

Schools Forum Agenda

Date: **Thursday 18 November 2010**

Time: **4:30 – 6:30pm**

Venue: Room 4 Civic Suite, Town Hall

Order of Business

1. **Minutes of Meetings: - Minutes of the meeting held on the 11 October 2010.**
2. **Matters Arising**
3. **Election of Chairman and Vice-Chair**
4. **Audit Update – David Austin** **For discussion**

An update on recent schools audits and consideration of common recommendations being made.
5. **SEN Protocol – John Russell** **For Decision**

To agree the protocol following feedback from the strategic groups
6. **Comprehensive Spending Review – Dave Richards** **For Discussion and decision.**

This paper looks at the recent announcements and the possible impact.
7. **Budget Monitoring - Dave Richards** **For Discussion**

An update on the latest budget monitoring position
8. **Scheme of delegation / Finance Manual - Floyd Roberts** **For discussion and decision**

This paper considers the annual update of these documents.
9. **Schools Forum Terms of reference - Dave Richards** **For discussion and decision**

The Public Accounts Committee review of the Schools Forum requested that the terms of reference of the Forum should be expanded to include a mention of accountability. This paper looks at the changes and seeks the Forum's agreement.
10. **S52 Benchmarking – Dave Richards** **For discussion**

An analysis the 2010/11 benchmarking data.
11. **Next calendar year work plan – Dave Richards** **For discussion and decision**

To consider the work programme for the next calendar year and to agree to circulate the list to schools and chair of governors for comment, as requested by the public Accounts Committee.

12. Any other Business

Background Papers

1. School Finance Regulations Consultation

This consultation is in line with expectations and there is no response being currently considered. If members on reading the paper wish to make comment please contact Dave Richards on (0208 314 9442) or e-mail dave.richards@lewisham.gov.uk.

Dates of Future Meetings (to be discussed at this meeting see Item 6)

20 January 2011 (To be rearranged)

17 March 2011

19 May 2011

LEWISHAM SCHOOLS FORUM



Minutes of the meeting held on Monday 11th October 2010

At the LLDC, Road

Membership (Quorum = 40% i.e. 8)

✓ = present ✗ = absent

		Attendance
Primary School Headteachers		
Irene Cleaver	Athelney	✓
Steve Davies	Coopers Lane	Apologies
Liz Booth	Dalmain	✓
Paul Moriarty	Good Shepherd	✓
Juliet Cooper	Kilmorie	✓
Nursery School Headteacher		
Nikki Oldhams	Chelwood	✓
Secondary School Headteachers		
Anne Potter	Addey & Stanhope	Apologies
Bob Ellis	Conisborough College	✓
Erica Pienaar (Chair)	Prendergast	✓
Barbara Williams	Sydenham	✓
Special School Headteacher		
John Sharpe	Brent Knoll	✗
Primary & Primary Special School Governors		
Keith D'Wan	Athelney	Apologies
Brian Lymbery (Vice-Chair)	Lucas Vale	✓
Secondary & Secondary Special School Governors		
Declan Jones		Apologies
Michael Wheeler	Forest Hill	Apologies
Nick Day	Sydenham	Apologies
Parent Governors		
Vacant	Vacant	✗
14-19 Consortium Rep		
Dympna Lennon	Addey & Stanhope	✓
Early Years Rep		
Val Pope	Pre School Alliance	✗
Diocesan Authorities		
Rev Richard Peers	Southward of Diocesan Board of Education	Apologies
Michael Cullinane	Archdiocese of Southwark Schools Commission	✓

Observers	
Alan Docksey	Head of Resources
Also Present	
Dave Richards	CYP Group Finance Manager
Denise Castle	Clerk
Chris Threfall	Head of Education Development
Sue Tipler	Head of Standards & Achievement
Martin Powell-Davies	Teaching Union
Hayden Judd	Funding & New Developments

Apologies for Absence

Apologies were received from Frankie Sulkie, Keith D'wan, Steve Davies, Michael Wheeler, Declan Jones, Anne Potter, Nick Day and Richard Peers.

1. Minutes of Meeting held on 15th July 2010

The minutes were agreed and signed by Chair.

2. Matters Arising

Chris Threfall reported that schools are to be sent a letter informing them of proposals for Harnessing Technology and the appropriate cost implication for continuing service from London Grid for Learning. The LA considers the proposal to be a good deal.

Special School Heads to be asked to nominate a replacement for J Sharpe.

3. DSG Formula Consultation

Dave Richards presented the report on the Consultation on School Funding 2011-12 – Introducing a Pupil Premium. The purpose of the report was for the Forum to agree the draft response to the Department for Education (DFE). The consultation mainly considers how a pupil premium could be introduced for disadvantage pupils.

The consultation document provided four options that the DFE may use to calculate the pupil premium.

- Free School Meal entitlements at the census date
- A so called “ever” Free school Meals eligibility, which means a pupil would be counted if they received a free meal entitlement over the last three or six years
- Pupils in families in receipt of out of work tax credit
- ACORN or MOSAIC data

It was noted that the population of Lewisham has a high level of public sector workers and the reductions expected in the public sector would mean proportionately more people would become redundant in Lewisham. The level of people receiving out of work tax credit would rise but this would not be reflected as the data held relates to 2005 and is not planned to be updated annually. Whereas the number of pupils with free meal entitlements is planned to be updated annually. Forum discussed the advantages and disadvantages of each option.

Forum agreed to endorse the recommendation to adopt the FSM entitlement option and agreed the Consultation Response Form Item 3 Appendix B as presented.

The chair highlighted that this was a Forum response and individual schools may also respond to the consultation document.

Decision : The draft response to consultation was agreed

4. **Current budget pressures including bulge classes**

Dave Richards presented report to ask Forum to consider the latest forecast position for 2010/11 and to consider the action to address the overspends on bulge classes.

It was noted that the budgets for Special Educational Needs are within the budget that was set.

The final notification of the Dedicated School Grant was received from the Department of Education (DFE) on 1st July 2010. This was a sum of £187,433k, £51k lower than originally expected. This shortfall can be accommodated from the contingency.

Dave Richards reported that the cost of bulge reception classes has created a budget pressure. At the time of setting the budget, negotiations were ongoing with schools and a budget was provided for 15 classes, half of them to open in September and the remainder in January. To date 17 classes are needed and 12 have already opened in September. This has created a budget pressure of £332k.

An alternative view is that it was assumed admissions would be split 50:50 (Sept to Jan) but in fact it was to be 70:30.

Under The Balance Control Mechanism the Forum had agreed to cap two schools (£178k) agreed at the July meeting and to apply this sum to meet the shortfall of funding for the bulge classes. The net current budget pressure is £154k.

Alan Docksey stated that there would be no recoupment in 2010/11 of any of the 2010/11 amounts already paid.

Alan Docksey proposed that a review should be undertaken to analyse how schools have used the resources allocated for the bulge classes. This is essential to see if any savings can be identified for future years through better procurement of items purchased by schools or a reduced need to address the issue. A report will be presented at the next Forum.

Forum requested that the analysis should include schools plans for the use of resources purchased as pupils move on through school and the potential recycling of them.

Forum to debate further year on year budgets as pupils move up through school.

Decision:- The Forum agree for officers to survey schools as to how they have used the funding provided in order to determine appropriate levels in the future.

5. Academies update

Dave Richards presented a report on how funding would operate for Academies mainly from a local authority perspective.

Forum were asked to note the report.

Further details about Academy status will be available following the White Paper on Education and the announcement of the Comprehensive Spending Review.

Forum asked for a copy of the report to be sent to Chair of Governors for each school for information only and to notify Chairs that this is a collection of information available at the moment.

The DFE is to set up a review group to look at funds that would be recouped from Local Authorities and passed to academies. Recoupment is mostly based on number of pupils in Academy schools.

Action Point : Academy report to be sent to all Chairs of Governors for information

6. Update on Fraudulent Standing Orders

Alan Docksey presented a report to update members on the fraudulent standing orders that were set up on teachers bank accounts.

Forum asked to note current position and Alan Docksey will provide a further update when the investigation is complete.

Action Point : Further update required

7. Report on Innovation Grant

Dave Richards presented report to provide Forum with an update about the operation of the Innovation Fund and seeks ways to publicise the benefits of the fund.

It was agreed that :

- Forum members promote the use of the fund at their collaborative meetings
- An all schools letter is sent out by officers promoting the fund
- An article appears in the next governors newsletter

8. Any other business.

Chair reported that the election for chair and vice-chair will be conducted at next meeting. Please send nominations to Alan Docksey Alan.docksey@lewisham.gov.uk

Date of next meeting Thursday 18th November 2010.

SCHOOL FORUM ACTION SUMMARY – from School Forum held on 11th Oct 10

ITEM	ACTION TO BE TAKEN	OFFICER(S) RESPONSIBLE FOR ACTION	OUTCOME / CURRENT POSITION
4	Analyse schools expenditure for bulge classes Review and present report to Forum	Dave Richards	
5	Send Academies report to all Chairs of Governors	Dave Richards	
6	Update on fraudulent standing orders	Alan Docksey	
7	Innovation Fund : item to be included in next Governors newsletter. Letter to be sent to all schools advertising this fund.	Dave Richards	

SCHOOL FORUM ACTION SUMMARY – from School Forum held on 15th July 10

ITEM	ACTION TO BE TAKEN	OFFICER(S) RESPONSIBLE FOR ACTION	OUTCOME / CURRENT POSITION
4	Take to next Secondary Strategic and return to future Schools Forum	John Russell / Sue Tipler	
6	The sub group will review the early year changes next year.		
7	CRC update to be given in Autumn term	Alan Docksey	

Schools - Internal Audit

1. Purpose of this report

- 1.1. The purpose of this paper is to provide the Schools Forum with an update on progress being made to enhance internal controls within Schools.
- 1.2. The interim Head of Audit and Risk will present and is also open to discuss any wider issues arising from interaction with the Audit and Risk service – Internal Audit, Insurance & Risk, Counter Fraud, Health & Safety.

2. Recommendations

- 2.1. Note this update and the continued progress being made within Schools to enhance internal control.

3. Background

- 3.1. London Borough of Lewisham (LBL) audit team currently works to a rolling risk based three year audit programme. As part of this Schools receive both an FMSiS and internal audit where possible.
- 3.2. The focus of the audits are based on the Audit Commission's 'Keeping your balance' guidance and CIPFA internal audit standards and good practice guidance. Audits are scoped to a standard systems based audit approach.
- 3.3. Previous reports to the Schools Forum have highlighted a number of challenges from both the Schools and Audit side. In summary they are:

Schools

- Criteria
- Timing and delays in receiving reports
- Time taken to complete the audit
- Extent of the audit
- Burden of having audit and FMSiS assessment at the same time

Audit

- Preparedness of working papers
- Delay in responding to draft report findings and recommendations

- 3.4. These have now been largely resolved and issues arising with the process now represent the exception rather than the rule. Where there remain areas for improvement these are commented on below.

4. Action to date

- 4.1. The March 2010 Schools Forum reported on the results for the 2009/10 audit programme.

- 4.2. For 2010/11 there are 26 schools audits scheduled – ten Audit & FMSiS, fifteen Audit, one FMSiS - of which twelve have been finalised to date. All four of the FMSiS assessments completed to date have been met. The assurance levels issued for the eleven audits completed to date are – nine substantial and two satisfactory. There have been no Limited or No assurance opinions issued in the financial year to date. This continues the improvements noted in 2009/10.
- 4.3. For 2010/11 we have changed the follow-up process. We are now following up all High and Medium recommendations six months after the final report is issued. This is rather than following-up only Limited or No assurance audits.
- 4.4. We are just beginning the 2010/11 follow-up work and to date two Schools audits have been reviewed. The results are all for medium recommendations and were; eight implemented, one in progress, one superseded and three not yet implemented.
- 4.5. Early indications are that recommendations are taken seriously and are being promptly implemented in line with agreed management actions.
- 4.6. Audit and Risk were represented at the recent finance drop in session at the Civic Suite to take questions, listen to issues and offer advice and support to Schools.

5. Proposed action

- 5.1. To review the findings and recommendations from recent audits to identify any recurring issues. An initial review of the ten 2009/10 full year secondary school and eleven 2010/11 year to date primary school recommendations is summarised below.

Summary of Rec'n	2009/10 FY Secondary Rec'ns	2010/11 YTD Primary Rec'ns	Total
Terms of reference and financial policy not up to date and approved	7	7	14
Asset register procedures and records not followed	13	9	21
Budget monitoring review not evidenced	5	3	8
Cash banking and reconciliations not timely	2	4	6
Payroll authorisation not evidenced	6	7	13
Controls for quotes, orders, goods received and invoicing not followed	12	7	19
Committed expenditure not recorded in budget reports	5	2	7
Management of cash and record keeping of receipts not adequate	10	3	13
New starter and staff documentation not completed or kept up to date	9	5	14
Other	6	-	6

- 5.2. As part of the ongoing work to improve the quality of internal audit we are reviewing the scope of schools audits based on the findings above, comparison with practice at other Authorities and more general good audit practices.
- 5.3. LBL is also in the process of retendering the audit contract, currently with RSM Tenon, with the appointed supplier to be in place for 1 April 2011. This may also bring in suggestions for improvement. As part of this review of the management of audit support, LBL is also assessing the practicalities and implications of operating the audit service to Schools on a full cost basis.
- 5.4. Though 2011/12 the audit service is proposing to undertake a risk based survey of all the directorates and divisions to identify the priorities, changes and risks around internal control. We would propose to consult with Schools to get their input and views as part of this.

