

Swindon Borough Council

Schools Forum

Tuesday, 6 March 2012

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

(Light refreshments will be available in Committee Room 2 from 3.40 p.m.)

School Members:

Nick Capstick, Primary Headteacher
Lauren Connor, Primary Headteacher
Chris Davis, Primary Headteacher
Janet Urban, Primary Headteacher
Rhian Cockwell, Primary Headteacher
Paul Boyles, Primary Governor
David Easter, Primary Governor
Robert Jackson, Primary Governor
Peter Crockett, Special Headteacher
Derek Fry, Special Governor
Steve Colledge, Secondary Headteacher
Rachael Matthey, Secondary Headteacher
Wendy Conaghan, Secondary Headteacher
Julie Tridgell, Secondary Headteacher
Andy Hazelton, Secondary Governor

Academy Members:

Lynne Fletcher, Swindon Academy

Non-School Members:

Maureen Harries, Diocese
Peter Smith, Trade Unions
Debbie Waldron, Early Years Representative
Cathy Parker, Early Years Representative (Deputy)
Andrew Miller, 16-19 Partnership
Graham Taylor, 16-19 Partnership
Ram Thiagarajah, BME

Committee Officer: Helen Harris

Telephone: 01793 463604 Email: hharris@swindon.gov.uk

Swindon Borough Council can be contacted at the Civic Offices, Euclid Street,
Swindon, SN1 2JH (Telephone 01793 445500)

AGENDA

1. Apologies for Absence

2. Minutes (Pages 1 - 6)

To receive the minutes of the meeting held on 17 January 2012

3. Schools Forum Sub Group Terms of Reference (GDC) (Pages 7 - 10)

4. Monitoring of School Balances (GDC) (Pages 11 - 16)

5. Dedicated Schools Grant and School Funding 2011/15 (GDC) (Pages 17 - 38)

6. Special Schools Funding Review (GDC) (Pages 39 - 44)

7. Local Formula Redistribution Issues (GDC) (Pages 45 - 64)

8. Date of Next Meeting

Meeting dates for the next Municipal Year have not yet been finalised but it is anticipated that they will take place at similar times to this year – that is in July, October, January and March. Members will be informed of the exact dates when confirmed.

Date of Despatch: 02 March 2012

Key:

Officers:

GDC

Group Director: Children

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

TUESDAY, 17 JANUARY 2012

PRESENT: -

School Members: Nick Capstick, Primary Headteacher
Lauren Connor, Primary Headteacher
Chris Davis, Primary Headteacher
Rhian Cockwell, Primary Headteacher
Janet Urban, Primary Head teacher
Paul Boyles, Primary Governor (**Vice-Chair**)
David Easter, Primary Governor
Robert Jackson, Primary Governor
Peter Crockett, Special Headteacher (**Chair**)
Derek Fry, Special Governor
Steve Colledge, Secondary Headteacher
Rachael Matthey, Secondary Headteacher
Wendy Conaghan, Secondary Headteacher
Julie Tridgell, Secondary Headteacher
Andy Hazelton, Secondary Governor

Non-School Members: Elizabeth Band, Trade Unions

Officers: Steve Haley (Group Finance Manager)
Sarah Higgins (Deputy Group Finance Manager)
Paddy Bradley (Director Schools and Learning)
Anne English (Principal HR Officer, Schools)

Apologies for absence were received from Lynne Fletcher (Swindon Academy), Maureen Harries (Diocese), Debbie Waldron (Early Years Representative) and Andrew Miller (16-19 Partnership).

17. Appointment of Chair

Resolved – That Peter Crockett (Special Head Teacher) be appointed as Chair of the Schools Forum.

Peter Crockett in the Chair

18. Minutes

Resolved – (1) That the minutes of the meeting held on 11 October 2011 be confirmed and signed as a correct record.

(2) With regard to Minute 9, Paddy Bradley (Director Schools and Learning) advised that a further report on the Forum membership would be submitted to the March meeting.

19. New Scheme to Monitor and Manage School Balances

Steve Haley (Group Finance Manager) presented a report with proposals for a revised scheme for monitoring and managing school balances.

The principles for the scheme had been determined at the last Forum meeting which the Sub Group had since developed into the detailed scheme that was now proposed. Mr Haley stressed that the main focus of the revised scheme was to improve forecasting of the year end balances and to provide a fair and transparent method of reporting. He emphasised that the majority of schools were already managing their balances effectively and advised that the scheme would be implemented on a trial basis for the first year to allow for any refinements to be made. There would therefore not be any claw backs during 2012.

Resolved – That the Schools Forum approves the revised scheme to monitor and manage school balances, which maintains a focus on the parameters of acceptable levels of committed and uncommitted balances and the assessment of the effectiveness of schools' forecasting of end of year balances.

20. Retained Dedicated Schools Grant Budget Position 2011-12

The Forum considered a report by Steve Haley (Group Finance Manager) with information on the latest position of the 2011-2012 retained Dedicated Schools Grant (DSG) budget. He commented on the improved situation since reporting to the October meeting and when asked, stated that he was fairly confident that the projections were accurate and that an increase in the amount of underspend was likely at the year end.

Resolved – That the Schools Forum notes that:

(1) Based on the information available at the end of November an in-year underspend of £248,000 is projected against the 2011/12 retained DSG budget.

(2) The Local Authority is provisionally forecasting that approximately £500,000 of funding will be carried forward from 2010/11 and 2011/12 for distribution as part of the 2012/13 budget setting process.

21. Gorse Hill Primary School Funding 2012/13

Paddy Bradley (Director Schools and Learning) presented a report with information from Gorse Hill Primary School regarding its request for discretionary additional funding for 2012/13.

Lauren Connor (Primary Head Teacher) commented that information on the school's balances had been included with the report to the July meeting and this information was important as there had been high amounts shown. Rachael Matthey (Secondary Head Teacher) remarked that care was needed to ensure that all the costs related to the amalgamation, as some of those detailed appeared to relate to a normal rolling programme of expenditure. There was also no reference to any savings that had been made as a result of the amalgamation.

Steve Haley (Group Finance Manager) advised that the impact on Gorse Hill's balances arising from the amalgamation were still being analysed and meetings had been arranged with the school to discuss the details. He stated that

the school was not asking for the total amount of £211,382 shown on the schedule but for the maximum discretionary amount of about £58,000. Although it appeared that full discretionary funding had been provided to amalgamating schools in recent years, the Local Authority was no longer receiving increases in the amount of Dedicated Schools Grant which could readily cover these costs. He suggested that greater care was now required to ensure that discretionary funds were needed, as this would be at the expense of other schools. Wendy Conaghan (Secondary Head Teacher) remarked that the School Governors had made the decision to amalgamate on the basis that funding would be available and it was not possible to reverse that decision once made. This was the first amalgamating school that had been asked to provide such detail with the request for discretionary funding.

The Chair commented on the valid points that had been made but stated that the Forum needed the full facts before it could make an informed decision.

Resolved – That the report and schedule of amalgamation costs provided by Gorse Hill Primary School be noted but that the final decision on this matter be taken at the Forum meeting on 6th March 2012 after the Local Authority finance team had assessed the school's overall financial position and their projected balances following amalgamation and confirmed the overall Dedicated Schools Grant position for 2012/13.

22. Review of Early Retirement & Redundancy Policy and Trade Union Facilities Agreement

The Forum considered a report presented by Paddy Bradley (Director Schools and Learning) concerning the review of the existing Early Retirement and Redundancy Policy and Trade Union Facilities Agreement in the light of maintained schools converting to academy status and the need to achieve value for money for the Dedicated Schools Grant. Mr Bradley commented on the report, advising that the Sub-Group had reviewed both policies and the Trade Unions had been fully consulted. The Trade Unions were opposed to any redundancies in principle, so although they agreed with the financial arrangements, they did not agree with the overall policy.

With regard to the Trade Union Facilities Agreement, Mr Bradley referred to paragraph 2.3 of the report containing three options for revised arrangements from 1 April 2012 and advised that Option 3 had been endorsed both by the Education Joint Consultative Committee and by the Sub-Group. Members were also advised that the arrangements would be reviewed after one year.

Resolved – That the Schools Forum:

(1) Notes the consultation that has been carried out on the Early Retirement and Redundancy Policy for teachers and support staff and the Trade Union Facilities Agreement, both with the Education Joint Consultative Committee and through the Schools Forum Sub-Group.

(2) Endorses the revised Early Retirement and Redundancy Policy and Trade Union Facilities Agreement attached as Appendices 1 and 2 to the report to be implemented from 1st April 2012, subject to the final consultation with recognized Trade Union representatives and the Education Joint Consultative Committee, with a further report being submitted to the March meeting of the Forum if it proves necessary following the final consultation.

23. Dedicated Schools Grant and Local Formula Issues 2012-15

Steve Haley (Group Finance Manager) presented a report on the estimated Dedicated Schools Grant and Pupil Premium position, the indicative centrally retained budget requirements and various issues relating to school funding in 2012/13.

Mr Haley explained that there was a statutory duty to issue individual school budget shares by 31st March but it would not be possible until the January census figures were known. This report set out the provisional, estimated amounts for 2012/13 and final details would be submitted to the Forum's March meeting. He talked members through the report, commenting on any new aspects and the level of funding compared to the current year and explained the implications.

Members noted the provisional figures and the continuing pressure on the centrally retained elements of the budget. The Forum agreed that Sub-Group meetings would take place on 16th and 23rd February at 9.30 a.m. at the Drove Children's Centre to discuss the retained budget in greater detail.

Mr Haley referred to the Trigger Funding element of the retained budget detailed in paragraph 3.4D of the report and suggested that the Forum might wish to consider amending the policy or referring it to the Sub-Group for further consideration. Members agreed that this aspect should be reviewed by the Sub-Group but that changes to 2012/13 funding were unlikely.

With regard to the Early Years Single Funding Formula (EYSFF), paragraph 3.4E, members remarked that they did not understand the wording used in the changes they were being asked to agree, as set out at the end of paragraph 3.4E. However they were assured by Rhian Cockwell (Primary Head Teacher) that the Early Years Reference Group (EYRG) included proper representation of all Early Years Providers and on that basis they endorsed the recommendations set out, in this instance.

Mr Haley commented on the changes to the funding of Special Schools (paragraph 4) to recognize the changes in demand since their base funding was set in 2008. Changes were also planned for the Special Resource Provision (SRP) attached to mainstream schools throughout the Borough but it had not been possible to complete the work in time for inclusion within the budget proposals. The Forum was advised that additional funding of approximately £500,000 would need to be allocated to Special Schools and approximately £250,000 to SRP's.

The Forum noted the information regarding the Local Formula Rationalisation (paragraph 5) and the proposals that were considered at the October meeting to simplify funding allocations and to redistribute former grant allocations in line with the removal of all ring-fencing and recent Department for Education guidance. Since October, the Sub-Group had met on four occasions to consider the proposals and details were now submitted for the Forum's consideration. Mr Haley talked through the various proposals, emphasising that whilst individual changes had been debated and supported by the Sub-Group, the cumulative effect on some schools indicated to the Local Authority that further work was needed. It was noted for example that Warneford School would receive a significant reduction as a result of the revised Specialist School Funding allocation and there was general concern at

the overall inequality in the proposed redistribution of funding, and the fact that there would be a phased implementation in some instances but not in others. In view of the concerns, no formula changes were agreed and the Sub-Group was asked to reconsider the issues. In formulating revised proposals, the Local Authority was asked to consider increased Pupil Premium funding, that the changes were appropriately phased in and also to show the overall impact on schools expressed as both a cash and a percentage change.

The Chair concluded by thanking Steve Haley and Sarah Higgins for their work in compiling the detailed information in the report.

Resolved – That the Schools Forum:-

(1) Notes the Local Authority's provisional estimate of Swindon's 2012/13 Dedicated Schools Grant of £138.344 million and the Pupil Premium of £3.644 million settlements compared to the current year.

(2) Notes the Local Authority's provisional estimate of the centrally retained budget requirement for 2012/13 of £17.218 million, as set out in Appendix B to the report.

(3) Agrees the changes to the Early Years Single Funding Formula as set out in paragraph 3.4E of the report in this instance, having been assured that the Reference Group that considered the proposals was truly representative of all Early Years providers.

(4) Requests the Schools Forum Sub-Group to reconsider the proposed changes to the local fair funding formula in respect of the former Specialist School Funding and former Standards Fund and Ministerial Priority Funding in general, taking into account (a) how the Pupil Premium could be used (b) how the funding is allocated, and (c) the overall impact on schools, with a possible lower impact in 2012/13 and a greater one in later years, with information being submitted to the March meeting.

(5) Notes that changes in provision and funding of Special Schools will be required in 2012/13, provisionally estimated at an additional annual cost of £500,000, as detailed in paragraph 4.4 of the report.

(6) Notes that changes in provision and funding of Special Resource Provision in mainstream settings will be required in 2012/13, provisionally estimated at an additional cost of £250,000, as detailed in paragraph 4.5 of the report.

(7) Notes the timetable leading up to the issue of 2012/13 delegated school funding allocations set out in paragraph 7.1 of the report.

(8) Agrees that two meetings of the Schools Forum Sub-Group are held on 16th and 23rd February to enable the Local Authority to share information and develop proposals regarding 2012/13 funding.

(9) Agrees that the following items are excluded from the Minimum Funding Guarantee calculation, (a) Cluster Funding, (b) Former Threshold Pay Grant, (c) Former Standards Funds Grant, and (d) Former Ministerial Priority Funding.

24. Date of Next Meeting

The Forum noted that the next meeting would be on Tuesday, 6 March 2012 at 4.00 p.m. in Committee Room 6, Civic Offices, Swindon.

This page is intentionally left blank

Schools Forum Sub Group Terms of Reference

Schools Forum

6th March 2012

Author: Lead Finance Manager – Schools and Innovation

Parish / Wards Affected: All

Purpose

To consider draft Terms of Reference covering the scope and operation of the Schools Forum Sub Group.

Recommendation

The Schools Forum is asked to review and where appropriate suggest changes to the proposed terms of reference covering the scope and operation of the Schools Forum Sub Group.

1. Background

- 1.1 The Schools Forum established a standing Sub Group on 6th June 2006 with a brief to examine and report detailed financial issues to the Forum. The scope of work undertaken by the Sub Group involved working with the Local Authority (LA) on specific matters (e.g. the local funding formula, Standards Fund allocations, the £1m DSG overspend and Equal Pay) but terms of reference do not appear to have ever been formally agreed.
- 1.2 More recently the Sub Group has met to review more detailed financial matters relating to the management of the Dedicated Schools Grant (DSG) such as the setting of the retained budget, monitoring of school balances and local formula issues. In view of recent enquiries relating to representation on the Schools Forum and the decision making processes relating to school funding, the LA has drafted terms of reference for the Sub Group which are presented below for consideration and approval. These proposals were shared with Sub Group Members at recent meetings and minor amendments have been incorporated.

