

Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Date: 1 June 2016

**Committee:
Schools Forum**

Date: Thursday, 9 June 2016

Time: 8.30 am

**Venue: Shrewsbury Training and Development Centre, Racecourse Crescent,
Monkmoor, Shrewsbury, SY2 5BP**

You are requested to attend the above meeting.
The Agenda is attached

Claire Porter
Head of Legal and Democratic Services (Monitoring Officer)

Members of Schools Forum

Bill Dowell (Chair)
Phil Adams
Austin Atkinson
Nicholas Bardsley
Michael Barrett
Mark Blackstock
Richard Bray
Hilary Burke
Colin Case
David Chantrey
Christine Harding
Christine Hargest
Ann Hartley
John Hitchings
Sandra Holloway

Colin Hopkins
Jo Humphreys
Peter Ingham
Pete Johnstone
Martin Jones
Sally Lill
Yvette McDaniel
Alan Parkhurst
Geoff Pettengell
Kay Redknap
Geoff Renwick
Mark Rogers
Philip Sell
Joy Tetsill
Ruth Thomas

Your Officer is:

Philip Wilson Service Manager Business Support People

Tel: 01743 254344 Email: phil.wilson@shropshire.gov.uk

AGENDA

- 1 **Apologies**
- 2 **Minutes and Matters Arising - Paper A** (Pages 1 - 4)
- 3 **School Balances as at 31 March 2016 (Gwyneth Evans) - Paper B** (Pages 5 - 8)
- 4 **Control of Surplus Balances (Gwyneth Evans) Paper C** (Pages 9 - 10)
- 5 **Updated Dedicated Schools Grant 2016 - 17 (Gwyneth Evans) - Paper D** (Pages 11 - 12)
- 6 **Schools Financial Value Standard (SFVS) (Gwyneth Evans) - Paper E** (Pages 13 - 14)
- 7 **High Needs and Early Help Task & Finish Groups (Phil Wilson) - Paper F** (Pages 15 - 20)
- 8 **Dedicated School Grant Monitoring (Stephen Waters/Julia Dean) - Paper G** (Pages 21 - 28)
- 9 **Communications**
- 10 **Next Meeting: Thurs 15 September 2016, 8.30 am, STDC, Monkmoor**

Future Meetings (please diary):

20 October 2016	8.30 am	STDC, Monkmoor
24 November 2016	8.30 am	STDC, Monkmoor
19 January 2017	8.30 am	STDC, Monkmoor
23 March 2017	8.30 am	STDC, Monkmoor
8 June 2017	8.30 am	STDC, Monkmoor



Schools Forum
Date: 9 June 2016
Time: 8.30 am
Venue: STDC, Monkmoor, Shrewsbury

Item/Paper
A
Public

MINUTES OF SCHOOLS FORUM HELD ON 17 MARCH 2016

Present

School Forum Members

Bill Dowell (Chair)
Phil Adams – Academy Headteacher
Richard Bray – Secondary Governor
Colin Case – Primary Governor
David Chantrey – Primary Governor
Jean Evanson – Association of Secretaries
Sabrina Hobbs – Special/Academy Headteacher
Jo Humphreys – Primary Governor
Pete Johnstone – Secondary Headteacher
Martin Jones – Primary Governor
Alan Parkhurst – Primary Headteacher
Phil Poulton – Secondary Headteacher
Geoff Renwick – Secondary Academy
Mark Rogers – Primary Headteacher
Joy Tetsill – Secondary Governor

Members

Cllr David Minnery (left at 9.55 am)
Cllr Nick Bardsley

Officers

Karen Bradshaw
Phil Wilson
Gwyneth Evans
Rob Carlyle
Neville Ward
Stephen Waters
Gareth Proffitt
Helen Woodbridge (minutes)

Observers/Visitors

Hannah Fraser

ACTION

1. Apologies

Apologies had been received from Mark Blackstock, Christine Harding, John Hitchings, Sandra Holloway, Phillip Sell, Yvette McDaniel, Kay Redknap and Ruth Thomas

Late apologies were received from Austin Atkinson, Michael Barratt and Geoff Pettengell.

The Chair welcomed everyone (particularly the new professional association representative Jean Evanson) to the meeting and emphasised the key role for Schools Forum in these turbulent times for education.

2. Minutes and Matters Arising (Paper A)

Mr R Bray had been listed as a secondary academy governor when he is (for now) a secondary governor representing maintained schools.
Otherwise the minutes were agreed as a true record.

3. School National Funding Formula and High Needs Funding Reform Consultations

GE took Schools Forum members through the National Fair Funding Consultation questionnaire on a chapter by chapter basis.
CC pointed out that one of the seven principles was missing from the report and it

was clarified that the fourth principle (that funding should go straight to schools) had been omitted in error.

Chapter 1

Question 1 - Schools Forum quickly agreed to a straightforward yes.

Question 2 created much more debate with several members identifying the need for local influence. There was also concern around the EFA and where schools would turn if things went wrong. It was acknowledged that there may be less to get wrong if there is an NFFF. Schools Forum members were concerned that they were answering this question 'blind'. If the NFFF was effective, then there would be no need to intervene. The general view was yes but with some concerns re implementation and loss of local flexibility via Schools Forum.

Schools Forum hoped that the responses from consultation one would lead into consultation two.

Chapter 2

Schools Forum members were concerned over the use of IDACI and over the 'double funding' of pupil premium pupils through both a deprivation factor and the pupil premium grant. It was suggested that this should all go through pupil premium.

