



Reading
Borough Council

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Schools Forum/Agenda/May 15
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9 May 2014

To:
All Members of the Schools Forum

Other School Heads and Governors for
information

Your contact is: **Russell Dyer - Financial Services (0118 937 2398)**

NOTICE OF MEETING - SCHOOLS FORUM - 15 May 2014

A meeting of the Schools Forum will be held on **15 May at 5pm at the Conwy Room, Avenue Centre**. The Agenda for the meeting is set out below.

AGENDA

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Schools Forum Meeting held on the 20th March 2014 at The Avenue

Present

Peter Kayes Governor	Redlands - <u>CHAIR</u>
Sarah Mitchell	Headteacher Blagdon Nursery
Charles Clare	Headteacher Geoffrey Fields Junior
Viv Angus	Headteacher Reading Girls School
Isabelle Sandy	School Business Manager, Kendrick
Rob Ketley	Trades Union
Gill Dunlop	Headteacher, PRU
John Cosgrove	Christ the King (RC) School
Karen Hillier	Governor, Caversham/Newbridge
Julie Kempster	Riverside Day Nursery
Lee Smith	Holy Brook
Mo Galway	Headteacher - Wilson Primary
Anne Higginbotham	Headteacher St Michaels

RBC

Steve Davies	Finance
Russell Dyer	Finance
John Ennis	Councillor
Kevin McDaniel	RBC

Apologies

Avril Wilson	RBC
Cheryl Pennington	Reading College
John Casey	Headteacher - Blessed School Faringdon
Nicola Maytum	Headteacher - JMA

1. WELCOME AND APOLOGIES

- Welcome and introductions made

2. MINUTES OF THE MEETING HELD ON 16 January 2014

- Please note that both Karen Hillier (Governor, Caversham/Newbridge) and Julie Kempster (Riverside Day Nursery) attended the meeting on the 16th January 2014 but did not appear on the 'present' list. Noted.
- Minutes from 16th January 2014 approved

3. MATTERS ARISING FROM THE MINUTES/ SCHOOLS FORUM MEMBERSHIP ISSUES (STANDING ITEM)

- None noted

4. 2013/14 DSG BUDGET MONITORING – presented by RD

- Last time it was reported to have a £91K surplus
- Has now been revised to a 364k surplus
- Key reasons in section 6.2 – mainly being a reduction in the High Block Pressure and less requirement for infant class size
- The rolled forward from 2012/13 has now been included
- Pressure in the high cost block continues but at a slightly lower level
- Noted an In-Year pressure due to LSS redundancy costs.

5. 2014/15 SCHOOLS BUDGET/ FAIRER FUNDING CONSULTATION 2015/16

-Presented by RD

- This was intended as a bit of an update on the schools budget
- Announcements made last week on the 2015/16 budget; there will be no national funding formula in 2015/16
- However Government is putting in place guaranteed minimum funding levels for formula factors
- Consultation paper – there was a slight gain for the borough as a whole in terms of funding, which would be construed that there was underfunding previously
- hybrid labour model area cost adjustment used rather than general index – this tends to disfavour SE authorities so we will make representation on this
- Some of the formula factors are not used (will discussed more in high cost report)
- Be some interesting issues to look at and respond to that Schools Forum previously considered for 2014/15.
- Proposed response to be circulated to members and Forum for comment before it is submitted. Schools Forum is happy for LA to respond on their behalf.
- Schools can respond individually
- This rest of the paper is intended to demonstrate how the grant is used in financial year 2014/15. The bulk of the funding of £68million goes to schools
- Pupil premium at primary level increased
- Question 5.2 re growth fund; Schools are listed for 2014/15; a member asked which Free School was part of the growth? KMD advises that it is the new academy on the Oxford Road.

6. 2014/15 HIGH COST BLOCK – presented by RD

- Update on the High Needs Block for 2014/15
- There was a lot of changes to the funding system in 2013/14
- There were developments throughout the year
- In the July 2013 meeting – methodology agreed for band 6
- In October 2013 meeting suggested it would be good to commission an independent review regarding the spending, given the evident pressure
- This report is seeking to highlight the way forward in the next financial year to aim to be in a balanced position
- Appendix 1 – SEN consultant has produced (summary)
- Appendix 2 – Statistical information; some comparative information as well; in this report identified how some changes could be made
- Finalise 2014/15 budget
- As no longer going to a national formula in 2015/16 this will give RBC the opportunity to look at some of the recommendations made by the consultant regarding the main formula factors (this will probably be later on in the year)
- Already flagged that more funding will be needed in Band 6 for next financial year; and now looking at forming a working party to look at the

report in more detail. The existing top end Band 6 system would work until the end of the current academic year with any changes implemented thereafter.

- Issue about the formula for 2015/16; there is time for Schools Forum to consider this at a later date
- The paper sets out other supplementary issues
- Section 6 of report gives details of the 2014/15 allocations.

KMD advised:

- Initial announcements for the SEN changes; recognised that there needs to be a transitional period of 3 years
- Identified to manage the budget pressure; focus on spending on pupils in mainstream school who are statemented
- A working group is in the process of being set up
- Asking for volunteers from the School's Forum
- Viv Angus is already involved; Sarah Mitchell ; Lee Smith; Mo Galway and Anne Higginbotham volunteered for this group at the meeting.
- PK (CHAIR) commented that Appendix 2 provided the rankings amongst statistical neighbours and indicated that RBC is spending more on the high needs block in all but one LA across both tables.
- John Cosgrove – how are the statistical neighbours chosen? KMD – this is not something that RBC chooses but done by DFE.