6. Conclusion

- 6.1. Continuous improvements are being made to enhance internal controls within Schools. There do however remain some common areas of weakness. In particular in respect of:
 - 1) establishing and maintaining staff employment documentation,
 - 2) controls for managing quotes, orders, goods received and invoicing, and
 - 3) procedures being followed and records kept in support of asset registers.
- 6.2. Financial constraints and forced changes to working practices will continue to put pressure on LBL and Schools. Going forward keeping a risk based focus on internal controls will be critical to supporting Schools meet these challenges.

END

SEN PROTOCOL

1. Purpose of the Report

The purpose of the report is to consider and agree a new SEN protocol.

2. Recommendation

The Schools Forum agree the SEN protocol subject to the current paragraph 7 being replaced by the following

“Schools can provide a certain amount of funding from their own resources to supplement the matrix money. This funding is provided within the school budget through the deprivation factors incorporated in the funding formula”.

2. Policy Context

The authority’s Strengthening Specialist Provision review set out arrangements for reshaping the provision of places for children with special educational needs. Prior to the review the decision had been taken to devolve additional funds to schools to support pupils with SEN, intended to give sufficient resources for them to provide timely support without needing to issue statements for pupils who were previously supported at Matrix levels 3, 4 and 5. Statements with levels of support from Matrix level 6 and above continue to be issued by the authority. The Children and Young People’s Plan 2009-12 emphasises the importance of early intervention to address needs.

3. Background

- 3.1 Forum considered a report on the 20th May which set out the results of the audit on ten schools designed to obtain better information about the use of SEN resources.
- 3.2 Among the recommendations agreed were those about sharing good practice, improving monitoring and making effective use of Annual Reviews.
- 3.3 A key recommendation was that a protocol should be drafted, setting out expectations for schools in terms of how assessments are applied for, and how resources should be used to support pupils. The protocol should also set out expectations on the Local Authority in terms of attendance at annual reviews and provision of information.

- 3.4 The recommendations were drafted in the context of a significant overspend in the SEN budget overall in 2009/10, and particularly in the Matrix budget. Over the period since January 2010, 195 assessments have been requested (27 per month), and 69 were agreed, a rate of 35%. Since the start of the current financial year 127 assessments have been requested (32 per month), and 42 have been agreed, a rate of 33%. Advice from the National Strategies team is that this suggests a mismatch between the expectations of schools and of the Local Authority.
- 3.5 14 statements carrying a matrix were issued in the period up to the 30th June. The total cost of these is £127,125. Continuing to issue statements at a similar rate would carry a risk of further pressure on the budget, given previous experience of a 'spike' in requests for assessments in the latter part of the year.

4. Protocol

- 4.1 The draft protocol is attached in Appendix A. It was discussed at both Primary and Secondary Strategics. If all parties agree, the aim is that the protocol should start to operate during the start of the autumn term 2010.
- 4.2 The protocol covers processes before an assessment is requested, the information that should accompany a request, the agencies that should be involved, the resources that schools should use even when a pupil has a statement, the time that should elapse before a request for further resources is made and the entrance arrangements for ceasing statements. It also covers the regular information that the Local Authority will provide to assist everyone in the partnership to monitor the situation and the ways in which annual reviews will be used.
- 4.3 The protocol does not attempt to supersede anything in the Code of Practice and parents' rights remain unchanged. There may need to be structured arrangements for briefing parents about the protocol as appropriate.
- 4.4 Most of the comments from the Strategic Groups were very supportive of the draft protocol. There was one exception to this. The concern related to paragraph 7, which read "There will also be an expectation that when a statement is issued, schools will provide a certain amount of funding from their own resources to supplement the matrix money. The school amount will be geared to the matrix amount via a formula".
- 4.5 The feedback from schools expressed concern that they would find extra resources within the budget to fund statements
- 4.6 This was not quite the intention of the paragraph, the intention was to make a comment that schools had other resources within their budget

delegated on factors that related to SEN and this funding may be used to support SEN children,

4.7 It is suggest in the light of this confusion to re-word the paragraph

“Schools can provide a certain amount of funding from their own resources to supplement the matrix money. This funding is provided within the school budget through the deprivation factors incorporated in the funding formula”.

Dave Richards

Group Finance Manager – Children and Young People

Contact on 0208 3149 442 or by e-mail at Dave.Richards@Lewisham.gov.uk

Or

John Russell

Service Manager – Special Educational Needs

Contact on 020 8314 6639 or by e-mail at John.Russell@lewisham.gov.uk

DRAFT SEN PROTOCOL 21.6.10

This is Lewisham's protocol for the assessment of pupils' special educational needs and the implementation of statements. The protocol seeks to complement the SEN Code of Practice in setting out how the arrangements are locally implemented. The protocol is subject to agreement between schools (which throughout the document is taken to include academies), and is guided by the following **principles**

- Children only require statements when their needs cannot be met within the devolved resources for low level/high incidence needs that are readily available to all schools
 - It is expected that requests for assessment should only be submitted for high level/low incidence complex and enduring needs
 - Meeting pupils' needs should be met in the most effective way, involving the most efficient use of resources and good value for money
 - Direct support should take precedence over bureaucratic processes
 - Access to services should be possible without the need for a statement
 - Our processes should be transparent
 - The aim is always to work in partnership with schools and parents..
1. The local authority will update and regularly review the 'Statutory Assessment Criteria' which have informed decisions about assessment for a number of years. The current document is available on the Lewisham website. Evidence suggests that the current arrangements encourage requests for assessment of low level, high incidence needs. The revised criteria should include what is expected from schools, from the monies available to them, e.g. AEN, AWPU, devolved funding for School Action and School Action Plus.
 2. Schools, including academies, need to set out clearly, when they make requests for statutory assessment:
 - a) why the needs cannot be met through resources and services available to them;
 - b) why the statutory assessment is required;
 - c) why the desired outcome cannot be achieved without the assessment process being undertaken;
 - d) the outcomes of interventions carried out, within school and involving other agencies (see 4 below).
 3. Schools, including academies, **MUST** provide with every request for assessment
 - a) details of the strategies used to address the pupil's needs
 - b) evidence of the impact these have had

- c) up to date reports;
- d) details of the agencies used, including those on the 'Minimum List';
- e) the school's provision map, indicating where the child fits into it
- f) the amount spent on that pupil in the current financial year (to date and a full-year equivalent).

Failure to provide any of these details will result in the assessment being refused. It is also important to emphasise that the assessment must be prompted by concerns about the child's learning. If the main issues are social, schools should refer to the locality Family Support Panel.

4. The **Minimum List** of professionals or agencies to be consulted prior to an application for assessment is as follows:
 - a) Inclusion Service (e.g. Communication and Interaction Team, Early Intervention Team, Educational Psychologist, BEST)
 - b) New Woodlands (in cases where the pupil's behaviour presents significant problems)
 - c) SALT (in cases where the pupil's verbal communication presents significant issues)
 - d) Health (e.g. school nurse, GP, consultant, CAMHS)
 - e) ASD Outreach team (in cases where the pupil is on the ASD spectrum).

NB – a) and c) most times will cover ASD.

OT & physio for physical needs.

VI or HI team if sensory.

A full assessment will involve consulting most of the agencies again, so schools need to be clear about what will be achieved by this additional process.

5. When an application for assessment has been refused, the application should not be resubmitted before a further six months has elapsed. The only exception to this is where the Panel has asked for it to be resubmitted sooner, with additional evidence.

Parents retain the right under the Code of Practice to appeal against refusal of an assessment, but schools should advise and support them appropriately in terms of waiting for interventions to take effect and on the required next steps.

6. Following the issue of a statement, there will be an expectation that the school will run with it for a minimum of a year. No requests for increases in hours or matrix level will be considered during this time. If the school is of the view that extra hours are needed, they should provide the funding themselves.
7. There will also be an expectation that when a statement is issued, schools will provide a certain amount of funding from their own

resources to supplement the matrix money. The school amount will be geared to the matrix amount via a formula.

8. It is the expectation that schools use resources in a way that supports pupil progress. Statement resources are provided in order to enable a pupil to make *academic and developmental progress.* That progress will continue to be monitored by the school and local authority at annual review and schools should obtain updated professional advice as part of this. Formal statutory reassessment will therefore not be necessary unless there is a significant change in needs.

****For a large number of ASD pupils this is more crucial for social intervention i.e. play and lunch times (independent individuals)**

9. Schools, including academies, and the local authority will monitor the impact of interventions, and if satisfactory progress has been made and targets reached, the pupil should move to School Action Plus and the statement will become eligible for ceasing. This expectation is backed up by a 'Cease to Maintain' policy. (all schools need to see this.
10. There will be regular monitoring of the impact of interventions in an annual sampling exercise by the local authority; among other things, this will focus on the effectiveness of individual support from TAs.
11. SEN Senior Caseworkers will be given targets to identify instances where statements can be ceased. They will be aware of the Cease to Maintain policy and will use the Annual Review process to do this. Schools with high numbers of statements for low level needs should also set targets for the number of statements to be ceased. The team will prioritise attendance at annual reviews for years 5 and 9, and for cases identified through consideration at panel and identified as high priority by schools.
12. The SEN Assessment and Placement Panels will include at least one head teacher representative (as distinct from a SENCO, who may also attend). Heads and SENCOs who attend should also be fully informed about the authority's policies and procedures.
13. Where appropriate, the pre-panel work will include a sifting process which will identify instances where requests relate to pupils who do not have complex and/or enduring needs. These cases will be dealt with outside of panel.
14. All schools, including academies, will be sent a termly monitoring report via schools' mailing. This report will include the number of new requests for assessment made, how many have been agreed, and the implications for the budget of new statements issued. It will also detail which schools have requested assessments and which have had

statements issued. Regular reports will also be made to Schools Forum.

15. Information will be available to the Panel about individual schools' budgets, in terms of AEN/SEN spend, etc. It should also include an overview of what services are provided to the schools.
16. Where there is evidence that particular schools have applied for more assessments than can be reasonably expected (taking into account FSM, mobility, etc), training will be arranged for the Head, SENCO and other staff as necessary. The training will be on SEN matters and will be provided and monitored by the School Effectiveness Team.
17. If the number of statements issued means that the SEN Matrix is overspent, or likely to be overspent, Schools Forum will consider whether the financial impact of this should be spread across all schools, or just across those schools where the number of statements exceeds the average. The current arrangements act as a perverse incentive for schools to apply for statements, because the financial impact is borne by all schools.
18. Information will be available for parents about the operation of the protocol, its principles and rationale.
19. Mediation will take place as necessary with parents, to explain processes and provision, and to enhance partnership. (before tribunal? If so then good step).
20. There will be regular opportunities to share good practice between schools, facilitated by the LA, and informed by the audit process.
21. Schools will be expected to attend the Tribunals in partnership with the LA. They should clearly demonstrate how they are planning to support pupils going forward (through training etc)
22. Transport arrangements should be kept under review and there is an expectation that wherever possible, pupils should receive training and encouragement in terms of independent travel.

Spending Review 2010

1. Purpose of the Report

This report looks at the recent Spending Review and the announcements that have been made since. The report considers the likely impact on both Schools and Local Authorities. The next few years will see difficult annual settlements for some if not all schools and the report considers practical ways in which the schools planning cycle can be improved.

Recommendations

- Forum note the report.
- The Forum agree to the setting up of an all schools meeting to discuss federations, collaborations and partnerships.
- Forum agree that the budget setting timetable be brought forward and schools are notified of their budgets in early March.
- The Forum re-arrange the 20 January meeting to the 10 January
- The 17 March meeting be held on the 17 February

2 Context

- 2.1 The Chancellor of the Exchequer, revealed details of the Comprehensive Spending Review(CSR) on 20 October 2010, it covers the four years from 2011-12 to 2014-15. Since then various announcements have been made by the Department for Education(DFE) clarifying some of the details.
- 2.2 It is expected that we will receive notification of the level of the Dedicated Schools Grant , Formula Grant and other grants in early December. Until then we will not know the exact effect of the CSR.
- 2.3 The key announcements in the Spending review on Education are as follows
 - Revenue expenditure by DFE will rise each year, from a baseline of £50.8bn to £53.9bn in 2014-15.
 - Capital expenditure will be reduced by 60% from baseline £7.6bn to £3.4bn by 2014-15 or £15.8n in total over the period.
 - Overall resource savings in DfE's non-schools budget of 12 per cent in real terms by 2014-15.
 - 33% real terms reduction in the DfE's administrative budget by 2014-15.

