

AGENDA

Meeting: Schools Forum
Place: The Usher Suite - Civic Centre, St Stephens Place, Trowbridge.
BA14 8AH
Date: Thursday 27 June 2013
Time: 1.30 pm

Briefing Arrangements:

Briefing will be held at 11:30 am in the Usher Suite and will focus on Funding Changes for 2014-15.

Please direct any enquiries on this Agenda to Samuel Bath, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718211 or email samuel.bath@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

Membership:	Representing:
Mr N Baker	PHF, Christ Church CE Primary School
Mrs Aileen Bates	WGA - SEN Governor
Dr Peter Biggs	WGA, Secondary School Governor Representative
Mrs Julia Bird	PHF, Southwick Primary School
Mr Steve Clark	Maintained Secondary - Melksham Oak Community School
Mrs A Ferries	WGA, St Patrick's Catholic Primary School
Mrs Jane Franchi	Salisbury Diocesan Board of Education
Mr Tim Gilson	Academy, Malmesbury School
Jan Hatherell	Academy, Hardenhuish School
Mr John Hawkins	Teacher representative
Mrs Sue Jiggins	WGA - Primary Governor Representative
Mr Michael Keeling	Early Years Representative
Mr J Proctor	Early Years Representative (PVI)
Ms I Sidmouth	SEN Sector, Rowdeford School
Mr Martin Watson	Academy, Lavington School
Mrs C Williamson	PHF, Mere Primary School

AGENDA

PART I

Items to be considered whilst the meeting is open to the public

1 **Apologies and Changes of Membership**

2 **Minutes of the previous Meeting** (*Pages 1 - 8*)

To approve and sign as a correct record the minutes of the meeting held on **14 March 2013** (copy attached)

3 **Declaration of Interests**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee

4 **Chairman's Announcements**

5 **Children and Young People's Trust Board Update**

To receive a verbal update from the Service Director for Commissioning and Performance, Department for Children and Education.

6 **Final Outturn Report 2012-13** (*Pages 9 - 14*)

To receive budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2012/13.

7 **Reports from Working Groups** (*Pages 15 - 32*)

To receive minutes, reports and/or verbal updates from the following working groups

- School Funding Working Group
- SEN Working Group
- Early Years Reference Group

8 **Top Up Payments for non-Wiltshire Pupils in Mainstream Schools** (*Pages 33 - 36*)

9 **IURB Monitoring 2011-12** (*Pages 37 - 38*)

10 **Funding Changes for 2014-15** (*Pages 39 - 50*)

To consider proposals from DfE for changes to the funding mechanism for 2014-15

11 **Confirmation of dates for future meetings**

To confirm the dates of future meetings, as follows:

3 October 2013
12 December 2013
23 January 2014

12 **Urgent Items**

Any other items of business, which the Chairman agrees to consider as a matter of urgency.

13 **Exclusion of the Press and Public**

To consider passing the following resolution:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Number 14 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

PART II

Item(s) during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

14 **Procurement of Financial Forward Planning Software from April 2014**
(Pages 51 - 52)

To outline options for the procurement of Forward Planning Software from April 2014

This page is intentionally left blank

SCHOOLS FORUM

DRAFT MINUTES OF THE SCHOOLS FORUM MEETING HELD ON 14 MARCH 2013 AT MAIN HALL - ST JOHN'S PARISH CENTRE, 2 WINGFIELD ROAD, TROWBRIDGE, BA14 9EA.

Present:

Dr Peter Biggs, Mr Steve Clark, Mr Tim Gilson, Jan Hatherell, Mr J Hawkins, Mr J Proctor, Ms I Sidmouth, Mr Martin Watson (Vice-Chair) and Mrs C Williamson

Also Present:

Simon Burke, Julia Cramp, Stephanie Denovan and Cllr Lionel Grundy OBE

13 Apologies and Changes of Membership

Apologies were received from Neil Baker (Chairman), Julia Bird, Andy Bridewell, Ann Ferries, Sue Jiggins, Rev. Alice Kemp and Dr Tina Pagett.

The Vice- Chairman, Martin Watson, took the Chair.

14 Minutes of the previous Meeting

The Chairman drew attention to the minutes found on pages 1 to 6 of the agenda.

A proposal to amend the wording of the second resolution in item no. 10 to read

- (2) To agree an hourly rate for 2 year olds in private, voluntary and independent settings at £5.43, plus an additional 25p per hour as a start up rate per pupil for 2013-14, to be reviewed on an annual basis

was accepted.

A further proposal to amend the ninth resolution for minute no. 10 to read

- (9) To recommend to Council that the overall schools budget be set at £302.184 million

was accepted.

Resolved:

The Forum agreed

1. To accept the amended wording for the second resolution from minute no. 10
2. To accept the amended wording for the ninth resolution from minute no. 10
3. To approve and sign as a correct record the minutes from the meeting held on 24 January 2013, subject to the amendments detailed above.

15 Declaration of Interests

There were no declarations of interest.

16 Chairman's Announcements

Simon Burke and Councillor Grundy OBE were thanked for their contribution to the work of the Forum and wished every success for the future.

17 Children and Young People's Trust Board Update

Julie Cramp, Service Director – Commissioning and Performance provided updates on the following:

Safeguarding Peer Review

A sector-led review took place at the end of January. OFSTED's message since this review was to keep up the pace and complete the plan.

Early Intervention Strategy

The Safeguarding Trust Board had approved a multi-agency thresholds document, which was being taken to PHF next week and hopefully WASSH in the near future. The strategy would also be brought to Schools Forum.

18 Budget Monitoring

Liz Williams, Head of Finance introduced the report and noted the projected underspend of £0.6 million. Work was ongoing to support vulnerable schools through the funding mechanism, and it was agreed that details of this support would be brought to the next Schools Forum meeting.

Resolved:

The Forum noted the report.

19 Reports from Working Groups

School Funding Working Group (SFWG)

Liz Williams, Head of Finance introduced the report and minutes from the SFWG. She highlighted the recommendations which gave support for an amendment to the funding scheme to withdraw the control mechanism on

surplus balances scheme, a request for additional information to be made available to the Forum to assist with consideration of the Review of 2013-14 School Funding Arrangements consultation and a recommendation that no cash back be distributed to schools in 2012-13 within the Free School Meals Pooling Scheme.

Resolved:

The Forum noted the report and recommendations contained within.

SEN Working Group

Liz Williams, Head of Finance introduced the report and minutes from the SEN Working Group. She highlighted the recommendations which requested a review of Top Up Rates for 2014-14 and recommendations for the response to the Review of School Funding Arrangements 2013-14 consultation.

Resolved:

The Forum noted the report and the recommendations contained within.

Schools Services Working Group

Simon Burke provided a verbal update from the Schools Services Working Group.

He confirmed that the existing contract for broadband would finish on 31 July 2013 and the preferred provider was South West Grid for Learning. He highlighted the important decision to de-delegate and confirmed that the offer to special schools was made on the same basis as academies, and that a review had been agreed.

Wiltshire Council was now acting as an appropriate body for qualified teachers. There was a new online system for schools to access, and the charges for this service were £175 registration and £75 per NQT.

Changes had been made to the pupil advisor programme with a move from 4 to 3 and a half days from central funds. A request to increase music services by 2.5% was agreed.

Work on modernising the payroll system was ongoing however it was unlikely to be implemented before the autumn.

A query was raised over whether the charges to some schools for broadband provision from SW Grid for Learning between the period 1 April 2013 and 31 July 2013 being higher than previously for a whole year could be overcome. It was confirmed that this would not be possible as changes to the Schools Funding regulations meant delegation to DSG with the schools having to pay back, however they were seeking to reduce across the board and were hoping to offset costs. Concern was raised over the lack of understanding on and confidence in the broadband offer from SW Grids for Learning and it was agreed that they would attend the next meeting of the PHF. Schools would have to reach a decision by 31 March 2013.

20 Review of School Funding Arrangements 2013-14

Liz Williams, Head of Finance, introduced the report circulated at the meeting and attached to these minutes which provided detail around the consultation questions. She explained that the document was split into 4 sections, and the Forum were asked for their steer for the response.

Section 1: Are we moving towards national consistency

The move to a pupil led system with funding following the pupil was noted. In 2012-13 80% of funding in Wiltshire was allocated through pupil-led factors; in 2013-14 this went up to 88.9%. The Forum agreed that a minimum threshold should be set for the pupil-led factors, but noted that if rules were changed to allow differential lump sums between primary and secondary this may impact on the amount allocated through pupil led factors.

Section 2: Areas of concern and possible change for 2014/15

The difficulty in commenting on prior attainment given the concern over the new set of data was highlighted.

It was confirmed that Wiltshire Council had opted not to use a pupil mobility factor in the new funding arrangements and the Forum noted that the impact of mobility included sudden reductions in pupils numbers in addition to large increases and that it may be better to have a facility to set a deficit budget to support schools in managing this.

The Forum recommended that there should be different lump sums for primary and secondary, which would negate the need for a sparsity factor. It was agreed that the proposed sparsity factor was complex and questions were asked if it would take into account safe walking routes.

The issues around service schools were likened to those of deprived area and therefore not triggering deprivation factors and it was suggested that some issues could be tackled in conjunction with the MOD. Concern was raised over falling rolls with a suggested solution of licensed deficits; however it was acknowledged that this would not be easy for academies.

