

BRIEFING NOTE

Agenda item no. 6

TO: The Children's & Young People Scrutiny & Performance Panel

DATE: 19 July 2011

RE: Theme 7 – Supporting the Resourcing of Education & the School's Forum

Purpose

To inform Scrutiny Panel about Theme 7 – Supporting the Resourcing of Education.

Introduction

Theme 7 covers the local authority statutory functions in relation to all aspects of school funding, the Schools Forum, schools' compliance with council and government rules and regulations, transactional support services for schools and governor support and training.

The majority of the work contained within this output specification is routine and cyclical, despite being specialist in nature. There are detailed and complex rules and regulations regarding the administration of the Schools Budget which is funded by a separate ring fenced grant, the Dedicated Schools Grant.

- Schools Finance (England) Regulations
- Schools Forum (England) Regulations
- School Budget Shares (Prescribed Purposes) (England) Regulations
- Statutory Guidance Scheme for Financing Schools; Section 48 of the School Standards and Framework Act

The Schools Finance Team within Walsall Children's Services Serco ensures that the funding of schools is completed within the prescribed statutory framework and this involves:

- The calculation of individual school budgets using the local school funding formulae. This is a complex process starting with the cleaning of January School Census pupil data, which determines how much Dedicated Schools Grant will be paid to the council for its schools, (£216.8m for 2011-12, before academy recoupment). Walsall Council receives £5,131 for every child attending a maintained school, an early years setting and for pupils in other education provision for whom it is responsible. This still involves calculating budgets for academies before passing the information and the money to the Young People's Learning Agency. Every school receives a detailed budget statement and a Budget Manual to assist with its budget preparation.
- Maintenance of the local school funding formulae in consultation with the Schools Forum and all schools before taking any proposed changes to Cabinet for formal ratification. The Walsall formulae has been developed over the years on an activity basis, plus an in depth review of deprivation funding. In preparation for the mainstreaming of £30m of Standards Fund Grant into the Dedicated Schools Grant from 1 April 2011, via the local funding formulae, a sub group of the Schools Forum met to analyse the impact of this funding methodology change and agree a fair basis for the new distribution.
- Servicing of the Schools Forum which meets on a regular basis to discuss all school funding related issues. The work of the Schools Forum has intensive periods when major reviews of the national school funding system are proposed or when a major local formula review is

being undertaken, as well as during the normal budget preparation period. More information on the role and operation of the Schools Forum is provided in section 2 of the report.

- The administration of the Early Years Single Funding Formula and the issue of budgets and payments to registered early years private, voluntary and independent nursery settings. Walsall volunteered to be a pilot authority for this government initiative and as a result the new system was implemented from the 1 April 2010, a year in advance of the majority of local authorities.
- Check and approve school budgets and recommend approval of licensed deficits in exceptional circumstances.
- Apply the Balance Control Mechanism (BCM) to Walsall schools. Over the two years ending 31 March 2010, school balances reduced by an unprecedented £5m, or 30%. Although local authorities are no longer required to have a BCM, Walsall Schools Forum has chosen to retain one at the present time as a model of good practice. The balances as at 31 March 2011 are being finalised, but are expected to be at around the same level as last year as schools have been prudent due to the impact of Equal Pay and Single Status.
- The Scheme for Financing Schools is a legally binding document on the LA and its schools. It sets out the framework and rules under which both parties must operate. The Secretary of State used to formally approve the Scheme, but this responsibility has transferred to the Schools Forum. The Walsall Scheme was updated in line with statutory guidance ready for the 1 April 2011. The Scheme can be found on the internet at: <http://www2.walsall.gov.uk/CMISWebPublic/Binary.ashx?Document=10044>.
- The team also monitor school budgets as required by the Walsall Scheme for Financing Schools. We work with a significant number of primary, nursery and special schools as regards financial management, on a traded basis, and in these schools we have an in depth knowledge of the financial position and outlook. For those schools who buy in other support or complete the work in-house, basic reasonableness checks are completed and health checks as required.
- In liaison with the council, statutory Section 251 Budget and Outturn Statements are produced. These large financial returns analyse the allocation of the Schools Budget in a variety of ways at aggregate and individual school level. They are the key financial data source used by the DfE to ensure local authority compliance with all regulatory requirements.
- The team also supports the closedown of schools accounts at year end and assists with the production and co-ordination of schools' Consistent Financial Reports (CFR) at the end of each financial year. Every school must produce a CFR which is loaded onto a national database. The CFR returns provide the DfE with information on schools' spending patterns and they also populate the national benchmarking database that allows schools to evaluate their spending. This is an online tool and it can be viewed on the DfE website.
- The team process invoices via the council's Oracle system for those schools which do not wish to undertake this routine transactional process. This is also on a traded basis.
- The team provide training and briefing sessions for school based staff and governors on all financial issues and emerging policy changes.

