

# AGENDA SUPPLEMENT (2)

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**Meeting:** Schools Forum  
**Place:** Committee Room III - County Hall, Trowbridge  
**Date:** Thursday 7 October 2010  
**Time:** 1.30 pm

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The Agenda for the above meeting was published on 01 October 2010 and indicated that the reports detailed below would be to follow. These were circulated at the meeting and are now available attached to this Agenda Supplement.

Please direct any enquiries on this Agenda to Liam Paul, of Democratic and Members' Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718376 or email [liam.paul@wiltshire.gov.uk](mailto:liam.paul@wiltshire.gov.uk)

Press enquiries to Communications on direct lines (01225)713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)

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10. **Budget Monitoring and Dedicated Schools Grant (DSG) Update 2010/2011**  
(Pages 1 - 2)

A report from Liz Williams, Head of Finance (DCE) is attached.

a) **Budget Monitoring** (Pages 3 - 8)

Report Appendix 1 - Budget Monitoring Data)

b) **DSG Update 2010/11** (Pages 9 - 10)

Report Appendix 2 – Table showing the Impact of Final DSG Settlement)

15. **Early Years - Adoption of a new Local Provider Agreement** (Pages 11 - 14)  
A report from Simon Burke, Head of Business and Commercial Services (DCE) is attached.

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**SCHOOLS FORUM**  
**7<sup>th</sup> October 2010**

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## **REVENUE BUDGET MONITORING 2010/11 – DEDICATED SCHOOLS BUDGET**

### **Purpose of the Paper**

1. To report on the projected budget monitoring position for 2010/11 and to update on the final Dedicated Schools Grant (DSG) for 2010/11.

### **Main Considerations**

2. Appendix 1 shows expenditure as at 31<sup>st</sup> August 2010, the figures show a projected **underspend against DSG of £0.741 million**. Key pressures and potential underspends are detailed below.

#### **Premature Retirement Costs**

3. Based on information received from the HR Lifecycle Team for redundancy costs at 31<sup>st</sup> August this budget is projected to underspend after adjusting for the additional cost of the current severance policy for non-teaching staff.
4. A separate paper on this agenda outlines the outcome of a review of the funding arrangements for employee termination costs and this generates a potential cost pressure for the local authority budget to meet costs that cannot be charged against centrally retained DSG.

#### **Maternity Costs**

5. Maternity costs are currently projected to be on budget however a technical issue following the implementation of SAP payroll for schools means that payroll transactions are not currently being recorded against the appropriate central budgets. This is also the case for PRC. Work is ongoing to address this problem so that accurate financial information can be obtained and projections made. There is a risk that overspends may be identified against this budget once transaction information is available.

#### **Special Educational Needs Services**

6. The Independent Special Schools budget is projected to underspend by up to £700,000 at this point in the year although there are still some tribunal decisions awaited which may have further financial implications. Numbers of pupils placed in Independent Special Schools have decreased in recent years and it is expected that funding will be released from this budget in 2011/12 to support the further delegation of SEN funding to mainstream primary schools.
7. The Named Pupil Allowance (NPA) budget is not yet fully committed however it is expected that there will be further NPA allocations through the remainder of the year and it is therefore projected to be on target at this stage.

## **Young Person's Support Service**

8. following discussions at Schools Forum regarding the financial position of YPSS a recovery plan has been put in to place and the service is now projected to overspend by less than £10,000.

## **Final DSG Budget 2010/11**

9. The final DSG allocations for local authorities were announced by the Department for Education (DfE) on 1<sup>st</sup> July 2010. Prior to the announcement a report had been presented to Schools Forum at the June meeting outlining the expected settlement and proposing a number of actions to address a projected shortfall against the original estimate of grant.
10. The final DSG allocation for Wiltshire is £249,722 million after adjustment for Sarum and Wellington Academies. This allocation is £0.987 million lower than the original estimate against which the budget for 2010/11 was set.
11. Actions agreed at the Schools Forum meeting of 24<sup>th</sup> June are outlined in Appendix 2, this leaves a shortfall of £0.117 million against the final grant allocation. Schools Funding Working Group met on 13<sup>th</sup> July and agreed that this remaining shortfall should be met from the contingency budget.
12. Schools Forum are required to agree the final level of budget for 2010/11. It should be noted that this budget is prior to any adjustment for Hardenhuish School or any further recoupmnt for schools achieving academy status during the current financial year.