7. 2014/15 EARLY YEARS BLOCK 23 – presented by RD

- This report seeking to update Schools Forum about the position for the next financial year
- Section 3 of the report; part of the dedicated schools grant showing how this is spent; centrally retained funds were identified
- The funding rates for 2014/15 are similar to 2013/14
- Proposals for central funding options being sent out shortly to colleagues
- Small variance on budget but expecting to spend what was in budget
- The EYSFF group had met and discussed the use of the centrally retained fund and supported the allocation previously minuted. SM commented that the allocation for 1-2-1 funding was not enough to meet needs and that an additional £30k was likely to be needed. This would need to come from the funds carried forward.
- On the 2 year old update; seeking from Schools Forum a couple of 'in principal' approval regarding the spending in this area
- There is a bit of shortfall in regards to placements
- There is quite a bit of work going into this area to expand places
- Not able to spend the funding in the current financial year
- Table 3 – place funding would like to carry forward; asking Schools Forum to approve this funding being carried forward
- Another area needing approval is Table 4 - additional trajectory funding; Seeking views; short of places needed for funded 2 year olds; in process of getting approved to convert some of the place funding to capital; at this stage seeking to consult with schools forum
- Final part of the report is about fulltime places funding

1) PK - 2.2; Carry forward unspent 2013/14 funding into 2014/15

- Recommendation approved
- 2) PK - 2.3 – Trajectory fund (about expansion of places)
- Recommendation approved
- 3) PK - 2.4 – (Consultation only) – move revenue to capital to help fund the expansion programme
- Recommendation approved

ACTION

- RD and KMD to see if the extra £30k funding requested for Early Years can be met requested and bring this information back to the next forum

8. AGENDA ITEMS FOR FUTURE MEETINGS (STANDING ITEM)

- PK reminds members that they can put items on agenda for discussion and just to RD and KMD know

9. PROPOSED DATES/TIMES OF FUTURE MEETINGS

- Next meeting is scheduled for the 15th May 2014 at 5.00pm at The Avenue

10. ANY OTHER BUSINESS

IS (Business manager, Kendrick) asks if Minimum Funding Guarantee will carry on? RD advises that it will for the time being

IS asks how is MFG distributed and the history behind it? Asks if MFG can be bought back to forum

KMD suggests it would be more beneficial to show how some schools get more funding than others as opposed to looking into historical aspects of MFG

VA (Head Teacher, Reading Girls School) asks if Free-Schools have MFG?

KMD's understanding is that they are following the local formula so they do.

Discussion is held around the concerns in respect of MFG and the impact this is having on current secondary schools.

Discussion held around free school dinners and pupil premium

KMD advises that a week ago (last Friday) he attended a Regional Conference in regards to Pupil Premium with some colleagues. The allocated HMI is Anne Henderson. This is a national focus for OFSTED

READING BOROUGH COUNCIL

REPORT BY FINANCIAL SERVICES

TO:	Reading Schools Forum		
DATE:	15 May 2014	AGENDA ITEM:	4
TITLE:	Dedicated Schools Grant (DSG) 2013/14 Outturn, 2014/15 DSG and 2014/15 Budget Blocks		
SERVICE:	Education & Children's Services	WARDS:	All
AUTHOR:	Russell Dyer	TEL:	0118 937 2398
JOB TITLE:	Finance Manager	E-MAIL:	Russell.Dyer@Reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report identifies the position on the provisional outturn for the schools budget in 2013/14. It also identifies the latest position with regard to the DSG in 2014/15 and any other schools budget related budget issues.

2. RECOMMENDED ACTION FOR SCHOOLS FORUM

2.1 (FOR NOTING) The provisional outturn of a £332k deficit for the 2013/14 financial year. When taken with the surplus of £690k rolled forward from 2012/13, this means a surplus balance of £358k will be taken into the 2014/15 financial year.

2.2 (FOR DECISION) For 2014/15 approve £70k and £83k for The Hill and Micklands applied for respectively from the Growth Fund and £67k from Reading Girls in respect of the Falling Rolls fund, each of these applications having met the agreed criteria in the opinion of officers.

2.3 (FOR CONSULTATION) Give a view on the post 16 funding shortfall of £128k at Cranbury College in 2014/15 and whether this should be funded from the High Needs Block.

3 POLICY CONTEXT

3.1 The Council has strategic aims to establish Reading as a learning city and a stimulating and rewarding place to live and visit, to promote equality, social inclusion and a safe and healthy environment for all. Education and the funding of education is a key factor in the achievement of this aim.

4 BACKGROUND

4.1 The DSG funds schools and is ring fenced for school pupil activity. The DSG is based upon actual pupil numbers from the October pupil count preceding the actual financial year. The grant received is split between the:

- Individual School’s Budget - the ISB or delegated budget - this is formula driven;
- Centrally Retained School’s Budget - the non delegated budget.

4.2 Overspends on the DSG are carried forward and are a first call on the new year’s allocation of DSG. Underspends on the DSG are carried forward to support the future year’s school’s budget.

4.3 The Authority must ensure that DSG is correctly spent and needs to describe the outturn position as to inform the impact upon the new year’s budget position. The budget monitoring of the Authority distinguishes between how services are funded, namely by DSG or by the Local Authority.

5 PROVISIONAL OUTTURN ON SCHOOLS BUDGET 2013/14

5.1 The table below is the provisional outturn position as at the end of 2013/14. Accounts closure work is still ongoing therefore the figures are subject to change. The unaudited figures will be reported to the next meeting of the Schools Forum in July.

Table 1: RBC’s provisional outturn position on the Schools Budget as at 31 March 2014

	Budget (£m)	Outturn (£m)
brought forward DSG surplus	N/A	(0.7)
Schools Block	49.7	49.5
High Needs Block	14.9	15.4
Early Years Block	9.4	9.4
carried forward DSG surplus	N/A	0.4
Total	74.0	74.0

- 5.2 All delegated funds are transferred to schools, and any overspends or underspends on individual schools budgets are carried forward on the schools budget. There is a separate report on the agenda on Individual Schools Budget outturn (part of the Schools Block) called schools balances as at 31 March 2014.
- 5.3 The variances on the Centrally Retained Budget are highlighted in Appendix 1. The provisional outturn position was largely in line with the forecasts being made with regard to underspending and overspending budget areas at the March meeting of Schools Forum. There has been an easing of the pressure on the High Needs Block during the year, however there was still an overspend in the year and as the Schools Forum are aware there are a range of mitigating actions in place for 2014/15 to contain any ongoing budget pressure. However there will need to be a continued focus on this area given that 2014/15 will have a much lower level of DSG surplus balance than 2013/14 to offset any in year pressure in this area.

