

MEETING OF THE SCHOOLS FORUM

Wednesday 2 March 2016 at 8:30am

BETHNAL GREEN CENTRE, 229 Bethnal GREEN ROAD, E2 6AB

AGENDA

1.	Apologies for absence	
2.	Minutes of the meeting on 20 January 2016 and matters arising	Chair
3.	Schools budget 2015/16	Sajeed Patni
4.	Schools budget 2016/17	Sailesh Patel
5.	Schools Surplus Balances	Sajeed Patni
6.	Any other business	
7.	Next meeting <ul style="list-style-type: none">• 8:30am, Wednesday 20 April 2016 at the PDC, Bethnal Green	

MINUTES OF THE SCHOOLS FORUM – 20 JANUARY 2016

Present:

School Members

Governors: Jill Cochrane (Chair), Bob Stevenson, Veronica Kennard, Dennis Jenner, Ms Shahanur Khan, Pip Pinhorn and Bridget Cass.

Headteachers: Cath Smith (Vice-chair), Gillian Kemp, Lorraine Flanagan, Sarah Helm, Jemima Reilly, Ann O’Reilly, Sheila Mouna, Remi Atoyebi, Matthew Rayner and Brenda Landers.

Non School Members

Kim Arrowsmith (PVI EYs Providers), Alex Kenny (Trade Union Rep), Terry Bennett (LDBS).

Officers in attendance

Kate Bingham, Sajeed Patni, Sailesh Patel, Hania Franek (clerk).

1. Apologies for absence	Action
<p>Apologies were received from Gerry MacDonald, Eddie Stride, Lynn Cottle (observer) and Debbie Jones.</p>	
<p>2. Minutes of the meeting on 9 December and matters arising</p> <p><u>Membership</u> Since the last meeting, a vacancy had arisen for a secondary governor representative. Elections had been held in the summer of 2014 when there were four nominations for the three positions. It was agreed to invite Dave Lake (Chair of Governors, Bow School), the fourth candidate, to take up the vacancy on the Schools Forum. Dave Lake had been a member of the Schools Forum until August 2015</p> <p><u>De-delegation</u> – item 4, page 3 It was confirmed that schools that were not primary or secondaries would have their licences paid too if de-delegation for licences / subscriptions was approved.</p> <p><u>LA statutory duties</u> – item 4, page 3 There was no further information available. A Green Paper is due to be published this year.</p> <p><u>Teacher recruitment</u> Alex Kenny said that this is attracting media attention and he had been on a phone-in on Vanessa Phelps’ programme. He will be asking Heads to share information that can be presented to parliament and the council. Retention is also an issue with young teachers moving to areas with more affordable housing.</p> <p>Minutes agreed.</p>	

3. School Budget 2015/16 (paper circulated)	Action
<p>Sajeed Patni presented an update from refreshed data for the budget monitoring report at the end of November. The in-year position is currently projected to be underspent by £2.562m. Taking account of the unallocated DSG/EFA grant, the forecast year-end carry forward would be £4.260m. The reasons for the underspend were essentially the same as in December.</p> <p>Table 2 in the report showed the updated budget and the variances. The High Needs budget is forecast to overspend by £1.620m. The overall underspend in the Early Years block is comprised of £2m of the revenue contribution to capital and underspends in other areas such as staffing and day nurseries.</p> <p>Sarah Helm said that the Early Years underspend should be ring fenced to improve Early Years outcomes in Tower Hamlets. Kate Bingham confirmed that this proposal had been noted and that funding for 0 -5 year olds needed to be looked at in the round in relation to DSG rules. This could be considered when the outturn for 2015/16 was clear.</p> <p>The forecast underspends indicate a potential carry forward of £4.260m.</p>	
<p>4. Schools Budget 2016/17 (report circulated)</p> <p>Sailesh Patel said that the settlement for schools was received in December and the overall funding was recorded in table 1 of the report. Funding is the same as the Schools Budget in 2015/16 other than the increase in pupil numbers in 2016/17, minus 1.5%, the minimum funding guarantee (MFG).</p> <p>The Schools Forum was asked to agree the formula, which apart from a couple of additions, has not been changed. The amount needed for pupil growth expected in September 2016 has been estimated as £2.610m and also needs to be agreed. This is a reduction on the previous year and is for the expansion in primary pupil numbers and for more Free Schools which will have pupil growth and less for maintained schools.</p> <p>The other items to be agreed were the services to be de-delegated, £25k support for the Local Safeguarding Children’s Board (LSCB) and a change to the split site criteria prompted by a change in DfE Regulations.</p> <p>The overall schools budget is expected to be £346.275m and the proposal was to allocate the full sum.</p> <p>The funding was constructed in the same way as in 2015/16, with the only change being the Schools Block Unit of Funding (SBUF), which would be £6,982 per pupil. This was a result of the funding allocated to former non-recoupment academies (NRAs) in Tower Hamlets. When these schools opened, i.e. the Free Schools, they were funded outside the DSG.</p>	

