

Swindon Borough Council

Schools Forum

Wednesday, 28 March 2007

Committee Room 6, Civic Offices, Swindon at 4.00 p.m.

(Light refreshments will be available in Committee Room 5 from 3.40 p.m.)

School Members:

Gill Llewellyn, Primary Headteacher
Terri Menham, Primary Headteacher
Debbie Kalyinka, Primary Headteachers
Paul Kohn, Primary Headteachers
Chris Davies, Primary Headteachers
Paul Boyles, Primary Governor (Vice-Chair)
David Easter, Primary Governor
Steve Colledge, Secondary Headteacher
Steve Flavin, Secondary Headteacher
Rachael Matthey, Secondary Headteacher
Peter Wells, Secondary Headteacher (Chair)
John Newman, Secondary Governor
Pat Porter, Secondary Governor
Bob Walker, Special Headteacher

Non-School Members:

Sally Inskip, Diocese Representative
Rhian Cockwell, Diocese Representative (Deputy)
Phil Baker, Trade Union Representative
Debbie Waldron, Early Years Representative
Cathy Parker, Early Years Representative (Deputy)
Tim Mason, Youth Representative

Committee Officer: Helen Harris

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AGENDA

- 1. Apologies for Absence**
- 2. Minutes** (Pages 1 - 4)
To receive the minutes of the meeting held on 31 January 2007 and any matters arising.
- 3. Schools' Forum - Roles and Responsibilities** (GDC) (Pages 5 - 62)
- 4. School Funding Changes and Deprivation Review** (GDC) (Pages 63 - 72)

5. Schools Block Budget 2007-2008 (GDC) (Pages 73 - 84)

Date of Despatch: 20 March 2007

Key:

Officers:

CE	-	Chief Executive
GDC		Group Director: Children
GDHSC	-	Group Director: Housing & Social Care
GDEL	-	Group Director: Environment & Leisure
GDR	-	Group Director: Resources

Public Question Time - Swindon Borough Council is committed to increasing its accountability to the public and to promoting active citizenship. Up to 15 minutes will be allowed at the start of all Council meetings for questions to the Chair from members of the public about the work of the Committee (except for confidential matters and specific planning applications). Questions must be relevant, clear and concise. Because of time constraints Public Question Time is not an opportunity to make speeches or statements. Prior notice of a question to the Director of Law and Democratic Services is desirable - particularly if detailed background information is needed.

Access Arrangements – The Venue is wheelchair accessible and an infrared receiver hearing system is provided. If you would wish to attend the meeting but have any special requirement to enable you to do so please contact the Committee Clerk above, as soon as possible prior to the date of the meeting.

If you would like to receive any of the pages contained in this agenda in a larger print size please contact the Committee Officer whose name appears on the first page of this agenda.

SCHOOLS FORUM

WEDNESDAY, 31 JANUARY 2007

PRESENT: -

School Members: Gill Llewellyn, Primary Headteacher
Terri Menham, Primary Headteacher
Debbie Kalynka, Primary Headteachers
Paul Kohn, Primary Headteachers
David Easter, Primary Governor
Steve Colledge, Secondary Headteacher
Steve Flavin, Secondary Headteacher
Rachael Matthey, Secondary Headteacher
Peter Wells, Secondary Headteacher - **Chair**
Bob Walker, Headteacher

Non-School Members: Sally Inskip, Diocese Representative
Phil Baker, Trade Union Representative
Debbie Waldron, Early Years Representative

Officers: Ian Bickerton (Director of Local Provision), Martin Coles (Director of Quality and Standards), Geoff Hogg (Director of Services to Children and Young People), Stuart McGregor (Group Finance Manager), Lorraine Billis (Deputy Head of Finance for Schools), Patrick Weir, Karen McMahon (Aspire Programme Team), Helen Harris (Committee Officer).

Apologies for absence were received from Paul Boyles (Primary Governor) and Pat Porter (Secondary Governor).

26. Minutes

Resolved – That the minutes of the meeting held on 14 November 2006, be confirmed and signed as a correct record.

Steve Flavin (Secondary Head Teacher) remarked on the need for a clear statement setting out the roles and responsibilities of the Forum, and its impact on later decisions made by the Council. It was also commented that it would be helpful to have two-way consultation and if the Forum's views were not taken into account when decisions were made, then an explanation should be provided.

Resolved – That the Director of Local Provision submit a report to the next meeting to define the roles and responsibilities of the Forum

27. Aspire Update

The Director of Business Transformation submitted a report to provide an

update on the Aspire programme and its implications for schools.

The Forum was advised that the Council and Capita had now reached agreement and the partnership would commence on 1 February 2007.

Members expressed concerns relating to the level of targets set as performance indicators, cost of the monitoring process and safeguards for any payroll issues. Representatives of the Aspire Programme Team advised that the level of targets set were all equal to or higher than the current performance levels, with a three year rolling programme of review to ensure further and continuous improvement. It was confirmed that monitoring costs had been factored into the contract and also that measures were in place to safeguard any payroll issues. All aspects of the payroll service were incorporated within the performance framework, with accuracy rated as a high-level indicator and so carrying a higher weighting within the performance payment mechanism.

Steve Flavin (Secondary head Teacher) remarked that it would be helpful to have information on the baseline figures that were used to set the targets. The Chair also enquired when the end of year report would be submitted to the Forum and that he would like to see included details of the target set, whether Band was triggered, the baseline target and amount of progression and what influence the Forum could have on future targets. The Aspire Programme representatives agreed that this was how they envisaged the reports would be set out.

Resolved – (1) That the report and the implications for schools be noted.
(2) That the proposed arrangements for engagement with schools as the Aspire Partnership develops be endorsed.

28. Report from School Forum Sub Group

The Director of Local Provision presented a report by the Group Director Children to inform the Forum of the recommendations of the Schools Forum Sub Group from its meetings on 8th and 15th December 2006.

The discussion centred around the proposal to provide one-off funding from the 2005/06 carry-forward for alternative education provisions SCEP, Stepping Forward and Close to Home for 2007/08 to replace the grant funding that was being discontinued. None of the initiatives had ever been directly funded by the Council but had always been supported by grants from other sources. They all provided a vital service but if funding was not available they would have to close. The one-off payment was suggested as a way of continuing the provision whilst other avenues were explored.

It was also explained that the item for funding specialist equipment was not specifically for special schools but would fund all schools across the Borough. Specialist requirements had increased over the years, but the budget hadn't and recently identified needs had resulted in an overspend. An increase in the budget was required on a continuing basis.

Resolved – That the report and the recommendations of the Sub-Group be noted.

(The Chair made a non-prejudicial declaration of interest, as he was a Trustee of Stepping Forward).

29.**Funding for New Schools**

The Forum considered a report by the Group Director Children, which introduced an issue raised by a primary school representative regarding the impact of the funding formula on new schools.

Terri Menham (Primary Head Teacher) explained that for any child starting school between September and 31 March, seven months funding was provided. For new schools however, this funding then stopped and was not provided for the summer months, even though the child would be at the school for the full 12 months. This provided serious financial difficulties because to comply with government legislation on class sizes, it would be necessary to set-up new classes but it was financially not viable.

It was generally agreed that this was an issue that needed a general solution, as it would affect all new schools and not just the current one in question. Various suggestions were put forward to resolve the immediate issue for 2007/08 but it was agreed that officers should investigate all possible solutions and submit a report to the next meeting with their findings.

Resolved – (1) That the Group Director Children submit a report to the next meeting with proposals on how any financial assistance could be provided to new schools during 2007/08.

(2) That the Group Finance Manager consider the issue of continued pupil funding for new schools when reviewing the funding formula for future years

30.**Schools Budget Balances 2005-06**

The Forum considered a report by the Group Director Children, as presented by the Director of Local Provision, regarding the allocation of the brought forward balances from the Schools Budget 2005-06.

Concern was expressed that the carry-forward was being used to provide emergency one-off funding for various initiatives when long-term solutions needed to be found. It was stressed that one-off funding was only required to allow investigations into alternative sources of funding to be carried out. Notification that the grants were ceasing had come too late for alternative provision to be found for 2007/08 and there was a very real danger that pupil exclusions would increase if the support these initiatives provided had to cease. However, it was agreed that funding for 'Out of School Provision' should be reduced to seven-twelfths of the amount recommended in paragraph 2.2 of the report.

Resolved – That, subject to the following amendments, the unspent balance from the Schools Budget 2005-06 be allocated as set out in paragraph 2.2 of the report:

- The 'Out of School Provision' be amended to 'Financial Year 2007-08' and reduced to seven-twelfths of the recommended sum.
- The Per Pupil Distribution be determined as 'primary schools - September 2006 pupil numbers.'

31.**Schools Budget 2007- 2008**

The Director of Local Provision presented a report by the Group Director Children concerning the proposed schools budget for 2007-2008.

Resolved – (1) That officers investigate the possibility of increasing the central block by £35K to support the proper funding of specialist equipment that is required on an annual basis.

(2) That subject to (1) above, the overall Schools Budget as set out in Appendix A to the report be endorsed

32. Schools Funding Formula for Individual Schools Budget 2007-08

The Director of Local Provision presented a report by the Group Director Children to seek agreement to the Schools Funding Formula for 2007/08.

The Chair remarked on the difficulty of financing all the changes a school needed to make when it moved from a split site to a new single site. The current formula did not allow all the changes to be incorporated into one financial year and he suggested that two years would be more realistic. It was acknowledged that there were difficulties for all split site schools and that difficult decisions had to be made within very tight timescales.

Resolved - (1) That the proposed revision to the Schools Funding Formula for 2007-08, as set out in paragraph 2.5 of the report, be agreed in accordance with the recommendation of the Schools Forum Sub Group.

(2) That the proposed Schools Funding Formula for the Individual Schools Budget 2007-08, as set out in Appendix A to the report, be agreed.

33. Standards Fund 2007-08

The Forum considered a report by the Group Director Children, as presented by the Director of Quality and Standards, concerning the Standards Fund grant allocations for 2007-08.

Resolved – (1) That the Standards Fund grant allocations for 2007-08 be noted.

(2) That the grant for 116b Music at Key Stage 2 be retained and its scope broadened in accordance with the proposal in Appendix B to the report.

34. Future Meetings

The Forum noted that the next meeting would be held on 13 March 2007 with future meetings taking place on 10 July 2007, 2 October 2007, 22 January 2008 and 29 April 2008.

Gill Llewellyn (Primary Head Teacher) requested that an item on funding for Reception children who delay their school entry be included at the next meeting.

Schools' Forum

Date: 28 March 2007

Author: Group Director, Children Services

Parish/Wards affected: All

<p>Purpose</p>
<p>To inform the Schools' Forum about their roles and responsibilities and legal powers.</p>
<p>Recommendation</p>
<p>The Schools' Forum is requested to note this report.</p>

1 Reasons

The Schools' Forum, at their last meeting, asked for a report to be submitted setting out the roles and responsibilities of the Forum, including legal powers.

2 Detail

Background

2.1 At the January 2006 meeting of the Schools' Forum, a Review Group was established to examine the effectiveness and operation of Swindon Schools' Forum and to come back with recommendations for any changes considered necessary. The Review Group was guided by a document issued by the DfES in December 2005 entitled "Schools' Forums: Operational & Good Practice Guidance" (see **Appendix A**). The Review Group reported back to the June 2006 meeting of the Forum.

2.2 As a result, the Forum decided to reconstitute on 31 August 2006 and, as part of this, to make a number of changes, including:

- to increase the membership of the Forum to 20, comprising 16 Schools' Members and 4 non-Schools' Members;
- to establish a Sub-Group to examine detailed financial issues;
- to consider further effective ways to communicate decisions/deliberations of the Forum to the Council and to the wider education community;
- to take a more strategic view of financial issues affecting schools in Swindon;

Further information on the subject of this report can be obtained from Ian Bickerton on 01793 465724 or Email ibickerton@swindon.gov.uk

SCHOOLS' FORUM – ROLES & RESPONSIBILITIES

Schools' Forum

Date: 28 March 2007

- to ensure that agendas are sent out earlier, open to items from members of the Forum (through the Chair) and that there is a forward plan, which is regularly updated;
 - to provide effective induction for all new members.
- 2.3 The Schools' Forum, at their last meeting, also asked for clarification of the roles and responsibilities, including legal powers, of the Forum, together with the requirements on the Authority to consult the Forum on relevant matters.

Roles and Responsibilities

(a) Establishment of Schools' Forums – 2002 Regulations

2.4 Schools' Forums were set up under the Schools' Forums (England) Regulations 2002. These Regulations required each Local Education Authority to establish a Schools' Forum for their area by mid-January 2003.

2.5 At that stage, Schools' Forums were entirely consultative bodies. The Local Education Authority was, therefore, required to consult the Forum on a range of issues relating to the Schools' Budget and, in particular, in relation to:

- any proposed changes to factors and criteria of the funding formula;
- contracts for supplies and services to be paid from the Local Authority's Schools' Budget;
- the Local Authority's functions relating to the Schools' Budget.

(b) 2006 and 2007 Regulations

2.6 However, the 2006 School Finance Regulations have since conferred certain powers on Schools' Forums. The accompanying note to these Regulations is attached as **Appendix B**.

2.7 These powers have been added to as a result of the School Finance (Amendment) Regulations 2007, which have very recently been issued by the DfES. A summary of these is attached as **Appendix C** to this report.

(c) Schools' Forum – Legal Powers

SCHOOLS' FORUM – ROLES & RESPONSIBILITIES

Schools' Forum

Date: 28 March 2007

2.8 The legal powers of the Schools' Forum are, therefore, specifically those set out in the 2006 and 2007 Regulations and are as shown in italics below:

- The funding formula is agreed by the Local Authority, in consultation with the Schools' Forum (and this may be extended to all Head Teachers and Governing Bodies). The formula is established at the beginning of the multi-year funding period (this is initially a two-year period for 2006/07 and 2007/08 but will subsequently be on a three-year basis). If it is considered that there needs to be a change to the formula during the course of the multi-year budget period, *then it is for the Schools' Forum to agree (or not agree) such a change.*
- The Local Authority is required to seek the approval of the Schools' Forum (or the Secretary of State), if it wishes to do any of the following:
 - *Increase the amount of funding it retains centrally from what it planned to retain;*
 - *Exceed its central expenditure limit – ie, any increase in central expenditure exceeding the increase in delegated expenditure;*
 - *Exceed the limit placed on the amount of funding it is able to retain against certain items of expenditure, including the schools' specific contingency, SEN transport costs, prudential borrowing costs and the termination of employment costs. This means that the Schools' Forum can agree funding for a proposal if it will subsequently generate greater savings.*
- If the Local Authority wishes to vary the Minimum Funding Guarantee, *the Schools' Forum has the power to approve this in certain circumstances.* However, the Schools' Forum does not have the power to approve any change if it will affect more than 20% of schools.
- The School Finance (Amendment) Regulations 2007 now require a new school to have a delegated budget from either:
 - (i) 15 months before the opening of the school or
 - (ii) when the Temporary Governing Body is constituted, whichever is the later.

SCHOOLS' FORUM – ROLES & RESPONSIBILITIES

Schools' Forum

Date: 28 March 2007

These Regulations also provide a new power for the Schools' Forum to vary the date to a date proposed by the Local Authority.

- In addition, the 2007 Regulations provide a new power for the Forum to approve Local Authority proposals to revise its Scheme of Delegation.
- Finally, in relation to a number of these powers, if there is no local agreement or consensus to a proposal from the Local Authority, the Local Authority can, if it wishes, go to the Secretary of State for a final decision.

3 Alternative Options

No alternative options were considered, as the Schools' Forum requested a report on their roles and responsibilities.

Risk Management

Financial and Procurement Implications

These are set out throughout the report and in the attached Appendices.

Legal/Human Right Implications

The Secretary of State for Education & Skills makes the Regulations in exercise of powers conferred by the Schools Standards & Framework Act 1998.

Links to Corporate Plans and Policies (in particular, to Swindon 2010 Promises)

Promise 45: "We will make sure that schools will be at the heart of each community."

Consultees

- The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.
- DfES

Background Papers and Appendices

Appendix A – DfES document issued in December 2005 'Schools' Forums: Operational & Good Practice Guidance"

Appendix B – Accompanying note on School Finance (England) Regulations 2006

Appendix C – Summary of School Finance (Amendment) Regulations 2007

Department for Education and Skills

**SCHOOLS FORUMS:
OPERATIONAL AND GOOD
PRACTICE GUIDANCE**

Issued: December 2005

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INTRODUCTION

1. This guide is designed to provide members of Schools Forums, local authority officers and elected members with advice, guidance and information on good practice in relation to the operation of Schools Forums.

2. It is organised in four sections:

- Section 1 provides information on the constitutional and procedural requirements as set out in the Schools Forum Regulations¹.
- Section 2 covers a number of key aspects of the operation of Schools Forums at local level, drawing on good practice from a number of Schools Forums.
- Section 3 provides information on the kinds of induction and training material and activities that local authorities should consider providing to members of their Schools Forum. It also contains information on further sources of information and guidance available and relevant website links and contact details.
- Section 4 contains information on sources of further information and Departmental contact details.