6 DSG 2014/15

- 6.1 The final allocations of DSG have now been notified and this is summarised in the table below. This will be broken down in further detail at the July meeting of Schools Forum.

Table 2: RBC's final DSG allocations for Schools and Early Years Blocks for 2014-15

	Allocations after recoupment (£m)
Schools Block (includes ISB)	49.8
Early Years Block	9.9
High Needs Block	14.0
Additional	0.1
Total	97.3

7 SCHOOLS BUDGET 2014/15

- 7.1 Schools have now been notified of their budgets and are due to make returns by 31 May.

Universal Infant Free School Meals (UIFSM)/ Pupil Premium

- 7.2 Pupil Premium allocations will continue to be calculated using data collected during the January census of schools and pupils. The amount a school receives in the financial year 2014 to 2015 will depend on how many eligible pupils are

registered for free school meals on the day of the school census. It will not be affected by the introduction of free school meals for all infant school children. Schools must continue to encourage parents of eligible children to register their child for free school meals to ensure your school receives the maximum pupil premium allocation for that year.

- 7.3 A series of briefing sessions have been held by the School Meals Service for schools, to allow discussion of concerns and sharing of good practice in preparation for the introduction of UIFSM in September. Meetings with individual schools are also ongoing to discuss site specific implications and solutions. As part of these discussions with schools, we are collating examples of ways schools are planning to encourage parents of infant aged pupils to still complete the FSM application. Some examples are:

- Offering free uniform package (if eligible for FSM)
- Discounted school trips (if eligible for FSM)
- Considering asking all parents to complete application on admission

Growth Fund

- 7.4 The Growth Fund is proceeding as agreed with Schools Forum at its December meeting. We have had additional calls on the infant class size/ contingency provision from Micklands £87k (to maintain funding for an existing bulge class which is not full) and the Hill £70k (which is taking a bulge class from September). In addition Reading Girl's School have made an application for falling rolls fund for £67k from the £78k budget earmarked for that purpose. Officers have considered these applications and are of the opinion that these applications meet the relevant criteria previously agreed by Schools Forum (see Appendix 2 for the RGS application). Therefore the Authority recommends that Schools Forum approves these additional allocations.

Sixth Form Funding

- 7.5 Since the last meeting sixth form funding for maintained secondary schools and, were relevant, special schools has been announced by the EFA.

8 HIGH NEEDS BLOCK 2014/15

- 8.1 At the last meeting of Schools Forum the consultants report on SEN funding was considered, a working group was agreed to take this forward and interim funding arrangements were agreed until September 2014.

- 8.2 Since the last meeting there has been the following progress:

- Members have endorsed the direction of travel being taken and 3 members have agreed to be part of the working group referred to above.

Outturn and Budget Update

- The first meeting of the working group took place on 29 April with a further meeting scheduled to take place on 16 May. A report on consultation proposals flowing from the work of the group will be brought to the July meeting of Schools Forum.
- 8.3 The only other significant matter to report in this area is that there is a shortfall in funding for post 16 provision at Cranbury College. Originally per the funding notification from the EFA there was no funding for this provision due to changes in the system of funding between years. The Authority made a representation to the EFA for the full amount (Appendix 3 refers) however only 50% of this was granted (Appendix 4 refers). As a result of this there remains a shortfall of £128k for the current 32 post 16 places at Cranbury College.
- 8.4 Schools Forum is asked for its views as to whether the balance of funding should come from the high needs block or whether provision should be scaled back. It needs to be borne in mind that there is already a significant level of children at Cranbury College with a high level of additional need and that any scaling back of activities may lead to more children having to be placed externally (a call on the High Needs Budget), rather than necessarily leading to a higher level of NEETS in the borough (potentially a call on the local authority resources).

9 EARLY YEARS BLOCK 2014/15

- 9.1 At the last meeting of Schools Forum carry forwards of 2 year old place funding from 2013/14 into 2014/15 were approved, as was the central retention of the trajectory fund for 2 year olds. In addition the Authority consulted on whether an application should be made to the Secretary of State to convert 2 year old place funding into capital to address the current shortfall in provision within the borough. Following the endorsement of this at the last meeting an application has been duly made to the Secretary of State and a decision is awaited.
- 9.2 There is to be a meeting of the EYSFF group in June where progress on the above will be reviewed in relation to these issues and also information on the services which were agreed to be funded through central retention of the early years block. This meeting will also address the issue identified at the last meeting of Schools Forum regarding the potential for additional funding for one to one support.

Appendix 1: 2013/14 DSG PROVISIONAL OUTTURN

	Total Budget (£m)	Variance (£m)	Outturn (£m)	Early Years Block	High Needs Block	Schools Block
High Needs top up funding/ Cranbury	9.779	0.572	10.351		10.351	
Other AP provision	1.763		1.763		1.763	
SEN support services	1.102	(0.085)	1.017		1.017	
Pupil Growth - Infant Class Size	1.027	(0.190)	0.837			0.837
Contribution to Combined Budgets	0.801		0.801			0.801
Central Expenditure Under 5s	0.709	0.022	0.730	0.730		
Support for Inclusion	0.213	(0.016)	0.197		0.197	
Behaviour Support	0.205		0.205			0.205
Equal Pay - Back Pay	0.200		0.200	0.008	0.002	0.190
Capital Expenditure from Revenue	0.197		0.197	0.039	0.016	0.142
Support to UPEG and EAL	0.172	(0.035)	0.136		0.035	0.101
Contingencies	0.127	0.074	0.201			0.201
Hospital Education Service	0.111		0.111		0.111	
Schools Admissions	0.105	0.003	0.108	0.004	0.001	0.103
Carbon Tax	0.100	(0.013)	0.087	0.004	0.001	0.082
SEN Transport	0.100		0.100		0.100	
Staff costs supply cover	0.050		0.050			0.050
Prudential Borrowing Costs	0.050		0.050	0.002	0.001	0.047
Exceptions Agreed by SoS	0.031	0.001	0.032			0.032
Termination of Employment Costs	0.025		0.025			0.025
Servicing of Schools Forum	0.020		0.020			0.020
Total	16.886	0.332	17.218	0.787	13.595	2.836
12/13 Surplus		(0.690)	(0.690)			(0.690)
Total	16.886	(0.357)	16.528			
Individual Schools Budget	50.519		50.519	3.800		46.719
SEN Placements (First 10k)	1.590		1.590		1.590	
Early Years 2-3 year old Funding	4.801		4.801	4.801		
Central Establishment Charges	0.239		0.239	0.006	0.158	0.075
Total	57.149		57.149	8.607	1.748	46.794
Total ALL	74.035	(0.358)	73.677	9.394	15.343	49.630

