

Schools Forum

9th December 2008

**4pm, Training Room 2,
North London Business Park**

Agenda and Papers

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Agenda

PART A

4:00pm The Schools Forum role in minimising the risk to school budgets
briefing by Geoff Boyd – consultant to the Schools Forum

PART B

4:30pm Main meeting

1. Apologies for absence
2. Minutes of previous meeting: 23 Sept 2008
3. Matters arising
4. Items for Agreement
 - 4.1. *School Balances at 31 March 2008*
5. Items for Information
 - 5.1. *Progress on Extending the Free Entitlement for 3 & 4 year olds*
 - 5.2. *JCOSS – new secondary school and resourced provision*
 - 5.3. *SEN costs in Barnet*
 - 5.4. *Dedicated Schools Grant 2008/9*
 - 5.5. *Dedicated Schools Grant 2009/10*
6. Any Other Business

Dates for future meetings:

Jan 2009	4:00pm – additional meeting	
Tue 10 th Feb 2009	4.00 pm	
Tue 12 th May 2009	4.00 pm	(to be rearranged)
Tue 7 th Jul 2009	4.00pm	

Membership

Schools Forum Membership

as at 26th November 2008

Ms	Anthea	Abery	Rosh Pinah	Head	Primary	VA
Ms	Jo	Djora	Coppetts Wood	Head	Primary	Community
Ms	Jayne	Franklin	Childs Hill School	Head	Primary	Community
Mr	Kevin	Hoare	Finchley Catholic High School	Head	Secondary	VA
Ms	Kate	Webster	Queen Elizabeth Girls School	Head	Secondary	Community
Ms	Dee	Oelman	St Mary's & St John's	Head	Primary	VA
Dr	John	Marincowitz (Chair)	Queen Elizabeth's School, Barnet	Head	Secondary	Foundation
Ms	Jeanette	Adak	Monkfrith	Head	Primary	Community
Mrs	Helen	Schmitz	Cromer Road Primary School	Head	Primary	Community
Ms	Jodi	Gurney	Hampden Way	Head	Nursery	Community
Mrs	Lynda	Walker	Oak Lodge School	Head	Special	Community
Mr	Tim	Bowden	Holy Trinity	Head	Primary	VA
	VACANCY		VACANCY	Head	Secondary	Community

GOVERNORS

Mr	Derrick	Brown	Headteacher, Ashmole	Governor	Secondary	Foundation
Ms	Hazel	Godfrey	Governor, Broadfields	Governor	Primary	Community
Mr	Jonathan	Hewlings	Governor, East Barnet School	Governor	Secondary	Community
Mr	Ken	Huggins	Governor, The Compton	Governor	Secondary	Community
Mr	Gilbert	Knight	Governor, Oakleigh	Governor	Special	Community
Mr	Stephen	Parkin (Vice Chair)	Governor, St Mary's CE High	Governor	Secondary	VA
Ms	Elizabeth	Pearson	Governor, Holly Park & Livingstone	Governor	Primary	Community
Mr	Anthony	Vourou	Governor, St John's N11	Governor	Primary	VA

NON-SCHOOL MEMBERS

Mr	Mick	Quigley	Principal Inspector, Children's Service	Other	Stakeholder – SIPs
Mr	Alan	Homes	NASUWT	Other	Union
Ms	Angela	Murphy	Bishop Douglass	Other	14-19 Partnership
Ms	Sarah	Vipond	Middlesex University Nursery	Other	Private Early Years Providers

OBSERVERS

Ms	Angela	Trigg	London Academy	Principal	Academies
Mr	Hassan	Shami	Learning Skills Council	Other	
Cllr	Fiona	Bulmer	Cabinet Member for Children	Other	

OTHER ATTENDEES

Mr	Martin	Baker	Acting Director of Children's Service	Officer	
Ms	Linda	Parker	Joint Head of Finance – Children's Service	Officer	
Ms	Denise	Murray	Joint Head of Finance – Children's Service	Officer	
Mr	Nick	Adams	Schools Finance Services Manager, Children's Service	Officer	
Ms	Carol	Beckman	School Funding Manager – Children's Service	Officer	
Ms	Sarosh	Malik	School Resources & Support Officer – Children's Service	Officer	Minutes
Mr	Graham	Durham	Assistant Director of Children's Service	Officer	
Mr	Geoff	Boyd	Consultant	Other	