4. Schools Budget 2016/17 cont.	Action
<p>The total pot of money remains the same and this cost shunting equalises the funding and results in all pupils representing the same per pupil value. There are five schools in Tower Hamlets that this applies to and the impact is a reduction of £24 per pupil.</p> <p>The forecast of the potential 2016/17 DSG includes funding from the Education Funding Agency (EFA) for post 16 students at the same level as last year because this sum will not be known until late March.</p> <p>£6.815m has been budgeted for central provision. £4.260m is the sum of the overall resources to carry forward.</p> <p>Replying to a question from Heads, Sailesh Patel said that the Pupil Premium grant for 2015/16 would be paid to schools today.</p> <p>Changes to the schools budget include £4.525m for 615 additional pupils. £95.5m was shared nationally for High Needs and equated to £457k for Tower Hamlets.</p> <p>The MFG is -1.5% per pupil for 2016/17. The estimated calculation for academy recoupment is £21.9m. There are still some issues to be resolved for High Needs. The Early Years block is based on the January 2015 census data. The figure given for the Pupil Premium for the Early Years will be unchanged from 2015/16 and is £575k. It will be refreshed in the summer of 2016.</p> <p>Funding for two year olds will be the same based on 351 pupils f.t.e. and will also be refreshed in the summer.</p> <p>An additional item was the proposed change to the split site criteria for schools with sites more than 200 metres apart, (i.e. Raine's, Bonner and Cyril Jackson). This would provide a consistent methodology with Free Schools and Academies.</p> <p>Table 6 in the report showed where growth is predicted in primary and secondary schools (but not special schools) and the level of resources allocated, i.e. £2.610m. Places at special schools are funded by the High Needs Block, which has not changed; therefore additional need would have to be managed within that budget.</p> <p>Licences that are secured by the DfE are top sliced from the DSG and managed centrally. £184k has been included in the draft budget. Heads asked for the licences that are paid this way to be listed in the Heads' Bulletin and sent direct to School Business Managers.</p> <p>The provisional Early Years Block for 2016/17 is £24.646m. This breaks down as:</p>	<p>Sailesh Patel</p>

Schools Budget 2016/17 cont.	Action
<p>a) £22.046m for 3 and 4 year olds b) £2.025m for 2 year olds c) £0.575m for the Early Years Pupil Premium, which is now a component of the DSG.</p> <p>High Needs: information on funding for special schools and specialist resource provision was contained in Appendix 4 of the report. An additional 41 places have been allowed for between 2015/16 and 2016/17.</p> <p>The issue of the discrepancy in top-up funding for specialist places was raised again with the example of Culloden, which receives £10,264 per pupil and Hague, which receives £5,728 per pupil for the same provision queried. The Schools Forum asked the LA for an explanation and to review how these resources are distributed.</p> <p>Sailesh Patel said that in 2013/14, funding was re-distributed to place plus funding as required by the DfE, which precluded looking at individual schools. The opportunity to review this will arise when the new funding formula is introduced in 2017/18 and will also be considered as part of the LA review of SEN that is taking place.</p> <p>AGREED that the top up rate for specialist SEN funding will be reviewed by the Schools Forum for the new funding formula in 2017/18.</p> <p>Officers confirmed that 0 to 5 year olds with SEN are funded from the Early Years Block, not the High Needs Block.</p> <p>No significant changes are proposed to the Alternative Provision budget, which will continue to cost £10k per place with four rates of top up.</p> <p>It was noted that the current High Needs budget is overspent by £1.6m and that the pressures on this budget are not new. Officers were asked whether the recommendations for 2016/17 had taken this into account. Sailesh Patel said that the High Needs Block had been drafted to try to ensure that there would be sufficient resources but it was recognised that the budget was tight and steps would need to be taken in-year if pressures increased.</p> <p>Heads commented that more children are being assessed for Education Health & Care Plans and suggested that more was needed in the budget, given that there was an overspend last year. Sailesh Patel said that the High Needs Block would be reviewed when the budget is produced in March.</p> <p>Gillian Kemp said that schools have been set limits on full and part-time early years places and this has resulted in many schools having part-time vacancies. The LA was asked whether the underspend in the Early Years</p>	

Schools Budget 2016/17	Action
<p>could be distributed to schools to pay for staff in these schools. Schools are struggling to match early years on reduced budgets and fluctuating funding affects the provision. However, the Regulations must be adhered to and whilst early years funding used to be based on the number of places it is now based on participation and the Education Funding Agency (EFA) would not find it acceptable to fund empty places.</p> <p>The LA receives funding for 15 hours per week for pupils in the early years and has to subsidise the extra 10 hours for a full time place. Kate Bingham said that the comments would be relayed to colleagues conducting the Early Years Review which should be completed in the course of the next financial year. Any financial aspects will be brought to the Schools Forum.</p> <p>The Local Safeguarding Children Board (LSCB) has asked for £25k contribution. The budget for the Board is set annually and is contributed to by all partners, who are held to account for discharging their safeguarding responsibilities. The LA recommends that the Schools Forum supports this request.</p> <p>The de-delegated services have not changed for the last three years.</p> <p>The Schools Forum voted on the following recommendations:</p> <ol style="list-style-type: none"> 1. Provision of £2.610m for pupil number growth contingency and the criteria for accessing it as set out in Appendix 2 of the report. <p>AGREED – unanimously.</p> <ol style="list-style-type: none"> 2. To decide for primary schools (primary SF representatives only) and for secondary schools (secondary SF representatives only) whether each of the following services individually should be de-delegated from the maintained school budget: <ol style="list-style-type: none"> (i) Schools Specific Contingency (other than pupil number growth) <p>AGREED – unanimously (8 primary) and (5 secondary)</p> (ii) Behaviour support services <p>AGREED – unanimously (8 primary) and (5 secondary)</p> (iii) Support to underperforming ethnic minority groups (UPEG) and bilingual learners <p>The Schools Forum was informed that primary Headteachers had discussed the fact that this is mainly a service that supports secondary schools.</p>	<p>Kate Bingham</p>