- Sure Start will be refocused on its original purpose of improving the life chances of disadvantaged children and targeting early intervention on families who need the most support.
- Sure Start services will be maintained in cash terms with an expansion in the numbers of Sure Start health visitors.
- The 15 hours a week of early years education and care will be extended to all disadvantaged two year olds from September 2012.

2.5 For schools specifically

- There will be a real terms increase in the 5-16's school budget of 0.1% in each year of the spending review.
- £2.5bn will be invested in a pupil premium, with investment starting in September 2011.
- An assumed efficiency of £1billion in schools non-pay costs.
- A freeze on pay, saving £1.1billion.
- Underlying per pupil funding will be maintained in cash terms thereby funding demographic growth.
- £15.8bn of capital funding for new schools, rebuilding or refurbishing but some existing BSF projects will be subject to reductions of 40%.
- Funding for specialist schools, including for High Performing Specialist Schools (HPSS), will be mainstreamed from April 2011. This funding, approximately £450 million for 2010-11, is not being removed from the schools system and will now be routed through the Dedicated Schools Grant.
- School sport funding will no longer be ring-fenced and the Department will not continue to provide ring-fenced funding for school sport partnerships. The Department is ending the requirements of the previous Government's PE and Sport Strategy.
- The Government will continue with plans to raise the participation age to 18 by 2015.
- The support currently provided by Education Maintenance Allowances (EMAs) will be limited to students from more disadvantaged backgrounds in future and will be distributed by schools and colleges.
- The total Further Education resource budget (includes 6th forms) will require savings of 25% in unit costs.

2.6 For Local Government

- budget cut on average of 7.1% per year (This to be front-loaded with a 10.7% reduction in the first year).
- Funding in all four years of the Spending Review to enable local authorities to freeze their council tax in 2011-12.
- Greater personalisation and increasing delivery through the voluntary and community sector.
- Ring fencing of all revenue grants will end from 2011-12, except for the DSG and a new public health grant

- The number of separate core grants will be radically reduced from over 90 to less than 10.

The nine grants are:

- Early intervention (likely to include current grants for Teenage Pregnancy, substance and alcohol abuse, young people at risk of becoming NEET, and elements of Sure Start). This to grow to £2billion per annum at the end of the spending period.
- Dedicated Schools Grant(DSG)
- Learning Disabilities
- Public Health grant from 2013 -14
- New Homes Bonus
- Council tax freeze grant
- Housing benefit and Council tax benefit admin grant
- PFI grant
- Preventing Homelessness grant

The first community budgets will be run in 16 local areas (including Lewisham) from April 2011 for families with complex needs. These will pool departmental budgets for local public service partnerships (see 2.15).

2.8 The DFE schools baseline will have the following separate grants merged within it:

- One to one tuition
- 'Every child programmes' such as Every Child a Reader
- Extended schools
- School lunch grant
- School Standards grant
- School Development grant
- Specialist schools grant
- Ethnic Minority Achievement grant
- The National Strategies' budgets that were allocated to schools
- Dedicated Schools grant
- London Pay Addition grant
- Academies running costs.

2.9 Post 16

16-19 provision will be funded to allow schools and colleges to manage the increase in the number of young people. To live within this settlement schools and colleges will have to make unit-cost reductions in the 16-19 participation budgets.

2.10 Educational Maintenance Allowance (EMA)

The Educational Maintenance Allowance (EMA) will be replaced by an enhanced discretionary learner support fund. Decisions about which young people should receive financial support will be made by schools, colleges and training providers. This new fund will target those young people who face a real financial barrier to participation. Young people currently receiving the EMA will continue to receive it for the rest of the academic year. They will not receive it in the next academic year. The EMA scheme will close to new applicants from January 2011.

- 2.11 The Carbon Reduction Commitment has been changed so that there is no longer leagues tables of performance, fines and penalties and a market place trading allowances. It is replaced by an energy levy.
- 2.12 The DfE view is that the voluntary and community sectors play, and will continue to play, a significant role in reforming services for children, young people and families. They are planning to open up public services to enable the voluntary sector to become better involved in delivering key services. Although they do not say yet how much of the overall DfE budget will go to the voluntary sector. They intend to pay and tender for more services rather than be the default provider (this includes children's centers' and mental health). The Government will also look to set specific service areas that should be delivered by non-state providers including voluntary groups (includes youth services) and introduce new rights for communities to run services, own assets and for public service workers to form cooperatives.
- 2.13 There is likely to be a national careers service but the responsibility for NEETS to remain local.
- 2.14 There have been recent critical reports on the complexity of Diploma's so the level of grant funding maybe subject to close scrutiny.
- 2.15 The use of personal budgets will be extended across many services included SEN and support for children with disabilities. The Government will introduce a new and simplified Early Intervention Grant. £2billion will be invested in this grant by 2014-15. This is not a ring fenced grant. The Spending Review also announced a new national campaign to support and help turn around the lives of families with multiple problems. The campaign will be underpinned by local Community Budgets focused on family intervention. These will pool departmental budgets for local public service partnerships to work together more effectively. Councils and their partners will have greater flexibility to work across boundaries in health, policing, worklessness and child poverty. Lewisham is one of the pilot sites. DfE has confirmed that these budgets will be funded from the early intervention grant.

3. Interpretation of the settlement.

- 3.1 While the above contains a lot of detail there are significant number of grants and funding streams that are not mentioned or about which there is only a general comment. At this point in time we can only draw speculative conclusions about what may be in the final allocations. Appendix A lists all the current grants and highlights those that we know about and those we have had to make assumptions about and whether they may or may not be available in the future. Some of these grants are allocated to schools either partially or in their entirety.

3.2 The Institute of Fiscal Studies have published a report which suggests that the impact of the CSR is not the 0.1% real terms increase quoted but rather a real terms reduction of 0.6%. Their message is

- DfE to receive total real-terms cut of 10.8%
- Schools spending including pupil premium to grow by 0.1% per year in real-terms (or 0.4% in total)
- but total pupil numbers to increase by average of 0.7% per year
- total schools spending per pupil to be cut in real-terms by 0.6% per year (total of 2¼%)
- Assuming flat-rate pupil premium of £2,400 (stated total cost £2.5 billion) and underlying funding per pupil frozen in cash-terms
 - 60% of primary school pupils in schools where real funding falls
 - 87% of secondary school pupils in schools where real funding falls
 - 43% of pupils in (less deprived) schools would see cuts of 5% or more
 - 1 in 8 pupils in (very deprived) schools would see increase of 5% or more

3.3 The department admit that some schools will lose funding from their proposals while some will gain, however it is not possible to say how many schools in Lewisham will be affected. This will depend on the level of the Dedicated Schools Grant we receive and the operation of our own funding formula. Decisions will also have to be made about protection levels for the grants that will be incorporated into the DSG. It will mean that some schools will face significant resource issues over the next few years. The only doubt is the number of schools affected and the extent.

3.4 It is difficult to prove or disprove both the DfE and IFS figures as we do not have all the source data and the inflationary assumptions that have used. It is clear that this is going to be, by far, the tightest settlement for schools for some years. Some schools will receive lower levels of funding over the next few years. These problems are unavoidable and it is important that schools start considering their plans as early as possible.

4. The way forward

4.1 At its meeting in July meeting, the Forum was alerted to some of the expected financial difficulties over the coming three years. At that time the Forum asked officers to hold a number of workshops with schools on value for money. In particular these workshops were intended to focus on providing support for schools to work in federations, partnerships and collaborations. To aid this the sessions were organized by the new area groupings.

4.2 The workshops were held during September and October, at the end of each session, schools were asked how they would like to take the agenda forward. Discussions varied but the main themes were

- Secondary Schools would like to discuss further possibilities at their strategic meetings.

- There should be presentations made by schools who have had experience of collaborative working, describing the benefits and the practical obstacles.
- There should be more opportunities to share staffing policies between schools with the same number of forms of entry.

4.3 It is recommended to the Forum that an all schools meeting is held at which presentations are made regarding the practical aspects of federations. These to be given by a combination of head teachers with experience in these areas and also by officers sharing experiences from other Local Authorities / Schools. The session to be a half day held in early January.

5. Budget Planning

- 5.1 As we all know the financial year does not operate on the same timescales as the academic year. In order to make savings the most appropriate time to avoid disruption to the delivery of the curriculum is at the start of the academic year. This has the consequence that any savings in the first year are only a part year effect. The full savings are only seen in the following year. If decisions are not implemented in September the savings will not materialise for eighteen months and by then the school budget may have spiraled out of control, with drastic action needed to bring the budget back in line with the resources available. It is essential that all decisions are implemented by the September in the first year.
- 5.2 This creates practical difficulties, if teaching staff adjustments need to be made, any decisions have to be agreed and ratified by governing bodies before the middle of May, this then allows the appropriate timescales for the necessary consultations with staff and the Trade Unions. The appropriate notice can then be given to the individual teachers concerned.
- 5.3 Currently schools receive notification of their formula allocations and other grants such as the school development grant and school standards grant around the third or fourth week of March. With Easter usually in April this leaves schools with little time to plan and come up with appropriate budget strategies, if they have not already started considering their strategies.
- 5.4 In order to help schools, the earlier schools receive budget notification the better. In practical terms the earliest we could notify schools of their actual funding would be in either late February or the first week of March. There are a number of constraining factors that prevent this from happening currently. Although some can be overcome. The data used in the formula allocation is complex and detailed. The later data is collected the more accurate it is likely to be. For example one factor within the formula is the number of pupils eligible for free school meals, the number in March is likely to be more up to date than the February number as more applications may have been submitted. Although this is true of any data the question that needs addressing is whether collecting data earlier in the year would be significantly different and have a detrimental effect on a school's budget. The data requirements are shown in Appendix B and it is not believed that there is a major risk of schools being funded at significant different levels if the data collection is brought forward.

- 5.5 The major obstacle though is the decision making process that confirms the level of the schools budgets and the method by which the formula allocation operates. The Forum traditionally meet in mid March to consider this. In order to notify schools of their budget in late February or the first week in March this meeting would have to moved to mid February.
- 5.6 If this was agreed it would seem appropriate to move the January (currently 18th) to early January(10th), otherwise two meetings would be held within three weeks of each other. The overall level of the funding settlement for Lewisham would be known at this time and indicative thoughts and options could be considered. Headroom projects or as is more likely in the current financial circumstances, whether existing headroom projects will continue would also be discussed at this meeting.
- 5.7 In a period of tight settlements it is important that schools are planning ahead as early as possible to formulate their plans. In theory schools need not wait to find out their formula allocations to start planning. They should be looking at their budget and likely staff costs in November. The biggest determinate of their budget allocation will be the pupil numbers within the school. In theory the September intake should provide a school with a good guide to there January roll, on which the budget will based. It would seem appropriate that a funding modeling tool is available to schools to aid there forecasting of the funds available to them. It is proposed that a spreadsheet model is provided in early January via the internet to help schools plan ahead. If schools agree to provide forecasts of their January pupil numbers in November the model will contain these numbers. These forecast would also be useful to the decisions being considered by the Forum, if it is agreed to move the January and March meetings stated above in 5.6.
- 5.8 Schools budgeting is complex especially as there are a number of unknowns, such difficulties include future inflation rates and cost of services, some of these will of course be the services provided by the Local Authority. At the time of sending out the budget we will consider whether it is possible to send out the charges for these services.
- 5.9 The indications are that some schools will have financial difficulties during the coming years and this will mean they will need to make staff redundant. Putting aside the human cost, this in itself is a costly exercise and these costs normally can fall on the School Budget and occasionally on the central element of the Dedicated Schools Grant. Ironically we could find at the same time some schools need to take on staff especially in the Primary sector where the increasing pupil numbers will mean extra classes will have to be opened. The governing body of each school are solely responsible for staff appointments and cannot be required to take on other staff from another Lewisham school. However it may well be at this time, worthwhile invigorating and publicising the redeployment policy.

6. Conclusion

There is currently insufficient detail to be able to determine the exact financial impact on schools of the Comprehensive Spending Review. Any conclusions drawn are based on assumptions and conjecture. Perhaps the one thing we can say with some certainty is that some schools will have financial difficulties over the next few years. The only thing we do not know is how many schools

will experience this and the extent of problems they face. If anything it is more likely to prove more difficult for secondary schools especially those with post 16 provision, whereas Primary schools will be protected to a degree by rising pupil numbers coming through the system. Although this does not mean that they will be immune from financial difficulties. Perhaps at the current point in time it is essential that schools start formulating their financial plans and assess how they can be delivered.