Item 4.1: School Balances

Report to: Schools Forum
Date: 9th December 2008
From: Nick Adams, School Finance Services Manager
Subject: School Balances

Introduction

At the meeting of the Schools Forum on 23 September the Forum noted the information on school balances and the action taken to date and agreed that further information should be obtained. Namely that of the 24 schools subject to claw-back review, all schools with balances greater than £50k will be asked for further information about how under-spend occurred and plans (with a timetable) of how the money will be spent, subject to information already supplied. This will include questions about unspent SF grant and the school's planning processes. Accordingly 22 of the 24 schools were written to and asked for information on three key areas.

Standards Funds (SF)

Many schools did not give a reason for SF grants not being spent in the financial year but stated that they had until the 31 August 2008 to spend the grant and that it was spent by that date.

Among the reasons given by schools were

- Staffing vacancies or maternity leave e.g. ASTs, EMAG
- Chartered teachers payments to be made in summer term
- Excess funds so carried forward SF
- Late notification of grant

Analysis of the timescale of allocation of SF grants shows that over 90% is allocated before the beginning of the financial year and 99% allocated by Nov 2007. Details are given below –

Timing of Allocation of Standards Funds 2007/8

Revenue Grant	Mar-07	As at Sep 07	As at Nov 07	As at Mar 08	Total
SDG	10,932,436	26,620	184,335	-	11,143,392
SSG	6,807,043	0	-	-	6,807,043
SSG(P)	2,099,627	0	-	-	2,099,627
EMAG	2,259,862	0	-	-	2,259,862
School Meals	156,951	0	-	20	156,971
Extended Schools	-	0	82,500	199,616	282,116
Targeted Primary	-	482,676	122,805	2,037	607,518
Targeted Secondary	-	330,019	57,717	-	387,736
Aim Higher	-	40,443	34,535	34,695	109,673
London Challenge/CLT	-	525,000	-	19,200	544,200
E-Learning Credits	247,498	12,441	-	-	259,940
Walking to School	-	14,000	-	-	14,000
TOTAL	22,503,417	1,431,200	481,892	255,568	24,672,077
%	91.2%	5.8%	2.0%	1.0%	100.0%

Clarification was sought from the DCSF as to rationale for the 17 month spending period for SF grants and the following advice was given –

Standards Fund is allocated for a financial year, with an extension to 31 August to allow more flexibility of spending across the academic year. We would expect most of it to have been spent by 31 March.

Spending Plans

Most schools gave details of spending plans but few supplied dates of when items would be completed.

Some new Heads had been left sizable balances and were clear there were numerous spending needs which they were evaluated along with governors.

Themes included were

- Spending on setting up Children's Centres in 2008/09
- Revenue expenditure associated with building project
- Direct revenue funding of capital works
- Curriculum development e.g. Year of Reading
- Staffing increases
- ICT developments
- Designated contingency for anticipated decrease in funding due to falling rolls

One school commented that after removing the unspent SF grant its revenue balance was well within the "recommended guideline of 5%", thus giving the impression that schools may be misinterpreting the % in the Claw-back clause as a an indication of balances to be held rather than the maximum before claw-back is required.