Appendix 2

Reading Girls Application to Falling Rolls Fund

Support will be available **only** for schools:

- Judged Good or Outstanding at their last Ofsted inspection (this is a mandatory requirement). **Criteria met.**
- Surplus capacity exceeds 30 pupils or 20% of the published admission number - published admissions number is 170, Latest admissions figures for September 14 show 130 places taken and 40 surplus place (23%). **Criteria met.**
- Local planning data shows a requirement for at least 50% of the surplus places within the next 2 years - would need to show that there is demand for at least 20 places over the next two years based upon the above. **In the opinion of officers this criteria is met as all secondary schools in the borough are full with the exception of RGS and JMA and with increasing demand and supply of places dependent upon free schools, it is highly likely that there will be a demand for at least 20 places at RGS in the coming years.**
- Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort - **Criteria met.**
- The school will need to make redundancies in order to contain spending within its formula budget - **Criteria met.**
- It does not have a surplus balance in excess of 5% of its school budget share as at 31st March 2013 and 31st March 2014 (or the relevant academic years in the case of academies) - **Criteria met.**

Schools who meet the above criteria in 2014/15 will be able to prepare a Business case that, after checking by officers, will be submitted to Schools Forum for a decision taking into account the funding available in the falling pupils fund (£78k at present but more potentially can be used to supplement this).

Any agreed funding will be for a specified number of surplus places (within the planned admissions number) at 75% of the relevant AWPU rate.

Rates:

Secondary AWPU KS3 - £3,825

FALLING ROLLS AMOUNT IF BID SUCCESSFUL WOULD BE $40 \times 75\% \times £3,825$ for 7/12th of the year £66,937, which can be funded within the allocation of £78,000.

Appendix 3



Avril Wilson
Director of Education, Adult &
Children's Services

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Education Funding Agency
Highneeds.southern@education.gsi.gov.uk

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Direct: ☎ 0118 9374240
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Date: 9 May 2014

Your contact is: **Kevin McDaniel - Head of Education**

Dear Sir/Madam

High Needs Place Review 2014-15

I write with regard to the High Needs Place Review 2014-15 email to the Authority dated 13 March 2014. Within that statement 32 places for post 16 at a provider Cranbury College appear to have been deemed as ineligible by the EFA.

Cranbury College started post-16 provision through the Berkshire RPP Pilot on 1st September 2010; this was arranged under New Directions as the Adult (post-16) provider. However Cranbury was not registered with the DfE for post-16 due to its status as a pilot. The Authority have queried with the DfE (Yvonne Wheeler) as to whether there is a need to regularise the position of Cranbury College with regard to post 16 registration.

The 32 places post 16 places are allocated on the basis of need within the PRU (our students were not always ready to move on) and in the community - referrals for agencies like Adviza for vulnerable students with similar needs are received. There is no other provider that can currently meet the needs of this group of students in Reading. It has not changed the nature of Cranbury College in meeting its duties to provide for permanently exclude pupils; it has in fact improved practice and reduced the College's NEET figures considerably (currently only 2 young people out of 38).

Per the guidance issued by the EFA '*Implementing high needs place funding arrangements for 5-25 year old: 2014 to 2015 academic year*' issued July 2013, Annex A refers to the following:

6. what is the current position regarding funding for students aged 16-19 in PRUs and AP academies?

LAs and post 16 providers have the flexibility to use the funding allocated to them to commission provision for post 16 pupils at a PRU, so long as the provision of these commissioned services does not change the nature of the PRU which is by definition a school set up to discharge an LA's duties under section 19 (1) of the Education Act 1996.

We believe that we have met the criteria, although as noted above there may be a need to regularise the position on the registration at Cranbury College.

Outturn and Budget Update

Clearly with a loss of funding equating to £256k it will be difficult for the Authority to absorb these additional unfunded costs and this may also have a detrimental impact upon Cranbury College and the 32 vulnerable learners.

We would be grateful if the EFA could consider the above and whether it would be appropriate to grant additional funding up to the level of £256k to the Authority

Yours sincerely

Kevin McDaniel
Head of Education

Appendix 4

Dear Russell,

Thank you for your query on the outcome of your high needs submission for the academic year 2014 to 2015.

We have considered your case regarding ineligible PRU places and agree to increase your DSG by £128,000. This reflects the delivery at Cranbury College, where we recognise that you funded 25 places at this institution within your 2013 to 2014 baseline and would wish to continue with this arrangement in 2014 to 2015 for 32 places.

The amount to be retained has been calculated as 32 x £6,000 per place recalculated to the financial year

We will update your DSG in time for the 22 July payment.

Kind Regards, Gareth

From: SOUTHERN, HighNeeds
Sent: 11 April 2014 16:23
To: 'Dyer, Russell'
Cc: McDaniel, Kevin
Subject: RE: 870 - Reading Borough Council - High Needs Place Review 2014 to 2015

Hi Russell

Thank you for your e-mail.

We note your request regarding Cranbury College and will be considering the case further, alongside any cases we receive from other authorities. We aim to give answers on all these cases before the end of April.

