

Schools Forum Meeting

4 JULY 2016

Venue: Warren Wood Primary Academy, Arethusa Road, Rochester,
Kent ME1 2UR

Time: 4:00pm to 6:00pm

Agenda

1. Minutes of the meeting held on 13 January 2016 and matters arising
2. The Expansion of Abbey Court Special School - Update
3. Fair Access – Year 11 Placement Funding 2016/2017 – Will Adams
4. 2015-2016 Dedicated Schools Grant Final Expenditure and Reserves
5. 2016-2017 Dedicated Schools Grant Budget Allocations
6. 2016-2017 Funding Formula Changes
7. 2017-2018 National Funding Formula
8. 2017-2018 Contingency (Verbal)
9. 2017-2018 Growth Fund (Verbal)
10. School Improvement
11. Traded Services 2017-2018
12. Date of next meeting

To be confirmed

Agenda Item 2: The Expansion of Abbey Court Special School - Update

1. Introduction;

- 1.1 Medway has in recent years been experiencing a period of significant demographic growth in the overall number of primary age pupils in Medway.
- 1.2 The increase in the number of primary age pupils with statements requiring specialist provision in Medway is increasing at a quicker and more significant rate. In recent years the number of primary age pupils with statements requiring specialist provision has increased by 87%.
- 1.3 Medway Council was successful in bidding for some additional government funding for the expansion of Abbey Court through the Targeted Basic Need initiative. £2.4m was secured through this avenue.
- 1.4 Cabinet approved the relocation and expansion of Abbey Court Special School on 26 November 2013 in accordance with approved Targeted Basic Need funding from the Education Funding Agency for the provision of 68 additional spaces, by September 2015.
- 1.5 Additional funding streams were sourced bringing the total available funding level to £12.3m. The Schools Forum allocated £2m towards the cost of the project.

2. Current position of project

- 2.1 After the initial procurement and tender processes Leadbitters were the successful contractor appointed to design and build the new school buildings on behalf of the Council. They demolished the old buildings on the Temple site and prepared the ground for construction. An access road has been laid and the site secured with hoarding.
- 2.2 The project was then delayed by the contractor, Leadbitter, as they stated they could no longer deliver the project within the agreed budget. Following unsuccessful negotiations it was agreed that the Council would re-tender for the contract and that Leadbitter would not take the project forward.
- 2.3 Subsequently, the Council ran a new tender process in July 2015, and appointed a new Contractor, Neilcotts, to deliver the project.
- 2.4 Work on the building is now underway and progressing well, with completion of the project scheduled for December 2016, with the school due to take occupation of the new buildings in Easter 2017.
- 2.5 Whilst this is later than the extended deadline set by the DFE for the use of the Targeted Basic Need funding, the EFA have confirmed that they are happy for the project to continue to the revised timescales. Targeted funding from the EFA is being spent first, before other sources of funding, to comply with the conditions of the funding.

- 2.6 Completion of the project will free up the Abbey Court Rainham site for the development of additional educational provision. Officers are also working with the EFA to develop opportunities to draw in additional capital funding for local educational provision through the national Free School programme.

Item 3: Fair Access – Year 11 Placement Funding 2016/2017

Summary

1. In October 2014, the Schools Forum agreed to support the introduction of a programme for the placement of Year 11 pupils in Medway secondary schools with the participation of The Will Adams Centre. This agreement included funding to support the administration and quality assurance costs for the one year.
2. The secondary schools and Local Authority officers undertook a review of the programme following successful completion of the initial pilot period. This review concluded that the programme had met its agreed objectives and should continue.
3. At its meeting on 6 July 2015, Schools Forum agreed to continue the funding of £68,000 for a further academic year (2015/16) for the administration and quality assurance of this programme, subject to a report from the Medway Secondary Heads Association. Said report was delivered to the Schools Forum on 7 September 2015 and highlighted the success of the programme
4. The programme has continued to be a success throughout this academic year and, as at 25 April 2016, 43 students have been placed through this programme.
5. Through the continued programme, the Local Authority has been able to secure placements for all pupils within a reasonable time period and, once again, no directions have had to be issued by the Local Authority or via the Secretary of State.
6. The programme has continued to be supported effectively by all Medway secondary schools and The Will Adams Centre, who have accepted the students on to their roll and supported the host school.