Schools Budget 2016/17 cont.	Action
<p>However, the UPEG service is important to a wider group of schools and primary Heads would expect the LA to conduct a review to re-direct some of these resources to primary schools. The cost of the overheads for the service (£119k) was questioned and Heads felt that more detail should have been provided.</p> <p>Kate Bingham said that the concerns were acknowledged and would be taken back to the LA with the request for more information to be brought to the next meeting of the Forum.</p> <p>AGREED – unanimously (8 primary) and (5 secondary)</p> <p>(iv) Free school meals eligibility</p> <p>AGREED – unanimously (8 primary) and 5 (secondary)</p> <p>(v) Licences/subscriptions</p> <p>AGREED – unanimously (8 primary) and 5 (secondary)</p> <p>(vi) Staff costs supply cover (the TU Facilities Agreement)</p> <p>AGREED – unanimously (8 primary) and (5 secondary)</p> <p>Alex Kenny said that this agreement does not extend to Academies. Attempts are made to secure trade union recognition when schools convert to academies. At present the Tower Hamlets schools that have become academies have agreed to pay in to the scheme and the LA needs to ensure that they are invoiced for TU facilities time.</p> <p>3. Support the approach outlined for Early Years</p> <p>AGREED - unanimously</p> <p>4. Support the approach outlined for High Needs Pupils</p> <p>AGREED - unanimously</p> <p>5. Support the approach outlined for Central Provision</p> <p>AGREED - unanimously</p> <p>6. Agree to support the Local Safeguarding Children’s Board (LSCB) contribution of £25k.</p> <p>AGREED - unanimously</p>	<p>Kate Bingham</p>

Schools Budget 2016/17 cont.	Action
<p>7. Agree to the proposed change to the split site criteria</p> <p>AGREED – unanimously</p>	
<p>5. Schools Surplus Balances (paper circulated)</p> <p>Sajeed Patni said that the paper provided the data that the Forum asked for at the last meeting on school average balances for three years for maintained schools in London boroughs (Appendix C). The tables that had been in previous reports to the Forum were reproduced in the report. Appendix C showed that Tower Hamlets maintained schools had comparatively high average surplus balances.</p> <p>The LA is monitoring the excess surplus balance expenditure plans and will check the outturn figures in June to see whether there is a downward trend. The Schools Forum would need to decide when to set a deadline for a decision on claw back.</p> <p>The LA was asked about the frequency of the monitoring. Schools have been given a date in January to submit the expenditure plans to the end of December. It was noted that £3.5m of the £13.5m excess surplus balances had been spent at half-year.</p> <p>Lorraine Flanagan reported that the Primary Consultative had discussed this issue and was strongly of the view that the LA should have discussions with individual schools and that this would be essential to avoid fragmentation. Schools were not holding on to large amounts of reserves without good reason and they were concerned for their own pupils. The Chair commented that the Schools Forum had to consider the effect of excess surplus balances on all schools.</p> <p>Brenda Landers said that the national funding formula will change but will not be affected by surplus balances. Decisions about budget surpluses were made by governing bodies for valid reasons including building projects and planning for budget cuts in coming years in order to avoid redundancies. Many governing bodies would take exception to the Schools Forum taking decisions that would override theirs as they are accountable whilst the Schools Forum is not.</p> <p>Sarah Helm said that it was very difficult for PFI schools to have building works undertaken at appropriate times and funds were retained for this purpose.</p> <p>Sajeed Patni said that at government level individual reasons for excess surplus balances are not taken into account. It was difficult to lobby against reductions in funding within this context.</p> <p style="text-align: right;">cont.</p>	

Schools Surplus Balances cont.	Action
<p>The Schools Forum needs to be satisfied that a surplus exists for the right reasons and that there has been sufficient scrutiny.</p> <p>There are 33 schools with excess surplus balances (more than 5% for secondaries, more than 8% for primaries). Alex Kenny said that the Forum needed information on how schools intended to spend their surpluses and that some politicians have quoted individual Tower Hamlets schools' surpluses in national debates and have compared them to schools elsewhere.</p> <p>Other London LAs have quoted the Tower Hamlets excess surpluses too. Schools need to show that their funding is needed, well spent as demonstrated by outcomes.</p> <p>Sailesh Patel said that the carry forward represented 10% of the overall DSG. The excess was £12.5m over the accumulated surplus.</p> <p>Brenda Landers said that the excess surplus was approximately 3% to 4% whilst schools were being told to plan for cuts to their budgets of between 10% and 15%. However, it was noted that the excess surplus issue is limited to 33 schools.</p> <p>Kate Bingham said that the LA would consider how it could add value to the debate and that the Schools Forum would need sufficient narrative to reach decisions. An analysis could be undertaken to show the outcomes of this money and consideration would be given internally to how and if this could be done.</p>	
6. Any other business	
<p>Alex Kenny said that he had sent an e-mail to members of the Schools Forum about the NUT efforts to co-ordinate the campaign for Fair Funding for London. There will be a briefing in Parliament on 3 February and it was hoped that it would be well attended. The government was proposing to delay consultation on the funding formula to after 8 May, following the elections for the London Mayor. The NUT would appreciate information on the impact that cuts may have on schools.</p>	

Next meeting: 8:30am, Wednesday 2 March 2016

AGENDA ITEM 3

Title of report: Schools Budget 2015/16

Author of the paper: Sajeed Patni

Officer to present the paper to Schools Forum: Sajeed Patni

Details on who has been consulted with on this paper to date:

Kate Bingham, Sailesh Patel

Executive Summary

At the previous meeting, Schools Forum were updated on the budget monitoring position at the end of November 2015 which predicted a year-end carry forward position of £4.260m.