Question 3 - Yes

Question 4 – a) Yes, b) Pupil led (perhaps pupil premium could be added to funding to prevent double funding). Schools Forum members suggested advising on Shropshire's approach to this.

Question 5 – Yes but concern re what it is based on.

Question 6 – a) and b) both yes

Question 7 - Yes

Question 8 - Yes

Question 9 – Yes but suggest it goes straight to LA.

Question 10 – No – should be treated as an exception.

Question 11 – No - should be paid off or re-negotiated.

Question 12 – No – not formalised if it is exceptional it needs to be treated as an exception.

Question 13 - Yes

Question 14 – No – should be treated as an exception.

Question 15 - No

Question 16 – a) Yes but limit, b) Hybrid – recruitment issues in rural Shropshire.

Question 17 - Yes

Question 18 - Yes

Question 19 - Yes

Chapter 3

Question 20 - Yes

Question 21 - Yes

Chapter 4

Question 22 - Yes

Question 23 - Yes

Question 24 - No

Question 25 - Yes

High Needs Consultation

The chair pointed out that there were a number of specialists who were not available for the meeting today.

It was agreed that SH would convene a sub-group and draft a response to share with Schools Forum. SH referenced the need to get fairness from health and social care perspectives.

A complexity of needs is impacting on funding. Difficult to fund and planning for the future is a challenge.

Challenges around provision and expertise available within the locality. School to school support in a county like Shropshire is different to an urban area where there would be many more special schools. There are challenges around the inclusion agenda. Can't lose this with academies. SEND code of conduct in place. Loss of middle tier is a concern.

EHCP doesn't pull the factors together comfortably.

GE – basis for allocating funding is very out of date and is based on an historic spending model. She provided a general overview of the proposals.

The Chair thanked GE and RC for their work in drafting the response to the consultation questions.

SH

4. Schools Forum Task & Finish Group

PW introduced the paper.

The chair referenced the establishment of the Task & Finish Group.

SH advised that Early Help is being reviewed – increasing engagement within schools, including possibility of joint commissioning arrangements.

KB advised that there needed to be a move towards co-designing and co-commissioning services.

The chair added that it was about making better use of funding.

PA highlighted urgency to move this forward and for the Task & Finish Group to be operational as soon as possible.

MR – understood from a previous meeting that Shropshire has too many statements/EHCPs relative to other authorities. Most headteachers don't understand the way provision is funded and so it feels uncomfortable to many of them.

KB advised that we are living with the historical legacy of limited funding and how the system responded to this.

Schools Forum endorsed and agreed the three recommendations in the paper.

5. Dedicated Schools Grant (DSG) Monitoring

SW took members through his report which highlighted a forecast underspend in 2015-16 of £709k.

The position regarding the underspend, and the current difficulties in accurately forecasting and monitoring spending, further highlighted the need for the establishment of a Task & Finish Group to undertake a detailed review of this important area of funding.

6. Communications

NB highlighted the release of the Education White Paper and the resultant flurry of media interest. It was noted that the Shropshire Star had indicated that they would like to cover the academy agenda in more detail next week.

7. Next meeting

The next meeting will be held on Thursday 9 June 2016.

The meeting closed at 10.30 am.

Future meetings (please diary):

15 September 2016	8.30 am	STDC, Monkmoor
20 October 2016	8.30 am	STDC, Monkmoor
24 November 2016	8.30 am	STDC, Monkmoor
19 January 2017	8.30 am	STDC, Monkmoor
23 March 2017	8.30 am	STDC, Monkmoor
8 June 2017	8.30 am	STDC, Monkmoor

DRAFT



Schools Forum

Date: 9 June 2016

Time: 8:30 a.m.

Venue: Shrewsbury
Training and Development
Centre

Paper

B

Public

School Balances as at 31 March 2016

Responsible Officer Gwyneth Evans

e-mail: gwyneth.evans@shropshire.gov.uk Tel: 01743 253875 Fax: 01743 254538

Summary

This report analyses the actual levels of individual local authority maintained schools' balances at March 2016 and compares these with the previous year's position.

Recommendation

This report is for information only. It provides information on the actual levels of individual local authority maintained schools' balances as at 31 March 2016.

REPORT

Background

1. Schools' surplus balances at the end of each financial year are carried forward and earmarked specifically for each individual school's use.
2. Deficit balances are also carried forward and set against the individual school's budget for the following year except where a school becomes a sponsored academy. In these instances any deficit remains with the local authority. Any school planning a deficit budget has to agree a licensed deficit arrangement with the local authority stipulating how and when the school will move out of a deficit position.
3. All such requirements are contained within Shropshire's approved Scheme for the Financing of Schools. The Scheme includes a schools' balance control mechanism, as agreed by Schools Forum, which requests the local authority report on, control and claw-back, where appropriate, schools' excessive surplus balances. This is a mechanism to remove excessive balances from schools where they cannot demonstrate that they are properly assigned. Any such claw-back of balances is recycled within Shropshire's overall Schools' Budget.