2. Proposed Terms of Reference for the Schools Forum Sub Group

Role

- The role of the Sub Group is essentially to enable the LA to make better informed proposals and decisions which are in the best interests of Swindon pupils
- The Sub Group provides the LA with opportunities to share detailed information relating to school funding matters, thereby providing a degree of assurance to the Schools Forum that the LA is performing an effective role in managing the DSG.
- The Sub Group is advisory and has no decision making powers but is influential in assisting the LA in developing and assessing the implications of proposals which are more likely to be acceptable to the Schools Forum and the wider Swindon school community

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk. ¹

Schools Forum Sub Group Terms of Reference

Schools Forum

6th March 2012

- The Sub-Group, by considering detailed funding issues and proposals, enables the Schools Forum to perform a more strategic role.

Membership and Attendance

- Any member of the Schools Forum is entitled to attend the Sub Group meetings and as a general guide 5 to 8 Forum members are required which broadly reflect the Schools and Non-Schools membership of the Forum
- Sub Group members attend meetings as representatives of their sectors and not the interests of their School/Academy or any other individual School/Academy
- Lobbying of Sub Group (and Forum) members by individual or groups of Schools/Academies should be discouraged other than via Sector Associations
- The requirement for the Sub Group to meet will, unless there are exceptional urgent circumstances, be reported in advance to the Schools Forum to ensure that the purpose and objective of each meeting is clear and a sufficient number of members can attend
- In exceptional circumstances, meetings will be arranged by the LA in consultation with the Chair of the Schools Forum and Chair of the Sub Group.
- Attendance at Sub Group meetings is on voluntary basis and expenses will not be reimbursed by the LA

Chairing and Operation of Meetings

- A chair of the Sub Group will be established by the Schools Forum and the LA will liaise with the Chair over agendas and meeting arrangements
- Meetings will generally be informal;
 - Where possible agenda papers will be circulated to Sub Group members in advance but may be tabled on the day of the meeting by relevant LA officers
 - As the Sub Group cannot make any decisions formal minutes will not generally be taken unless a record of agreed actions is required. Reference to Sub Group discussions will be incorporated into Schools Forum reports and the Chair of the Sub Group will also provide verbal updates at Forum meetings when matters are discussed.
- Information provided to Sub Group meetings is unlikely to contain confidential information but should be treated as such by Sub Group members

Frequency of Meetings

- The Sub Group does not operate with a set forward plan as meetings are generally responsive to national and local issues.

The Schools Forum is asked to review and where appropriate suggest changes to the above term of reference which can then be formally adopted.

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk. ²

Schools Forum Sub Group Terms of Reference

Schools Forum

6th March 2012

Alternative Options

The LA could continue working with the Sub Group under current arrangements but with an increasing interest in school funding matters together with the financial pressures arising from DSG cash freeze, establishing transparent terms of reference covering the Sub Group are strongly advised. The proposals do not seek to vary any aspect of the Sub Groups role or operation but will provide a formal confirmation of this.

Risk Management

Financial and Procurement Implications

- There are no financial implications arising from this report

Legal / Human Rights Implications

There are no direct legal or human rights implications arising from this report

Links to Corporate Plans and Policies

- Scheme for Financing Swindon Schools and the local fair funding formula.

Diversity Impact Assessments

- As no proposals are made in this report a DIA is not required. Sub Group meetings will however take place at facilities which accommodate any special needs that Officers or Sub Group members may have.

Consultees

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

Background Papers and Appendices

None

This page is intentionally left blank

Monitoring of School Balances

Schools Forum

6th March 2012

Author: Lead Finance Manager – Schools and Innovation

Parish / Wards Affected: All

Purpose

- To advise Forum Members on the projected 2011/12 year end balances of Swindon Schools

Recommendations

- The Schools Forum is asked to note the estimated value of committed and uncommitted balances which Swindon schools expect to have available after closure of the 2011/12 financial year

1. Reasons

- 1.1 The Local Authority (LA) is required to monitor the level of balances held by schools as there is a national and local expectation that annual revenue funding allocated each year is used to support the education and well-being of pupils in school at that time. Unless there are clear and valid reasons why it is appropriate to do so, schools should not accumulate funds which could/should have been used to raise standards further. Conversely the LA needs to ensure all maintained schools remain financially sustainable and must work with individual schools where balances are low or where there are strong indications that they will be low in the immediate future.
- 1.2 The LA fully supports the principle that schools should hold a reasonable level of balances which may be built up over a number of years for strategic purposes as well as providing a degree of contingency funding for unexpected costs or funding reductions. At the same time the Forum has agreed that Schools and Academies should be challenged and held accountable for the level of balances they hold.
- 1.3 At the 17th January 2012 Schools Forum meeting a new trial scheme was agreed aimed at improving schools' accountability with regard to the management of their balances. In summary schools need to provide clear information to the LA (which can be shared with the Schools Forum) on how and why high balances have arisen and provide clear transparent plans on how and when funds are planned to be spent for the benefit of their pupils.
- 1.4 The main focus of the revised scheme is to improve forecasting and encourage those schools which have excess balances to utilise them by for example investing in premises or curriculum enhancements at an earlier date so that their pupils benefit as much as possible from the limited funds available. Under the new arrangements the LA will measure the effectiveness of individual schools by

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk.

Monitoring of School Balances

Schools Forum

6th March 2012

capturing their autumn forecasts of year end balances which can then be compared to actual balances after closure of each financial year's accounts.

2. Analysis of 2011/12 Estimated Year end Balances Surveys

- 2.1 The LA is pleased to report that survey forms have been received from all schools and a summary of the projected year end position and planned usage of surplus balances is provided in the table below.

Table 1 - Summary of estimated value & usage of 31st March 2012 Balances					
Total opening balances 1 st April 2011	Sector	Value Committed for use in 2012/13	Value Committed for use beyond 2012/13	Value Uncommitted	Total estimated 31st March 2012 balances
£5,173,289	Primary	£2,844,875	£197,673	£886,584	£3,929,132
£46,102	Secondary	£0	£0	(£128,190)	(£128,190)
£894,749	Special	£424,775	£0	£285,042	£709,817
£6,114,140	Totals	£3,269,650	£197,673	£1,043,436	£4,510,759
	%	72.5%	4.4%	23.1%	100.0%

- 2.2 The above information is based entirely on submissions from schools which have yet to be formally reviewed by the LA as part of its statutory role. A summary of each schools survey forms are attached at Annex A and there is a strong indication that overall balances are expected to fall significantly from the value carried forward at the end of 2010/11. It is relevant to note that Table 1 above and Annex A exclude Academies which operate on an academic year after conversion. As agreed by the Forum, Academies will be asked to provide information on their balances later in the year.
- 2.3 Based on the survey forms received only 11 schools plan to hold uncommitted balances which exceed the target per pupil values agreed by the Forum of;
- Primary settings £120 per pupil (minimum of £20,000)
 - Secondary settings £100 per pupil (minimum of £60,000)
 - Special settings £800 per pupil (minimum of £40,000)
- 2.4 Other general observations from the survey forms received are;
- 3 schools anticipate being in a deficit position at the financial year end – the LA will be working with these schools to arrange temporary loans and establish deficit recovery plans.
 - 31 schools anticipate holding no or very low uncommitted balances by the year end which, if realistic, would imply that the LA will need to work very closely with these schools to reduce their spending
 - Only 11 schools have plans to spend any of their balances on specified commitments beyond 2012/13

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk.

Monitoring of School Balances

Schools Forum

6th March 2012

- 2.5 It may be relevant to note that as a result of completing their survey form which showed that a year-end deficit was likely, one school contacted the LA to seek approval for a temporary loan.
- 2.6 Schools Forum Members are reminded that no claw backs will be implemented during 2012 regardless of how close schools were in estimating their year-end position. The table below was agreed at the last Schools Forum meeting and illustrates the actions that will be taken depending on the performance of individual schools.

Table 2 – Monitoring the accuracy of School financial forecasting		
Sector	Outturn compared to December Estimate	LA Action
Small / Medium Primary i.e. ISB up to £1.200m	Within £25k	<ul style="list-style-type: none"> School highly commended
	Within £50k	<ul style="list-style-type: none"> OK
	Above £50k	<ul style="list-style-type: none"> Review required understanding reasons – commentary provided to Schools Forum. Supportive intervention by Finance/Audit team to help improve forecasting process. Claw back after 2nd breach - where overall balances held exceed 8% of annual funding
Large Primary i.e. ISB above £1.201m	Within £40k	<ul style="list-style-type: none"> School highly commended
	Within £80k	<ul style="list-style-type: none"> OK
	Above £80k	<ul style="list-style-type: none"> Review required understanding reasons – commentary provided to Schools Forum. Supportive intervention by Finance/Audit team to help improve forecasting process. Claw back after 2nd breach - where overall balances held exceed 5% of annual funding
Secondary	Within £50k	<ul style="list-style-type: none"> School highly commended
	Within £100k	<ul style="list-style-type: none"> OK
	Above £100k	<ul style="list-style-type: none"> Review required understanding reasons – commentary provided to Schools Forum. Supportive intervention by Finance/Audit team to help improve forecasting process. Claw back after 2nd breach - where overall balances held exceed 2% of annual funding
Special	Within £40k	<ul style="list-style-type: none"> School highly commended
	Within £80k	<ul style="list-style-type: none"> OK
	Above £80k	<ul style="list-style-type: none"> Review required understanding reasons – commentary provided to Schools Forum. Supportive intervention by Finance/Audit team to help improve forecasting process Claw back after 2nd breach - where overall balances held exceed 5% of annual funding

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk.

Monitoring of School Balances

Schools Forum

6th March 2012

- 2.7 The LA will report how well each school performed in estimating their year-end position at the July 2012 Schools Forum meeting. During April the LA will issue estimate balance surveys to Academies for completion by the end of May i.e. three months before their year-end. This information will also be reported to the July Forum meeting.

Alternative Options

There are no alternative options presented in this report.

Risk Management

Financial and Procurement Implications

- Various financial implications are included in this report relating to the monitoring and management of school balances

Legal / Human Rights Implications

- There are no legal or human rights implications arising from this report.

Links to Corporate Plans and Policies

- Scheme for Financing Swindon Schools

Diversity Impact Assessments

- As there are no proposals in this report, DIA's have not been completed.

Consultees

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

Background Papers and Appendices

Appendix A – Summary of Swindon Schools Estimated Year End Balances Surveys for 2011/12

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk.

Summary of Swindon Schools Estimated Year end Balances Surveys for 2011/12

Schools	PART B - Planned use of surplus balances in 2012/13										PART C - Planned use of surplus balances beyond 2012/13					PART D - Summary of total balances and calculation of General Uncommitted Balances as at 31st March 2012											
	Academy	Total Revenue balance brwd from 2010/11	Estimated Final revenue balance to be c/f 2011/12	Specific Premises Improvements	Provision for unplanned responsive premises	ICT Investment	Workforce restructuring one off costs	Commercial/Traded activities	Commissioned Services	Funds held on behalf of clusters	Other Specific Projects	Staff Absence Reserve	Setting the New Year Budget	Purchase orders raised before year end but goods not delivered	Total Committed Balances to fund specific items in 2012/13	General uncommitted balance to carry forward to 2012/13	Specific Premises Improvements	ICT Investment	Workforce restructuring one off costs	Other Specific projects	Total Committed Balances to be spent on specific items beyond 2012/13	Part B - Planned use of balances in 2012/13	Part C - Planned use of balances beyond 2012/13	Value of estimated uncommitted balances which will be held 31st March 2012	Total estimated pupil numbers as at April 2012	Total uncommitted balances held per pupil	
PRIMARY SECTOR																											
Robert Le Kyng School		£97,860	£45,284			£4,784	£5,000	£10,500				£20,000				£40,284	£5,000					£0	£40,284	£0	£5,000	414	£12.08
Drove Primary School		£562,480	£490,850						£382,833							£449,229	£41,621					£0	£449,229	£0	£41,621	544	£76.51
Eldene Primary School		£141,458	£103,162			£40,000	£10,000						£20,000			£70,000	£33,162					£0	£70,000	£0	£33,162	310	£106.97
EVEN Swindon Primary School		£216,299	£141,560	£36,670												£36,670	£104,890		£30,000			£20,000	£30,000	£50,000	£54,890	457	£120.11
Femdale Primary School		£42,375	£6,669													£0	£6,669					£0	£0	£0	£6,669	360	£18.53
Gorse Hill Primary School		£354,123	£322,843	£66,000	£25,000		£20,309					£6,000	£77,229			£314,381	£8,462			£8,462		£8,462	£314,381	£8,462	£0	392	£0.00
Laineshead Primary School		£36,219	£12,001													£12,001	£12,001					£0	£12,001	£0	£0	347	£0.00
Lawn Primary School		£54,513	£32,751													£28,773	£3,978					£0	£28,773	£0	£3,978	417	£9.54
Leithbridge Primary School	Y		£0			£24,000										£0	£0					£0	£0	£0	£0	482	£0.00
Moredon Primary School		£591,714	£267,450	£27,000		£4,000					£41,760	£90,000	£20,000	£64,690		£267,450	£0					£0	£267,450	£0	£0	414	£0.00
Mountford Manor Primary School		£83,391	£71,139			£4,000						£18,600				£22,600	£48,539					£0	£22,600	£0	£48,539	233	£208.32
Goddard Park Primary School	Y		£0													£0	£0					£0	£0	£0	£0	443	£0.00
Oaktree Nursery & Primary School		£177,248	£71,148													£60,000	£11,148					£0	£60,000	£0	£11,148	312	£35.73
Rodney Cheney Primary School		£140,099	£202,038		£4,494	£49,000					£39,400	£20,000		£53,462		£166,356	£35,682					£0	£166,356	£0	£35,682	196	£182.05
Sevenfields Primary School		£15,980	£10,623													£10,623	£0					£0	£10,623	£0	£0	280	£37.94
St William Street CE Primary		£39,898	£31,296													£12,000	£19,296					£0	£12,000	£0	£19,296	168	£114.86
Holy Family RC Primary School		£80,425	£71,134	£20,000	£10,000	£10,000										£40,000	£31,134					£0	£40,000	£0	£31,134	274	£113.63
Holy Road Catholic Junior School	Y		£0													£0	£0					£0	£0	£0	£0	272	£0.00
Holy Road Catholic Infant School	Y		£0													£0	£0					£0	£0	£0	£0	182	£0.00
St Mary's Catholic Primary School	Y		£0													£0	£0					£0	£0	£0	£0	282	£0.00
Liden Primary School		£111,489	£90,859	£55,000												£55,000	£35,859					£0	£55,000	£0	£0	306	£94.75
Oliver Tomkins CE Infant School		£78,158	£63,002	£15,000		£15,000										£30,000	£33,002	£10,000	£15,000			£10,000	£30,000	£25,000	£8,002	185	£43.25
Oliver Tomkins CE Junior School		£50,707	£45,809	£10,000		£10,000										£20,000	£25,809	£10,000	£10,000			£20,000	£20,000	£20,000	£5,809	170	£34.17
Shaw Ridge Primary School		£99,545	£65,613													£22,000	£43,613					£0	£22,000	£0	£43,613	365	£119.49
Bishopstone CE Primary School			£0													£0	£0					£0	£0	£0	£0	35	£0.00
St Leonards CE Primary School	Y		£0													£0	£0					£0	£0	£0	£0	191	£11.01
Chiseldon Primary		£14,606	£16,873													£0	£0					£0	£0	£0	£0	152	£111.01
Covingham Park Primary School		£3,325	£11,256													£11,256	£16,873	£0				£0	£11,256	£0	£0	330	£0.00
East Michel Primary & Nursery		£72,476	£19,436													£0	£19,436	£0				£0	£0	£0	£0	134	£145.04
Orchid Vale Primary School		£112,717	£100,326			£22,000										£66,946	£33,380	£0				£0	£66,946	£0	£33,380	292	£114.32
Red Oaks Primary School		£4,531	£36,545	£20,000		£18,545										£38,545	£0	£0				£0	£38,545	£0	£0	464	£0.00
St Francis School		£56,346	£46,490													£0	£46,490	£0				£0	£0	£0	£0	412	£112.84
Bridlewood School		£56,041	£27,849		£46,663											£0	£27,849	£0				£0	£0	£0	£0	239	£116.52
Catherine Wavie Primary School		£131,835	£111,411									£23,019	£41,729			£111,411	£0	£0				£0	£111,411	£0	£0	368	£0.00
Abbey Meads Community Primary		£70,344	£7,739													£7,739	£0	£0				£0	£7,739	£0	£0	333	£0.00
Pearmoor Community Primary		£95,144	£7,870			£5,000								£2,870		£7,870	£0	£0				£0	£7,870	£0	£0	190	£0.00
Haydonleigh Primary School		£92,802	£56,000													£56,000	£0	£0				£0	£56,000	£0	£0	393	£0.00
Greenmeadow Primary School		£109,901	£114,644		£3,026							£40,073	£44,200			£87,299	£27,345	£0		£27,345		£27,345	£87,299	£27,345	£0	243	£0.00
Haydon Wick Primary School		£63,665	£84,446													£84,446	£0	£0				£0	£84,446	£0	£0	260	£0.00
Southfield Junior School	Y		£0													£0	£0					£0	£0	£0	£0	229	£0.00
Westrop Primary School		£132,897	£66,488	£20,000	£10,000											£66,488	£0	£0				£0	£66,488	£0	£0	197	£0.00
Eastrop Primary School	Y		£0													£0	£0					£0	£0	£0	£0	169	£0.00
Nythe Primary School		£83,103	£47,126													£29,500	£17,626	£0				£0	£29,500	£0	£17,626	171	£103.08
Millbrook		£115,501	£38,755						£3,000							£3,000	£35,755	£0				£0	£3,000	£0	£35,755	308	£116.09
South Marston CE Primary School		£62,296	£72,504	£15,000	£2,000	£2,000		£2,000	£2,000	£1,000	£5,000					£35,000	£7,000	£5,000	£2,000			£5,000	£35,000	£7,000	£30,504	105	£290.51
Colebrook Infant School	Y		£0													£0	£0					£0	£0	£0	£0	130	£0.00
Colebrook Junior School		£75,768	£57,162													£33,800	£23,362	£0		£5,000		£5,000	£33,800	£5,000	£18,362	153	£120.01
Grange Junior School		£105,518	£84,137		£20,000											£34,000	£47,137	£7,000				£7,000	£34,000	£7,000	£40,137	336	£119.46
Grange Infant School		£127,576	£69,287	£18,000												£35,465	£33,822	£0				£0	£35,465	£0	£33,822	266	£127.15
Ruskin Junior School		£63,080	£81,719	£65,000	£5,000											£70,000	£11,719	£0				£0	£70,000	£0	£11,719	370	£31.67
Beechcroft Infant School		£127,455	£161,481	£16,000	£5,000											£161,481	£0	£0				£0	£161,481	£0	£0	257	£0.00
St Catherine's Primary School		£98,225	£84,262	£16,000									£99,001			£80,000	£4,262	£0				£0	£80,000	£0	£4,262	197	£21.63
Toothill Primary School		£3,534	£29																								