## **Proposal**

13. School Forum is asked to note the revenue budget monitoring position for 2010/11 and the further work required to ensure accurate projections on the maternity budget.
14. Schools Forum is asked to approve the final dedicated schools budget of £249.722 million in line with the final DSG settlement for 2010/11.

*Report Author: Liz Williams, Head of Finance (DCE)*

**Phoenix - Budget Monitoring Tool for 2010/2011**

JOINT FIELD	Branch	Section	Cost Centre
10020790008	Commissioning & Performance	Commissioning & Performance	10020
10430790008	Targeted Services	Youth Development	10430
11320790008	Commissioning & Performance	Commissioning & Performance	11320
11370790008	Commissioning & Performance	Commissioning & Performance	11370
11420790008	Commissioning & Performance	Commissioning & Performance	11420
11450790008	Commissioning & Performance	Commissioning & Performance	11450
11460790008	Commissioning & Performance	Commissioning & Performance	11460
11500790008	Commissioning & Performance	Commissioning & Performance	11500
11520790008	Commissioning & Performance	Commissioning & Performance	11520
11530790008	Commissioning & Performance	Commissioning & Performance	11530
10010790008	Funding Schools	Funding Schools	10010
10040790008	Funding Schools	Funding Schools	10040
13370790008	Safeguarding	Safeguarding	13370
11980790008	Schools & Learning	School Buildings and Places	11980
12030790008	Schools & Learning	Special Educational Needs	12030
12040790008	Schools & Learning	School Improvement	12040
12050790008	Schools & Learning	School Improvement	12050
12190790008	Schools & Learning	School Improvement	12190
12210790008	Schools & Learning	School Improvement	12210
12550790008	Schools & Learning	School Improvement	12550
12640790008	Schools & Learning	Early Years	12640
12700790008	Schools & Learning	School Buildings and Places	12700
12710790008	Schools & Learning	Early Years	12710
12850790008	Schools & Learning	Special Educational Needs	12850
12890790008	Schools & Learning	Special Educational Needs	12890
12900790008	Schools & Learning	Special Educational Needs	12900
	Schools & Learning	Special Educational Needs	12950
12910790008	Schools & Learning	Special Educational Needs	12910
12920790008	Schools & Learning	Special Educational Needs	12920
12940790008	Schools & Learning	Special Educational Needs	12940
13170790008	Schools & Learning	Special Educational Needs	13170
13100790008	Children's Social Care	Children's Social Care	13100
13180790008	Children's Social Care	Children's Social Care	13180
13280790008	Children's Social Care	Children's Social Care	13280
10120790008	Targeted Services	Connexions	10120
10470790008	Targeted Services	Youth Development	10470
11270790008	Targeted Services	Other Targeted Services	11270
12950790008	Targeted Services	Young Persons Support Service	12950
12970790008	Targeted Services	Young Persons Support Service	12970
12990790008	Targeted Services	Young Persons Support Service	12990
13000790008	Targeted Services	Young Persons Support Service	13000
13020790008	Targeted Services	Young Persons Support Service	13020
13030790008	Targeted Services	Other Targeted Services	13030
13050790008	Targeted Services	Other Targeted Services	13050
13080790008	Targeted Services	Young Persons Support Service	13080
13090790008	Targeted Services	Other Targeted Services	13090
13120790008	Targeted Services	Young Persons Support Service	13120
13130790008	Targeted Services	Other Targeted Services	13130
13140790008	Targeted Services	Other Targeted Services	13140
13160790008	Targeted Services	Young Persons Support Service	13160