Actual levels of schools' balances as at 31 March 2016

4. The overall level of schools' balances in Shropshire has increased over the last financial year by £2,727,724 (62%) to a total balance of £7,150,641. This increase in balances follows a previous reduction in overall school balances and, in part, reflects the additional £10m included in school budget shares in 2015-16.
5. The attached confidential appendix sets out detailed school by school information on the levels of individual schools' balances. The data is presented in order of percentage size of balance compared to the total school revenue funding, as used in the control on balances mechanism.
6. A summary of the appendix is provided in the table below:

	March 2015 Number of Schools	Balance March 2015 £	March 2016 Number of Schools	Balance March 2016 £	Variation over March	
					2015 balance £	%
Primary Schools*						
In Deficit	8	-238,021	4	-186,235	51,786	-22
In Surplus	115	4,985,228	114	6,812,910	1,827,682	37
Net Total	123	4,747,207	118	6,626,676	1,879,469	40
Secondary (inc All-Through) Schools						
In Deficit	3	-1,115,242	3	-690,964	424,278	-38
In Surplus	6	722,726	5	1,119,110	396,384	55
Net Total	9	-392,516	8	428,146	820,662	-209
Special Schools						
In Deficit	0	0	1	-3,207	-3,207	-
In Surplus	2	68,226	1	99,027	30,801	45
Net Total	2	68,226	2	95,819	27,593	40
All Schools						
In Deficit	11	-1,353,263	8	-880,406	472,857	-35
In Surplus	123	5,776,180	120	8,031,047	2,254,867	39
Net Total	134	4,422,917	128	7,150,641	2,727,724	62

*The total number of primary schools recorded in the table above at March 2015 includes 2 primary schools which converted to academy status towards the end of the financial year but their revenue balance remained in SAMIS at this point. Therefore the actual number of Shropshire maintained schools at March 2015 was 132.

7. During the financial year 2015-16, 1 secondary school and 3 primary schools transferred to academy status. This takes the total number of Shropshire maintained schools from 132 to 128.

Surplus Balances

8. Overall surplus balances have increased by £2,254,867 (39%) reflecting the additional £10m fair funding allocation received by Shropshire schools in 2015-16. The increase in balances relates to all sectors.

9. Primary school surplus balances have increased over the year by £1,827,682 (37%), secondary school surplus balances have increased by £396,384 (55%) over the year and special school surplus balances have increased by £30,801 (45%) over the year although one special school moved from a surplus to a deficit position.

Deficit Balances

10. Overall deficit balances have reduced by £472,857 (35%), a result of reductions in both the primary and secondary sectors.
11. Primary school deficit balances reduced overall by £51,786 (22%) over the year. The number of primary schools in deficit also reduced from eight to four. Of the four schools in deficit at March 2016, one reduced its deficit over the year in line with its licensed deficit agreement with the local authority, one reduced its deficit but did not fully recover it as required by the local authority, and two schools moved into a deficit position from a previous surplus position without agreement from the local authority. Appropriate action is being taken with the three schools with unlicensed deficits.
12. Secondary school deficit balances reduced overall by £424,278 (38%) over the year. The number of secondary schools in deficit remained at three however, during the year, one school in deficit converted to academy status and took their deficit with them and one secondary school moved from a previous surplus position to a deficit position in agreement with the local authority.
13. The local authority continues to require schools with deficit balances to report their financial position to the local authority on a termly basis. Termly monitoring meetings are held between the local authority's School Funding Policy Officer and the schools. As and when necessary, headteachers, school business managers and chairs of governors/chairs of finance are called in to meetings with the Commissioner for Education Improvement and Efficiency.
14. The additional £10m revenue funding for Shropshire schools in 2015-16 clearly eased the pressure on some school budgets. However there remain many schools facing falling rolls and/or reduced minimum funding guarantee protection that will continue to face budget challenges in the future.
15. The impact of the introduction of a national fair funding formula from April 2017 on Shropshire schools' budgets is not yet known. The second stage of the consultation giving details of funding levels for each formula factor is expected from the Department for Education in the coming weeks. Schools Forum will play a key role in evaluating the impact of the new national fair funding formula on individual schools in Shropshire and recommending any local transitional arrangements required for 2017-18 and 2018-19.

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Schools Forum

Date: 9 June 2016

Time: 8:30 a.m.

Venue: Shrewsbury
Training and Development
Centre

Paper

C

Public

Control on Surplus Balances

Responsible Officer Gwyneth Evans

e-mail: gwyneth.evans@shropshire.gov.uk Tel: 01743 253875 Fax: 01743 254538

Summary

Shropshire's Scheme for the Financing of Schools includes a balance control mechanism as agreed with Schools Forum.

Local authority maintained schools holding surplus revenue balances above the threshold levels (8% primary and special schools, 5% secondary schools) for the past three consecutive years are subject to the control on balances mechanism.

Any balances clawed back are recycled within the overall Schools' Budget for the benefit of Shropshire pupils.

Recommendation

This report is for information only and details the individual school balances subject to the control on balances mechanism at March 2016.

REPORT

1. Individual local authority maintained schools holding surplus revenue balances above the threshold levels for the past three consecutive years were notified in September 2015 that the local authority, in line with Shropshire's Scheme for the Financing of Schools, would claw-back any remaining revenue balance above the threshold level at the end of the financial year 2015-16. This notification followed 'early notification' letters sent to the relevant schools in September 2014.
2. It is recognised by the local authority that there may be some exceptional circumstances that require schools to retain a revenue balance above the prescribed threshold levels. The local authority has taken exceptional circumstances into account where appropriate.

3. A schedule of the schools subject to the claw-back mechanism at the end of the financial year 2015-16 and the allowed exceptional circumstances, where agreed, is detailed in the appendix attached to this report.
4. No balances were clawed back from schools at the end of the 2015-16 financial year.
5. The following table shows the number of schools holding surplus balances above their threshold level for three consecutive years. Claw-back is applied at the end of the following year if the school has not spent the balance or had approval to hold it as an exceptional circumstance.