The key points about the Schools Budget are;

- The budget monitoring position for 2015/16 at the end of January suggests that the in-year position will be an underspend on retained activities of £2.684m, which would supplement the £1.698m unallocated DSG / EFA grant to give a forecast year-end carry-forward of £4.382m.
- The most significant variances include Early Years with an overall underspend of £3.620m, the main reason being a projected underspend on a revenue contribution to capital.
- In addition High needs is currently projecting an overspend of £1.625m with pressures experienced in particular on SEN support to the independent sector.
- The forecast underspends above indicate a potential carry forward of £4.382m into 2016/17, £4.260m has already been factored into next year's budget.

Actions required:

Schools Forum is invited to **discuss and comment on** any of the issues raised in the report.

1. INTRODUCTION / SUMMARY

- 1.1. Schools Forum agreed the original budget for 2015/16 at the meeting in March 2015, this budget was based on estimated projections for final allocations in relation to 2 year old funding. The DfE confirmed the final allocation in July 2015 along with other small adjustments, these were presented and agreed by Schools Forum at the meeting in September 2015, **Table 1** represents the updated Budget for 2015/16.

Table 1: Summary of Schools Budget 2015/16

Component (all figures £'000s)	Revised DSG for 2015/16
1.0 ISB	270,784
1.1 De-delegated items	1,901
1.2 High Needs	38,712
1.3 Early Years	29,835
1.4 Central Provision	7,143
Total Schools Budget	348,375
1.7.1 DSG	-295,890
1.7.1 DSG 2 Year Old Estimate	-1,656
1.7.2 DSG b/f	-6,480
1.7.3 EFA Grants	-18,506
1.7.4 Local Authority Contribution	-3,818
1.7.5 Academy Recoupment	-22,025
Total funding for Schools Budget	-348,375
Unallocated DSG	-1,698

- 1.2. **Table 2** includes the latest budget monitoring position for 2015/16 at the end of January, this identifies that there is expected to be an underspend of £2.684m arising mainly from projected underspends in early years, central provision and de-delegated budgets, there is an overspend predicted presently in high needs pupils budgets. The forecast underspend means that a potential carry forward of £4.382m is currently predicted at the end of the year, this includes unallocated DSG in 2015/16 of £1.698m. The forecast underspend has increased by £122k from the figure reported to the forum in December £4.260m carry forward has already been factored into the 2016/17 budget.

Table 2: 2015/16 Budget monitoring position

Component	Updated Schools Budget 2015/16 £'000	Forecast spend 2015/16 £'000	Forecast variance £'000
Individual Schools Budgets	270,784	270,784	
De-delegated items	1,901	1,506	-395
High Needs Budget	38,712	40,337	1,625
Early Years Budget	29,835	26,215	-3,620
Central Provision	7,143	6,849	-294
Total	348,375	345,691	-2,684
Funded from			
DSG	-297,546	-297,546	
DSG b/f	-6,480	-6,480	
EFA Post 16 Grant	-18,506	-18,506	
Local Authority Contribution	-3,818	-3,818	
EFA Recoupment (for Academies)	-22,025	-22,025	
Total funding	-348,375	-348,375	
Net Forecast Position			
		-2,684	-2,684
Unallocated DSG 2015/16			
	1,698		
Potential c/f	4,382		

2. INDIVIDUAL SCHOOLS BUDGETS

2.1. There are currently no variances forecast for the ISB budget.

3. HIGH NEEDS

3.1. There is currently a forecast overspend of £1.625m within High Needs mainly due to pressures which are expected for SEN support in the independent sector, there is a steady rise in the number of pupils with SEN needs and with statements or plans specifically. The number of pupils with more complex needs is increasing in parallel. Pupils with the most complex difficulties (often involving residential and medical provision) have needs which are unable to be met at maintained provision or academies and need to be placed with independent providers, the costs of the placements can often be in excess of £250k per pupil per year. The current projection is that the expenditure is likely to be around £1.4m more than the current budget provision.

- 3.2. Alternative Provision (AP) is also forecast to overspend by circa £200k, The current demand in AP is higher than anticipated in both numbers and the length of stay.

4. EARLY YEARS

- 4.1. The DSG block for Early Years will fluctuate during 2015/16, based on actual numbers of pupils on roll at termly censuses. Allocations for 2, 3 and 4 year olds will be made to individual settings (nursery schools, primary schools and private, voluntary and independent settings) on the basis of the numbers on roll in each termly census, too.
- 4.2. There is an overall underspend in Early Years of £3.620m which is a combination of a projected underspend of a revenue contribution to capital of £2m (on a budget of £2.5m) and underspends in other areas of the division including staffing and LA Day Nurseries.