School Planning Process

The following was put to the 22 schools in relation to planning –

"The high level of revenue balances of Barnet schools has given rise to concern that schools have difficulty in planning the use of revenue resources and in particular the preparation of medium term School Improvement Plans and financial plans and relating one to another. Please let me have any comments you feel are relevant to school planning and the management of balances"

There was a limited direct response to this request, but some comments were

- Uncertainty of Early Years Funding
- Uncertainties over building programme
- School is very prudent and works hard to get value for money, any contingency is well planned for. Happy to spend all would require additional support when school goes into deficit.
- Practicalities of obtaining quotes/specs., permissions etc
- Some works only practical in summer holidays
- Difficulties in planning new curriculum with lack of government guidance

No school commented that they did not have the "tools" for the job or had difficulty in this area, although a number of queries have been raised by schools in relationship to the requirement under the national Financial Management Standard for a medium term School Improvement Plan with costs of relevant items. At the time of writing (December 08) all but 3 schools have passed FMSiS in the 2006/07 and 2007/08 phases meaning that 57 schools had meet the requirements including evidence of school planning, although this is evidence of plans rather than the quality or effectiveness of the plans .

Summary

The further investigation has confirmed the following.

- That schools spend SF grant over the 17 month period because they are allowed to and that deferring spending of SF grants allows a school with significant revenue balances to avoid claw-back.
- That schools have spending plans but these are not always planned and executed sufficiently in advance to reduce revenue balances to a modest contingency.
- Schools do not present any consistent difficulties in school planning.

Further Considerations and Action

In 2007/08 the total revenue balances indicated by the September Forecasts were £5.2m, this increased to £6.4m as at December and the actual balances totalled £8.4m. The total revenue balances indicated by the September 2008 Forecasts are 6.0m.

Whilst the national picture with regard to Revenue Balances has yet to be announced it is understood that, as in the case of Barnet they have increased in line with the national trend over recent years. If that is the case it is likely that Ministers will either implement the previously suggested 5% compulsory removal of balances and/or take this in to account in setting funding and grant levels.

In the light of the current position the Acting Director of Children's Service intends to take the following actions:

- remind Heads of the current procedures in respect of reviewing schools with revenue balance in excess of 5 or 8% and advise them that in future detailed evidence will be required in respect of sums assigned to projects and the reasons for their deferral and the need for verification of unspent Standards Funds.
- That SIPs, as part of the routine annual cycle of visits, be asked to verify the planning process and detailed use of revenue balances for all schools that have had balances in excess of 5 or 8% for the last two years.
- That training/support be offered to schools on the need to have medium term School Development Plans and financial plans that relate to each other to develop skills and knowledge of "best practice" among Barnet schools
- That should revenue balances at the end of 2008/09 be significantly increased from 2007/08 the LA will consider revising the Scheme for Financing Schools in conjunction with the Schools Forum, with a view to reducing balances.

It is suggested that the Forum endorse the action of the Director and comment on aspects it considers particularly significant.

Nick Adams

School Finance Services Manager

Item 5.1: Extending the Free Entitlement

Report to: Schools Forum
Date: 9th December 2008
From: Carol Beckman, School Funding Manager
Subject: Extending the Free Entitlement

The Early Years Working Group (EYWG) met on 26th November shortly after a half-day conference about the changes to the free entitlement. The conference attracted headteachers, managers, governors and financial staff from a wide range of early years providers, both maintained and private.

Most schools and settings have begun planning for the changes in both organisation and funding which will affect them over the next two years. A major concern among all providers is the difficulty in planning staff changes without knowing how funding changes will affect them. Conversely, development of a fair and equitable funding formula will depend on how individual settings are organised. Another common concern is maintaining the quality of the Early Years Foundation Stage (EYFS) with the introduction of more flexible attendance. Delivery of the extra 2½ hours per week per child is more of a problem for maintained schools than private providers many of whom are open longer hours already.

Project Management

Sheila Abbott, interim manager for the Building Resilience Supporting Independence (BRSI) team has been appointed the project manager responsible for managing the coming changes working closely with the strategic lead Mark Gurrey, Diane Lewis (standards) and Carol Beckman (funding)

The first priority is to identify and begin to work with schools and settings who will be extending their hours for the 25% most deprived children from September 2009. These settings will to some extent be pathfinders for other providers. We have been using the 'Income Deprivation Affecting Children Index' (IDACI) which is linked to a child's postcode to analyse each setting's deprivation level. It is planned that the increased entitlement will be made available in wards or similar geographical areas where there is the greatest level of deprivation and in settings able to manage the changes.