	March 2012	March 2013	March 2014	March 2015
Primary	8	2	12	11
Secondary	3	0	0	0
Special	1	1	0	0
Total	12	3	12	11
Shropshire Maintained Schools Balances	£5.1m	£4.3m	£5.6m	£4.4m

6. Of the eleven primary schools holding surplus balances above their control on balances threshold level for three consecutive years as at 31 March 2015, five schools did not reduce their surplus balance to below the threshold level by March 2016 and were therefore subject to claw-back.
7. Each of the five primary schools put forward cases for exceptional circumstances which were agreed by the local authority. A brief summary is included in the attached appendix. For three of the five schools this is the second year that they have been allowed an exceptional circumstance. Exceptional circumstances have been agreed for a second time due to delayed building works and a significant fall in numbers on roll affecting funding for 2016-17.
8. There are 22 primary schools and 1 secondary school subject to the claw-back mechanism in 2016-17.



Schools Forum

Date: 9 June 2016

Time: 8:30 a.m.

Venue: Shrewsbury
Training and Development
Centre

Paper

D

Public

Updated Dedicated Schools Grant (DSG) 2016-17

Responsible Officer Gwyneth Evans

e-mail: gwyneth.evans@shropshire.gov.uk Tel: 01743 254865 Fax: 01743 254538

Summary

The Department for Education (DfE) announced provisional 2016-17 local authority Dedicated Schools Grant (DSG) allocations in December 2015, as reported to Schools Forum on 21 January 2016. On 31 March 2016 the DfE announced updated DSG allocations for the 2016-17 financial year.

This report provides a summary of Shropshire's updated 2016-17 DSG allocation, comparing it with the provisional DSG allocation reported to Schools Forum in January.

Recommendation

This report is for information only.

REPORT

1. In January 2016 Schools Forum members received a report summarising the 2016-17 funding blocks making up Shropshire's provisional DSG allocation and listing the key financial headlines for each of the blocks.
2. Shropshire's updated 2016-17 DSG allocation was announced on 31 March 2016.
3. A summary of the provisional 2016-17 DSG (as presented to Schools Forum in January 2016) and the latest updated 2016-17 DSG allocation (before recoupment) announced on the 31 March 2016 is shown in the table below. There has been no change to Shropshire's DSG allocation for 2016-17.

	Initial DSG £m	Latest DSG £m	Variation £m
Schools Block	153.046	153.046	0
Early Years Block (Provisional)	9.812	9.812	0
High Needs Block	25.941	25.941	0
Additions	0.050	0.050	0
Total DSG	188.850	188.850	0

4. However both the Schools Block and the High Needs Block allocations will be subject to recoupment in relation to academies, Post 16 High Needs places and Pre 16 High Needs places in non-maintained special schools. DSG funding relating to these areas will be recouped from the local authority by the Education Funding Agency (EFA) and passed on to providers by the EFA.
5. The latest Schools Block and High Needs Block allocations following recoupment are shown below.

	Updated DSG 2016-17 £m	Recoupment 2016-17 £m	Updated DSG after Recoupment 2016-17 £m
Schools Block	153.046	49.520	103.526
High Needs Block	25.941	4.362	21.579

6. The Schools Block recoupment relates to the budget shares, calculated through Shropshire's local funding formula, of 24 Shropshire academies.
7. The High Needs Block recoupment relates to pre and post 16 place funding for Severndale academy, pre 16 place funding for Kettlemere Centre based at Lakelands Academy and post 16 places at mainstream academies and maintained schools in Shropshire.



Schools Forum

Date: 9 June 2016

Time: 8:30 a.m.

Venue: Shrewsbury
Training and Development
Centre

Paper

E

Public

Schools Financial Value Standard (SFVS)

Responsible Officer Gwyneth Evans

e-mail: gwyneth.evans@shropshire.gov.uk Tel: 01743 253875 Fax: 01743 254538

Summary

All local authorities are required to include within their Scheme for the Financing of Schools a requirement for all maintained schools to complete and submit a Schools Financial Value Standard (SFVS) assessment form to the local authority by 31 March each year.

The purpose of the SFVS assessment form is to assist schools in managing their finances and to provide assurance that they have secure financial management in place.

Each local authority's Chief Finance Officer is required to complete and return to the Department for Education (DfE), an assurance statement recording the number of schools that have and have not complied with this requirement.

This report details the position of Shropshire schools as recorded on the assurance statement as at 31 March 2016.

Recommendation

This report is for information only.

REPORT

1. The SFVS assessment form has been a requirement since September 2011. The purpose of the SFVS is to assist schools in managing their finances and to provide assurance that they have secure financial management in place.
2. Governing bodies have formal responsibility for the financial management of their schools so the SFVS is primarily aimed at governors.

3. The SFVS assessment form must be completed, signed by the chair of governors and submitted to the local authority by 31 March each year. It is for the school to determine at which time of year they wish to complete the form.
4. The 2015-16 SFVS assessment form is a series of 25 questions which the governing body must answer Yes, No or In Part to. It includes a comments section where governors can provide additional commentary to support their answer.
5. Each local authority's Chief Finance Officer is required to submit an annual assurance statement to the DfE detailing the numbers of maintained schools that have completed and returned their SFVS by 31 March each year and the number that have not.
6. The table below details the position at 31 March 2016, as reported by Shropshire's Chief Finance Officer within the assurance statement to the DfE at 31 May 2016.