5. CENTRAL PROVISION

- 5.1. Central Provision includes those services that Schools Forum have agreed should be funded through DSG as Combined Services, as well as Admissions and Premature Retirement among others. It also includes the Pupil Growth fund which applies to all academies and maintained schools where planned / emergency expansions of admission numbers have been necessary. Most of this is usually committed after the October 2014 pupil census.
- 5.2. There is currently an underspend of £0.294m predicted across a number of areas within Central Provision.

6. DE-DELEGATED ITEMS

- 6.1 An underspend of £0.395m is predicted for the contingencies budget within de-delegated items. This may change during the course of the year as more demands are placed on the budget.
- 6.2 In May when the new single-party government was formed the Secretary of State for Education very quickly indicated that there would be further change in school structures and accountability. Tower Hamlets Schools and the Council are currently undertaking work to explore options and structures to maintain partnership working in light of the current Education Bill which has been put before parliament.
- 6.3 In September Schools Forum were asked to note that £45k has currently been earmarked for consultancy resource (under the direction of the schools steering group) to undertake work in support of this workstream within the de-delegated contingency budget. This represents approximately 3 months of full-time consultancy cost, the LA will notify Schools forum if a

request is made by the School Steering group for increased support which will lead to costs beyond £45k being incurred.

AGENDA ITEM 4

Title of report: Schools Budget 2016/17

Author of the paper: Sailesh Patel

Officer to present the paper to Schools Forum: Sailesh Patel

Details on who has been consulted with on this paper to date:

Kate Bingham, Sajeed Patni

Executive Summary

At the previous meeting, Schools Forum determined the Primary and Secondary core budgets, including De-delegation and the level of the Pupil Growth Fund. Schools Forum also agreed the general approach to setting the remainder of the budget, subject to further consideration at this meeting.

Details of recommendations and timescales for decisions:

Schools Forum are invited to:

Agree the Schools Budget of £347.175m for 2016/17 as per Table 1 and Appendix 1.

INTRODUCTION / SUMMARY

- 1.1. The Department for Education introduced School Funding Reform from April 2013 and the Authority has worked closely with schools and the Schools Forum to implement these changes effectively.
- 1.2. Schools Forum at the previous meeting in January 2016 considered the projected outturn position for 2015/16 and the draft position for 2016/17. Decisions were made about Primary and Secondary core budgets, De-delegation and pupil growth provision. The approach for the rest of the budget was agreed by Schools Forum, subject to further consideration at this meeting.
- 1.3. There is no change in the funding available, other than some changes to the funding source for Early Years activities and Non-recoupment Academy costs that are technical in nature for 2016/17.
- 1.4. Schools Forum is asked to formally agree the Schools Budget for 2016/17.

2. SCHOOLS BUDGET 2016/17

- 2.1. The overall funding available for 2016/17 is as set out in Table 1.

Table 1: Schools Budget Income 2016/17

Future income	£'000
Dedicated Schools Grant 2016/17 as at 17 Dec 2015.	323,859
Add c/f forecast 2015/16	4,260
Post 16 EFA 2016/17 (to be revised pending further information in March 2016)	18,156
Additional Estimated income for Early Years 2016/17	900
Schools Budget income 2016/17	347,175

- 2.2. The DfE are still to announce final figures for the High Needs Block. The Early Years Block changes term by term, based on actual pupil numbers. The Education Funding Agency Post 16 Grant has not yet been updated, the final allocation will be announced during March 2016.
- 2.3. In January 2016 Schools Forum agreed the approach for setting the Schools Budget for 2016/17. Officers submitted the Authority Proforma Tool (APT) and this has been accepted by the DfE.
- 2.4. The funding for 2 year olds is now based on participation (actual take up of hours) rather than place funding. The DfE will notify LA's in June 2016 of the actuals in the January 2016 census data for 2 year olds. The value per hour received from the DfE will continue to be £6.07, in order to estimate the budget required to resource this provision and estimate of the income based

on average take up of 2 year olds in 2016/17 has been made. It is estimated that average take up will be **835 pte** which would result in an income of **£2.89m** , this represents an increase of £900k from 2015/16 position.

- 2.5. **Table 2** summarises the proposed Schools Budget for 2016/17. **Appendix 1** provides explanations concerning any changes.

Table 2: Summary of Proposed Schools Budget 2016/17

Schools Forum Summary		2016-17
1.0 ISB		274,046
1.1 De-delegated items		1,795
1.2 High Needs		38,790
1.3 Early Years		25,730
1.4 Central Provision		6,815
Total Schools Budget	Expenditure 2016-17	347,176
1.7.1 DSG		-301,250
1.7.2 DSG b/f		-4,260
1.7.3 EFA Grants		-18,156
Additional EY income in year		-900
1.7.5 Academy Recoupment		-22,610
Total funding	Income 2016-17	-347,176

- 2.6. The forecast carry forward of £4.260m remains a forecast, which may be subject to final variation when the accounts are closed at year-end, particularly given the volatility of High Needs and Early Years central commissioning budgets. At present the forecast remains valid based on 2015/16 budget monitoring information at the end of January 2016.