Action for Schools' Forum

7. As agreed with the Chair, voting took place via electronic voting. The closing date was 10 June 2016 and 11 members agreed with the proposal to continue this programme, 3 members did not vote. Schools Forum are, therefore, requested to **ratify** their agreement to provide continued funding for this programme to allow for the continued delivery and success in the placement of Year 11 students for the academic year 2016/17.

Agenda Item 4: 2015-2016 Dedicated Schools Grant Final Expenditure and Reserves Report

1. Introduction

- 1.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant from the Department for Education (DFE) It is the main source of funding for schools, academies and pupil related expenditure and activities.
- 1.2 The DSG consists of three notional blocks of funding:
 - a) Schools Block – Pupil numbers (October 2014) multiplied by the SB basic unit of funding (£4,357.95). The LA's SB allocation is adjusted when a maintained school converts to academy status.
 - b) High Needs Block – based on 2012-13 budgets but clarified by submissions to the EFA and adjusted for payments made directly by the EFA or additional funding provided by the EFA.
 - c) Early Years Block – estimated census pupil numbers multiplied by the EY basic unit of funding (£4,495.99) and adjusted when actual numbers are known.

2. Surplus / Deficits on the DSG

- 2.1 Any under or overspends on the DSG are carried forward to the next financial year. No in-year changes can be made to the schools and academy funding - expect for rates and pupil top up – with any under or overspends on the 2015-16 DSG budgets being carried forward to the 2017-18 funding period.

3. Summary

- 3.1 This paper provides an update of the final 2015-16 DSG (Dedicated Schools Grant) expenditure and the final schools' revenue balances for 2015-16.
- 3.2 The final DSG received from central government for 2015-16 totalled £107.4 million and expenditure for the same period was £109.1 million. This resulted in an overspend of £1.7 million mainly due to:
 - SB - the underspend on the assessment of free school meals.
 - HN – Cost of school placements, tops up for SEN pupils and the cost of alternative provision.
 - EY – Overspend created due to the higher provision required for 2,3,4 year placements. The EFA will adjust the funding for these additional placements in 2016/17.
- 3.3 DSG reserve balances at the end of the 2015-16 financial year are £0.3 million and can be seen in table 1 below.

Table 1 – DSG reserve position

<u>Block</u>	<u>DSG 15-16 Budget</u>	<u>DSG 15-16 Spend</u>	<u>DSG 15-16 Variance Over/(Under) spend</u>
Schools Block	£64.952m	£64.945m	(£0.007m)
High Needs Block	£27.135m	£28.408m	£1.273m
Early Years Block	£15.271m	£15.697m	£0.426m
Totals	£107.358m	£109.050m	£1.692m

**Rounding Differences may occur in above table*

Table 2 – Spend against the Schools Block

	DSG 15-16 Budget	DSG 15-16 Spend	DSG 15-16 Variance Over/(Under) spend
Centrally Retained 15-16	£1.019m	£1.012m	(£0.007m)
School Funding	£63.934m	£63.934m	£0
Totals	£64.952m	£64.945m	(£0.07m)

** Rounding Differences may occur in above table*

4. Schools' Revenue Balances

- 4.1 Schools' revenue balances at the end of the 2015-16 financial years are £5.4 million; which is a reduction of £0.196 million from the previous year. Please see appendix A for a full list of reserve balances.
- 4.2 There were 8 schools which converted to academy status with surplus reserves of £1.513 million transferred to the new schools during 2015-16.
- 4.3 There were three schools in deficit at the end of 2015-16 with deficits of £3,070, £11,455 and £11,485. There were an additional two schools who were in deficit but with balances of less than £1,000 and these were due to cash flow timing issues and not deficits.

4. Action for the Schools Forum

- 4.1 The Schools Forum is asked to **note** the final DSG outturn for 2015-16 and the position on schools' balances for 2015-16.