Section 3 – Options for adjusting high needs funding in 2014-15 and beyond

This section and the questions contained within had been considered by the SEN working group and the Forum agreed with the responses suggested.

Section 4 – Schools Forum

The Forum felt that as given in feedback previously they worked in a collaborative way and any additional restrictions may work against that.

Resolved:

The Forum agreed to submit a response to the DfE consultation based on the points made.

21 **Schools Budgets 2013-14 - Update**

Liz Williams, Head of Finance introduced the report and drew the Forum's attention to an error relating to Secondary School Budgets 2013-14 detailed in a briefing note circulated at the meeting and attached to these minutes.

The error in the calculation of number on roll for secondary schools affected 22 out of 29 schools, and the following two options were considered:

- a) Adjust in the following year
- b) Recover the overpayment by adjusting the top ups to be paid to schools in 2013-14

The Forum noted that it was possible to recoup the overpayments for all but 1 secondary school by adjusting the top up payments payable in 2013-14 for high needs pupils and which enabled the funding for each school to be corrected within the financial year, avoiding any knock on impact to 2014-15.

It was explained that the budgets had been sent out to schools on 1st March and should be earlier next year.

Further work was needed on the funding of high needs provision for 2014-15 and it was agreed that SENCO / Business Managers should be approached for involvement in a working group to look at potential changes to the banding system for provision across mainstream schools and report back via the SEN Group to the October meeting of Schools Forum.

It was confirmed that funding rates were inclusive of all new delegation and budgets could not be adjusted to correct errors once issued.

The impact of funding changes showed a significant increase in schools protected through the MFG. Work was ongoing on how to support schools that are financially vulnerable as a result of the new funding formula and proposals would be brought to the June meeting of Schools Forum

Resolved:

The Forum agreed

- 1. To note the progress on the 2013-14 schools budget to date**
- 2. To recommend the recovery of overpayments to secondary schools by adjusting the top-ups to be paid to schools in 2013-14**
- 3. For the SEN working group to consider how high needs funding should be allocated across mainstream schools and report back to Schools Forum in October.**
- 4. For proposals to support schools who are financially vulnerable as a result of the formula changes to be brought to the June meeting.**

22 Expectations for SEND Green Paper Pathfinders during the Extension Period (April 2013 to September 2014)

Julia Cramp – Service Director, Commissioning and Performance, introduced the report and highlighted the huge piece of work being undertaken which included the identification of unit costs for personal budgets. She confirmed that the legislation had been delayed and was currently scheduled to come into effect on 1 April 2014.

The following key days were noted:

June 2013: Personal budgets to be offered to all those with a new Education Health and Care Plans (EHCP).

September 2013: My Plan would be offered to all new applicants. Work would start on converting existing statements to EHCP.

In response to questions Julia confirmed that they would be writing to people with existing statements explaining what the options were.

Wiltshire Council's success as a regional pathfinder supporting other authorities in the region was noted, and it was confirmed that they had been chosen as a national pathfinder.

Resolved:

The Forum noted the report.

23 Controls on Surplus Balances scheme - outcome of consultation

Liz Williams, Head of Finance introduced the report detailing the results of the consultation with schools on the withdrawal of the Controls on Surplus Balances Scheme with effect from 2013-14.

The results of the consultation showed the schools in agreement with the proposal to withdraw the scheme and initiate an alternative approach which maintains a balance between encouraging prudent financial management whilst also embracing the DfE's guidance that schools should operate autonomously.

Resolved:

The Forum recommended a revision to the Wiltshire scheme for funding schools to withdraw the control mechanism on surplus balances with effect from the 2013-14 financial year.

24 Free School Meal Pooling Scheme

Liz Williams, Head of Finance introduced the report which detailed the estimated balance as being £80k, which had previously been believed by officers to be adequate to offset any growth in free meals in 2012-13.

Resolved:

The Forum recommended that no cash back be allocated from the Free School Meal Pool in the current year.

25 Confirmation of dates for future meetings

The following dates were noted:

27 June 2013

3 October 2013

12 December 2013

23 January 2014

13 March 2014

26 Urgent Items

There were no urgent items.

(Duration of meeting: 1.40 - 3.35 pm)

The Officer who has produced these minutes is Kirsty Butcher, of Democratic Services, direct line 01225 713 948, e-mail kirsty.butcher@wiltshire.gov.uk

Press enquiries to Communications, direct line (01225) 713114/713115

This page is intentionally left blank

SCHOOLS FORUM
27th June 2013

REVENUE BUDGET OUTTURN REPORT 2012-13 – DEDICATED SCHOOLS BUDGET

Purpose of the Paper

1. To report on the outturn position for the dedicated schools budget in 2012-13.

Main Considerations

Outturn 2012-13

2. Appendix 1 shows expenditure as at 31st March 2013, the figures show an **underspend against DSG of £1.493 million**. This is a favourable movement of £0.888 million compared with the previous report to Schools Forum. This is a significant movement and can be explained by a number of large one off underspends occurring late in the financial year, including rates revaluations and LACSEG recoupment. The key variances and movements from the previous report are outlined below.

HR Related Budgets

3. The premature retirement costs budget was overspent by £0.030 million. From April 2013 DSG will no longer be utilised to fund redundancy costs as no new commitments are permitted against centrally held schools block budgets. The funding held centrally for this purpose has been delegated to schools and the responsibility for redundancy costs that meet the criteria for central funding will lie with the local authority.
4. The Schools Maternity Costs budget overspent in 2012-13 by £0.209 million.

Special Educational Needs Services

5. The Independent Special Schools budget underspent by £0.461 million, in line with previous projections. The recoupment budget (for placements in other local authority special schools and non-school placements) overspent by £0.122 million giving an overall underspend on placement budgets of £0.339 million.
6. Expenditure on Named Pupil Allowances showed an overspend of £0.124 million.
7. Budgets for high needs placements will be reported differently in 2013-14 as they will include budgets for top-up payments to maintained schools and academies (mainstream and special), payments to independent special schools and to other local authority schools and payments to FE colleges and Independent Specialist Providers for post-16 placements. The responsibility for funding post-16 placements will come in to effect from September 2013 and is a new responsibility for the local authority, and a new cost to be managed within DSG. Work is ongoing to finalise the expected commitments against placement budgets and an analysis will be brought to the October meeting as part of the budget monitoring report.

Early Years

8. Early Years budgets underspent by £0.286 million against the overall budget for the free entitlement for 3 & 4 year olds. The total budget for the free entitlement is £14.626 million and the take up of places through the year was slightly lower than projected.

Schools Contingency

9. The Schools Contingency underspent by £0.658 million in 2012-13. This variance had not been anticipated during the year and relates to a late rates adjustment following a review of mandatory rate relief across Wiltshire schools. This review resulted in a refund to the schools budget relating to 2012-13 and previous years. Schools had been funded at the value of the original rates bills and so the underspend accrues to the general schools budget.

LACSEG Recoupment Reserve

10. In setting the budget for 2012-13 savings were implemented across central DSG funded services in order to meet the expected reductions in DSG from the Local Authority Central Spend Equivalent Grant (LACSEG) recoupment. The total savings to be achieved were calculated based on LACSEG guidance and an estimate of the number of academy conversions to take place during the financial year, and the estimated dates of those conversions. The savings achieved were then held in a LACSEG "reserve" to enable recoupment from the EFA through the year.
11. Academy recoupment for 2012-13 was estimated at £1.220 million. At the end of the year the actual LACSEG amount recouped in relation to academy conversions was £0.747 million resulting in an underspend of £0.473 million.

Utilisation of DSG Underspend

12. Any under or overspend against the Dedicated Schools Grant is to be carried forward in to the following financial year. The underspend of £1.493 million will therefore be transferred to an earmarked DSG Reserve. This gives a total DSG balance held within earmarked reserves of £2.389 million taking in to account unallocated funds rolled forward from previous years.
13. A debit balance is currently held on the Council's Balance Sheet arising from the net deficit balances of closing schools. This includes balances from schools converting to sponsored academy status under the fast track conversion process. The total outstanding balance is £210,230 and should be a call against the Council's DSG allocation.
14. It is therefore proposed that the deficit balance be written off against the overall DSG underspend from 2012-13. Balances from closing schools will need to be reviewed on an annual basis.
15. If the write off is implemented a balance of £2.178 million will remain in the earmarked DSG reserve.
16. In the January meeting Schools Forum considered the use of some of this reserve to support financially vulnerable schools and asked that proposals be brought to the June

meeting once the outturn was finalised. We have since received clarification from the Education Funding Agency (EFA) on how any balances brought forward from 2012-13 may be used in accordance with the schools finance regulations:

- a) DSG balances from previous years may be moved in to the High Needs or Early Years blocks to support spending in those areas.
 - b) Any DSG balances not moved in to Early Years or High Needs must be retained until 2014-15 and then delegated to schools, or allocated to the contingency fund and schools consulted on delegation or de-delegation.
17. The reason for retaining balances until 2014-15 before allocating is that central Schools Block budgets cannot be increased and delegated budgets cannot be re-determined during the year so additional funding could not be delegated during 2013-14.
 18. For the reasons outlined above it would not be possible to retain any funding from the 2012-13 underspend to enable support for financially vulnerable mainstream schools during 2013-14.
 19. It would be possible to allocate part of the existing de-delegated school contingency for this purpose, to support maintained schools, however the total de-delegated funding is less than £90,000.
 20. It would be possible to allocate an amount from the 2012-13 underspend to the high needs block to support special schools. Schools Funding Working Group discussed this possibility and recommended that if funds are to be allocated for this purpose they should be utilised to support transition to the new funding mechanism for special schools and not to specifically preserve previous funding levels.
 21. Schools Forum will need to consider utilisation of the 2012-13 underspend as part of the budget setting discussions for 2014-15.