3. HIGH NEEDS BLOCK 2016/17

- 3.1 There are no significant changes to the structure of the budget, Special Schools, Academies and Free Schools, Pupil Referral Units (PRUs) and SEN statement funding provided to schools within their budget shares, are all funded from the High Needs Block. Detailed work is ongoing to calculate the commitments for 2016/17. Inherently within the High Needs block there are many fluctuating and high risk/spend areas therefore there is a need monitor this area very closely.

4. EARLY YEARS BLOCK 2016/17

- 4.1 The value of the Early Years Block in the settlement is based on a Guaranteed Unit of Funding of £5,766.50 per pupil for 2 year olds and £7,804 per pupil for 3 and 4 year olds. The announcement for the Early Years Block is provisional as the figures are based on the January 2015 census and will be revised when the January 2016 census data is available. The actual allocation for 2016/17 will be based 5/12^{ths} on the January 2016 census and 7/12^{ths} on the January 2017 census. However the cash adjustment to reflect January 2017 pupil numbers will not be received until 2017/18. The total DSG stated in Table 2

includes an estimate of £900k to reflect this in-year adjustment, giving a total Early Years block estimate of £25.730m.

- 4.2 The DSG settlement will be adjusted once the January 2016 Early Years census data has been verified by the DfE.
- 4.3 The final hourly rates for 2016/17 are set out in **Appendix 2**.
- 4.4 From 1st April 2016 LA's are required to pay Early Years Pupil Premium (EYPP) to providers of the free entitlement. Eligible children aged 3 or 4 include those whose parents are in receipt of qualifying benefits for free school meals, or are looked after, have been adopted from care or have left care under a special guardianship order. The EYPP is child specific and will be paid at a rate of 53p, in addition to the EYSFF hourly rate, for eligible pupils included in headcount returns. There is a budget allocation of £575k within the EYDSG to fund these payments.

Other Grants

- 4.5 In addition to the Schools budget share (ISB or Delegated funds), Schools receive other grants, which are not funded from the DSG.
- 4.6 **The Pupil Premium (PPG)** – this is a ring-fenced grant and represents a substantial amount of funding for most schools. It is provided to schools to raise the attainment of 'disadvantaged' pupils and to narrow the gap between these pupils and their peers. The amounts per pupil for 2016/17 will remain the **same as 2015/16**. Please note that the Summer School element of this grant, which is provided to Secondary Schools will not continue into 2016/17.
- 4.7 **Universal Infant Free Schools Meals (UIFSM)** – this grant covers the cost of meals provided to pupils in Reception to Year 2. The rates for 2016/17 will remain the same as 2015/16 at £2.30 per meal taken (as recorded on the census). These are funded for the full 190 days within the academic year.
- 4.8 **PE & Sports Grant** – this grant is provided to fund improvements to the provision of physical education and sport in Primary Schools, in order to give pupils the opportunity to develop a healthy lifestyle. The rates for 2016/17 have not yet been confirmed and Schools are advised to assume the same rates as 2015/16. The rates were £500 per pupil for small Schools with up to 16 pupils, or £8k plus £5 per pupil for Schools with more than 17 pupils. This is based on the January census. This is allocated by academic year.
- 4.9 **Year 7 Catch-Up Premium** – this is provided to Secondary Schools to support pupils not achieving the required levels in reading or mathematics at KS2. This is £500 per eligible pupil. This is allocated by financial year.

5 NEXT STEPS

- 3.1. Final figures are awaited from the Education Funding Agency for High Needs places and for Post 16.
- 3.2. The Section 251 Statement of Schools budgets will be completed if Schools Forum agrees the budget proposals for 2016/17. This will be published and available for all schools.
- 3.3. Commissioning budgets for specialist provision will continue to be refined by firming up estimates of likely numbers of pupils with such needs. This includes agreeing final place numbers with the Education Funding Agency. This is not going to affect the budget set aside at this stage but will assist in informing how much is truly committed.