Maria Beaney
Finance Business Partner Education & Schools

Agenda Item 5: 2016-2017 Dedicated Schools Grant Budget Allocation

1. Background

- 1.1 The Education Funding Agency (EFA) requires all Local Authorities (LA's) to provide information on the Dedicated Schools Grant (DSG) to its Schools Forum (SF).
- 1.2 The DSG is made up of the following notional funding blocks:
- a) Schools Block – Pupil numbers (October 2014) multiplied by the SB basic unit of funding (£4,357.95). The LA's SB allocation is adjusted when a maintained school converts to academy status.
 - b) High Needs Block – based on 2012-13 budgets but clarified by submissions to the EFA and adjusted for payments made directly by the EFA.
 - c) Early Years Block – estimated census pupil numbers multiplied by the EYB basic unit of funding (£4,495.99) and adjusted when actual numbers are known.
- 1.3 The Schools Forum is asked to remember the funding in each block is notional and non-ring-fenced to each individual block. The DSG is used to fund educational activities in Medway either through budgets distributed directly to schools, educational providers or centrally retained for education purposes.

2. 2016 - 2017 DSG Allocation

- 2.1 Table 1 below shows the latest DSG allocations notified by EFA in April 2016. The allocations are after deductions for academies recoupment and direct funding of High Needs places by the EFA have been taken into account.

Table 1

2049-17 DSG Allocation	School Block £m	Early Years £m	High Needs £m	Total £m
Total Allocation	£63.96	£15.27	£23.49	£102.71

*rounding errors may appear in the above table.

- 2.2 Further deductions to the LA DSG allocation may occur throughout the year due to academy conversions or adjusted pupil numbers for early years. The Schools Forum will be update on any changes accordingly.
- 2.4 Table 2 below shows how the DSG allocation (in table 1 above) has been reconciled to the LA's 2016-17 budgets.

Table 2

	School Block £m's	High Needs Block £m's	Early Years Block £m's	Total £m's
Delegated to Schools	60.46	0	0	60.46
Centrally Retained Budgets	1.50	0	0	1.50
Schools Non delegated budget	2.00	0	0	2.00
Transfer between blocks.	(2.00)	2.000	0	0
High Needs Budgets	0	23.49	0	23.49
Early Years Budgets	0	0	15.27	15.27
Total	61.96	25.49	15.27	102.71

*rounding errors may appear in the above table.

2.5 Table 3 shows the breakdown of the centrally retained budgets as agreed by the schools forum on the 13 January 2016.

Table 3

	Amount £000's	Total £000's
<u>Growth Fund</u>		
2015-16 on going commitments	0	
Bulge Classes	412.203	
New classes for 2016-17	605.000	
Total Growth Fund		1,017.203
<u>LA Statutory Functions</u>		
Co-ordinate Pupil Admissions	365.685	
School Forum Administration	5.000	
Total LA Statutory Functions		370.685
<u>De-Delegated (LA maintained Schools Only)</u>		
Minority Ethnic Pupils – Primary and Secondary Schools	79.054	
FSM Eligibility Assessment – Primary and Secondary Schools	12.649	
Trade Union Facilities – Primary and Secondary Schools	19.149	

Total De-Delegated (LA Maintained Schools Only)		110.852
Total Centrally Retained Budgets		1,498.740

*rounding errors may appear in the above table.

3. Recommendations

- 3.1 The Schools Forum is asked to **note** the amount and deployment of the local authority's 2016- 2017 DSG allocation.

Author:

Maria Beaney
Finance Business Partner Education & Schools
23.06.16

Agenda Item 6: 2016-2017 Funding Formula Changes

1 Introduction

- 1.1 At the last Schools' Forum meeting on 13 January 2016 the Schools Forum approved Medway's Local Funding Formula.
- 1.2 The Funding Formula was submitted to the Government on time and Schools were notified of their Individual School Budget (ISB) for 2016-17 by 29 February 2016 in line with statue guidance. The EFA notifies Academies of their ISB.
- 1.3 The Authority Performa Tool (APT) sets the Schools and Academies budgets based on Medway's local Funding Formula and decisions approved by the Schools Forum.