Many thanks

Jo O'Boyle
Maintained Schools Division

From: Dyer, Russell [<mailto:Russell.Dyer@reading.gov.uk>]
Sent: 09 April 2014 10:58
To: SOUTHERN, HighNeeds
Cc: McDaniel, Kevin
Subject: 870 - Reading Borough Council - High Needs Place Review 2014 to 2015

Please see attached letter.

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Head of Finance & Accountancy
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READING BOROUGH COUNCIL

REPORT BY FINANCIAL SERVICES

TO:	Reading Schools Forum		
DATE:	15 May 2014	AGENDA ITEM:	5
TITLE:	School Balances (Provisional) at 31 st March 2014		
SERVICE:	Education & Children's Services	WARDS:	All
AUTHOR:	Steve Davies/ Russell Dyer	TEL:	0118 937 4161/2398
JOB TITLE:	Technical & Recoupment Accountant/ Finance Manager	E-MAIL:	steven.davies@reading.gov.uk russell.dyer@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 To inform the Schools' Forum about the provisional school balances at the end of the financial year ended 31st March 2014. To seek guidance from Schools' Forum regarding schools that held excess surplus balances in the context of the balance control mechanism.

2. RECOMMENDED ACTION

2.1 (FOR NOTING) To note the contents of the report and also to note that the balances are at the moment provisional and subject to agreement with schools, as well as the external audit process.

2.2 (FOR ADVICE) To ask whether Schools Forum wish the Authority to ask the schools holding excess balances at Appendix 1 for details on the purpose for which this is held and also to provide an opinion as to whether this is a valid and proper reason, with the aim of bringing this information back to the July meeting for consideration.

3 POLICY CONTEXT

- 3.1 The Council has strategic aims to establish Reading as a learning city and a stimulating and rewarding place to live and visit, to promote equality, social inclusion and a safe and healthy environment for all. Education and the funding of education is a key factor in the achievement of this aim.

4 SCHOOL BALANCES

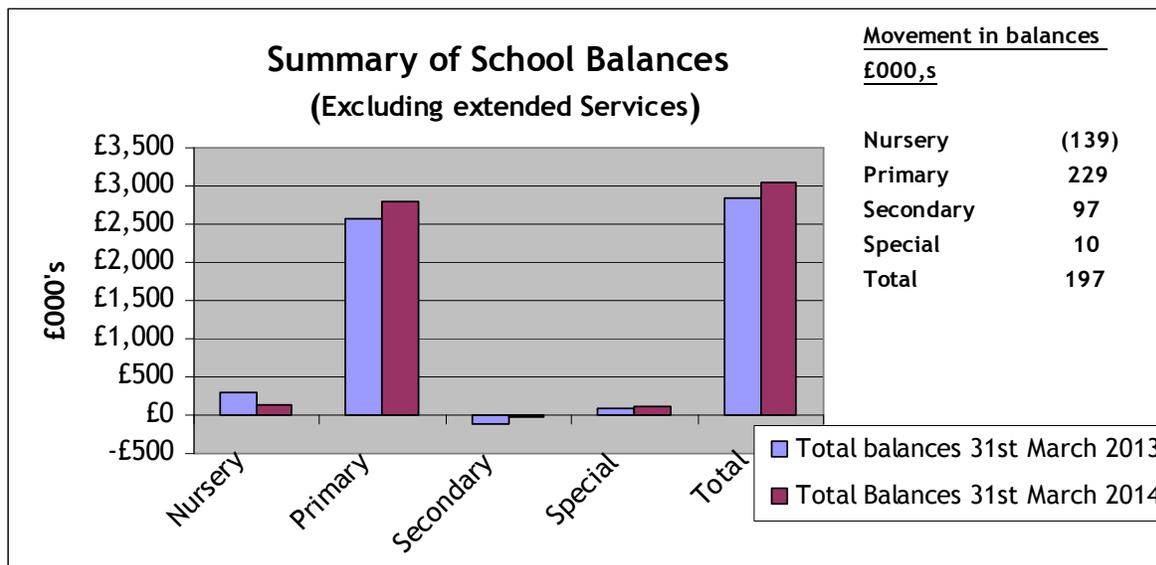
4.1 Background

4.1.1 This paper sets out the end of year school revenue balances at 31 March 2014 and the movement in those balances between March 2013 and March 2014. We are in the process of agreeing balances with schools. These are also subject to the audit process.

4.2 Summary

4.2.1 Graph 1 summarises school balances by school sector. Full details school by school are shown at **Appendix 1**.

Graph 1 Summary of school balances



4.2.2 One school converted to academy status during the 2012-13 financial year; George Palmer. The balances held by these schools have been excluded from all figures.

4.2.3 There were 5 schools (from 3 at the 31st March 13) with a deficit balance as at the 31st March 2014: 2 primary schools (from 1 at the 31st March 2013), one secondary school (unchanged from the 31st March 2013), no special schools (unchanged from the March 2013) and 2 nursery school (1 in 31st March 2012).

4.2.4 As seen in Appendix 1 a small number of schools had deficit balances as at 31st March 2014. We will continue to monitor these school's progress towards bringing their finances back into balance.

4.3 Balance Control Mechanism

- 4.3.1 Schools Forum now manages the LA's balance control mechanism. The schools' that held excess surplus balances as at 31st March 2014 can be identified from **Appendix 1**.
- 4.3.2 The excess balances could be held for properly assigned purposes. Each year the Authority asks whether Schools Forum would like us to request information from schools holding excess balances what these are being held for. In addition Schools Forum can request the authority to express an opinion as to whether these reasons are for a proper and valid purpose. If Schools Forum request the Authority to do this then this can be brought back for the July meeting of Schools Forum to consider.
- 4.3.3 It should be noted that for some schools balances may have been held for valid historical reasons (such as lease provisions).

4.4 Capital balances

- 4.4.1 The total amount of unspent devolved formula capital funds held by schools at the 31st March 2014 was £527k. Of this balance £144k had been carried forward from the 2011-12 allocation and will need to be spent by 31st August 2013. We will notify the schools holding these balances. The remainder of the balance consists of £107k of the 2012-13 allocation and £276k of the 2013-14 allocation. This information is also provided to colleagues across the Council to ensure that this is being factored into the future capital programme.