DSG Budget 2016-17

DSG heading	DSG sub-heading	Budget 2015-16	Budget 2016-17	Comments SF Jan 16
				These adjustments bring the Early Years components to the level of the EY Block only, For March 2016 SF need to: Assess realistic number of 3 and 4 year olds in each setting.
1.3 Early Years	1.0.1a Nursery	21,923,969	20,500,000	
1.0 ISB	1.0.1a Primary	136,936,640	138,204,801	Reflects final proposed APT submission, plus submitted place numbers for Specialist Resourced Provision (109) minus de-delegate
1.0 ISB	1.0.1b Secondary	126,986,912	128,951,377	Reflects final proposed APT submission, plus submitted place numbers for Specialist Resourced Provision (35) and the 2014/15 (i.e. not updated yet) EFA Grant for Post 16 minus De-delegate
1.0 ISB	1.0.1c PRU	2,000,200	2,000,000	PRU remains 200 @ now £10,000 each.
1.0 ISB	1.0.1c Special Schools	4,860,000	4,976,666	Reflects updated place numbers submitted to EFA in December 2015 (i.e. 5 mths 486, 7 mths 506 @ £10,000)
1.0 ISB	1.0.1g Pupil Premium	-	-	Nil net budget, as all funded by grant
1.1 De-delegated items	1.1.1 Contingencies	619,000	498,000	Final APT submission, pending final decisions by Schools Forum on de-delegation at Jan 16 meeting.
1.1 De-delegated items	1.1.2 Behaviour	287,000	290,000	Final APT submission, pending final decisions by Schools Forum on de-delegation at Jan 16 meeting.
1.1 De-delegated items	1.1.3 UPEG and bilingual	522,000	528,000	Final APT submission, pending final decisions by Schools Forum on de-delegation at Jan 16 meeting.
1.1 De-delegated items	1.1.4 FSM Eligibility	127,000	127,000	Final APT submission, pending final decisions by Schools Forum on de-delegation at Jan 16 meeting.
1.1 De-delegated items	1.1.7 Licences and Subs	26,000	27,000	Final APT submission, pending final decisions by Schools Forum on de-delegation at Jan 16 meeting.
1.1 De-delegated items	1.1.8 Staff costs	42,280	42,809	Final APT submission, pending final decisions by Schools Forum on de-delegation at Jan 16 meeting.
1.1 De-delegated items	1.1.9 Staff costs - facilities	277,720	282,191	Final APT submission, pending final decisions by Schools Forum on de-delegation at Jan 16 meeting.
1.2 High Needs	1.2.1 Top-up funding - maintained	22,899,000	23,043,500	Based on reassessment of mainstream top-ups for LBTH pupils, LBTH special school top-ups and out-borough special school top-ups.+£405k for EY
1.2 High Needs	1.2.2 Academies and Free Schools	1,725,000	1,637,524	Reflects the increase in academy/ free schs numbers principally; the entitlement for academies/ free schs is no different than for maintained schools for High Needs.
1.2 High Needs	1.2.3 Independent providers	6,250,000	6,025,000	After reassessment of independent special schools and other commitments
1.2 High Needs	1.2.5 SEN Support Services	4,399,000	4,800,000	Includes £0.637m for outreach and £60k for inreach in special schools to be reassessed+ increase in HN of £457k
1.2 High Needs	1.2.6 Hospital Education	460,000	460,000	No change because submitted places for Hospital Tuition is 40 @ £11,500.
1.2 High Needs	1.2.7 Other AP provision	2,789,800	2,647,953	Reflects the numbers of PRU pupils requiring individual support plus further City Gateway placements costs .
1.2 High Needs	1.2.8 Support for Inclusion	50,000	50,000	No change
1.2 High Needs	1.2.9 Special Schools and PRUs in financial difficulty	100,000	-	reduce to nil
1.2 High Needs	1.2.10 PFI and BSF costs at special schools	39,000	39,000	Updated to reflect actual indexation for 2016/17 PFI subsidy.
1.2 High Needs	1.2.11 Direct Payments (SEN and disability)	-	-	No change
1.2 High Needs	1.2.12 Carbon reduction (PRU)	-	-	No change
1.3 Early Years	1.3.1 Central Expenditure on Under 5	7,911,098	5,230,179	See comment in 1.0.1 above. Further work needed for the 2 years old allocation and allocation of 3 and 4 year old Pupil premium
1.4 Central Provision	1.4.1 Combined budgets	1,690,000	1,665,000	savings of £25k and inclusion of LSCB contribution £25K
1.4 Central Provision	1.4.2 Admissions	755,000	699,000	savings reduce costs £30k
1.4 Central Provision	1.4.3 Schools Forum	30,000	30,000	No change
1.4 Central Provision	1.4.4 Termination costs	1,117,000	1,117,000	No change
1.4 Central Provision	1.4.8 Fees to ISS (Not SEN)	510,000	510,000	Updated to reflect schedule of anticipated costs referred to in the main report.
1.4 Central Provision	1.4.10 Pupil growth/ Infant class sizes	2,866,000	2,610,000	Revised Growth Fund SF will need to approve this budget specifically.
1.4 Central Provision	1.4.12 Exceptions agreed by Secretary of State	-	-	Nil
1.4 Central Provision	1.4.13 Other items(Dfe licences)	175,000	184,000	Increase to reflect the larger number of individual licences been negotiated by the Dfe.
Total Schools Budget	Expenditure 2016-17	348,374,619	347,176,000	
1.7 Funding Source	1.7.1 DSG	- 299,046,001	- 301,250,000	
1.7 Funding Source	1.7.2 DSG b/f	- 6,480,000	- 4,260,000	
1.7 Funding Source	1.7.3 EFA Grants	- 18,506,000	- 18,156,000	
1.7 Funding Source	1.7.4 LA Additional Contribution	- 3,818,000	- 900,000	
1.7 Funding Source	1.7.5 Academy Recoupment	- 20,525,000	- 22,610,000	
Total Schools Budget	Income 2016-17	- 348,375,001	- 347,176,000	

Appendix 2

EYSFF Setting Type	Formula Factor	Value (£) 2016/17 fy
Nursery School (3&4YOs)	N1 basic per pupil	£7.87
	N2 basic per pupil	£8.95
	Deprivation (90% of pupil numbers)	£0.46
	Other per pupil N1	£1.34
	Other per pupil N2	£1.43
	PFI Subsidy factor (per Oct 15 pupil in Grouped Schools PFI)	£200.06
Nursery class (3&4YOs)	Basic per pupil	£4.72
	Deprivation (No of pupils x %age FSMEver6 for R-Y6)	£0.80
Private Voluntary and Independent (3&4YOs)	Basic per pupil	£4.72
	Deprivation (where pupil is in a postcode designated as deprived in IDACI)	£0.46
All settings (2YOs)	Basic per pupil	£6.07

AGENDA ITEM 5

Title of report:

School Surplus Balances

Author of the paper:

Sajeed Patni, Kate Bingham.