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	Note	2010/11 current allocation £	Included in new schools baseline £	Currently received by schools but £	Formula Grant £	Early Intervention Grant* £	Personal Social Care £	Expected to cease £	Unknown £	Comment
Grants allocated either partly or totally to schools										
Ethnic Minority Achievement	1	3,848,175	3,848,175							Currently Lewisham Challenge, Traveller Support Service
School Lunch Grant	1	389,527	389,527							Subsidising higher cost of nutrition requirement in school lunches
Targeted Support for Primary & Secondary Strategy		1,866,641		1,866,641						Split between schools and LA
School Development Grant (Schools Element)	1	11,546,540	11,546,540							
1-2-1 Tuition (Formerly Making Good Progress)	1	1,307,585	1,307,585							
School Standards (including personalisation)	1	7,503,574	7,503,574							
City Challenge		111,425		111,425						Funding allocated during the year
London pay addition	1	983,000	983,000							Through DSG now might be linked to area cost adjustment
Golden Hellos		102,000		102,000						Funding allocated during the year
Training schools		15,000		15,000						
Aiming high (Secondary Schools)		130,000		130,000						
Foundation Learning		64,000		64,000						
Flexibility of Free Entitlement for 3-4 year olds		2,051,083		2,051,083						Some funding goes to PVI's
Extended Schools - Sustainability	1	906,594	906,594							
Extended Schools - Subsidy	1	929,011	929,011							
Diploma Funding		251,000		251,000						Government don't feel supportive, recent critical reports on complexity?
Local Delivery Grant		164,000		164,000						Former Consortium grant, not required to be given to be schools
		32,169,155	27,414,006	4,755,149	0	0	0	0	0	
CYP grants										
Short Breaks (Aiming High for Disabled Children)	3	1,289,400					1,289,400			
Playing for Success	4	80,000						80,000		Expected to end and approach on school sport strategy would support this.
Music Services		396,700							396,700	Protected
Youth Opportunity Fund	2	397,800				397,800				
Targeted Mental Health in Schools Grant	4	222,500						222,500		
Youth Crime Action Plan (Inc NHP & Housing Challenge)	2	257,500				257,500				
Challenge & Support Funding	2	75,000				75,000				
Think Family		487,000							487,000	
Two Year Old Offer	1	816,620				816,620				
Children's Centres	2	8,205,413				8,205,413				
Sufficiency and Access	2	749,870				749,870				
Early Years, Outcomes, Quality and Inclusion	2	1,044,932				1,044,932				
Graduate Leader Fund	2	592,938				592,938				
Every Child A Talker	1	18,184	18,184							
Sure Start Local Programmes	2	2,436,717				2,436,717				
Disabled Children's Access to Childcare (To be confirmed)	2	119,149				119,149				
Transition Support Programme	2	25,000				25,000				
		17,214,723	18,184	0	0	14,720,939	1,289,400	302,500	883,700	
TOTAL CYP		49,383,878	27,432,190	4,755,149	0	14,720,939	1,289,400	302,500	883,700	

Grants that form part of the Area Based Grant		2010/11	In Year	Further known	Formula	EIG	Personal	Expected to	Unknown	
		Allocation	Reduction	Reduction	Grant	Grant	Social Care	cease		
		£	£	£		£	£	£	£	
School Gates Employment		133,500							133,500	
4	School Development Grant	1,729,122	0					1,314,739		
4	Extended Schools Start-Up Grants	366,293	0					278,511		
	Primary National Strategy - Central	158,237	0						158,237	
	Secondary National Strategy Central Co-ordination	150,551	0						150,551	
	Secondary National Strategy - Behaviour and Attendance	68,300	0						68,300	
	School Improvement Partners	91,840	0						91,840	
	Education Health Partnerships	78,387	0						78,387	
	School Travel Advisers	26,000	0						26,000	
	Choice Advisers	45,935	0						45,935	
	School Intervention Grant	60,600	0						60,600	
	14 - 19 Flexible Funding Pot	53,348	0						53,348	
	Sustainable Travel - General Duty	17,184	0						17,184	
	Extended Rights to Free Transport	14,128	0						14,128	
2 Part	Connexions	2,787,305	0			2,787,305				Likely to be split and part used for the new career service ?
4	Children's Fund	876,978	0					666,811		
4	Child Trust Fund	9,133	0					6,944		
2	Positive Activities for Young People	1,394,146	0			1,394,146				
2	Teenage Pregnancy	314,000	0			314,000				
	Children's Social Care Workforce	216,842	0				216,842			Could be part of recycled personal social care?
	Youth Taskforce	0	0							
3	Care Matters White Paper	573,153	0	-286577	286,576					Reduced to 50% of current value by 2014/5
3	Child Death Review Processes	91,826	0	-45913	45,913					Reduced to 50% of current value by 2014/5
2	Young Peoples Substance Misuse	41,362	0			41,362				
	Designated Teacher Funding	13,086	0						13,086	
	January Guarantee	27,419	0						27,419	
	LSC Staff Transfer: Special Purpose Grant	257,765	0	-103106	154,659					Reduced to 40% of current value by 2014/5
		9,596,440	0	-435,596	487,148	4,536,813	216,842	2,267,005	938,515	
	Child and Adolescence Mental Health Services (DOH)	1,224,018					1,224,018			Into Ongoing Personal Social Services appears to increase by 10% to 2014/15
	Carers (CYP Allocation) (DOH)	351,700					351,700			There's a recycled Personal Social Services that includes safeguarding and autism
		58,980,318			487,148	19,257,752	1,506,242	2,569,505	1,822,215	

* Currently we do not have precise details of the Early Intervention Grant but do know that it will cover teenage pregnancy, substance and alcohol misuse, young people at risk of becoming Neet or committing anti-social behaviour and Sure Start funding

Note 1 Expect grants to go into DSG or other discrete simplified schools grant

Note 2 These grants could be linked in total or part to the new EIG

Note 3 New Care Grant for social care existing grants halved and unringfenced

Note 4 To be ceased or expected to be ceased

Data Required For ISB Funding Formulas

Schools Census Pupil Numbers
Casual Joiners Off Roll
Casual Joiners On Roll
Casual Leavers
EAL Data
Foundation Stage Profile Results
Free School Meal Eligibility
Pupils With 3 Schools Or More In Phase
Pupils With Band 3 In PST Testing
Summer Term Early Years Hours
Autumn Term Early Years Hours
Spring Term Early Years Hours
Early Years Deprivation - IDACI Ranking
Early Years OFSTED Judgements
Autumn Term 6th Form Numbers
YPLA 6th Form Funding
SEN Units - Places
Statemented SEN Matrix
External Floor Area
Internal Floor Area
PO's Entitled To Council Tax/Rent
School Energy Spend
Split Site Travels
Sums Insured
Swimming Pools
Total Insurance Charge
Additional Bulge Class Year Places
NQT Numbers - Autumn Term
NQT Numbers - Spring Term
NQT Numbers - Summer Term
PAN's (For Irregular Admissions)
Salary Safeguarding Details
Total Catering Charge
Upper Pay Scale Staff
College Course Spend
Special School Banding Data
Special School Places
Average Lewisham Rent (For PO Rents)
Average Teacher Salary (For AWPU Inflation)
Catering Client Increase (SLA)
Council Tax Rates (For PO's)
NDR Charges
MFG Variation Decisions By Schools Forum
Schools Forum Headroom Decisions

Budget Monitoring 2010/11 as at the end of September 2010

1. Purpose of the Report

To consider latest forecast position for 2010/11 .

2. Recommendation

- i) The Forum note the current forecast outturn position.

3. Budget monitoring position for October

- 3.1 Appendix A gives a detailed breakdown of the monitoring situation
- 3.2 There is little change from the budget monitoring position considered at the meeting on the 11 October. The Dedicated Schools Grant is still showing an end of year overspend position of £155k.
- 3.3 As discussed at the last meeting the overspend relates to the bulge classes. The details of the revenue costs incurred by schools in setting up the bulge classes has been requested. Some of this data has been returned to us but not all.
- 3.4 Analysis of this data will take place over the next month and a report brought to the January meeting of the Forum.

Conclusion

It is pleasing that the budget remains in control, although the cost of the bulge classes will have to be addressed.

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Ref	Heading	Budget £'000	Actual £'000	Variance £'000	Comments
1.0.1	Individual Schools Budget	167,086	167,086	0	
1.0.9	Under 5s in Private/voluntary/independent settings	3,598	3,598	0	
1.0.10	Central expenditure on education of children under 5s	3,048	2,112	-936	Contribution from Sure Start Grant
1.1.2	School-specific contingencies	2,309	3,950	1641	SEN carry forward and bulge class pressure offset by savings created by grant substitution
1.1.3	Early Years contingency	530	480	-50	Reduction in expected numbers
1.2.1	Provision for pupils with SEN (including assigned resources)	1,897	1,862	-35	Contribution from Sure Start Grant
1.2.2	Provision for pupils with SEN, provision not included in line 1.2.1	1,762	1,762	0	
1.2.3	Support for inclusion	36	36	0	
1.2.4	Fees for pupils at independent special schools	4,369	4,119	-250	Contingency set aside for in year new cases expected now not to be used
1.2.6	Fees to independent schools for pupils without SEN	0	0	0	
1.2.7	Inter-authority recoupment	2,676	2,476	-200	Invoices accrued for now not expected
1.3.1	Pupil Referral Units	3,305	3,305	0	
1.3.2	Behaviour Support Services	1,327	1,327	0	
1.3.3	Education out of school	1,346	1,346	0	
1.3.4	14 - 16 More practical learning options	619	619	0	
1.4.2	Free school meals - eligibility	96	96	0	
1.5.1	Insurance	0	0	0	
1.5.2	Museum and Library Services	0	0	0	
1.5.3	School admissions	473	458	-15	Contribution from Sure Start Grant
1.5.4	Licences/subscriptions	143	143	0	
1.5.5	Miscellaneous (not more than 0.1% total of net SB)	189	189	0	
1.5.6	Servicing of schools forums	70	70	0	
1.5.7	Staff costs - supply cover (not sickness)	844	844	0	
1.5.8	Supply cover - long term sickness	0	0	0	
1.5.9	Termination of employment costs	160	160	0	
1.7.1	Capital Expenditure from Revenue (CERA) (Schools)	2,498	2,498	0	
		198,381	198,536	155	

**Proposals for changes to the Scheme of Delegation
and Schools Finance Manual update**

1. Purpose of the Report

In order to reduce the bureaucratic burden on schools, the number of returns required to be sent to the Local Authority is being reduced. This report looks at agreeing them and seeks the Forum's agreement to technical updates to the Scheme of Delegation and finance manual.

- i) The Forum agree to adopt the revised terms shown in paragraph 4.3 and 4.4**

3. Background

- 3.1 The School Finance (England) (Amendment) Regulations 2010 came into force on 8th March 2010 it is now a requirement for local authorities to publish their latest version of their Scheme for Funding Schools on a publicly accessible website. Revised versions of the Scheme must also be published before the date from which the revisions take effect, and it must be made clear when this date is.
- 3.2 The current scheme documentation has been reviewed and there are some amendments that need to be made.

4. Proposals

- 4.1 The proposed changes are amendments listed in para 4.3 and para 4.4.
- 4.2 Any administrative updates to take account of changes in titles, departments (e.g. DCFS becoming DfE), responsibilities, numbering, errors and formatting will be presented as a verbally.

4.3 Specific changes to Scheme of delegation

Old	New	Current	Proposed
2.2	2.2	<p>Schools are required to provide the LA with details of forecast and actual expenditure and income, in a form and at times determined by the LA. During each year, schools will be required to submit financial and other returns to the LA on a regular basis (e.g. monthly, termly or annually) as set out in the Schools Finance Manual.</p> <p>The LA does not require submission of such details more often than once every three months except for those connected with tax or banking reconciliation, except where the LA has notified the school in writing that in its view the school's financial position requires more frequent submission or the school is in its first year of operation.</p>	Delete paragraph
Reason		To reflect proposed changes to submissions of financial returns	
3.5.1	3.5.1	<p>Accounts may only be held for the purpose of receiving budget share payments, at the following banks or building societies.</p> <p>Santander UK plc (including Alliance and Leicester , Bradford and Bingley Building Society and Abbey National Bank) Lloyds TSB (including Halifax Building Society and Bank of Scotland) Barclays Bank Co-operative Bank (including Britannia Building Society) HSBC Royal Bank of Scotland (including National Westminster Bank)</p>	<p>Accounts may only be held for the purpose of receiving budget share payments, at the following banks or building societies.</p> <p>Santander UK plc (including Alliance and Leicester , Bradford and Bingley and Abbey National) Lloyds (including TSB , Halifax, Cheltenham and Gloucester, Bank of Scotland, Scottish Widows) Barclays (including Standard Life) Co-operative (including Britannia Building Society, Smile, Unity Trust) HSBC (including First Direct) Royal Bank of Scotland (including National Westminster)</p>
Reason		To reflect current banking groups and their subsidiaries	
4.8	4.8	<p>When a school closes, any balance (whether surplus or deficit) shall revert to the LA; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school.</p> <p>The LA may deduct any deficit balance from a closed school from any additional funding made available to a successor school, such as non-earmarked LA funding, but not from the ISB budget.</p>	<p>When a school closes, any balance (whether surplus or deficit) shall revert to the LA; it cannot be transferred as a balance to any other school, unless it is to convert to an Academy under the provisions of the Academies Act 2010 which requires the LA to pay over the school's surplus to the academy.</p> <p>The LA may deduct any deficit balance from a closed school from any additional funding made available to a successor school, such as non-earmarked LA funding, but not from the ISB budget.</p>
Reason		The Academy Conversions (Transfer of School Surpluses) Regulations 2010	

4.4 Specific changes to the Finance Manual

Documents to be returned to CYP Finance on a monthly basis:

Bank reconciliation form completed and signed from 1 April to current month end.	Now quarterly
Copy of bank statement from 1 April to current month end.	deleted
Report from accounting system of all ISB and Standards Fund cash advances received.	deleted
Report from accounting system of the cash book balance brought forward at 1 April and end of the month.	deleted
Report from accounting system of a list of unrepresented cheques as at the end of the month.	deleted
Report from accounting system of the outstanding VAT as at the end of the month.	
Report from accounting system of external funds received and paid out.	deleted
Report from accounting system of income & expenditure analysis for ISB, Standards Fund and school meals.	deleted
Report from accounting system of budget accounts.	deleted
CFR "Ad hoc" report.	Now quarterly

Public Accounts Committee request to change the Schools Forum Terms of Reference

1. Purpose of the Report

To consider the recommendation made by the Public Accounts Committee to update the Forum's Terms of Reference on accountability.