Dedicated Schools Grant and School Funding 2011-15 **Schools Forum** **6th March 2012**

Author: Lead Finance Manager – Schools and Innovation

Parish / Wards Affected: All

Purpose

- To advise Forum members of the latest estimated Dedicated Schools Grant (DSG) and Pupil Premium (PP) position, the indicative centrally retained budget requirement and various issues relating to school funding in 2012/13.
- To seek Forum approval to proposed changes in the local fair funding formula relating to Special Resource Provision, small school protection and transitional support.
- To advise Forum Members of the timetable for 2012/13 individual school budget shares (ISB's) to be allocated and on indicative future funding levels.

Recommendations

The Schools Forum is requested to:

- Note and agree the LAs estimate of Swindon's 2012/13 DSG (£139.838m – Table 1) and PP (£3.829m – Table 2) settlements compared to the current year.
- Note and agree the LA's proposals on how the Looked after Children Pupil Premium is to be utilised during 2012/13 (paragraph 2.8)
- Note and agree the LAs proposed centrally retained budget requirement for 2012/13 (£18.015m – Annex A).
- Agree changes in provision and funding of Special Resource Provision in mainstream settings in 2012/13 which will result in additional costs of £325,000 (Annex C).
- Note that local formula changes have been developed in consultation with the Schools Forum Sub Group and Swindon Headteacher Associations (see separate report) which are summarised at section 5.
- Agree to the use of retained underspends from 2011/12 to provide one off transitional support funding of £590,000 to limit individual school funding reductions arising from formula changes in 2012/13 to no more than 2.5% (paragraph 5.3)
- Note that the LA estimates that £125.552m will be available for distribution via the local formula to Schools and Academies in 2012/13 (Table 8);
- Note the conclusions and guidance relating to school funding beyond 2012/13

1. Reasons

- 1.1 The LA is required to manage the local fair funding formula in accordance with the School Finance Regulations and to issue Individual School Budget shares by no later than 31st March each year. Although the overall value of DSG cannot be confirmed until DfE have verified the January 2012 census data in June the LA has made estimates of the likely grant based on information available at this time.

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk.

1

Dedicated Schools Grant and School Funding 2011-15

Schools Forum 6th March 2012

- 1.2 In December 2010 the DfE announced various immediate changes to school revenue funding including the removal of all ring fencing and the transfer of former Standards Fund grants into the DSG. DfE also announced the reduction in Minimum Funding Guarantee (MFG) protection for individual schools from +2.1% to -1.5% per pupil.
- 1.3 This report provides Forum members with the following information relating to 2012/13:
- Section 2 - Swindon's provisional estimated DSG and PP settlements
 - Section 3 - The estimated centrally retained budget requirement
 - Section 4 - Changes to Special Resource Provision funding
 - Section 5 – Summary of local formula issues
 - Section 6 – The value of funding available in 2012/13 for distribution to Schools and Academies
 - Section 7 – Conclusions and indicative Funding beyond 2012/13

2. Funding Available 2012/13

DSG

- 2.1 The 13th December 2010 school funding announcement advised that 2011/12 Guaranteed Unit of Funding (GUF) rates would be frozen at 2010/11 levels. The 13th December 2011 announcement confirmed this which means that for 2012/13 both the LA and Schools/Academies will have to absorb the impact of inflation and other cost pressures. Swindon's GUF rate of £4,696.48 per pupil remains the 25th lowest of 151 Authorities and £386.08 per pupil (8.2%) lower than the national average.
- 2.2 The DSG will continue to be based on January PLASC data and additional funding will be provided for pupil growth identified in January 2012. As in previous years funding for September 2012 increases will not be funded by DfE until 2013/14 and both trigger funding and pre-opening funding for the new Croft school (see section 3) will need to be earmarked by the LA within the retained budget. Set out in the table below is a summary of Swindon's latest estimated 2012/13 DSG settlement compared to the current year:

<u>Table 1 – Pupil and DSG Projections 2012/13</u>	2011/12 Actuals	2012/13 Latest Estimate	Annual Change
School and Alternative Provision pupil census	27,303	27,690	+387
Early Years	2,002	2,085	+83
Total DSG eligible pupils	29,305	29,457	+470
Guaranteed Unit of Funding	£4,696.48	£4,696.48	-
Total DSG settlement	£137.630m	£139.838m	+£2.208m

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk. 2

- 2.3 School Forum Members are advised that the latest estimate of £139.838m is higher than the provisional estimate of £138.344m reported to the January 2012 Forum which was based on the October 2011 census and discussions with the School Place Planning and Performance and Information teams. This means that Swindon can expect additional funding which will help fund pupil growth pressures arising in Early years, SEN, SRP's, Trigger Funding and new school set up costs. As in previous years, the final DSG grant value will not be confirmed by DfE until June.
- 2.4 The LA has not previously included Elective Home Educated pupils on its census as this is optional. Such pupils can be included but only where the LA is providing a significant contribution towards the education of these pupils. There is a risk that this could add pressure to the DSG if subsequent costs of provision exceed the value of grant received. There are currently 67 such pupils in Swindon which would attract additional DSG of approximately £315k. The LA has not unfortunately been able to fully assess likely future costs compared to funding and will undertake this during 2012. Given Swindon's low level of funding the LA does not want to risk putting additional pressure on school funding to cover potential shortfalls in home elective education costs. .
- 2.5 The updated calculation of the 2012/13 DSG funding settlement is estimated at **£139.838m** which equates to a year on year increase of **1.6%** and relates entirely to pupil growth.

Schools Forum is asked to note that the LA is estimating the 2012/13 DSG settlement at £139.838m.

- 2.6 Forum members are reminded that a proportion of Swindon's DSG equal to the amount determined by the local formula plus a proportion of centrally retained DSG (and core) funding is recouped by DfE in respect of Academies at the start of the year. In addition the LA has made provision within the retained budget for the estimated further loss of DSG arising from in year Academy conversions which are likely to take place after 1st April 2012.

Pupil Premium

- 2.7 The Pupil Premium was introduced in 2011/12 and, based on national funding announcements, the overall value is planned to increase from £625m to £2.5bn by 2014/15. This should therefore represent significant additional funding for those schools which have eligible pupils. DfE announced that the scope of funding for disadvantaged pupils is increasing and from 2012/13 onwards, any pupil who, as at January is identified as being eligible or was previously eligible for Free School Meals (FSM) at any point during the previous 6 years will attract the premium.

Dedicated Schools Grant and School Funding 2011-15
Schools Forum **6th March 2012**

2.8 DfE have provided FSM ever eligibility information relating to every School and Academy which will enable funds to be included in delegated school budgets from the start of the year. As previously notified the 2012/13 PP values which will be as follows:

- **Disadvantaged pupils** – £600 per pupil eligible for FSM over the last 6 years will be delegated to relevant schools. The current year figure was initially £430 but was subsequently increased to £488. The increase to £600 represents a 23% year on year increase.
- **Service Children** – £250 per Service pupil on roll as at January 2012 will be delegated to relevant schools, a £50 (20%) increase over the current year rate.
- **Looked After Children** – the LA received £488 for every pupil who was in care for the first six months of 2011/12 which equates to an annual cash allocation of £74000. For 2012/13 the value per child is increasing to £600 which, based on our estimate of 165 eligible pupils will generate annual funding of **£99,000**. For 2012/13 the LA proposes to continue with the current practise and that funds are utilised as follows;
 - **Primary sector** – The majority of funding will be delegated to relevant schools at £175 in both May and October with a balancing payment in January when totals are confirmed. Payments will total approximately **£30,000** by year end and will be used to fund any additional supports identified in the young person's Personal Education Plan, with a view to creating parity with all other children.
 - **Secondary sector** – As discussed with Secondary Headteachers last year, the LA will retain the majority of this funding to retain two Secondary Behaviour Support staff at a cost of **£39,000**, who will provide bespoke support to Looked After Children in Swindon secondary schools. This scheme has been a success and has both helped to maintain children in school and improve their ability to benefit from the curriculum.
 - **Out of Borough placements** - Termly payments estimated at **£20,000** will be paid to OOB settings in line with a regional protocol
 - **Contingency** – From the start of the year a contingency sum of **£10,000** will be retained until the grant value has been confirmed and to allow for any in year changes in demand.

Schools Forum is asked to confirm the above arrangements for the use of the LAC Pupil Premium during 2012/13.

2.9 Although the PP is not ring fenced, from September 2012, DfE require schools to publish on-line information on how they have used their

Further information on the subject of this report can be obtained from Steve Haley 4
on 01793 465794 or Email shaley@swindon.gov.uk.

Dedicated Schools Grant and School Funding 2011-15
Schools Forum **6th March 2012**

funding. New measures will be included in performance tables that will capture the attainment of pupils covered by the PP. DfE have confirmed their longer term intention for the Premium to be mainstreamed within the DSG although timescales are unknown at this stage.

- 2.10 The table below provides estimates of the Pupil Premium funding Swindon will receive in 2012/13 as calculated by DfE and the LA compared to the 2011/12 settlement. These figures include funding for Academies which will be paid direct by YPLA/EFC. As with DSG these estimates will not be confirmed by DfE until June.

<u>Table 2 – PP Projections</u> <u>2012/13</u>	2011/12 Actuals Excluding Academies	2012/13 Provisional Estimate (DfE)	2012/13 Latest Estimate (LA)
Deprivation (FSM) @ £430 / £600	£1,631,420 (3,794 pupils)	£3,815,100 (6,359 pupils)	£3,684,600 (6,141 pupils)
Service Children @ £200 / £250	£27,800 (139 pupils)	£35,250 (141 pupils)	£45,250 (181 pupils)
LAC @ £430 / £600	£73,530 (171 pupils)	£99,000 (165 pupils)	£99,000 (165 pupils)
Total Pupil Premium	£1,732,750	£3,949,000	£3,828,850
Add in year increases	£229,970		
Total 2011/12 PP funding	£1,962,720		

Forum Members are asked to note the LA's 2012/13 Pupil Premium estimate of £3.829m.

Post 16 Funding

- 2.11 Funding for sixth forms has in the past been paid to the LA by the Young Peoples Learning Agency (YPLA) and directly passed over to relevant settings in delegated budgets. From April the YPLA is being replaced/renamed as the Education Funding Agency and the LA will not be involved in the funding of sixth form provision in any Academy.
- 2.12 The YPLA also provides the LA with a contribution towards post 16 SEN provision via the SEN Block Grant which, in the current year, totalled £662,000. This funding is not based on identified needs but indirectly meets post 16 placement costs at Uplands special schools relating to students with SEN statements. The allocation of this grant is on a historic basis and is adjusted each year based on Swindon's 16-18 learner numbers. YPLA cannot confirm the level of this grant, which is shown as income in the retained budget, until April. The LA is provisionally estimating this at **£600,000**.

3. Centrally Retained Budget Position 2012/13

- 3.1 After quantifying the estimated DSG settlement the LA has also undertaken work to prepare the 2012/13 retained budget. Forum Members will be aware that the LA has experienced significant pressure on its retained budget over recent years, primarily as a result of demands arising from continued pupil growth. Despite these pressures the LA has managed the retained budget effectively and this has enabled additional one off funds to be allocated to meet 2012/13 costs as summarised below;

2010/11

- 3.2 The LA was able to contain spending within the retained budget agreed by the Forum during 2010/11 when a **£49,422** underspend was achieved as reported to the 11th October 2011 Forum meeting. In addition the LA also reported that an underspend of **£234,944** had also been achieved on the Standards Fund grant which ceased on 31st March 2011. A total of £284,436 is therefore available from 2010/11 for distribution during 2012/13.