Officer to present the paper to School Forum:

Sajeed Patni

Details on who has been consulted with on this paper to date:

Kate Bingham, Sailesh Patel

Exec Summary:

The purpose of this report is to provide an option to Schools Forum to commission a piece of work which allows the surplus balance of individual schools to be analysed in more detail. The outcome of this stream of work would allow Schools Forum to be better informed concerning individual Schools surplus balance plans.

Updates have been provided on School's surplus balances during previous meetings, reports have identified the individual Schools who have exceeded the relevant thresholds. In addition comparative data which demonstrates that Tower Hamlets Schools hold amongst the highest balances in London has also been provided to the Forum. These updates have compared the average surplus balance for the local authority (LA) taking into account LA maintained Schools and also an average surplus balance per pupil for LA maintained Schools.

At the previous meeting there was a view that Schools Forum needs to be satisfied that individual surpluses exist for the right reasons and that there has been sufficient scrutiny before any actions to claw back surplus balances above the threshold are considered. This paper attempts to provide a specification to commission a piece of work which would provide the Forum with the information required.

Action required:

Schools Forum is invited to **comment and discuss** the report and agree the suggested route forward to carry out a more detailed exercise on Surplus Balances.

1. Background

- 1.1 At the last Schools Forum meeting there was further discussion concerning the Tower Hamlets Schools surplus balances, detailed comparative information concerning the carry forwards and the breakdown between schools has been circulated at previous meetings. Schools revenue carry forwards at the end of the 2014/15 financial year (31st March 2015) totalled **£34.477m**, an increase of almost £1.7m from the surplus of **£32.787m** in 2013/14.
- 1.2 Five schools were in deficit at the end of 2014/15, 33 Schools were above the threshold of 5% and 8% for Secondary schools and Primary schools respectively.
- 1.3 The nature of the discussion in previous meetings has been on the information which Schools Forum require in order to make decisions on whether surplus balances for individual schools are justified and whether there are adequate plans in place to address them in individual schools. At the last meeting LA officers stated that they would consider how Schools Forum could be provided with sufficient information to reach decisions.

2. Specification of Surplus balance exercise

- 2.1 The LA could look into options to identify and fund a specific resource which is able to carry out a detailed analysis of the surplus balance plans of the Schools above the 5% and 8% threshold. It has been discussed at previous meetings that Schools Forum would find it difficult to apply a general claw back to individual Schools without being aware of individual circumstances, there may be issues unique to a School which adequately justify why surplus balance plans may have accumulated over a number of years.
- 2.2 **Appendix A** suggests an outline specification for the piece of work which could be carried out, this requires discussion. Each of the individual Schools would be visited to discuss their current surplus balance plan and the issues listed within the Appendix would be identified, quantified and summarised for each School.
- 2.3 It is suggested that a working group made of Schools representatives could consider the initial results of the exercise and be involved in clarifying any issues before the results are brought to a future Schools Forum meeting. The funding for this piece of work is likely to come from the De-delegated central contingency budget managed by the LA.
- 2.4 A view is sought from Schools Forum on how to factor in performance of Schools during the period a surplus balance has accumulated so that performance data can be analysed alongside information specified in Appendix A. Please see section 3 of Appendix A for further detail.

Schools Surplus Balance Plans

Outline specification of analysis to be commissioned

A specific resource with experience of Schools and Schools finance will be commissioned to carry out a detailed exercise in respect to the balances of Schools above the 5% (Secondary) and 8% (Primary) thresholds.

The outcome of the exercise is to ascertain the following information from each School:

1. Analysis of the Schools surplus balance plan over the last 3 years (2013/14, 2014/15 and 2015/16) and to identify specific reasons why balances have accumulated, these may include:
 - Plans in Year 1 (2013/14) and 2 (2014/15) to spend the balances did not materialise due to slippage – reasons for slippage?
 - Surplus Balance Plans were enacted in and spent in Year 1 or Year 2 however there were larger in-year revenue underspends which resulted in a higher surplus balance being carried forward.
 - Conscious decision in Year 1 or Year 2 to change surplus balance plans submitted to the LA due to unforeseen circumstances which needed financial plans to be revised.

2. Analysis of the current surplus balance plan (2015/16) to ascertain the Schools detailed plans and monitoring of expenditure in respect to the Plans, these would consider the following types of issues:
 - Revenue contributions to Capital building and construction projects, Furniture, IT and other one-off expenditure of a capital nature
 - Infrastructure, maintenance and refurbishment
 - Staffing remodelling and restructuring
 - Specific curriculum resources
 - Balances held in respect of pupil focused extended activities

This list is not exhaustive and will factor in other specific reasons which the School feels are relevant. These will then be brought back to the working group.

3. Analysis of the performance of cohorts in respect to the 3 years being covered in this specification (Academic Years 2012/13, 2013/14, 2014/15). This information would be sought on the basis that DSG funding for a particular year is required to be spent on the pupils within those particular cohorts. Funding carried forward into a future financial is not used for the benefit of those pupils within the School in a particular academic year.

Analysing performance data of the School in conjunction with the surplus balance may provide information which shows the effect, if any, on a cohort by not applying all of the funding in a particular year.

Input is sought from Schools Forum on whether this would be a feasible measure to include in this exercise.