Proposal

22. Schools Forum is asked to:
 - a) Note the outturn position for the Dedicated Schools Budget in 2012-13.
 - b) To recommend that the net deficit balances from closing schools be written off against the overall DSG reserve for 2012-13.
 - c) To note the remaining level of the earmarked DSG reserve available to roll forward to 2013-14.
 - d) To consider whether a proportion of the 2012-13 underspend should be moved in to the high needs block to support special schools in financial difficulty.
 - e) To consider whether a proportion of the 2012-13 underspend should be moved in to the high needs block to support other specific cost pressures or risks.

- f) Consider whether funding from the existing de-delegated contingency should be used to support maintained schools made more financially vulnerable through the change to the funding formula.

Report Author: Liz Williams, Head of Finance

Tel 01225 713675, e-mail Elizabeth.williams@wiltshire.gov.uk

Financial Monitoring

Service Areas	Approved Budget £m	Projected Outturn for £m	Variation for Year £m
1 Funding Schools			
DSG Funded Expenditure	165.935	165.277	-0.658
Total	165.935	165.277	- 0.658
2 Schools & Learning Branch			
Independent Special Schools	3.934	3.472	-0.461
Named Pupil Allowances	2.135	2.259	0.124
Special Recoupment	1.546	1.668	0.122
Specialist SEN Service	0.803	0.761	-0.042
Sensory Service	0.522	0.429	-0.092
Ethnic Minority Achievement Service	0.325	0.312	-0.013
Travellers Education Service	0.191	0.161	-0.030
Local Collaborative Partnerships	0.052	0.052	0.000
Young People's Support Services	0.996	0.951	-0.045
Behaviour Support	0.784	0.816	0.032
Other Targeted Services	2.180	2.135	-0.045
Total Targeted Schools & Learner Support	13.468	13.017	-0.451
Strategic Planning	0.035	0.035	0.000
Admissions Service	0.262	0.237	-0.025
Other School Improvement Services	0.025	-	-0.025
Total School Improvement	0.323	0.273	-0.051
Early Years Single Funding Formula	14.926	14.640	-0.286
Other Early Years Services	1.117	1.117	0.000
Total Early Years & Childcare	16.043	15.757	-0.286
Business & Commercial Services	0.153	0.153	0.000
Total Schools & Learning	29.987	29.199	- 0.787
3 Commissioning & Performance			
Schools Maternity Costs	0.551	0.760	0.209
Trades Union Facilities Costs	0.048	0.049	0.001
Schools PRC - New Cases	0.411	0.441	0.030
SIMS Licence	0.131	0.148	0.017
Other services	0.138	0.182	0.044
Total	1.279	1.581	0.302
4 Safeguarding			
Child Protection in Schools	0.028	0.028	0.000
Total	0.028	0.028	-
5 Social Care & Integrated Youth			
QES	0.033	0.037	0.003
Assisted Places Scheme	0.030	0.024	-0.006
Looked After Children Education Service	0.150	0.276	0.126
Total	0.213	0.337	0.124
6 DSG Within Corporate Services & "LACSEG Reserve"			
Gross Expenditure	4.054	3.581	-0.473
Total	4.054	3.581	- 0.473
	201.496	200.003	- 1.493

Note POSITIVE variances = OVERSPEND

This page is intentionally left blank

Wiltshire Council

Schools Forum
27th June 2013

Report from the School Funding Working Group

Purpose of report

1. To report on the meeting of the School Funding Working Group held on 13th June 2013.

Main considerations for School Forum

2. The draft minutes of the meeting are attached at Appendix 1.
3. The Group agreed the following recommendations to be made to Schools Forum to be considered at the meeting on 27th June 2013.

4. Procurement of Financial Forward Planning Software from April 2014

The School Funding Working Group considered a report on the proposed transition to a web based version of the schools financial planning software and to enter in to a new 3 year agreement with the current supplier in accordance with the Council's Procurement and Contract Rules.

It was recommended that the proposal to enter in to a new 3 year agreement with the current provider to provide a web based financial planning tool to all maintained schools from April 2014 be supported.

5. Final Outturn 2012-13

School Funding Working Group considered a report detailing the final outturn position for 2012-13. It was agreed to support the recommendation that the deficit balance from closing schools be written off against the 2012-13 underspend.

It was agreed that further consideration needed to be given as to how and whether any funding could be set aside to support schools made more financially vulnerable through the change in funding formula.

6. School Funding Arrangements for 2014-15

The group considered the DfE proposals for schools funding in 2014-15. It was agreed that the following options for changes to the formula should be modelled for consideration by Schools Forum:

1. Pupil mobility – to consider the impact of the introduction of a 10% threshold to the mobility factor
2. Sparsity – to consider the impact of the proposed new sparsity factor
3. Lump Sum – to model differential lump sums set at £85,000 for primary schools and £175,000 for secondary schools.

Proposals

7. That Schools Forum note the minutes of the School Funding Working Group and the recommendations outlined above.

Carolyn Godfrey
Corporate Director

Report author: Liz Williams, Head of Finance
01225 713675
Elizabeth.williams@wiltshire.gov.uk

Schools Forum School Funding Working Group

13th June 2013, 8:30am, Stoate Room, Shurnhold, Melksham

Minutes

Present: Liz Williams, Neil Baker, Andy Bridewell, Catriona Williamson, Steve Clark, Martin Watson, John Hawkins

Apologies: Phil Cooke, Tim Gilson

1	Minutes from Previous Meeting The minutes from the meeting of 25 th February had been circulated and reported to Schools Forum	
2	Controls on Surplus Balances – Intended Use of Reserves 2011/12 Update The group considered a report summarising the use of revenue reserves carried forward by schools from 2011-12 in excess of the permissible thresholds. All schools had responded to the request to submit a return and those returns indicated that all schools had used, or intended to use, their balances in line with the purposes originally assigned.	
3	Procurement of Financial Forward Planning Software from April 2014 EW presented a paper outlining the current position in relation to the financial planning software used in Wiltshire maintained schools and the proposed transition to a web based version. The web based version from the current software supplier had been tested by a small group of pilot schools and feedback has been positive. EW explained that the current 3 year agreement with HCSS Education would come to an end in March 2014. On the grounds of sole source of supply and compatibility with the current system it has been agreed that provision of the FPS Web for maintained schools from April 2014 can be exempted from the recognised procurement routes and therefore it is possible to seek a new 3 year agreement from the existing supplier. It was agreed that this should be the recommendation to Schools Forum.	
4	Final Outturn 2012-13 EW presented a budget monitoring report showing the final outturn position for the Dedicated Schools Grant (DSG) in 2012-13. The underspend for 2012-13 was £1.493 million. This was higher than previously projected and the movement was accounted for by two one off underspends occurring late in the financial year (1) a one off rates revaluation exercise, (2) and underspend against the LACSEG Recoupment reserve as the final level of recoupment was lower than initially budgeted for. EW proposed that the outstanding deficit balances for closing schools be written off in 2012-13 against the underspend. The working group agreed that this proposal should be recommended to Schools Forum. At previous Schools Forum meetings it had been proposed that a proportion of the underspend from 2012-13 could be utilised to support schools made more financially vulnerable as a result of school funding reform changes. More detailed proposals were due to be brought to the June meeting. EW	EW

	<p>reported that the advice from the Education Funding Agency (EFA) was that this would not be in accordance with the schools finance regulations for the following reasons:</p> <ol style="list-style-type: none"> 1. Any underspend against the DSG needs to be held until the following funding period so it can be delegated to schools – with the exception of any amounts moved to the Early Years or High Needs blocks 2. Any support for schools in financial difficulty (other than special schools) can only be funded from the de-delegated schools contingency therefore the funding would need to be added to the contingency to be delegated to schools and maintained school consulted on whether the funding should be de-delegated. Budgets cannot be re-determined in year and therefore this cannot now take place until 2014-15. <p>It would be possible to move some of the 12-13 underspend in to the high needs block in order to support special schools.</p> <p>It would also be possible to use the current de-delegated contingency for this purpose, although only £95,000 was de-delegated for maintained schools and the contingency could not be used to support academies.</p> <p>The group discussed the implications of restrictions on the use of DSG underspends and in particular the concern that delegating one off funding could potentially cause cost pressures in future years. In order to avoid this it was suggested that in future years the DSG reserve could be used to support the growth fund or falling rolls fund (allowable from 2014-15) with one off investment.</p> <p>It was agreed that Schools Forum could consider allocating some of the underspend to the high needs block to support special schools in financial difficulty. There was a clear recommendation from the group that if such funding were to be made available it should be utilised to support the transition to the new funding mechanism rather than to necessarily preserve previous levels of funding.</p> <p>It was also agreed that if funding was to be set aside to support mainstream schools in financial difficulty, now or in future years, there would need to be clear criteria and that any funding would need to be in support of an agreed plan to move the school to a more sustainable financial position.</p>	
5	<p>Review of Top Up Payments in Mainstream School Resource Bases and ELP Provision</p> <p>A report that had been discussed by the SEN Working Group earlier in the week was circulated for information</p>	
6	<p>DfE Funding Proposals 2014-15</p> <p>EW circulated a paper outlining the main changes in the funding arrangements for 2014-15 – including potential changes to the funding formula.</p> <p>It was agreed that the following possible changes should be modelled for Schools Forum:</p> <ol style="list-style-type: none"> 1. Pupil mobility factor – impact of a 10% threshold 2. Sparsity Factor 3. Lump sum – use of a differential lump sum for primary and secondary <p>It was agreed that no changes should be made to any other formula factor</p>	