Total number of eligible schools	128
Number of eligible schools completed SFVS and submitted to LA by 31 March 2016	55 (43%)
Number of eligible schools that did not complete the SFVS and submit to LA by 31 March 2016	73 (57%)
Number of schools granted exemption as issued with an Academy order	0

7. The number of schools completing the SFVS return and submitting it to the local authority by the required deadline reduced from 67% at March 2015 to 43% at March 2016. However, of the 73 (57%) of schools recorded as not completing the SFVS by the required deadline, 49 schools had returned an incomplete form by the 31 March 2016. Unfortunately these schools had used the 2014-15 version of the SFVS form rather than the 2015-16 version which included 2 additional questions relating to pay policies. The local authority's assurance statement has been annotated to explain this administrative error.
8. The SFVS assessment form template and supporting notes are available on the Shropshire Learning Gateway. The SFVS requirement is detailed in Shropshire's Scheme for the Financing of Schools. A reminder is included within the Information from the Corporate Director on autumn term governing body agendas as well as being included as an agenda item on the spring term governing body agenda. The annual notes supporting the budget information provided to Shropshire schools in January included a reminder of the SFVS requirements. In addition a reminder email was sent to all schools in March 2016 with a further reminder emailed to those still outstanding in April 2016.
9. There remain 16 eligible schools (13%) with outstanding SFVS returns for 2015-16 as at 27 May 2016.



Schools Forum Date: 9 June 2016 Time: 8.30 am Venue: Shrewsbury Training and Development Centre, Monkmoor, Shrewsbury	<u>Item</u>	<u>Paper</u> F
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HIGH NEEDS AND EARLY HELP TASK & FINISH GROUPS

Responsible Officer Phil Wilson

e-mail: phil.wilson@shropshire.gov.uk

Tel: (01743) 254344 Fax (01743) 254538

Summary

At their meeting on 17 March 2016 Schools Forum agreed to the re-establishment of the High Needs Task & Finish Group and the establishment of a separate Early Help Task & Finish Group. This report provides draft Terms of Reference for each of the groups for Forum's consideration, including suggested membership and a project timetable.

Recommendation

To approve the Terms of Reference, membership and project timetable for the High Needs and Early Help Task & Finish Groups.

REPORT

1. On 17 March 2016 Schools Forum agreed to the establishment of two separate Task & Finish Groups to undertake reviews in relation to High Needs funding and the use of resources to support Early Help. The work of both groups will be impacted upon by the implementation of the Government's schools funding reforms and move towards a national funding formula, changes in education policy as outlined in the Education White Paper (*Educational Excellence Everywhere*), and the continued pressure on public expenditure, in particular in relation to local authority funding.
2. The re-established High Needs Task & Finish Group will review the current application of High Needs funding and the arrangements for reporting and monitoring spend. The Early Help Task & Finish Group will undertake a review of the current application of resources to support Early Help, how the additional £600k released in Dedicated Schools Grant in 2016-17 is applied to existing contracts and services, and to look at the opportunities for joint commissioning Early Help services going forward.

3. Draft Terms of Reference for the two groups are attached at Appendix 1 and Appendix 2. The drafts include the suggested membership of the group and an outline project timetable, allowing for regular progress reports to Schools Forum. The first meetings of the groups have been diaried for Tuesday 14 June 2016.

High Needs Task & Finish Group – Terms of Reference

Aim

The Group will review the current distribution of the High Needs Block and develop a more appropriate basis for distributing the funding allocated to Shropshire Council, which targets resources to where they are needed and where the impact on the outcomes for learners is greatest. The High Needs Block of funding has underspent in recent years, the allocation and targeting of funding to particular aspects of provision needs to be better understood and reviewed, while the monitoring and reporting of spend needs to be improved.

The work of the Group will be set against the context of the current and future consultation on the School National Funding Formula in general, and the consultation on a High Needs Funding Formula in particular. Consideration will also have to be given to the emerging policy changes outlined in the Education White Paper – *Educational Excellence Everywhere* – in particular the impact on the use of High Needs funding and the responsibilities for the local authority and schools in regard to provision.

Group Membership

- Representatives drawn from the membership of Schools Forum, covering primary, secondary and special phases, maintained schools and academies, headteachers and governors
- Other non-Forum representatives from schools and specialist providers
- Local Authority representatives from Children’s Services, including SEND, children’s social care and finance
- Specialist inputs as and when required.

Working Methods/Objectives

- To undertake a detailed review of the current allocation of High Needs funding from centrally controlled Dedicated Schools Grant, analysing each area of spend, the balance of funding between the various types of provision, the bases on which this funding is determined/banded/allocated and the numbers of Shropshire learners being supported.
- To re-determine, as required, the basis on which High Needs funding is allocated and to realign budgets to reflect this more appropriate/accurate funding model with the aim of securing the best possible outcomes for Shropshire learners.
- To review and assess the number of statements/EHCPs in Shropshire compared to other local authorities in England (given the reported higher levels in relative terms) and whether this requires any changes to the current approach.
- To develop and refine the models for projecting future pupil numbers to inform the allocation of funding.
- To develop an appropriate ‘placement tracker’, aligned to the revised funding model, to facilitate more accurate and timely monitoring and reporting of High Needs expenditure.
- To monitor, to take into account and to be informed by, the development/implementation of national education policy through the school funding reforms and the implementation of the measures referenced in the Education White Paper -*Educational Excellence Everywhere* - insofar as they relate to SEND, alternative provision and High Needs funding.