<b>Safeguarding</b>	<b>Safeguarding</b>
Children's Social Care	Children's Social Care
	Special Educational Needs School Improvement Early Years School Buildings and Places Traded Services
<b>Schools &amp; Learning</b>	
	Connexions Youth Development Youth Offending Young Persons Support Service Other Targeted Services
<b>Targeted Services</b>	
Commissioning & Performance	Commissioning & Performance
Funding Schools	Funding Schools
Total DCE Original 2010-11	

Cost Centre Description	GL Code	Corporate Virement No Temp / Perm Internal / External		SAP
		Original Budget	Rank 1	Approved Budget 01/09/10
DSG	790008	-3177718		-3,224,784
QES	790008	-43072		-43,072
CopyrightLicences	790008	-123495		-123,495
SubstoPublication	790008	-8075		-8,075
SimsLicence	790008	-198843		-198,843
HCSSTraining	790008	72491		0
HCSSTLicence	790008	-117088		-44,597
PRCNewCases	790008	-506922		-506,922
SchoolsMaternity	790008	-910971		-910,971
ATL	790008	-73303		-73,303
SchoolsContingency	790008	-1,543,024		-747,703
DSGGrantSchools	790008	-218,466,742		-213,154,885
SafeguardingChldn	790008	-26,180		-40,000
SchBuildPlaces	790008	-37,258		-37,258
LearnSupportTeam	790008	-570,204		-553,822
EthnicMinService	790008	-436,536		-437,806
TravellerService	790008	-296,281		-291,463
SENICTEquipt	790008	-18,952		-18,952
LCPartnership	790008	-153,414		-153,414
SchoolInsurance	790008	-62,578		-25,434
NurseryEducGrant	790008	-10,544,620		-11,442,019
AdmissionsTeam	790008	-252,878		-278,446
EYIncome	790008	-1,509,326		-1,495,972
IndepSpecialSchFees	790008	-5,425,653		-5,425,653
PrimaryNPAs	790008	-3,319,655		-3,319,655
SecondaryNPAs	790008	-305,367		-305,367
NPA	790008	0		0
SpecialistProvision	790008	-270,988		-267,636
SpecialSchCentEquip	790008	-30,817		-30,817
SpecialRecoupment	790008	-1,727,089		-1,727,089
CentralSENTeam	790008	-71,888		-112,462
Virtual School Team	790008	0		-150,000
AdminFinance	790008	-40,570		0
Headquarters	790008	-208,677		0
StudentSupport	790008	-44356		-44,356
AssistedPlacesScheme	790008	-25972		-25,972
Targeted Services Assistant Director	790008	-2639		-2,639
EOTASRecoupment	790008	-122796		-122,796
YPSSCentral	790008	40690		837
YPSSNorth	790008	-504075		-509,075
YPSSOnlineLearning	790008	-33103		-33,103
YPSSWest	790008	-769038		-769,038
PhysicalImpairServ	790008	-337196		-331,070
BehaviourSuppCore	790008	-755929		-755,929
YPSSKennet	790008	-359109		-359,109
BehaviourSuppLYNX	790008	-256644		-256,644
YPSSSalisbury	790008	-702603		-702,603
HearingImpairServ	790008	-333943		-332,949
VisualImpairServ	790008	-262216		-261,347
HospitalTuitionServ	790008	-66610		-66,610

	-254,941,232	-249,722,318
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	-26,180	-40,000
	-249,247	-150,000
	-11,721,661	-11,742,501
	-967,761	-927,069
	-12,053,946	-12,937,991
	-290,136	-315,704
	0	0
	<b>0</b>	<b>0</b>
	-44,356	-44,356
	-69,044	-69,044
	0	0
	-2,516,644	-2,561,497
	-1,948,567	-1,940,578
	<b>0</b>	<b>0</b>
	-5,043,924	-5,090,990
	-220,009,766	-213,902,588
	-254,941,232	-249,722,318