	<p>outside of the impact of changes to the data source eg., prior attainment, or the impact of the new factors on AWPU levels.</p> <p><i>Mobility Factor</i> – it was agreed that this should be modelled with the new data to give an indication of the schools that would be supported now that a threshold was being applied. The group was mindful that any funding diverted in to fund a mobility factor would need to be taken from the funding for AWPU. £1 million to fund mobility would result in approximately 0.5% reduction in AWPU across all schools.</p> <p><i>Sparsity Factor</i> – it was agreed that this needed to be modelled but an unintended consequence of making small schools very expensive compared with other schools needed to be avoided.</p> <p><i>Lump Sum</i> – it was agreed that a lump sum of £85,000 for primary schools and £175,000 for secondary schools should be modelled.</p> <p>It was agreed that, if the data was made available by the DfE in time, the options should be modelled for consideration by Schools Forum at the meeting on 27th June. In order to ensure that any consultation with schools can be finalised it was agreed that the Schools Funding Working Group will meet again in July to agree the final models for consultation. It was agreed that the results of any modelling work may need to be tabled at Schools Forum as the data was not yet available.</p>	
7	<p>Support For Financially Vulnerable Schools</p> <p>Considered as part of the discussion on final outturn 2012-13</p>	
8	<p>AOB</p> <p>There was no AOB for discussion</p>	
9	<p>Date of Next Meeting</p> <p>Thursday 18th July, 8.30am, County Hall</p>	

This page is intentionally left blank

Report from the Schools Forum SEN Working Group

Purpose of report

1. To report on the meeting of the SEN Working Group held on 10th June 2013.

Main considerations for School Forum

2. The draft minutes of the meeting are attached at Appendix 1.
3. The SEN Group made the following recommendations to Schools Forum:
4. ***Top Up Payments for Non-Wiltshire Pupils (Item 2 Appendix 1)***

The Group considered a report outlining the previous funding mechanism under inter-authority recoupment for non-Wiltshire pupils in mainstream schools and the impact of funding reform. This report is also included as a separate item on the Schools Forum agenda.

The group discussed the proposed options for moving towards a consistent funding model for all pupils with additional needs and recommends that Option C should be implemented, allowing transitional funding of 50% for those schools for whom the impact is greater than 1% of budget. The cost of the transitional funding is to be met from the high needs budget.

5. ***Proposals***

That Schools Forum notes the recommendations of the SEN Working Group when considering the paper on top up payments for non-Wiltshire pupils in mainstream schools.

Carolyn Godfrey
Corporate Director

Report author: Liz Williams, Head of Finance
01225 713675
Elizabeth.williams@wiltshire.gov.uk

This page is intentionally left blank

Schools Forum SEN Working Group

10th June 2013, 9.00am, Canvey Room, East Wing, County Hall

Minutes

Present: Liz Williams, Karina Kulawik, Martin Cooper, John Hawkins, Carol Grant, Rob Parsons, Debbie Bennett

Apologies: Phil Beaumont, Julia Cramp

1	<p>Minutes from Previous Meeting</p> <p>The minutes from the previous meeting were reviewed. The minutes had been considered at the last Schools Forum meeting in March.</p> <p>Pathfinder Update</p> <p>KK fed back that working groups have been set up to test the new single Education, Health & Care Plan (My Plan) and to work on the Local Offer. Approximately 90 schools have volunteered to be involved.</p> <p>School Funding Reform Update 2013-14</p> <p>Top up funding for schools with >3.5% pupils with statements to be calculated this month and funding allocated to schools.</p> <p>JH asked about support for Special Schools in financial difficulty following implementation of the new funding system. EW confirmed that no formal requests have been submitted for deficit budgets by Special Schools at this stage but that Schools Forum could consider a proposal to allocate some funding to support special schools where appropriate. This would be discussed further at the School Funding Working Group.</p> <p>EW updated the group on some of the key proposals in the new funding arrangements for 2014-15 in relation to high needs pupils. Key proposals included:</p> <ul style="list-style-type: none">• The requirement for schools to meet the first £6,000 of provision for additional needs will be made mandatory – this will not require any change to the funding formula in Wiltshire• No changes to be made to the place plus funding mechanism for high needs provision although Independent Special Schools will not move on to this system in 2014-15 as originally proposed• It is likely that the minimum funding guarantee for top up values will remain in place in 2014-15 instead of being only for the first year. This may impact on any recommendations from the review of Resource Base provision	EW
2	<p>Top Up Payments for non-Wiltshire pupils</p> <p>EW presented a paper outlining previous arrangements for funding non-Wiltshire pupils in mainstream schools and the impact of the new funding arrangements. The key impact of the new arrangement is that it will now be difficult to fund non-Wiltshire pupils differentially, as per previous agreements, as schools are required to meet the first £6,000 additional needs for all pupils and other LAs will only be expecting to pay top up values in future.</p> <p>A number of options were presented to the working group for consideration:</p>	

	<ul style="list-style-type: none"> • <i>Option A</i> – Wiltshire continues to operate a recoupment system and continues to fund the schools according to the previous agreement for existing non-Wiltshire pupils. This would mean schools will continue to be funded for the full value of a pupil’s statement but the financial risk of not being able to recoup the amount from the placing LA is left within the central High Needs budget. Total potential risk £144,145. • <i>Option B</i> – Wiltshire continues to operate a recoupment function and pays NPA top ups for all non-Wiltshire pupils on the same basis as Wiltshire pupils. The financial risk is then borne at individual school level. • <i>Option C</i> - Wiltshire continues to operate a recoupment function and pays NPA top ups for all non-Wiltshire pupils on the same basis as Wiltshire pupils but with 50% transitional funding (for one year only) to schools for whom the impact is greater than, for example, 1.5% of budget. Financial risk is shared between individual schools and the central High Needs budget. • <i>Option D</i> – Wiltshire ceases to operate a recoupment function for non-Wiltshire pupils in mainstream provision and schools negotiate top up rates directly with the placing authority. Financial risk or benefit is borne at individual school level as is the task of invoicing the placing LA for the top up. <p>After consideration of the options, Option C, moving to a consistent method of funding for all pupils with 1 year transitional support from the high needs block for schools where the impact is greater than 1% of budget, was recommended.</p>	
3	<p>Alternative Provision – funding for pupils with statements of SEN</p> <p>KK presented a summary of previous and current funding methods for supporting pupils with statements of SEN in Alternative Provision or at risk of permanent exclusion. Prior to the closure of the YPSS, pupils receiving provision from YPSS did not receive additional funding through named pupil allowances (NPAs) as they would have done in school. Under the new system secondary schools receive the devolved budget for alternative provision but if the pupil is in receipt of ELP or NPA funding this will also continue whilst they are on the roll of the school.</p> <p>CG noted that there was a particular issue in the south of Wiltshire as there was a lack of affordable provision for pupils with statements and that a wider discussion was required to look at the development of the market to ensure a range of provision could be developed. KK to attend the Wessex Federation meeting later in June to discuss further.</p>	KK
4	<p>Review of Top Up Payments in Mainstream School Resource Bases and ELP Provision</p> <p>KK outlined a proposed review of banding descriptors and funding values for Resource Base provision in mainstream schools. The aim of the project is to establish a continuum of banding descriptors for different levels of need across all resource base provision. A review of the banding values could then be based on agreed provision for each level of need.</p> <p>A working group has been set up and during the summer term a review of the banding descriptors would take place alongside financial</p>	

	<p>benchmarking work and a costing exercise to develop financial models for each type of provision.</p> <p>It was proposed that all schools with Resource Bases would be consulted on the outcomes of that work in September with final proposals to be brought to the SEN Working Group in late September prior to being considered by Schools Forum at the October meeting. It was agreed that the membership of the SEN Group would need to be broadened for the September meeting to ensure that schools with resource bases are represented on the group.</p> <p>KK also outlined work that is taking place to review the current ELP guidance. the work on the ELP guidance and the review of banding values for resource bases would inform a review of banding values for ELP. It was noted that the historical position had been that ELP values were on an equivalent level to Bands 4-5 in Special Schools and the banding values for Complex Needs Centres in resource bases.</p>	EW/KK
5	<p>AOB</p> <ul style="list-style-type: none"> • ELP Funding – KK updated the group on the discussions currently being held with secondary schools on ELP provision. KK and EW are attending federation meetings in each area in June. 	
6	<p>Date of Next Meeting</p> <p>Monday 23rd September, 9am, County Hall</p>	

This page is intentionally left blank

Report from the Schools Forum Early Years Reference Group

Purpose of report

1. To report on the meeting of the Early Years Reference Group held on 24th May 2013.

Main considerations for School Forum

2. The draft minutes of the meeting are attached at Appendix 1.
3. The EY Reference Group made the following recommendations:
4. ***Membership of the Early Years Reference Group and Representatives for Schools Forum***

Schools Forum is requested to agree the recommendation to accept with immediate effect the expressions of interest to join the membership of the Early Year Reference Group as follows –

- Voluntary sector representative - Caroline Wells, Manager of Smiley Faces Nursery, Amesbury
- Maintained nursery representative – Sarah Ward, Headteacher of Bulford St Leonards Primary School

Schools Forum is also requested to note that the reference group will put forward the name of its second Schools Forum representative following its next meeting in September to replace Michael Keeling. John Proctor will continue to serve as an Early Years Reference Group representative on School Forum.

