

A G E N D A

Herefordshire Schools Forum

Date: **Wednesday, 7th June, 2006**

Time: **1.30 p.m.**

Place: **Hereford Education and
Conference Centre, Blackfriars
Street, Hereford**

Notes: Please note the **time, date** and **venue** of
the meeting.

For any further information please contact:

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**County of Herefordshire
District Council**

AGENDA

for the Meeting of the Herefordshire Schools Forum

To: All Members of Herefordshire Schools Forum

	Pages
1. APPOINTMENT OF CHARIMAN To appoint a Chairman for the ensuing year.	
2. APOLOGIES FOR ABSENCE To receive apologies for absence.	
3. NAMED SUBSTITUTES (IF ANY) To receive any details of Members nominated to attend the meeting in place of a Member of the Committee.	
4. DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on the Agenda.	
5. MINUTES To approve and sign the minutes of the meeting held on 2nd February 2006.	5 - 12
6. SOCIAL DEPREIVATION FUNDING IN SCHOOLS To consider the potential impact of changes in social deprivation funding for Herefordshire schools in accordance with the timescale set by the DfES and HM Treasury review.	13 - 30
7. ICT SUPPORT IN SCHOOLS To receive a verbal update on ICT support in schools.	
8. REVIEW OF HEREFORDSHIRE MUSIC SERVICE To consider the funding and financial underpinning of the Music Service.	31 - 34
9. SCHOOLS BUDGET 2006/2007 To inform Schools Forum of the Section 52 Education Budget Statement for 2006/07.	35 - 44
10. SCHOOL BALANCES MARCH 2006 To report on school balances at the end of the financial year 2005/2006.	45 - 46

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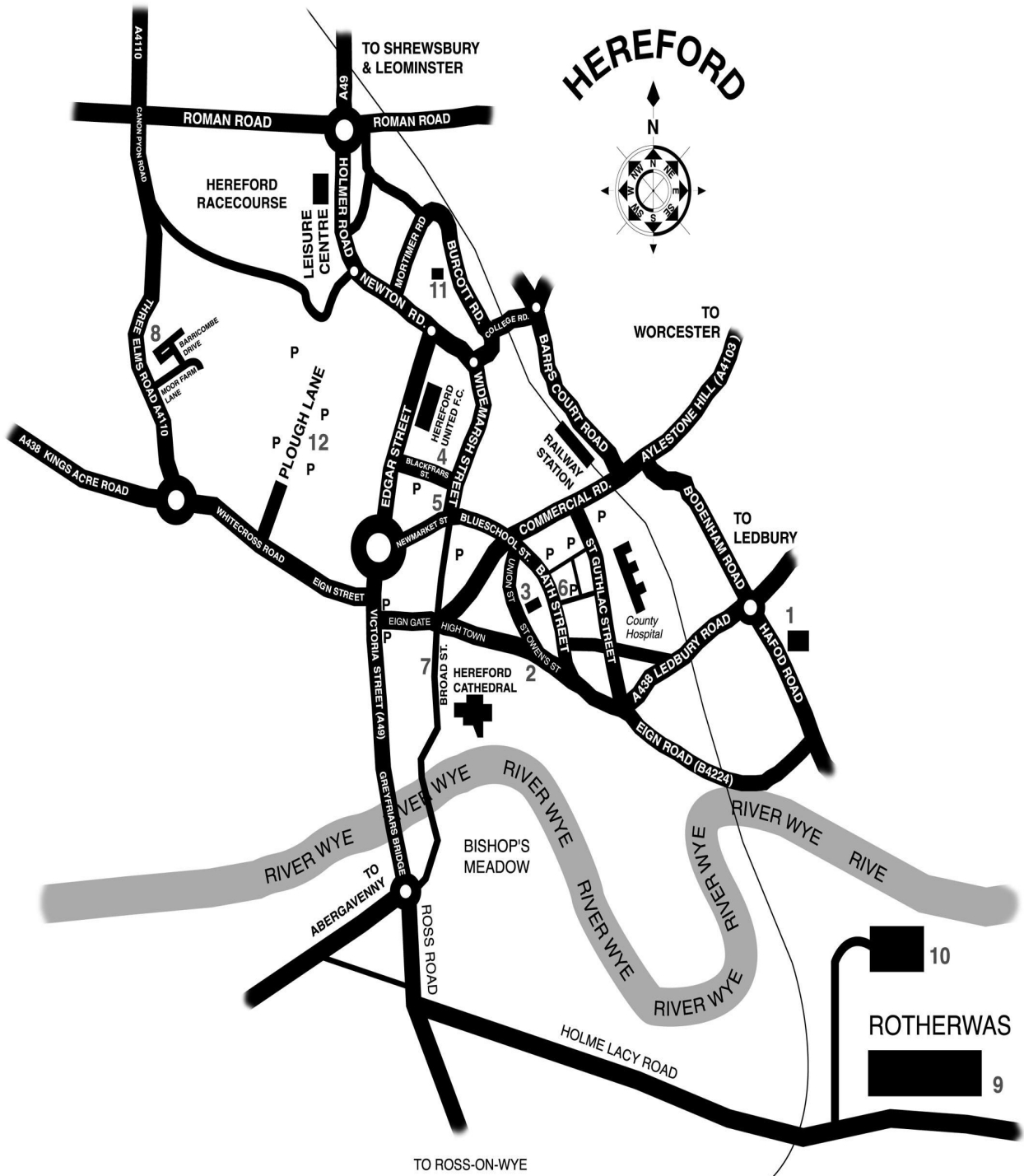
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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

MINUTES of the meeting of Herefordshire Schools Forum held at Hereford Education and Conference Centre, Blackfriars Street, Hereford on Thursday, 9th February, 2006 at 1.30 p.m.

Present:	Julie Powell (Chairman)
Church Members	Rev. I. Terry
Parent Governor Members	Mrs. C. Woolley
Teacher Representatives	C. Lewendowski
Primary School Representatives	Mrs. C. Garlick, Ms. T. Kneale, R. Thomas and G. Williams
PRU School Representaive	(none)
Secondary School Representatives	J. Docherty, A. Marson, D. Nicholas, Ms. D. Strutt and D. Williams
Special School Representative	Mrs. S. Bailey
Observers	Ms. R. Hatherill (Early Years Development and Childcare Partnership)

In attendance: Councillors B.F. Ashton and D.W. Rule (Cabinet Member – Children and Young People)

36. APOLOGIES FOR ABSENCE

Apologies were received from T. Edwards, Mrs. A. Mundy and Ms. J. Waring.