Appendix 1 Provisional School Balances 31st March 2013 and 31st March 2014

	2012-13		2013-14			
	Rev Balance (Excl Extended schools)	% 12-13 c/f against 12-13 budget share (Excl LSS)	Surplus / (Deficit) In-Year	Rev Balance (excl extended schools)	% 13-14 c/f against 13-14 budget share	Excess balance over threshold
Alfred Sutton Primary School	53,758	3.36%	29,094	82,852	4.35%	0
All Saints Church of England	93,163	29.88%	(17,083)	76,080	22.24%	48,709
Caversham Park Primary School	56,081	7.64%	(6,075)	50,005	6.36%	0
Caversham Primary School	63,115	4.37%	(10,309)	52,806	3.33%	0
Christ The King Catholic Primary School	22,839	1.41%	19,055	41,894	2.57%	0
Coley Primary School	95,172	10.62%	(46,142)	49,030	5.18%	0
E P Collier Primary School	42,631	4.58%	(12,504)	30,127	3.34%	0
Emmer Green Primary School	8,680	0.55%	(18,839)	(10,159)	-0.61%	0
English Martyrs' Catholic Primary School	101,129	7.24%	30,585	131,713	8.78%	11,736
Geoffrey Field Infant School	40,763	4.04%	39,893	80,656	6.76%	0
Geoffrey Field Junior School	117,681	9.47%	(39,898)	77,783	5.82%	0
Katesgrove Primary School	410,916	21.55%	23,131	434,046	19.54%	256,305
Manor Primary School	113,553	7.91%	8,447	122,000	8.41%	5,996
Micklands Primary School	59,194	4.90%	62,649	121,843	8.19%	2,795
Moorlands Primary School	154,010	9.61%	(9,864)	144,147	7.06%	0
New Christ Church Church of England	47,374	5.96%	47,809	95,183	10.54%	22,961
New Town Primary School	69,604	6.91%	53,339	122,943	10.34%	27,846
Oxford Road Community School	151,988	15.04%	(47,208)	104,780	8.83%	9,836
Park Lane Primary School	47,967	3.15%	(9,045)	38,922	2.43%	0
Ranikhet Primary School	96,051	7.97%	(82,720)	13,331	0.99%	0
Redlands Primary School	48,838	5.59%	36,156	84,995	8.37%	3,745
Southcote Primary School	90,574	6.18%	(61,789)	28,786	1.77%	0
St Anne's Catholic Primary School	(2,305)	-0.28%	(187,724)	(190,029)	-24.24%	0
St John's CofE (Aided) Primary School	89,814	7.52%	29,649	119,463	8.62%	8,627
St Martin's Catholic Primary School	47,025	8.20%	6,511	53,536	9.24%	7,186
St Mary and All Saints Church of England	59,382	3.56%	126,108	185,491	10.75%	47,495
St Michael's Primary School	22,732	2.54%	16,042	38,774	3.49%	0
Thameside Primary School	70,804	5.79%	42,657	113,461	8.03%	468
The Hill Primary School	27,897	1.98%	52,751	80,649	5.25%	0
The Ridgeway Primary School	88,268	9.49%	53,460	141,728	12.58%	51,612
Whitley Park Primary	65,129	2.44%	89,265	154,393	5.48%	0
Wilson Primary School	114,283	8.86%	11,737	126,019	8.60%	8,761
Blessed Hugh Faringdon Catholic School	196,362	4.75%	75,511	271,873	6.36%	57,981
Reading Girls' School	(311,744)	-7.88%	21,936	(289,808)	-7.57%	0
Phoenix College	35,815	3.26%	(24,968)	10,848	0.71%	0
The Holy Brook School	62,547	9.51%	35,018	97,565	10.99%	26,524
Blagdon Nursery	190,745	46.43%	(63,273)	127,472	28.15%	91,246
Blagrove Nursery	26,207	10.50%	(6,393)	19,814	7.95%	0
Caversham Nursery	(14,607)	-7.23%	(12,988)	(27,595)	-12.36%	0
New Bridge Nursery	35,252	7.45%	(3,114)	32,139	8.48%	1,807
Norcot Nursery	48,551	11.21%	(53,706)	(5,155)	-1.36%	0
	2,837,239		197,162	3,034,401		691,634

READING BOROUGH COUNCIL

REPORT BY FINANCIAL SERVICES

TO:	READING SCHOOLS FORUM		
DATE:	15 MAY 2014	AGENDA ITEM:	6
TITLE:	FUNDING CONSULTATIONS 2015/16: FAIRER FUNDING AND EDUCATION SERVICES GRANT		
SERVICE:	EDUCATION, ADULT'S & CHILDREN'S SERVICES	WARDS:	ALL
AUTHOR:	RUSSELL DYER	TEL:	0118 939 0398
JOB TITLE:	FINANCE MANAGER	E-MAIL:	russell.dyer@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report summarises the key recent funding consultation papers issued, together with any responses to them. It also identifies any future implications for the business of the Schools Forum in the coming year.

2. RECOMMENDED ACTION FOR SCHOOLS FORUM

- 2.1 To note the recently issued funding consultation papers.
- 2.2 To note the response to the 'Fairer Funding' consultation paper and endorse the Reading Schools Formula sub Group being set up to consider the direction of travel proposed by the Authority.
- 2.3 To note the likely impact of 'Education Services Grant' consultation paper and give views on the DFE proposals to be included in the Authority response.

3 POLICY CONTEXT

- 3.1 The Council has strategic aims to establish Reading as a learning city and a stimulating and rewarding place to live and visit, to promote equality,

social inclusion and a safe and healthy environment for all. Education and the funding of education is a key factor in the achievement of this aim.

4 BACKGROUND

4.1 A change to a national formula for schools funding for 2015/16 had been anticipated for some time. The Council’s education services are partly funded through a central grant which is being reduced over time to reflect academisation and the changing role of local authorities.