5. ***Proposals***

That Schools Forum agree the recommendations of the Early Years Reference Group.

Carolyn Godfrey
Corporate Director

Report author: Liz Williams, Head of Finance
01225 713675
Elizabeth.williams@wiltshire.gov.uk

This page is intentionally left blank

Wiltshire Council
Children's Services

Early Years Reference Group

Minutes of a meeting held on 24 May 2013 at the Melksham Professional Development Centre.

Present: Jackie Bedford (Wilts C), Jane Boulton (Springboard DSC, Chippenham), Sarah Clover (Wilts C), Rosemary Collard (Snapdragons Nurseries), Gill Hanlan (Chair - Wilts C), Jenny Harvey (Wilts C), Ted Hatala (St Josephs), John Proctor (South Hills Independent School, Salisbury), Sarah Ward (H/T – Bulford St Leonards Primary School), Lucy Waterman (Rub a Dub Pre-school, Derry Hill), Liz Williams (Wilts C)

1.0 Welcome and Introductions

GH welcomed everyone to the meeting and introductions were made.

2.0 Apologies for Absence

Alan Butler (Learning Curve Day Nursery, Wootton Bassett), Mark Cawley (New Road Nursery), Mike Fairbeard (Little Fir Tree Nursery, YMCA), Jo Murray (CM representative), Fiona Webb (Sunny Days Nursery), Caroline Well (Smiley Faces Nursery, Amesbury)

3.0 Minutes of last meeting

The minutes of the meeting held on 16 November 2012 were agreed as an accurate record of discussion.

4.0 Matters arising from minutes of meeting held on 16 November 2012

5.1 Local Provider Agreement – this has been finalised and distributed electronically to all providers and Wiltshire's website has been up dated to reflect both national and local provider agreement requirements.

5.2 Condition of accessing free entitlement (EYFS)

SC confirmed that current arrangements did permitted providers to opt out of following the EYFS framework as long as the necessary exemption certificate had been obtained from the DfE/Ofsted. Clarification on future arrangement is expected when the new roles of the LA are published by central government.

6.2.2 Single Funding Formula - Two Year Old Funding - Consultation –

JH confirmed that results of the consultation concerning bringing two year old funding into the single funding formula had been published on the Wiltshire website but had now been removed after the start of the new financial year.

6.2.3 Single Funding Formula - Two Year Old Funding - Hourly rate for two year old

funding – LW confirmed that School Forum had agreed a two year old funding rate for 2013/14 of £5.68 (comprising £5.43 basic rate and £0.25 set-up supplement). It has also agreed that any uncommitted funds at year end would be rolled forward to deal with future two year old funding demand.

9.1 Schools Forum Agenda

JB confirmed that the sector was now being alerted to this as required.

5.0 Update on National Issues

GH advised of three recent central government papers –

More Great Childcare – most notable proposals related to

- The change in adult to child ratios e.g. for under one (a move from 1:3 to 1:4) and for two year olds (a move from 1:4 to 1:6). This had not proved popular with the sector. Latest announcement indicated that government is now working with NDNA providing them with a £1m grant to 'test' out new ratio proposals.

- The introduction of childminder agencies. This was again not proving to be a popular proposal as childminders were unwilling to pay the likely charge for registering with an agency.

Changes to the role of LAs in early education and childcare – this proposed a drastic reduction in the role and influence of the LA across the early years sector

Good early years provision for all – introduced the proposal for a new early years inspection framework.

GH advised that each document raises huge issues to everyone working in the early years sector. Currently still awaiting government feedback which is thought to have been delayed due to enormous backlash from the sector.

6.0 Code of Practice/Local Agreement

6.1 National draft code and implications for local code from September 2013

SC circulated a paper summarising details of the national draft code and its implication for the local provider agreement which would lead to the deletion of much of the current content of the local code. Key points –

Two year old funding - This becomes a statutory entitlement from September 2013 for lower income households and other specific categories of children. Provision will primarily be made available in good or outstanding settings and funding will not be removed even if a change in family circumstances occurs.

Sufficiency – Repeal of LA requirement to assess sufficiency of childcare

Information, advice and training – duty for LA to provide this is to be replaced

Three & four year old funding – some duties to remain with the LA e.g. charging for extras, equitability between provider types, stretched offer, maximise take-up, top-up fees etc

Flexibility – LA to ensure flexibility of free entitlement is available as an option for parents

Quality – availability of funding will be sole dictated by Ofsted judgement on quality. Funding will be withdrawn from inadequate provision and the LA will need to secure alternative provision as soon as is possible. Funding will be available to new providers prior to their first Ofsted grade inspection.

Funding arrangements – must continue with single funding formula providing an indicative annual budget to providers. Only limited conditions to be placed on providers with a clear policy on funding children that move settings. Maintained nurseries are to provide free school meals to eligible children with consideration being given to doing the same at PVI's. LA to consider funding EYFS exempt providers. DfE will publish all LA funding rates.

Delivery in partnership – LA to publish a list of providers taking up funding and must have an appeals and complaints procedure in place.

Securing sufficiency – LA must secure sufficient childcare provision and publish an assessment every three years reporting annually to elected members

Parents – LA must provide information, advice and assistance to secure and assess quality of childcare and have a complaints procedure.

Information to childcare providers – LA must provide information on where to find advice, information and training on a voluntary basis.

Special educational needs – LA must advise providers to adhere to SEN code of practise

Wiltshire's local code of practice will be issue in September 2013 to reflect these changes.

6.2 Local provide declaration – update on returns

JH advised current declaration had been issued to all providers in electronic format which had caused some confusion across the sector. Following sending out a chaser indicating funding would be temporarily suspended if not returned, only 39 remained outstanding at the deadline date of which 16 were related to childminder who did not currently have any funded children in their care. 23 payments were suspended in total. As of today (24 May) only 12 now remained outstanding and late payments had been made to those provided who had since replied. JH expressed her thanks to all the work the childcare officers had done in chasing non respondents.

7.0 Single Funding Formula

7.1 Two year old funding – integration into a single free entitlement administration system

JH advised that with effect from September 2013 the administration procedures around two year old funding will be integrated with that of the three & four year old entitlement as required under the single funding formula arrangements.

The LA is currently scoping a project to bring the funding IT software system in line with these new arrangements. The main concern and aim has been to ensure no additional paperwork is introduced but just expand on data collected using current paperwork.

Annual financial estimates will incorporate two year old funding information as a separate entry and providers will receive one monthly payment covering 2,3 and 4 year old entitlement. The LA hopes to provide settings with new statements including two year old information at the end of August taking eligible two year old children data from government statistics. Uncertainty in settings regarding knowledge on two year old uptake leading to necessary payment adjustments will be dealt with flexibly by the team which will allow providers to make contact at any time to advise on changes to two year olds numbers (as already implemented for childminders).

Headcount form will include details of two year olds but will not require parent signature. However these will continue to be required for three and four year old claims.

The authority will continue to research ways of reducing paperwork into the future.

8.0 Two year old funding – Update

SC circulated a paper detailing current position on two year old funding. There are approximately now 500 children being funded with the aim of increasing to 726 by September 2013. The LA is now using the on-line eligibility checker which is working well and referrals are still coming through via CAFs, health visitors etc. Confirmed eligibility cases are automatically approved and exception/discretionary cases only are being reviewed by the panel/strategy group.

GH reported that the care and attention the team uses to place these vulnerable children is outstanding and this has proved to be very successful in a number of cases when children have gone 'missing' and been tracked down.

9.0 Membership

9.1 Voluntary representation

A new representative for this sector, Caroline Wells would be recommended to Schools Forum following the current member, Ted Hatala's term of membership coming to an end. GH thanked with sincere gratitude his long service on the group and his work in steering through some difficult decisions over the years.

9.2 Maintained nursery representation

Sarah Ward, Headteacher of Bulford St Leonards Primary School would be recommended to Schools Forum following Michael Keeling's term of membership coming to an end.

Recommendation to Schools Forum

Schools Forum is requested to agree the recommendation to accept with immediate effect the expressions of interest to join the membership of the Early Year Reference Group as follows –

- Voluntary sector representative - Caroline Wells, Manager of Smiley Faces Nursery, Amesbury

- Maintained nursery representative – Sarah Ward, Headteacher of Bulford St Leonards Primary School

Schools Forum is also requested to note that the reference group will put forward the name of its second Schools Forum representative following its next meeting in September to replace Michael Keeling. John Proctor will continue to serve as an Early Years Reference Group representative on School Forum.