2011/12

- 3.3 At the 17th January 2012 Forum meeting the LA presented a report which showed all the projected variances against the retained budget. This showed that a net underspend of £248,000 was anticipated and the position has improved since that time to **£300,000**. Latest projections are as follows;

<u>Table 3 – 2011/12 Retained Budget Position</u>	Projections as at 17 th January 2012 Forum	Latest Outturn Projections
Underspends;		
Out of Borough placements	£121,000	£134,000
Early Years Single Funding Formula	£142,000	£142,000
Academies LACSEG recoupment	£106,000	£106,000
Schools in challenging circumstances	£51,000	£100,000
Minor net underspends	<u>£19,000</u>	£39,000
	£439,000	£521,000
Overspends:		
Set up costs and trigger funding	£51,000	£73,000
Redundancy costs	£65,000	£81,000
Maternity costs	<u>£75,000</u>	£67,000
	£191,000	£221,000
Net 2011/12 underspend	£248,000	£300,000

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk.

- 3.4 In addition the LA has received various updates regarding the 2010/11 Standards Fund grant since the last Forum meeting. On 26th January 2012 we unexpectedly received a letter from DfE which said that LA's would be receiving the final 5% instalment of Standards Fund grant due in 2010/11 which for SBC equated to £516,000. On 2nd February 2012 a further letter was received stating that because we had not fully spent the grant we would be losing £278,000 of the £516,000.
- 3.5 The LA is attempting to reinstate the full grant by identifying payments from the Schools in Challenging Circumstances budget which could and would have been made from the Standards Fund grant had we known it would have been receivable. Although this cannot be confirmed at this stage we should at least have an extra **£238,000** (£516,000 less £278,000) which could be used to fund one off costs in 2012/13 and the table below summarises all the funding the LA can make available from previous years towards 2012/13;

<u>Table 4 – Summary of one off funding available in 2012/13</u>	Probability	Value
2010/11 retained budget underspend	Certain	£49,422
2010/11 unspent Standards Funds	Probable	£234,944
2011/12 retained budget projected underspend	Probable	£300,000
2010/11 additional Standards fund Grant	Questionable	£238,000
Total Potential one-off funding available in 2012/13		£822,366
Less provision to mitigate against the risk of uncertainties @ 28.3%		(£232,366)
Estimate of total funding carried forward from 2011/12		£590,000

(NB – Later in this report Forum Members will be asked to support the LA proposal that this funding is used to provide transitional protection funding to eligible schools in 2012/13).

2012/13

- 3.6 In order to maximise the likelihood of the LA continuing to manage the retained budget effectively it is vital that a realistic budget is set for 2012/13. The LA had hoped to share details of the planning assumptions supporting the budget proposals with Sub Group Members but this did not prove possible as meetings during November to February were focussed on formulas distribution issues.
- 3.7 Forum members will be aware that a substantial amount of funding retained by the LA is actually spent on the provision of services by other agencies or is temporarily retained pending in year allocation to Swindon

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk. 7

Dedicated Schools Grant and School Funding 2011-15

Schools Forum 6th March 2012

schools. Attached at Annex A to this report is a schedule showing the 2012/13 estimates for each element of the retained budget compared to the current year. Key issues to bring to Forum members attention at this time are summarised below:

A) Out of Borough School Fees

- The LA seeks to avoid Out of Borough placements wherever possible but a number of pupils, predominantly those with acute SEN needs, cannot be accommodated within Swindon schools.
- Latest projections are based on expected costs of known placements throughout 2012/13 which total £2.768m plus a contingency of £0.100m to cover potential new in year placements.
- The total Out of Borough budget for 2012/13 is therefore provisionally estimated a **£2.868m** which is a considerable reduction over the current year budget of £3.273m. This partially reflects increased placements of SEN pupils with more complex needs in Swindon special schools. .
- The key to minimising out of borough costs is to accommodate a greater number of pupils within Swindon schools although this is limited due to capacity constraints. Significant capital investment would be required in Special Schools and SRP's to alleviate this.

B) Recoupment

- As in recent years Swindon is anticipating being a net exporter of pupils to other LA's as our Special schools and SRP's are expected to be largely full throughout the year.
- Due to pupils finalising their secondary education and leaving the school system the financial position is however expected to improve in 2012/13 and a detailed schedule of anticipated income and expenditure relating to individual pupils will be presented to the Sub Group. Projections of next year's costs and income are as follows:

• Costs paid to Other Local Authorities (OLAs)	£0.454m
• Contingency for new placements	£0.050m
• Less costs recovered from OLA's	- <u>£0.350m</u>
• Net cost to the DSG	£0.183m

C) School Set up Costs

- This is funding retained by the LA but allocated during the year to specific schools that are providing additional places. This includes funding for both new schools that are opening in all year groups or on a phased basis, and covers items such as furniture, loose equipment, ICT, books and teaching materials. Costs in 2012/13 are estimated at **£0.370m** of which £300k relates to Croft school.

Further information on the subject of this report can be obtained from Steve Haley 8
on 01793 465794 or Email shaley@swindon.gov.uk.

- As a sponsored Academy, the LA will not receive DSG for any Croft pupils and will not be responsible for funding any on-going provision at this setting. We are however required to fund pre start-up staffing and other costs which have been estimated by the White Horse Federation at **£0.185m**. (See Annex B)

D) Trigger Funding

- Although centrally retained, this funding is allocated in year to those schools which have significant pupil growth. The scheme covers both **planned** (i.e. LA funds all additional pupils in September at new schools which are opening in phases or at schools which have agreed to increase admission numbers following LA requests) and **unplanned** increases (i.e. LA funds pupil increases at any school which experiences above 4% pupil growth in September/January).
- Latest forecasts are that funding of **£0.844m** will be required in 2012/13 and individual schools will be advised of the LA estimates when their 2012/13 funding allocation is issued. In line with DfE guidance no funding is earmarked for Croft school.
- In terms of easing pressure on this budget the LA could limit the scope of future payments to only include planned expansions and not fund general rises in pupil numbers. This would mean that schools in the latter category would not attract additional funding until the following financial year which mirrors the national DSG funding system.
- The 2012/13 budget assumes £0.620m is allocated for planned pupil growth and that a further £0.224m will be allocated for unplanned growth. The Schools Forum may, for future years, wish to consider changing this policy as it will become increasingly difficult to manage the DSG in future years and all options need to be considered.

E) Early Years Single Funding Formula (EYSFF)

- Forum members will be aware that Swindon has been receiving additional DSG in recent years to fund increased early years free nursery entitlement for a rising population of 3 and 4 year olds from 12.5 to 15 hours per week.
- As reported at Table 1 above the LA is anticipating receiving additional DSG next year of which £390,000 (83 pupils) relates to early years. The LA is conscious that in parts of the Borough demand for places substantially exceeds available provision and is currently formulating an expansion plan which may require one off costs to be incurred to expand or create new settings.
- For 2012/13 the Forum has agreed minor modifications to the Early Years' single funding formula which should minimise cost pressures and a budget of **£7.153m** is required. In addition the LA is proposing to hold a contingency provision of **£0.390m** based on the additional value of DSG received to fund early year's expansion during the year.

Further information on the subject of this report can be obtained from Steve Haley 9
on 01793 465794 or Email shaley@swindon.gov.uk.

F) Education other Than At School (EOTAS)

- In estimating the costs of EOTAS provision savings of £59k have been identified relating to the vacation of facilities at Hillside which provided services to pregnant teenage mothers. A proportion of this saving is being used to develop an alternative service linked to the Family Nurse partnership. The overall EOTAS budget requirement for 2012/13 is estimated at **£1.473m**.

G) Tuition Service

- Forum Members may be aware that, with effect from September 2011, DfE introduced a statutory requirement for all pupils to access alternative education of 25 hours per week unless medical conditions prevent this. Previously there was no defined minimum.
- The LA is taking steps to increase provision in the most cost effective way and will be going out to tender in the new year to add a service providing broader curriculum activities to small groups of pupils to enable the LA to meet the 25 hour requirement.
- The Tuition Service will continue to integrate pupils as fast as possible but, partly due to new exclusions guidance and current data, demand is likely to increase. In addition management arrangements for this service are under review as part of the Council's Stronger Together programme which may affect future service costs.
- Costings have been developed over recent few weeks and a 2012/13 budget of **£650k** is proposed.

H) Increased Delegations

- As reported to the 11th October 2011 Forum and 17th January 2012 Schools Forum meeting the LA reported that increased delegations would be made in 2012/13 as follows;
 - **Schools in Challenging Circumstances** - The planned budget reduction is confirmed and is reflected in the 2012/13 proposed budget of **£322k** in Annex A
 - **Redundancies and Early Retirement Funding** – Although a £175k budget reduction had been estimated in January the LA feels that, in view of local formula changes, it would be prudent to retain a higher level of funding than was originally envisaged. A 2012/13 budget of **£100k** is proposed which releases £100k for inclusion in delegated School/Academy budgets.
 - **Education Support Service (ESS)** – Full year funding for these schools will be included in their delegated ISB's in 2012/13 and the LA will retain only **£10k** to fulfil the statutory monitoring and a co-ordinating role.

- **Secondary Behaviour Support Team** – The LA service was decommissioned last year which, as planned, releases funding of £74k which was retained in 2011/12 to pay part year salary costs.
- **Primary and Secondary Strategy Support** – The LA service was decommissioned last year which, as planned, releases funding of £123k which was retained in 2011/12 to pay part year salary costs.
- **Maternity Costs** – The LA will not be funding any maternity claims from schools during 2012/13 which, as planned, will release £87k.
- **Youth Engagement Project (YEP) / The Oakfield Project (TOP)** – Due to the practise of secondary schools effectively paying termly in advance, the LA was unable to fully release retained funding for the YEP service which ceased on 31st March 2011. From 1st April 2011 the LA has, in collaboration with Secondary Headteachers operated the TOP service from the Oakfield Campus. This service is predominantly funded by school contributions but the LA agreed to fund premise costs from the retained budget and provision has been made for **£46k**.
- As agreed at previous Forum meetings, funding released by the LA from reducing the retained budget will not be separately allocated as increased delegations to schools in 2012/13. All reductions to the retained budget effectively enhance the overall funding available for distribution via the local formula by allowing inflationary uplifts to be applied.

I) Convertor Academy Recoupment (LACSEG)

- Forum members will be aware that, as and when schools convert to Academy status, in addition to the value of their delegated budget, they also receive LACSEG (Local Authority Equivalent Central Services Grant) which is a pupil based share of elements of both the retained DSG budget and the LAs core budget.
- The implications for SBC's core funding will be addressed in the Local Government finance settlement. With regard to the retained DSG for 2012/13 the LA is proposing that a similar approach is taken to 2011/12 and estimates have been made of the loss based on the current recoupment formula and the number of schools which have already or are likely to convert during 2012/13. This is cautiously estimated at **£666,000**.

J) Corporate Overheads Charged to DSG

- Schools Forum members have been advised that the LA historically charged approximately £1.5m of corporate and departmental overheads to the DSG. This covers services such as the Director of Children Services (and his management team's) statutory responsibilities and corporate costs which support the delivery of DSG funded services including Human Resources, Payroll, Legal,

Further information on the subject of this report can be obtained from Steve Haley 11 on 01793 465794 or Email shaley@swindon.gov.uk.

Democratic, Finance, Audit, Insurance, Property, Procurement, ICT and Office Accommodation costs etc. which are apportioned across all Council departments. For Children's Services, charges are then split between Core and DSG funded services.

- In setting the Budgets for 2011/12 and 2012/13, recognising LACSEG and the Council's overall savings strategy, the Council has reduced its corporate charge to the retained DSG by an incremental £0.2m per annum which will bring the total charge down by £400k over the two years to **£976,000**.
- Pending a review of these allocations, all corporate overheads have been stripped out of service budgets and are included in Annex A as a separate budget line. This means that the cost of each individual service reflects actual pay and direct running costs.
- To simplify accounting arrangements a number of inter budget recharges have been deleted with effect from 2012/13 and although some budgets have increased (e.g. Portage) this is offset by reductions in other budgets and deletion of the £116k charge for children services overheads .

- 3.8 The LA's proposed retained budget for 2012/13 is therefore **£18.015m** and is significantly lower than the 2011/12 budget agreed by the Schools Forum of £19.323m. Some budgets have increased since the provisional estimate reported to the Forum in January (Redundancies, Early Years) as shown in Annex A. The year on year reduction hopefully gives the Schools Forum and the wider education community assurance of the LAs continuing commitment to maximising the proportion of DSG available for distribution to Schools and Academies.

Forum Members are asked to note and approve a 2012/13 retained budget of £18.015m.

4. Special Resource Provision (SRP) Funding

- 4.1 During the 2011/12 budget setting process Forum members agreed that in view of the national review of SEN, overall funding in the local formula should remain broadly in line with the January 2008 Audit and only relatively minor changes were agreed to reflect increasing provision in specific settings. This mirrored the approach taken with mainstream schools where stability was considered by both the LA and Schools Forum as being the overriding priority for 2011/12 funding.
- 4.2 In consultation with the Association of Swindon Special School Headteachers (ASSSH) the LA has undertaken a full review of provision and details of a new funding scheme is reported elsewhere on today's agenda. In addition to special schools, Forum members will be aware that a network of SRP's are operated across the Borough (in both mainstream Schools and Academies) which are commissioned by the LA to meet SEN

Further information on the subject of this report can be obtained from Steve Haley 12 on 01793 465794 or Email shaley@swindon.gov.uk.

demand. Attached at Annex C is a schedule showing the number and types of places across the Borough including the need for additional places with effect from September 2012.

- 4.3 Following the introduction of a more responsive funding approach to Special Schools the LA intends developing a similar approach for SRP's in consultation with Headteachers which can be introduced in 2013/14. For 2012/13 some funding changes are however required based on the current funding methodology which will result in additional costs to the local Formula of **£325,356**.

Forum Members are asked to note that additional SRP funding of £325,356 will need to be allocated in 2012/13.

5. Summary of Local Formula issues

- 5.1 As discussed at recent Forum meetings the LA has been keen to introduce formula changes in line with the removal of ring fencing and mainstreaming of school funding into the DSG. In addition DfE consultation documents have been critical that LA formulas are overly complex and should be simplified.
- 5.2 Since the 17th January Forum meeting the Sub Group has met on three separate occasions to assist the LA in developing proposals for the redistribution of funding which is both in line with current DfE guidance and is in the best interests of Swindon pupils. In addition the LA has discussed formula changes with all three Swindon Headteachers Associations and elsewhere on today's agenda are reports on the following items;
- Special School Funding changes which, in order to meet demand in 2012/13 will require additional funding of £531,000
 - Mainstream Funding changes which redistribute existing funding but require;
 - Increased small school protection funding of £120,000
 - Temporary (i.e. one off) Transitional protection funding of £590,000 needed to limit funding losses arising from the formula re-distribution in 12 primary and 3 secondary settings to no more than 2.5% in 2012/13.
- 5.3 In order to ease pressure on the local formula the LA proposes to fund the transitional protection funding of £590,000 from the 2011/12 retained underspend and Standards fund grant carry forward estimated at Table 4.