In summary, this is a very busy team offering a wide range of financial services, advice and support to schools across the borough. There is also a close working relationship between the team and council colleagues.

The Schools Forum

The Walsall Schools Forum is the statutory body established under the Schools Forums Regulations (England) 2010 and the School Standards and Framework Act 1998. Walsall, like most local authorities had an informal predecessor group to the Schools Forum to review the schools delegated budget share formulae, grant distribution and other financial issues.

The role of the Schools Forum has evolved over the years with some powers transferring to the Schools Forum from the Secretary of State. The role of the Schools Forum became more important following the separation of school funding from the main local authority revenue support grant. The roles and responsibilities of the Schools Forum are summarised on Appendix 1 of this report.

A new ringfenced schools grant was created, the Dedicated Schools Grant, on 1 April 2006, to be administered in compliance with the Schools Finance Regulations (England) and the Schools Forum Regulations. The Schools Finance Regulations determine the specific types of expenditure that can be charged against the Dedicated Schools Grant and of those, the expenditure that does not have to be delegated to schools, such as insurances, placements for children educated in out of borough specialist education places, Special Educational Needs services, Pupil Referral units, school library services, plus others. This retained funding is known as the Central Expenditure and all remaining funding must be delegated to schools using the funding formula. These regulations also prescribe the factors that may be used in local authority school funding formulae.

To ensure local authority compliance with the regulations a Section 251 Budget Statement must be published by the local authority detailing the amount delegated to schools, the Central Expenditure which is capped, and may only exceed this limit with approval of the Schools Forum, the budget share per school and the detailed mechanics of the funding formulae. Appendix 2 of the report is Table 1 of the 2011-12 Section 251 Budget Statement and details the amounts delegated directly to schools and the Central Expenditure. This version has accounted for Grace, Shelfield, Shire Oak, Ryders Hayes, Park Hall Infants, and Queen Mary's Grammar and Queen Mary's High academies' recouplement figures.

The size and makeup of the Schools Forum membership is also prescribed within the regulations.

- A minimum of 15 members, but no prescribed maximum number
- School members - Head teachers, governors, business managers
- Non school members (maximum one third of total membership) representing 14-19 Partnerships, Early Years Private, Voluntary and Independent settings, diocesan authorities, professional associations, non-executive elected members.

There are also restrictions on membership.

- Lead members cannot be a member of a Schools Forum
- Directors of Children's Services, Assistant Directors of Children's Services or other senior officers who do not directly manage direct education provision cannot be members of a Schools Forum.

In addition a Schools Forum may be attended by observers.

- Executive elected members and senior officers may attend the Schools Forum in their official capacity as observers to participate in any discussions that the Schools Forum may have.

The current Walsall Schools Forum Terms of Reference give observer status to the portfolio holder for Children's Services, the Learning and Skills Council (now the Young People's Learning Agency) and one member of the recognised teacher and Head teacher associations.

Observers receive copies of all papers presented to the Schools Forum, can attend all meetings but may not vote.

In compliance with Schools Forum Regulations (England) 2010 the Walsall Schools Forum membership has been reviewed to reflect the changing landscape of governance arrangements across Walsall schools as detailed overleaf.

	School Forum Members	Type of member
Primary Sector	10	5 Head teachers and 5 Governors
Secondary Sector	3	2 Head teachers and 1 Governor
Academies	4	2 Head teachers and 2 Governors
Special Sector	2	1 Head teacher and 1 Governor
Nursery Sector	1	1 Head teacher
PVI Sector	1	
14-19 Partnership	1	
C of E Diocese	1	
Catholic Diocese	1	
Staff Side Associations Rep	1	
Pupil Referral Units	1	1 Head of PRU
Total	26	

The Chair of the Schools Forum in Walsall is Joe Baker, head teacher at Lower Farm Primary School and the Vice Chair is Sean Flynn, Head teacher at St. Thomas More Catholic Business and Enterprise College.