37. NAMED SUBSTITUTES (IF ANY)

G. Williams substituted for Mrs. A. Mundy and D. Nicholas substituted for Ms. J. Waring.

38. DECLARATIONS OF INTEREST

There were no declarations of interest.

39. MINUTES

RESOLVED: That the minutes of the meeting held on 9th December 2005 be approved as a correct record and signed by the Chairman.

40. LATE ITEMS/ANY OTHER BUSINESS

The Committee noted that it was permitted within its Constitution to take Late Items/Any Other Business immediately after the minutes of the last meeting had been approved.

A Member of the Forum inquired about dividend payments from West Mercia Supplies to Herefordshire Schools which in so far as they understood had not been paid to date.

The Manager of LMS and Planning informed the Forum that he would raise the issue with the Director of Resources and report back to a future meeting.

41. SCHOOLS BUDGET 2006/07**Item 5A – Review of Budget Presentation**

The Forum reviewed and noted the presentation made by the Manager of LMS and Planning during the Schools Budget Consultation in January 2006.

A copy of the presentation slides had been sent to Members of the Forum separately.

Item 5B – LMS Consultation 2006/07

The Forum considered the outcome of the consultation exercise and amended the budget proposals in line with responses and determined the pattern of budget consultation for 2007/08.

The Manager of LMS and Planning informed the Forum that since the publication of the agenda papers further responses to the consultation paper had been received. An additional appendix including details of the additional consultation responses was circulated at the meeting.

The Forum went through the consultation paper question by question and, with the exception of question 1 which was deferred to be considered under item 5D, resolved each issue in favour of the majority of responses.

RESOLVED:**That:**

- (a) the threshold for primary small school protection should be fixed at 200 and the savings distributed at a fixed rate of £10,973 per school;**
- (b) the threshold for secondary small school protection should be fixed at 655 pupils and the savings distributed on a fixed rate of £5,900 per school;**
- (c) savings made from the reallocation of the key stage 1 class size grant be reallocated to all primary schools based on a flat rate of £3,300 per school and £6 per pupil;**
- (d) an appropriate level of support from Herefordshire Learning Support Service(HLSS) be offered to schools on a needs basis obtainable in a simplistic and timely manner in order to support the delivery in English**

as an additional language to foreign pupils;

- (e) a sum of £30,000 be put aside and used to provide an initial £500 grant to schools to help meet the costs of a foreign pupil in their first term in school;
 - (f) funding for Special Educational Needs Bands be increased in line with inflation;
 - (g) a 'September pupils' factor be introduced in the special schools formula from April 2006 to ensure that funding is provided for all new pupils at the start of the academic year;
 - (h) an 'eligible teacher' factor be introduced into the teachers pay and threshold payment formula from April 2006 to ensure that funding is provided to schools to meet their teacher performance and threshold costs;
 - (i) the Newly Qualified Teacher Grant not be reinstated;
 - (j) Excessive school balances should be clawed-back with effect from financial year 2006/07 and the first claw-back being applied to the balances as at 31st March 2007;
 - (k) Subject to the approval of the DfES the proposed new paragraph relating to the claw-back of excessive school balances, as contained within LMS Consultation paper contained in the agenda papers, be included within the LMS Scheme from April 2006;
- and;
- (l) subject to DfES approval the proposed revised paragraph relating to extended schools activities, as contained within the LMS Consultation paper contained in the agenda papers, be included within the LMS scheme from April 2006.

Item 5C – Extended Services – Budget Consultation

The Forum considered the outcome of the consultation exercise with schools regarding extended services and to determine the use of £150,000 provisionally allocated for extended services.

An updated summary of the consultation responses was circulated at the meeting.

The Head of School Effectiveness informed the Forum that all schools would be required to make a full extended services offer by 2011.

In all there were fourteen partnership areas in the County who would be allocated £25,000 each as the current proposal stood. The Head of School Effectiveness stated that he would prefer partnership areas to join together and combine their financial allocations in order to deliver services.

He explained that the consultation had revealed that 77% of respondents were in favour of the funding being delegated to each partnership area with services being delivered in consultation with an Early Years Development Childcare Partnership (EYDCP) development worker.

The Director of Children's Services informed the Forum that the potential link between Children's Centres and the extended services scheme had not come through in the consultation responses. However, she stated that it was important not to miss this opportunity to use Children's Centres to deliver extended services.

In response to a question the Head of School Effectiveness informed the Forum that the onus was on the Council to ensure that schools and their partners were delivering the extended services for which money had been provided. The Council would provide help and support to ensure that the money was spent on extended school development.

A Member of the Forum agreed that the money should be distributed between the partnerships, with the local authority retaining the power to call in the funding, who could decide the local priorities and then commission local schools to deliver the identified priorities.

Money for special schools was to be provided to the 15th sleeping partnership and allocated to special schools within the County. The Special Schools Representative stated that the best way to meet the needs of the families whose children attended special schools would be to provide additional provision within school holiday periods.

The Forum was informed that funding for extended services was expected to continue beyond the current two year time period which notice had already been received.

The Manager of LMS and Planning confirmed that funding provided through the Excellence Cluster was separate to the extended services budget and that "double funding" would need to be considered.

The Early Years and Childcare Manager informed the Forum that the Early Years Development and Childcare Partnership would work with the local partnerships to ensure that the services being delivered met the needs of the local community.

The Head of School Effectiveness informed the Forum that the detail of the project was still to be worked out and suggested that a small group be established to discuss in detail how the project would be delivered. After discussion it was agreed that the Manager of LMS and Planning, the Early Years and Childcare Manager, the Extended Schools Officer and a nominee from each partnership area would form the group to discuss the delivery of extended services within the County.

RESOLVED: That in principle, the funding be delegated to each partnership, and the views expressed by Herefordshire Schools Forum and those in the consultation process be taken into account when determining the precise method of delegation for extended services budgets.

Item 5D – Budget Proposals 2006/07

The Forum considered the budget proposals for the Dedicated Schools Grant (DSG) for 2006/07. Full details of the budget proposals were included in Appendix 1 to the report.