3. The guide draws on the experience and knowledge of Schools Forum members, local authority members and officers and the Department and its partners. Other than where it is describing requirements set out in regulations it is not designed to be prescriptive – what is good practice in one Schools Forum may not be appropriate in another, given the diverse circumstances of local areas. However, it is hoped the guide will stimulate some debate within Schools Forums and contribute to their ongoing development.

4. The Department hopes that Schools Forums and local authorities find this guide useful. It has been the subject of consultation with a wide variety of external partners. In particular, members of the Department's School Funding Implementation Group, made up of representatives of head teachers and governors, ConfEd and the Local Government Association, have provided valuable input and advice on the content of the guide. The Department is grateful for their assistance.

¹ Schools Forum (England) Regulations 2002, as amended by the Schools Forum (England) (Amendment) Regulations 2005/3299

SECTION 1

SCHOOLS FORUM REGULATIONS: CONSTITUTION AND PROCEDURAL ISSUES

Regulations

1.1. National regulations govern the composition, constitution and procedures of Schools Forums. Local authorities can provide Schools Forum members with a copy of these regulations or alternatively they can be accessed at:

<http://www.teachernet.gov.uk/management/schoolfunding/quickindex/>

Membership

1.2. The regulations provide a framework for the appointment of members, but allow a considerable degree of discretion in order to accommodate local priorities and practice.

1.3. A forum must have at least 15 members. No maximum size is stipulated, and authorities will wish to take various issues into account in deciding the actual size, including the need to have full representation for various types of school, and the authority's policy on including non-schools members within the total. However, care should be taken to keep the forum to a reasonable size. Experience suggests that if it is over-large, for instance more than 25-30, the effective management of meetings becomes difficult and individual members may feel unable to contribute meaningfully. Most Schools Forums have between 18 and 35 members.

1.4. Types of member. Forums must have 'schools members', and at the discretion of the authority can also have 'non-schools members'. If the latter are appointed, they can number no more than 20% of the total membership of the forum.

Schools members

1.5. Schools members represent specified phases or types of schools within the authority. At the least, Schools Forums must contain representatives of two groups of schools: primary and secondary schools. The numbers of members in each group should be proportionate to the ratio of pupils in each phase. Beyond this, Schools Forums must also include representatives of special schools and nursery schools if local authorities maintain such schools. These two groups of schools are treated slightly differently in terms of membership arrangements.

1.6. Where a local authority maintains one or more special schools the Schools Forum should have at least one schools member from that sector. In the case of nursery schools, however, local authorities were given the

opportunity to include a representative of nursery schools within the existing primary school members. If this discretion was not exercised before April 2004, Schools Forums had to then add a schools member specifically representing nursery schools.

1.7. Middle schools are treated according to their deemed status and while there is no specific provision in the regulations to require separate representation of middle schools it is good practice to ensure that all the various age phases of schools in an authority have adequate representation. Where middle Schools exist, therefore, many local authorities include them as a separate group in the membership structure of Schools Forums.

1.8. The authority then has discretion to divide these groups further so as to comprise sub-groups of head teachers and governors of the relevant schools. The sub-groups do not have to be of equal size – for example, there may be more representatives of head teachers of primary schools than governors of such schools, or vice versa. It is good practice for Schools Forums to aim for a membership structure based on an equal proportion of head teachers and governors, though this is not always possible for a variety of reasons. Nevertheless it is vital that even where equal numbers of head teachers and governors cannot be achieved there is sufficient representation of each type of schools member in each group to ensure debate within the forum is balanced and representative.

1.9. The authority can also divide groups in order to have separate representation of types of school – community, voluntary, foundation where these apply to the groups in question. This can be done instead of, or as well as, sub-division by head teacher and governor; but there will be a need to consider any resulting complexity and size. There must not be any duplication of membership between the sub-groups – i.e. a secondary school group can be divided into sub-groups of community secondary schools and Foundation/VA secondary schools. Such a group, however, cannot be divided in a way which would allow an individual head teacher to represent either the secondary school group in general or the Foundation/VA secondary school sub-group.

1.10. Whatever the membership structure of schools members on a forum, the important issue is that it should reflect most effectively the profile of schools across the authority to ensure that there is not an in-built bias towards any one phase or group.

1.11. The term of office for each schools member must be stipulated by the authority at the time of appointment. Such stipulation should follow published rules and be applied in a consistent manner as between members. They need not have identical terms – there may be a case for varied terms so that there is continuity of experience rather than there being a complete change in the membership at a single point.

1.12. As well as the term of office coming to an end, a schools member ceases to be a member of the Schools Forum if he or she resigns from the

form or no longer occupies the office which he or she was nominated to represent. For example, a schools member representing community primary school governors who is no longer a governor of a community primary school in the relevant authority must cease to hold office on the Schools Forum even if they remain a governor of school represented by another group or sub-group.

Election and nomination of schools members

1.13. Existing schools members will have been elected on the basis of procedures determined by the local authority. In practice, the local authority may have held its own elections or sought nominated representatives from appropriate groups, e.g. a local governors' association or the local primary head teachers' association. These memberships are valid until such members' terms of office come to an end or they resign or otherwise become ineligible for membership. When a vacancy does arise, the authority must appoint a replacement schools member to the group or sub-group in question.

1.14. The Schools Forum (Amendment) (England) Regulations 2005 require that such a replacement must be elected to serve as a member of the group or sub-group and that such an election must be run according to a process determined by the constituents represented by the members of that group or sub-group.

1.15. So, for example, a vacancy amongst a community primary school head teachers' group must be filled by a nominee elected according to a process that has been determined by all the community primary school head teachers in the local authority and in which all community primary school head teachers had the opportunity to stand for election and/or vote in such an election.

1.16. Similarly, if a local authority's Schools Forum has, say, a sub-group of Voluntary Aided and Foundation secondary school governors, all governors of such schools are eligible to stand for election and all can vote in any such election.

1.17. As outlined above, the composition of Schools Forum must be constructed in such a way that ensures that any potential schools member holding a single office/position (head teacher or governor) can represent only one group or sub-group. However it would be quite legitimate for a single person who holds multiple offices/positions to be eligible for membership of more than one group or sub-group. A person who is a governor of, say, a primary school and a secondary school is able to stand in elections as a representative of either group but can be appointed to represent only one of those groups.

1.18. The purpose of ensuring that each group or sub-group is responsible for their election process is to guarantee that there is a transparent process by which members of Schools Forums are nominated to represent their constituents. Some groups and sub-groups may face logistical and administrative difficulties firstly in determining the process for their elections

and secondly in running such elections.

1.19. Appropriate support to each group or sub-group to manage their election processes should be offered by the clerk of a Schools Forum, or the committee/democratic services of a local authority. This may just include the provision of advice but may also consist of providing administrative support in actually running the elections themselves.

1.20. As a minimum, the clerk of a Schools Forum must make a record of the process by which the constituents of each group and sub-group elect their nominees to the Schools Forum and be able to advise the Chair of the Schools Forum and local authority on action that needs to be taken, where necessary, to seek new nominees.

1.21. In determining the process by which elections should be operated it is perfectly legitimate for a local authority to devise, in consultation with their Schools Forum, a model scheme for the constituents of a group or sub-group to consider and be invited to adopt. However, such a model scheme cannot be imposed on any constituency: adaptations and /or alternative schemes may be adopted. A single scheme need not be adopted by each constituency.

1.22. In fact, schemes are very likely to differ in substance between different sized constituencies or between those constituencies that have an existing 'parent' group and those that do not. For instance, within most local authorities there are head teacher associations. These may serve as an appropriate vehicle for the organisation of elections. However, care must be taken to ensure that every possible eligible member of a constituency has an opportunity to be involved in the determination of their group's election process and is given the opportunity to stand for election if they choose to do so.

1.23. It would not be considered good practice nor to be compliant with the regulations for the steering committee or chair of a 'parent' group simply to make a nomination to represent their group or sub-group on a Schools Forum.

1.24. Any scheme must take into account a number of factors;

- a. the process for collecting names of those wishing to stand for election;
- b. the timescale for notifying all constituents of the election and those standing;
- c. the arrangements for dispatching and receiving ballots;
- d. the arrangements for counting and publicising the results;
- e. any arrangements for unusual circumstances such as only one candidate standing in an election or where there is a tie between

two or more candidates; and

f. whether existing members can stand for re-election.

1.25. Local authorities will be well placed to provide advice on all these and other relevant issues if required.

Non-schools members

1.26. Non-schools members may number no more than 20% of a forum's total membership (excluding observers – see paragraph x). It is for the authority to decide which bodies should be asked to nominate non-schools members, although the regulations require authorities, if they have non-schools members at all, to consider seeking nominations from the Church of England and Roman Catholic dioceses covering the authority's area. If diocesan authorities nominate members they should consider what type of representative is most appropriate – schools-based such as a head teacher or governor, or someone linked more generally with the diocese.

1.27. It is also good practice for local authorities to ensure that the needs and interests of all the pupils in the local authority are adequately represented by the members of a Schools Forum. Pupils in maintained schools clearly are represented by schools members. Some pupils in a local authority, however, are not in maintained schools but instead are educated in Pupil Referral Units, hospitals, independent special schools and non-maintained special schools. Certain types of non-schools members can play an important role in representing the interests of these groups of pupils. They can also play a role in representing the interests and views of the services that support those groups of vulnerable and at-risk pupils who nevertheless are on the roll of maintained schools, such as looked after children and children with certain learning and behavioural needs.

1.28. The purpose of non-schools members is also to bring greater breadth of discussion to forum meetings and ensure that stakeholders and partners other than schools are represented. Organisations which typically provide non-schools members are trades unions, professional associations and representatives of early years and youth groups. Parent groups could also be considered. However, as there are clearly limited numbers of non-schools members able to be on a Schools Forum, care should be taken to ensure that an appropriate representation from wider stakeholders is achieved.

1.29. The length of term of office for non-schools members is at the discretion of the authority. Schools must be informed within a month of the appointment of any non-schools member. The LSC cannot nominate non-schools members (but see section on observers at paragraph).

Restrictions on membership

1.30. There are two important restrictions placed on who can be a member of a Schools Forum. Firstly, elected members who hold an executive role in a local authority (a lead member/portfolio holder) are barred from being either a schools member (by virtue of them being a governor) or a non-schools member. Secondly, officers employed by the local education authority/Children's Services Department who have a role in the strategic resource management of the authority are also barred from the membership of a forum.

1.31. In practice this second restriction will apply to the Chief Education Officer/ Director of Children's Services, Assistant Directors and other senior officers with a specific role in strategic financial management and/or who are responsible for the funding formula for schools.

1.32. The restrictions on membership have been in force since the introduction of new school funding arrangements in April 2006². Since then, Schools Forums have had the power to approve a limited range of proposals from their local authority: the restrictions ensure that there is no conflict of interest between the proposing body (the local authority) and the approving body (the Schools Forum).

1.33. However, non-executive elected members and those officers who are employed in their capacity as head teachers or teachers or are otherwise engaged to provide direct support to pupils are eligible to be members of forums.

1.34. In the case of non-executive elected members, they may be either a schools member (by virtue of them being a school governor) or a non-schools member. As a non-schools member they would be well placed to fulfil the broader overview and scrutiny role they have within the local authority in general.

1.35. Officers who are employed as teachers or head teachers such as teachers-in-charge of PRUs or who work for, and those who directly manage, a service which provides education to individual children and/or advice to schools on learning and behavioural matters, for example, are eligible for membership.

1.36. So, for example, an officer working for or directly managing an education service for looked after children or pupils with sensory difficulties etc can be a non-schools member of a Schools Forum as they are well placed to represent the needs and interests of a particular group of pupils.

1.37. School Improvement Partners are also able to be a non-schools member of a Schools Forum as they will be able to bring an additional

² Transitional provisions for Schools Forums whose membership structures were not compliant with the amended regulations were made allowing them up until August 31 2006 to reconstitute as necessary.

professional voice to debates.

1.38. However, the inclusion of non-executive elected members, certain officer or Schools Improvement Partners is not a requirement. Many Schools Forums do not have such members on them and it is for each local authority and Schools Forum to consider that they have the right balance of school and non-school representation taking into account their local circumstances and preferences.

Observers

1.39. The authority must permit the local LSC to nominate an observer if it wishes. Observers can attend all forum meetings but may not vote. The LSC's right of observer status arises due to its interest in the planning and funding of post-16 provision. The authority should ensure that the local LSC receives copies of papers. The LSC observer is entitled to attend all forum meetings but can be asked to withdraw voluntarily for specific items.

1.40. The regulations also provide that any elected member or officer who is not a member of the Schools Forum is entitled to attend and speak at a forum. This is to ensure that, while not voting members of Schools Forums, executive elected members and senior officers with responsibility for strategic resource management have a clear right to participate in any discussions that Schools Forum may have, particularly where a local authority has asked its Schools Forum to approve a proposal. Where this is the case it is good practice that the executive member and/or senior officer is able to speak to such an item and respond to any queries the Schools Forum raises.

1.41. The authority may also ask other observers to attend Schools Forum meetings (these might include expert advisers on relevant issues). It can also invite any other body to do so. An academy operating in the local authority's area is entitled to attend the Schools Forum as an observer. If there is more than one academy they may nominate a joint observer; if they cannot agree on this, then the regulations specify a procedure for rotation of observer status.

1.42. There is nothing in the regulations to prevent the use of nominated substitutes for members and observers. If such a system is used then it is sensible for there to be formally nominated substitutes/alternates, rather than *ad hoc* arrangements, to ensure some degree of continuity and procedural propriety in respect of voting arrangement.

Recording the composition of Schools Forums

1.43. Each local authority must make a written record of the composition of its Schools Forum detailing the numbers of schools member representatives, the number of such members in each constituent group and sub-group and the organisations represented on the Schools Forum as non-schools members. This record should also indicate the term of office for schools members. When the term of office of an existing schools member comes to

an end, the group or sub-group they represented should nominate a replacement by holding an election among those eligible to be that group or sub-group's nominee (see paragraph 1.13 for more information on election of schools members).

Procedures

1.44. Most procedural matters are not prescribed in regulations and are at the discretion either of the authority or the forum itself. However, there are requirements in the regulations relating to:

- a. quorum: A meeting is only quorate if 40% of the total membership is present (this excludes any observers, and it is 40% of the current membership excluding vacancies). If a meeting is inquorate it can proceed but it cannot legally take decisions (e.g. election of a chair, or a decision relating to funding conferred by the funding regulations). An inquorate meeting can respond to authority consultation, and give views to the authority. It would normally be good practice for the authority to take account of such 'unofficial' views, but it is not legally obliged to do so. In practice, the arrangements for meetings should be made to reduce the chance of a problem with quora. The quorum stipulation is in the regulations to help ensure the legitimacy of decisions;
- b. election of a chair: Under the regulations, if the position of chair falls vacant the forum must decide how long the term of office of the next chair will be. This can be for any period, but the forum should consider carefully whether a period exceeding two years is sensible. A long period will also cause problems if the member elected as chair has a term of office as a member which comes to an end before their term of office as chair ends. The forum should then elect a chair from amongst its own members except that any non-executive elected member or eligible officer who is a member of a forum may not hold the office of chair. In the past a small number of Schools Forums have chosen to appoint a chair who is not a member of the Schools Forum, nor an officer or elected member of the local authority, Such independent chairs are not now permitted under the Schools Forum (Amendment) (England) Regulations 2005;
- c. voting procedures: The regulations provide that a forum must determine its own voting procedures. Previously, although many did so, it was open to the local authority to impose such procedures. A forum may decide, if it wishes, to adopt procedures already in place or replace them with its own. The new powers which Schools Forums have to take decisions on a range of funding matters increase the importance of clear procedures. These procedures should take account of any use of working groups by the forum – for example a decision might be taken by voting to accept a report by a working group (see also below). Schools members and non-school members will have experience of voting procedures from their responsibilities on

governing bodies and other groups so devising and adopting a voting procedure should not pose any major difficulties. Likewise local authorities will be well placed to offer advice if required. As part of any voting procedure there must be clarity in the procedures for recording the outcome of a vote, and any resolutions a Schools Forum makes in relation to any vote taken. The importance of accurate minute taking is discussed at paragraphs 2.26-2.27;

d. regulations: provide that proceedings of the forum are not invalidated by defects in the election or appointment of any member, or the appointment of the chair. Nor does the existence of any vacancy invalidate proceedings (see paragraph 1.44(a) on quorum).

1.45. Where the regulations make no provision on a procedural matter, local discretion should be exercised. It is for the authority to decide how far it wishes to establish rules for the Schools Forum to follow, in the form of standing orders. While it is entitled to do so, it is of course good practice to allow the forum to set its own rules so far as possible.