4.2 The two consultation papers referred to and summarised within this report are on the links below:

<https://www.gov.uk/government/consultations/fairer-schools-funding-2015-to-2016>

<https://www.gov.uk/government/consultations/savings-to-the-education-services-grant-for-2015-to-2016>

5 FAIRER SCHOOLS FUNDING IN 2015-16

5.1 After DfE has met its commitment to fund all local authorities at the same cash level per pupil as in 2014-15, it proposes to add a further £350m to fund schools in what it considers to be the “least fairly funded” authorities in 2015-16.

5.2 This means that in 2015-16, every local area will attract a minimum level of funding for each of its pupils and schools. No local authority or school will receive less cash funding as a result of this proposal but 62 will gain additional funding.

5.3 This consultation invites views on how DfE is proposing to set the minimum funding levels, and how it will distribute the additional £350 million funding (the impact upon Reading is shown in the table below). This proposal relates to 2015-16 only.

Local Authority	Actual 2014-15 funding		Indicative funding under minimum funding levels proposal		Indicative increase in funding under minimum funding	
	Funding per pupil	Total funding	Funding per pupil	Total funding	Percentage	Total

Reading	£4,454	£71.m	£4,547	£72.m	2.1%	£1.5m
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5.4 The deadline for responding to the consultation was 30 April 2014.

The Process in Calculating the Additional Funding

5.5 The first step the DfE took was to calculate a minimum funding level that a local authority should attract for its pupils and schools in 2015-16. If a local authority already attracts at least this minimum funding level, it will not receive any additional per pupil funding but if it attracts less than the minimum funding level for the pupils and schools in its area, the DfE will increase its funding so that its total funding equals this level.

5.6 The elements that make up the minimum funding level (with Reading's current formula funding rate in brackets) are as follows: -

- (a) A per-pupil amount ('age weighted pupil unit'): - A basic per pupil amount - primary: £2,845 (Reading: £3,226); key stage 3: £3,951 (Reading £3,825); key stage 4; £4,529 (Reading £4,503)
- (b) Free School Meals Ever 6 Primary £893 (Reading: £2,272) Secondary £1,079 (Reading: £4,989). IDACI at various rates from £236 to £894 - This is not a factor currently used in the Reading formula.
- (c) For pupils who have been looked after, for example in foster care; Looked after children - £1,009. This is not a factor currently used in Reading.
- (d) For pupils with low attainment before starting at either their primary or secondary school; Low prior attainment - primary: £878; secondary: £1,961. This is not a factor currently used in Reading.
- (e) For pupils who speak English as an additional language: English as an additional language - primary: £505 (Reading £699); secondary: £1,216 (Reading £1,409).
- (f) A lump sum for every school - primary: £117,082 (Reading £48,480); secondary: £128,189 (Reading £48,480).

- (g) Additional sparsity sum for small schools vital to serving rural communities - up to £53,988. This factor does not apply to Reading.
 - (h) An 'hybrid' area cost adjustment to increase minimum funding levels in areas with higher labour market costs (comments that follow in the Section below).
- 5.7 The minimum funding level is calculated by multiplying each of the minimum funding factors listed above by the relevant number of eligible pupils or schools in the local authority area, then summing each of the totals to create a total amount for each authority. The hybrid area cost adjustment is then applied to this total to calculate the total minimum funding level. This is then compared to the amount the authority would receive in 2015/16 given DfE's commitment to fund all local authorities at the same per pupil cash level in 2014/15. If the minimum funding level exceeds this then the authority's funding will be increased to reach the minimum funding level. If not, the level of funding is not changed.

Area Cost Adjustment (ACA)

- 5.8 An adjustment is made to the calculation to reflect differing labour costs throughout the country. A hybrid model is proposed and generally the alternative General Labour Market model is preferable for authorities in London and the South East, such as Reading.

Responding to the Consultation

- 5.9 The Authority has responded to the consultation and this is attached as Appendix 1 to this report. In summary the Authority has made a strong representation to the effect that the General Labour Market method of Area Cost Adjustment is preferred in order to maximise the level of funding attained within the borough. In addition the Authority has expressed a negative view on the sparsity factor given that there is no benefit from this factor to the borough and by consequence additional funding targeted to that area diverts resources. There was a positive response to minimum funding levels currently used within the Formula, although we noted that the lump sum minimum levels are significantly higher than those currently within the formula with there not being much appetite expressed by schools for increasing those levels as part of the 2014/15 formula consultation. Generally the Authority have not

given a view where factors are not currently used within the formula, although we have noted that we may consider using the lower prior attainment factor, subject to the recommendations of the SEN Funding sub group.

- 5.10 Schools Forum is asked to note the response to the consultation. Clearly we will need to await the finalised proposals for 2015-16 on the formula before taking this forward. However, we would recommend that any changes to the formula in 2015-16 are kept to a minimum in order to ensure that any turbulence is limited, with the only possible exception being the use of lower prior attainment which as noted above is currently under review. Regarding minimum funding levels we would support an increase in secondary AWPU but not in the lump sum, given the outcome of the previous consultation exercise. We would also continue to endorse the level of funding being directed towards deprivation.
- 5.11 In order to review the above we would propose re-constituting the Reading Formula Sub Group of Schools Forum with the aim of issuing a consultation paper to all schools and academies in September 2014 with any proposals for change. The work of this group will need to dovetail with that of the SEN Funding working group which is referred to elsewhere on the agenda.

6 EDUCATION SERVICES GRANT IN 2015-16

- 6.1 This grant, along with other funding sources available to the Council, helps to fund a variety of services within local authorities most notably (Reading 14-15 figures in brackets):
- School Improvement
 - Statutory and Regulatory Duties
 - Education Welfare Services
 - Asset Management
 - Premature Retirement Costs
 - Therapies and Other Health Related Services
- 6.2 The DFE is proposing to reduce the grant to local authorities by 20% in 2015/16. As noted above the grant is worth £1.8m to the Council in 2014/15. As background the Council is facing general budget reductions of circa £23m in 2015/16 and 2016/17.