The Manager of LMS and Planning summarised the proposals which had been approved at the last meeting of the Forum as detailed in the report. However, with regard to the increase in Central Expenditure he informed the Forum that the agreed percentage increase of 8.1% needed to rise to 9.1%. This was because it was now

necessary to fund the English as an Additional Language scheme centrally which had increased the rise up by 1%. Schools had endorsed this central provision as part of the LMS consultation.

Additional issues which had arose since the last meeting included the delegation to high schools of £130,000 in the DSG of money intended for Practical Learning Options to fund the introduction of advance diplomas and vocational courses for 14-16 year olds. The Forum was informed that this approach had been agreed by Herefordshire Association of Secondary Heads (HASH) and the Learning and Skills Council (LSC).

With regard to Standards Fund for Schools ICT it was clarified that grant 31a had been changed so that the DfES contribution was included as capital in schools' devolved formula capital and the Council's share was now included in the general school development grant. The Forum was informed that any school funded through a PFI agreement would not be in receipt of grant 31a.

Grant 31b had been reduced from £1m in 2005/06 to £833,000 in 2006/07. The Manager of LMS and Planning reported that £500,000 was required to pay for the ongoing costs of the broadband network and that it was proposed that the remaining £333,000 could be delegated to schools.

Members of the Forum voiced concerns about the quality of the schools broadband network. It was considered that the system was inadequate and it was believed that the problems were stemming from the provider rather than the local network.

The Head of School Effectiveness informed the Forum that he was aware that there was a problem with remote access for pupils due to the Council's approach to network security.

A Member of the Forum stated that work commissioned with the Council's ICT Directorate had not been completed
The Cabinet Member (Children and Young People) stated that he had a meeting scheduled with the Head of ICT next week and that he would raise the issues which the Forum was reporting.

The Forum discussed the possibility of using the Grant 31b money to seek an alternative broadband provider.

The Head of School Effectiveness stated that a considerable amount of money had been invested into broadband networks for schools and that if schools decided to leave the system there would be complications in relation to ownership. He added that the Council's ICT Directorate should provide schools with the service that they had paid for.

The Forum discussed the prospect of using the remaining £333,000 to fund improvements in the broadband network to solve the problems currently being experienced. However, it was felt that if the additional money was simply given to the Council's ICT Directorate then the Forum feared that the required improvements in service would not materialise. Therefore the Forum felt that it would be better if the remaining £333,000 be retained by the Forum pending discussions with the Head of Information, Technology and Customer Services on what could be done to resolve the reported problems with the broadband network. Pending the outcome of discussions with the Head of Information, Technology and Customer Services, the Forum would then resolve how the remaining portion of Grant 31b should be spent.

The Manager of LMS and Planning informed the Forum that greater powers for

Schools Forum's had come into force on 30th December 2005. The Forum was now able to agree proposals for exceptions to the Minimum Funding Guarantee (MFG) which had previously been the responsibility of the Secretary of State. Therefore the Forum was asked to approve that Trinity Primary School be treated as an exception to the MFG. This change had been previously agreed by the Secretary of State and was necessary due to the phased closure of its special unit, as the MFG unfairly extrapolates the high unit cost of the special unit to all pupils at the school providing an unfair budget windfall that can only be met by reducing the budgets of all schools. The school had been consulted on the proposed change and as in previous years had raised no objections.

The Manager of LMS and Planning reported to the Forum that following on from a deferred decision from their October meeting that no changes, other than the statutory increase to 38 weeks provision for private and independent nursery schools, were proposed for the arrangements of the education of children with special needs, at pupil referral units, for children educated outside of school or for early years education.

RESOLVED:

That: (a) the 9.1% increase in central expenditure be approved;

(b) the exception to the Minimum Funding Guarantee for Trinity Primary School be approved;

(c) that no changes in the arrangements for the education of pupils with special needs, the pupil referral units, education of children otherwise than at school and the arrangements for early years education be noted;

and;

(d) that £333,000 from Standards Fund Grant 31b be retained by the Forum pending discussions with the Head of Information, Technology and Customer Service and that the £500,000 for the ongoing running costs of the network be delegated to schools through a Service Level Agreement.

42. REVIEW OF CHARGES

The Forum considered the charges to be made to students in the 2006/07 academic year for transport, music tuition and swimming lessons.

The Manager of LMS and Planning reported to the Forum that the Council provided free transport to those children who met the necessary criteria. In addition to this the transport is also provided at a cost to pupils using vacant seats, post-16 students and from September 2006 pupils who have a denominational place at a school more than either 2 miles for primary school pupils or 3 miles for secondary school pupils from their home. He informed the Forum that inflation in the transport industry had been at approximately 5% for the last 12 months therefore it was proposed that vacant seats and denominational transport cost rise from £100 to £105 and that the cost of post-16 transport rise from £85 to £89. The cost of seats for families in receipt of free school meals was not proposed to rise and would therefore remain at

£35.

The Manager of LMS and Planning informed the Forum that it was proposed to increase the charges levied for music tuition and instrument hire. It was proposed that the hourly rate for music tuition would rise from £24 to £25 per hour and that instrument hire per term would rise from £32 to £34 for wind and brass instruments and from £20 to £21 per term for string instruments.

The Forum noted that the previous increase in the cost of music tuition in February 2005 had not seen a decline in the number of pupils learning a musical instrument as had been feared at the time.

The Manager of LMS and Planning informed the Forum that from April 2006 it was proposed that HALO manage St. Martins Pool, Hereford on behalf of the Council. In negotiations with HALO it has been suggested that a common charging policy should apply for all school use at HALO pools across the County. Herefordshire Schools also use HALO managed pools in Ledbury, Hereford, Leominster and Ross On Wye. Therefore with regard to St. Martins Pool it is anticipated that charges will rise from £32 per half hour session to £65 per one hour session.

RESOLVED:

That (a) the increases in home to school transport be approved;

(b) the increases in the cost of music tuition and instrument hire be approved;

and;

(c) the increase in the hire and instructor charges for swimming lessons be approved.

43. EMPLOYEE ASSISTANCE PROGRAMME

The Forum considered approving a three-year contract with 'Worklife Support' for an employee assistance programme for teachers, support staff and centrally employed Children's Services staff.

The Workforce Remodelling Advisor informed the Forum that the employee assistance programme offered by 'Workforce Support' was a comprehensive programme of support covering a wide range of work related and personal issues, including, dealing with stress, relationships, financial counselling, legal advice and other similar issues. Support is accessible via a telephone service operated by trained specialists with an educational background. She added that 'Worklife Support' would not provide face-to-face counselling as this was already provided through the Council's own service.