1.46. That notwithstanding, certain issues are most sensibly decided by the authority itself, because of the need to align meetings of the forum with the flow of school funding business throughout the year. The scheduling of meetings should therefore be decided by the authority, but taking account of views expressed by the forum and in particular the chair. Further consideration is given to this in the 'Managing the Business' section below.

Timing and logistics

1.47. Practice regarding the timing of meetings varies considerably across forums, reflecting different views as to the most convenient arrangement. Good practice in this regard will be the arrangement, under the particular local circumstances, that achieves the best attendance.

1.48. Generally speaking it is sensible to have all meetings of the forum in the same location. However, there may be a case, particularly in geographically scattered authorities, for rotating the location so that a minority of members is not continually disadvantaged in terms of travel and attendance.

1.49. Care should be taken to ensure that the logistical arrangements for meetings are conducive to good discussion and debate. The forum should meet in a room which is of sensible size for its membership, and arranged so that members can engage in effective discussion and debate. Over-large formal debating chambers, or small crowded rooms, may not produce a feeling of cohesion amongst forum members. The authority will also wish to bear in mind that some members will have difficulty in fitting attendance into their commitments, and provide modest refreshments in recognition of this.

Public access

1.50. With the introduction of the new school funding arrangements, Schools Forums are becoming more than just consultative bodies. Instead they also have an important role to play in approving certain proposals from their local authority and are therefore involved in the decision making process surrounding the use of public money at local level. Schools Forums should consider how best to ensure that their proceedings are subject to public scrutiny. Local authority council meetings and committee meetings are held in public except in certain specified cases and Schools Forums should start from the presumption that there is no reason not to allow public access.

1.51. Some Schools Forums already operate very much along the lines of a local authority committee. This is perfectly legitimate where there is such local preference. Certainly papers, agendas and minutes should be publicly available. This is most easily achieved by publishing them on a website.

Working Groups

1.52. It is open to a Schools Forum to set up working groups of members to discuss specific issues, and to produce draft advice and decisions for the forum itself to consider. It is not good practice (though it is legal, if properly decided upon and recorded) for the forum to delegate actual decisions or the finalisation of advice to a working group, as this may have the effect of excluding legitimate points of view.

Urgent business

1.53. It is good practice for the local authority to agree with its Schools Forum an urgency procedure to be followed when there is a genuine business need for a decision or formal view to be expressed by the forum, before the next scheduled meeting. The authority may of course call an unscheduled meeting; but it may also wish to put in place alternative arrangements such as clearance by email correspondence or some other means. Such instances should be avoided so far as possible but are legitimate provided all members of the forum have an opportunity to participate and the logistics provide a reasonable opportunity for consideration.

1.54. It is not legal for the chair to take a decision on behalf of the forum, no matter how urgent the matter in question; but a forum may wish to put in place a procedure for the Chair to give the authority a view on an urgent issue.

SECTION 2

EFFECTIVE SCHOOLS FORUMS

Introduction

2.1. As the previous section outlined, local authorities have responsibility for establishing Schools Forums. They also have an ongoing responsibility to provide them with appropriate support, information and guidance in carrying out their functions and responsibilities.

2.2. The following outlines some aspects of what local authorities and Schools Forums should consider in ensuring that their Schools Forums are as effective as possible. It should be stressed, however, that the working practices and operation of individual Schools Forums should reflect the circumstances of the schools and educational needs of the local area they represent. These notes, therefore, are not meant to be prescriptive but are intended to offer some helpful guidance based on what is considered to be best practice. Schools Forum members and local authorities may wish to consider these issues in relation to the operation of their own forums.

2.3. Central to the effectiveness or otherwise of a Schools Forum will be the relationship between it and its local authority. The local authority will have a significant influence on this: the support it provides; the resources it devotes and the weight it gives to the views of Schools Forums all contribute to the nature of the relationship. There are therefore a number of characteristics of this relationship that are particularly important:

2.4. *Partnership:* The work of the Schools Forum is likely to be most effective when there is a genuine partnership between it and its local authority. In practice this means having a shared understanding of the priorities, issues and concerns of schools and the local authority. However, it also means being honest and open where there are some tensions or disagreements over priorities. Overall there should be a shared commitment to working together on the agreed priorities and understanding of the contribution that can be made by each side to their achievement.

2.5. *Effective Support:* The local authority is the main source of support and guidance to a Schools Forum. It is vital therefore that the business of the Schools Forum is supported by the local authority in an efficient and professional manner. The management of meeting cycles, production of papers and the provision of good quality advice and guidance all contribute to the effectiveness of Schools Forums.

2.6. *Openness:* It is important that a Schools Forum feels it is receiving open and honest advice from its local authority. In the vast majority of cases this is the situation, but there will inevitably be some issues about which a local authority and its Schools Forum may disagree. This can cause tension but a Schools Forum should be able to feel that it is receiving all the

information it needs to reach necessary decisions or informed views.

2.7. *Responsiveness*: Local authorities should as far as possible be responsive to requests from their Schools Forums. These may include requests to discuss particular topics or issues as well as requests for information, data or other support. However, Schools Forums themselves should also be aware of the resource implications of their requests. The resources (both officer time and other resources) that a local authority devotes to the Schools Forum are a local matter that ideally should be discussed and agreed between the local authority and Schools Forum. Within the resources available, Schools Forums should have a degree of control over the issues they consider and information provided. Beyond this, local authorities will want to support their Schools Forum as far as they are able but Schools Forums should also take a realistic view of the resource implications of any requests they make.

2.8. *Strategic view*: Schools Forums are most effective when they take a strategic view of the issues they are considering. While members of a Schools Forum are representatives of their specific sector or phase, they should be able to consider the needs of the whole of the educational community, rather using their position on a Schools Forum to advance their own sectional or specific interests. Schools Forum chairs have a particularly important role in ensuring that this is the case: they can influence the kinds of issues and topics discussed and should set the tone for the discussions at meetings. Equally, local authorities have a role in ensuring that all members of a Schools Forum are well briefed and able to participate fully in discussions.

2.9. *Challenge and Scrutiny*: Schools Forums may be asked to agree to proposals from their local authority that will have an effect on all schools in the local area. The extent to which forums can scrutinise and challenge such proposals is an important aspect of their effectiveness. Many local authorities and Schools Forums pride themselves on the collegiate nature of their relationship and the consensus by which they operate: others may be less concerned about this. Whatever the nature of the relationship, however, there will be instances where it is incumbent on a Schools Forum to challenge and scrutinise a local authority's decisions, proposals or existing arrangements. Effective local authorities and Schools Forums manage this well and while agreement can often be reached under relatively informal circumstances, it is vital that there are formal procedures in place to ensure that any decisions the Schools Forum makes are reached in an appropriate and transparent manner.

2.10. The characteristics identified above are just some of the aspects that will contribute to an effective Schools Forum. The following provides more detail on some of the specific issues that local authorities and Schools Forums may wish to consider in thinking about their own arrangements.

The role of Executive Elected Members

2.11. A Schools Forum needs to ensure that there are systems in place for executive members of the Council to be aware of its views on specific issues and, in particular, any decisions it takes in relation to the Schools Budget and individual budget shares.

2.12. It is common for an executive member (usually the portfolio holder with responsibility for education) to attend Schools Forum meetings. By doing so such elected members are able to contribute to the discussion and receive first-hand the views of the forum: it is clearly good practice for this to be the case and the regulations provide the right for executive members to attend and speak at forum meetings. However, there is no requirement for this to happen so at the very least there should be clear channels of communication between the Schools Forum and executive members.

Attendance of local authority officers at meetings

2.13. There is no requirement for specific officers to attend meetings of the Schools Forum beyond any officers who, in consequence of local decisions, are non-schools members of the Forum. However, as with executive members it is clearly good practice for the senior manager with resource responsibilities, and perhaps the Director of Education/Children's Services, to attend meetings.

2.14. It is important to consider the capacity in which officers who are not members of a forum attend the meetings of their forum. In practice, it is usual for officers to have prepared the papers and information for the forum, present the papers at meetings and participate in any discussion. This will usually suffice, but on particularly contentious matters Schools Forums may want to consider what, if any, further information is needed, beyond that supplied, to reach an informed decision. For instance, in the case of a proposal to vary the Minimum Funding Guarantee for certain schools the Schools Forum may wish to ensure that it is aware of the views of the schools affected.

2.15. While processes should not be excessively bureaucratic or time-consuming, both the local authority and the Schools Forum should consider how such situations can best be managed to provide assurance to all schools that fair and effective decisions are being reached.

2.16. Also, in the majority of cases Schools Forums are supported by a specific officer - maybe the Assistant Director with responsibility for Resources. In the course of their work, however, Schools Forums will be required to consider a whole range of issues and they may consider it appropriate that other officers attend for specific items of business. Where this is the case, the local authority should meet the Schools Forum's requests as far as possible.

Administration of the business of Schools Forums

2.17. The vast majority of a Schools Forum's business will be transacted on the basis of prepared papers. It is therefore important that these are of a high standard and produced in a timely and consistent manner

2.18. It is good practice for the Schools Forum and local authority to agree a standard for these. It is usual for papers to be dispatched at least one week prior to the meeting at which they will be discussed to allow members to consider them and if necessary canvass views from the group they are representing.

2.19. Consistency in the presentation of papers also contributes to the effectiveness of meetings: it helps set the tone of meetings, facilitate the engagement of all members and signal the importance the local authority attaches to the work of the Schools Forum. Ideally such a standard should be agreed between the Schools Forum and local authority. Annex A provides a suggested model format for papers.

2.20. It is important to note that one of the issues that Schools Forum members have identified as contributing to unsatisfactory meetings is the poor presentation of papers and/or papers that arrive late. However, there may be situations in which a delay in the dispatch of papers and/or papers needing to be tabled at a meeting is an unavoidable situation for a variety of reasons.

2.21. This should occur in exceptional circumstances only but where it does the chair and/or the full meeting should have the discretion to take a view on whether such papers are sufficiently important to allow them to be taken at the meeting. If so, consideration should be given to how the agenda can be managed (by possibly by deferring some items to a future meeting) to ensure all members are able to consider the paper and contribute appropriately.

Clerking the Schools Forum

2.22. Clerking of a Schools Forum should be seen as more than just writing a note of the meeting. A good clerk provides an invaluable link between the members of the Forum, the chair and the local authority. It is a role often undertaken by an employee of the local authority though in some cases independent clerks are used.

2.23. Clerks should manage the logistics of the meeting in terms of ensuring dispatch of papers and producing a note from the meeting. In considering the style of meeting notes consideration should be given to making them intelligible enough for non-attendees to get a sense of the discussion as well as clearly indicating the conclusion and action agreed in relation to each agenda item. Verbatim reports of a Schools Forum's discussion, however, are unlikely to be very useful. Schools Forums may consider whether a simple action log should be maintained by the clerk to ensure all action points agreed are followed up.

2.24. Beyond this a good clerk can:

- a. provide the route by which Schools Forum members can access further information and co-ordinate communication to Schools Forum members outside of the formal meeting cycle;
- b. respond to any queries about the business of the Schools Forum from head teachers, governors and others who are not on the Schools Forum themselves;
- c. be responsible for ensuring contact details of all members are up to date;
- d. maintain the list of members on the Forum and advise on membership issues in general;
- e. assist with the co-ordination of nomination/election processes run by the constituent groups;
- f. keep the Schools Forum website up to date: e.g. by posting latest minutes and papers etc;
- g. monitor, on a regular basis, the DfES Schools Forum and general Schools Funding site on TeacherNet; and arrange for the distribution of any relevant DfES information to Schools Forum members;
- h. if appropriate, provide technical advice in relation to the Schools Forum regulations and in relation to the operation of a Schools Forum's local constitution; and
- i. organise, operate and record any voting activity of the Schools Forum in line with the provisions of its local constitution.

2.25. Not all of these tasks may be able to be undertaken by the Schools Forum clerk. However, each one is important and there should be arrangements in place to ensure they are discharged adequately.

Meeting notes and recording of decisions

2.26. A vital part of the effective operation of Schools Forums is to ensure that an accurate record of the meeting is taken, including, where appropriate recording the outcome of any votes and decisions taken.

2.27. Notes or minutes of each Schools Forum meeting should be produced as soon after the meeting as possible to enable members and others to see the outcome of any discussions and decisions/votes. It is good practice to formally agree the accuracy of the note/minutes at a subsequent meeting.

Resources of the Schools Forum

2.28. The costs of a Schools Forum fall in the retained budget portion of the Schools Budget of local authorities. Nationally there is variation in the level of funding local authorities identify against Schools Forum expenditure: the average in 2005-06 being £19,000 per year.

2.29. It is legitimate to charge the running costs of Schools Forums to this budget including any agreed expenses for members attending meetings, the costs of producing and distributing papers and costs room hire and refreshments and for clerking of meetings. Beyond these costs some Schools Forums have a budget of their own to use for activities such as commissioning research or other reports. The level of resource devoted to Schools Forums is a matter for local authorities, though it is clearly good practice for this to be discussed with their Schools Forum.

Agenda Setting

2.30. The process by which the agenda for a meeting or cycle of meetings is set is in many respects one of the key determinants of the effectiveness or otherwise of a Schools Forum.

2.31. The frequency and timing of meetings of the forum should be agreed in advance of each financial and/or academic year. In drawing up this cycle of meetings, in consultation with the Schools Forum, the local authority should provide a clear overview of the key consultative and decision-making points in the school funding cycle. These will be drawn from a combination of national and local information and should inform the basic agenda items that each meeting needs to cover. For instance meetings will need to be scheduled at appropriate points to enable the Schools Forum to consider the outcomes of local consultations and national announcements.

2.32. Beyond this, however, local authorities and Schools Forums may want to consider issues of an essentially local nature such as the specific operation of a factor in the funding formula or other matters relating to local school funding issues.

2.33. Ideally, the local authority and Schools Forum should come to a mutual agreement about what issues should be considered. However, it is likely that there will be a large number of issues that could be considered. In such cases the use of an issues log and forward plan can be a useful way of prioritising agenda items – all members of the Schools Forum and the local authority can contribute potential items to the log and an assessment of the relevant priority of each can be undertaken to determine the forward plan.

2.34. While this could be seen as unnecessarily bureaucratic, it does provide a way in which all members of a Schools Forum can bring their issues and concerns to the attention of the local authority and ensures that there is some transparent mechanism in place to determine the ongoing business of the Schools Forum.

Chairing the Schools Forum

2.35. The chair of a Schools Forum plays a key role in setting the tone, pace and overall dynamic of the forum. They should provide an environment within which all members are able to contribute fully discussions and guide the forum to making well informed decisions.

2.36. The relationship between the chair and the local authority is therefore vital. The chair should be very clear on the substance of the agenda items, understand the issues involved and the decisions and/or actions that need to be taken in respect of the Forum business. It is good practice for there to be a pre-meeting between the senior officer of the authority supporting the Schools Forum and the chair and vice-chair of the Forum to ensure that all the issues are clearly understood.

2.37. Equally, the chair has the responsibility of representing the views of the Schools Forum back to the local authority: for instance, they should, where appropriate, take the initiative to make suggestions for improvements to the way the business is conducted, and, in exceptional cases and with support of the members of the Schools Forum take the view that they do not have sufficient information on which to base a decision and ask that an item is deferred until further information is available. However, in doing so, the Chair and Schools Forum should be fully aware of the consequences of deferral.

Communication

2.38. Communication to the wider educational community of the discussions and debates of, and decisions made by, Schools Forums is fundamental to their effective operation. The more schools and other stakeholders know about the proceedings of Schools Forums, the more their work will be an important and central part of the context of local educational funding. This is particularly important given the enhanced decision making role that Schools Forums now have.

2.39. Each Schools Forum should therefore be clear what its channels of communication are. One channel is to ensure that all its agenda, minutes and papers are publicly available – ideally though web-pages devoted to the work of the Schools Forum. However, the Schools Forum should also consider additional communication processes. These could include:

- a. an annual report on the proceedings of the Schools Forum;
- b. the reporting back by Schools Forum members to their 'parent' group of the business of the forum. This can be a particularly useful method of ensuring that Schools Forum members have an ongoing dialogue with the constituents of their group or sub-group and are therefore well able to represent their views at Schools Forum meetings;
- c. attendance by the chair, or other Schools Forum member, at other

relevant consultative or management groups such as any capital working group; or senior management meetings of the local education authority/Children's Services Department; or

- d. a brief email to all schools and other stakeholders after each Schools Forum meeting informing them of the discussions and decisions with a link to the full papers and minutes for further information.

SECTION 3

INDUCTION AND TRAINING

Induction of new members

3.1. When new members join the Schools Forum appropriate induction materials should be provided. These might include material relating to the operation of the Forum together with background information about the local and national school funding arrangements. Typically they might comprise:

- a. the constitution of the Forum
- b. a list of members including contact details and their terms of office
- c. any locally agreed terms of reference explaining the relationship between the Schools Forum and the local authority
- d. copies of minutes of previous meetings
- e. the programme of School Forum meetings for the year
- f. the local Schools Forum web address (where appropriate)
- g. a copy of the Schools Forums survey produced in Autumn 2004³

3.2. This Operational and Good Practice Guide, suitably supplemented by local material, should also be provided to new members on their appointment.