- To circulate papers in advance of the Task & Finish Group meetings.
- To cross-reference the work of this Group with the work of the separate Early Help Task & Finish Group.
- To provide regular progress reports to Schools Forum and to produce a final report by the end of the Autumn term 2016.
- To consult and share information with the wider community of schools including headteachers, governors, partners and stakeholders.

Project Timetable

Activity	When	Who
Approve draft Terms of Reference for High Needs Task & Finish Group as well as membership, timetable and communication with stakeholders.	9 June 2016	Schools Forum
First meeting of the re-established T&FG	14 June 2016	T&FG
Second meeting of T&FG	July 2016	T&FG
Progress report to Schools Forum	15 September 2016	Officers
Further meetings of T&FG	First and second half-terms in Autumn	T&FG
Progress report to Schools Forum	20 October 2016	Officers
Final report to Schools Forum	24 November 2016	Officers

Early Help Task & Finish Group – Terms of Reference

Aim

The Group will undertake a review of the current application of Dedicated Schools Grant (DSG) to support the provision of Early Help services. At present some £592k is provided for targeted Early Help services through the 'Contribution to Combined Budgets' part of the centrally retained DSG, while School Forum approved the release of a further £600k from the High Needs Block in 2016-17 to support this area of work.

The Group will consider how the existing funding of £592k has and is being applied, and how newly released funding will be applied to existing contracts and services in 2016-17. This will provide the basis for determining how the funding will be applied from 2017-18 onwards, with an emphasis on identifying the opportunities for co-designing and co-commissioning Early Help services, with a view to securing the best possible outcomes for young people, families and schools accessing this support.

The work of the Group will be set in the context of the current and future development and implementation of national education policy, the changes in schools' funding arrangements as we move towards the implementation of a National Fair Funding Formula, and the continued pressure on public expenditure, in particular in relation to local authority funding, insofar as it impacts on services to support vulnerable children and young people.

Group Membership

- Representatives drawn from the membership of Schools Forum, covering primary, secondary and special phases, maintained schools and academies, headteachers and governors
- Other non-Forum representatives from schools and specialist providers
- Local Authority representatives from Children's Services, including children's social care and finance
- Specialist inputs as and when required.

Working Methods/Objectives

- To undertake a review of the current allocation of funding to support targeted Early Help through the 'Contribution to Combined Budgets' part of the centrally controlled DSG, analysing each area of spend, the specific contracts/services/projects being delivered, the ranges of children and young people being supported, and the measurable outcomes.
- To determine how the funding released from the High Need Block in 2016-17 will be applied to existing Early Help contracts and services, in conjunction with the existing historic funding allocated through centrally controlled DSG.
- To develop a partnership approach for 2017-18 onwards - involving schools, the local authority and other sector providers - in co-designing and co-commissioning of targeted Early Help services, ensuring that the available resources are applied in the most co-ordinated, efficient and effective way to deliver the best possible outcomes for vulnerable children and young people in Shropshire.
- To establish the arrangements for monitoring and reporting to Schools Forum the spending from central DSG to support targeted Early Help.

- To monitor, to take into account and to be informed by, the development/implementation of national education policy through the school funding reforms and the funding for local authority services to support Children’s Services.
- To circulate papers in advance of the Task & Finish Group meetings.
- To cross-reference the work of this Group with the work of the separate High Needs Task & Finish Group.
- To provide regular progress reports to Schools Forum and to produce a final report by the end of the Autumn term 2016.
- To consult and share information with the wider community of schools including headteachers, governors, partners and stakeholders.

Project Timetable

Activity	When	Who
Approve draft Terms of Reference for Early Help Task & Finish Group as well as membership, timetable and communication with stakeholders.	9 June 2016	Schools Forum
First meeting of the T&FG	14 June 2016	T&FG
Second meeting of T&FG	July 2016	T&FG
Progress report to Schools Forum	15 September 2016	Officers
Further meetings of T&FG	First and second half-terms in Autumn	T&FG
Progress report to Schools Forum	20 October 2016	Officers
Final report to Schools Forum	24 November 2016	Officers



Schools Forum

Date: 9 June 2016

Time: 8:30 am

Venue: Shrewsbury Training
and Development
Centre

Item

Public

Paper

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DEDICATED SCHOOLS GRANT MONITORING

Responsible Officer Stephen Waters

e-mail: Stephen.a.waters@shropshire.gov.uk Tel: (01743) 258952

Summary

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) final outturn position for the 2015-16 financial year.

Recommendation

That Schools Forum note the report and approve the roll forward to 2016-17 of the outturn underspend of £1.406m.

REPORT

Outturn 2015-16

1. The overall outturn against centrally controlled and retained DSG has moved from a projected underspend of £0.709m - as reported on 17 March 2016, based upon expenditure to the end of February 2016 - to an underspend of £1.406m as at the 2015-16 financial year end on 31 March 2016. This equates to an increase in underspend of £0.697m.
2. The first part of this report will deal with the reasons for this £0.697m increase in underspend between the projected underspend at the end of February and the final position.

Centrally Controlled Early Years Budget

3. The final outturn in Centrally Controlled Early Years Budget was £0.130m less than projected as at the end of February.

Line 1.0.1 – ISB Early Years PVIs

4. This was largely due to an overestimate of Spring term charges for 3 and 4 year old funding to nurseries and pre-schools and a £0.028m underspend in respect of deprivation payments to nurseries that was only reported at the year end.