2 Changes made to the Funding Formula after approval by the Schools Forum.

- 2.1 After the ISB's were published, a school identified an error with their budget allocation.
- 2.2 After investigation it transpires that one School's status was changed from maintained to academy between the provisional APT and the final APT return and this affected 21 Schools and Academies budget allocations.
- 2.3 Normally changes to the funding would be adjusted in the next financial year – such as rates funding – but due to the high value of the discrepancies Special Secretary of State approval was obtained to adjust the Funding Formula in year.
- 2.4 11 Schools and Academies would have been underfunded between £20,000 - £580,000 and 10 Schools and Academies would have been overfunded between £50,000 - £558,000. After these discrepancies were corrected the Schools Block Dedicated School Grant will overspend in 2016-17 by £24,913. This overspend will be reclaimed from the 2017-18 DSG allocation.

Table 1 – Schools Affected by the APT Error.

School Name	Status	Original ISB	Revised ISB	Variance
Hoo St Werburgh Primary School and Marlborough Centre	Maintained	1,689,277	1,478,674	210,602
BALFOUR C P JUNIOR SCHOOL	Maintained	1,455,967	1,667,238	(211,271)
Horsted Infant School	Maintained	683,970	662,408	21,562
Cedar Primary School	Maintained	1,917,288	1,941,312	(24,025)
Twydall Primary School and Nursery	academy	1,899,074	1,689,209	209,865
St. Helen's C.E.P. School	Maintained	540,797	727,568	(186,771)

	d)
Riverside Primary School	Maintained	744,706	671,579	73,127
The Pilgrim School	Maintained	814,846	887,193	(72,347)
Elaine Primary Academy	academy	1,400,256	1,331,675	68,581
Phoenix Junior Academy	academy	1,162,843	1,243,992	(81,149)
Warren Wood Primary Academy	academy	1,415,419	1,272,766	142,653
Napier Primary Academy	academy	1,768,441	1,884,806	(116,365)
Delce Junior Academy	academy	1,878,453	1,824,888	53,565
High Halstow Primary School	academy	711,520	758,109	(46,589)
All Faiths Children's Academy	academy	927,908	829,709	98,199
Brompton-Westbrook Primary Academy	academy	1,244,427	1,327,880	(83,453)
Hundred of Hoo All-Through Academy	academy	5,665,838	5,458,750	207,088
The Robert Napier School	academy	4,845,335	4,908,223	(62,888)
Chatham Boys Grammar School	academy	2,375,798	2,519,303	(143,505)
Brompton Academy	Academy	5,591,220	5,065,448	525,773
The Victory Academy	academy	2,953,660	3,511,398	(557,737)
Total		41,687,042	41,662,129	24,913

2.5 Maintained Schools were notified of the change to their ISB by Medway Council and the Education Funding Agency notified the Academies.

2.6 The Schools Forum are asked to ratify the decision taken by Medway Council and the Secretary of State to adjust the Schools Funding Formula in year and to deduct the overspend of £24,913 from the 2017-18 DSG allocation?

3. Proposed in year changes to the Funding Formula.

3.1 One of the 11 Funding Factors in Medway Local Funding Formula is business rates. Each year the funding is calculated based on estimates for the year and adjusted for any prior year adjustments. The Government and the Council set its business and council tax rates in February.

3.2 Normally Schools and Academy ISB are adjusted in the next financial year for any difference between the funding provided for business rates and the business rates paid in the year. However this year there have been several significant variances between the estimates and actuals. Please see table 2 below for differences greater than £2,000.

Table 2 – Difference between Actual and estimated Rates funding for 2016-17.

School	Estimate Rates Funding 16 - 17	Actual Rate Invoice 16-17	Varian ce
Phoenix Junior Academy	12,798	2,560	(10,238)
Napier Primary Academy	8,698	2,105	(6,593)
Sir Joseph Williamson's Grammar Secondary Academy	20,775	43,248	22,473
Rainham Mark Grammar Secondary Academy	21,371	29,403	8,032
Rochester Grammar Secondary Academy	26,590	34,542	7,952
Delce Infants	31,063	48,063	17,000
Total	121,293	159,919	38,626

3.3 The Schools Forum is asked to approve the increase in funding distributed to the 6 Schools and Academies shown in table 2. This increase in funding will result in an overspend for the Schools Block Dedicated Schools Grant which will be recovered from the 2017-18 DSG allocation.