A revised quote was circulated at the meeting.

The Forum was informed that the matter had been raised at a meeting of primary headteachers and at HASH. HASH had agreed that 'Worklife Support' was a worthwhile scheme which would be available to support employees at times of need.

The Manager of LMS and Planning reported that the majority of the funding for the scheme would be met centrally through the Standards Grant with the remaining amount made up for by schools, which in the context of school budgets did not require a large contribution from each school.

The Workforce Remodelling Advisor informed the Forum that quotes had not been sought from any other providers due to the charitable nature of the supplier.

The Forum discussed agreeing the 'Worklife Support' scheme in principal but leaving individual schools the final decision on whether or not they would sign up for the scheme as the money would be coming from the budgets of individual schools. However, after considering the low number of responses with regard to the LMS Consultation the Forum agreed to approve the scheme for all schools on the proviso that a letter be sent to all schools giving them the opportunity to opt out of the scheme if they wished to do so.

RESOLVED: That a three year contract with Worklife Support for an Employee Assistance Programme be approved subject to all schools being given the opportunity to opt out of the scheme.

The meeting ended at 3.24 p.m.

CHAIRMAN

SOCIAL DEPRIVATION FUNDING IN SCHOOLS

REPORT BY, MANAGER OF LMS AND PLANNING

HEREFORDSHIRE SCHOOLS FORUM

7 JUNE, 2006

Schools Affected

All schools

Purpose

To consider the potential impact of changes in social deprivation funding for Herefordshire schools in accordance with the timescale set by the DfES and HM Treasury review.

Financial Implications

Any changes will affect the funding allocated to all schools; this will be significant in the long term.

Report

1. A letter was received from DfES in December 2005 informing local authorities of the findings of the joint DfES and Treasury report *Child Poverty: Fair Funding for Schools*. A copy of the letter is attached as Appendix 1. This letter required local authorities to supply to the Secretary of State by 5th May 2006 a statement setting out the authority's policy and practice – based on it's school funding formula for 2006-07 – in funding schools for the costs arising from social deprivation amongst their pupils. A copy of our submission is attached as Appendix 2.
2. Every authority is asked to review its current arrangements for funding schools for the costs of deprivation, and to consider in conjunction with Schools Forum whether change is required. Ministers wish to stimulate local debate over the best way to use funds which are allocated to local authorities, in terms of supporting the education of pupils from deprived backgrounds.
3. The publication of the statements received by DfES from all authorities is expected at the end of June/ beginning of July and is intended as a helpful resource to be used as part of local authorities formula review.
4. The DfES will be monitoring progress in each authority towards ensuring that deprivation resources are distributed according to need for the three year funding period which begins 2008-09.

Further information on the subject of this report is available from
Malcolm Green, Manager of LMS and Planning on (01432) 260818

5. The funding included within our Dedicated Schools Grant for 2006-07 for social deprivation is £5,412,000. The amount allocated for social deprivation in Herefordshire's formula was £310,400 with a further £535,000 allocated for free school meals. Additionally, £200,500 of the personalised learning allocation was distributed to schools based on free meals. Clearly there is a substantial difference between DfES expectation and local practice. DfES have confirmed that this difference is common to many authorities nationwide.
6. Increasing the funding allocated to schools for social deprivation to meet DfES expectations will cost £4,366,100 and require a major shift in funding in schools through the current formula and/or the allocation of all available headroom to social deprivation for many future years. Implementation of a funding change of this magnitude will have a significant impact on schools and staffing and will have to be carefully planned over a realistic timescale. To achieve such a shift in funding over a ten year period a transfer of £20 per pupil each year, i.e. £200 per pupil in total to social deprivation would be necessary. Much more consideration with schools will be necessary in order to achieve a workable plan.
7. It is suggested that a small working group consider social deprivation funding in much more detail and report back to School's Forum regularly.

Recommendations

That the Forum:-

- (a) **Comment on the Social Deprivation Statement submitted to the Secretary of State.**
- (b) **Give some initial consideration to:-**
 - 1) **how and over what timescale the changes required for social deprivation funding could be implemented;**
 - 2) **how a work programme might be developed to consider formula changes;**
 - 3) **how and when consultation with schools will be required.**
- (c) **Set up a small representative working group of headteachers:-**
 - 1) **to develop formula changes for possible consultation with schools as part of the 2007/2008 budget and;**
 - 2) **to assess the impact of increasing the social deprivation funding to the DfES recommended level over a ten-year period using existing and new monies.**
 - 3) **to consider the rate of transfer of funding that might be possible without significant impact on schools.**
- (d) **To comment on the possible allocation of all available headroom above the minimum funding guarantee in the 2007/2008 budget to improving social deprivation funding.**

Further information on the subject of this report is available from
Malcolm Green, Manager of LMS and Planning on (01432) 260818

**To: Directors of Children's Services / Directors of
Education of local authorities in England**

Direct line: 020 7925 5580

Local fax: 020 7925 5852

22 December 2005

SCHOOL FUNDING

1. SOCIAL DEPRIVATION 2. PERSONALISATION FUNDING

1. On 7 December 2005 this Department and HM Treasury jointly published the report *Child Poverty: Fair Funding for Schools*¹, together with a publication statement (copy enclosed) that sets out the steps the government will now be taking to encourage a more equitable distribution of deprivation funding for schools. One of these steps is to ask every local authority to review its current arrangements for funding schools for the costs of deprivation, and to consider in conjunction with its Schools Forum whether change is required.

2. This letter sets out details of the information which, as part of this review process, the Department is seeking from every local authority about its policy and practice in funding schools for the costs imposed by social deprivation amongst pupils.

3. As described in the statement, the intention of Ministers is to stimulate local debate over the best way to use the funds which are allocated to local authorities, in terms of supporting the education of pupils from deprived backgrounds. In drawing up the material which is requested in this letter (details at Annex A), the authority is therefore asked to involve its Schools Forum and as wide a range of other stakeholders as possible.

4. Authorities are also being asked through this exercise to say how they have responded to the earmarking of funding for personalised learning at Key Stage 3 and primary level within the Dedicated Schools Grant (DSG) for 2006-07 and 2007-08. As well as completing the picture on the use of funding allocated for deprivation, this will help the Department to review the distribution methodology for the DSG for 2008-09, as Ministers have promised.