Centrally Controlled High Needs Budget

5. A total of £0.409m of this increase in underspend occurred in the Centrally Controlled High Needs Block.

Line 1.2.3 – Top-Funding – Independent Providers

6. £0.389m of this £0.409m increase relates to 'Line 1.2.3 – Top-Funding – Independent Providers'.
7. There is a budget for top-up funding for independent special schools within this budget line totalling £4.546m. In the previous monitoring report the projection against this budget was increased to £4.994m. This was in anticipation that several Spring term invoices had not been received from providers. During the closedown period it transpired that not only had the outstanding invoices for Spring term been overestimated, invoices for one particular provider related to the Summer term and had been paid in advance so had to be treated as a prepayment in the accounts and accruals processed to move the spend to the 2016-17 financial year. For these two reasons the outturn spend was lower at £4.675m, which was £0.318m less than previously forecast.
8. A similar situation within the £0.900m budget for 'Top-Funding for Post 16 Further Education Establishments' resulted in the final outturn expenditure being £0.058m less than previously forecast.
9. This highlights the need to progress detailed work on the High Needs Block through the High Needs Task & Finish Group. One outcome would be to develop a 'placement tracker' spreadsheet so that costs in 2016-17 can be monitored by placement and by term and any variances from budget explained with reference to actual numbers of placements.

Central Provision within Schools Budget

10. A total of £0.185m of the £0.697m total increase in underspend is attributable to the Central Provision within Schools Budget totalling £3.669m.

Line 1.4.1 - Contribution to Combined Budgets

11. The total outturn expenditure on this budget heading was £0.107m less than previously forecast. A review of the services and contracts under this heading revealed some element of unallocated budget. It was determined that this value would remain unallocated and reported as an underspend.

Line 1.4.6 – Capital Expenditure from Revenue (CERA)

12. The remaining increase in underspend relates to property related expenditure under this heading. This budget cannot overspend but spend incurred under this heading does not occur uniformly throughout the year and depends on when various property related expenditure is recharged by the service. For this reason, this budget was previously forecast to spend at the budgeted level of £0.606m. However, when the final transactions were processed at year end, there was a resulting underspend of £0.088m.

Outturn Variance from 2015-16 Budget

13. The second part of this report intends to address the outturn variance from budget. As previously referenced, the total underspend for the 2015-16 financial year is £1.406m. This underspend will effectively be carried forward to 2016-17.

Main reasons for a variation from budget of greater than £100k:

Centrally Controlled High Needs Budget

14. An underspend of £1.383m was incurred in the Centrally Controlled High Needs Budget.

Line 1.2.1 – Top Up Funding – Maintained Providers

15. An underspend of £1.422m was incurred in this area. £0.653m of this underspend relates directly to the top up payments the local authority makes to maintained schools. Following reforms to High Needs pupils funding in April 2013, the local authority has taken a prudent approach to budgeting for top-up funding particularly for maintained providers. To this end, a contingency was established under this heading in the budget for new starters or changes to bandings in year. These new starters or changes to bandings in years do not relate solely to maintained schools but also academy and specialist independent schools. This budget traditionally underspends as the contingency has historically been set above the level which is typically required. Also, the underspend on this contingency masks the fact that the actual spend for these in-year changes is incurred on specific top-up funding budget lines and not the contingency budget heading itself.
16. In addition, the recoupments received from and paid to other local authorities for children attending schools out of area incurred an underspend of £0.770m. In the previous Schools Forum monitoring reports it was stated that “more detailed analysis has commenced to estimate how much recoupment expenditure will be paid or accrued for between now and the year end”. This exercise revealed that recoupment income totalling £0.720m and relating to the 2014-15 financial year had not been accrued back to 2014-15 in the accounts and therefore the total recoupment income underspend was explained by having 2 years recoupment income in 2015-16 rather than a genuine

underspend on this budget. The implication here is that in future years, this underspend will not be repeated in future years.

Line 1.2.2 – Top Up Funding – Academies and Free School

17. An overspend of £0.235m was incurred in relation to top-up funding for academies. This overspend relates specifically to secondary academies rather than primary or special academy schools. An analysis of the spend against budget for each secondary academy school showed that the overspends in this area were across every school rather than specific to one or two Schools. In addition to this the budget for one academy was set in the maintained budget 'Line 1.2.1 Top Up Funding – Maintained Providers' while the costs were incurred against this 'Line 1.2.2 – Top Up Funding – Academies and Free School' budget heading. This overall overspend of £0.235m is also an example of where the contingency for this type of pressure in year sits under 'Line 1.2.1 Top Up Funding – Maintained Providers' while the overspends are reported under a separate budget, in this case the top-up funding for academies budget. This detail can be discussed through the High Needs Task & Finish Group.