Walsall Schools Forum is a vibrant and active group that works effectively in partnership with the local authority. It meets regularly and the majority of its members are experienced in the complex rules and regulations governing the distribution of the ringfenced Dedicated Schools Grant.

Further information on Schools Forums is available on the DfE website at <http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/schoolsforums>

National Education Funding Review

The government has completed an early consultation on reforms to the national education funding system. At this stage it is not clear how radical these funding reforms are likely to be. A second consultation document is expected at the end of July which will make the position clearer in terms of the extent and impact of the reforms and the timescale. This, along with the pace of the expansion of the academies programme, will determine the future role of local authorities and Schools Forums in the allocation of school funding at a local level.

Author

Julie Taylor

Head of service School, Early Years Finance and Policy and Performance

☎ 01922 686495

julie.taylor@walsallcs.serco.com

SCHOOLS FORUMS - POWERS AND RESPONSIBILITIES

APPENDIX 1

	Function	Local Authority	Forum	Dfe Role	Notes
1	Formula Change (including redistributions)	Proposes and decides	Must be consulted	None	
2	Contracts	Propose prior to invitation to tender, the terms of any proposed contract	Gives a view	None	
3	Financial Issues relating to: arrangements for pupils with SEN; arrangements for use of PRU and EOTAS; arrangements for early years education; arrangements for insurance; administrative arrangements for the allocation of central government grants; arrangements for free school meals.	Consult annually	Gives a view and informs the governing bodies of all consultations carried out in lines 1, 2 & 3	None	
4	Breaches of Central Expenditure Limits	Proposes	Decides	Adjudicates where Forum does not agree LA proposal	
5	Increases in central expenditure on : prudential borrowing, termination of employment costs, combined services, schools specific contingency and SEN transport	Proposes	Decides	Adjudicates where Forum does not agree LA proposal	
6	Scheme of financial management changes	Proposes and consults GB and Head of every School	Approves	Adjudicates where Forum does not agree LA proposal	
7	Per Pupil Minimum Funding Guarantee changes - allow a higher figure than the -1.5%, in relation to the implementation of the Early Years Single Funding Formula, previous exceptions agreed without a time limit, variations in respect of learner led diploma funding and targeted elements of the National Strategies Grants.	Proposes	Decides	Adjudicates where Forum does not agree LA proposal	Schools Finance Regulations 2011
8	Per Pupil Minimum Funding Guarantee changes - all exceptions other than those included in line 7.	Proposes	Gives a view	Decides	Schools Finance Regulations 2011
9	Membership : length of office of Schools Member	Decides	None (but good practice would suggest that they gave a view)	None	
10	Membership: appointment of Schools Members	Appoints	None (but good practice would suggest that they gave a view)	None	Elected by members of the relevant sub group
11	Membership: Non Schools Members	Seeks nominations from the relevant bodies then appoints	None (but good practice would suggest that they gave a view)	None	
12	Voting Procedures	None	Determine voting procedures	None	
13	Chair of Forum	Facilitates	Elects	None	may not be an elected member of the council or officer

LA Table: FUNDING PERIOD (2011-12)