5. Statements received from authorities will be collated and published by the Department, probably in June 2006, in easily-accessible form alongside relevant data on the attainment of pupils in each authority (see Annex B). This is intended as a resource for authorities and their partners to use in their local reviews of the way in which the school funding formula targets funding for deprivation (as discussed in more detail in the publication

¹ This can be found at www.teachernet.gov.uk/deprivationfundingreview



statement). The Department, mainly through its Children's Services Advisers, will be monitoring progress in each authority towards ensuring that deprivation resources are distributed according to need for the three-year funding period which begins in 2008-09, and results will be reported periodically to Ministers in DfES and HM Treasury. Although the publication statement is mainly directed towards change from 2008, the settlement ensures that all authorities have headroom to begin to respond to the conclusions of the deprivation review in 2006-07 and 2007-08.

6. Information on the funding received by local authorities for deprivation through the DSG can be found within the DSG funding model for 2006-07 and 2007-08

www.teachernet.gov.uk/dsg200608.

Data for 2005-06, updated to identify deprivation resources can be found at

www.teachernet.gov.uk/management/schoolfunding/2005-06_School_funding_arrangements/.

7. As the publication statement points out, the Department is also commissioning a technical review of deprivation indicators. This is intended to assist authorities and others in considering changes to funding formulae, by making available a systematic and comprehensive assessment of the advantages and disadvantages of various approaches to measuring deprivation for the purposes of allocating school funding. The Department is currently inviting tenders for this work and intends to let a contract by the end of January 2006. The resulting report will also be published in late Spring 2006.

8. I should be grateful if you would make arrangements for the requested material to be prepared and sent to the Department, preferably by email to schoolfunding.deprivation@dfes.gsi.gov.uk by **5 May 2006**. This information is required by the Secretary of State under section 29 of the Education Act 1996.

9. Enquiries about this letter should be addressed to me on 020 7925 5580 (email jonathan.anstey@dfes.gsi.gov.uk).

10. I am copying this letter to your Chief Executive, Chief Finance Officer, Education Finance Contact(s), and the Chair of/Clerk to your Schools Forum.

Yours sincerely



Jonathan Anstey
School and LEA Funding Division

1. Each local authority is asked to supply to the Secretary of State by **5 May 2006** a statement setting out the authority's policy and practice – based on its school funding formula for 2006-07 - in funding schools for the costs arising from social deprivation amongst their pupils. The statement should be suitable for publication, and drawn up in consultation with the Schools Forum and other relevant stakeholders.

2. There is – deliberately - no prescribed format for the statement, because it is intended that so far as possible it should reflect local priorities, local views, and local wishes. However, it would be helpful if the following guidelines could be followed:

a. The statement should not exceed 3 sides of A4 in length, and there should be no annexes or other additional sections, because there will be no space to publish these;

b. The statement should describe how the local school formula delivers extra funding to schools to meet extra costs arising from social deprivation. Because of the way in which such funding often interacts with funding for high incidence SEN, and also English as an Additional Language it may be necessary, or at least desirable, to cover those issues as well;

c. The description should make clear the overall financial resources used at authority level, but also the impact at individual school level. This can, if wished, be done through exemplification based on specific schools;

d. The statement should make clear the way(s) in which social deprivation is measured for the purpose of the formula. Although the review concentrates on the use of FSM eligibility to define social deprivation, we know that authorities use a wide range of other indicators and the technical review mentioned in the cover letter will cover these;

e. The statement should clearly set out the policy approach that underpins the current formula. It would be helpful if a brief historical perspective could be included showing how the current position was reached, the national and local pressures perceived by the authority (including the influence of central government grants on local practice, and the 'Every Child Matters' agenda) and also looking forward to any changes already planned for 2007 if the formula published for 2006-08 incorporates those. If there have been recent relevant formula reviews these should be mentioned;

f. the statement should also show clearly how funding allocated within the DSG for personalised learning at Key Stage 3 and primary level has been allocated to schools in 2006-07, with details of any changes planned for 2007-08, and the rationale for this distribution. This can either be done as a separate item or integrated with the main material about deprivation funding; if integrated into the material about deprivation funding, the statement should make clear how the relevant elements of the local schools formula have been changed, for 2006-07 and 2007-08, as a result of the personalisation learning DSG funding;

g. the statement should be supplied in WORD format, not as a .pdf document or other format, to assist collation and publication. It should be emailed to schoolfunding.deprivation@dfes.gsi.gov.uk .

Attainment

When authorities' statements are published, they will each be accompanied by a sheet setting out some basic data for attainment by pupils in that authority area, with the specific purpose of demonstrating how deprived pupils – as measured by FSM eligibility – fare in educational terms compared with other pupils. Comparable national data will also be published. A final decision on the data to appear will be taken just prior to publication, but it may be useful for authorities to know that the information is likely to include:

- a. a chart showing for each Key Stage, the relative attainment within the authority of FSM and non-FSM pupils;
- b. a chart showing attainment at a particular Key Stage (not yet decided but possibly KS2) in each of the schools in the authority relative to the school's FSM eligibility rate (schools would each be shown as a dot on the chart, without names);
- c. a chart showing the attainment of FSM and non-FSM pupils at a specified Key Stage in schools banded according to levels of FSM eligibility in those schools (ie, to demonstrate whether pupils, whether deprived or not, are adversely affected educationally by being in a school with high levels of FSM pupils).

Such charts are already included, or referred to, in the review text. The purpose of publishing this information authority-by-authority would not be to draw conclusions about the effectiveness of schools in the authority concerned, but simply to illustrate the extent to which there are attainment gaps which can be analysed by reference to social deprivation. Deprivation is not, of course, the sole determinant of educational outcome, especially at individual pupil or school level; but the correlation is so strong and persistent that funding strategies need to take it into account.



**DIES/HMT REVIEW OF DEPRIVATION FUNDING FOR SCHOOLS:
PUBLICATION STATEMENT**

1. The government has an ambitious long-term target to halve child poverty by 2010 and eradicate it by 2020. The 2004 *Child Poverty Review* set out what would be necessary to achieve this goal, moving beyond financial support and employment measures alone to wider improvements to public services, such as education, in order to increase the future life chances of children in low-income households. Educational outcomes are closely linked to long-term equality of opportunity, and so closing gaps in attainment between different groups is critical to the government's aim of promoting a fair and inclusive society. An education system with improved opportunities and outcomes for everyone needs to be fairly funded - and take an approach based on the needs of every child, as emphasised in Ruth Kelly's July 2005 speech to the IPPR.