2 Recommendations

The Forum agree to the following being added to the Terms of Reference

“That members will feedback any important business discussed by the Forum that effects all schools to there collaboratives or sector strategic (if they are members) meetings”

3. Background

- 3.1** In the Autumn term the Public Accounts Committee undertook a review of the work of the Forum. These type of reviews are not unusual and it is part of the committees remit to select particular areas to consider.
- 3.2** The committee started the review by setting Key Lines of Enquires, and officers were asked to provide written answers to a variety of questions. This was followed up by a meeting of the committee, whereby the Chair and Vice Chair of the Forum were asked to attend and further questioned about the Forum's work.
- 3.3** Finally in December the committee produced a report together with a list of recommendations. Officers responded to these recommendations and they were agreed by the Mayor and Cabinet agreed on 14 April. The report to Mayor and Cabinet is attached in Appendix A.
- 3.4** The Forum have previously been provided with a copy of the report and it's recommendations at it's meeting on 21 January 2010.

4 Recommendations

- 4.1** One of the recommendations concerned changing the Terms of Reference of the Forum. These are attached in Appendix B. The Public Accounts Committee asked that they should be expanded to

include mention of accountability (e.g. To ensure that all Members of the Forum provide adequate feedback to their constituents in order that all Headteachers and Governors in the borough are well-informed about the Forum's role and work).

4.2 This is not seen as an onerous duty on Forum members but to formalize something that is already taking place.

4.3 It is suggested that following is inserted in the terms of reference

“That members will feedback any important business discussed by the Forum that effects all schools to there collaboratives or sector strategic (if they are members) meetings”

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Committee	MAYOR AND CABINET	Item no	7
Title	Response to Review of the Schools Forum and Dedicated Schools Grant by the Public Accounts Committee		
Wards	All wards		
Contributors	Executive Director for Children and Young People		
Class	Part 1	Date	14 April 2010

Summary

- 1.1 The Public Accounts Committee produced a report following their review of the Schools Forum and Dedicated Schools Grant (DSG). The report was received by Mayor and Cabinet on 20th January 2010. The Mayor requested the Executive Director respond to the recommendations in the report.
- 1.2 Each recommendation is reproduced below in paragraphs 5.1 to 5.13 with officer responses following each.

2. Purpose

- 2.1 This report provides a response to the matters arising from the Public Accounts Committee.

3. Recommendation

The Mayor is recommended to

- 3.1 Agree the responses to the recommendations set out in paragraphs below and that they be sent to the Public Accounts Committee .

4. Policy Context

- 4.1 Schools Forums were established by the Schools Forums (England) (Amendment) Regulations 2008 and 2005 and the Schools Forums (England) Regulations 2002. The Forum is made up of representatives from Schools, Early Years Settings and the 14 -19 consortium. The Forum has a consultative and advisory role in school funding and financial matters. It does not hold a budget. The Forum must be consulted and agree if the proposed percentage increase to the centrally managed share of the Designated Schools Grant (DSG) is greater than the overall DSG settlement. If the Forum does not agree, the Authority can appeal to the DCSF.

- 4.2** The Public Accounts Committee decided to undertake this review because it was interested in how the Schools Forum, which is responsible for the allocation of Dedicated Schools Grant (DSG), was held accountable. In 2008/09 Lewisham was allocated £172.4m in DSG and the Schools Forum was responsible for allocating £145.4m of this funding to schools and agreeing what the remaining £27m of centrally managed expenditure would be spent on. The Committee was aware that, although it received information on the DSG via its regular budget monitoring work, the decisions made by the Schools Forum received no regular scrutiny from either the Public Accounts or the Children and Young People Select Committee; and Members were, generally, poorly informed about how the Forum operates. The Committee therefore felt it should investigate how greater transparency and accountability could be achieved; and value for money ensured.

5. Response to recommendations

The Public Accounts Committee made the following recommendations designed to increase transparency, accountability and value for money in respect of the Schools Forum and DSG:

- 5.1. **Recommendation:** More information on the Schools Forum, its role, current work and the work of its sub-groups should be included in the Governors termly information pack.

Response: It is accepted that further work should be done to ensure the work of the Forum is communicated effectively in the termly information pack to governors. The pack has always contained some details of the work of the Forum particularly when significant alterations were being made to the funding arrangements for schools. The provision of information has been strengthened in the Spring newsletter and more detailed reports provided. Officers will ensure that this practice continues.

- 5.2 **Recommendation:** The Governors' termly information pack should list all sub-groups currently operating on which there are Governor nominees, together with details of how to contact those groups.

Response: It is accepted that this would be a helpful action and the sub-group list will be included in the information pack.

- 5.3. **Recommendation:** Minutes of the Schools Forum should be published on the Lewisham website and on each school's internal website; and provided to Governors by email or post. (Any confidential matters can be recorded in separate confidential minutes if required).

Response: The minutes are currently published on the intranet which limits access purely to schools rather than Governors and the general public. It would also seem appropriate to publish the reports at the same time, which will provide context to the minutes. If the documents were published on the Borough's public website the duplication of effort and cost for schools of publishing then on their own website would not necessarily be proportional to

the benefits. It would be possible for schools to provide a link to the Council's website. Due to the numbers of governors it would seem more appropriate to send to Governors a copy on a request basis only rather than as standard practice. The link to the reports and minutes can be included in the Governors termly information pack and also will continue to be included in the relevant school mailing to Headteachers.

- 5.4. **Recommendation:** The Forum's annual work programme should be sent to all Headteachers and Chairs of Governors in the borough at the start of each academic year, requesting input and inviting suggestions.

Response: The work programme can be sent out. However to ensure that suggestions are consistent with the responsibilities of the Forum the contents can be discussed at the relevant consultative groups together with the Governors Management Committee rather than requesting input and suggestions from all governors.

- 5.5. **Recommendation:** A standing item on feedback from the Schools Forum should appear on every agenda of the Governors Management Committee.

Response: Agreed.

- 5.6. **Recommendation:** Each Governing Body should be advised to have a standing item on the Schools Forum at each meeting.

Response: It is up to each governing body to decide on their own agenda. The work of the Forum could overlap and take away attention from the main purpose of the governing body of raising standards in schools. Given the increased communications through the Governing Management Committee, termly information pack and the distribution of the annual work programme, this would seem sufficient. However where the Schools Forum is considering issues with a potential impact on all Governing Bodies they could be advised to include the item on the agenda of the appropriate meeting of the Governing Body.

- 5.7. **Recommendation:** Headteachers should be reminded of their responsibility to keep their governors informed about the work and role of the Schools Forum.

Response: Agreed

- 5.8 **Recommendation:** The Schools Forum terms of reference should be expanded to include mention of accountability (e.g. To ensure that all Members of the Forum provide adequate feedback to their constituents in order that all Headteachers and Governors in the borough are well-informed about the Forum's role and work).

Response: This will be taken to Forum in the Summer Term.

- 5.9. **Recommendation:** Further consideration should be given to the level and intensity of finance training for governors, to enable them to fulfil their role in the stewardship of public funds and in ensuring value for money, in view of the limited assurance levels awarded to schools by internal audit.

Response: The assurance levels for audits in 2009/10 has significantly improved over the previous year. A round of Governors' training took place on 24 February and consideration is already being given to the content of future programmes so that they are more challenging for Governors and will in particular look at the Value for Money agenda.

5. 10. **Recommendation:** Consideration should be given to expanding the role of Governing Body Clerk to incorporate a research and analysis element, in order to enhance the support available for Governors to enable them to better carry out their 'critical friend' role.

Response: The role of the clerk is based on clerking the meeting and the pay levels set reflect this task under the Job Evaluation Scheme currently being adopted . Hence any extra responsibilities may result in a revaluation of the posts and extra costs being borne by schools. It would seem that with enhanced information being provided in the newsletter, better publication of reports and minutes, Headteacher feedback and challenging training this need will be met anyway. Any decision on expanding the clerking service a Governing Body receives is a matter for that Governing Body.

5. 11. **Recommendation:** Members of the Public Accounts and Children and Young People Select Committee should be kept updated on (a) the action being taken to address the limited assurance reports on schools in the borough; and (b) the findings of the Audit Panel once they have reviewed this issue.

Response: The findings are already presented to the Audit Panel and the Public Accounts Committee, so there is already close scrutiny. When a school receives an audit report with "Limited Assurance" the Audit Panel challenges officers on the progress being made and support being offered to the school to ensure that they reach a standard whereby it is possible to issue a report showing "Substantial Assurance". Those schools receiving "Limited Assurance have been reduced and of the audits in 2009/10 that are complete 13 out of 16 are at Adequate or Substantial Assurance.

- 5.12. **Recommendation:** The Children and Young People Select Committee should receive a six monthly information report on the activities of the Schools Forum.

Response: It is for the Children and Young People Select Committee to decide on their annual work programme. Where there are significant issues or proposed policy changes, officers will always alert the chair of the committee so she / he can consider the matter. The annual work programme of the School Forum will be shown to the Chair of the select Committee so that reports can be asked for on any matter or on the work of the Forum overall.

- 5.13. **Recommendation:** The financial reporting information on the DSG provided to the Public Accounts Select Committee should be expanded to allow better scrutiny.

Response: The reports can be expanded to show the current financial situation of the Dedicated Schools Grant and the likely outturn position of the central services met from the grant.

6. Conclusion

The recommendations in the Public Accounts Report around improving the communication links between the Forum, Individual Schools and Governors are welcome and will aid openness and transparency. However there does need to be a balance between timely and relevant information and the overload of information. This is particular true for Governors who willingly give up their valuable free time to volunteer to help and challenge schools.

Terms of Reference

Introduction

The Schools Forum meets 6 times per year. Its representation consists of :

- nursery, primary, secondary and special school heads
- primary, secondary and special school governors
- parent governors
- A Southwark Diocesan Board of Education representative
- An Archdiocese of Southwark Schools' Commission representative
- A 14-19 Consortium representative
- An Early Years representative
- An Academies representative (*shortly to be appointed*)

The Forum is responsible for considering

- any proposed changes to the schools funding formulas factors or criteria that were adopted in their formula made in accordance with regulations made under section 47 of the School Standards and Framework Act 1998
- the financial effect of any such change

Statutory Duties

The forum must be consulted and agree if the proposed percentage increase to the centrally managed share of the Designated Schools Grant (DSG) is greater than the overall DSG settlement.

Other responsibilities

- monitor and track schools with deficits
- to advise and support schools to gain the expertise with which to manage their finances effectively.

The Schools Forum is also consulted on:

- arrangements to be made for the education of pupils with special educational needs
- arrangement for early years education, the use of pupil referral units, the education of children otherwise than at school
- insurance of school premises and professional indemnities
- prospective revisions to the relevant authority's scheme of financing of schools
- administration arrangements for the allocation of central government grants paid to schools
- arrangements for free school meals
- proposed contract for supplies or services paid out of the schools budget, e.g. catering

Local Authority Benchmarking data

1. Purpose of the Report

To update members of the latest s251 benchmarking data

2 Recommendations

i) The forum note the report

ii) Officers be asked to bring a thorough report to the next Forum on the levels of spending on Special Education Needs in other Local Authorities.