**Financial Monitoring**

Service Areas	Approved Budget 2010/11 £m	Projected Outturn for Year £m	Variation for Year £m	Note
<b>1 Funding Schools</b>				
DSG Funded Expenditure	213.903	213.903	0.000	
<b>Total</b>	<b>213.903</b>	<b>213.903</b>	<b>-</b>	
<b>2 Schools &amp; Learning Branch</b>				
Independent Special Schools	5.426	4.726	-0.700	
Named Pupil Allowances	3.625	3.625	0.000	
Special Recoupment	1.727	1.727	0.000	
Learning Support Team	0.554	0.554	0.000	
Other SEN	0.411	0.411	0.000	
<b>Total SEN</b>	<b>11.743</b>	<b>11.043</b>	<b>-0.700</b>	
Ethnic Minority Achievement Service	0.438	0.438	0.000	
Travellers Education Service	0.291	0.291	0.000	
Local Collaborative Partnerships	0.153	0.153	0.000	
Other School Improvement Services	0.044	0.044	0.000	
<b>Total School Improvement</b>	<b>0.927</b>	<b>0.927</b>	<b>0.000</b>	
Early Years Single Funding Formula	11.442	11.442	0.000	
Other Early Years Services	1.496	1.496	0.000	
<b>Total Early Years</b>	<b>12.938</b>	<b>12.938</b>	<b>0.000</b>	
School Buildings & Places	0.316	0.316	0.000	
<b>Total Schools &amp; Learning</b>	<b>25.923</b>	<b>25.223</b>	<b>-0.700</b>	4
<b>3 Targeted Services</b>				
YPSS	2.439	2.441	0.002	
Behaviour Support	1.013	1.013	0.000	
EOTAS Recoupment	0.123	0.203	0.080	
PASISS Teams	0.925	0.925	0.000	
Other Targeted Services	0.116	0.128	0.012	
<b>Total Targeted Services</b>	<b>4.615</b>	<b>4.709</b>	<b>0.094</b>	
<b>4 Commissioning &amp; Performance</b>				
Schools Maternity Costs	0.911	0.911	0.000	1
Schools PRC - New Cases	0.507	0.286	-0.221	2
SIMS Licence	0.199	0.201	0.002	
Other services	0.249	0.249	0.000	
<b>Total</b>	<b>1.866</b>	<b>1.647</b>	<b>-0.219</b>	
<b>5 Safeguarding</b>				
Child Protection in Schools	0.040	0.040	0.000	
<b>Total</b>	<b>0.040</b>	<b>0.040</b>	<b>-</b>	
<b>6 Children's Social Care</b>				
Looked After Children Education Service	0.150	0.233	0.083	3
<b>Total</b>	<b>0.150</b>	<b>0.233</b>	<b>0.083</b>	
<b>9 DSG Within Corporate Services</b>				
Gross Expenditure	3.225	3.225	0.000	
<b>Total</b>	<b>3.225</b>	<b>3.225</b>	<b>-</b>	
	<b>249.722</b>	<b>248.981</b>	<b>-0.741</b>	

Note POSITIVE variances = OVERSPEND

**Chief Officer's Comments**

1 Maternity budgets - issues with SAP Payroll feeding transactions to general ledger have led to no transactions being visible against this budget or the PRC budget. Maternity currently forecast to be on target but work is ongoing to ensure transactions can be reported for September budget monitoring

2 Schools PRC - new cases. Current projected underspend based on information from Lifecycle Team on cases to 31st August. Projection assumes Corporate Funding for the enhanced packages to support staff

3 Looked After children Education Service - overspend projected against alternative provision costs for LAC

Independent Special Schools - this budget is currently projected to underspend but outcomes from a number of tribunal cases are still awaited.

4 NPA budget not fully committed at 31st August but further activity expected so projected to be on target

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## Impact of Final DSG Settlement