2. As that speech also made clear, there have been improvements in attainment at all levels of education in recent years, and schools in the most disadvantaged areas have improved most of all. However, there remains a major gap between the outcomes of children from disadvantaged backgrounds and their peers. In 2004, only 26.1% of pupils eligible for free school meals (the most commonly used indicator of deprivation) achieved 5 or more GCSEs at grades A*-C, compared to 56.1% of those who were not eligible.

3. The government's individualised approach to improving attainment is embodied in the recent White Paper *Higher Standards, Better Schools for All*, which emphasised not only the need for greater institutional flexibility to meet the continuing challenge, but also the read-across to funding. The inclusion of substantial resources for personalised learning within the Dedicated Schools Grant (DSG) for 2006-07 and 2007-08, allocated partly on the basis of deprivation, underlines the government's commitment in this area.

4. Central allocations of education funding between local authorities, and some government grants paid to schools outside their budget shares, take account of local circumstances, including a significant weighting towards deprivation. However, local authorities have considerable discretion over how they distribute funding to schools in their area, and the formulae they use to distribute funding tend to give less weight to social need compared to other

cost pressures. As a result schools with similar proportions of pupils from income-deprived families can receive very different levels of funding.

5. The *Child Poverty Review* announced that the government would review the formulae that local authorities use to fund schools to deal with the costs arising from social deprivation. This review¹ has now been completed, and can be found at www.teachernet.gov.uk/deprivationfundingreview/. The review's key conclusions are as follows:

- In practice, **the existing regulatory framework places only a very modest requirement on local authorities to distribute funding to schools on the basis of deprivation. The emphasis that local authorities place on deprivation in their funding formulae varies greatly.**
- There is a **wide degree of variation between local authorities' strategies for assessing and funding the costs of deprivation, and there has often been no systematic approach to reviewing need.** In many cases authorities simply allocate funding for deprivation on a historical basis, rather than on the basis of an up-to-date assessment of which schools have the greatest need.
- **Local authorities and Schools Forums sometimes have little understanding of the national system of deprivation funding, and of the intended purpose of this funding at a local level.** This suggests that central government needs to do more to communicate information.
- This leads to **significant variation in funding levels between schools with similar proportions of pupils eligible for free school meals.** For schools with 35% of pupils receiving free school meals - after area costs are removed - per pupil funding varies by around £400, and at the 50% FSM level the variation is much greater. Although in some cases this can be affected by the interface with funding for special educational needs, it is suggestive of wide divergence in local authorities' policy on schools facing the greatest challenges.
- Overall, **local authorities' decisions on the balance of funding between schools are not leading to deprivation funding being accurately or consistently targeted towards schools in deprived areas.**
- Many local authorities commented that **the Minimum Funding Guarantee (which guarantees a minimum annual increase in per-pupil funding to schools) can act as a brake on redistribution according to need.**
- It is clear that **additional expenditure has a positive, if relatively modest, impact on attainment. This impact is greatest when**

¹ *Child Poverty: Fair Funding for Schools* (DfES/HMT 2005)

expenditure is targeted on the most deprived schools, and towards pupils who are eligible for free school meals. The impact of a marginal increase in expenditure at Key Stage 3 is three times as great for mathematics and four times as great for science when targeted on pupils eligible for free school meals.

- Given the evidence that schools in deprived areas receive greatly varying levels of funding depending on their local authority's approach, it is clear that **the impact of funding in boosting the attainment of children from deprived backgrounds is not being maximised.**
- One of the **most effective use of resources to help pupils from disadvantaged backgrounds catch up is to improve the overall staff:pupil ratio.** However the evidence base in this area does not yet provide a complete picture of how funding can best be used to maximise impact. **DfES is working to develop this evidence base further as a basis for providing comprehensive advice to schools on best practice.**

The government has considered these conclusions and this statement sets out the steps it will now be taking to drive a more equitable distribution of deprivation funding to schools, and to support schools in using this funding as effectively as possible to help close the attainment gap.

6. The government believes that despite the efforts of local authorities so far – and the report acknowledges that these have been affected to some extent by changes in national requirements – further action is necessary to ensure that pupils from low-income families have full equality of opportunity wherever they live. However, changes must be linked to the wider changes in school and local authority funding which are being implemented in two phases – a transitional phase for two years from 2006-07, and full implementation from 2008-09 following the Comprehensive Spending Review. In some areas, debate may simply need to revolve around distribution of additional resources; but in many the issue of redistribution will also arise and therefore the programme outlined below has 2008, not 2006, as its target. The flexibility which authorities have to make change also varies according to the level of funding they receive to meet the costs of social deprivation – although every authority receives some, and should consider whether its neediest schools get enough of that. These are issues which require local debate and consensus, building on the growing role of Schools Forums, which Ministers wish to encourage.

7. Ministers have concluded that this process should be supported by a specific set of actions:

a. Dedicated Schools Grant

Authorities need to be clear about available resources. The government is determined to ensure that funding allocated on the basis of deprivation is effectively targeted to help meet the additional costs

that schools face as a result of deprivation, and that it is used as effectively as possible to help close the social class attainment gap.

The Dedicated Schools Grant, like its SFSS predecessor, has a substantial element which is related to social deprivation; and DfES is ensuring that authorities are made aware, in the detailed model and technical note published about the DSG, of how much of their overall allocation is calculated on the basis of deprivation².

b. Local reviews of deprivation funding

Every local authority in England will be asked to review its current arrangements for funding schools for the costs of deprivation, and consider in conjunction with its Schools Forum whether the formula used to allocate funding between schools should be changed. Because of the way these formulae are constructed, this may also affect funding for SEN.