3.3. Where there is sufficient turnover of School Forum members in any particular year the authority may wish to organise a one-off induction event to brief new members. Such an event would usefully include an outline of the role of the Schools Forum and the national funding arrangements for schools and local authorities. It might also include an explanation of the local funding formula and any proposals for review. The opportunity could also be taken to explain the main reporting requirements for school and local authority expenditure.

Training

3.4. Ideally Schools Forum members should be able to use some of the budget set aside for Schools Forum running costs for accessing training activities. Some training will be provided by officers of the local authority but members may wish to attend national or regional events, the costs of which where necessary can be supported from the Schools Forum budget.

³ <http://www.teachernet.gov.uk/management/schoolfunding/schoolsforums/>

3.5. Training will need to be provided in response to any changes in the role of the Schools Forum and national developments in respect of school funding.

News updates

3.6. Most, but not all, members of the Schools Forum will already be in receipt of regular information on school funding matters from the local authority and DfES. Other Schools Forum members should be copied into such information flows so that they can be kept abreast of developments between meetings.

3.7. Many local authorities have already established dedicated Schools Forum websites on which they post key information for Schools Forum members and other interested parties. Consideration also needs to be given to the provision of hard copy news updates for all members of the forum and particularly for those who do not have ready access to the web.

SECTION 4

FURTHER INFORMATION AND CONTACT DETAILS

Web links

4.1. The Department's TeacherNet website contains details of all the announcements, documents and other information relating to school funding and Schools Forums. This website also has a range of useful links to other sites that may be of relevance to Schools Forum members.

4.2. The following address links to the main school funding page which has links to the latest news items on schools funding and all the latest information.

<http://www.teachernet.gov.uk/management/schoolfunding/>

4.3. The following addresses link to a) the school funding pages index listing all the documents published by the Department on school funding in alphabetical order and b) the dedicated Schools Forum pages on TeacherNet.

<http://www.teachernet.gov.uk/management/schoolfunding/quickindex/>

<http://www.teachernet.gov.uk/management/schoolfunding/schoolsforums/>

Contact details

4.4. On the Schools Forum web pages of TeacherNet (listed above) there is a dedicated email address that is monitored on a daily basis for members of Schools Forums or other stakeholders to send in queries questions or requests for information.

The email address itself is:

Schools.Forums@dfes.gsi.gov.uk

4.5 In addition this dedicated email box, members of the School and LEA funding Division in the Department are able to provide advice and guidance on the operation of Schools Forums:

Philip Moss

Tel: 020 7925 3756

email: Philip.Moss@dfes.gsi.gov.uk

John Hall

Tel: 020 7925 6422

email: John.Hall@dfes.gsi.gov.uk

Nick Dawson

Tel: 020 7925 6350

email: Nick.dawson@dfes.gsi.gov.uk

The postal address of the Department is:

School and LEA Funding Division
Sanctuary Buildings
Great Smith Street
Westminster
London
SW1P 3BT

SUGGESTED MODEL FORMAT FOR SCHOOLS FORUM PAPERS

A useful format is one that contains, as a minimum:

- a. a short introduction outlining the issue under discussion;
- b. a summary of the key points;
- c. a clear signal of the recommendations and what action needs to be taken in response to the paper – e.g. is it for information, decision or comment etc;
- d. a background/discussion section expanding on the summary and action required;
- e. reference to previous related papers;
- f. consistent style and language (for instance in the use of acronyms);
- g. a clear numbering system which as a minimum allows members to identify the date at which the paper and any attached annexes were discussed and the agenda item number to which they relate.

Appendix B

Accompanying note on School Finance (England) Regulations 2006

Introduction

1. The School Finance (England) Regulations 2006 govern the operation of school and LEA funding for the multi-year funding period 2006-07 and 2007-08. This note provides an overview of the operation of these regulations.

Part 1

2. Regulation 1 sets out the definitions of various words, phrases, and references to other legislation used within these regulations. As these regulations bring together two sets of predecessor regulations¹ these definitions and references have been reviewed, updated and added to in order to reflect both the new school funding arrangements and changes in other relevant legislation.

3. Changes or additions to the definitions which should be noted are:

- a. 'capital expenditure' has been updated to make the correct references to relevant legislation.
- b. 'central expenditure' has been included as a definition in support of regulation 7 and Schedules 2 and 3 of these regulations.
- c. 'funding period 1', defined as, the financial year beginning 1st April 2006 and 'funding period 2', defined as the financial year beginning 1st April 2007, are used throughout the regulations to differentiate between the two financial years covered by these regulations.
- d. 'key stage 4' is included as a definition in support of the policy to fund, either through central expenditure or a differentiated AWPU, the costs of 14-16 year old pupils following more practical learning options.

4. As well as these changes and additions, there are a number of other new definitions within regulation 1 which support the new powers of Schools Forums. These are: 'combined service', 'prudential borrowing', 'school specific contingency', 'SEN Transport costs' and 'termination of employment costs'. Each of these descriptions of expenditure appear in paragraph 35 of Schedule 2.

¹ Previously, school and LEA funding arrangements have been governed by the LEA Budget, Schools Budget and Individual Schools Budget (England) Regulations (latest version: SI 2004/3131) and the Financing of Maintained Schools (England) (latest version: SI 2005/3130).

5. It is important to note that any expenditure retained under paragraph 35 of schedule 2 must conform to the definition set out in regulation 1 and cannot be taken to refer to expenditure whose scope is wider than that set out in the definition. So, for example, expenditure on the costs of prudential borrowing, SEN Transport or the termination of employment for the purposes of paragraph 35 of schedule 2, must meet the savings test defined for them in regulation 1 and may not under any circumstance include expenditure where this savings test is not demonstrated. Schools Forums only have the power to approve expenditure items to be included in the Schools Budget which conform to the definition set out in these regulations.

Part 2

6. This section of the regulations sets out the action that needs to be taken by a local authority in relation to its LEA and Schools Budget.

7. Regulation 3 and the accompanying schedule 1 define classes of expenditure that make up the LEA Budget. A number of local authorities have asked why, with the development of Children's Services, there is an 'LEA Budget' and why the regulations themselves still make reference to local education authorities. The reason for this is that 'local education authorities' and the duties that must be discharged by them still exist in law, and it is still currently necessary to distinguish in accounts between education and other expenditure.

8. Regulations 4, 5, 6 and 7 set out the main architecture of the school funding arrangements. Regulation 4 places a duty on a local authority to determine, before 31 March 2006, the size of its Schools Budget for funding periods 1 and 2 and notify the governing bodies of the schools it maintains of those determinations.

9. Regulation 5 then goes on to define the scope of the Schools Budget. Under the new school funding arrangements, the Dedicated Schools Grant will be the principal source of funding for the Schools Budget. 5(1)(a) and (b) limit the scope of the Schools Budget to expenditure on maintained schools, the education of pupils in them and the education of pupils at other educational establishments supported and/or funded by the local authority (Pupil Referral Units, independent schools, non-maintained special schools etc.). The scope of the Schools Budget supports Ministers' commitment to establish a ring-fenced grant for schools and pupils.

10. Having established the scope of the Schools Budget in regulation 5(1) regulation 5(2) then widens, very slightly, its scope to include expenditure on 'combined services' where certain conditions are met. This flexibility is designed to support the multi-agency work of a local authority that supports the education of those pupils referred to under regulation 5(1). In the main the kinds of activities that will be supported through a combined service are likely to relate to, but will not be restricted to, work in relation to the Every Child Matters agenda.

11. Regulation 5(2) places two conditions on the extent to which expenditure on combined services may be included in the Schools Budget. First, the service being proposed must bring educational benefit to pupils in an authority, whether they are in maintained schools or in other local authority funded provision (PRUs for instance) and second, the contribution from the Schools Budget to the service must be roughly equivalent to the educational benefit that will be derived².

12. These two tests provide some flexibility to local authorities to manage combined support services for pupils in a strategic and controlled manner. However, in order to place an additional control on the extent to which the Schools Budget can be used for such purposes, a local authority must gain approval from its Schools Forum in order to incur such expenditure and, importantly, how much expenditure may be incurred each year (see also paragraphs 56-59 below).

13. As with the existing Budget Regulations, there are a number of types of expenditure that may not be charged against either the LEA Budget or the Schools Budget. These are listed in regulation 6. One issue to note here is that capital financing costs may not be incurred in either the LEA Budget or the Schools Budget with the exception of prudential borrowing costs that come within the scope of the definition provided for the purposes of these regulations.

14. Once the size of the Schools Budget has been established, regulation 7 requires a local authority to split its Schools Budget between those resources delegated to the schools (the Individual Schools Budget) and those resources that are retained centrally (the central expenditure). This split must be made for both funding periods and, by virtue of regulation 7(2), the amount that may be retained for each funding period is subject to the limit placed on it by the calculation set out in schedule 3 ('Maximum increases in Central Expenditure' – see also paragraphs 60-67 below)..

15. Regulation 8 places a duty on a local authority to consult their Schools Forum on any changes to the factors or criteria used in their formula for funding periods 1 and 2. This is a change to the current arrangement, whereby local authorities are required to consult all head teachers and governing bodies on such changes. A local authority is free, if it chooses, to continue to consult all its head teachers and governing bodies over any changes to its funding formula. Feedback from local authorities in relation to this amended requirement has indicated that many plan to continue to do so in relation to significant and widespread changes to their funding formula. The flexibility provided here though means that less important or minor technical matters need only be discussed with the Schools Forum. It remains good practice for all schools to understand the basic principles underpinning, and

² The Schools Forum guidance note on central expenditure contains further guidance on combined services: <http://www.teachernet.gov.uk/management/schoolfunding/schoolforums/>

any changes made to, a local authority's formula. Schools Forums and local authorities will want to consider how best this can be achieved. The Schools Forum Operational and Good Practice Guide provides further guidance and advice on the important issue of communication between a local authority, its Schools Forum and the wider school and educational community it represents³.

16. Regulation 9 relates to the requirements on local authority formulae and the limitations placed on them. Before the beginning of funding period 1 a local authority must set the formulae to be used in both funding periods of the multi-year period, though the formula may be different from one funding period to the next. By enabling a formula to be different in funding period 2 from that in funding period 1 formula review will be able to flow during the course of the multi-year period. The intention of this regulation, though, is to ensure that the impact of such formula review is planned and agreed prior to the start of the multi-year period.

17. This regulation also requires a local authority to set out in its formula how it will 'determine and redetermine schools' budget shares'. This provision, therefore, requires formulae to specify how non-AWPU data will be updated (to reflect for example changes to the funding of named SEN pupils). Further guidance on the operation of non-AWPU data has been provided in a Schools Forum technical guidance note⁴.

18. While the presumption is that the formula for funding period 2, set prior to 31 March 2006, will not change, there may be exceptional circumstances where a local authority does need to propose a change to it after the start of the multi-year period: for instance, where a particular change to the formula that was introduced in funding period 1 has not been successful the local authority may wish to consider correcting or altering it for funding period 2. In these circumstances regulation 9(3) makes provision to allow Schools Forums to agree such a change. However, in order to support the predictability in school budget shares that the provision of multi-year budgets offers, such changes should only be considered in very exceptional cases and Schools Forums must be convinced that the benefit of changing the formula sufficiently out-weighs the benefit for schools of having certainty over the operation of the formula over two years.

19. Regulation 10 requires a local authority, before 31 March 2006, to allocate the total ISB for both funding period 1 and 2 in the form of budget shares for schools. There is no longer any provision to enable local authorities to retain any unallocated ISB: additional funding beyond the ISB needed to fund in-year redeterminations of school budget shares must be met from school specific contingency expenditure within the central expenditure

³ This can be found at:

<http://www.teachernet.gov.uk/management/schoolfunding/schoolsforums/>

⁴ This can be found at:

<http://www.teachernet.gov.uk/management/schoolfunding/schoolsforums/>

and/or other relevant expenditure headings (threshold and performance pay costs for instance).

20. As primary legislation⁵ already places a duty on a local authority to give the schools it maintains their budget share for each financial year, regulation 10 does not repeat this requirement. It does, however ensure that the determination of such allocations are made in line with the provisions laid down by these regulations and goes on to require local authorities to notify the governing bodies of the schools they maintain of what the initial determination of their budget share is for funding period 2. Primary legislation does not place this latter requirement on local authorities, hence its inclusion in regulation 10(2).

21. Regulations 11 and 12 make provision for the initial determinations of the Schools Budget, Individual Schools Budget and school budget shares for funding periods 1 and 2, made prior to 31 March 2006, to be redetermined under certain circumstances.

22. Regulation 11 is specifically designed to enable a local authority to account for the finalisation of their DSG after the initial determination of the Schools Budget, in the light of finalised PLASC data. As this will take place sometime after the start of each funding period to which the data relates there is a need to allow such redeterminations to occur.

23. A local authority has a number of choices in managing the effects of the finalisation of the DSG. It may correct school budget shares to take into account situations where incorrect PLASC data had been submitted, it may carry forward any upward or downward adjustment to the DSG into the subsequent year or it may increase or decrease its central expenditure. Regulations 11(3) and (4) address the circumstance where a local authority wishes to apply some or all of any additional funding in the finalised DSG to its central expenditure by making any increase, from what was initially determined under regulation 7, subject to School Forum approval. This applies in general terms to the overall level of central expenditure and individually to those expenditure items where limits on the amounts that can be retained are imposed by paragraph 35 of Schedule 2 (see paragraphs 4 and 5 above).

24. Regulation 12 places a duty on the local authority to redetermine school budget shares for funding period 2 to take account of fact that the budget shares for funding period 2 notified to schools prior to 31 March 2006 will be based on estimated/projected pupil numbers. These must be updated to reflect the January 2007 PLASC data. However, this provision will also enable a local authority to redetermine any notified budget share where it is appropriate to do so as a result of other updating of or changes to data. For instance, where, before 31 March 2006, a local authority had notified a school of their budget share for funding period 2 which took into account a planned change (such as the addition of a floor area allocation for a new build or

⁵ See s.45(1) of the School Standards and Framework Act 1998

introduction of a PFI scheme for instance) but which is not now occurring, a local authority must appropriately redetermine that school's budget share prior to 31 March 2007.

25. This kind of change is in addition to the normal working of the local authority's formula that determines the non-AWPU allocations of a school's budget share for each funding period under regulation 9 where the decision has been taken to update some or all of such data each year.

26. Regulation 13 provides the mechanism by which a local authority may, through application to its Schools Forum or the Secretary of State:

- a. increase the amount of funding it retains centrally from what it planned to retain under regulation 7 or 11(3);
- b. exceed its central expenditure limit; and
- c. exceed the limit placed on the amount of funding it is able to retain against the items of expenditure listed in paragraph 35 of schedule 2.

27. This regulation along with regulation 25 has the effect of giving Schools Forums their approval powers over certain elements of the new school funding arrangements. Guidance notes for Schools Forums have been produced that outline the kinds of issues that Schools Forums should take into account when considering any application from their local authority⁶.

28. Now that Schools Forums have been given a number of decision-making powers Ministers have agreed some amendments to the regulations governing the operation and constitution of Schools Forums⁷. These regulations have now come into force.

⁶ These can accessed at:

<http://www.teachernet.gov.uk/management/schoolfunding/schoolsforums/>

⁷ These can accessed at:

<http://www.teachernet.gov.uk/management/schoolfunding/schoolsforums/>

Part 3

29. This part of the regulations sets out the framework and requirements on the operation of local authorities' funding formulae.

30. Regulation 14 relates to the use of pupil numbers. The major change in relation to the manner in which pupil numbers must be used to determine budget shares is the requirement to use a single pupil count. A specific guidance note on this requirement has been produced⁸.

31. Other than this significant policy change there have been some other amendments to the operation of pupil numbers in local authority formulae. These are:

- a. the redrafting of the provisions relating to the counting of pupils funded via places. This has not affected the policy intention, but has made it clearer. Regulation 14(2) lists the pupils that should not be taken into account in the number of registered pupils for the purposes of determining budget shares (pupils funded through places, pupils in nursery classes and boarding accommodation, pupils funding by LSC grant and pupils in infant classes where the local authority chooses to provide class funding). Regulation 14(3) then provides discretion to local authorities to 'add back' to the number of registered pupils those who are funded through places under regulation 15(1) if they choose to.
- b. the addition of a new AWPU weighting that local authorities can choose to use in order to recognise any differential costs of pupils following more practical learning options at key stage 4 (regulation 14(4)(h));
- c. the addition of the relevant dates under the requirement to use a single pupil count (regulation 14(6)); and
- d. the provision to enable (but not require) the third term admission of nursery and reception pupils to be taken into account. The intention of this provision (regulations 14(7) and (8)) is to allow a local authority to adjust the number of registered pupils used to determine a school's budget share by a figure that represents the previous summer term's admission of nursery or reception pupils. The number of pupils used in the calculation of this figure cannot be greater than the actual number of pupils

⁸ This can be accessed at:
http://www.teachernet.gov.uk/management/schoolfunding/2006-07_funding_arrangements/schoolbudgets200608/

admitted in that term. It is expected that, where this provision is made use of, in the majority of cases, the figure used will be 5/12ths of the previous summer term's admission number; however, this is not specified precisely in regulations as local authorities may chose to operate different arrangements. The guidance note on the single pupil count provides further information on this issue (see paragraph 30).