10.0 **Dates for Future meetings**

Date	Day	Time	Venue
20 September 2013	Friday	10:00 – 12:00	Melksham PDC, Falcon
22 November 2013	Friday	10:00 – 12:00	Melksham PDC, Falcon

11.0 **Any Other Business**

11.1 **Two year old funding strategy group - membership**

SC advised that Early Years Reference Group membership representation on the Two Year Old Funding Strategy Group is required. It was agreed that Jane Boulton and Rosemary Collard would join this group and that Lucy Waterman would be invited to join the group as a substitute if the current EYP representative was unable to attend.

11.2 **Two year old funding national network meeting - 6th June 2013**

SC, Lucy-Anne Bryant and John Proctor had all secured places at this event being run by Hemsells. A further place had now become available and it was agreed that Rosemary Collard would also attend. GH agreed that reimbursement of travel costs would be made to reference group members.

Wiltshire Council

Schools Forum
27th June 2013

Top Up Payments for Non-Wiltshire Pupils in Wiltshire Schools

Purpose of report

1. To notify the group of issues relating to the payment of Named Pupil Allowances (NPAs) for out of county pupils in Wiltshire mainstream schools and to consider options for the resolution of this issue.

Main considerations

2. Prior to 2012-13 schools were paid Named Pupil Allowances (NPAs) for the full value (hours) of a statement of SEN for non-Wiltshire pupils. This meant that schools were being funded more favourably for non-Wiltshire pupils than for Wiltshire pupils. For example a Wiltshire pupil with a statement of 20 hours would be funded with a NPA of 10 hours in a primary school in 2012-13, whereas the school would receive funding for 20 hours if that pupil were a non-Wiltshire pupil.
3. Through the system of inter-authority recoupment the full amount was recouped from the placing Local Authority.
4. This anomaly was recognised and raised at Schools Forum in March 2012. At that meeting it was agreed that schools should be funded consistently for all pupils with special needs. Because of the impact on schools of ceasing to pay the full hours for existing pupils, it was agreed that from 2012-13 the existing cohort of pupils would continue to be funded in that way but that new pupils would be funded according to the Wiltshire methodology.
5. In 2013-14 School Funding Reform has required LAs to make changes to the way in which pupils with special educational needs are funded. The changes make it more difficult for differential funding methodologies to be applied to different groups of pupils.
6. For pupils in mainstream schools (and not in Resource Bases), in addition to the AWPU all schools are now required to meet the first £6,000 of provision for additional needs of pupils. In Wiltshire this has led to further delegation of SEN funding to primary schools so that the first 15 hours (as defined in Wiltshire statements) can be met from the school budget. The first £6,000 for high needs pupils is delegated according to a formula and so is not based on individual pupils but on the overall population of the school.
7. From April 2013 NPAs are paid as top up funding for statements over and above 15 hours for Wiltshire pupils.
8. The new funding system has brought an element of consistency to the funding of SEN across all schools with the expectation that schools will meet the first £6,000 of additional needs for all pupils. Money has been delegated to schools to enable this to happen.
9. Local Authorities will now be expecting only to pay the top up value over and above the first £6,000 in mainstream schools and would be likely to question any charge that is over and above agreed top up values. This may mean that it is likely to be difficult to recoup a higher figure from the placing authority.

10. Inter-authority recoupment for SEN has ceased under the new school funding rules however Wiltshire Council, along with a number of other LAs in the region, has continued to offer this service to its schools. The purpose of this is to reduce the administrative and cashflow burden on schools who would otherwise need to carry out their own recoupment and negotiation of top up values. This means that payment for NPAs for non-Wiltshire pupils are still made along with payments for Wiltshire pupils and the Council is then recouping the NPA value from the placing authority.
11. Regionally it has been agreed across the South West, and South East, that LAs will honour the top up rates for the LA making the provision, there is no agreement to fund higher top up costs and so any higher value would need to be the subject of individual negotiation.
12. A summary of the impact on schools is provided at Appendix 1. The summary shows the NPAs paid in 2012-13 compared with the expected NPA for 2013-14 if pupils are funded only for the top up amount. In most cases schools would only have one or two pupils but there are a small number of schools for whom the impact is higher. This comparison does not take account of the additional delegation of SEN funding to primary schools from 10 to 15 hours.

Options for consideration

13. There are a number of options for the current financial year:
 - *Option A* – Wiltshire continues to operate a recoupment system and continues to fund the schools according to the previous agreement for existing non-Wiltshire pupils. This would mean schools will continue to be funded for the full value of a pupil's statement but the financial risk of not being able to recoup the amount from the placing LA is left within the central High Needs budget. Total potential risk £144,145.
 - *Option B* – Wiltshire continues to operate a recoupment function and pays NPA top ups for all non-Wiltshire pupils on the same basis as Wiltshire pupils. The financial risk is then borne at individual school level.
 - *Option C* - Wiltshire continues to operate a recoupment function and pays NPA top ups for all non-Wiltshire pupils on the same basis as Wiltshire pupils but with 50% transitional funding (for one year only) to schools for whom the impact is greater than, for example, 1% of budget. Financial risk is shared between individual schools and the central High Needs budget.
 - *Option D* – Wiltshire ceases to operate a recoupment function for non-Wiltshire pupils in mainstream provision and schools negotiate top up rates directly with the placing authority. Financial risk or benefit is borne at individual school level as is the task of recouping the top up from the placing LA
14. These options have been considered by the SEN Working Group and the Group recommended that Option C be implemented, with 50% transitional funding to be paid from the High Needs Block for one year only to schools where the impact is greater than 1% of budget.

Proposal

15. That Schools Forum agree which option should be implemented in 2013-14.

Report author: Liz Williams, Head of Finance
01225 713675
Elizabeth.williams@wiltshire.gov.uk

Appendices:

Appendix 1 – Summary of Mainstream Recoupment NPAs by school

This page is intentionally left blank

Appendix 1 - Summary of Impact on Mainstream Schools of reduction in NPAs for non-Wiltshire

LA & Vendor No.	SCHOOL	NPA Paid 2012-13	Minus first 15 hours - Expected NPA payment 13-14		Loss to school (Direct NPA only - additional SEN funding delegated to primary schools via formula)		% of Delegated Budget 13-14	Option for Transitional funding 2013-14	% for transitional funding
BANES	The Corsham School	6,602	-		- 6,602		0.1%	-	1.00%
West Berkshire	Baydon St Nicholas	14,525	7,923		- 6,602		1.4%	3,301	
Dorset	Semley	15,406	8,804		- 6,602		1.5%	3,301	
Dorset	Wardour	11,004	4,402		- 6,602		1.7%	3,301	
Gloucestershire	Malmesbury Primary	11,004	4,402		- 6,602		0.5%	-	
S Glos	Sheldon School	5,502	-		- 5,502		0.1%	-	
Hampshire	The New Forest School	8,803	2,201		- 6,602		1.0%	-	
Newham	West Ashton	9,904	3,302		- 6,602		1.6%	3,301	
Somerset	St Augustines	2,201	-		- 2,201				
Somerset	St Augustines	6,602	-	-	- 6,602	- 8,803	0.3%	-	
Somerset	The Stonehenge School	8,803	2,201		- 6,602		0.2%	-	
Somerset	Christ Church Primary BoA	8,143	1,541		- 6,602		0.5%	-	
Swindon	Bradon Forest	11,004	4,402		- 6,602				
Swindon	Bradon Forest	8,803	2,201		- 6,602				
Swindon	Bradon Forest	6,602	-		- 6,602				
Swindon	Bradon Forest	8,803	2,201		- 6,602				
Swindon	Bradon Forest	8,803	2,201	11,005	- 6,602	- 33,010	0.8%	-	
Swindon	Longleaze Primary	13,205	6,603		- 6,602		0.9%	-	
Swindon	Wootton Bassett	6,602	-		- 6,602		0.1%	-	
Swindon	Ogbourne St George	8,803	2,201		- 6,602		1.8%	3,301	
Swindon	St Peters, Marlborough	4,402	-		- 4,402				
Swindon	St Peters, Marlborough	11,004	4,402	4,402	- 6,602	- 11,004	1.6%	3,301	
Swindon	St Sampsons Junior	8,803	2,201		- 6,602		1.0%	-	
		total	61,188		-	144,145		19,806	

This page is intentionally left blank

Wiltshire Council

SCHOOLS FORUM
27th June 2013

Controls on Surplus Balances – Intended Use of Reserves 2011/12 Update

Purpose of the paper

1. To update Schools Forum on the use of revenue reserves carried forward from 2011/12 in respect of those schools that exceeded the permissible thresholds.

Background

2. The Controls on Surplus Balances Scheme came into effect in the 2006/07 financial year.
3. The Scheme prescribes limits on schools revenue balances carried forward from one year to the next. Primary and Special Schools may carry forward 8% or £10,000, whichever is the greatest, and Secondary Schools may carry forward 5%.
4. Under the rules of the scheme schools may assign revenue balances in excess of the allowable thresholds for specific purposes as set out in the scheme, i.e. for projects of a capital nature, ring fenced grants, trigger allocations made late in the year and unspent Pupil Premium Grant.
5. Schools revenue balances are routinely challenged as part of the Local Authority monitoring role and, through this, revenue balances carried forward into the next financial year which exceed the 8% and 5% thresholds are monitored to ensure schools are utilising funds as intended.
6. Following consultation with all maintained schools, Schools Forum have agreed a revision to the Wiltshire scheme for funding schools to withdraw the control mechanism on surplus balances with effect from the 2013/14 financial year. In the interim, schools are still required to submit an Intended Use of Revenue Balances return in support of balances above the permissible thresholds as at 31st March 2013 and to report on their use of 2011/12 balances, where appropriate.