4. Action for the Schools Forum

4.1 The Schools Forum are asked:

- a) Ratify the changes in section 2.6?
- b) Approve the changes outline in section 3.3?
- c) Adjust the 2017-18 DSG allocation by £63,539 (assuming 4.1a and 4.1b) are both approved?

4.2 All mainstream School and Academy members are eligible to vote.

Maria Beaney
Finance Business Partner Education & Schools
23.06.16

Agenda Item 7: National Funding Formula

1 Introduction

- 1.1 It's long been the aim to develop a school funding system that is fair, transparent and allocates available resources to schools based on pupil characteristics consistently across the country. Currently resources are allocated based on historic spend.
- 1.2 In 2015-16 an additional £390m was allocated to the lowest funded authorities but it was recognised that a more fairer funding system was needed, as school funding on a per pupil basis can vary drastically between local authorities.
- 1.3 The Government are consulting on a new national funding formula which is underpinned by their 7 key principles:
 - A funding system that supports opportunity.
 - A funding system that is fair.
 - A funding system that is efficient.
 - A funding system that gets the funding straight to schools.
 - A funding system that is transparent.
 - A funding system that is simple.
 - A funding system that is predictable.
- 1.4 This is a 2 stage consultation process, with stage 1 consulting on the vision and principals of the new national funding formula, whilst stage two will show the funding factors, the funding unit rates and the impact of the national funding formula.

2 Summary of the stage 1 consultation.

- 2.1 The first stage of the consultation was open between 7th March 2016 to 17 April 2016 and sought views on:
 - The principals underlining the new formula.
 - What funding building blocks should be used in the formula?
 - The funding rates to be used in the formula.
- 2.2 It also sought the views on:
 - a. The structure and proposals of the new formula.
 - b. The introduction of a school level national funding formula.
 - c. If the funding factors (and rates) would be determined at a national level.
 - d. To implant the new formula from April 2017 using a soft roll out method and a full roll out programme from 2019/20.
 - e. What funding should be allocated to local authorities?
 - f. The minimum funding guarantee limits?

- 2.3 The consultation proposed and sought views on 25 questions but the main proposals were:
- i. To use the new national funding formula to set the schools block Dedicated Schools Grant (DSG) total funding for 2017/18.
 - ii. The Schools Forum would then decide to implement the new national funding formula from 2017/18 or continue to use their own local funding formula. This is known as soft roll out. The new funding formula must be used from 2019/20 onwards.
 - iii. To remove the LAC funding factor and add it to the pupil premium grant.
 - iv. To remove the post 16 funding factor. This funding factor is not used in Medway's funding formula.
 - v. To remove the mobility funding factor as most of the 152 local authorities don't use this factor. However Medway does and it distributes £0.5m to 26 schools across Medway.
 - vi. Two have four blocks of funding instead of three – Schools Block, High Needs Block, Early Years and the new Schools Block LA retained.
 - vii. Funding will not be transferable between the blocks.
 - viii. Schools may not see an increase in funding as a result of the new national funding formula because funding will be allocated based on pupil characteristics. It is possible a school with low deprivation and in a low funded local authority could receive less funding under the new proposals.

3 Stage 2 Consultation.

- 3.1 Feedback on the stage 1 consultation and the new stage 2 consultation is expected to be published towards the end of June/July 2016.
- 3.2 The second stage of the consultation will outline the new national funding formula and will contain the different funding rates which will allow Medway to model school budgets and to consult with all schools and academies.

4. Action for the Schools Forum

- 4.1 The Schools Forum are asked to **note** this report.

Maria Beaney
Finance Business Partner Education & Schools
23.06.16

**Agenda Item 8:
2017-2018 Contingency**

Verbal Report

Schools Forum 4 July 2016

**Agenda Item 9:
2017-2018 Growth Fund**

Verbal Report

Agenda Item 10: School Improvement

1 Background

- 1.1 The Schools Forum allocated £200k for school leadership, £30k for Recruitment and Retention and £32k for action research in 2013. Members will remember that the original intention was for the School Effectiveness Strategic Board to commission work to improve leadership. This mechanism was not successful and the Schools Forum agreed that the resource should be used by the local authority to improve leadership and school standards and recruitment and retention opportunities.
- 1.2 During this school year resources have been allocated to:
 - 1. Securing Outcomes training for Phonics, Y2 and Y6; this has been provided free for many maintained schools and academies. In addition training for Y1 and Y5 teachers will be provided this term
 - 2. Volunteer readers through Beanstalk; this has been provided free to many maintained schools and academies
 - 3. Recruitment and Retention support to all maintained schools and academies through a dedicated post

2 Outcomes

- 2.1 Anecdotal evidence suggests that the training and Beanstalk programme have had some success. However, this is anecdotal and the evidence will be in the Phonics, Y2 and Y6 results and individual child reading progression. This will be available for the Schools Forum in September
- 2.2 It is clear from the interest shown in Medway vacancies and the opportunities created in the market place for schools on recruitment that the Recruitment and Retention post has been successful. It is not possible to provide metrics on reduction in forecasted vacancies as there has been no base measure of vacancies locally or nationally. However, initial discussions with headteachers suggest that the profile is much higher and confidence in the market is higher, although the vacancy position in Medway is still of concern. This picture is reflected throughout the south east and London. The postholder will present an annual report on activity to show how the opportunities have been increased and this will be available to the Schools Forum in September.
- 2.3 The action research programme will operate in two cohorts of 25 each in the next school year, cohort 1 from September and cohort 2 from January. The programme will be completed by the end of this financial year with a report on the learning outcomes available to the Schools Forum in July 2017.

3 Recommendations

3.1 The following next steps are recommended:

1. A report will be submitted in September on the resource spent in the school year 2015/16 against the results from schools and the outcomes in relation to recruitment and retention.
2. Following analysis of the results, a programme will be developed for the next school year in consultation with headteachers on accelerating leadership and performance outcomes in the primary sector. This will be reported to the Schools Forum in September as part of the expenditure and Value for Money report.
3. Following discussion with headteachers, the dedicated post for recruitment and retention will be funded for a further school year to embed systems and practice and the resources for the post will be allocated from the Schools Forum envelope of £200k. Discussions will begin in the Autumn with schools with regard to school buy in of recruitment and retention advice.

Pauline Maddison

Assistant Director School Effectiveness and Inclusion (Interim)

Agenda Item 11: Traded Services 2017-2018

1. Summary

The review of services to be traded for 2017/18 is underway. It is the intention that all services currently traded will continue to be traded in 2017/18. There is a continuing focus on ensuring that SLA Online provides concise, accurate descriptions of all packages offered and that these remain relevant in the changing climate. There is also an imperative to ensure that trading of services continues to be financially viable.

2. Services currently traded

Attendance Advisory Service for Schools and Academies
Behaviour Support Service
Capital Projects
Catering Management Service
Cleaning Management Service
Community Interpreting Service
Educational Child and Community Psychology
SIMS Licence for maintained schools
Facilities Management and Property Services
Finance
Governance Services
Health for Learning Services: Emotional First Aid
Health and Safety
Drink to Think: Water Bottles
HR and Payroll
Legal
Medway Community Healthcare: Speech & Language Therapy
Medway Grid for Learning
Medway Schools ICT Service
Physical and Sensory Service
Play and Creative Arts
Public Health
Risk Management and Insurance
School Improvement
School Organisation and Student Services
Supervision Offer
Teacher Recruitment
Waste Management Services

In addition, The Key for School Governors and The Key for School Leaders is also offered as a 'Catalogue Service'. That is, a service offered direct from an external provider which has undergone a quality assurance process.

3. Improvements to buyback timings and contractual arrangements

In order to improve the buyback experience for academies, investigations are underway to create more opportunities for a September buyback period to start in September 2017. In addition, it is intended that more advantage will be taken of multi year and rolling contracts to reduce the pressure on a 'single buyback period' and to give more stability over services and pricing.

Action for Schools' Forum

- Schools' Forum are asked to note the intended position on Traded Services for 2017/18
- Schools' Forum are asked to give their views on any additional services they would like to see added to the offer.
- Schools' Forum are asked to give their views on any services that should be considered for 'decommissioning'.

Jacqui Moore
Head of School Services Commissioning