

THE KIRKLEES SCHOOLS FORUM

meeting held on **Friday 24th June 2016**

10:00am at the Tolson Museum

Present:

Julie Helm	Nursery School Heads (1)
Diana Wilson	Primary School Heads (6)
	Middle School Heads (1)
Ian Ellam, Loz Wilson	High School Heads (2)
Nicky Rogers	Special School Heads (1)
Mike Cook, Michelle Lee [Chair]	Academy Heads (2)
Martin Ridge	Pupil Referral Units (1)
	Kirklees Governors (1)
Gillian Collins (ATL), Hazel Danson (NUT), Sarah Ellis (Pre-school Learning Alliance), Paula Wescott (NASUWT)	Non-school members (5)
Gill Ellis (Assistant Director for Learning and Skills) Angela Farmer (Senior Finance Officer) David Gearing (Financial Delegation Manager); [Minute Clerk] Liz Singleton (Deputy Assistant Director, Learning)	Officers in Support
	Observers

1. Apologies for absence

Apologies had been received from Lynn Hill (Primary School Heads), Gary Johnson (Middle School Heads), Marcus Newby (Primary School Heads) and David Smith (Director of Resources).

2. Minutes of the Schools Forum Public meeting held on 11th March

The minutes were agreed to be a true record of the meeting.

3. Matters arising from the Schools Forum meeting 11th March

No matters were raised.

4. Consultation update: National Funding Formulae

The second stage of the National Funding Formula consultations on Schools Funding and High Needs are expected to be launched in the near future now that we are the other side of the EU Referendum. A consultation on national Early Years funding arrangements is also expected to be launched. The 15th July Forum briefing meeting is the only remaining opportunity in this school term to begin to consider the detail of the new consultations. Depending upon when information from the DfE becomes available, officers will summarise the main points for action and circulate a paper in advance of the July meeting so that Forum members are immediately 'warmed up' to the issues to be addressed.

It was reported that the two first stage consultation deadlines for returning information to the Education Funding Agency had both been met. The first return was for local authorities to report how they currently allocate funds to the three funding blocks – Schools, High Needs and Early Years – to replace the starting picture allocated to local authorities by the EFA. The second return provided information and evidence about historic commitments and contribution to combined budget arrangements currently supported from retained DSG funds. Kirklees' return makes a case for addition to the new pupil-driven Central Schools Block of funding for ongoing DSG pension commitments, the Schools Safeguarding Officer post and

the Learning Service commissioning funds. No response has yet been received from the EFA.

5. DSG 2015-16 budget rollover proposals – Financial Outturn

It has previously been reported to the last Forum briefing meeting that the overall Dedicated Schools Grant account underspent by £6.177m at year end 2015-16. The majority of the declared year end positions on individual budget lines do not have rollover requests attached. The total of the overspend positions is £739.4k (Independent School Fees, maternity leave costs, TU duties and the national copyright licence charge). The total of the underspend positions is £475.8k (includes Service Level Agreement budgets, International New Arrivals, Special School PFI, resources for statements in mainstream schools and the Schools Forum budget). **Offsetting one figure against the other there is a shortfall of £263,600 to be addressed.**

The remaining year end positions are the subject of rollover requests either in full or in part. The figures are summarised in the table below.

DSG Account	Underspend 2015-16
1) Early Year Single Funding Formula	£414,050
2) Two year-old funding	£2,771,170
3) <u>High Needs budgets</u>	
• BESD and Exclusions	£220,100
• FE High Needs allocation	£249,280
• SEN Contingency	£184,350
4) School-specific Contingency	£2,515,200
5) Sickness absence insurance schemes	£86,860
Total Rollover 'budget'	£6,441,010

1) Early Years Single Funding Formula (3 and 4 year olds)

There is always a time lag between changes to the numbers of three and four year-olds accessing the free entitlement and the Funding Agency's subsequent adjustment to the DSG Early Years funding allocation. The January 2016 census shows a fall in numbers of children such that a retrospective clawback of £245,000 is anticipated for 2016-17. Part of the roll-forward figure relates to temporary support moved into the Early Years Block to handle pressure of expected numbers coming through at the time. This amount (£145,000) is no longer required and can be freed up to help with other issues.

The proposal therefore is to roll forward £269,050 within the Early Years account to be able to address the anticipated clawback of funding and provide a small contingency against risks going forward, not the least of which is the yet to be announced terms of the new National Early Years Funding Formula arrangements. The balance of £145,000 is then made available to help with other pressures.