Update on current position

7. There were fifty eight schools, at the end of 2011/12, which had balances in excess of their prescribed threshold. As part of the Controls on Surplus Balances Scheme monitoring process, forty two schools were required to confirm by 31st May 2013 that they had utilised the excess reserves for the purposes they had originally stated. If they had not, they were asked to describe how those reserves had been, or would be, used.

The remaining sixteen were not required to submit a return, as follows:

- a) Conversion to academy status – four schools
 - b) Reserves assigned to unspent Pupil Premium Grant and/or trigger allocations made late in the 2011/12 year – eleven schools
 - c) Excess balance clawed back as agreed by SFWG – one school
7. Forty two schools were requested to confirm that they had utilised their excess reserves for the purposes originally stated and all responded. As follows:
 - a) Thirty nine schools confirmed that their reserves had been/or would be used as intended with ten reporting that expenditure was either delayed or ongoing
 - b) Three schools stated that funds had not been spent for the purpose originally stated, either in part or entirety. A summary of changes to planned spend is detailed below:

- One school purchased I-Pads instead of laptops
- Due to increasing NOR, one school redirected a balance of £18,000 which had been assigned to toilet refurbishment towards increasing teaching and SEN space
- The final cost of the kitchen refurbishment at one school was £38,000, £12,000 less than the original estimate. This balance was redirected to bring forward the final phase of the ICT installation

Conclusions

8. The returns indicate that schools have used, or intend to use, their reserves for the purposes they were originally assigned.

Recommendations

10. Schools Forum is recommended to note the contents of this report.

Report Author: Jane Ralph
School Strategic Financial Management Adviser
Contact: Tel.: 01225 718569
jane.ralph@wiltshire.gov.uk

Wiltshire Council

Schools Forum

27th June 2013

Schools Funding Reform: Arrangements and Changes for 2014-15

Purpose of Report

1. To inform Schools Forum of arrangements and operational guidance for revenue funding in 2014-15.
2. To consider the key changes that will need to be modelled for the 2014-15 budget and consulted on with schools.

Background

3. In March 2013 the DfE reviewed the 2013-14 funding arrangements, following the implementation of funding reform, and consulted with stakeholders on a number of proposed changes.
4. On 4th June 2013 the DfE published the funding arrangements for 2014-15 and the associated operational guidance. These documents are available from the [DfE Website](#).
5. The key changes and implications for the Wiltshire local funding formula are outlined in the attached briefing note (Appendix 1).
6. Any changes to the Wiltshire funding formula will need to be submitted to the EFA by 31st October for approval. Schools will need to be consulted on any changes and notified of the impact. This gives a very tight time line for the consideration and implementation of any changes and the proposed way forward within this report takes this in to account.

Main Considerations

7. The consultation in March 2013 did focus on some of the issues that had affected rural authorities such as Wiltshire and the proposals issued in June have tried to address some of the concerns. We will need to consider whether those proposals can help to support schools within Wiltshire and therefore whether further changes should be made to the Wiltshire funding formula.
8. Some changes have been made to the data to be used in some of the existing formula factors (see appendix 1) but there are 3 new or revised formula factors that can now be included within local funding formulae.
9. Because of the time constraints, and the fact that the current formula has only been implemented for a year, it is suggested that Schools Forum do

not revisit the formula factors implemented in 2013-14 except where they are directly affected by the new factors.

10. The 3 new or revised formula factors that we may wish to consider using in Wiltshire are:
 - a. Pupil mobility – a threshold has now been introduced to enable funding to be more targeted
 - b. Sparsity – a new factor to target funding at necessary small rural schools
 - c. Lump sum – it is now possible to set differential lump sums for primary and secondary schools, with a maximum allowable lump sum of £175,000
11. Any changes that are made to the Wiltshire formula as a result of these 3 factors will have a knock on effect to the value of the Per Pupil funding rates (AWPU) and the lump sum. It is not proposed that any changes are made to the overall funding amounts allocated through other factors.
12. A minimum value has been set for AWPU values of £2,000 for primary and £3,000 for KS3/4 so any changes will need to be measured against this constraint. Wiltshire AWPU values are currently in excess of these minimum requirements.
13. Another factor that may be of benefit across Wiltshire is the ability for amalgamating schools to retain 85% of both lump sums for the first year after amalgamation.
14. At the time of writing this report the new data set to allow modelling of the new formula factors has not been released by the DfE although it is expected during the coming week. The outcome of any modelling work completed once the data has been received will be presented at the Schools Forum meeting.
15. Key issues to be considered in modelling these additional formula factors include:

Pupil Mobility

16. Funding will be targeted at schools with greater than 10% pupil mobility. Mobility is measured by the average number of in year starters over the previous 3 years and therefore looks at inward mobility rather than net mobility.
17. If a mobility factor is to be used Schools Forum will need to decide how much funding should be allocated through this factor. Any funding allocated for pupil mobility would need to be taken from the total AWPU funding.
18. Initial modelling will use the amount of funding allocated in 2012-13 through the Service School Turbulence Factor to give a feel for the schools which would benefit and the difference the factor could make.

Sparsity

19. The sparsity factor will be driven by the size of school and by the average distance pupils would need to travel (as the crow flies) to their second nearest school. DfE has set the parameters as follows:

- Primary Schools – size threshold of 150 pupils and minimum distance threshold to the second nearest school of 2 miles.
 - Secondary schools – size threshold of 600 pupils and minimum distance to the second nearest school of 3 miles.
20. It is possible to LAs to change the level of cap for size of schools as long as it is at or below the thresholds of 150 or 600 pupils and to vary the distance as long as thresholds are at or above the mileages outlined above.
21. In Wiltshire there are a large number of primary schools of 150 pupils or lower and so if the threshold is set at this level a significant level of funding would be required within the sparsity factor. This would be at the expense of lump sum or AWPU values across all primary schools. Our initial thoughts at officer level are that 150 pupils may not be considered a small school in the Wiltshire context and that a threshold closer to 90 pupils may be more appropriate and that initial modelling should be set at this level.
22. For secondary schools the threshold of 600 pupils is more consistent with the Wiltshire context and it is proposed that this be used as the starting point for modelling purposes. The potential impact in the context of small secondary schools in Wiltshire is that not all small schools would meet the rurality threshold of being more than 3 miles for pupil to travel to the second nearest school.

Lump sum

23. Wiltshire has argued strongly for a differential lump sum. It is proposed that the option of a lump sum of £175,000 for secondary schools and £85,000 for primary schools be modelled. There may be other changes to the lump sum as an impact of the inclusion of a sparsity factor.
24. As stated in paragraph 14 above it is proposed that any modelling work that can be carried out prior to the Schools Forum meeting will be presented at the meeting. A meeting of the Schools Funding Working Group has been arranged for a date in July so that any proposals for consultation with schools can be finalised before the end of term, enabling consultation in September. Any changes to the formula will need to be consulted on.

Delegation of Central Services

25. There are no changes to the proposals and requirements for delegation of central services but schools will need to be consulted again on options for delegation and de-delegation prior to the October Schools Forum.

Other issues to be considered

26. There are proposals for the creation of a Falling Rolls fund which would enable DSG to be retained centrally to support schools with falling rolls but where numbers are expected to increase within 2-3 years. Any funding retained for such a fund would be a top-slice on the DSG available to be

delegated to schools and so Schools Forum will need to consider the impact of setting up a fund for this purpose.

Minimum Funding Guarantee and Protection

27. The minimum funding guarantee (MFG) will remain at -1.5% through the current comprehensive spending review period. Capping or scaling of gains will continue to be allowed although there are some small changes to the application of the capping mechanism, for example for new schools.
28. The MFG for top-up values in high needs provision will also remain in place for 2014-15 which is a change to the original proposals. This may have an impact on the proposed review of top up values for resource bases.

Changes to Schools Forum

29. There is a proposed change to the membership rules for Schools Forum with a new requirement for a member from a 16-19 provider (non-school). In Wiltshire this was already being implemented in practice as the 14-19 rep on the Forum will now be a representative from Wiltshire College.

Consultation on the new funding formula

30. All maintained schools and academies must be consulted on the new local formula for 2014-15. The consultation must include a demonstration of the effect of the changes and should therefore include an impact statement for each school. Any consultation is likely to take place in early September to enable Schools Forum to agree any changes to the formula at the October meeting.

Timescales for the Formula review

31. LAs are required to submit proposals for the simplified local formula to the Education Funding Agency (EFA) by **31 October 2013**. This will then be checked for compliance and any further changes agreed by 21st January 2014.

Proposals

32. Schools Forum is asked to consider the changes to the funding arrangements for 2014-15 to agree which formula changes should be modelled for consultation in September.