Funding Formula

Work on developing a funding formula has begun and we have looked at the cost analysis data collected from a number of settings. Like other authorities, the response to Barnet's survey, even with the assistance of Barnet Pre-School Learning Alliance, has been low and some returns may not be reliable. Average costs show that current funding rates are in the right region, but there is very wide variation between different types of settings.

The main elements of the funding formula are expected to be:

- A base rate per pupil
- Additional funding for additional educational need, probably based on IDACI

Enthusiasm for a basic entitlement for all settings and financial incentives (eg for quality, staff qualifications and flexibility) has been muted, as has an element for profit in PVIs.

Funding is currently based on sessions provided or attended but this will change to reflect the hourly attendance of children. In line with this both schools and PVI's will have to report nursery age children's attendance by hour from January 2009.

The DCSF has stressed that funding formulae and the delivery of an extended, more flexible free entitlement are for local decision making, however they have run or contributed to a number of conferences in the last three months where they have clarified policy and demonstrated the work of some of the 25 pathfinder authorities. Their website now has an extensive range of documents from which settings and local authorities can learn and some members of the Barnet working group have arranged visits to settings in pathfinder authorities.

The next meeting of the EYWG was scheduled for the end of March, but in recognition of the work load, the EYWG has arranged an additional meeting on January 28th.

Carol Beckman
School Funding Manager

Item 5.2: Jewish Community Secondary School

Report to: Schools Forum
Date: 9th December 2008
From: Carol Beckman, School Funding Manager
Subject: Jewish Community Secondary School

The Jewish Community Secondary School (JCoSS) will open as a voluntary aided school in September 2010 on the vacated East Barnet upper school site. The school will admit 180 children per year, starting with Year 7 and growing each year. A 6th form will open later on. JCoSS will operate a resourced provision for autism which will grow by 7 pupils per year to a maximum size of 50.

The school is likely to attract a substantial number of children from outside Barnet, or Barnet children who would otherwise have attended non Barnet maintained or private schools. These extra children will increase the amount Barnet receives from the government in the Dedicated Schools Grant (DSG).

There is increasing demand for resourced places for autism and the extra places at Barnet will reduce the requirement for the LA to support children in non-maintained or private specialist provision.

Funding

The Barnet funding formula, in line with government requirements, provides a brand new school with an extra basic entitlement for two years, beginning 4 terms before opening. This means that JCoSS funding will begin from April 2009 with a lump sum of about £175,000 for 2009/10. There will be a further lump sum (about £75,000) for the summer term 2010 before the school opens with full formula funding for the last 7 months of 2010/11.

Barnet will not automatically receive any funding to support JCoSS until 2011/12 after JCoSS pupils are first reported on the school census in January 2011. However there is provision for limited funding (which the authority successfully accessed for Akiva) for any pupils we can clearly demonstrate have accepted places at JCoSS but would not otherwise have gone to another Barnet school. We would not know how much this would be until the middle of 2010.

Once the school has reached its full size of 900 in Years 7-11 plus a full sixth form they will be funded at the same level as Barnet's other secondary schools with a budget share of around £6m (including inflation but excluding the resourced provision)

The Acting Director of Children's Service is in discussions with both JCoSS and the DCSF to find ways of providing further interim support for JCoSS funding to limit the impact on other schools.

Resourced Provision

We have an established funding formula for different kinds of resourced provision in maintained schools. There are currently places at Hendon (3 but growing), Livingstone (22) and Broadfields (10 - also growing). Funding is directly linked to adult-pupil ratios of 1-5 for teachers, 1-2 for teaching assistants and 1-15 for speech and language therapy. The current cost is about £23,000 per place per year in addition to the AWPU, but this cost can be recouped for any children living outside Barnet.

We estimate that, before recoupment, the gross cost of the autistic provision at JCoSS will grow to £1,150,000, per annum at current value once it is full in 2017. Recoupment will offset some of this cost and the costs of outborough independent school placement will be reduced.

Action

The Schools Forum is asked to note the funding requirements of JCoSS and support the continuing efforts of the local authority to secure additional funding during the school's startup period.