Forum Members are asked to confirm support for;

- ***The funding of £590,000 2012/13 transitional support payments from the funds available from 2011/12.***

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk 13

- 5.4 The LA has not been able to progress the Gorse Hill request for discretionary funding arising from the amalgamation. This matter is being dealt with by the Group Director – Children and any payment to Gorse Hill will need to be funded from a top slice in funding from all other Swindon Schools / Academies.

6. Indicative School Funding Available 2012/13

- 6.1 As described in section 2 the overall value of the 2012/13 DSG is estimated at **£139.838m** and after retention of **£18.015m** for the retained budget (see section 3) this leaves **£121.823m** for distribution across schools via the local formula – excluding the Pupil Premium. The overall estimated value of funding available next year to fund 5 to 16 year old pupils compared to 2011/12 is summarised in the table below:

Table 7 – Indicative School Funding	2011/12	2012/13
Delegated ISB's to Schools and Academies	£118.348m	£121.823m
Indicative year on year £ change		+ £3.475m
Indicative year on year % change		+2.9%

- 6.2 As shown at Table 1 Swindon's DSG settlement is only expected to increase by approximately 1.6% in 2012/13 to meet extra pupil needs as no inflationary increases are being paid by DfE. The steps taken by the LA to increase delegation and reduce other areas of spending will however allow overall funding to schools to increase next year by approximately **2.9%** although it is acknowledged that substantial additional funding needs to be allocated to Special Schools, SRP's and small school protection. A verbal update will be provided at the Forum meeting on the level of inflationary increases that are affordable and will be applied to AWPU and all other 2012/13 funding rates
- 6.3 The table below provides a summary of the overall funding position across Swindon schools for age 5 to 16 pupils. It is important to recognise that the position for individual schools will be primarily determined by their January 2012 pupil numbers and whether they have gained or lost funding arising from the formula rationalisation described at section 5 above.

Table 8 – 2011/12 to 2012/13 Indicative School Funding				
	2011/12 £m	2012/13 £m	Change £m	Change %
DSG	118.348	121.823	+3.475	+2.9%
PP (exc LAC)	1.889	3.729	+1.840	+97.4%
Totals	120.237	125.552	+5.315	+4.4%

Forum Members are asked to note that the estimated amount of 2012/13 funding available for distribution to Schools and Academies for 5 to 16 year pupils (including Academy Pupil Premium) in 2012/13 is £125.552m.

- 6.4 Subject to Schools Forum confirmation of the various issues affecting 2012/13 school funding the LA will aim to issue individual school funding allocations as soon as possible after today's Forum meeting. Given the extent of changes required the LA will however require time to thoroughly check that allocations are in line with expectations but will ensure information is issued by Monday 12th March at the latest. .

7. Conclusions and Indicative Funding Guidance beyond 2012/13

- 7.1 Despite the cash freeze in 2012/13 DSG per pupil funding rates and the loss of funding due to Academy conversions, the steps taken by the LA to effectively manage the retained budget in 2010/11 and 2011/12 and to further reduce the value of the retained budget in 2012/13, has enabled delegated DSG funding to increase by approximately 2.9% next year. In the current public sector funding climate this is considered a very reasonable settlement by the LA.
- 7.2 The LA acknowledges however that the settlements for individual schools will vary depending on formula redistributions and changes in their pupil numbers and other characteristics. The 15 schools which will be receiving one off transitional support funding during 2012/13 will need to very carefully consider their financial sustainability over the next few months
- 7.3 The recent DfE consultation on school funding reform makes it clear that local formulas will need to be simplified at some stage in the future and the LA is introducing a number of changes which are in line with this principle.
- 7.4 It is clear that those schools which do not attract high pupil premium funding will find it increasingly difficult to sustain current levels of staffing/spending. Despite this uncertainty it is more important than ever for schools to prepare medium term revenue plans covering the next 3 to 5 years and preliminary guidance is provided below

Funding Beyond 2012/13

- 7.5 At this stage the LA has focussed on assessing the 2012/13 financial position including formula redistribution issues. Although DfE have announced that overall DSG funding will be frozen throughout the CSR period, there remains a possibility that individual LA funding rates may vary. The LA eagerly awaits the outcome of the DfE consultation and hopes to see an improvement in Swindon's DSG funding over the next few

Further information on the subject of this report can be obtained from Steve Haley 15
on 01793 465794 or Email shaley@swindon.gov.uk.

years. The LA continues to collaborate with F40 authorities to lobby for early changes to the DSG distribution formula.

7.6 The LA is not aware how the Pupil Premium funding is to be increased in future years but in overall cash terms this should increase by 50% above 2012/13 levels in 2013/14. Despite this uncertainty the LA will provide indicative funding allocation statements for Schools and Academies for the years 2013/14 and 2015/15 as early in the new financial year as is possible. For those schools which are keen to make an early start on their 3 year financial plans the LA would suggest the following;

- AWPU funding rates will be at 2012/13 levels for the following two years
- All other formula funding rates will also remain unchanged other than the withdrawal of transitional funding identified elsewhere on today's agenda
- Pupil Premium values will be 50% above 2012/13 levels

7.7 The LA will issue provisional 2013/15 allocations as soon as possible in the New Year and will be pleased to provide consultancy support to improve financial planning in any Swindon school.

Alternative Options

There are various options presented throughout this report.

Risk Management

Financial and Procurement Implications

- Various financial issues are included throughout this report. Key risks are:
 - Over estimating the overall DSG, Pupil Premium or Post 16 SEN grant settlements would result in the LA issuing Individual School Budget shares above the value of available funding.
 - Under estimating the value of the retained budget (including provision for Academy conversion recoupments) could result in the LA overspending during 2012/13 and having to carry forward a deficit to 2013/14.
 - Individual schools with reduced funding allocations in 2012/13 will need to take steps to reduce their spending to ensure deficits do not occur.

Legal / Human Rights Implications

- There are no direct legal or human rights implications arising from this report.

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

- Scheme for Financing Swindon Schools and local fair funding formula

Diversity Impact Assessments

- As there are no specific proposals in this report, DIA's have not been completed.

Further information on the subject of this report can be obtained from Steve Haley 16
 on 01793 465794 or Email shaley@swindon.gov.uk.

Consultees

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

Background Papers and Appendices

Annex A – Summary of Proposed 2012/13 Retained Budget

Annex B – Schedule of Proposed Croft School pre start-up costs

To follow

Annex C – Schedule of Proposed 2012/13 SRP Funding allocations

This page is intentionally left blank

Summary of Retained DSG Budget 2011/12 and 2012/13 Proposals

Directorate / Service Description	2011/12		Latest Projection	2012/13		Commentary
	Budget			Draft Budget 17th Jan 2012 Schools Forum	Final Budget Proposal	
	£'000	£'000	£'000	£'000	£'000	
Early Years Single Funding Formula Payments	7,114	6,972		7,100	7,543	This will be paid to providers in year and includes £390k for expansion
Portage Salfway	111	111		91	148	Budget realigned to exclude internal recharges
Education Support Service	611	631		10	10	Budget reduced to cover statutory monitoring only
State mented Pupils Equipment	142	132		130	130	
Schools in Challenging Circumstances	331	230				
Primary National Strategy Support for Targeted schools	170	170		350	322	Budget reduced
Primary and Secondary strategy consultancy support	123	123		0	0	Budget deleted
SEN RAP	1,297	1,331		1,400	1,369	This funding will be allocated in year to relevant settings
Recoupment	290	281		110	182	This will be paid to providers and includes £50k contingency
Out of Borough School Fees	3,273	3,139		2,800	2,868	This will be paid to providers and includes £100k contingency
EOTAS	1,269	1,269		1,415	1,473	Budget realigned to exclude internal recharges
The Oakfield Project	-	-		50	46	LA is funding premises costs
Hillside	59	72		0	0	Budget deleted
YEP and SCEP	142	142		0	0	Budget deleted
Diploma Formula Grant	286	286		0	0	Budget deleted
Speech and Language Therapy	144	147		143	164	Budget realigned to exclude internal recharges
Secondary Behaviour Support Team	78	74		0	-	Budget deleted
Travellers Children	84	84		77	77	
Schools and Learning Interventions	185	125		185	185	
Tuition Service	500	534		650	650	Budget increased to reflect 25 hour requirement
Admissions	205	188		185	183	Budget reflects Traded Services income
Administration of Free school Meals Entitlements	10	10		5	4	Budget reflects Traded Services income
DSG Premature Retirement & Redundancy Costs	200	282		25	100	Budget reduced in line with stricter funding policy
Maternity costs	87	154		0	0	Budget deleted
Trade union Facilities	22	24		10	10	Budget reflects Academy contributions
Schools Forum	5	2		2	2	
School Meals Consultant	7	7		0	-	Budget deleted
School Set up costs	480	498		370	370	This will be paid out to settings in year
School pre opening costs (Croft)		-		0	185	As per White Horse Federation submission
School Commitments (Trigger Funding)	865	919		844	844	This will be paid out to settings in year
Corporate Overheads charged to DSG	1,060	1,060		860	860	Budget reduced
Departmental Overheads charged to DSG	160	162		116	-	Budget realigned to exclude internal recharges
Academy LACSEG recoupment	409	303		666	666	
Provision to meet 50% of school equal pay costs	224	224		224	224	
YPLA post 16 SEN funding	(620)	(662)		-600	(600)	
Total net 2011/12 retained DSG budget	19,323	19,023		17,218	18,015	

2011/12 Forecast Underspend	300
-----------------------------	-----

2012/13 change between draft and final budget proposal	797	Early Years (£390k), Croft (£185k) Placements (£130k) Redundancies (£75k)
--	-----	---

This page is intentionally left blank

Special Resource Provision Funding 2011/12 and 2012/13

<u>Table 4 – SRP Funding</u>	2011/12 Actual Funding	Commentary on recent / proposed changes	2012/13 Proposed Funding
Redoaks <ul style="list-style-type: none"> 12 Hearing Impaired places 	£418,641	£88k extra allocation in 2011/12 budget to fund 3 extra HI places – full year funding required in 2012/13 plus 1 additional HI place required September 2012	£504,904
<ul style="list-style-type: none"> 6 Learning Difficulties & Disability places 	£140,360		£140,360
	£559,001		£645,264
Mountford Manor <ul style="list-style-type: none"> 6 BESD places 	£85,000	£85k transferred from Nylands to cover new 6 place unit at Mountford Manor which opened in June 2011 - further funding required to cover full year costs in 2012/13	£102,000
Lydiard Academy) <ul style="list-style-type: none"> 9 Autistic Spectrum Disorder places 	£233,918	£85k extra allocation in 2011/12 budget for 3 additional places – full year funding required in 2012/13 plus 3 further additional place required September 2012	£294,632
Robert Le Kyng <ul style="list-style-type: none"> 10 Physically Impaired places 	£210,567	No changes required	£210,567
Eldene <ul style="list-style-type: none"> 8 Complex Learning places 	£139,978	No changes required	£139,978
Even Swindon <ul style="list-style-type: none"> 14 Severe Speech and Language places 	£219,880	No changes required	£219,880
Millbrook <ul style="list-style-type: none"> 8 complex learning difficulty places 	£139,978	No changes required	£139,978
Ruskin Junior <ul style="list-style-type: none"> 6 Autistic Spectrum Disorder Places plus outreach programme 	£212,305	2 additional places required from September 2012	£243,660

Westlea • 10 Physical Disability places	£190,041	No changes required	£190,041
Kingsdown • 15 Autistic Spectrum Disorder places	£306,510	No changes required	£306,510
Ridgeway • 6 Hearing Impaired places	£97,774	No changes required	£97,774
Commonweal • 24 Specific Learning Difficulty places	£263,956	5 additional places required September 2012	£329,394
• 15 Physically Impaired places	£207,563	4 additional place required September 2012	£272,149
	£471,519		£601,543
Total SRP Funding	£2,866,471		£3,191,827

Summary

SRP's across the Borough will require additional funding to be allocated in 2012/13 of **£325,356**

Special Schools Funding Review

Schools Forum

6th March 2012

Author: Lead Finance Manager – Schools and Innovation

Parish / Wards Affected: All

Purpose

- To advise the Schools Forum of the principles and methodology of a new funding system for Special Schools which have been developed by the Local Authority (LA) and which, following a series of meetings with the Association of Swindon Special School Headteachers (ASSSH) would be acceptable to all Special School Headteachers for introduction in 2012/13.

Recommendations

The Schools Forum is requested to:

- Note the background, context and principles to the review of Swindon's Special School Funding system;
- Support the LA's proposed introduction of a new Special School Funding system with effect from 2012/13
- Note and support the LAs intention to develop a new methodology for the funding of Special Resource Provision for implementation with effect from 2013/14.

1. Background

- 1.1 The LA has a statutory duty to maintain a local fair funding formula in line with the School Finance regulations and to issue annual funding allocations to schools by 31st March each year. The majority of special school funding in the local formula is "place based" but the existing system is based on a 2007 audit which assessed the number of places and their SEN bandings required in each school at that time.
- 1.2 Although funding rates have been subject to inflationary increases each year, and some relatively minor funding changes have been made to recognise additional places, the basic funding system has been in place since 2008/09. Crucially the current system does not recognise (i.e. provide more or less funding for) changes in the complexity of individual pupils needs from year to year.
- 1.3 At the 17th January 2012 Schools Forum, as part of a wide ranging report on Dedicated Schools Grant (DSG) and local formula issues, the LA advised Forum Members that the LA had been working with ASSSH on a new banding system for special schools. The Forum was asked to note that, in order to recognise the increasing complexity of pupil needs, it was probable that additional funding of approximately £500,000 would need to be allocated from the local formula in 2012/13 which broadly equated to the proposed reduction to the LA's Out of Borough placement budget.

Further information on the subject of this report can be obtained from Steve Haley on ¹ 01793 465794 or Email shaley@swindon.gov.uk.

Special Schools Funding Review

Schools Forum

6th March 2012

- 1.4 Set out below are details of a new funding scheme which has been developed in consultation with ASSSH and which is supported by the Schools Forum Sub Group.