Report Author:

Liz Williams, Head of Finance

18th June 2013

Appendices

1. Briefing Note on DfE Funding Arrangements for 2014-15
-

This page is intentionally left blank

School Funding Reform – Arrangements for 2014-15

On 4th June 2013 the DfE issued proposals for school funding in 2014-15. The full proposals can be found on the DfE website via this [link](#)

The proposals build on the changes introduced in 2013-14 and the subsequent review and consultation carried out by the DfE in March of this year. There is still a commitment to move towards a national funding formula within the next Spending Review period and the changes outlined for 2014-15 are aimed at refining the changes introduced last year to support the move to that national formula.

The proposals will require us to model the impact of potential changes to the Wiltshire funding formula for schools. The revised local formula for schools needs to be submitted to the Education Funding Agency (EFA) by 31st October having been agreed by Schools Forum and Cabinet. Local Authorities are required to consult with schools on proposed changes to the formula and therefore this may mean a consultation with schools very early in the Autumn term if the timescales are to be met.

The main changes and potential implications for Wiltshire are summarised below:

Allowable Formula Factor	Detail and changes for 2014-15	Issues for Wiltshire Schools
Basic Per Pupil Funding	<p>Mandatory factor to be included in the formula</p> <p>New minimum values required for 2014-15: Primary must be at least £2,000 per pupil Secondary (KS3 & KS4) must be at least £3,000 per pupil</p>	<p>Currently the Wiltshire per pupil funding values would meet the new minimum requirements so potentially minimal impact, however the restrictions on values may limit our ability to move funding in to other pupil led factors, particularly some of the new factors outlined below.</p>
Deprivation	<p>Mandatory Factor</p> <p>No change to the allowable measures</p> <p>Some concern expressed by DfE that local authorities (LAs) had used historical values to determine how much funding is allocated for deprivation so Schools Forums will be required to formally determine an “appropriate” proportion of the overall schools block quantum to be allocated through deprivation</p>	<p>Wiltshire currently uses Free School Meal Ever 6 data to allocate funding for deprivation</p> <p>No guidance on what the “appropriate” proportion should be.</p>

Allowable Formula Factor	Detail and changes for 2014-15	Issues for Wiltshire Schools
Prior Attainment	<p>Optional Factor</p> <p>DfE has confirmed that Early Years Foundation Stage Profile (EYFSP) data will still be used as the prior attainment measure for Primary Schools. The factor will be identified as “pupils not achieving a good level of development across all 12 measures</p> <p>For secondary schools KS2 data will continue to be used as the measure for prior attainment. The measure will change to include pupils who fail to achieve Level 4 in English <u>or</u> Mathematics. This is a change from 2013-14 where the measure was for pupils failing to achieve Level 4 in English and Maths. Because of the new KS2 assessments the measure for English will be those who do not achieve level 4 in either the reading or teacher assessed writing elements.</p>	<p>Wiltshire does use prior attainment within the current local formula as a method of allocating funding for Special Educational Needs (SEN)</p> <p>We will not be able to model the impact of the new EYFSP or KS2 measures as the first results will not be available until the autumn</p>
Looked After Children	<p>Optional Factor</p> <p>Changing the measure to apply to any child who has been looked after for one day or more.</p>	<p>Wiltshire does not currently use a formula factor to allocate funding for looked after children. Schools continue to receive the Pupil Premium Grant for looked after children.</p>
English as an Additional Language	<p>Optional Factor</p> <p>No changes proposed in data or how it is applied</p>	<p>Wiltshire does use this data for the allocation of the budget for the Ethnic Minority Achievement Service and the Traveller Education Service. These budgets are delegated to academies, special schools and maintained secondary schools but still held centrally for maintained primary schools although schools will need to be consulted on this each year</p>

Allowable Formula Factor	Detail and changes for 2014-15	Issues for Wiltshire Schools
Lump sum	<p>Optional Factor</p> <p>This factor has been changed to allow differential lump sums between primary and secondary phases.</p> <p>A further change is that the maximum level of lump sum has been reduced to £175,000</p> <p>Where schools amalgamate they will retain the equivalent of 85% of two lump sums for the financial year following the year in which they merge</p>	<p>Differential lump sums are likely to be a positive step for Wiltshire schools but will need to be considered alongside the potential sparsity measure (see below)</p> <p>The maximum level of lump sum is still much lower than the previous Wiltshire formula allocated to secondary schools.</p>
Pupil Mobility	<p>Optional Factor</p> <p>This factor has been changed to include a threshold so that schools only receive funding if pupil mobility exceeds 10%</p>	<p>Wiltshire did not apply a mobility factor in 2013-14 because it was not possible to target funding at schools with the highest level of mobility. The change announced by DfE now includes a threshold and so it may be possible to target funding more appropriately.</p> <p>The measure still only looks at pupil increases during the year and so is not a true measure of net mobility. Feedback from Wiltshire schools, particularly with high proportions of service pupils, is that it is the overall net mobility that is the biggest problem</p> <p>Modelling work will need to be carried out to enable Schools Forum to consider whether to apply a mobility factor in 2014-15.</p> <p>If a mobility factor is applied it is likely that funding will need to be diverted from the per pupil funding in order to fund it and this will impact on the per pupil funding values</p>

Allowable Formula Factor	Detail and changes for 2014-15	Issues for Wiltshire Schools
Sparsity	<p>NEW Factor</p> <p>A sparsity factor has been introduced in 2014-15 to ensure funding can be targeted at necessary small rural schools.</p> <p>Funding for schools will be in the form of a lump sum and the criteria for funding will be based on the size of school and the distance that pupils would need to travel to their second nearest school:</p> <p>If the factor is to be used the criteria would be: Primary – has fewer than 150 pupils and an average distance to the second nearest school of greater than or equal to 2 miles Secondary – has fewer than 600 pupils and an average distance greater than or equal to 3 miles</p>	<p>This would need to be modelled for Wiltshire schools.</p> <p>The factor is quite complex and relies on distance as the crow flies rather than actual distance travelled</p> <p>If a sparsity factor is to be applied in Wiltshire then a large proportion of Primary schools would potentially qualify as they have fewer than 150 pupils. we would need to consider the impact on other aspects of funding allocated to Primary schools, for example the current lump sum value, but this would impact on larger or less rural schools.</p> <p>For secondary schools we would need to understand whether this measure would target all of the small secondary schools in Wiltshire – will depend on them meeting the distance criteria.</p> <p>Selective schools will not be considered as the “second nearest” school but faith schools will.</p>
Split Site allowance	Optional Factor - Unchanged from 2013-14	Wiltshire likely to continue with the current formula factor
Rates, PFI, Post-16	Optional factors, all unchanged from 2013-14	No impact for Wiltshire
Growth Fund	LAs will still be required to set aside funding to support growth in pupil numbers for expanding or new schools. Rules are unchanged from the current year	Likely to be a continuing cost pressure for Wiltshire as pupil numbers are increasing in primary schools across the county, particularly across Salisbury Plain
Falling Rolls Fund	<p>NEW for 2014-15</p> <p>LAs will now be able to retain an element of the schools budget centrally to support schools with falling rolls to prepare for a future increase in numbers. The fund can only be used to support anticipated population increases expected within 2-3 years in “necessary” schools which are classed by Ofsted as good or outstanding</p>	<p>Falling rolls in secondary schools is an issue within Wiltshire whilst awaiting the growth in pupil numbers coming through from primary schools.</p> <p>Any fund retained centrally would be a “top slice” on the overall school budget and would therefore reduce the amount of funding available to allocate for pupils already in Wiltshire schools.</p>

The rules in relation to protection against losses and the limiting of gains remain in place with a Minimum Funding Guarantee (MFG) of -1.5% per pupil. We will need to consider the impact of any formula changes and whether we continue to adopt the principle of limiting gains to fund the protection from the MFG.

The MFG arrangements for top-up values in special schools and resource bases will remain in place for 2014-15 – initially there was not expected to be a MFG for top-up values and this may impact on our ability to review top-up values across Resource Bases to improve consistency across different types of need and provision.

Funding for high needs pupils will continue to be allocated on the basis of places and the place led funding allocated to LAs in 2014-15 will be based on the pre and post-16 place numbers confirmed to the EFA for 2013-14 as a starting point, although there will be a process through which changes could be agreed based on changes in the pattern of provision for example – that process has yet to be defined.

Overall the risk of making further changes to the local funding formula is that we have further turbulence in school budgets and find that we have ever increasing numbers of schools needing protection through the MFG. the risk of having high numbers of schools requiring protection is that the level of MFG after April 2015 is yet to be confirmed.

We don't yet have any detail on the likely operation of the national formula from 2015 but it is likely that the changes proposed here will be the direction of travel and so not to model the impact potentially just delays the turbulence for a further year.

In terms of timescales for the implementation of changes, the new formula will need to be submitted to the EFA by the end of October. This means it will need to be agreed by Schools Forum at the meeting on 4th October, we may need to schedule a further meeting during October to finalise things. As last year, we may need to also get Cabinet sign off for the new formula.

We have a Schools Forum meeting scheduled for 27th June at which we will need to prioritise the proposals that Schools Forum would want to include in the formula and consult on – consultation may need to take place in early September on any changes to enable the outcome to be considered at the October meeting. The School Funding Working Group meets next week and will have an initial discussion on the priorities at that point and we will be able to draw up a more detailed work plan.

Liz Williams
Head of Finance
5 June 2013

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank