central Bedfordshire.

9. The following table sets out the expenditure to 31 August 2016:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2015/16	783,877		
Transfer to capital development in specialist provisions		(783,877)	
Unallocated HN Block 2016/17	606,980		
Academy of Central Bedfordshire Rates Funding		(5,131)	
Post 16 HN places (Manshead Upper)		(20,000)	
Total High Needs Contingency	1,390,857	(809,008)	581,849

Early Years Contingency

10. The following table sets out the expenditure to 31 August 2016:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2015/16	819,823		
Unallocated Early Years Block 2016/17	395,740		
EY Block adjustment (Jan15 – Jan16)		(185,374)	
January 2016 census adjustment		(334,576)	
Biggleswade academy Split Site		(110,000)	
May 2016 census adjustment		(37,433)	
Total Early Years Contingency	1,215,563	(667,383)	584,180

Appendices:

None

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Meeting: Schools Forum
Date: 19 September 2016
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 2016/17.

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 2016.**

Background

1. The School Forum Budget falls under Schedule 2 of The School and Early Years Finance (England) Regulations 2015. ‘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 2016/17 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.

Update

3. The following table sets out the expenditure to 31 August 2016:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2015/16	5,253		
Budget Allocation 2016/17	3,000		
F40 Subscription		(1,000)	
General and Travel Expenses		(185)	
Training Expenses		(1,450)	
Total	8,253	(2,635)	5,618

4. Any balance remaining at year end will be carried forward to 2017/18.

Appendices: None

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<https://consult.education.gov.uk/early-years-funding/eynff>

Questions posed in Early Years National Funding Formula Consultation.

	Answer	Any Comments?
<p>P.27 Questions</p> <p>Should there be an early years national funding formula (to distribute money from central government to each local authority)?</p> <ul style="list-style-type: none"> • To what extent do you agree with the proposed funding floor limit, so that no local authority would face a reduction in its hourly funding rate of greater than 10%? 		
<p>p.27 Questions: Considering a universal base rate of funding which does not vary by local area...</p> <ul style="list-style-type: none"> • Should a universal base rate be included in the early years national funding formula? • Is 89.5% of overall funding the right amount to channel through this factor? 		
<p>p.30 Questions: Considering an additional needs factor...</p> <ul style="list-style-type: none"> • Should an additional needs factor be included in the early years national funding formula? • Do we propose the correct basket of metrics? • Do we propose the correct weightings for each metric? 		
<p>p.31 Questions:</p> <p>Considering an area cost adjustment...</p> <ul style="list-style-type: none"> • Should the early years national funding formula include an area cost adjustment? • Should that adjustment be based on staff costs (based on the General Labour Market measure) and on nursery premises costs (based on rateable values)? 		
<p>p.32 Questions: To implement the increased hourly rate for the two-year old free entitlement...</p> <ul style="list-style-type: none"> • Should we retain the current two-year-old funding formula? • Should we use the additional funding secured at the spending review to uplift local authorities' allocations based upon this? <p>Considering the Dedicated Schools Grant...</p> <ul style="list-style-type: none"> • Should the free entitlement be capped at 30 hours for children of eligible working parents and 15 hours for all other children? 		
<p>p.35 Questions:</p> <ul style="list-style-type: none"> • Should Government set the proportion of early years funding that must be passed on to providers? • Do you think that 95% is the correct minimum 		

<p>proportion of the money that should be passed from local authorities to providers?</p>		
<p>p.36 Question: Should local authorities be required to give the same universal hourly base rate to all childcare providers in their area?</p>		
<p>p.39 Question: • Should local authorities be able to use funding supplements?</p>		
<p>p.39 Questions: • Should there be a cap on the proportion of funding that is channelled through supplements? • If you agree that there should be cap on the proportion of funding that is channeled through supplements, should the cap be set at 10%?</p>		
<p>p.43 Questions: • Should the following supplements be permitted? Deprivation, sparsity / rural areas, flexibility, efficiency, additional 15 hours • When using funding supplements, should local authorities have discretion over the metrics they use and the amount of money channeled through each one? • If you agree that efficiency / additional 15 hours should be included in the set of supplements, do you have a suggestion of how should it be designed? • If you think any additional supplements should be permitted which are not mentioned here, please set out what they are and why you believe they should be included.</p>		
<p>p.47 Questions: • Should there be a Disability Access Fund to support disabled children to access their free entitlement? • Should eligibility for the Disability Access Fund be children aged 3 or 4 which are a) taking up their free entitlement and b) in receipt of Disability Living Allowance? • When it comes to delivering the funding for the Disability Access Fund, is the most appropriate way the existing framework of the Early Years Pupil Premium?</p>		
<p>p.51 Questions: • To what extent do you agree that a lack of clarity on how parents / childcare providers can access financial support results in children with special educational needs not receiving appropriate support? (We mean children who</p>		

<p>do not already have an Education, Health and Care Plan) When it comes to establishing an inclusion fund...</p> <ul style="list-style-type: none"> • Should local authorities be required to establish an inclusion fund? • Would an inclusion fund help improve the supply of appropriate support children receive when in an early years setting? • If you envisage any barriers, arising from existing practice or future proposals, to introducing a new requirement on local authorities to establish an inclusion fund, please tell us what they are and how they might be overcome. <p>When it comes to the SEN inclusion fund, should local authorities be responsible for deciding...</p> <ul style="list-style-type: none"> • The children for which the inclusion fund is used? • The value of the fund? • The process of allocating the funding? • Where specialist SEN or SEND services are delivered free at the point of use, should they be considered as funding passed directly to providers for the purposes of the 95% high pass-through? 		
<p>p.53 Question:</p> <ul style="list-style-type: none"> • To what extent do you agree with the transition approach proposed for the Early Years National Funding Formula (money distributed from Government to local authorities)? 		
<p>p.53 Question:</p> <ul style="list-style-type: none"> • To what extent do you agree with the transition approach proposed for the high pass-through of early years funding from local authorities to providers? 		
<p>p.54 Question:</p> <ul style="list-style-type: none"> • To what extent do you agree that our proposals on the high pass-through of funding from local authorities to childcare providers makes the existing Minimum Funding Guarantee for the early years unnecessary? 		
<p>p.54 Question:</p> <ul style="list-style-type: none"> • To what extent do you agree with the transition approach proposed for introducing the universal base rate for all providers in a local authority area? 		
<p>p.55 Question:</p> <ul style="list-style-type: none"> • Please provide any representations / 		

<p>evidence on the impact of our proposals for the purposes of the Public Sector Equality Duty (Equality Act 2010). The protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race (including ethnicity); religion or belief; sex and sexual orientation.</p>		
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