2. Principles of a New Funding System for Special Schools

- 2.1 During 2011 the LA consulted ASSSH on changes to provision across the sector including a review of bandings. Over recent weeks the LA has modelled various funding options which have been developed within the following context;

- Fair funding must be the overriding principle so that each school receives annual funding that meets the needs of its pupils
- Since the current funding formula was agreed;
 - The overall number of pupils which are being taught in special schools has remained fairly constant over recent years although more places have been taken by Swindon pupils
 - Although difficult to compare old and new bandings the relative complexity of needs has increased although the pattern of changes has varied considerably in individual schools
- There is a DSG cash freeze per pupil in 2012/13 which limits the LAs capacity to enhance funding rates without detrimentally affecting funding in other sectors.
- The LA is proposing reduced Out of Borough and Recoupment budgets for 2012/13 which is partly attributable to more SEN pupils being placed in Swindon schools thereby reducing the number of external placements.
- Despite pressures, special school balances have remained relatively high in recent years and, although the LA recognises the unique financial issues associated with changing SEN pupil needs, making a case that the sector is significantly under-funded is difficult when 2010/11 year end balances equated to 9.4% of annual funding.
- Any changes in annual funding for individual special schools, both increases and reductions, needs to be manageable and in line with school finance regulations to ensure all schools are sustainable and can realistically increase/ decrease their cost base as necessary.
- In determining new band values the LA is keen to reflect moves towards simplification as agreed in principle by the Schools Forum and to reduce/delete existing funding factors (former Threshold pay grant, Standards Funds and Ministerial Priorities) so that a greater proportion of funding is included in band values and therefore, more responsive to demand.

The Schools Forum is requested to note the background, context and principles to the review of Special School Funding system.

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk. ²

Special Schools Funding Review

Schools Forum

6th March 2012

3. Proposed Funding Scheme

- 3.1 Initial funding models presented to ASSSH would, in addition to requiring very significant extra funding, have resulted in extreme changes to the funding of individual settings which the LA felt would result in major management challenges and a significant number of redundancies. This was acknowledged by ASSSH members and, at the 7th February 2012 meeting, proposals were supported which can be broadly compared to current band values as follows;

Table 1 – Current and Proposed Band Values	
Current	Proposed
Band 7 @ £29,728	Band 1 (Highest Needs) @ £22,500
Band 6 @ £22,128	Band 2 @ £20,250 (90% of Band 1)
Band 5 @ £15,795	Band 3 @ £13,500 (60% of Band 1)
Band 4 @ £10,855	
Band 3 @ £8,575	Band 4 @ £10,125 (45% of Band 1)
Band 2 @ £6,682	
Band 1 @ £5,889	

- 3.2 Proposed band values are based on an affordable cash value for a Band 1 placement with Bands 2, 3 and 4 based on a % of Band 1 which broadly equate to comparative levels of need as defined by the banding descriptions. In addition the LA proposed that a 20% premium should be added to the relevant band values to recognise the additional resources required in respect of pupils with BESD (Behavioural Emotional and Social Difficulties).
- 3.3 The BESD premium is payable to St Lukes and Nylands but even with this premium both settings would receive significantly reduced funding. To alleviate this and allow both schools a transition period to gradually reduce their spending the LA proposed an initially enhanced BESD premium supported by ASSSH which would be phased down as follows;
- 2012/13 BESD premium payable at 35%
 - 2013/14 BESD premium payable at 30%
 - 2014/15 BESD premium payable at 25%
 - 2015/16 BESD premium payable at 20%
- 3.4 Based on the current numbers of places required for each Band plus planned increases in provision which the La has identified are required from September 2012, overall funding proposed for special schools in 2012/13 compared to 2011/12 can be summarised as follows;

Special Schools Funding Review

Schools Forum

6th March 2012

<u>Table 2 – Current (2011/12) and Proposed (2012/13) Special School Funding</u>		
	2011/12 (451.8 FTE places)	2012/13 (455.8 FTE places)
<u>Place based funding 2007</u>		
Total band funding (see Table 1 for values)	£6,203,295	£8,483,081
<u>Additional places since 2007</u>		
Various bandings (ceasing in 2012/13)	£363,650	-
Total Place Based Funding	£6,566,945	£8,483,081
<u>Transferred provision</u>		
PBST / CAMHS / Primary PRU	£364,000	£364,000
<u>Other Funding</u>		
Flat rate funding, etc. (reducing in 2012/13)	£2,628,924	£1,243,824
Total Special School Funding	£9,559,869	£10,090,905

- 3.5 This table illustrates that a greater proportion of funding has been moved into place based funding as all former Threshold Pay Grant, Standards Fund Grant and Ministerial Priority funding has been deleted. The 2012/13 funding allocations to individual settings will therefore be predominantly based on the needs of their pupils. Those settings which have greater numbers of pupils with more complex needs will therefore receive commensurate levels of funding based on the band values shown in Table 1. Indicative funding allocations for each setting are summarised below;

<u>Table 3 - Indicative Funding per Setting 2011/12 to 2012/13</u>			
Setting	2011/12 Funding	2012/13 Funding	% Change
St Lukes	£1,714,666	£1,657,239	-3.3%
Brimble Hill	£1,586,585	£1,618,627	+2.0%
The Chalet	£835,121	£879,949	+5.4%
Crowdy's Hill	£2,038,320	£2,296,759	+12.7%
Uplands	£2,071,821	£2,383,852	+15.1%
Nylands	£1,313,356	£1,254,478	-4.5%
Total Special School Funding	£9,559,869	10,090,905	+5.6%

- 3.6 Even with the temporary enhanced premium both BESD schools will experience cash reductions in their 2012/13 funding. The LA hopes to be able to partially mitigate these losses by reducing the retained DSG budget to release an inflationary increase to all delegated funding factors in 2012/13. Both settings are also likely to receive increased Pupil Premium funding next year although the values are unlikely to be significant. Given that, based on current placements,

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk.⁴

Special Schools Funding Review

Schools Forum

6th March 2012

the phased reduction to the BESD premium will result in further year on year funding reductions of £55k (St Lukes) and £29k (Nylands) both schools will face challenging financial positions for the next 4 years. The consensus view at ASSSH was that these two settings have had relatively favourable funding settlements over recent years and the recent moderation exercise illustrates that the level of need has reduced significantly in both settings since the 2007 audit.

- 3.7 The new funding formula will require additional funding of £531,036 which equates to a 5.5% increase over the current year and is in line with the figure reported to the 17th January 2012 Schools Forum meeting. It is also relevant to recognise that;
- Under the existing formula additional funding of approximately £200,000 would have been payable in 2012/13 to reflect full year funding arising from September 2011 place increases and part year increases arising from further place increases in September 2012.
 - The LA anticipates reducing the 2012/13 Out of Borough and Recoupment placement budgets by approximately £500k, which partly reflects the increased placement of SEN pupils in Swindon Special schools.

The Schools Forum is requested to support the LA's proposed introduction of a new Special School Funding system from 2012/13

- 3.8 The LA feels that a new methodology for calculating appropriate levels of funding for Special Resource Provision (SRP) in mainstream settings is required to ensure costs are not being subsidised by the Schools and Academies which provide this Borough wide provision. Elsewhere on today's agenda minor changes are proposed to SRP funding in 2012/13 but the LA is committed to developing a new scheme in consultation with SRP providers during 2012 for introduction in 2013/14.

The Schools Forum is asked to note and support the LAs intention to develop a new methodology for the funding of Special Resource Provision for implementation with effect from 2013/14.

Alternative Options

The LA could defer any changes to special school formula funding until 2013/14 or allow the existing funding formula to continue indefinitely. The LA believes that a review is overdue and that the proposals made represent a fairer more responsive funding model which on an annual basis will recognise future changes in provision.

Special Schools Funding Review

Schools Forum

6th March 2012

Risk Management

Financial and Procurement Implications

- These are set out through the report

Legal / Human Rights Implications

- There are no direct legal or human rights implications arising from this report

Links to Corporate Plans and Policies

- Scheme for Financing Swindon Schools and the local fair funding formula

Diversity Impact Assessments

- All proposals in this report are aimed at improving fair funding for all Swindon pupils placed in Special Schools. The new system will provide additional funding across the sector and will be responsive to future changes in the needs of individual pupils

Consultees

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

Background Papers

LA reports presented to ASSSH dated 19th January and 7th February are available on request

Local Formula Redistribution Issues

Schools Forum

6th March 2012

Author: Lead Finance Manager – Schools and Innovation

Parish / Wards Affected: All

Purpose

- To seek support from the Forum to a range of local formula redistribution changes that the Local Authority (LA) is implementing with effect from 2012/13 following a consultation process with the Schools Forum Sub Group and the three Swindon Associations of Head Teachers.

Recommendations

The Schools Forum is requested to:

- Note the background and context to the proposed local funding changes;
- Note that the LA initiated a consultation process with each of the three Swindon Headteacher Associations which have shaped the proposals;
- Note the LA's concerns that communication channels between the LA, Schools Forum Members and individual schools may not be as effective as they could be and offer guidance to the LA on how this could/should be further improved;
- Consider, and where appropriate, support or seek amendments to the principles and methodologies proposed by the LA relating to the re-distribution of various elements of formula funding to ensure they are in the best interest of Swindon pupils;
- Support the implementation of local formula changes described in section 3 including increased protection for small schools and the allocation of one off transitional support funding to ensure that no individual school will, as a direct result of these formula changes, lose more than 2.5% of annual funding during 2012/13;
- Note that during 2012 the LA will be undertaking an exercise to review whether alternative methods to Free School Meals (FSM) and Indexes of Multiple Deprivation (IMD) are more appropriate to distribute funding for Additional Educational Needs (AEN).

1. Background

- 1.1 The LA has a statutory duty to maintain a local fair funding formula in line with the School Finance regulations and to issue annual funding allocations to schools by 31st March each year. The majority of funding in the local formula is pupil based and every mainstream School/Academy is funded via the use of AWPU (Age Weighted Pupil Unit) allocations. This therefore provides an entirely equitable distribution of "per pupil" funding across all settings.
- 1.2 In addition, the local formula also recognises and allocates specific funding to schools based on their characteristics and needs. This provides different "per

Further information on the subject of this report can be obtained from Steve Haley on ¹ 01793 465794 or Email shaley@swindon.gov.uk.

Local Formula Redistribution Issues

Schools Forum

6th March 2012

pupil” funding values which are aimed at being proportionate to need. These items include Deprivation, Special Education Needs, English as an Additional Language etc.

- 1.3 Forum members will be aware that in December 2010, the coalition government introduced a number of changes to the school funding system which were aimed at simplifying local arrangements. Whereas the previous government had, over many years, allocated specific Standards Fund grants and ministerial priority funding (often with prescribed distribution methods) this all changed from 1st April 2011. As of the 2011/12 financial year, all revenue funding for schools (other than the Pupil Premium) has been included in the Dedicated Schools Grant settlement and individual LAs have been free to work with their Schools Forums to allocate funds based entirely on local decisions. For Swindon this represented the transfer into DSG of former Standards Fund grant of £16.8m bringing the total 2011/12 school funding pot to £118.3m.
- 1.4 Some areas of former standards fund grant are already allocated to all schools broadly proportionate to pupil numbers whereas others are only allocated to a small number of schools. The latter areas represents key funding difference between Swindon schools and, given the new governments expressed views that current formulas are already too complex, continuation of, in many cases, complex distribution methodologies does not seem appropriate.
- 1.5 Attached at Annex A is an overview to mainstream Swindon school funding in 2011/12 which, in the LA’s view, illustrates that the vast majority of local formula funding is equitable but that there are anomalies arising from the former governments funding of priorities. A relatively small proportion of overall school funding is currently allocated to only a small number of schools but this causes very significant differences in “per pupil” funding. It is these areas that have been the focus of the LA’s current review.
- 1.6 Although some LAs made changes to their formulas in the current year, after the Swindon Sub Group had received details of current distribution methods, the Forum took a pragmatic decision in March 2011 that stability was the overriding priority for 2011/12 but that this needed to be reviewed for 2012/13. The LA therefore took care in March 2011 to provide a comprehensive breakdown to each school of their 2011/12 funding allocations so that they were aware of the funds that were potentially at risk.
- 1.7 During 2011 DfE undertook a wide reaching consultation process on school funding reform which was critical of the current complexity in existing local funding formulas maintained by LAs. As reported to the Schools Forum at the 11th October 2011 meeting the LA supported the DfE’s assertion that the number of funding factors should be reduced and a number of areas were identified as being worthy of review;

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk. ²

Local Formula Redistribution Issues

Schools Forum

6th March 2012

A) Items agreed by the Forum;

- **Parent Support Advisors & Extended Services Cluster Funding** – The Forum agreed that this funding should be allocated to individual schools from 2012/13 which will then be able to pool funding within clusters if they wish to do so. This has no real impact on individual school resources.
- **Former Threshold Pay Grant** – The Forum agreed that the value of this funding is maintained within sectors but transferred as an inflationary uplift to AWPU and SEN place funding factors with effect from 2012/13. This did not result in significant funding changes apart from Isambard School which has benefited. This school had fewer pupils and therefore fewer staff at the time the former Threshold Pay grant ceased.

B) Items agreed in principle by the Forum subject to the LA developing proposals via the Schools Forum Sub Group;

- **Former Standards Fund Grants and Former Ministerial Priorities** – The Forum agreed that the value of funding across sectors should be retained but that funding should be moved into AWPU and SEN place funding – providing that allocations to individual schools were not significantly affected.

1.8 During November and December 2011 the LA worked with Sub Group members to develop proposals relating to item B) above and schedules were produced which provided the indicative impact of a number of changes if specific areas of funding were redistributed pro rata to pupil numbers either immediately or phased in over 2 or 3 years. This represented the least complex allocation method and although the Sub Group felt that, on balance, there were stronger reasons to redistribute funding than to maintain the status quo, they asked the LA to consider the cumulative impact of the changes to ensure individual schools were not adversely affected to an extent that would be unmanageable, before firm proposals were made to the Schools Forum.

1.9 This assessment was undertaken prior to the 17th January 2012 Schools Forum meeting and the proposals would, regardless of how long changes were phased in over, have had a very significant negative impact on 10 primary and 3 secondary schools in particular. After consulting the Chair of the Schools Forum it was agreed that the matter would have to be referred back to the Sub Group to be reconsidered. The Sub Group met on three occasions over recent weeks to consider appropriate principles, methodologies, timescales and transitional arrangements on how funds could be more fairly distributed.

1.10 In addition the LA initiated meetings with each of the Swindon Headteacher associations which have also shaped the proposals. The

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk. ³

Local Formula Redistribution Issues

Schools Forum

6th March 2012

key issue that the LA, the Schools Forum Sub Group and the Associations have had to consider is how to strike a balance between improving fairness without significantly affecting teaching and learning standards in an individual setting. The LA believes that the changes proposed for 2012/13 achieve this but it is recognised that a small number of schools which have had higher funding levels over recent years will be detrimentally affected and will need to reduce their cost base both in the short and medium terms.

The Forum is asked to note;

- ***the background and context to the proposed local funding changes***
- ***that the LA initiated a consultation process with each of the three Swindon Headteacher Associations which have shaped the proposals***

2. Communications with Schools

- 2.1 The LA is concerned that some schools appear to have been unaware that areas of the local formula were under review and have requested deferment of any changes because of this. The LA has a legal duty to consult with the Schools Forum (not individual schools) over funding matters and must do so under the assumption that there are effective communication channels between Forum Members and the sectors they represent. In addition the LA makes all Schools Forum agenda papers (reports and minutes) available on the LA's web site.
- 2.2 To further raise awareness a letter was sent to all Headteachers on 7th December 2011 which included the following;
 - "Over recent weeks the LA has been working with the Schools Forum Sub Group on a number of areas including the extent to which the local fair funding formula should be amended given that all former Standards Fund Grants and Ministerial priority funding has been mainstreamed into the DSG and is no longer ring fenced. Although the recent DfE consultation makes it very clear that future funding formula, whether national or local, will need to be simplified, the Schools Forum is keen to minimise turbulence unless there is a valid reason for doing so."
 - "The LA is currently modelling other potential formula changes and it is possible that other funding factors may be proposed by the Schools Forum Sub Group for implementation in 2012/13 or future years."
- 2.3 The LA verbally reported key school funding issues, including potential formula changes to Schools' Trade Union representatives at the 11th January 2012 Education Joint Consultative Committee meeting and has also provided information at recent Finance Admin and Bursar (FAB) meetings and at

Local Formula Redistribution Issues

Schools Forum

6th March 2012

School Governor Briefings. In an attempt to raise wider awareness of this matter this report is also being issued to all Governors.