Carol Beckman
Schools Funding Manager

Item 5.3: SEN costs in Barnet

Report to: Schools Forum
Date: 9th December 2008
From: Denise Murray, Joint Head of Finance, Children's Service
Subject: SEN Costs in Barnet

Paper to be tabled at meeting on 9th December 2008.

Item 5.4: Dedicated Schools Grant 2008/9

Report to: Schools Forum
Date: 9th December 2008
From: Linda Parker, Joint Head of Finance, Children's Service
Subject: Dedicated Schools Grant 2008/9 – Centrally Retained Budget Monitoring

Introduction

The purpose of this report is to inform the Schools Forum about the projected outturn of the centrally retained schools budget.

2008-9 Budget and Projected Spend

Members of the Forum will recall that the finalised Dedicated Schools Grant (DSG) was £426,000 less than provisionally estimated and the Forum previously agreed that the rolled forward underspend from 2007-8 of £246,000 should be used to offset this reduction and that the Acting Director of Children's Service would review the centrally retained budgets to establish whether the remaining £180,000 reduction could be met from these budgets.

At the last Schools Forum in September, officers of the Council projected outturn projections against estimates showing an overall overspend of £73,400 but if the shortfall in grant is added the overspend increases to £253,400.

Officers of the Council have updated their projections against each of the centrally retained budgets and these figures were calculated as at the end of September 2008.

The figures are shown overleaf.

The overall position is an under spend of £85,240 against the Section 52 budgets but if the shortfall in grant is added it becomes an overspend of £94,760.

Main Variances Against the Budget:

1. Fees for pupils at independent schools and recoupment net under spend of £151,240.

Details of the secondary transfers and September new starters are now incorporated into the projections and this has resulted in a reduction in projected outturn costs. Action continues to reduce spend through the expansion of local provision, as part of the Council's SEN Inclusion strategy, and this action should enable the impact of movers into the borough to be managed.

2. Pupil Referral Units overspend of £154,220

The Pupil Referral Unit budget is forecasting a net overspend of £154,220. The new statutory duty on authorities to make full time provision for students permanently excluded from school after six days commenced in September 2007. Provision for 53 pupils has been made in the 2007/8 academic year at very low costs. A new partnership approach to prevention with schools commenced in April 2008 to seek to reduce the number of permanent exclusions, but the demand for these places is likely to continue and it is likely to be a growth item in 2009/10.

3. Contribution to Combined Services under spend of £113,700

The Acting Director of Children's Service is limiting the spend against this budget in this year to offset the Budget pressures in the centrally retained Budget.

Recommendation:

The Forum notes the budget outturn projections for 2008-9 and agrees to receive further budget monitoring reports at future meetings.

Previous Reports

Report to Schools Forum 23rd September 2008 – Centrally Retained Budget (Agenda item 6.4)