	£m
<b>Final DSG Allocation</b>	<b>253,905,000</b>
Academy Recoupment (includes LACSEG)	
Wellington	(2,739,120)
Sarum	(1,443,562)
<b>Adjusted Final DSG</b>	<b>249,722,318</b>
Estimated DSG (from October Pupil Count)	<b>254,892,101</b>
LESS Academies Recoupment	(4,182,682)
<b>Adjusted Estimated DSG</b>	<b>250,709,419</b>
<b>Shortfall Compared with Estimate</b>	<b>(987,101)</b>
<b>Actions agreed at Schools Forum to offset Expected Shortfall</b>	
Unallocated Headroom to be used to offset deficit	383,000
Provision for Rates no longer required because of change of school status	326,000
Underspend from 2009/10 to be used to offset shortfall	96,000
Contribution from Contingency	65,000
	870,000
<b>Remaining Shortfall</b>	<b>(117,101)</b>
Estimated Pupil Numbers 2010/11	63,509
Actual Pupil Numbers 2010/11	63,263
Movement	246
	0.39%

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## THE EARLY YEARS AND CHILDCARE LOCAL PROVIDER AGREEMENT

### Introduction

1. In April 2010 the Government published a revised Code of Practice for Local Authorities on Delivery of Free Early Years Provision for 3 & 4 year olds for implementation from 1 September 2010.
2. Local authorities must have regard to this guidance when fulfilling their duty under Section 7 of the Childcare Act 2006. Local authorities should not depart from the guidance in this Code unless they have good reason to do so.
3. The revised Code of Practice sets out changes in three key areas:

#### Flexibility

National Minimum Standards of flexibility and a published *Local Core Offer* for parents in each local authority. The Standards comprise:

- a guarantee for parents that they can expect at least 3x5 hour or 5x3 hour sessions over a week
- a clear role for local authorities to assess parental demand for other patterns of flexibility - and continue to be responsive to changing demand in the future - and secure these wherever possible, in negotiation with providers and within a national framework.

#### Quality

An expectation that local authorities will, wherever possible, concentrate free entitlement funding on the highest quality providers (funding others where necessary to uphold sufficiency and accessibility) and prioritise support to those of lower quality which are delivering the free entitlement.

A transparent, consistent process for identifying the highest quality providers across all sectors through the national Early Years Quality Improvement and Support Programme (EYQISP) tools.

An expectation that all local authorities will establish childminder networks to enable childminders to deliver the free entitlement.

### **Partnership working**

An expectation that local authorities will establish Provider Agreements with providers in all parts of the sector, through negotiation, to secure mutual commitments on flexibility, quality and working together.

An expectation that local authorities will encourage providers to use Parental Declarations with parents, which will build stability into the flexible offer for parents and providers.

4. The Code of Practice confirms and clarifies a number of requirements relating to the provision of the free entitlement by stating:
  - what is a legal duty required by legislation (must)
  - what local authorities should as a matter of course do to fulfill their statutory responsibilities and ensure effective delivery in accordance with the key principles
  - what further actions local authorities might want to consider in order to respond to particular issues.
5. Local authorities should consider setting out the terms of the Code of Practice, including their expectations on how providers will work together in partnership, in local Provider Agreements.

### **Early Years and Childcare Local Provider Agreement**

6. Wiltshire has maintained a Local Provider Agreement which is reviewed, and suppliers required to sign to agree to its provisions, each year.
7. The 2009 -10 Local Provider Agreement was revised in draft form to reflect the requirements of the Code of Practice and the authority's expectations of best practice in May, 2010 following a series of briefing sessions with childcare providers.
8. The Draft Agreement was circulated to all providers for consultation in June and in the light of the response to the consultation a number of amendments to the authority's expectations were agreed with the Early Years Reference Group.
9. A large number of comments reflected providers' dissatisfaction with the national Code of Practice, in particular the requirement that Free Entitlement must be available completely free at the point of delivery with 'top-up fees' and any compulsory charges being prohibited. As the Free Entitlement is extended to 15 hours per week (if taken over 38 weeks) and made more flexible these restrictions may challenge the business models of some settings. However, the local authority does not have the power to relax these statutory requirements.
10. The Early Years Reference Group resolved to recommend that the Local Provider Agreement be adopted as amended from its original draft. A copy is attached as the appendix to this report.

## **Recommendation**

11. Schools Forum is recommended to adopt the Wiltshire Early Years and Childcare Local Provider Agreement.

**Carolyn Godfrey**  
**Corporate Director for Children and Education**

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Unpublished documents relied upon in the preparation of this report: None

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