32. Regulation 15 makes provision for local authorities to include place funding within their formula. There have been no changes of substance to this provision, however, it should be noted that, as with regulation 14(5) in respect of pupil numbers, 15(4) requires local authorities to make an estimate of the number of places they will funding in funding period 2 when notifying schools of their budget shares prior to 31 March 2006.

33. Regulation 16 sets out the extent to which a local authority must differentiate between the factors and criteria used to determine school budget shares to account for any difference in functions of Governing Bodies or relevant choices they have made in relation to the kinds of expenditure they wish to receive. There has been no policy change within this regulation: however, the previous regulation (regulation 13 of the FMS Regulations 2004) contained a provision that allowed a local authority not to include in a closing school's budget share any new factor or criteria introduced in their formula for the year in which that school closed. This has been deleted in this new regulation as provision to allow specific factors or criteria to be included in a local authority's formula to take account of closing schools is included in regulation 20 (see paragraph 38 below). Such factors or criteria could include the removal of any new ones introduced in the year in which a particular school is to close.

34. Regulation 17 sets out the manner in which additional factors or criteria may be used in local authority formulae. There has been no change in the policy intention of this regulation from the previous set of regulations though there has been some minor tidying-up of the drafting and the deletion of the provision in relation to nursery schools. This latter provision allowed a local authority to include funding in the budget share of a nursery school to account for the difference between its delegated budget share and the level of funding received prior to delegation (2004-05). This provision is now redundant as nursery schools have had a delegated budget for some years. Any ongoing protection needs of nursery schools in respect of their size or other relevant circumstance can be provided via appropriate factors in schedule 4.

35. Regulation 18 places a requirement on local authorities to ensure that school budget shares increase from one year to the next by at least the level of the Minimum Funding Guarantee. A separate technical note on the MFG along with a calculator has been produced.⁹

⁹ This can be accessed at : http://www.teachernet.gov.uk/management/schoolfunding/2006-07_funding_arrangements/schoolbudgets200608/

36. Regulation 19 relates to the inclusion of sixth form funding delivered via LSC grant within school budget shares. It has been amended to reflect the changes to the LSC grant allocation methodology that will be introduced in 2006-07. Specifically, as the LSC will be using a single pupil count from 2006-07 there is no longer any requirement for the complex provisions needed to manage the pupil number adjustments that LSC used to make to sixth form allocations. Instead a simple provision (regulation 19(4)) places a duty on a local authority to make any adjustment to an LSC allocation in the event of it receiving notification from the LSC to do so.

37. Regulation 19(2) and (3) continue to allow local authorities to make non-AWPU adjustments to the pre-16 funding allocation of schools to the extent that any double funding exists between it and the LSC allocation¹⁰.

38. Regulation 20 concerns new, reorganised and closing schools and places a duty on a local authority to make provision in its formula to recognise the specific needs of such schools. In the case of schools who are gaining a new class or year group part way through a financial year (perhaps over the course of a number of years) the expectation is that local authorities will ensure funding is provided in the initial budget share of a school to reflect the fact that they will need to fund at least 7/12ths of costs of a new class or classes that would otherwise not be recognised under the single pupil count arrangements.

39. Similarly, where a school is subject to reorganisation or closure, factors must be used to recognise the particular circumstances of those schools. Such factors could include, for example, the reduction of a full year's AWPU and non-AWPU data funding allocation to reflect the removal of classes and year groups from a particular school as at an appropriate date. Again, further guidance and advice of this aspect of the regulations can be found in the note on the single pupil count (see paragraph 30).

40. Regulation 20(2) requires new schools to be given a budget share during the preceding funding period that is sufficient to cover the start up costs of that school. This is a change to the existing requirement that includes the provision to enable a local authority to set at nil the budget share of a new school in the year before it first admits pupils. As outlined in the consultation on the draft version of these regulations the current provision does not reflect developments in policy and the new provision, therefore, aims to ensure that new schools which are not community schools receive sufficient funding to support the start up costs of advertising for and recruiting staff and procuring services and equipment as appropriate. The amount that this budget share should be is not specified in regulations: local authorities should make appropriate professional judgements in this regard.

41. Regulations 21 and 22 allow a local authority to make prior year adjustments in respect of 2005-06 to the budget share of funding period 1.

¹⁰ The Department consulted on the proposal to remove this provision in the regulations from 2008-09 onwards. Ministers are still considering this policy change. A decision on this matter will be made in due course.

This will allow the 2005-06 formula to 'run-out' in funding period 1 where appropriate. From funding period 2 onwards, however, prior-year adjustments will no longer be permitted. These regulations, therefore, only relate to adjustments in funding period 1 that relate to the 2005-06 budget year. It is important to note that this provision relates only to prior-year adjustments and does not relate to the general correction of errors: such issues are dealt with under regulation 24 (see paragraph 44).

42. Regulation 23 relates, in the main, to the adjustment of a school's budget share to account for the removal from a school's roll, or admission, of a permanently excluded pupil. Regulation 23(6) is a new provision and has the effect of applying the same adjustment to a school's budget share for a pupil who is the subject of a 'managed move' as is applied for the removal of a permanently excluded pupil. This provision has been added to support the inclusion agenda for those young people whose school career 'breaks down' but who is not permanently excluded and who then either finishes their compulsory schooling, or has a period of schooling provided, either at a college, PRU, training provider or, as is increasingly the case, through some form of 'virtual' educational provision provided in whole or in part via the internet.

43. In relation to this new provision it should also be noted that schedule 4 paragraph 34 extends the ability of a local authority to include an additional factor in its formula to account for both permanently excluded pupils and those groups of pupils referred to in regulation 23(5).

44. Regulation 24 provides a broad power to allow a local authority to adjust school budget shares in order to correct any errors and/or take account of the notification of actual non-domestic rate liabilities where previously estimates had been made. This regulation also replaces the complex 'additional provisions' regulations (regulations 23-25) of the FMS Regulations 2004.

45. Regulation 24(3) places a requirement on local authorities, in correcting any error, to take account of any regulations in force during the year in which the error occurred. This ensures that a school's budget share for the relevant year cannot be reduced, through correction, to a level below its GFL or other protection mechanism that may have been in force at the time.

46. Regulation 25 provides the Secretary of State with a broad power to agree alternative arrangements to those set out in these regulations. It also prescribes the limits on the powers that Schools Forums have in this regard. Specifically, regulation 25(2) provides Schools Forums with the power to agree changes to the calculation of the guaranteed funding level and changes to a local authority's formula for funding period 2 that had been set prior to 31 March 2006. Regulations 25(3) and (4), however, limit the first of these powers in certain respects.

47. Regulation 25(3) places a limit on the number of schools in a local authority for which a Schools Forum can agree variations to the GFL. The limit is set at 20% of the total schools in a local authority. This provision must not be interpreted to refer to 20% of a single phase or other grouping of schools nor must a local authority and Schools Forum 'double count' schools who may be subject to more than one variation. The policy intention of this provision is to clearly limit the numbers of individual schools that can be affected by variations to the GFL on the basis that variations that individually or in aggregate affect more than 20% of a local authority's schools must be the subject of consideration by the Secretary of State.

48. Regulation 25(3) does not allow a local authority to propose to their Schools Forum the removal of the LSC grant or LSC pupil numbers from the calculation of the GFL for schools with sixth forms. This does not preclude a Schools Forum from agreeing to a variation to the GFL for an individual school with a sixth form which is receiving a clearly anomalous budget outcome, as a result of significant changes in the circumstances of the school from one year to the next (which may or may not relate to the sixth form element of a school's budget share). However, it does safeguard the intention of Ministers to ensure that the GFL is applied to both the pre- and post-16 elements of a school's budget share.

Part 4

49. Regulations 26 and 27 set out the required content of schemes and the arrangements for how they should be published.

Schedules

50. There are six schedules to these regulations.

51. Schedule 1 relates to the LEA Budget defined in regulation 3. There has been only one change to this schedule from the current schedule 1 of the Budget Regulations 2004: paragraph 25 now reflects the fact that, under certain circumstances, there is a possibility that costs incurred on the termination of the employment of staff may be included in the central expenditure of the Schools Budget.

52. Schedule 2 lists the types of expenditure that local authorities may retain as central expenditure. A number of specific points should be noted.

53. Paragraph 1: this allows funding to be held centrally for those grants falling within the Schools Budget that will continue to require match funding¹¹;

54. Paragraph 3: this allows funding to be held centrally for threshold and performance pay costs where a local authority has chosen to do so¹²;

¹¹ See: http://www.teachernet.gov.uk/management/schoolfunding/2006-07_funding_arrangements/specificgrants200608/

55. Paragraph 34: this allows a local authority to support the costs of more practical learning options for pupils at Key Stage 4 over and above those provided by school budget shares¹³;

56. Paragraph 35: this lists the kinds of expenditure that can be retained only with the permission of the Schools Forum. Local authorities may only include expenditure under this paragraph that conforms to the definitions of such expenditure provided in regulation 1 (see paragraphs 4 and 5 above). In addition, this paragraph imposes limits on the amount that a local authority may retain against any of these types of expenditure. Specifically, the amount retained in funding period 1 and funding period 2 may not exceed the amount retained against the same type of expenditure in 2005-06. However, by virtue of regulation 7(3) a local authority may retain more funding for these types of expenditure than this limit imposes where it has the approval of its Schools Forum to do so. This is achieved by enabling Schools Forums to substitute a different limit, on the basis of a proposal from their local authority, from that prescribed in paragraph 35 of Schedule 1.

57. The policy intention here is to ensure that a Schools Forum not only agrees to a local authority retaining funding for any or all of the items listed in paragraph 35 but also agrees the amount held for each item.

58. So, for example, where a local authority has retained £50,000 for prudential borrowing in 2005-06 it may retain no more than that amount in funding period 1 or 2 unless it applies to its Schools Forum to retain (say) £60,000 in period 1 and £70,000 in period 2. As this particular power of Schools Forums is drafted in terms which allow them to lift the limit imposed in regulation, a Schools Forum may also impose an alternative limit to the one proposed. For instance, in place of the £60,000 proposed for period 1 it could substitute £55,000.

59. This principle is applied to each kind of expenditure in paragraph 35. However, because in 2005-06 a local authority was not able to hold funding in their central expenditure for the termination of employment costs, combined services and SEN Transport costs, the amount held in 2005-06 is for the purposes of the limit considered to be nil. This therefore means that any amount of funding for these items that a local authority wishes to include in its central expenditure in funding period 1 or 2 must be agreed by the Schools Forum.

60. Schedule 3: This schedule sets out the operation of the limit on central expenditure for funding period 1 and 2. The Department has produced a calculator and technical guidance note for local authorities on its operation along with a note for Schools Forums on the operation of the central

¹² For further information on the management of threshold and performance pay costs now that grant funding has ceased see <http://www.teachernet.gov.uk/docbank/index.cfm?id=9411> (in particular paragraphs 32-34).

¹³ See <http://www.teachernet.gov.uk/docbank/index.cfm?id=9412>

expenditure and its limits which includes guidance on the issues Schools Forums should consider when being asked to agree an increase to the limit.¹⁴

61. In addition to this guidance a number of local authorities have raised some queries regarding the precise treatment of threshold and performance pay costs in relation to the CEL.

62. With the transfer of the Threshold and Performance Pay Grant into the DSG baseline, a local authority will be required to take some action regarding the treatment of such costs. At the very least, a local authority's centrally retained budget will include additional funding for the threshold and performance pay costs of those centrally employed, eligible teachers. Local authorities may also choose to retain the school-related costs centrally. Where such a decision is taken the central expenditure will increase significantly above any increase that would be incurred if only the non-devolved costs transferred in.

63. The operation of the central limit as set out in schedule 3 does not make a baseline transfer to account for any funding that automatically comes into (i.e non-devolved funding) or is added to (i.e. devolved funding) the central expenditure in funding period 1 and that was previously met by grant. While this will inevitably place a pressure on the limit on the central expenditure and may well require a local authority to seek approval from their Schools Forum to increase the limit, the Department believes this is the right policy approach to take to ensure that the transfer-in of these costs in funding period 1 is done in a transparent manner.

64. The Department takes the view that any increase as a result of this transfer is of a technical nature and that where there is clear information provided Schools Forums should not object to such an increase in the level. However, this approach does ensure that any increase in the central limit for the purposes of threshold and performance pay costs relate only to such costs, whereas an automatic baseline transfer could under certain circumstances mask other increases in the central expenditure of a local authority. Other such increases should be considered on their own merits and not in any way be 'covered' by the transfer-in of the pay costs. This approach will allow Schools Forums to take informed decisions as to the increases needed to the central expenditure limit.

65. For funding period 2, however, any costs that were included in a local authority's central expenditure 'roll into' the base. This means that the 07-08 base (i.e. the 06-07 adjusted central expenditure or legal limit if that is lower) used within the 07-08 CEL calculation must include any devolved funding for threshold and performance pay costs (it will also automatically include the non-devolved costs since they are no longer separately identified but are instead included in the relevant expenditure headings under schedule 2).

¹⁴ http://www.teachernet.gov.uk/management/schoolfunding/2006-07_funding_arrangements/schoolbudgets200608/
and
<http://www.teachernet.gov.uk/management/schoolfunding/schoolforums/>

66. A similar principle applies to the treatment of school specific contingency which for the purposes of 2006-07 remains outside the CEL to facilitate the effect of local authorities not being able to retain an unallocated ISB from April 2006. So, for the purposes of the 07-08 baseline the school specific contingency should be included. It should be noted, however, that the amount of school specific contingency held is specifically subject to Schools Forum approval as provided for under paragraph 35 of schedule 2.

67. Finally, any funding provided by the LSC remains entirely outside the CEL calculation. This applies to the main sixth form grant as well as any funding received for post-16 threshold and performance pay costs.

68. Schedule 4 lists the additional factors and criteria that may be taken into account within a local authority's funding formula by virtue of regulation 17. Changes and additions to this schedule from the previous schedule to the FMS Regulation 2004 are:

- a. the extension of paragraph 34 so that it now relates to all pupils within the scope of regulation 23;
- b. a factor to account for infant classes or vacant places in such classes (previously provision was made for this kind of funding under regulation 12 of the FMS Regulations 2004); and
- c. a factor to recognise the incidence of threshold and performance pay costs in schools. This factor may take account of actual or estimated costs.

69. Schedule 5 sets out the detailed calculation of the Minimum Funding Guarantee (see paragraph 35).

70. Schedule 6 lists the items that should be included in a local authority's scheme for financing schools.

Further Information

71. The Department has produced a range of support materials for local authorities and Schools Forums in relation to the new school funding arrangements. This note has made reference to some of this material, but all of it can be accessed at:

http://www.teachernet.gov.uk/management/schoolfunding/2006-07_funding_arrangements/

72. Other queries relating to these regulations, not covered by this material, should be addressed to:

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Department for Education and Skills

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School Finance (Amendment) (England) Regulations 2007

The School Finance (Amendment) (England) Regulations 2007 (“the Regulations”) make minor amendments to the School Finance (England) Regulations 2006 under powers inserted by the Education and Inspections Act 2006.

The Regulations will come into force on a date in March 2007 to be confirmed and will apply only to Funding Period 2 (i.e.2007-08).

The Regulations propose to make **amendments to the 2006 regulations** as follows:

- A new provision related to delegated budgets for new schools;
- An amendment to the wording of the regulation relating to a differentiated AWPU for pupils at KS4;
- A change to the excluded pupils regulation;
- An addition of a provision to allow a schools forum to approve proposed Scheme changes;
- Minor amendments relating to the minimum funding guarantee.
-

The Regulations containing the proposed amendments are attached at Annex A, and a detailed explanation of the proposed amendments by the Department for Education and Skills (the DfES) is attached at Annex B.

The Schools Forum should note Regulation 10A which requires a new school to have a delegated budget from the appropriate date, being either “(a) the date which is fifteen calendar months before the opening date of a new school, or (b) the date upon which a temporary governing body is constituted for that school, whichever is the later.”

Regulation 10A also confers a new power upon the Schools Forum to vary the appropriate date to a date proposed by the authority. Detail of the new power is contained in the Regulations at Annex A.

The Schools Forum should also note Regulation 28 that confers a new power upon the Schools Forum to approve local authority proposals to revise its Scheme of Delegation. Detail of the new power is contained in the Regulations at Annex A.