- 2.4 The LA is keen to improve communications with schools on all financial matters but does not accept suggestions by a small number of schools that it has failed to do so with regard to the issues currently under review. Crucially the LA does not feel that there is any reason to defer the introduction of local formula changes. This view was confirmed by the Schools Forum Sub Group which offered the following comments;
- School Leadership Teams and their Business Managers and financial advisers are responsible for keeping abreast of national and local funding issues and schools should not be entirely dependent on the LA, School Forum or their Schools Forum sector representatives regarding financial management issues
 - The changes proposed are in line with national announcements and have been reported through professional associations.
- 2.5 During discussions with the Sub Group the following areas were identified as methods of improving communications;
1. The LA will provide “financial alerts” on Schools Online that the Schools Forum and / or its Sub Group are considering issues and will signpost relevant documents
 2. The LA has offered to attend Headteacher Association meetings to provide financial updates on request

The Forum is asked to note the LA’s concerns that communication channels between the LA, Schools Forum Members and individual schools may not be as effective as they could be and offer guidance to the LA on how this could/should be further improved

3. Detail

- 3.1 At the first round of Sub Group meetings in November and December the LA had generally aimed at moving funding more on to a “per pupil” basis in line with DfE guidance that greater simplification was required. It has subsequently been acknowledged that some areas of funding were however previously allocated for specific reasons, primarily to meet Additional Educational Needs (AEN), and that alternative less simplistic options needed to be identified. All the following areas of funding have been reviewed;

Local Formula Redistribution Issues

Schools Forum

6th March 2012

<u>Table 1 – Areas of Funding Identified for Redistribution</u>		
Annex	Total Value	Area of Funding
A	£499,073	Behavioural Improvement Partnership (BIP)
B	£656,010	Excellence in Cities/Clusters (EiC)
C	£231,493	Leadership Incentive Grant (LIG) and Post Leadership Incentive Grant (Post LIG)
D	£114,558	Advanced Skills Teachers (AST's)
E	£1,360,578	Specialist Schools
F	£2,883,681	School Development Grant
G	£304,957	School Lunch Grant
H	£179,493	Ethnic Minority Achievement Grant (EMAG)
I	£930,786	One to One Tuition
J	£491,499	Xtra Space Disadvantage Subsidy
K	£953,592	Primary and Secondary Strategy
L	£4,874,280	School Standards Grant (SSG)
M	£1,394,143	School Standards Grant Personalisation (SSGP)
N	£5,025,826	New Ministerial Priorities
	£19,899,970	Total Funding Redistributed
	£9,870,907	Primary
	£9,091,016	Secondary
	£938,047	Special
	£19,899,970	Total Funding by Sector

3.2 For each area of funding the Sub Group and Primary and Secondary Headteacher Associations were asked to;

- Note the historic basis by which funding is currently allocated
- Challenge or support the LAs view as to whether or not redistribution is appropriate on the grounds of achieving greater fairness – all areas were supported by the Sub Group and SAPH and SASH
- Consider options presented by the LA (or identify alternative options) as to how funds could be redistributed to achieve greater fairness whilst retaining a link to the original purpose that funding had been allocated for. These options were as follows;
 - Allocate funding proportionate to pupils via AWPU
 - Allocate funding proportionate to FSM pupils
 - Allocate funding proportionate to IMD scores
 - Allocate funding based on a mixture of FSM and IMD scores
 - Allocate funding proportionate to EAL pupils

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk. ⁶

Local Formula Redistribution Issues

Schools Forum

6th March 2012

- In view of the indicative impact of potential detrimental changes in funding for individual schools, consider how quickly any changes should be implemented.
- 3.3 During discussions at the Sub Group and at presentations to SAPH and SASH a consensus view was agreed with regard to how each area of funding should be distributed, which is summarised at Annex B to this report. (A new formula for the funding of Special Schools has been agreed with ASSSH which incorporated the movement of Former Standards fund and Ministerial Priority funding into place based funding and is reported elsewhere on today's agenda). A summary of the indicative impact of these changes on annual funding in the primary and secondary sector is as follows;

<u>Table 2 – Summary of Impact of Formula Redistributions</u>		
Impact of redistributions	Primary	Secondary
No of settings benefitting	35	7
Maximum gain - £	£64,764	£238,652
Maximum gain - %	5.0%	5.6%
Maximum gain – per pupil	£146.43	£204.68
No of settings adversely affected	27	4
Maximum reduction - £	£95,156	£338,947
Maximum reduction - %	5.8%	5.6%
Maximum reduction – per pupil	£256.00	£321.89
Note 1 – The impact of losses in small primary schools have been excluded from the above table as this distorted the overall picture and protection arrangements have been implemented (see below)		
Note 2 – All figures and percentages above refer to full implementation of changes in 2012/13 although transitional funding is being put in place to limit an individual settings losses to no more than 2.5% (see below)		

- 3.4 At the Sub Group meetings the LA provided illustrations of how each setting would be affected by the preferred method of redistribution and the following arrangements were agreed to enable redistribution of funds to take place in 2012/13 whilst minimising the losses of funding in individual schools;
- **Small Schools Protection** - At the outset of the formula review the LA highlighted that it was likely that, if small schools were adversely affected from funding changes, they may not have scope to reduce spending. This proved to be the case and 4 small schools (i.e. those with less than 140 pupils) will lose an average of £22,500 per school from the redistribution changes. The local formula already

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk. ⁷

Local Formula Redistribution Issues

Schools Forum

6th March 2012

provides small school protection funding by effectively providing funding up to pre-determined pupil levels. This is also referred to as “ghost pupil funding” and from 2012/13 the LA will be amending the protection as follows;

Table 2 – Small Schools Protection			
Current Protection		New Protection	
Up to 60 pupils	Funded at 60 pupils	Up to 75 pupils	Funded at 75 pupils
61 to 90 pupils	Funded at 90 pupils	76 to 100 pupils	Funded at 100 pupils
91 to 120 pupils	Funded at 120 pupils	101 to 140 pupils	Funded at 140 pupils

- The above changes will permanently negate all losses in the 4 schools affected arising from the formula changes but will require additional funding of £120,000 to be allocated from the local formula. Overall Funding for these schools may however still vary in accordance with pupil characteristic changes
- **Other Settings** – To enable any school to benefit from formula changes the Schools Forum has already agreed that any redistribution must be excluded from the Minimum Funding Guarantee (MFG) protection scheme. The Sub Group’s view is that it would not be unreasonable for an individual setting to experience, and be able to accommodate, a reduction in funding of up to 2.5% in 2012/13.
- Elsewhere on today’s agenda the LA is reporting that, in addition to DSG, there is a relatively significant amount of one-off funding available for allocation in 2012/13 from underspends on the retained DSG budget and from unallocated and fortuitously unexpected Standards Fund grant. The LA will therefore use this to provide one-off transitional support funding of £210,412 to be allocated across 12 primary settings and £379,039 to be shared across 3 secondary settings – thereby minimising losses in these schools to 2.5%. It is important however to note that this only applies to losses arising from formula changes and will not cover any losses arising from pupil reductions or other changes. Although transitional funding could be phased in over two or three years the LA and Sub Group believe that full one off allocations should be made in 2012/13 formula allocations.

3.5 Based on the level of surplus balances carried forward from 2010/11 the LA believes that 7 of the 12 primary schools which are detrimentally

Local Formula Redistribution Issues

Schools Forum

6th March 2012

affected by the funding reductions should be able to implement gradual spending reductions over the next few years. It is also relevant to note that, due to the DfE imposed funding time lag, any converter Academy will not be affected by the changes until September 2013 and they will therefore have a longer time frame to respond to funding changes.

- 3.6 Whilst the LA believes that the majority of schools will be able to accommodate their funding reductions it is acknowledged that some schools which have benefited from receiving additional funding in the past will face difficulties and dedicated support will be available from the finance and school improvement team to help identify and achieve cost reductions. The LA will also agree long term deficit recovery plans where appropriate.

The Schools Forum is asked to support the implementation of the following local formula changes

- ***Permanent increased protection for small school***
- ***One off transitional support funding to ensure that no individual school will, as a direct result of these formula changes, lose more than 2.5% of annual funding during 2012/13***

- 3.7 During discussions and consultations with the Sub Group and at Headteacher Association meetings the relative merits of using FSM and IMD as proxy measures for Additional Educational Needs have been discussed. Although agreement was reached that IMD was the preference for 2012/13 funding in primary settings and a mixture of FSM and IMD for secondary settings, the LA will be reviewing alternative methodologies during 2012 and will report findings together with any 2013/14 proposals to the Schools Forum. An overview to IMD is attached at Annex C.

The Forum is asked to note that during 2012 the LA will be undertaking an exercise to review whether alternative methods to Free School Meals (FSM) and Indexes of Multiple Deprivation (IMD) are more appropriate to distribute funding for Additional Educational Needs (AEN).

Alternative Options

The LA could defer any changes to local formula funding until 2013/14 or in fact allow the existing funding formula to continue indefinitely although, based on DfE communications, this could result in very significant changes to the level of funding received by individual schools and Academies when either a national formula or national criteria are imposed by DfE. The LA believes that stepped changes towards simplification and fairer funding are required commencing in 2012/13.

Risk Management

Financial and Procurement Implications

- These are set out through the report and in the Annexes attached.

Legal / Human Rights Implications

- There are no direct legal or human rights implications arising from this report

Links to Corporate Plans and Policies

- Scheme for Financing Swindon Schools and the local fair funding formula

Diversity Impact Assessments

- All options in this report are aimed at improving fair funding for all Swindon pupils
- No proposals are made which should have an adverse impact on any Special Needs, Black or Minority Ethnic pupils or Looked after Children.
- Where appropriate, measures are available to ensure any changes to funding are based on robust deprivation measures.

Consultees

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

Background Papers and Appendices

Annex A - Overview to 2011/12 Mainstream School Funding

Annex B - Summary of Current & Proposed Funding Methodologies

Annex C - Overview to IMD Funding

Overview of 2011/12 Mainstream Funding

Type of Funding	Primary	Secondary	Commentary on fairness of distribution method
a) Total Pupil Led AWPUP funding	£ 34,513,876	£ 31,966,645	All settings funded equitably/fairly pro rata to pupil numbers.
% of total sector funding	58.3%	64.5%	
b) School and Pupil Specific Funding	£ 12,019,428	£ 6,581,287	This includes Flat rate funding, Threshold Pay, Social Deprivation, SEN, NNDR, AEN & other specific funding which is reviewed annually based on school & pupil characteristics and therefore allocated fairly. Redistribution of Threshold Pay has already been agreed and £2.8million will move to AWPUP in 2012/13.
% of total sector funding	20.3%	13.3%	
c) MFG, PFI, SRP's, Small, Growing Schools protection	£ 2,250,779	£ 1,843,863	This is funding allocated to specific schools but for very specific reasons and in some cases for specific periods of time
% of total sector funding	3.8%	3.7%	
Sub Total	£ 48,784,083	£ 40,391,796	The LA believes this funding is equitable and fair and although per pupil values vary there are valid reasons for this
Sub total % of total sector funding	82.5%	81.5%	
d) Former Ministerial Priorities - all schools	£ 2,477,580	£ 2,195,608	This provides funding for all schools although some are via historic methodologies - reallocation based on current information may be fairer and options are available
% of total sector funding	4.2%	4.4%	
e) Former Standards Fund - all schools	£ 7,498,670	£ 5,845,480	This provides funding for all schools although some are via historic methodologies - reallocation based on current information may be fairer and options are available
% of total sector funding	12.7%	11.8%	
f) Former Standards Fund - some schools			This provides a small number of schools with significant additional funding which has been locked into their grant settlements for a number of years. The LA believes that this should be reviewed.
Behaviour Improvement Partnership	155,055	344,018	
LIG, Post LIG, Excellence in Clusters	180,369	707,135	
Advanced Skills Teachers	67,587	46,971	
Total Former Standards Fund - some schools	£ 403,011	£ 1,098,124	
% of total sector funding	0.7%	2.2%	
Total Mainstream Funding 2011/12	£ 59,163,344	£ 49,531,008	

This page is intentionally left blank

<u>Current Funding Methodology 2011/12</u>	<u>Proposed Funding Methodology 2012/13</u>
<p>A) Behaviour Improvement Programme (BIP) - £499,073</p> <p>The historical allocation in SDG for BIP was calculated using DfE guidance whereby funding received in 2007/08 formed the Baseline, which had to be uplifted yearly by the inflation set by the DfE but adjusted for changes in pupil numbers.</p>	<ul style="list-style-type: none"> • Primary: Reallocate based upon January 2012 IMD scores x pupil numbers (R-Year 6). • Secondary: Reallocate 50% based on January 2012 IMD scores x pupil numbers and 50% on January 2012 FSM numbers (Years 7-11).
<p>B) Excellence in Cities / Clusters - £656,010</p> <p>The historical allocation was calculated using DfE guidance whereby funding received in 2007/08 formed the Baseline uplifted yearly by 2.1% per pupil & adjusted for changes in pupil numbers.</p>	<ul style="list-style-type: none"> • Primary: Reallocate based upon January 2012 IMD scores x pupil numbers (R-Year 6). • Secondary: Reallocate 50% based on January 2012 IMD scores and 50% on January 2012 FSM numbers (Years 7-11).
<p>C) Leadership Incentive Grant (LIG) and Post LIG - £231,493</p> <p>Funding was allocated to the secondary school with the highest relative deprivation that had previously received LIG funding. The amount was uplifted yearly by 2.1% and adjusted for changes in pupil numbers. The Post LIG was allocated to three secondary schools as transitional funding following the cessation of LIG funding,</p>	<ul style="list-style-type: none"> • Secondary: Reallocate in Secondary AWPUP based upon January 2012 pupil numbers (Years 7-11).
<p>D) Advanced Skills Teachers - £114,558</p> <p>Funding was allocated to schools based on the actual AST salary less previous main scale/ Upper pay salary plus a payment for outreach work.</p>	<ul style="list-style-type: none"> • Primary: Reallocate in AWPUP based upon January 2012 pupil numbers (R-Year 6). • Secondary: Reallocate in AWPUP based upon January 2012 pupil numbers (Years 7- 11).