3. Comparisons

- 3.1 Appendix A shows a comparison on a per pupil basis of all the budget headings within the DSG for our statistical neighbours.
- 3.2 In all there are 11 Local Authorities in the group, the ranking compares our position in the table, the higher the ranking the higher the spend. So if the ranking is 1 it reflects the highest spending authority.
- 3.3 Such statistics are always difficult to interpret as not all Authorities categorise the expenditure in the same way, so a degree of care is needed. It is not necessarily either good or bad to be either at the lowest or highest end of the spending spectrum. It is more important that the statistics provide a challenge to the current policies being adopted. It could well be that the level of spend is appropriate.
- 3.4 Useful information can be gleaned from these statistics, if we take all the SEN headings together we can see that we are one of the highest spenders. Our non-statemented costs are particular high, this covers
- Specialist Teachers
 - ASD Outreach & SEN Training
 - Early Years Specialist Support Worker
 - Mental Health Support Services In Schools

It maybe that other authorities delegate these costs or they show them else where on the s251 statement. Only further investigation will confirm this.

- 3.5 Central administration is high. This covers School admissions, Licences/ subscriptions, servicing of schools forums, cover for maternity, suspensions, termination of employment costs and

miscellaneous. The maternity represents around 50% of our spending. This cost is dealt with differently in other authorities and the cost is met from school budgets. In Lewisham we are currently exploring with the Insurance Team how these costs could be managed within the supply cover insurance arrangements.

4 **Next Steps**

This data provides useful benchmarking data and allows us to challenge whether we are provide value for money.

5 **Conclusion**

This data provides useful benchmarking data and allows us to challenge whether we are providing value for money.

Dave Richards

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Section 52 - 2009/10 Comparisons with statistical neighbours

Item 10 Appendix A

Col Ref	Budget Heading	Average £	Minimum £	Maximum £	Lewisham £	Rank £	Brent £	Croydon £	Greenwich £	Hackney £	Hammer smith and Parish £	Haringey £	Islington £	Lambeth £	Southwark £	Waltham Forest £
Col 1	Individual Schools Budget	4,973	3,879	5,434	5,089	6	4,819	3,879	5,021	5,151	5,345	4,826	5,177	5,428	5,434	4,537
Col 10	Expenditure on the Free Entitlement in PVI providers	148	82	290	110	8	99	117	93	190	163	118	290	132	239	82
Col 11	Central expenditure on education of children under 5	66	0	277	93	3	0	61	0	277	42	35	24	162	17	14
Col 12	Support for schools in financial difficulty	3	0	10	0	5	0	0	0	10	0	7	10	0	10	0
Col 13	School-specific contingencies	77	4	224	70	4	40	4	134	224	23	35	197	46	22	49
Col 14	Early Years contingency	4	0	27	16	2	2	0	27	0	0	0	0	0	0	3
Col 15	Provision for pupils with SEN (including assigned resources)	58	5	105	58	6	58	55	69	105	5	57	83	67	67	18
Col 16	Provision for pupils with SEN, provision not included in line above	13	0	62	54	2	62	0	25	0	0	7	0	0	0	0
Col 17	Support for inclusion	22	0	48	1	10	20	0	29	43	14	7	32	19	48	28
Col 18	Fees for pupils at independent special schools	141	91	211	133	4	127	211	91	131	198	174	128	128	112	123
Col 19	SEN transport	1	0	6	0	3	6	0	0	0	0	0	1	0	0	0
Col 20	Fees to independent schools for pupils without SEN	1	0	11	0	2	0	0	0	0	0	0	0	0	11	0
Col 21	Inter-authority recoupment	40	-46	117	82	4	32	87	-5	107	31	-9	29	117	16	-46
Col 22	Contribution to combined budgets	11	0	55	0	7	19	0	55	0	0	12	10	10	20	0
Col 23	Total Schools Budget SEN	288	124	385	327	4	324	352	264	385	248	248	283	341	274	124
Col 24	Pupil Referral Units	109	28	193	101	7	47	107	95	166	193	63	125	160	116	28
Col 25	Behaviour Support Services	25	3	60	40	3	6	30	60	31	3	23	49	9	18	5
Col 26	Education out of school	25	0	46	41	3	45	0	40	21	0	30	8	11	46	31
Col 27	Total PRUs/ Behaviour Support/ Education Otherwise	159	64	218	182	4	98	136	195	218	195	116	182	180	180	64
Col 28	14 - 16 More practical learning options	10	0	27	19	4	0	2	27	22	0	15	27	0	0	2
Col 29	School meals - nursery, primary and special schools (1.4.1)	2	0	20	0	2	0	0	0	0	0	0	0	20	0	0
Col 30	Free school meals - eligibility (1.4.2)	4	0	17	3	6	1	0	4	5	3	0	4	17	6	0
Col 31	Milk (1.4.3)	0	0	3	0	2	0	0	3	0	0	0	0	0	0	0
Col 32	School kitchens - repair and maintenance (1.4.4)	1	0	6	0	4	0	0	0	1	0	0	2	6	0	0
Col 33	Total Schools Budget Access	7	0	43	3	6	1	0	7	6	3	0	6	43	6	0
Col 34	Insurance	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Col 35	Museum and Library Services	0	0	2	0	2	0	0	0	0	0	0	2	0	0	0
Col 36	School admissions	17	10	37	14	6	10	10	16	37	13	14	24	10	22	17
Col 37	Licences/subscriptions	2	0	6	4	3	2	0	5	6	1	0	3	0	1	0
Col 38	Miscellaneous (not more than 0.1% total of net SB)	7	0	22	6	4	2	2	13	22	0	5	1	0	18	4
Col 39	Servicing of schools forums	1	0	3	2	2	1	0	1	2	3	0	1	0	1	2
Col 40	Staff costs - supply cover (not sickness)	14	0	38	26	2	9	0	4	25	38	18	6	0	22	7
Col 41	Supply cover - long term sickness	0	0	1	0	2	0	0	0	1	0	0	0	0	0	0
Col 42	Termination of employment costs	3	0	10	5	4	0	0	0	10	0	0	5	0	10	8
Col 43	Total Schools Budget Central Administration	45	10	103	57	3	23	12	39	103	56	38	42	10	74	38
Col 44	School Development Grant - Non-Devolved	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Col 45	Other Standards Fund Allocation - Non-Devolved	1	0	13	0	2	0	0	0	0	0	0	0	0	0	13
Col 46	Other Specific Grants	-2	-27	1	0	2	0	1	-27	0	0	0	0	0	0	0
Col 47	Performance Reward Grant	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Col 48	Total Schools Budget Non-Devolved Grants	-1	-27	13	0	3	0	1	-27	0	0	0	0	0	0	13
Col 49	Capital Expenditure from Revenue (CERA) (Schools)	33	0	108	76	2	0	6	29	21	59	15	108	0	15	33
Col 50	Prudential borrowing costs	0	0	3	0	3	0	2	0	0	0	3	0	0	0	0
Col 51	TOTAL SCHOOLS BUDGET	5,837	4,572	6,767	6,043	6	5,408	4,572	5,911	6,767	6,134	5,456	6,346	6,343	6,271	4,958
	% Delegated	1	1	1	1	9	1	1	1	1	1	1	1	1	1	1
	Total Early Years	217	99	467	203	6	101	178	120	467	205	153	314	294	256	99
	Total Special Educational Needs	606	252	821	691	3	520	625	654	821	639	480	647	701	634	252

Section 52 - 2009/10 Comparisons with statistical neighbours

Item 10 Appendix A

Col Ref	Budget Heading	Average	Minimum	Maximum	Lewisham	Rank	Brent	Croydon	Greenwich	Hackney	Hammer-smith and Whitechapel	Haringey	Islington	Lambeth	Southwark	Waltham Forest
Col 52	Educational Psychology Service (2.0.1)	25	17	40	20	8	17	17	27	29	31	22	40	19	25	32
Col 53	SEN administration, assessment and co-ordination (2.0.2)	17	7	30	15	6	30	15	13	13	23	18	18	7	20	15
Col 54	Therapies and other health related services (2.0.3)	3	0	13	0	7	8	13	0	5	2	0	3	4	0	0
Col 55	Parent partnership, guidance and information (2.0.4)	4	2	11	2	5	2	2	2	4	2	11	5	2	9	2
Col 56	Monitoring of SEN provision (2.0.5)	4	0	12	2	8	0	0	5	5	12	0	6	12	4	3
Col 57	Total Special Education (2.0.6)	53	39	71	39	11	57	46	46	57	70	50	71	42	58	52
Col 58	Excluded pupils (2.1.1)	5	0	38	0	6	0	1	2	0	1	0	38	13	0	0
Col 59	Pupil support (2.1.2)	7	0	29	4	6	7	0	17	4	29	1	5	0	7	0
Col 60	Home to school transport: SEN transport expenditure (2.1.3)	96	46	123	81	10	84	121	88	123	102	46	88	113	117	90
Col 61	Home to school transport: other home to school transport expenditure (2.1.4)	4	0	43	0	4	0	0	2	0	0	43	0	0	1	0
Col 62	Home to post-16 provision transport: SEN/ LLDD transport expenditure (aged 16-18) (2.1.5)	2	0	5	5	1	0	0	0	5	0	5	0	3	0	2
Col 63	Home to post-16 provision transport: SEN/ LLDD transport expenditure (aged 19-25) (2.1.6)	1	0	5	0	3	0	0	0	0	0	5	0	0	0	5
Col 64	Home to post-16 provision transport: other home to post - 16 transport expenditure (2.1.7)	0	0	5	0	2	0	0	0	0	0	5	0	0	0	0
Col 65	Education Welfare Service (2.1.8)	24	9	36	27	5	13	19	20	30	36	35	19	9	34	26
Col 66	School improvement (2.1.9)	76	30	173	88	3	82	41	100	173	54	30	80	82	63	39
Col 67	Total Learner Support (2.1.10)	215	163	335	205	7	186	182	228	335	221	170	229	220	221	163
Col 68	Asset management - education (2.2.1)	16	1	38	38	1	2	1	8	19	20	35	16	7	28	6
Col 69	Supply of school places (2.2.2)	4	0	15	0	8	11	0	0	15	3	0	8	1	2	4
Col 70	Music services (not Standards Fund supported) (2.2.3)	3	0	12	3	4	12	6	0	5	0	2	0	0	0	1
Col 71	Visual and performing arts (other than music) (2.2.4)	1	0	4	0	4	0	0	0	4	0	2	0	0	2	0
Col 72	Outdoor Education including Environmental and Field Studies (not sports) (2.2.5)	3	0	9	4	4	0	0	5	0	0	3	8	0	0	9
Col 73	Total Access (2.2.6)	26	7	45	45	1	26	7	13	42	23	42	32	9	31	20
Col 74	16 - 18 Further education (3.0.1)	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Col 75	16 - 18 Provision other than schools and FE (3.0.2)	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Col 76	14 - 19 Reform (3.0.3)	1	0	11	1	3	0	0	0	11	0	0	0	0	4	0
Col 77	Total Young people's learning and development (3.0.4)	2	0	12	1	3	0	0	0	12	0	0	0	0	4	0
Col 78	Capital Expenditure from Revenue (CERA) (Young people's learning and development) (3.0.5)	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Col 79	Positive activities for young people (3.2.1)	45	0	214	0	8	10	66	20	72	6	0	214	0	104	0
Col 80	Youth Work (3.2.2)	43	0	95	49	6	36	0	51	95	51	36	10	55	32	56
Col 81	Connexions (3.2.3)	24	0	59	44	3	43	36	59	56	0	0	0	0	22	0
Col 82	Discretionary Awards (3.2.4)	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Col 83	Student Support under new Arrangements and Mandatory Awards (3.2.5)	3	0	7	5	4	0	3	6	0	4	3	0	7	0	6
Col 84	Total Services for young people (3.2.6)	114	39	225	99	6	89	105	136	223	61	39	225	62	158	62
Col 85	Capital Expenditure from Revenue (CERA) (Services for young people) (3.3.1)	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Col 86	Adult and Community learning (4.0.1)	10	0	21	10	6	0	21	11	4	8	0	18	13	7	13
Col 87	Total Adult and Community Learning (4.0.2)	10	0	21	10	6	0	21	11	4	8	0	18	13	7	13
Col 88	Capital Expenditure from Revenue (CERA) (Adult & Community) (4.1.1)	1	0	7	0	2	0	0	0	0	7	0	0	0	0	0
Col 89	Secure accommodation (youth justice) (5.0.1)	3	0	9	9	1	7	1	0	3	5	0	0	0	8	0
Col 90	Youth Offender Teams (5.0.2)	30	11	93	29	4	14	24	11	93	33	15	24	25	38	19
Col 91	Other Youth Justice services (5.0.3)	3	0	20	0	5	0	2	4	6	0	20	0	0	0	0
Col 92	Total Youth Justice (5.0.4)	36	15	102	38	3	22	27	15	102	38	35	24	25	46	19
Col 93	Residential care (6.0.1)	134	62	284	120	7	128	88	165	62	125	284	84	159	144	120
Col 94	Fostering services (6.0.2)	202	92	313	222	4	154	92	259	128	209	180	245	313	215	204
Col 95	Other children looked after services (6.0.3)	49	2	154	71	4	10	23	22	77	67	154	2	13	94	11
Col 96	Secure accommodation (welfare) (6.0.4)	4	0	8	2	7	5	2	0	0	3	8	8	8	4	0
Col 97	Short breaks (respite) for looked after disabled children (6.0.5)	6	0	25	7	4	0	12	0	0	0	18	25	6	0	2
Col 98	Children placed with family and friends (6.0.6)	4	0	20	7	3	11	0	0	1	0	0	20	0	7	0
Col 99	Advocacy services for children looked after (6.0.7)	1	0	3	2	2	0	0	0	1	3	0	0	0	2	0
Col 100	Education of looked after children (6.0.8)	6	0	17	0	10	0	3	3	8	12	12	17	1	2	4
Col 101	Leaving care support services (6.0.9)	41	8	87	23	9	87	61	23	34	36	63	59	26	8	32
Col 102	Asylum seeker services - children (6.0.10)	3	0	12	5	4	10	12	2	2	0	6	0	0	0	0
Col 103	Unaccompanied asylum children: assessment and case management (6.0.11)	4	0	26	2	5	4	0	0	5	26	0	0	6	2	0
Col 104	Unaccompanied asylum children: accommodation (6.0.12)	2	0	10	0	4	7	0	0	0	7	0	0	10	0	0
Col 105	Total Children Looked After (6.0.13)	457	293	725	460	6	417	293	474	319	489	725	460	541	480	374