The Schools Forum will be advised of the date of implementation of the Regulations once confirmation is received from the DfES.

Annexes to this document:

Annex A – The School Finance (Amendment) (England) Regulations 2007

Annex B – DfES Explanatory Note to the Regulations

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Schools Forum 28 March 2007

STATUTORY INSTRUMENTS

2007 No. []

EDUCATION, ENGLAND

The School Finance (Amendment) (England) Regulations 2007

Made - - - - [] February 2007

Laid before Parliament [] February 2007

Coming into force - - [] March 2007

The Secretary of State for Education and Skills makes the following Regulations in exercise of the powers conferred upon the Secretary of State by sections 47, 49(2A) and 138(7) of, and paragraph 2B of Schedule 14 to, the School Standards and Framework Act 1998(a).

Citation, commencement, and application

1.—(1) These Regulations may be cited as the School Finance (Amendment) (England) Regulations 2007 and come into force on the [] March 2007.

(2) These Regulations apply only in relation to England.

(3) These Regulations apply only in relation to funding period 2.

Amendment of the School Finance (England) Regulations 2006(b)

2.—(1) The School Finance (England) Regulations 2006 are amended as follows.

(2) In regulation 1(4)—

(a) after the words, ““the 2005 Act” means the Education Act 2005;”, add ““the 2006 Act” means the Education and Inspections Act 2006(c);” and

(b) after the words, ““school” means a maintained school;”, add ““school day” means any day on which there is a school session(d);”

(3) After regulation 10, insert the following regulation—

“Delegated budgets for new schools

10A.—(1) Subject to paragraphs (3) to (6), a new school must have a delegated budget from the appropriate date.

(a) 1998 c.31. Section 49(2A) was inserted by paragraph 4 of Schedule 5 to the 2006 Act. Paragraph 2B of Schedule 14 was inserted by paragraph 5 of that Schedule.

(b) S.I. 2006/468.

(c) 2006 c. 40.

(d) Section 579(1) of the 1996 Act. Regulations 3 and 4 of the Education (School Day and School Year)(England) Regulations 1999 (S.I. 1999/3181) provide that, save in exceptional circumstances, every day a school meets must be divided into two sessions with a break in the middle of the day, and that sessions devoted wholly or mainly to the provision of training for teachers employed at the schools are to be regarded as school sessions.

- (2) The appropriate date is a date which is either—
- (a) the date which is fifteen calendar months before the opening date^(a) of a new school, or
 - (b) the date upon which a temporary governing body is constituted for that school,
- whichever is the later.
- (3) A local education authority may apply to their schools forum to vary the appropriate date to a date proposed by the authority (“the proposed date”).
- (4) Upon receipt of an application by the local education authority under paragraph (4), the schools forum may—
- (a) vary the appropriate date to the proposed date,
 - (b) vary the appropriate date to a different date, or
 - (c) refuse to vary the appropriate date.
- (5) Where—
- (a) a schools forum
 - (i) varies the appropriate date to a different date which is not acceptable to the local education authority, or
 - (ii) refuses to vary the appropriate date; or
 - (b) a local education authority are not required to establish a schools forum for their area^(b), the authority may make an application to the Secretary of State for variation of the appropriate date.
- (6) The Secretary of State may—
- (a) vary the appropriate date to the proposed date,
 - (b) vary the appropriate date to a different date, or
 - (c) refuse to vary the appropriate date.
- (7) A local education authority must determine the amount of a new school’s delegated budget for the period from the appropriate date to the opening date as an amount which is sufficient to fund the appointment of staff, and purchase any goods and services necessary to enable the school to admit pupils. Thereafter the amount of the school’s delegated budget must be determined in accordance with the authority’s formula for the relevant funding period.”
- (4) In regulation 14(4)(h)—
- (a) after “and”, add the word “is”, and
 - (b) omit the words, “spends more than half of his time in full time education.”.
- (5) In regulation 20, omit paragraph (2).
- (6) In regulation 23(5)—
- (a) after the word “regulation”, add the words “up to and including 31st August 2007”, and
 - (b) after the word “Act.”, add the words “With effect from 1st September 2007, the relevant date will be the 6th school day following the date upon which the pupil is permanently excluded.”
- (7) In regulation 23, after paragraph (5), insert

(a) Section 34(9) of the 2002 Act provides that the school opening date, in relation to a new maintained school, is the date upon which the school first admits pupils.

(b) Section 47A(2) of the 1998 Act provides that the requirement in section 47A(1) of that Act to establish a schools forum for their area does not apply to the Common Council of the City of London or the Council of the Isles of Scilly. Section 47A was inserted by section 43 of the 2002 act and has been amended by section 101 of, and paragraph 7 of Schedule 16 to, the 2005 Act.

“(5A) Where a pupil permanently excluded on or after 1st September 2007 is subsequently reinstated by the governing body of the school or by an appeal panel constituted under regulations made under section 52 of the 2002 Act, the school’s budget share must be increased by an amount which is no less than $G \times (H/I)$ where—

G is the amount by which the authority has reduced the school’s budget share;

H is the number of complete weeks remaining in the funding period during which the pupil is reinstated; and

I is the number of complete weeks remaining in the funding period calculated from the relevant date.”

(8) For regulation 27(2), substitute—

“For the purposes of paragraph 1(7)(b) of Schedule 14 to the 1998 Act (prescribed occasions on which publication of schemes is required), a scheme must be published by the local education authority on the coming into force of any revisions of it(a).”

(9) After regulation 27, add the following regulation—

“Approval by the schools forum or the Secretary of State of proposals to revise schemes

28.—(1) A local education authority must submit proposals for any revisions to their scheme to their schools forum for approval.

(2) The schools forum may—

- (a) approve any such proposals,
- (b) approve any such proposals subject to modifications, or
- (c) refuse to approve any such proposals.

(3) Where the schools forum approve any revisions to the scheme, they may specify the date upon which any revised scheme is to come into force.

(4) Where—

- (a) the schools forum refuse to approve proposals submitted under paragraph (1), or approve any such proposals subject to modifications which are not acceptable to the local education authority, or
- (b) the local education authority is not required to establish a schools forum for their area, the authority may apply to the Secretary of State for approval of such proposals.

(5) The Secretary of State may—

- (a) approve any such proposals,
- (b) approve any such proposals subject to modifications, or
- (c) refuse to approve any such proposals.

(6) Where the Secretary of State approves any revisions to the scheme, he may specify the date upon which any revised scheme is to come into force.

(7) No revised scheme is to come into force unless approved by the schools forum or the Secretary of State in accordance with this Regulation.”

(10) In paragraph 20(g) of Schedule 2, substitute “regulation 13(3) of the Transfer of Undertakings (Protection of Employment) Regulations 2006” for “regulations 10 and 11 of the Transfer of Undertakings (Protection of Employment) Regulations 1981 as defined in regulation 11A of those Regulations;”.

(11) After paragraph 1(e)(i) of Schedule 5, add

“; and

(a) Paragraph 1(7)(b) of Schedule 14 to the 1998 Act was substituted by paragraph 5(4)(b) of Schedule 5 to the 2006 Act.

- (aa) the amount of funding the school received under paragraph 3 of Schedule 2 (Threshold and Performance Pay) where the local education authority intends to include an amount in respect of this in the school's budget share for funding period 2;"

(12) In paragraph 1(e)(iii) of Schedule 5 (Minimum Funding Guarantee), substitute "35" for "36".

	<i>Name</i>
	Minister of State
Date	Department for Education and Skills

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make minor amendments to the School Finance (England) Regulations 2006 under powers inserted by the Education and Inspections Act 2006.

They make new provision relating to the budget shares of new schools, and give additional powers to schools forums to vary the appropriate date from which a new school must have a delegated budget, and to approve revisions to financial schemes

They amend the relevant date for the purposes of redetermining a maintained school's budget share in the event of a permanent exclusion with effect from the 1st September 2007.

They make minor amendments to regulation 14 (pupil numbers) and Schedule 5 (Minimum Funding Guarantee). Paragraph 20(g) of Schedule 2 is amended to update references following the revocation of the Transfer of Undertakings (Protection of Employment) Regulations 1981.

Appendix C (ANNEX B)

SCHOOL FINANCE (Amendment) (England) REGULATIONS 2007

Introduction

1. This short explanatory note sets out the amendments the Department plans to make to the current School Finance (England) Regulations 2006/468.

2. Regulations were made in February 2006 covering the two years of the multi-year funding period covering 2006-07 and 2007-08. The draft amendment regulations attached to this note set out a number of amendments and additions to the main regulations: specifically they cover:

- a. a new provision related to delegated budgets for new schools;
- b. a minor amendment to the wording of regulation 14(4)(h) – differentiated AWPU for pupils following vocational education in key stage 4;
- c. a change to the excluded pupils regulation (regulation 23) in the light of the introduction of 'day 6' provision;
- d. the addition of provision to allow a schools forum to approve proposed scheme changes; and
- e. two minor amendments to schedule 5 to the 2006 regulations (Minimum Funding Guarantee).

3. All of these amendments are consequential on policy developments already consulted on and/or represent very minor changes to some technical aspects of the regulations that, while not changing policy, further clarify its intention. As such we wish to consult on the extent to which the amendment regulations achieve their stated purpose. The consultation period ends on **31 January 2007**. Consultation responses should be sent to:

John Hall
Department for Education and Skills
School Funding Division
Sanctuary Buildings
Great Smith Street
Westminster
London
SW1P 3BT

Email: John.HALL@dfes.gsi.gov.uk

Delegated budget for new schools

4. Regulation 20(2) of the School Finance (England) Regulations 2006 made provision to ensure a new school received a budget share during the funding period before it first admitted pupils that was sufficient to cover the start-up costs of the school. As drafted in the 2006 regulations this provision was slightly unsatisfactory in that primary legislation did not enable us to set the provision out in regulations in a way that gave enough clarity to the policy intention. We have therefore taken powers in The Education and Inspection Act 2006 to allow us to do this – specifically paragraph 4 of schedule 5 to the 2006 Act has amended section 49 of the School Standards and Framework Act 1998 to enable regulations to be made that:

- a. specify the date at which a new school should receive a delegated budget share; and
- b. make provision for amending the date set out in regulations where appropriate.

5. These regulations are made under regulation 2(3) of the amendment regulations by inserting a new section (10A – Delegated budgets for new schools) to the 2006 regulations, the effect of which is to require local authorities to determine and delegate to a new school a budget share which is sufficient to meet their start-up costs from “the appropriate date”. The appropriate date is defined as either 15 months prior to the opening date of a new school (i.e. the date at which the school first admits pupils according to section 34(9) of the Education Act 2002) or the date at which a temporary governing body for the new school is constituted, if that is later than 15 months before the opening date.

6. Provision is also made under this new regulation to allow for a local authority to vary the appropriate date with the approval of the schools forum or, where agreement cannot be reached locally, the Secretary of State if local circumstances are such that the provisions set out in regulations are inappropriate or otherwise unworkable (10A(3)-(6)). In considering a proposed change to the relevant date a schools forum may approve or refuse to approve the proposed change to the appropriate date or determine an alternative date to the one proposed. Where local consensus cannot be reached a local authority may come to the Secretary of State for a decision.

7. In line with the current provision under regulation 20 of the 2006 Regulations, the amount that the budget share of a new school should be prior to its opening date is not specified in regulations: local authorities should make appropriate professional judgements in this regard.

8. Finally, regulation 2(5) of the amendment regulations deletes regulation 20(2) of the 2006 Regulations as it is no longer necessary in the light of the new provision outlined above.

Key stage 4 AWPUs Weightings

9. The 2006 Regulations enabled local authorities to weight pupil numbers in a way that differentiated between pupils in key stage 4 who were following a curriculum that included an element of vocational learning and those whose curriculum didn't. This was expressed in terms of a pupil who "spends more than half his time in full time education accessing vocational education" (14(4)(h)).

10. A number of local authorities have made the point that the requirement that half of a pupil's education should be of a vocational nature was actually preventing them taking advantage of the flexibility to differentiate key stage 4 AWPUs given that it was very unlikely, if not impossible, that a pupil would be able to access that amount of vocational provision. In response to these concerns the regulation 2(4) of the amendment regulations removes the 'half-time' condition. A local authority may, therefore, set a different weighting for key stage 4 pupil numbers from the basic key stage 4 weighting for those pupils whose curriculum contains some element of vocational education if they think it is appropriate.

Excluded Pupils

11. Local authorities will already be aware of the requirement, from September 2007, to provide education for excluded pupils from the 6th day they are excluded.

12. In support of this requirement regulation 2(6) of the amendment regulations changes the "relevant date" in regulation 23 of the 2006 Regulations (pupils permanently excluded from, or leaving, maintained schools) to the 6th school day following the date upon which the pupil is permanently excluded. This change to the relevant date, however, only takes effect from 1st September 2007: up to that point, the existing provisions under regulation 23 of the 2006 regulations remain in force.

13. Given that the 6th day after an exclusion will be before the outcome of any appeal against it that may occur, provision is made under regulation 2(7) of the amendment regulations to return to the school's budget share a relevant amount of funding if a pupil is reinstated to the school on appeal. Any funding returned to the school under these circumstances will take account of the period the pupil has been educated by the local authority: i.e. the amount returned to the school will not include the funding covering the period the local authority has been responsible for providing the pupil's education.

Approval of local schemes

14. At present, local authorities are required to seek approval from the Secretary of State for any changes they plan to make to their local schemes for financing schools. Local authorities will already be aware of the policy intention to allow such changes to be determined locally where consensus can be reached between a local authority and its schools forum. Provision was made in the Education and Inspection Act 2006 to enable regulations to be made to enable this: regulation 2(9) of the amendment regulations adds a new regulation to the 2006 regulations which enables a schools forum to approve a local authority proposal to change their scheme as it stands or with modifications as determined by the schools forum. As with all other approval powers of schools forums, where local consensus cannot be reached a local authority may come to the Secretary of State for a decision.

Minimum Funding Guarantee: schedule 5

15. Two minor amendments are made to schedule 5 to the 2006 Regulations.

16. First, in order to ensure a like-for-like position was used, the baseline used in the calculation of a school's GFL for funding period 1 included any threshold and performance grant paid to a school in 2005-06 where in 2006-07 a local authority was delegating the costs for threshold and performance pay into the school's budget share. Provision was not made for a similar adjustment to be made to the baseline of the 2007-08 GFL where a local authority had chosen to hold funding for threshold and performance pay centrally in funding period 1 but plans to delegate funding to school budgets in funding period 2 (i.e. 2007-08).

17. Regulation 2(11) of the amendment regulations inserts a provision after paragraph 1(e)(i) of schedule 5 to the 2006 Regulations to enable an adjustment of this kind to be made to the baseline of the 2007-08 GFL: i.e. where threshold and performance pay costs are being delegated to school budget shares for the first time in 2007-08 the baseline should include an appropriate amount of centrally held threshold and performance pay funding allocated to that school in funding period 1.

18. Second, the amendment regulations corrects a minor mistake in the schedule: at paragraph 1(e)(iii) reference to paragraph 36(ICS) should read paragraph 35(ICS). This in no way alters the intention of the policy it was merely a drafting error in the original. Funding in relation to ks1 class sizes held under paragraph 35 of schedule 4 to the 2006 Regulations should be excluded from a school's budget share for the purposes of establishing the baseline for the calculation of the GFL in 2007-08.

Consultation

19. The consultation period will last until 31 January 2007. Comments are invited on the extent to which the amendment regulations meet policy intention as outlined in this note.

School Funding Division
DfES
December 2006

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Author: Group Director, Children

Parish/Wards affected: All

Purpose

To consider how the Schools' Forum wishes to undertake a detailed examination of the Government's consultation on the future of school funding arrangements from 2008/09 and of local arrangements in relation to deprivation.

Recommendations

The Schools' Forum is requested to:

- receive a verbal report on the DfES School Funding Conference held on 23 March 2007;
- decide which of the Options it wishes to select, as set out in paragraphs 2.8 and 2.9 of this report, in relation to the reviews of national school funding arrangements from 2008/09, and local deprivation funding.

1 Reasons

- 1.1 The Government has recently published a detailed consultation paper on possible school funding arrangements from 2008/09. Responses have been requested by 1 June 2007.
- 1.2 In addition, at the meeting of the Schools' Forum on 14 November 2006, a report was considered regarding a requirement by the DfES that Local Authorities, in conjunction with their Schools' Forums, should undertake 'full and systematic reviews' of local arrangements for funding for deprivation.
- 1.3 The Schools' Forum now needs to consider how it wishes to take forward a detailed examination of both of these issues.

2 Detail

- (a) DfES Consultation on Review of School Funding Arrangements from 2008/09
 - 2.1 During the Autumn, the DfES ran a series of Conferences to look at some of the proposed changes to the school funding system and to gather early intelligence from schools, Schools' Forums and Local Authorities about possible changes to the funding system from 2008/09.