2) Free Early Education for eligible two year-olds

The significant balance within this account has two aspects to it. £1.53m relates to participation funding for eligible two year-olds and has arisen because of the difference between the participation level assumed by the initial grant allocation and the pattern of actual numbers of children over a period of time. During 2015-16 the substitute Pupil Premium funds (£232k) for various eligible but unfunded Reception children was paid for out of the balance on this budget line. The second element of the balance held amounts to £1.24m and stems from two year-old trajectory funding. This funding was to support local authorities in building capacity locally to meet the new demand by promoting take-up, expanding the workforce and building infrastructure. A paper prepared by the Early Years' Service, setting out the need to recommit a good proportion of the £2.77m balance to meet upcoming early learning and childcare challenges, was considered by the meeting...

- £1,260,000 is proposed to be carried forward over two financial years – 2016-17 and 2017-18 – to address the shortfall between actual spend on places for eligible children and the level of the last allocation from the DfE. Volatile take-up levels are an issue here.
- £46,000 over two financial years is asked for to provide specific funding outside of the participation-based formula to children with a child protection plan and children with a child in need plan.
- £210,000 over two financial years to be spent on two year-old SEN children to align with the level of support available to three and four year-olds.
- £40,000 over two financial years to fund a marketing approach to increase the take-up of places by eligible two year-olds with the aim of maximising take-up at a sustainable level.
- £40,000 over two financial years to deal with a number of local barriers to creating further two year-old places.
- £600,000 over two financial years to support the significant expansion required to meet the extension of the free entitlement to 30 hours per week for three and four year olds. It is estimated that an additional 700 new places will be required locally and there will be a range of challenges to overcome to provide the necessary capacity. (It is unclear at this stage whether any resources will be provided by the Department for Education for this purpose).

The proposals above involve retaining £2,196,000 of the 2015-16 year-end balance in this account, with the balance of £575,170 being made available to deal with other pressures in the DSG account.

Separate discussions about the issue of Safeguarding in Early Years settings now need to be fed back to the Early Years' Service to be reflected in an amended rollover proposal. It will also be difficult to make a final decision on the proposal until further information is released by the Education Funding Agency about the increase to 30 hours in the free entitlement. The rollover proposal would then need to be reviewed in the light of any developmental funding to be provided by the government.

3) High Needs Budgets

Given that the 2016-17 High Needs budget position is expected to be difficult, to say the least, it is proposed that these three underspends are rolled forward within High Needs to help with the problem. Only the under-spends on the BESD/Exclusions and SEN Contingency budget lines are actually available to help with the pressure. The £249k in the FE High Needs account is required to pay an invoice in 2016-17 that should have been accrued to the previous financial year.

4) School-specific Contingency

The surplus in this account is almost entirely related to the school reorganisation reserve that continues to be rolled forward with Forum's approval. A paper was circulated which summarised how reorganisation reserve monies have been committed during 2015-16. From an opening balance of £2.85m brought forward a sum of £0.51m has been deployed to leave £2.34m to be rolled forward. The overall 2015-16 contingency balance was a higher figure of £2.52m. The difference is due to £200k unused within the Falling Rolls Fund plus £131k uncommitted within the Pupil Growth Fund, offset by an overspend of £157k against the base Contingency budget.

Forum has previously indicated its support for the Pupil Growth Fund balance to be rolled forward into the 2016-17 PGF account to deal with the pressure caused by the Fund having to meet the pre-opening costs of the new Beaumont Primary Academy which opens September 2016.

So, the proposal here is to roll forward the balance of £2,515,200 within the Contingency account. From this figure £130,851 would be added to the 2016-17 Pupil Growth Fund provision. The protocol governing operation of the Falling Rolls Fund would see that element of the rollover funds (£200k) being returned to mainstream schools and academies, unless the sum was felt to be better deployed against emerging pressures within the High Needs funding block – this would need further debate with Forum reps.

The paper ended by listing the ongoing and new reorganisation developments that will require revenue support during 2016-17 and beyond.

5) Sickness Absence Insurance

It is proposed that the relatively small surplus in this account (c.£87k) is rolled forward within the insurance scheme. This level of surplus is much smaller than recent outturn positions – in 2015-16, for example, the surplus was £404k. The tighter outcome is linked to the change of approach for 2015-16 in the operation of the absence insurance arrangements – the scheme now pays out per day of authorised absence rather than against evidenced additional costs incurred by the school in covering the absence. The £87k would be retained in the 2016-17 scheme accounts as contingent provision against potential over-spend. Forum has previously accepted the need to have some level of cushion against financial problems in the operation of the schemes.

There will be further refinement of the rollover proposals to take into account the feedback Forum provided today. Rollover will be a key agenda item for the July Forum briefing.

6. Excess balance sub-group update

The first meeting of the Excess Balance sub-Group will take place after today's meeting. A report from the sub-group will be provided to the next briefing meeting.

7. Any other business

No other business was raised.

8. Dates and times of next meetings [start times to be confirmed]

Friday 21 st October 2016	Venue: Tolson Museum
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Friday 2 nd December 2016	Venue: to be confirmed
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Friday 10 th March 2017	Venue: Tolson Museum
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Friday 16 th June 2017	Venue: Tolson Museum
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