2008-9 Centrally Retained DSG Budgets & Projected Spend

	Section 52 2008-9	Projected Spend for year	Variance +/() over/underspen d	
SCHOOLS BUDGET	£	£	£	
1.0.1 Individual Schools Budget	197,055,439	197,055,439	0	
1.0.9 Expenditure for Education of Children under 5s in Private, voluntary/ independent settings	3,972,090	3,943,160	(28,930)	Lower than projected payments to private & independent preschool providers
1.1.2 School-specific contingencies	1,005,430	1,005,430	0	
1.2.1 Provision for pupils with SEN (including assigned resources)	538,000	538,000	0	
1.2.2 Provision for pupils with SEN, provision not included in line 1.2.1	2,508,760	2,537,120	28,360	Increased costs of therapies
1.2.3 Support for inclusion	294,240	316,260	22,020	Additional tuition services for Children in Care
1.2.4 Fees for pupils at independent special schools & abroad	6,590,220	6,480,150	(110,070)	Line 1.2.4 & 1.2.7 Projection includes September starters and secondary transfers.
1.2.7 Inter-authority recoupment	1,975,750	1,934,580	(41,170)	
1.2.5 SEN transport	400,000	400,000	0	
1.2.8 Contribution to combined budgets	457,700	344,000	(113,700)	Uncommitted budget held to offset potential overspends in other centrally retained areas.
1.3.1 Pupil Referral Units	1,375,440	1,529,660	154,220	The new statutory duty on authorities to make full time provision for students permanently excluded from school after six days commenced in September 2007.
1.3.2 Behaviour Support Services	422,250	422,250	0	
1.3.3 Education out of school	450,470	426,740	(23,730)	Staff vacancies
1.3.5 Central expenditure on Education of Children under 5s	633,000	660,760	27,760	Increase in costs of external provider
1.4.2 Free School Meals - eligibility	3,470	3,470	0	
1.4.3 Milk	38,070	38,070	0	
1.5.1 Insurance	191,000	191,000	0	
1.5.2 Museum and Library Services	42,330	42,330	0	
1.5.3 School admissions	328,650	328,650	0	
1.5.4 Licences/subscriptions	2,750	2,750	0	
1.5.5 Miscellaneous (not more than 0.1% total net SB)	36,630	36,630	0	
1.5.6 Servicing of schools forums	17,160	17,160	0	
1.7.1 Capital Expenditure from Revenue (CERA) (Schools)	608,430	608,430	0	
TOTAL SCHOOLS BUDGET	218,947,279	218,862,039	(85,240)	
Less shortfall in finalised DSG grant	(426,000)	0	426,000	
Carried forward underspend from 2007-8	246,000	0	(246,000)	
Total projected overspend to be carried forward to 2009-10			94,760	

Item 5.5: Dedicated Schools Grant 2009/10

Report to: Schools Forum
Date: 9th December 2008
From: Carol Beckman, School Funding Manager
Subject: Dedicated Schools Grant 2009/10

Pupil Numbers

The Dedicated Schools Grant for 2009/10 will be calculated by multiplying the pupil rate of £4722 by the number of children reported in the school census, alternative provision (eg at independent special schools) and the early years census.

The final pupil numbers for 2008/9 were 42,788. In February our estimate of the pupil numbers for 2009/10 (based on the January 2008 census) was 42,652. This included a downward adjustment of 162 for Year 7 in respect of the newly opened Wren Academy. The DCSF funds local authorities for 90% of the 3 year old population if less than 90% are reported on the census and in 2008/9 our '3 year old top up' was 178.

In advance of January 2008 we have used the October 2008 school census to estimate the expected pupil numbers for the 2009/10 DSG. Although at that date the total in Year 7 to Year 11 was 191 lower than January, only about 70 might be attributed to the opening of the Wren Academy. However some secondary schools have a significant drop in overall numbers which will affect their budgets next year. In the primary sector, taking into account planned admissions for Reception, we expect a net increase of about 250 pupils and as a result a higher number for the DSG.

Our current estimate for the 2009/10 pupil numbers is 43,124 which takes into account the increase in our mainstream schools and a higher 3 year old top up because the DCSF figure for our 3 year old population is considerably higher this year. This would produce a DSG which is 4.4% higher than last year, rather than 3.3% which we projected previously. However the estimate does not include any changes that may have occurred among under 5s at private providers or levels of alternative provision. These projections should therefore be treated with caution.

Central Expenditure Limit

The government central expenditure limit (CEL) requires that the percentage increase in central expenditure does not exceed the increase in the Individual Schools Budget and Under 5s budget. This means that if the DSG increases by, say, 4%, the ISB and the Under 5s budget together must also increase by at least 4%.

Individual Schools Budget

When arriving at the total for the ISB and the Under 5s budget we will need to take the following into account

- The minimum funding guarantee of 2.1%
- Additional pupils in primaries
- Fewer pupils in secondaries
- Additional resourced provision at Livingstone, Broadfields and Hendon
- Advance funding for JCOS
- Levels of statement funding
- Trends in numbers of Under 5s accessing early education
- Preparation for the change in funding methodology for nursery children
- Contingencies required for corrections and in-year adjustments for statements, SEN and reorganisations