This will be a three-stage process:

- i. The data on funding linked to deprivation within the DSG should serve as a basis for beginning local debate about the use of these resources.
- ii. The Secretary of State, using her powers under section 29(1) of the Education Act 1996, will require authorities to supply by the beginning of May 2006 a statement setting out in detail the way in which their funding formulae currently address social deprivation, and the policy approach which has led to the current formula. Authorities will also be asked to say how they have distributed personalisation funding from the 2006-07 and 2007-08 DSG to schools, and the rationale for this distribution. These statements will be collated and published nationally by DfES alongside a quantitative assessment of attainment amongst deprived pupils in each authority, and information on the funding each authority receives.
- iii. Following this, authorities will be asked to undertake their full local review in conjunction with their Schools Forum, and the Department will maintain contact with progress through the Department's Children's Services Advisers. If discussions with CSAs suggest that progress towards a funding formula which targets deprived pupils properly

² This figure will be calculated by applying the AEN component of the 2005-06 SFSS model as a proportion of total SFSS to the 2005-06 spending base for DSG, multiplying that by the 2006-07 DSG uplift and then adding the relevant proportion of the 'personalisation' component of 2006-07 DSG. The amount shown for deprivation will also include additional AEN resource generated for authorities being brought up towards SFSS formula. An amount is also calculated for 2007-08 on the basis of 2006-07 figures uprated for the minimum per pupil increase in 2007-08.

from the 2008-2011 funding period is not being made, the Department will consider in conjunction with the authority concerned what further action is required (including DfES support) to help achieve local consensus on the way forward. As part of the review of DSG operation from 2008 onwards, consideration will be given to ways in which the allocation process might be used to require authorities to target deprivation funding effectively according to need, but this would be seen as a last resort.

Authorities will also be asked to ensure that School Improvement Partners for schools in their area are fully involved in the process of local review: through their overview of attainment and effective resource allocation, they can contribute significantly to an education-based approach to funding formula change.

The Department will be writing to authorities later this month setting out further details of this exercise, including the required format for the statements, and the approach to be taken on attainment data.

When discussing use of resources with local stakeholders and undertaking their reviews local authorities should bear in mind:

- The need to ensure that their local funding formula accurately reflects all schools' needs for resources to address the costs of social deprivation (including in particular the adequacy of deprivation funding where only a minority of schools within an area are seriously affected by this pressure) ;
- The need to address attainment – particularly at KS3 - which is set out in the statement on personalisation funding within DSG. The personalisation element of DSG has been allocated amongst authorities not only on the basis of deprivation but also prior attainment, and the joint review shows that increasing numbers of authorities have explored the use of prior attainment funding as a mechanism for levering up standards. In local debate on these matters the appropriate use of prior attainment funding alongside funding for deprivation should be borne in mind.

They should also consider the interface with funding for high incidence SEN, which is discussed in more detail in the main review document, and the fact that AEN funding within the DSG is also intended to meet certain other specific costs such as free school meals.

c. Technical review of deprivation indicators

The review surveyed local authority practice in the range of indicators used to measure social deprivation, and identified some of the advantages and disadvantages involved in using particular indicators. In order to assist authorities in reviewing how they use resources linked to deprivation, the Department is commissioning a short, external, technical review of the most useful indicators, to complement the evidence on practice already gathered. The Department will aim to publish this review in Spring 2006 at the same time as the collated data in respect of each authority's formula and attainment profile. Further details will be published when the Department writes to authorities about local reviews later in December.

d. Minimum Funding Guarantee

In her statement to Parliament on 21 July the Schools Minister, Jacqui Smith, announced that the way in which the minimum funding guarantee for schools should operate from 2008-09 would be reviewed, with the aim of leaving sufficient scope to redistribute funding in accordance with changing needs and priorities. One of the key issues in that review will be the extent to which a relaxation of the minimum funding guarantee is required to allow future changes to local formulae to deliver effectively the resources required by schools to tackle social deprivation, and the Department be consulting specifically on that aspect when the review is carried out.

8. In addition to these specific follow-up actions to the review, the government will also be considering how its commitment to tackling the effects of social deprivation can be taken forward in other contexts, especially:

- a. specific grants, as the rationalisation of those from 2008 is considered; and
- b. the role of Public Service Agreement targets, as part of the Comprehensive Spending Review which will report in 2007.

Statement on Social Deprivation Funding

(a) Current Arrangements

1. Herefordshire Council uses the traditional measure of free school meals to fund social deprivation in its school funding formula. The factor is designed to measure and fund both the scale (i.e. absolute number of pupils on free meals) and the impact in the school (i.e. the relative percentage on free meals within the school). This factor is considered effective in distributing the available funding to schools. However the amount of available funding is a separate decision independent of the method of allocation.
2. This funding factor was inherited from the former Hereford and Worcester County Council in 1997 and has not been developed further either by the Council or at the request of schools.
3. Herefordshire Council is the third lowest funded authority (out of 149) in 2006/07 in terms of Dedicated Schools Grant per pupil and is keen to see additional funding included in the DSG settlement to meet rural deprivation. As a low wage economy within the West Midlands, based on agriculture and service industries, the Council is concerned that traditional measures of urban deprivation do not meet the often hidden costs of deprivation in a rural county with large numbers of small schools. Lack of transport is a key measure of deprivation in a rural authority. This is shown in the ward analysis of the indices of multiple deprivation relating to access.
4. Herefordshire Council's social deprivation funding factor is:

£8.89 per pupil per percentage point of free meal pupils as a percentage of pupils on roll up to 10% and an additional £18.05 per pupil per percentage point above 10%

E.g.	Free school meal entitlement	64 pupils	
	Total number on roll	361 pupils	
	% Free school meals	17.7% (i.e. 64/361)	
	Funding up to 10% free meals	64 x £8.89 x 10 =	£5,690
	Funding above 10% free meals	64 x £18.05 x 7.7=	£8,895

			£14,585

The total funding allocated in financial Year 2006/07 is £310,400 out of a total DSG of £78,336,000, equivalent to 0.4% or an average £13.25 per pupil (based on 23,432 pupils)

(b) SEN Funding

In common with other authorities, Herefordshire has revised its method of funding pupils with SEN in 2003/04. In line with DfES guidelines the Council is reducing reliance on statutory assessment as the main tool for allocating resources to schools

for meeting the needs of children and young people with special educational needs. It is being replaced by a system of banding based on funding for carefully assessed short term and long term needs linked to a 12 month review cycle. The money released from reducing the number of statements is re-cycled to pupils based on need, and review dates are set as appropriate. The banded funding system is robustly monitored. In recent years, the funding allocated to schools for specific SEN needs of named pupils has grown from £1,356,000 in 2002/03 to £2,030,000 in 2006/07.

Additionally, 6% of the Age Weighted Pupil funding is notionally allocated to meet non-specific SEN funding needs of schools.