Further information on the subject of this report can be obtained from Ian Bickerton on 01793 465724 or Email ibickerton@swindon.gov.uk

SCHOOL FUNDING CHANGES & DEPRIVATION REVIEW

Schools' Forum

Date: 28 March 2007

- 2.2 The DfES is now undertaking formal consultation on specific proposals for the future funding system. A summary document is attached as **Appendix 1**. Further details can also be found on the relevant DfES website: www.dfes.gov.uk/consultations. The formal consultation will last for a period of 12 weeks through to 1 June 2007.
- 2.3 As part of the consultation, the DfES has arranged a series of Conferences in March 2007. It is intended that these will provide an opportunity for Local Authorities and Schools' Forums to have an early dialogue with the DfES and with colleagues from other Authorities on the key issues for the review, including funding of the early years' entitlement, the new 14-16 curriculum options and the introduction of the common 16-18 approach. The aim is to help inform responses to the consultation.
- 2.4 As discussed at the last meeting of the Schools' Forum, one of the conferences was held in Bristol on 23 March 2007. It was agreed at that meeting that a member of the Schools' Forum would attend, together with officers from Children Services and Finance.
- 2.5 **Those attending will feedback to the next meeting of the Schools' Forum the school funding arrangements from 2008/09.**
- (b) Review of Deprivation Funding
- 2.6 In addition, the Schools' Forum considered a report at its November 2006 meeting regarding the requirement for the Local Authority and the Schools' Forum to undertake a full review of arrangements for funding social deprivation in schools, in order to more effectively target funding in the three-year funding period commencing 2008/09. A copy of the letter from the DfES that went with that report is attached at **Appendix 1**.
- (c) Options for Reviewing (a) and (b) above
- 2.7 In order to fulfil the more strategic role of the Schools' Forum, it is proposed that the detailed examination of both of these important issues is initially considered by a single or two separate sub-groups. As the Forum will be aware, a standing sub-group has already been established and has met on two occasions in December 2006 to consider detailed financial issues, which were subsequently reported to the last meeting of the Forum.
- 2.8 As already indicated, the deadline for responding to the DfES consultation on funding arrangements from 2008/09 is 1 June 2007. The review of deprivation, however, is likely to stretch into Autumn 2007. With this in mind, the following options are proposed for examining these two issues:

Further information on the subject of this report can be obtained from Ian Bickerton on 01793 465724 or Email ibickerton@swindon.gov.uk

Option 1

The review of funding arrangements from 2008/09 is undertaken by the existing "standing" sub-group and the deprivation review by a separate sub-group set up specifically for this purpose.

Option 2

The review of funding arrangements from 2008/09 and the deprivation review are both carried out by the existing "standing" sub-group.

- 2.9 In addition, a decision is required by the Schools' Forum as to how the response to the DfES on funding arrangements from 2008/09 is agreed by the deadline of 1 June, once the relevant sub-group has considered the detail. The options proposed for this are as follows:

Option A

There is a special meeting of the Forum in May 2007.

Option B

The relevant sub-group is given delegated powers to respond on behalf of the Forum and to subsequently circulate the response to members for information.

Option C

The relevant sub-group circulates a draft response for comments to all members of the Forum before it is sent and the Chair authorises the final response.

- 2.10 In considering its response to the consultation on the national funding arrangements, the Schools Forum should be mindful of a lobbying campaign being undertaken by the Council around the Area Cost Adjustment element of the funding formula. The Council's Director of Finance will attend the meeting to brief members of the Schools Forum on this exercise and how it might relate to schools funding.

3 Alternative Options

There is no alternative to carrying out a review of funding social deprivation in schools, as this is a requirement of the Local Authority and the Schools' Forum by the DfES. As regards the proposed changes to school funding arrangements from 2008/09, if a detailed review is not undertaken, there is a risk that the Local Authority and Schools' Forum will be unprepared for the changes that will be brought forward by the DfES. The possible options for considering these two issues are set out in paragraphs 2.8 and 2.9 above.

SCHOOL FUNDING CHANGES & DEPRIVATION REVIEW

Schools' Forum

Date: 28 March 2007

Risk Management

Financial and Procurement Implications

There is likely to be an impact on the Schools' Budget and the budget of individual schools in the forthcoming funding period, in relation to both of these matters, although its scale cannot be determined at this stage.

Legal/Human Right Implications

The outcome of these reviews may well have an impact on the funding formula for Swindon schools, which carries legal status under the Schools Standards & Framework Act 1998.

Links to Corporate Plans and Policies (in particular, to Swindon 2010 Promises)

- Promise 45 states that "We will make sure that schools will be at the heart of each community."
- These also relate to the Corporate Plan and the Children & Young People's Plan.

Consultees

- All Swindon schools and relevant partners will be consulted on the outcomes of the reviews.
- The Director of Finance and the Director of Law & Democratic Services are consulted on all reports.

Background Papers and Appendices

Appendix 1 – School Funding Arrangements from 2008/09 - Summary

Appendix 2 – Letter on deprivation funding to Directors of Children Services and Schools' Forum Chairs of 3 August 2006 (previously submitted to the Forum)

Further information on the subject of this report can be obtained from Ian Bickerton on 01793 465724 or Email ibickerton@swindon.gov.uk

Appendix 1

Consultation on school, early years and 14-16 funding 2008-11: Summary

Introduction

DfES has today published consultation proposals on the school, early years and 14-16 funding arrangements for 2008-11, including:

- the distribution of the Dedicated Schools Grant (DSG) to local authorities, covering funding delegated to schools and other provision for pupils.
- refinements to the way local authorities fund schools, ready for the introduction of three year school budgets from April 2008.
- funding arrangements to support key education reforms:
 - the entitlement to Specialised Diplomas at Key Stage 4.
 - the extension to 15 hours and increased flexibility of the free entitlement to early years education and care.

We look forward to hearing the views of a wide range of partners and stakeholders on the proposals.

The closing date for responses is Friday 1 June. The consultation document and response form may be downloaded from www.dfes.gov.uk/consultations/. Printed copies of the consultation document may be ordered from dfes@prologue.uk.com or by telephone on 0845 602 2260. Further information on school funding may be found at www.teachernet.gov.uk/schoolfunding/.

The Dedicated Schools Grant (DSG)

The consultation document:

- proposes making it easier for Schools Forums and local authorities to approve contributions from the centrally-retained Schools Budget (funded from the DSG) to **local authority combined services budgets** in support of Every Child Matters outcomes.
- offers a choice in the **distribution of the DSG** for 2008-11 between:
 - continuing with the current “**Spend plus**” methodology, which gives all authorities a basic per pupil increase each year, with funding for Ministerial priorities added on top; or
 - returning to the **formula** used to distribute Schools Formula Spending Shares in 2005-06, but with updated data on deprivation and area costs.
- considers how best, under either methodology, to reflect **deprivation** in the DSG distribution, and invites views on the measures of deprivation to be used.
- seeks views on whether to continue to base DSG allocations on pupil numbers counted

in January as now, or to move to an **autumn pupil count**.

- consider the best way of transferring **funding for academies** from the DSG.

School funding 2008-11

The consultation proposals retain the existing framework for multi-year school budgets but seek views on some incremental changes as follows.

- A radical simplification of the operation of the **Central Expenditure Limit**.
- Further action to ensure that **deprivation funding** distributed to local authorities through DSG is properly reflected in their local funding formulae, so that funding is increasingly targeted to schools with more pupils from disadvantaged backgrounds.
- A continuation of the **Minimum Funding Guarantee** (MFG) for schools with scope for efficiencies in non-pay items to be taken into account in assessing cost pressures, and hence the level of the MFG across the CSR period, possibly coupled with a simple reduction in the MFG below cost pressures.
- Increased discretion for Schools Forums to approve local authority proposals for handling **anomalies in the MFG** affecting up to 50% of schools rather than 20% as now.
- Action to reduce the level of school balances, by enabling local authorities to redistribute to all schools a levy of 5% of all balances – broadly equivalent to the interest accrued.
- Expansion of the definition of “schools members” of **Schools Forums** to include bursars, and options for increasing the non-schools membership of Forums, particularly in relation to early years practitioners and members of 14-19 partnerships, including raising the current maximum proportion of non-schools members above 20%.

Specialised Diplomas at Key Stage 4

The Consultation Document proposes:

- that local authorities should be funded through a specific grant for the additional costs of 14-16 year olds taking up this provision, rather than through DSG, in 2008-11. This reflects the variable take-up of the entitlement to Specialised Diplomas across the period.
- three options for delivering this funding to providers of Specialised Diplomas:
 - All the additional funding for partnership provision allocated through the specific grant retained centrally by the local authority, which would be responsible for paying it all out to providers of specialised Diplomas. The AWPU funding in respect of each pupil taking up partnership provision would be reduced, and this funding would be added to the centrally held pool of grant funding; or
 - All the additional funding for partnership provision allocated through the specific grant retained centrally by the local authority, and paid out to providers. No AWPU reduction in respect of pupils attending partnership provision, but schools with such pupils would have to make a contribution to the cost of the provision

from their delegated budgets; or

- All the funding is delegated to schools who would meet the whole cost of provision from their delegated budget.
- that LSC's new funding methodology for 16-18 provision should be used as the basis for agreeing the cost of partnership provision to be charged to schools, with a breakdown into a basic national rate plus specific uplifts for area costs and deprivation, which would allow for local circumstances to be taken into account.

The extension to 15 hours of the early years free entitlement

The government is committed to extending the free entitlement to 15 hours' free provision that can be taken more flexibly. As this extension is rolled-out nationally the pattern of provision is likely to change, to include longer sessions accessed through a range of providers. To enable the funding system to support this, the Consultation Document proposes a range of potential changes to the early years funding system:

- Over the CSR period: that local authorities should take a consistent approach to calculating the per pupil funding levels for early years provision in private, voluntary and independent (PVI), and maintained settings; and that they should use consistent counting methods for under 5s provision across sectors.
- Extending the stability currently enjoyed by maintained settings to the PVI funding system to encourage provider sustainability as provision becomes more flexible.
- A more radical proposal for a single early years funding formula in each local authority, where we are seeking views on the timescale over which this would be practical.
- Improving and widening the debate on early years funding at local level through better representation on Schools Forums for early years representatives, and through a proposal to separately identify the amount of early years funding for each Local Authority.

Specific Grants

The Consultation Document proposes:

- merging School Standards Grant and School Standards Grant (Personalisation) into a single grant.
- Giving local authorities more discretion over the distribution of School Development Grant, so that they can move away from historical distribution towards one that better reflects a view of local need, while ensuring that the strong deprivation focus of the grant is retained.

Next steps

Ministers expect to take decisions on the funding arrangements for 2008-11 in the summer 2007 in the light of responses to the consultation and of the Comprehensive Spending Review settlement 2007.

Any questions

If you have any questions on the proposals, please email us at
schoolfunding.questions@dfes.gsi.gov.uk

Department for Education and Skills

Wednesday 7 March 2007

Directors of Children's Services of local authorities in England
and Chairs of Schools Forums

Our ref: SPS06_176

Date: 3 August 2006



**Child Poverty: Fair Funding for Schools: Publication of Local Authority
Deprivation Statements**

When the Government published the report *Child Poverty: Fair Funding for Schools*¹ in December 2005 it set out the steps it would be taking to ensure that pupils from low-income families have equality of opportunity wherever they live. The first two of these steps have now been undertaken: first, information on the Dedicated Schools Grant published in December 2005 identified within each local authority's allocation the funding available to tackle the effects of deprivation; and second, local authorities and Schools Forums were asked to submit a statement detailing their own local distribution methods.

These local authority statements have now been published, along with a technical review of deprivation indicators, and authority by authority attainment data comparing the outcomes of pupils from deprived backgrounds with those of their peers. All of this material can be found on Teachernet at www.teachernet.gov.uk/deprivationfundingreview.

The local authority statements published today outline examples of good practice at local level: a number of authorities have undertaken fundamental reviews of their funding formulae over the last few years resulting in the introduction of a range of innovative methodologies for distributing resources. A number of these take advantage of recent developments that allow the integration of pupil level data sets with area based deprivation indexes to sharpen the degree to which funding is targeted to need.

Nevertheless, the statements also confirm the findings of the *Child Poverty: Fair Funding for Schools* Review in that there remains a wide degree of variation between local authorities' strategies for assessing and funding the costs of deprivation and there has in many cases been no systematic approach to reviewing need or how to use funding to drive up the attainment of pupils from deprived backgrounds.

¹ <http://www.teachernet.gov.uk/deprivationfundingreview/>



Both the Department and HM Treasury believe that further progress can and needs to be made to ensure local funding formulae are more equitable and better focus the delivery of resources to need. The publication of these statements is the next step in supporting such progress as they present a systematic overview of arrangements locally. The accompanying technical review, in drawing on the statements and section 52 budget returns, provides a valuable summary and guide to the key issues that local authorities and Schools Forums should be considering in relation to their own practice. Alongside this technical review we are also publishing some contextual attainment data. This is data that is already in the public domain and compares, at local authority level, the attainment of pupils from deprived backgrounds and their peers at Key Stages 2 and 3 and at GCSE, and how the attainment gap between the two groups varies across authorities. This data in particular is vital to any assessment of the effectiveness of local authority funding arrangements.

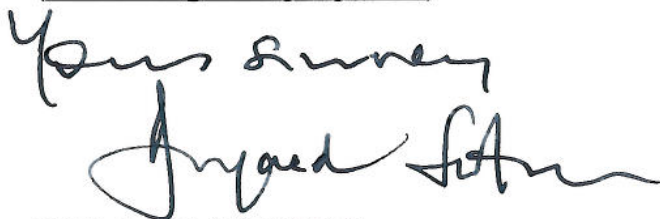
Next steps

In line with the actions outlined in the statement made in December 2005, and in the light of the material published today, all local authorities, in conjunction with their Schools Forum should now begin to undertake a full and systematic review of their local arrangements. Specifically, the material we are publishing today will enable local authorities and Schools Forums to consider the extent to which their own arrangements deliver resources to schools to cover the costs of deprivation in a way that best supports schools to close the gap in pupil outcomes.

Making progress in this area will continue to be a priority for the Department and HM Treasury. The degree of change needed at local authority level will vary, but, where appropriate, we will look to see authorities bringing forward proposals for consultation to ensure that from the start of the 2008 three-year funding period their formula better targets funding on deprived pupils. The Department will maintain contact with the progress of these reviews and assess the adequacy of the actions flowing from them through its Children's Services Advisers. We will write again in the autumn to outline in more detail how we will monitor the progress of these reviews.

I would like to thank you for your work on this important issue so far: progress on it is an important strand in the government's long-term strategy to halve child poverty by 2010 and eradicate it by 2020.

Any queries regarding the issues set out in the letter should be addressed to Philip Moss (Philip.moss@dfes.gsi.gov.uk), John Hall (John.hall@dfes.gsi.gov.uk) or Nick Dawson (Nick.dawson@dfes.gsi.gov.uk).

A handwritten signature in black ink, appearing to read 'Dugald Sandeman', written over a horizontal line.

DUGALD SANDEMAN
Director, School Funding Division

Schools Block Budget 2007- 2008

Schools Forum

Date: 28 March 2007

Author: Group Director, Children Services

Parish / Wards Affected: All

Purpose

- To provide updated information on income projections for the Dedicated Schools Grant 2007-08
- To provide updated information on the Schools Block budget 2007-08
- To recommend the basis for using part of the contingency budget for supplementary funding for new schools as requested by the Schools Forum at its meeting on 31 January 2007

Recommendation

The Schools Forum is requested to:

- Note the revised income projection for the Dedicated Schools Grant 2007-08 set out in Appendix A
- Recommend to the Local Authority the revisions to the Schools Block Budget 2007-08 set out in Appendix B
- Make a recommendation to the Local Authority as to whether supplementary one-off payments be made to Orchid Vale and Red Oaks schools of £11,290 each in 2007/08 to reflect the financial difficulty they may experience due to the unpredictable flow of pupils in a new school in accordance with the proposal set out in Appendix C.

1. Reasons

- 1.1 The income projection for the Dedicated Schools Grant 2007-08 ("the DSG") has been revised in accordance with confirmed pupil data taken from the Schools Census January 2007.
- 1.2 The Schools Block budget has been revised in accordance with confirmed pupil data taken from the Schools Census January 2007 and the special needs audit.
- 1.3 A report is provided in respect of the funding of new schools, currently funded from the contingency budget 2007-08, in response to the request by the Schools Forum at its meeting on 31st January 2007.

2. Detail

- 2.1 **Revised Income Projection:** A revised income projection is shown at **Appendix A**. The Schools Forum will note that the projected income has

Further information on the subject of this report can be obtained from Lorraine Billis on 01793 465752 or Email lbillis@swindon.gov.uk.

Schools Block Budget 2007- 2008

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increased from £105.74M to £106.59M. This is due to reported pupil data in the Schools and Early Years Census in January 2007.