Col Ref	Budget Heading	Average	Minimum	Maximum	Lewisham	Rank	Brent	Croydon	Greenwich	Hackney	Hammer smith and Whitechapel	Haringey	Islington	Lambeth	Southwar k	Waltham Forest
Col 106	Child death review processes (6.1.1)	2	0	14	2	2	0	0	2	2	1	14	2	1	2	1
Col 107	Preventative services (formerly the children's fund) (6.1.2)	15	0	57	15	4	57	0	44	8	9	0	5	0	22	10
Col 108	LA functions in relation to child protection (6.1.3)	20	5	36	24	4	36	19	5	14	27	15	18	35	11	16
Col 109	Local safeguarding childrens board (6.1.4)	6	0	29	2	10	4	3	0	7	5	29	4	4	3	4
Col 110	Total Children and Young People's Safety (6.1.5)	44	22	96	42	4	96	22	51	31	42	58	28	41	38	31
Col 111	Direct payments (6.2.1)	9	1	19	6	6	1	4	19	19	2	4	16	8	10	5
Col 112	Short breaks (respite) for disabled children (6.2.2)	9	0	30	7	6	20	0	0	9	17	7	0	3	9	30
Col 113	Home care services (6.2.3)	9	0	30	10	5	11	1	0	18	0	4	0	18	30	2
Col 114	Equipment and adaptations (6.2.4)	0	0	2	1	2	0	1	0	0	0	0	0	0	0	2
Col 115	Other family support services (6.2.5)	57	24	178	40	7	48	32	27	178	92	47	71	24	43	24
Col 116	Substance misuse services (Drugs, Alcohol and Volatile substances) (6.2.6)	1	0	6	0	5	2	1	0	6	2	0	0	0	0	0
Col 117	Contribution to health care of individual children (6.2.7)	4	0	28	2	4	1	0	28	5	0	0	0	0	4	0
Col 118	Teenage pregnancy services (6.2.8)	3	0	6	6	1	3	0	4	0	6	0	4	0	6	1
Col 119	Total Family Support Services (6.2.9)	91	39	236	73	7	86	39	78	236	119	61	91	53	102	63
Col 120	Adoption services (6.3.1)	38	25	66	31	7	30	25	28	36	66	31	57	35	42	32
Col 121	Special guardianship support (6.3.2)	12	0	26	4	9	22	0	5	14	18	15	26	10	13	3
Col 122	Other children's and families services (6.3.3)	8	0	20	5	6	14	1	12	0	0	20	0	14	19	0
Col 123	Total Other Children's and Families Services (6.3.4)	57	26	85	40	9	66	26	45	50	85	66	84	60	74	36
Col 124	Children's and young people's plan (6.4.1)	8	0	34	0	8	34	0	1	11	15	0	6	5	13	0
Col 125	Partnership costs (6.4.2)	2	0	7	0	5	7	0	0	0	3	0	0	7	0	1
Col 126	Central commissioning function (6.4.3)	13	0	46	7	7	0	0	17	21	46	0	29	9	10	1
Col 127	Commissioning and social work (6.4.4)	222	18	593	188	7	38	124	230	198	293	18	593	173	348	237
Col 128	Total Children's Services Strategy (6.4.5)	244	18	628	195	7	79	124	247	230	357	18	628	194	371	239
Col 129	Capital Expenditure from Revenue (CERA) (Children's and young people's services) (6.4.6)	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Col 130	Statutory /Regulatory Duties (7.0.1)	55	22	127	32	9	85	79	22	41	53	71	127	38	22	36
Col 131	Premature retirement costs / Redundancy costs (7.0.2)	13	6	27	14	3	6	9	12	8	10	13	11	27	14	18
Col 132	Existing Early Retirement Costs (commitments entered into by 31/3/99) (7.0.3)	8	0	35	2	6	23	4	35	0	0	12	1	12	0	0
Col 133	Residual pension liability (eg FE, Careers Service, etc.) (7.0.4)	4	0	23	23	1	0	1	0	0	0	2	0	0	20	0
Col 134	Joint use arrangements (7.0.5)	0	0	1	0	2	0	0	0	1	0	0	0	0	0	0
Col 135	Insurance (7.0.6)	1	0	4	0	4	0	0	2	4	0	0	2	0	0	0
Col 136	Monitoring national curriculum assessment (7.0.7)	1	0	5	1	4	0	0	0	4	0	0	5	3	0	0
Col 137	Total Local Authority Education Functions (7.0.8)	82	54	146	72	6	114	93	72	58	63	99	146	79	56	54
Col 138	School Development Grant - non-devolved (7.1.1)	1	0	6	0	2	0	0	0	0	6	0	0	0	0	0
Col 139	Other Standards Fund Allocation - non-devolved (7.1.2)	0	0	2	0	4	0	0	0	0	2	1	1	0	0	0
Col 140	Other Specific Grant (7.1.3)	0	0	1	0	3	1	1	0	0	0	0	0	0	0	0
Col 141	Total Specific Grants (7.1.4)	1	0	8	0	6	1	1	0	0	8	1	1	0	0	0
Col 142	Capital Expenditure from Revenue (CERA) (LA Education Functions) (7.2.1)	3	0	26	26	1	0	0	0	5	0	0	0	0	0	0
Col 143	Total Schools Budget, Special Education, Learner Support, Access, Young People's Learning (7.2.2)	6,258	4,933	7,440	6,442	6	5,765	4,933	6,346	7,440	6,525	5,758	6,921	6,689	6,751	5,268
Col 144	Total Youth Justice, Children and Young People's Services Budget (including CERA) (7.2.3)	929	531	1,314	848	8	766	531	910	968	1,129	963	1,314	915	1,110	762
Col 145	Total LA Education Functions Budget (Including CERA) plus (Lines 7.0.8 + 7.1.4 + 7.2.2) (7.2.4)	86	55	147	98	4	115	95	72	63	71	99	147	79	56	55
Col 146	Total Education, Young People's Learning and Development, Services for Young People (7.2.5)	7,273	5,559	8,471	7,389	6	6,646	5,559	7,328	8,471	7,725	6,820	8,382	7,683	7,917	6,085

Proposed dates for future meetings and the work plan for the coming year

1. Purpose of the Report

To consider the dates of future meetings and the work plan suggested in Appendix 1.

2. Background

- 2.1. The work of the Forum is considerable, complex and involved. It is important that over the coming year it is planned in a logical and structured way. Attached is a suggested programme.
- 2.2. The fact that an item is not on the plan does not preclude it from being added after this meeting through the wishes of the Forum
- 2.3. It is expected that in the latter months of the plan a considerable number of items will be added to the work programme during the year.
- 2.4. The draft work plan will be discussed at the Schools strategic meetings and the Governors Management Committee, any comments will be brought back to the Forum.

3. Conclusion

- 3.1 This is an initial draft document that members may like to comment on.

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Proposed Date	Agenda Items	Purpose
2011 Calendar Year		
10-Jan	Budget monitoring Report Budget confirmation Headroom Review Bulge classes Report Resource base funding Redeployment policy School traded services charges SEN Benchmarking comparison	To inform members of spending patterns and address issues To consider and develop next years budget proposals To consider whether the current headroom projects should continue and to agree any new projects To receive feedback on the cost of setting up a bulge class and consider the funding levels in the future To consider any new resource bases and the level of funding To review the current scheme and consider how it should be published To consider next years services and charges To consider the funding levels of SEN with our statistical neighbours
17-Feb	Budget monitoring Report Budget confirmation Early Years review of the pilot Early Intervention Grant	To inform members of spending patterns and address issues To consider school allocations, MFG and Central Expenditure Limit(CEL) To receive feedback from the review group on the implementation of the early years single funding formula and the flexible entitlement To consider the proposals on the new early years intervention grant
19-May	DSG Formula review School Balances Schools Statutory responsibilities Budget monitoring Report Public Accounts Committee	To consider the latest details on our own review and the national DSG formula review if appropriate To confirm the capping of those schools with excess balances undertaking their Statutory Repair and Maintenance responsibilities To inform members of spending patterns and address issues Twelve month update on the implementation of the recommendations
14-Jul	DSG Formula review FMSIS update Budget Monitoring Report	To consider the latest details on our own review and the national DSG formula review if appropriate Updating members on the current schools meeting the standard To inform members of spending patterns and address issues
22-Sep	Budget monitoring Report S52 Benchmarking DSG Formula review Absence report by school Statutory maintenance reports	To inform members of spending patterns and address issues To inform members of spending patterns to provide a more informed debate on the budget To consider the latest details on our own review and the national DSG formula review if appropriate To update members on the latest school position To update members on the latest school position
17-Nov	Election of Chair and Vice-Chair Audit update Scheme of delegation Finance Manual Budget monitoring Report Budget Setting DSG Formula review	To receive a report about the outcomes of school audits Annual update of the document Annual update of the document To inform members of spending patterns and address issues To consider and develop next years budget proposals To consider the latest details on our own review and the national DSG formula review if appropriate

SCHOOL FINANCE REGULATIONS 2011 CONSULTATION

1. The current school finance regulations cover the 2008-11 funding period and therefore expire at 31st March 2011. This consultation sets out draft regulations which will be effective for the 2011-12 financial year only, consistent with the proposals and announcements in the "Consultation on school funding 2011-12" published on 26th July 2010 and which runs until 18th October 2010. The school funding consultation is still open, and if there are changes to the proposals following consultation, then the regulations would change accordingly. The main changes are set out below:

Early Years Single Funding Formula (EYSFF)

2. Local authorities will be required to implement an Early Years Single Funding Formula from April 2011. The proposed changes to the regulations are similar to those consulted on in 2009 and include requirements to fund mainly on numbers of actual hours, to use at least three counts during the year and to have a deprivation supplement. More detail is shown at Annex A.
3. We are looking to those local authorities which were approved as EYSFF pilots or pathfinders to share good practice with those which are still to implement. The government has announced its intention to abolish the government offices, so, LAs will need to take responsibility for organising themselves to compare formulae and experiences, where this is not already happening. We have published a brief summary of aspects of the pilot/pathfinder formulae to assist other LAs, and will shortly be publishing some case studies from pathfinders.

Mainstreaming of grants

4. The school funding consultation document proposes that, subject to the spending review, some grants – which are likely to include at least the School Development Grant (SDG), School Standards Grant (SSG) and School Standards Grant (Personalisation) - should be mainstreamed into the Dedicated Schools Grant (DSG). To avoid undue turbulence at school level, LAs would if they wished be allowed to use a formula factor which replicates part or all of the previous level of grant, either as a cash amount or using the grant methodology. This is most likely to be of use for SDG, because of its history as an amalgamation of previous grants, some of which were distributed on a non-formulaic basis. The addition is at **Schedule 3 paragraph 38**.
5. The mainstreamed grants will also need to be taken into account in the calculation of the Minimum Funding Guarantee (MFG) so that the budget comparison is on a like for like basis, as they will be appearing in formula budgets in 2011-12. The best way of doing this is to

permanently adjust the 2010-11 baseline to include allocations for the grants which are to be mainstreamed in 2011-12. This is reflected for primary and secondary schools in **Schedule 4 paragraph 1(e)**

6. For special schools, there are separate MFG calculations for place-led funding and the remainder of the budget. As the grant allocations are not based on places, and the level of place funding is usually based on existing assessments of need, we propose that the baseline should be adjusted for the part of the budget excluding place funding. This is shown at **Schedule 4 paragraph 5(2)**. If LAs decide to add in mainstreamed grants into place factors instead, they may need to seek a disapplication from this particular MFG requirement.