- 6.3 The consultation paper asks for information on how local authorities and academies use their grant, sets out clear benchmarking information and identifies case studies for making savings whilst maintaining standards. The methods suggested by the DFE flowing from the case studies at other local authorities include:
- Reducing services and asking schools to do more
 - More collaborative working and/or different models of working (mutualisation/ trust model)
 - Charging for services/ asking schools to fund existing services further (e.g. school improvement)
 - Flatter management structures and consolidating back office functions
- 6.4 The paper also sets out the statutory and regulatory duties that local authorities have and also sets out statistical correlation between what local authorities spend on various services and attainment. Various benchmarking information is given throughout the paper. The paper gives an indication of the direction of travel of the relationship between schools, Whitehall and Local Authorities.
- 6.5 Local Authorities have been asked to respond to the consultation by 19 June 2014. We are reviewing the paper in particular with regard to:
- Compliance with Public Service Equality duties
 - Whether the regulatory duties referred to are complete
 - Benchmarking our services and understanding any variances
 - Explaining the relationship between budgets and funding in a multi function authority
- 6.6 Schools Forum is asked for its views on how the Authority should respond to the consultation and give views in particular on paras 6.2 and 6.3. We will aim to incorporate this feedback into the Authority's response.



Department
for Education

APPENDIX 1

Consultation Response Form

Consultation closing date: 30 April 2014
Your comments must reach us by that date

Fairer schools funding in 2015-16

If you would prefer to respond online to this consultation please use the following link: <https://www.education.gov.uk/consultations>

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

Please tick if you want us to keep your response confidential.	<input type="checkbox"/>
Reason for confidentiality:	

Name: Russell Dyer	
Please tick if you are responding on behalf of your organisation.	<input checked="" type="checkbox"/>
Name of Organisation (if applicable): Reading Schools Forum & Reading Borough Council Joint	
Address: Civic Centre Reading RG1 7TD	

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications Division by e-mail: consultation.unit@education.gsi.gov.uk or by telephone: 0370 000 2288 or via the Department's ['Contact Us'](#) page.

Please mark the box that best describes you as a respondent.

<input type="checkbox"/> Maintained school	<input type="checkbox"/> Academy	<input checked="" type="checkbox"/> Local authority
<input type="checkbox"/> Governor	<input type="checkbox"/> Bursar	<input type="checkbox"/> Parent
<input checked="" type="checkbox"/> Schools forum	<input type="checkbox"/> Trade union organisation	<input type="checkbox"/> Other

Please Specify:

Reading Borough Council and Reading Schools Forum joint response

1 Do you agree that the existing distribution of schools funding is unfair?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

2 Do you agree with our proposed choice of characteristics to which to attach minimum funding levels?

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Not Sure
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Comments:

We do not presently use all of the factors, nor do we believe that the lump sum minimum should be as high due to local factors.

Given our proposal to set minimum funding levels such that we can afford to fund all local authorities at those levels or above in 2015-16, do you agree with the proposed values of the minimum funding levels?

3 a) Age Weighted Pupil Unit

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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3 b) Deprivation

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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3 c) Looked-after children

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Not Sure
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3 d) English as an additional language

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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3 e) Low prior attainment

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Not Sure
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3 f) Lump sum

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not Sure
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3 g) Sparsity

Yes No Not Sure

Comments:

Factors stated as 'Not Sure' are not presently used in local formula and therefore no view is expressed. Lump sum stated as 'No' is used in local formula but at a much lower level due to local factors. There was no appetite to increase the lump sum factor amount (ours is relatively low) following the last consultation with schools on this matter and nor was there a great demand to adopt factors not currently used, although this will be reviewed in particular with regard to lower prior attainment, given the outcome of a recent SEN consultants report. The Authority does not benefit from a sparsity factor and therefore the answer is stated as 'No'.

4 Do you agree that labour market cost differences should be taken into account as we allocate the £350m?

Agree Disagree Not sure

Comments:

5 Do you agree this should be calculated using the hybrid approach we have set out?

Agree Disagree Not sure

Comments:

It is our strong view that GLM is preferable and best reflects labour rates in the area.

6 If you do not agree that we should use a hybrid approach, what would you prefer we used?

Use teacher pay bands only

Use a general labour market measure only

Use an alternative method

Comments:

We strongly support the use of the general labour market measure only as this best reflects labour costs in the local area.

Sparsity Review

7 We introduced a sparsity factor for the first time in 2015-16. How helpful has this factor been in ensuring that sufficient funding is targeted at small schools serving sparsely populated areas?

Useful

Not useful

Not sure

Comments:

No view as we do not benefit from this factor.

8 Do you think it would be useful to revise the criteria for the sparsity factor to take into account the average number of pupils in each year group, rather than the number of pupils in the school? If so, how?

Useful

Not useful

Not sure

Comments:

As per comments in 7

9 Are there any other changes you would like to suggest to improve the operation of this factor, and why?

Comments:

None

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply.	X
E-mail address for acknowledgement: russell.dyer@reading.gov.uk	

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, please confirm below if you would be willing to be contacted again from time to time either for research or to send through consultation documents?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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All DfE public consultations are required to meet the Cabinet Office [Principles on Consultation](#)

The key Consultation Principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before
- departments will need to give more thought to how they engage with and use real discussion with affected parties and experts as well as the expertise of civil service learning to make well informed decisions
- departments should explain what responses they have received and how these have been used in formulating policy
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

If you have any comments on how DfE consultations are conducted, please contact Aileen Shaw, DfE Consultation Coordinator, tel: 0370 000 2288 / email: aileen.shaw@education.gsi.gov.uk

Thank you for taking time to respond to this consultation.

Completed responses should be sent to the address shown below by 30 April 2014

Ministerial and Public Communication Division, Level 2, Department for Education,
Mowden Hall, Staindrop Road, DARLINGTON DL3 9BG

Send by e-mail to:

SchoolFunding.CONULTATION@education.gsi.gov.uk