2.2 Revised Schools Block Budget: A revision of the Schools Block budget is shown at **Appendix B**. The Schools Forum will note that the budget lines which have been revised are as follows:

Budget Line	Budget proposed to Schools Forum 31 st January 07	Revised budget re DSG and School Census	Difference	Reason
ISB	93,846,325	94,608,029	761,704	Pupil data from School Census; audit of Special Provision and Special Schools; estimated NNDR
Out Borough Provision	2,666,789	2,484,789	182,000	Additional in-borough support within special schools
DSG Income	105,736,000	106,599,000	863,000	Pupil data from School Census

The Schools Forum is requested to note that actual NNDR liability for 2007-08 for new build schools opened in 2006 and due to open in 2007 is not yet known. Potentially this could be a pressure on the Schools Block budget. Officers are chasing colleagues at the Valuation Office to obtain rateable valuations on these schools at the earliest opportunity.

Other potential considerations for the schools block budget are (a) an in-year increase in pupil numbers in the northern sector, for which funding is allocated from the schools contingency budget, and (b) local authority provision for pupils transferring to the proposed Academy, where the Authority will no longer receive the DSG for those pupils. There is not expected to be any impact on the ISB for either of these issues. In relation to the impact of the Academy on the centrally retained budget, there will of course continue to be a duty on the Local Authority to provide certain services, e.g. for statemented pupils.

The revisions shown in the table above are proposed to the Schools Forum. It is further proposed that any potential balances within the DSG for 2007-08, together with any balances carried forward from 2006-07, should be considered at the next meeting of the Schools Forum. By that time any outstanding information should be confirmed and the Schools Forum should be in a position to make an informed recommendation.

Further information on the subject of this report can be obtained from Lorraine Billis on 01793 465752 or Email lbillis@swindon.gov.uk.

Schools Block Budget 2007- 2008

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2.3 Proposals for New Schools Funding (contingency): It was resolved at the meeting of the Schools Forum on 31st January 2007 that a report should be submitted with proposals on how any financial assistance could be provided to new schools during 2007-08.

A proposal is shown at **Appendix C** that a payment of £11,290 is made to both Orchid Vale and Red Oaks schools during 2007/08 to reflect the financial difficulty they may experience due to the unpredictable flow of pupils in a new school.

Alternative Options

Revised Income Projection The income derived from the DSG is determined according to pupil numbers therefore there is no flexibility in the amount received, although the actual income will not be confirmed until June 2008. Local authorities are allowed to “overspend” their DSG allocation, with that amount being a first call on the DSG received in the following financial year. “Underspends” of the DSG may be distributed following a recommendation to the Local Authority by the Schools Forum.

Revised Schools Block Budget The Schools Forum may recommend an alternative to the revision shown in paragraph 2.2. However, the Schools Forum should be aware that in order to keep total expenditure within the amount available from the DSG, any increase in a budget line should be met by an equivalent decrease elsewhere. The Schools Forum is also requested to make any recommendations to the Local Authority in the light of the potential budget pressures referred to above.

Proposals for New Schools Funding The Schools Forum may recommend an alternative to the proposal shown at **Appendix C**, taking into account availability of funding.

Risk Management

Financial and Procurement Implications

According to projected figures, the projected increase in income is greater than the projected increase in expenditure, therefore there should be no financial impact. However, the income will not be confirmed until June 2007. There are potential budget pressures which are not yet known.

Legal / Human Rights Implications

None

Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)

Promise 45 “We will make sure that schools will be at the heart of each community”

Consultees

- The Director of finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

Further information on the subject of this report can be obtained from Lorraine Billis on 01793 465752 or Email lbillis@swindon.gov.uk.

Schools Block Budget 2007- 2008

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- Schools Forum

Background Papers and Appendices

- Appendix A – Revised DSG Income Projection
- Appendix B – Revision of the Schools Block Budget
- Appendix C – Proposal relating to New Schools Funding.

Further information on the subject of this report can be obtained from Lorraine Billis on 01793 465752 or Email lbillis@swindon.gov.uk.

Appendix A - DfES Indicative Calculation of DSG Announced 28.11.06

2007/08

	Govt. Projection Jan 06	Govt. Projection Nov 06 (incl Academy adjust)	LEA Projection reported to Schools Forum 31.01.07	LEA Projection Jan 07 Pupil Census
Pupil Numbers	29,100	28,852	29,398	29,634
	£'s	£'s	£'s	£'s
Unit Cost	3,597	3,597	3,597	3,597
Total DSG excluding additional funding below	103,207,499	102,315,470	104,279,372	105,128,238
Additional Funding				
	Unit cost			
KS3 Personalised Learning DSG 1.8.06	25.12027	731,000	731,000	731,000
Primary Personalised Learning DSG 1.8.06	15.94502	464,000	464,000	464,000
Practical Learning option 14-16 DSG 1.8.06	9.175258	267,000	267,000	267,000
Sub Total	1,462,000	1,462,000	1,462,000	1,462,000
Announced/proposed DSG	104,669,499	103,777,470	105,741,372	106,590,238

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1.0.1	Individual Schools Budgets	80,499,906	87,835,612	9.11%	92,997,052	5.9%	92,997,052	0
1.0.3	School Standards Grant - PRU						94,608,029	Update 5.03.07
N/A	Other Grants - Expenditure	3,705,203	0	0	0			
1.1.1	Support for Schools in Financial Difficulties	375,000	0	-100.00%	0			
	Schools in Challenging Circumstances	430,645	445,720	3.50%	461,320	3.5%	458,009	-3,311
	Expanding Schools	203,000	140,000	-31.03%	115,000	-17.9%	115,000	0
	New Schools	75,000	34,000	-54.67%	12,000	-64.7%	12,000	0
	Other	242,972	371,596	52.94%	385,074	3.6%	385,074	0
	Redundancies	200,000	0	-100.00%	0			0
	Mgmt Costs	13,558	14,033	3.50%	14,524	3.5%	14,524	0
1.1.2	School-specific contingencies	5766	547,645	-13.72%	987,918	-1.7%	984,607	-3,311
	Stamentented Pupils Equipment							
	Therapy	35,676	36,441	2.14%	38,263		34,418	-3,845
	SENRAP	81,826	103,639	26.90%	109,031		109,031	0
	Mgmt Costs	573,729	698,430	21.74%	733,351		705,420	-27,931
	Provision for pupils with SEN, with and without statements	5230	844,122	21.20%	886,329	5.0%	854,553	-31,776
1.2.1	Education Support Service (Learning)							
	Travellers Children	607,334	638,943	5.20%	664,501		646,982	-17,519
	Study Centre	29,622	35,107	18.52%	36,511		51,980	15,469
	Mgmt Costs	4,175	4,482	5.01%	4,661		4,494	-167
1.2.2	Provision for pupils with SEN, with and without statements not included in line 1.2.1	4175	641,224	5.80%	710,167	4.0%	708,117	-2,050
	Children First Fund	28,807	36,164	25.54%	39,419		39,419	0
	Training SIS	19,481	20,105	3.20%	21,915		37,032	15,117
	Training S2P	15,263	15,918	4.29%	17,351		32,592	15,241
	Mgmt Costs	225	233	3.56%	254		254	0
1.2.3	Support for inclusion	225	63,551	13.55%	78,939	9.0%	109,297	30,358
	Out of Borough School Fees	1,708,102	2,234,487	30.82%	2,659,039		2,468,039	-191,000
	Mgmt Costs	13,600	14,076	3.50%	16,750		16,750	0
1.2.4	Fees for pupils at independent special schools & abroad	13600	1,708,102	30.60%	2,675,790	19.0%	2,484,769	-191,001
1.2.5	Fees to independent schools for pupils without statements of SEN	0	0		0			
	Recoupment	-105,972	-109,000	2.86%	-509,315	4.0%	509,315	0
	Mgmt Costs	8,696	9,000	3.50%	9,315	3.5%	9,315	0
1.2.8	Inter-authority recoupment	8696	-105,972	2.80%	-500,000	400.0%	-500,000	0
*	Pupil Referral Unit	107,123	130,534	21.85%	138,365	6.0%	326,507	188,142
*	Riverside	278,656	350,734	25.87%	371,778	6.0%	388,260	16,482
1.3.1	Pupil Referral Units	26	27	3.85%	27	3.5%	27	0
*	PBST	182,735	206,869	13.21%	219,281	6.0%	223,408	4,127
*	SEC Drove	581,967	637,968	9.62%	676,245	6.0%	685,597	9,352
*	SBST	123,995	160,008	29.04%	169,608	6.0%	190,478	20,870
	Mgmt Costs	7,870	8,145	3.49%	8,430	3.5%	8,430	0
1.3.2	Behaviour Support Services	7670	888,697	12.99%	1,073,564	6.0%	1,107,913	34,349
*	Home Tuition	549,702	458,802	-16.54%	486,329	6.0%	196,531	-289,798
*	Hillside	98,329	110,168	12.04%	116,778	6.0%	164,697	47,919
*	Child & Adolescent Mental Health Services (Ed)	271,042	253,899	-6.32%	269,132	6.0%	269,126	-6
*	GWH	99,328	115,899	16.68%	122,853	6.0%	124,063	1,210
	O.S.H.L	69,667	75,243	8.00%	78,252	4.0%	78,296	44
	Mgmt Costs	5,717	5,917	3.50%	6,124	3.5%	6,124	0
1.3.3	Education out of school/	5717	1,088,068	-6.75%	1,079,468	5.8%	838,837	-240,631

APPENDIX B

SCHOOLS BUDGET 2005/06 - 2007/08

As proposed at Schools Forum Sub Group 8/15 December 2006

Cost Centre Codes	Line No.	S62 Budget Lines 2006/07 Description	Mgmt Costs	2005/06 £000's	2005/06 £000's	2006/07 £000's	% Increase from 05/06 - 06/07	2007/08 £000's	% Increase from 06/07 - 07/08	07/08 draft budget	Diff
E3374		Early Years' Childcare Grant		53,509	56,184	5.00%	58,150	3.5%	0	58,150	0
E3376		Childminder Grants		2,041	2,143	5.00%	2,218	3.5%	0	2,218	0
E3378		Other Early Years Grants		13,292	13,957	5.00%	14,445	3.5%	-200	14,245	-200
E3379		Foundation Stage Training		3,173	3,332	5.00%	3,448	3.5%	0	3,448	0
E3401		ESS : Portage		188,841	191,828	1.58%	198,542	3.5%	33,093	231,635	33,093
		Mgmt Costs		21,600	22,356	3.50%	23,138	3.5%	0	23,138	0
E2000, E2003, 3374, E3376, E3378, E3379, E3401	1.3.5	Private/voluntary/independent fees for education of children under 5's	21600	3,162,869	3,448,473	9.03%	3,699,941	7.3%	32,893	3,732,834	32,893
	1.4.2	Free School Meals - eligibility		31,000	0	-100.00%	0	3.5%	0	6,458	0
	1.4.3	Milk		6,000	6,240	4.00%	6,458	3.5%	0	6,458	0
	1.5.2	Museum Services		50,000	52,000	4.00%	53,820	3.5%	0	53,820	0
E3012		Admissions Forum		5,000	5,062	1.24%	5,239	3.5%	-18	5,221	-18
E3356		Admissions		150,060	198,768	32.46%	205,724	3.5%	0	205,724	0
E3012, E3356	1.5.4	School admissions		155,060	203,830	31.45%	210,963	3.5%	-18	210,945	-18
	1.5.6	Miscellaneous (not more than 0.1%)		75,000	75,000	0.00%	75,000	0.0%	0	75,000	0
E3005	1.5.7	Servicing of schools forums		20,629	40,049	94.14%	41,451	3.5%	-71	41,380	-71
E3002		Trade Union Facilities		34,362	34,927	1.64%	35,974	3.0%	-2,238	33,736	-2,238
E3004		Special Staff Costs - Maternity Leave - Primary		261,449	269,379	3.03%	277,460	3.0%	-12,872	264,588	-12,872
E3002, E3004	1.5.8	Mgmt Costs	19305	19,305	19,981	3.50%	20,680	3.5%	0	20,680	0
E2001	1.5.10	Staff costs - supply cover (not sickness, Premature retirement costs		315,116	324,287	2.91%	334,114	3.0%	-15,110	319,004	-15,110
				0	200,000	0.0%	200,000	0.0%	0	200,000	0
	1.6.2	Standards Fund Non-Devolved		1,467,490	687,214		687,214		0	687,214	0
	1.7.1	CERA/PIH Costs		1,675,342	1,064,000	-36.49%	1,090,600	2.5%	0	1,090,600	0
		TOTAL EXPENDITURE		98,110,009	101,204,225		106,898,957		-181,743	106,717,214	-181,743
		LSC Income (updated re LSC letter 15.12.06 Grants		-1,991,963	-2,049,200	2.87%	-2,119,932	3.5%	-86,593	108,328,191	Updated 05.03.07
				-3,705,203	0		0			2,206,525	-86,593
		TOTAL SCHOOLS BUDGET	92,210	9,904,694	92,412,843	99,155,025	7.30%	104,779,025	5.7%	104,510,689	-268,336
				DSG		99,155,025				106,121,668	Updated 05.03.07
										106,590,000	SBC Estimated DSG 05.03.07

Appendix C New School Funding - Request by Schools Form to model alternative structure

Current Funding Arrangement

	Budget Share	September	January	March	Budget Share	September	January	March
No of Pupils	£1,167	£1,167	£1,167	£1,167	£2,000	£1,167	£1,167	£1,167
120	£140,000							
30		£35,000						
30			£35,000					
30				£35,000				
Total received Year 1				£245,000				
Teachers required: 7 x £35K x 7/12				£142,917				
% of budget				58%				
180					£360,000			
60 Pupils arriving summer term plus Sept intake						£70,000		
30							£35,000	
30								£35,000
Total received Year 2								£500,000
Teachers required: 8 x £35K x 12/12								£280,000
3 x £35K x 7/12								£61,250
Total Teacher Cost								£341,250
% of budget								68%

Alternative Funding Arrangement

	Budget Share	September	January	March	Budget Share	April	September	January	March
No of Pupils	£1,167	£1,167	£1,167	£1,167	£2,000	£2,000	£1,167	£1,167	£1,167
120	£140,000								
30		£35,000							
30			£35,000						
30	Not funded Plasc *			£35,000					
Total received Year 1				£245,000					
Teachers required: 7 x £35K x 7/12				£142,917					
% of budget				58%					
180					£360,000				
30	Not funded Plasc *					£60,000			
60 Pupils arriving summer term plus Sept intake							£70,000		
30								£35,000	
30									£35,000
Total received Year 2									£560,000
Teachers required: 8 x £35K x 12/12									£280,000
3 x £35K x 7/12									£61,250
									£341,250

PROPOSAL TO FUND NEW SCHOOLS FOR PUPILS ADMITTED PRIOR TO THE SUMMER TERM FOR THE FOLLOWING FINANCIAL YEAR

1. At its meeting on 31st January 2007, the Schools Forum requested that a method of funding new schools for pupils admitted subsequent to the January Pupil Census, but prior to the start of the new financial year 2007-08, should be proposed. The schools affected are Orchid Vale and Red Oaks.
2. Currently the Formula provides 7/12 AWPU to additional pupils admitted to a new school in September, January and March. This means that pupils admitted subsequent to the January Pupil Census, but before the end of the financial year, receive funding for seven months. The purpose of guaranteeing funding in this way is to allow the new school to ensure that staff may be appointed at the appropriate time. A chart is attached showing the intended outcome of the funding provision.
3. As a comparison, for existing schools, 7/12 AWPU is provided for an increase in pupil numbers between the January Pupil Census for the current financial year, and that for the previous financial year, provided the increase is either greater than 4% of the previous pupil numbers, or 20 pupils.
4. The Formula does not provide for any further funding to be allocated for additional pupils admitted as described in paragraph 2 in the following financial year. At its meeting on 31st January 2007 the **Schools Forum agreed** that the Funding Formula should not be changed for 2007-08 i.e. the second year of a two-year funding period.
5. It is therefore **proposed** that the Schools Forum review the New Schools Funding provisions in the Funding Formula when undertaking its review in preparation for 2008 onwards, and make recommendations to the Local Authority on the funding for new schools for the next multi-year funding period.
6. However, it is recognised that the two schools concerned may experience some financial difficulty due to the unpredictable flow of pupils. It is therefore also **proposed** that a one-off additional payment to both Red Oaks and Orchid Vale schools should be made as shown in the table below. The number of pupils being funded has been determined as being the maximum number of pupils expected to be admitted at each school during the period described in paragraph 2 above.

Type of funding	Resource	Amount
7/12 average AWPU 2007-08 for 10 pupils at each school	Contingency 07-08	£1129 per pupil = £11,290 for each school

7. The Schools Forum should note that pupils admitted during this period will receive 7/12 funding through the Funding Formula; this additional funding will ensure those pupils are funded for the last two months of financial year 2006-07 and the full financial year 2007-08.

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