Central expenditure

7. Mainstreaming grants will also affect the calculations for the central expenditure limit (CEL), so there will again need to be an adjustment to the 2010-11 baseline to ensure like for like comparisons. The total of relevant grant allocations in 2010-11 will, therefore, need to be added to the 2010-11 Schools Budget for each LA. This is given effect in **Regulation 7(2)**.
8. We do not propose a similar adjustment to any funding retained centrally from mainstreamed grants. If an LA wishes to continue to retain funding and this would breach the central expenditure limit, then schools forum would need to approve this, with the usual route of appeal to the Secretary of State if the forum disagreed with the proposal. We consider that, in any case, proposals for how grants are mainstreamed locally should be discussed with the forum.
9. As noted in paragraph 4, all decisions on mainstreaming grants are subject to the spending review. If the Ethnic Minority Achievement Grant (EMAG) is mainstreamed into DSG, then we would propose to enable LAs to retain funding centrally within DSG for services which support schools in narrowing achievement gaps for under-performing ethnic groups and in meeting the specific needs of bilingual learners. This would enable LAs to maintain existing services if they wished, including in those areas with small numbers of such pupils and where it is consequently more cost-effective to run a central service than to spread funding thinly. Again, schools forums should be involved in the decision. The revised wording is at **Schedule 2 paragraph 39**.
10. The current regulations on the central expenditure limit require LAs to obtain further approval from schools forums if the proposed central expenditure for future years exceeds the indicative budgets originally set for those years at the start of the funding review period. This does not, however, cover the position at the start of a new funding review period. We wish to ensure that, if there is a brought forward overspend on DSG, any funding of this from central DSG is properly considered by schools forum. We are therefore proposing a new regulation which

would state that, where there is an overspend on central Schools Budget expenditure from the 2010-11 and which reduces the DSG available in 2011-12, then the funding of this overspend must be approved by schools forum. The wording is at **Regulation 7 (4)**.

Exclusions

11. The Government is committed to giving headteachers greater powers in maintaining good behaviour. We back headteachers in excluding undisciplined pupils where necessary, and are seeking to remove barriers which limit their authority. We propose, therefore, to remove the ability to have a formula factor (**currently Schedule 3 paragraph 34**) which takes account of exclusions. LAs currently using such a factor would need to remove this from their formula from 2011-12.
12. The deductions of age-weighted pupil funding would continue (these are set out in Regulation 23). Any charges or payments resulting from local agreements outside the formula would also continue, though we are clear that these should be genuinely consensual and cannot bind schools which are in disagreement with such arrangements.

Federations

13. Schools are increasingly joining together in federations as a way of achieving efficiencies and sharing costs. The savings which schools and LAs can make from schools federating will vary according to decisions on staffing structures and the nature of the local formula respectively. LAs, in consultation with their schools forums, should consider the appropriate balance between allowing the savings to accrue to the individual school as against the overall Individual Schools Budget (ISB), while ensuring that federation is still an attractive option for the schools concerned.
14. Finance regulations still require separate budgets and accounts for schools within a federation. This can act as a barrier to reducing bureaucracy because of the extra administration involved when there is usually a single head and governing body, with many costs apportioned between the schools. Primary legislation is already in place to enable this to change. We are therefore proposing a new regulation (**regulation 22**) which would allow LAs to calculate a single budget share for schools in a federation with a single governing body within section 24 of the Education Act 2002. This would mean that the data would be entered into the formula as if they were a single school.
15. We are also proposing that LAs should be able to have a formula factor for federations. This could be used to support federations, for example as a temporary pump-priming measure. Alternatively, LAs could use a negative factor, to recognise that federations achieve savings which could in part be made available for redistribution within the ISB; this

would be more relevant where separate budget shares were still being issued. This is set out in **Schedule 3 paragraph 39**.

Carbon Reduction Commitment

16. We referred in last year's consultation on the regulations to the need to consider the effect of the Carbon Reduction Commitment (CRC), which is now in force. Depending on their position relative to other participating organisations in the league tables, LAs will either have to pay a penalty or will receive a bonus. Schools can typically account for half an LA's emissions, so there needs to be a mechanism for passing on the schools' share of any penalty or bonus. This could either be done at the level of the overall Schools Budget or at individual school level. In deciding what approach to take, LAs should as usual consult their schools forums and discuss with their energy officers how best to give schools incentives to reduce emissions.
17. We are proposing to allow a new class of expenditure within the central part of the Schools Budget should the LA decide to topslice the Schools Budget as a whole (**Schedule 2 paragraph 38**). There is no need to change regulations for bonuses because the Schools Budget can already be topped up from other sources.
18. We are also proposing that LAs would be allowed to have a formula factor if they wish to apportion penalties or bonuses at individual school level. The value of the formula factor would be negative if it related to penalties. (**Schedule 3 paragraph 37**).
19. Academies are included in the LA calculation for their area. Under the current funding system, their budgets would be equally affected by a DSG topslice as there would be less available to distribute through the ISB formula which is replicated for academies. Similarly, using a formula factor would ensure their funding was comparable. The extent to which any such topslice or deduction then found its way back to the LA would depend on the method of DSG recoupment and would need to be considered as part of the wider review of academies funding.

Service children

20. The school funding consultation document refers to support for schools with fluctuations in the numbers of service children. We already allow LAs to have a formula factor (**schedule 3 paragraph 27**) where armed forces movements lead to a reduction in pupil numbers of at least 20% within one year. We feel this is unduly restrictive and therefore propose to remove reference to a threshold, so that LAs can make provision as they see fit to support schools affected by this turbulence.

Academies

21. We are proposing to give a clearer definition of funding for individually assigned resources (IAR) for academy pupils with special educational

needs (SEN). Where these resources are delegated through formula budgets, then the allocations are not included in the General Annual Grant (GAG) calculated by the Young People's Learning Agency (YPLA) and recouped from the LA. Instead, the payments are made directly by the LA from the central part of the schools budget. The current wording in **Schedule 2 paragraph 7** only refers to expenditure which it would be "unreasonable" to be met from a school's budget share, and does not properly reflect the differences in funding of academies. We therefore propose to amend the wording to cover this.

Notification of budget shares

22. There is at present no formal requirement to notify schools and early years private, voluntary and independent (PVI) providers of their budget shares, only of the overall schools budget. While there is no evidence this is not being done, it makes sense to formalise this. We, therefore, propose to add a new regulation -**regulation 10(2)**.

Technical changes

23. There are various technical changes which are needed to ensure regulations are consistent with other proposals relating to school funding. References to funding periods 1, 2 and 3 will be replaced as the regulations will cover a single funding period (2011-12). The regulations for the MFG leave percentages blank as no decisions on levels can be made until after the spending review. The remainder of the MFG wording has been left broadly unchanged; this does not necessarily mean that the methodology will be unchanged though as we are still considering whether it is possible to simplify the calculation.
24. References to the Learning and Skills Council (LSC) have been removed as 2011-12 post-16 allocations will have been wholly determined by the YPLA.
25. Termination of employment costs can be charged to the schools budget if schools forum agree and provided that there is a saving to the schools budget greater than the annual costs. The previous wording did not adequately recognise that there may be ongoing costs approved in previous funding periods. Reference to a start date has, therefore, been removed. The wording has also been amended to clarify the need for schools forum approval at the time the costs are first incurred – in other words, costs cannot be charged to the schools budget retrospectively.

Community Facilities

Section 4 of the Children, Schools and Families Act 2010, which was passed just before the general election, enables schools to use their delegated budgets for community facilities. Schools have had powers to provide community facilities or services since the 2002 Education Act. There were, however, restrictions in place whereby the delegated budget could only fund services which directly supported the curriculum or were of direct educational benefit to pupils at maintained schools. Services outside this definition, such as adult learning or sports activities for the local community, could only be funded by certain grants including the School Standards Grant, charges or other external income.

The relevant sub-sections of the Act take effect from 1st April 2011, so schools will be able to take into account this power in planning their budgets from 2011-12 onwards.

The Act does allow for regulations to be produced to restrict the scope of spending, but we do not intend to make any at this stage. There is already a prohibition on schools using their community facilities power if this would interfere with their primary focus of raising standards, and we feel that existing accountability mechanisms are sufficient protection. We would reconsider this if there was evidence that the core functions of the school were suffering as a result.

We will be reviewing the narratives for Consistent Financial Reporting (CFR) categories to ensure that they are consistent with the legislation, and will also amend the statutory guidance on schemes for financing schools.

Academies Act

We have already informed LAs that, during the passage of the Academies Act, an amendment was made to the Bill in the Lords and now forms Section 2(5) of the Act. This states:

In Schedule 1 to the School Finance (England) Regulations 2008, after paragraph 8 insert—

“8A Where a child is a registered pupil at an Academy, expenditure in respect of services for making provision for pupils with low incidence special educational needs or disabilities.”

This means that where LAs incur expenditure on pupils who are in academies and have low incidence SEN or a disability, then this expenditure must be charged to the non-schools education budget and not the schools budget. The definition of “low incidence” includes severe multi-sensory impairments; severe visual impairments; severe/ profound hearing impairments; and profound and multiple learning difficulties.

This section of the Act took effect from 1 September 2010 and will apply until the current regulations expire on 31st March 2011. We have amended the terms and conditions of the Dedicated Schools Grant (DSG) for 2010-11 only so that it can be used in support of this expenditure.

The main reason for the passage of this amendment was concern over the way in which funding for SEN services is currently transferred from LAs to academies. We have committed to reviewing academy funding for the 2011-12 financial year onwards, to fairly reflect the respective responsibilities of LAs and academies, and therefore do not feel it is necessary to maintain these changes in the draft regulations for 2011-12.

ANNEX A – Early Years Provision

Definitions: revised definitions of early years provision, prescribed early years provision, and relevant early years provider to bring them in line with the Childcare Act 2006.

- **Part 2, reg 5(1);** addition of sub paragraph (d) to allow the Schools Budget to cover all expenditure on early years provision not in maintained schools or other specified providers (eg non maintained special schools, pupil referral units).
- **Part 2, current reg 7 (3);** amending the wording of the calculation of the Central Expenditure Limit given that the funding for early years will now all be part of the ISB. The change does not affect the calculation of the CEL because the current regulations add the centrally retained PVI funding to the ISB as part of the calculation, but the revision to where the funding is placed (in the ISB) means this adjustment will no longer be needed.
- **Part 2, reg 9 (3):** which requires a local authority to consult their schools forum about and decide upon an EYSFF which they must use in 2011-12.
- **Part 3, reg 16** provides a replacement regulation for current regulation 17 for 2011-12. This says that LAs:
 - must provide indicative budgets for early years provision using the most recently available data;
 - must review the data during or after the year using either attendance data collected during three sample weeks (census week for example) or total actual hours of attendance;
 - must recalculate the provider's budget as appropriate;
 - and must implement the redetermination when they consider it appropriate – which may be different for different providers;
 - They must notify providers within 28 days of recalculating the budget;
 - This regulation also removes the option for local authorities to provide funding based upon places, except where there are places specifically reserved for pupils with SEN in any setting or for children in need, (although there is a later option to provide an additional formula factor in support of maintaining sufficient places for children in an area in Part 2 of Schedule 3);
 - It does allow the LA to weight the hours depending upon whether pupils have been admitted in excess of the admission number, or for SEN.
 - As with sixth forms, authorities are allowed to reduce funding to affected schools within their main formula to avoid any overlap with the new EYSFF.
- **Part 3, reg 17 (4);** allows differential funding to types of providers to reflect unavoidable costs.
- **Part 3, reg 18 (1) (2) and (3);** Specify which parts of schedule 3 may be used for respectively the school funding formula and the EYSFF. It also

requires that the EYSFF must (as is currently the case for the schools funding formula) have a factor that takes the incidence of deprivation into account.

- **Schedule 2;** the schedule that specifies what may be centrally retained from the schools budget does not allow the retention of funding for the provision of early years funding for provision of the free entitlement, but does allow a contingency budget for that provision (to enable adjustments to funding to be made in year)
- **Schedule 3;** the schedule that provides the heading under which formula factors may be provided is split into two parts, part 1 applicable to all maintained schools and PVI providers and part 2 applicable to the EYSFF only. Part 2 allows factors for
 - the improvement of quality,
 - to take account of flexibility in hours of attendance the provider makes available and
 - to allow LAs to secure or sustain a sufficiency within an area

In general, we wish to give LAs flexibility in the factors used in the EYSFF, and propose to allow most factors which appear in the main school funding formula. The only exceptions would be the factors for infant class sizes and the factor protecting schools whose budget shares would otherwise be reduced by 3% or more; in the latter case the ability to have a sufficiency factor should cover this. There are other factors relevant only to schools and we would advise LAs to use these only where there is a clear justification in the cost analysis between different types of provider.