Line 1.2.3 – Top Up Funding – Independent Providers

18. An overspend of £0.092m was identified in relation to Post 16 top-up funding to further education establishments. This overspend is a direct result of changes in legislation which has seen local authorities have significant new statutory duties for students with special educational needs up to the age of 25 years under the Children's and Families Act (September 2014). As a result, Shropshire has seen a sharp increase in students with SEN requiring additional support in further education and the SEN team are striving to address these rising costs through working intensively with local colleges to raise accessibility to education within mainstream colleges rather than more expensive Independent Specialist Providers.
19. An overspend of £0.129m is reported for top-up funding to independent special schools. In the previous DSG monitoring reports it was reported that "A large overspend is also forecast against top-up funding to independent special schools. This budget is highly volatile and more detailed work is required through the High Needs Task & Finish Group to understand the pressures on this £4.546m budget". As a result of a few large invoices already on the financial system but relating to the 2016-17 financial year, accruals were processed to move some costs into the correct year, 2016-17 and as a consequence the resulting overspend of £0.129m was less than projected in March. Through the High Needs Task & Finish Group detailed work will be undertaken on this budget to determine whether there is a budget pressure in this area in future years and a 'placement tracker' will be produced so that numbers of placements can be reported to Schools Forum through these monitoring reports.

Line 1.2.5 – SEN Support Services

20. The Joint Arrangement with Telford & Wrekin Council for the provision of a Sensory Inclusion Service was underspent by £0.115m due to staffing vacancies in the service. It is unconfirmed as yet as to whether these vacancies will be required in the future, though the restructure for the Sensory Inclusion Service should be finalised in the near future and there is an intention to reduce staffing costs in the team. There were also temporary in-year vacancy management savings in the Speech and Language Therapy Team and the SEN team where posts will not be recruited to until the 2016-17 financial year. These vacancies resulted in an underspend of £0.220m but this underspend is not ongoing.

Line 1.4.1 – Contribution to Combined Budgets

21. The total underspend on Contribution to Combined Budgets was £0.165m. A review of the services and contracts under this heading revealed that there was some element of unallocated budget. It was only late in the year that it was decided that this value would remain unallocated and reported as an underspend.

Line 1.4.12 – Exceptions agreed by Secretary of State (Deficit Balance)

22. A cost of £168,141 is reported. As agreed by Forum last year this is the second year charge relating to a secondary school deficit balance incurred in 2014-15 at the point of conversion to a sponsored academy.

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CENTRAL DEDICATED SCHOOLS GRANT FUNDING 2015-16

	2015-16 Latest Budget £	2015-16 Final Outturn £	2015-16 Variation £	
DEDELEGATED ITEMS				
1.1.1	Contingencies	160,000	167,096	7,096
1.1.2	Behaviour Support Services			
1.1.3	Support to UPEG and bilingual learners			
1.1.4	Free school meals eligibility			
1.1.5	Insurance	24,460	24,460	0
1.1.6	Museum and Library Services			
1.1.7	Licences/subscriptions			
1.1.8	Staff costs Maternity supply cover	334,000	379,949	45,949
1.1.8a	Staff costs Trade Union Duties	53,180	65,223	12,043
	DEDELEGATED ITEMS SUB TOTAL	571,640	636,728	65,088
CENTRALLY CONTROLLED EARLY YEARS BUDGET				
1.0.1	Individual Schools Budget - Early Years PVI's	7,110,120	7,122,661	12,541
1.3.1	Central Expenditure on children under 5	259,340	217,056	-42,284
	CENTRALLY CONTROLLED EARLY NEEDS SUB TOTAL	7,369,460	7,339,717	-29,743
CENTRALLY CONTROLLED HIGH NEEDS BUDGET				
1.2.1	Top Up funding - Maintained Providers	5,352,000	3,929,681	-1,422,319
1.2.2	Top Up funding - Academies & Free Schools	3,987,610	4,223,090	235,480
1.2.3	Top Up funding - Independent Providers	5,424,480	5,697,086	272,606
1.2.4	Other AP Provision	200,820	142,345	-58,475
1.2.5	SEN Support Services	1,796,440	1,462,063	-334,377
1.2.6	Support for Inclusion	316,990	240,699	-76,291
1.2.7	Hospital Education Services	105,190	105,190	0
1.2.8	Special Schools and PRUs in financial difficulty			
1.2.9	PFI and BSF costs at special schools			
1.2.10	Direct Payments (SEN and Disability)			
	CENTRALLY CONTROLLED HIGH NEEDS BUDGET SUB TOTAL	17,183,530	15,800,155	-1,383,375
CENTRAL PROVISION WITHIN SCHOOLS BUDGET				
1.4.1	Contribution to combined budgets	1,332,750	1,168,152	-164,598
1.4.2	Schools Admissions	211,460	234,713	23,253
1.4.3	Servicing of Schools Forums	11,000	7,222	-3,778
1.4.4	Termination of employment costs	1,024,920	1,024,920	0
1.4.5	Carbon reduction commitment allowances			0
1.4.6	Capital Expenditure from Revenue (CERA)	605,550	517,638	-87,912
1.4.7	Prudential Borrowing Costs	295,350	295,350	0
1.4.8	Fees to independent schools without SEN			
1.4.9	Equal Pay - Back Pay			
1.4.10	Pupil growth / Infant Class sizes			
1.4.11	SEN Transport			
1.4.12	Exceptions agreed by Secretary of State (Licences)	187,820	194,445	6,625
1.4.12a	Exceptions agreed by Secretary of State (Deficit)	0	168,141	168,141
	CENTRAL PROVISION WITHIN SCHOOLS BUDGET SUB TOTAL	3,668,850	3,610,581	-58,269
14.6.1	TOTAL CENTRAL DSG	28,793,480	27,387,180	-1,406,300
	Original 2015-16 Total Central DSG	26,398,480		
	Latest 2015-16 Total Central DSG	28,793,480		
	Latest 2015-16 DSG Allocation	135,363,000		

* taking account of academy recoupment including schools that converted to, and on 1 January 2016.

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