Department for Education Section 251 Financial Data

Appendix 2

Date Report Produced: 16/06/2011 13:00:17

LA: 335

Description	Early Years	Primary	Secondary	Special	Gross	Income	Net
1.0.1 Individual Schools Budget	9,542,214	94,150,320	77,690,494	11,758,085	193,141,113		193,141,113
1.0.2 Pupil premium allocated to		2,506,350	1,181,344	-	3,687,694	3,687,694	0
1.0.3 Pupil premium managed					82,990	82,990	-
1.0.4 Threshold and	-	-	-	-	-	-	-
1.0.5 Central expenditure on	299,833	-	-	-	299,833	-	299,833
1.1.1 Support for schools in	-	-	-	-	-	-	-
1.1.2 School specific	160,097	580,374	416,053	10,413	1,166,937	-	1,166,937
1.1.3 Early Years contingency	100,000				100,000	-	100,000
1.2.1 Provision for pupils with	-	-	-	-	-	-	-
1.2.2 SEN support services	20,020	1,228,416	807,058	26,095	2,081,588	-	2,081,588
1.2.3 Support for inclusion	10,014	614,454	403,691	13,053	1,041,212	-	1,041,212
1.2.4 Fees for pupils with SEN at	42,862	2,630,018	1,727,898	55,869	4,456,647	-	4,456,647
1.2.5 SEN transport	-	-	-	-	-	-	-
1.2.6 Fees to independent	-	-	-	-	-	-	-
1.2.7 Interauthority recoupment	14,926	915,892	601,733	19,456	1,552,008	959,862	592,146
1.2.8 Contribution to combined	402	27,519	19,539	540	48,000	-	48,000
1.3.1 Pupil Referral Units	17,468	1,071,832	704,184	22,769	1,816,252	-	1,816,252
1.3.2 Behaviour Support	-	854,448	435,060	18,706	1,308,214	-	1,308,214
1.3.3 Education out of school	11,033	676,999	444,782	14,381	1,147,196	-	1,147,196
1.3.4 14-16 More practical							
1.4.1 Support to underperforming	-	-	-	-	-	-	-
1.5.1 School meals - nursery	2,230	132,800		2,907	137,938	-	137,938
1.5.2 Free school meals eligibility	-	-	-	-	-	-	-
1.5.3 Milk	-	-	-	-	-	-	-
1.5.4 School kitchens repair and	-	-	-	-	-	-	-
1.6.1 Insurance	4,809	295,067	193,856	6,268	500,000	-	500,000
1.6.2 Museum and Library	4,282	254,944	4,455	192	263,872	-	263,872
1.6.3 School admissions	2,983	183,013	120,238	3,888	310,122	-	310,122
1.6.4 Licences/subscriptions	841	50,096	25,664	1,097	77,698	-	77,698
1.6.5 Miscellaneous (not more	-	-	-	-	-	-	-
1.6.6 Servicing of schools forums	48	2,951	1,939	63	5,000	-	5,000
1.6.7 Staff costs - supply cover	2,404	143,154	72,890	3,134	221,583	-	221,583
1.6.8 Supply cover - long term	1,395	83,030	42,275	1,818	128,518	-	128,518
1.6.9 Termination of employment	-	-	-	-	-	-	-
1.6.10 Purchase of carbon	2,227	152,503	108,277	2,993	266,000	-	266,000
1.7.1 Other Specific Grants	-	-	-	-	-	-	-
1.8.1 Capital Expenditure from	-	-	-	-	-	-	-
1.8.2 Prudential borrowing costs	-	-	-	-	-	-	-
1.9.1 TOTAL SCHOOLS BUDGET	10,240,087	106,554,181	85,001,431	11,961,727	213,840,417	4,730,546	209,109,871
2.0.1 Educational psychology					690,850	-	690,850
2.0.2 SEN administration					271,596	-	271,596
2.0.3 Therapies and other health					9,983	-	9,983
2.0.4 Parent partnership					15,000	0	15,000
2.0.5 Monitoring of SEN					-	-	-
2.0.6 Total Special Education	-	-	-	-	987,429	0	987,429
2.1.1 Excluded pupils					-	-	-
2.1.2 Pupil support	156	9,595	7,497	204	17,452	-	17,452
2.1.3 Home to school transport:	17,939	1,100,737	859,991	23,383	2,002,050	-	2,002,050
2.1.4 Home to school transport:	-	-	-	-	-	-	-
2.1.5 Home to post16 provision					-	-	-
2.1.6 Home to post16 provision					-	-	-
2.1.7 Home to post16 provision					-	-	-
2.1.8 Education welfare service					449,773	-	449,773
2.1.9 School improvement					1,698,268	-	1,698,268
2.1.10 Total Learner Support	18,095	1,110,332	867,488	23,587	4,167,543	-	4,167,543
2.2.1 Asset management					208,380	-	208,380
2.2.2 Supply of school places					-	-	-
2.2.3 Music services					-	-	-
2.2.4 Visual and performing arts					-	-	-
2.2.5 Outdoor education					41,803	-	41,803
2.2.6 Total Access	-	-	-	-	250,183	-	250,183
3.0.1 16-18 Provision other than					-	-	-
3.0.2 14-19 Reform					-	-	-
3.0.3 Total Young people earning and development	-	-	-	-	-	-	-
3.1.1 Capital Expenditure from					-	-	-