<u>Current Funding Methodology 2011/12</u>	<u>Proposed Funding Methodology 2012/13</u>
	<ul style="list-style-type: none"> NB - the LA acknowledges that those schools which have AST's may need financial support towards redundancy and possibly salary protection costs and will develop proposals during 2012. Transition support funding is being made available to minimise cost pressures in 2012/13 to no more than a 2.5% loss.
E) Specialist School Funding - £1,360,578	
The historical calculation based upon an amount per pupil depending upon pupil number bands. Additional funding was paid for high performing specialist status where two or more specialisms were held.	<ul style="list-style-type: none"> Secondary: Reallocate in Secondary AWPU based upon January 2012 pupil numbers (Years 7-11).
F) School Development Grant - £2,883,681	
The historical allocations are based upon the amount paid to a school in 2007/08, uplifted by the annual inflation figure and adjusted for any change in pupil numbers each year.	<ul style="list-style-type: none"> Primary: Reallocate in AWPU based upon January 2012 pupil numbers (Year 6). Secondary: Reallocate in AWPU based upon January 2012 pupil numbers (Years 7- 11). Special: Funding moved into place based band values
G) School Lunch Grant - £304,957	
Local formula agreed with the Schools Forum with funding paid to schools where meals are provided to all pupils. Schools with an in-house provision received an additional £1,000 per year in addition to the per pupil amount which is the same in all sectors.	<ul style="list-style-type: none"> Primary: Reallocate in AWPU based upon January 2012 pupil numbers (Year 6). Secondary: Reallocate in AWPU based upon January 2012 pupil numbers (Years 7- 11). Special: Funding moved into place based band values.

<u>Current Funding Methodology 2011/12</u>	<u>Proposed Funding Methodology 2012/13</u>
<p>H) Ethnic Minority Achievement Grant - £179,493</p> <p>All schools received an amount of EAL funding based upon the number of EAL pupils at the school. Those schools with over 10% of pupils having English as an Additional Language (EAL) on the January census received an additional allocation based upon the EAL pupil numbers.</p>	<ul style="list-style-type: none"> Primary & Secondary: Top slice £28,000 to increase funding for the Borough wide BME project operating from Drove . Combine the balance of EMAG funding with the existing EAL allocation in ISB and allocate based upon Pupils with EAL as per January 2012 PLASC - without any extra funding for schools with higher proportions of EAL pupils.. Special: Special: Funding moved into place based band values
<p>I) One to One Tuition - £930,786</p> <p>This was allocated to Junior, Primary and Secondary schools that participated in the One to One scheme and was calculated on a per pupil basis following DfE guidelines and using a number of factors such as deprivation indices, prior attainment etc.</p>	<ul style="list-style-type: none"> Primary: Reallocate in AWPUP based upon January 2012 pupil numbers (R-Year 6). Secondary: Reallocate in AWPUP based upon January 2012 pupil numbers (Years 7- 11). Special: Funding moved into place based band values
<p>J) Extended Services Disadvantaged Subsidy (Xtra Space) - £491,499</p> <p>Local formula with allocations calculated using Pupils eligible for Free School Meals and numbers of Looked After Children in each school (as per LACES Team/ January PLASC).</p>	<ul style="list-style-type: none"> Primary: Reallocate based upon January 2012 IMD scores x pupil numbers (R-Year 6). Secondary: Reallocate 50% based on January 2012 IMD scores and 50% on January 2012 FSM numbers (Years 7-11). Special: Funding moved into place based band values

	<u>Proposed Funding Methodology 2012/13</u>
<u>Current Funding Methodology 2011/12</u>	
K) Primary & Secondary Strategy - £953,592 Funding was allocated based upon National data indicators that identified schools needing additional support from consultants/ local leaders of education.	<ul style="list-style-type: none"> • Primary: Reallocate in AWPUP based upon January 2012 pupil numbers (R-Year 6). • Secondary: Reallocate in AWPUP based upon January 2012 pupil numbers (Years 7- 11). • Special: Funding moved into place based band values
L) Schools Standards Grant - £4,874,280	
Historical allocation for School Standards Grant calculated using DfE Formula based upon flat rate and NOR - higher of formula or previous per pupil value, adjusted to Jan 2010 pupil numbers. New schools were however funded based on Published Admission Numbers.	<ul style="list-style-type: none"> • Primary: Reallocate in AWPUP based upon January 2012 pupil numbers (R-Year 6). • Secondary: Reallocate in AWPUP based upon January 2012 pupil numbers (Years 7- 11). • Special: Funding moved into place based band values
M) School Standards Grant Personalisation - £1,394,143	
Funding was allocated using; January 2010 NOR, 2008/09 FSM and 2008/09 low attainment data. Special schools received a flat rate amount and a unit per pupil if over 100 pupils. The PRU received a flat rate.	<ul style="list-style-type: none"> • Primary: Reallocate 50% of sector total based on January 2012 pupil numbers (R- Year 6) and 50% based upon January 2012 IMD scores x pupil numbers (R-Year 6). • Secondary: Reallocate 50% of sector total based on January 2012 pupil numbers in AWPUP (Years 7-11) with 25% via IMD and 25% via FSM. • Special: Funding moved into place based band values

<u>Current Funding Methodology 2011/12</u>	<u>Proposed Funding Methodology 2012/13</u>
<p>N) New Ministerial Priority - £5,025,826</p> <p>Funding for New Ministerial Priority (NMP) Years 1, 2 and 3, (Personalised Learning and SEN) was allocated to schools based on their Index of Multiple Deprivation (IMD) score. Schools with an IMD score higher than 17.9 received a higher proportion of the funding.</p>	<ul style="list-style-type: none"> • Primary: Reallocate 50% of sector total based on January 2012 pupil numbers (R- Year 6) and 50% based upon January 2012 IMD scores x pupil numbers (R-Year 6). • Secondary: Reallocate 50% of sector total based on January 2012 pupil numbers in AWPU (Years 7-11) with 25% via IMD and 25% via FSM. • Special: Funding moved into place based band values
Total Values Redistributed - £19,899,970	

This page is intentionally left blank

Deprivation covers a broad range of issues and refers to unmet needs caused by a lack of resources of all kinds, not just financial. The English Indices of Deprivation attempt to measure a broader concept of multiple deprivation, made up of several distinct dimensions, or domains, of deprivation. The English Indices of Deprivation 2010 uses a number of separate indicators, organised across seven distinct domains of deprivation which can be combined, using appropriate weights, to calculate the Index of Multiple Deprivation. This is an overall measure of multiple deprivation experienced by people living in an area and is calculated for every Lower layer Super Output Area (LSOA) in England. The IMD 2010 can be used to rank every LSOA in England according to their relative level of deprivation.

Lower Super Output Areas are a sub ward geography averaging about 1,500 people and there are 119 across the Borough. This broadly equates to the latest population figure of 190,000.

Domains

- 1 Income Deprivation** - Measures the proportion of the population in an area experiencing deprivation related to low income. Recipients of Income support, jobseekers allowance, family tax credit, disability tax credits and asylum seekers subsistence, are used to measure this domain.
- 2, Employment Deprivation** - This measures the percentage of the working age population who want to work but are unable to do so due to unemployment, sickness or disability, six indicators are used to calculate employment deprivation; recipients of jobseekers allowance, incapacity benefit recipients, severe disablement allowance recipients, participants in the new deal for lone parents, participants in the new deal for 25+, and participants in the new deal for 18-24s who are not in receipt of jobseekers allowance.
- 3 Health Deprivation and Disability** - This domain measures premature death and the impairment of quality of life by poor health. The domain measures morbidity, disability and premature mortality.
- 4 Education, Skills and Training Deprivation** - This measures the extent of deprivation in terms of education, skills and training in an area. The indicators are structured into two sub-domains: one relating to children and young people using key stage results, absence rates and those aged under 21 not entering higher education, and one relating to adult skills based on proportion of working adults with no or low qualifications.
- 5 Barriers to Housing and Services** - This domain measures the physical and financial accessibility of housing and key local services. The indicators fall into two sub-domains: 'geographical barriers', which relate to the physical proximity of local services, and 'wider barriers' which includes issues relating to access to housing such as affordability.
- 6 Crime Domain** - This measures the rate of recorded crime in an area for four major crime types; violence, burglary, theft, and criminal damage, representing the risk of personal and material victimisation at a small area level.
- 7 Living Environment Deprivation Domain** - This measures the quality of individuals' immediate surroundings both within and outside the home. The indicators fall into two sub-domains: the 'indoors' living environment, which measures the quality of housing, and the 'outdoors' living environment which contains two measures relating to air quality and road traffic accidents.

Table of Domain weights for the IMD 2010

	Domain Weight
Income Deprivation Domain	22.5%
Employment Deprivation Domain	22.5%
Health Deprivation and Disability Domain	13.5%
Education, Skills and Training Deprivation Domain	13.5%
Barriers to Housing and Services Domain	9.3%
Crime Domain	9.3%
Living Environment Deprivation Domain	9.3%

School Level Scores

The IMD score for each School and Academy can be calculated each year based on the post codes of the pupils in each setting. These scores are already used to allocate some deprivation funding within the local formula and IMD is regarded as a reasonably reliable proxy for Additional Educational Needs.

Given that the Pupil Premium is entirely allocated on FSM eligibility the LA believes that an alternative proxy for Deprivation / AEN should be used within the local formula. Whilst neither approach is without flaws by using both FSM and IMD the LA believes this is more likely to fairly distribute AEN funding across the Borough.

Attached is an illustration of how IMD scores compare to FSM data across the Borough.

Schedule of School Deprivation as Measured by FSM and IMD

Cap No	School	Total pupils 4-16	FSM eligibility	FSM %	FSM Ranking	IMD Score	IMD Ranking
203	Robert le Kyng Primary School	414	87	21.0%	24	17.67	24
204	Drove Primary School	537	124	23.1%	23	22.54	12
206	Eldene Primary School	311	112	36.0%	8	21.85	16
208	Even Swindon Primary School	435	107	24.6%	21	17.13	25
212	Ferndale Primary School	362	73	20.2%	25	21.44	17
215	Gorse Hill Primary School	418	103	24.7%	20	26.98	8
216	Lainesmead Primary School	340	128	37.6%	7	29.85	7
217	Lawn Primary School	416	58	13.9%	40	19.12	19
219	Lethbridge Primary School	478	38	7.9%	54	11.54	37
221	Moredon Primary School	443	143	32.3%	9	23.63	9
223	Mountford Manor Primary School	216	98	45.3%	6	45.38	2
225	Goddard Park Primary School	426	203	47.7%	4	40.6	4
227	Oaktree Nursery and Primary School	291	161	55.3%	3	39.11	5
230	Penhill Primary School	273	170	62.2%	1	50.81	1
234	Rodbourne Cheney Primary School	197	63	32.0%	10	23.4	10
236	Seven Fields Primary School	289	165	57.1%	2	45.09	3
239	King William Street Church of England Primary School	169	32	18.9%	30	16.46	26
240	Holy Family Catholic Primary School	271	70	25.9%	18	29.88	6
242	Holy Rood Catholic Junior School	272	38	14.0%	39	19.07	20
243	Holy Rood Catholic Infant School	183	16	8.7%	53	18.92	22
244	St Mary's Catholic Primary School	283	37	13.1%	42	15.2	29
245	Liden Primary School	303	81	26.7%	15	15.79	27
246	Oliver Tomkins Church of England Infant School	179	52	29.1%	14	21.2	18
248	Oliver Tomkins Church of England Junior School	169	77	45.6%	5	22.04	14
249	Shaw Ridge Primary School	363	71	19.6%	28	9.3	49
424	Bishopstone Church of England Primary School	35	1	2.9%	61	8.5	50
427	St Andrew's Church of England Primary School	186	6	3.2%	60	9.75	44
474	Chiseldon Primary School	154	23	14.9%	37	9.51	47
490	Covingham Park Primary School	330	45	13.6%	41	12.47	32
551	East Wichell Community Primary School	141	43	30.5%	12	8.12	52
552	Orchid Vale Primary School	270	27	10.0%	49	5.14	58
553	Red Oaks Primary School	468	58	12.4%	43	5.18	57
554	St Francis Primary School	359	28	7.8%	55	4.84	60
555	Bridlewood Primary School	242	24	9.9%	50	4.9	59
556	Catherine Wayte Primary School	368	25	6.8%	56	5.88	56
557	Abbey Meads Community Primary School	330	87	26.4%	17	11.26	39
558	Peatmoor Community Primary School	192	35	18.2%	31	5.9	55
559	Haydonleigh Primary School	393	38	9.7%	51	6.82	53
560	Greenmeadow Primary School	243	12	4.9%	59	13	31
561	Haydon Wick Primary School	260	65	25.0%	19	11.23	40
565	Southfield Junior School	228	35	15.4%	35	9.63	46
572	Westrop Primary School	197	29	14.7%	38	11.39	38
573	Eastrop Infant School	168	17	10.1%	48	9.67	45
640	Nythe Primary School	171	42	24.6%	22	18.29	23
650	Millbrook Primary School	307	91	29.5%	13	15.67	28
694	South Marston Church of England Primary School	105	10	9.5%	52	8.39	51
703	Colebrook Infant School	131	20	15.3%	36	13.2	30
704	Colebrook Junior School	154	19	12.3%	44	11.62	36
706	Grange Junior School	335	38	11.3%	46	10.81	41
707	Grange Infant Community School	267	14	5.2%	57	10.77	42
708	Ruskin Junior School	374	99	26.5%	16	22.12	13
709	Beechcroft Infant School	253	50	19.8%	27	22.8	11
713	St Catherine's Catholic Primary School	196	23	11.7%	45	19.05	21
722	Toothill Primary School	187	58	31.0%	11	21.94	15
737	Wanborough Primary School	199	10	5.0%	58	9.4	48
748	Westlea Primary School	306	58	19.0%	29	11.91	34
755	Brook Field Primary School	403	43	10.7%	47	6.16	54
771	Wroughton Junior School	323	65	20.1%	26	12.24	33
772	Wroughton Infant School	270	42	15.6%	34	11.84	35
780	Tregoze Primary School	206	36	17.5%	33	10.52	43
781	Oakhurst Community Primary School	351	63	17.9%	32	4.57	61
818	Highworth Warneford School	915	121	13.2%	9	10.53	9
820	Isambard School	1166	151	13.0%	10	6.77	10
834	Kingsdown School	1248	187	14.9%	7	16.18	6
847	The Ridgeway School	1055	166	15.7%	6	11.22	8
867	The Commonweal School	1086	189	17.4%	5	16.41	5
868	Churchfields School	924	373	40.4%	1	30.96	1
869	Dorcan Technology College	1021	341	33.4%	2	22.18	2
870	Nova Hreod School	1052	292	27.7%	3	20.12	3
873	St Joseph's Catholic College	1085	157	14.5%	8	19.83	4
875	Greendown Community School	933	251	26.9%	4	15.7	7
306	St Luke's School	63	43	67.5%	2	27.86	7
310	Brimble Hill Special School	68	23	33.7%	4	21.04	3
312	The Chalet School	42	8	18.9%	6	19.76	2
313	Crowdys Hill School	127	54	42.1%	3	21.63	4
314	Uplands School	103	25	24.3%	5	17.99	1
315	Nyland School	24	18	74.5%	1	27.68	6