4.0.1 Adult and Community					6,572,541	2,699,097	3,873,444
4.0.2 - Total Adult and Community Learning	-	-	-	-	6,572,541	2,699,097	3,873,444
4.1.1 Capital Expenditure from					-	-	-
5.0.1 Secure accommodation					-	-	-
5.0.2 Youth Offender Teams					925,115	139,800	785,315
5.0.3 Other Youth Justice					830,981	833,990	(3,009)
5.0.4 Total Youth Justice	-	-	-	-	1,756,096	973,790	782,306
6.0.1 Funding paid to early years					344,585	344,585	-
6.0.2 Other early years funding					1,579,551	1,579,551	-
6.0.3 Total Early Years	-	-	-	-	1,924,136	1,924,136	-
6.1.1 Funding for individual Sure					2,655,242	2,655,242	-
6.1.2 Funding on local authority					7,073,598	7,073,598	-
6.1.3 Total Sure Start Children Centres	-	-	-	-	9,728,840	9,728,840	-
6.2.1 Residential care					5,484,655	324	5,484,331
6.2.2 Fostering services					10,708,110	-	10,708,110
6.2.3 Other children looked after					252,160	-	252,160
6.2.4 Secure accommodation					-	-	-
6.2.5 Short breaks (respite) for					4,134	-	4,134
6.2.6 Children placed with family					775,809	-	775,809
6.2.7 Advocacy services for					106,641	-	106,641
6.2.8 Education of looked after	14,315	36,263	37,217	7,635	95,430	-	95,430
6.2.9 Leaving care support					862,910	-	862,910
6.2.10 Asylum seeker services					94,214	34,021	60,193
6.2.11 Total Children Looked After	14,315	36,263	37,217	7,635	18,384,063	34,345	18,349,718
6.3.1 Child death review					46,220	-	46,220
6.3.2 LA functions in relation to					784,553	416,849	367,704
6.3.3 Local safeguarding					113,081	41,600	71,481
6.3.4 Total Children and Young People Safety	-	-	-	-	943,854	458,449	485,405
6.4.1 Direct payments					487,230	-	487,230
6.4.2 Short breaks (respite) for					993,714	1,083	992,631
6.4.3 Home care services					170,818	-	170,818
6.4.4 Equipment and adaptations					-	-	-
6.4.5 Other family support					2,422,219	44,346	2,377,873
6.4.6 Contribution to health care					-	-	-
6.4.7 Intensive family					-	-	-
6.4.8 Total Family Support Services	-	-	-	-	4,073,981	45,429	4,028,552
6.5.1 Adoption services					1,309,837	-	1,309,837
6.5.2 Special guardianship					55,608	-	55,608
6.5.3 Other children and families					-	-	-
6.5.4 Total Other Children and Families Services	-	-	-	-	1,365,445	-	1,365,445
6.6.1 Partnership costs					-	-	-
6.6.2 Central commissioning					88,619	-	88,619
6.6.3 Total Children Services Strategy	-	-	-	-	88,619	-	88,619
6.7.1 Commissioning and social					-	-	-
6.8.1 Capital Expenditure from					-	-	-
6.9.1 Universal services for					-	-	-
6.9.2 Targeted services for					-	-	-
6.9.3 Substance misuse services					165,626	165,626	-
6.9.4 Teenage pregnancy					89,400	154,800	(65,400)
6.9.5 Discretionary Awards					-	-	-
6.9.6 Student Support					-	-	-
6.9.7 Total Services for young people	-	-	-	-	255,026	320,426	(65,400)
6.10.1 Capital Expenditure from					-	-	-
7.0.1 Statutory/ Regulatory					2,724,182	-	2,724,182
7.0.2 Premature retirement					732,078	-	732,078
7.0.3 Existing early retirement					1,747,504	-	1,747,504
7.0.4 Residual pension liability					-	-	-
7.0.5 Joint use arrangements					44,924	-	44,924
7.0.6 Insurance					-	-	-
7.0.7 Monitoring national					-	-	-
7.0.8 Total Local Authority Education Functions	-	-	-	-	5,248,688	-	5,248,688