English as an Additional Language

Herefordshire Council has recognised the growing needs of some schools to support the introduction of foreign pupils with additional language needs. Schools Forum approved the allocation of an additional £100,000 to meet the costs of centrally appointed teaching assistants to visit and support schools, and to fund an initial first term grant of up to £200 per pupil to help resettlement. This funding could otherwise have been used to support social deprivation in schools.

(c) Financial Resources at Authority and Impact in Schools

The effect of Herefordshire's funding formula on a sample of schools is as follows;

(i) SOCIAL DEPRIVATION FUNDING BASED UPON FREE SCHOOL MEALS (FSM)

	No. Pupils	FSM	%	LMS bud (£)	Social Dep (£)
Large Primary High Need School	349	116	33.2	1,040,758	58,972
Small Primary High Need School	79	18	32.8	274,072	5,752
Primary Med Need School	130	7	5.4	332,404	335
Primary Low Need School	416	3	0.7	936,749	27
Secondary High Need School	837	134	16	2,846,552	26,449
Secondary Med Need School	1150	60	6.2	3,895,317	16,117
Secondary Low Need School	1182	40	3.4	3,947,038	1,202

(ii) SEN FUNDING TO SCHOOLS

	LMS Bud	SEN (£)*	%
Large Primary High Need School	1,040,758	154,858	14.88
Small Primary High Need School	274,072	31,755	11.6
Primary Med Need School	332,404	34,532	10.39
Primary Low Need School	936,749	60,625	6.47
Secondary High Need School	2,846,552	373,624	13.13
Secondary Med Need School	3,895,317	379,501	9.74
Secondary Low Need School	3,947,038	290,895	7.37

[* Note – includes the notional 6% of the Age Weighted Pupil Unit]



There is a correlation between schools with a high free meals percentage and a high allocation of SEN funding. For a school with high SEN funding this is significantly greater than funding allocated for social deprivation.

(d) Measurement of Social Deprivation

The Council uses the free school meal indicator, largely due to the difficulty in collecting data for other measures in a very sparse rural area where school catchment ward data does not map well to pupils on school rolls.

(e) Personalised Learning

Herefordshire has closely followed the DfES guidance for the allocation of personalised learning funding.

15% of funding has been allocated on the basis of pupil numbers and included in the Age Weighted Pupil Unit of funding (AWPU). 35% has been allocated on the basis of free school meals (% points) and the remaining 50% has been allocated on the basis of value added. For primary schools the value added has been determined as the difference between Key Stage 2 and Key Stage 1 and secondary schools the difference between KS4 and KS2 results for the school's intake. Funding has been allocated on a per pupil basis based on the percentage difference between the school added value and the county average. Given the late announcement of this additional funding and the very limited time to consult Schools Forum, there were few alternative options available.

This statement will be reviewed by Schools Forum at the meeting on 7th June 2006. It would be very helpful if the DfES attainment statement could be available for the meeting. Consultation options for 2007/08 will be considered by Schools Forum at the meeting on 11th October 2006.

REVIEW OF HEREFORDSHIRE MUSIC SERVICE

REPORT BY HEAD OF COMMISSIONING AND IMPROVEMENT

HEREFORDSHIRE SCHOOLS FORUM

7 JUNE, 2006

Schools Affected

All schools.

Purpose

To consider the funding and financial underpinning of the Music Service.

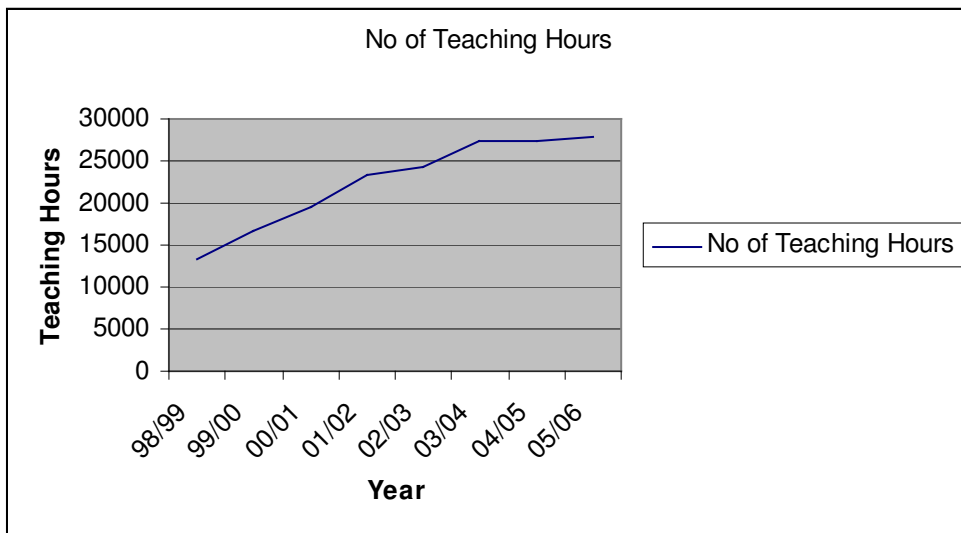
Financial Implications

The changes will affect pupils, parents and schools.

Report

Brief History

1. Until 1998 Herefordshire Music Service formed part of the Hereford and Worcester Music Service as its Western Division. In 1998 as a unitary authority Herefordshire separated from Worcestershire and took control of the Music Service appointing a Head for the Service and developing a structured management team that would further expand and develop music based activities throughout the County and in particular for all Herefordshire schools.
2. Funding for the new Service was, and still is, generated through charging schools for their hourly teaching needs and through charging schools for the hire of Music Service musical instruments. Initially Herefordshire Council covered the shortfall in income to cover costs with just over £200,000 being given to cover costs.
3. In 1999, a year later, the Government introduced a Standards Fund grant to all Music Services in England to equal the amount that each local authority was supporting their own Music Service. This was intended to develop and underpin Music Service activities. The amount awarded to Herefordshire Music Service was £219,700. A further £10,000 was added in 2003 for developing 'Wider Opportunities' for music with each local authority.
4. On the introduction of the government Music Service grant, Herefordshire Council in common with other local authorities, withdrew financial support to the Music Service. It is important to note that the Standards Fund grant has remained at the same level and not increased over the years to cover inflation and the extra costs of an expanding Service.
5. The following diagram illustrates how teaching has developed from 1998 to the present day; this development is the result of increases in requests from schools and parents. In short, the number of teaching hours provided has doubled since 1998:



The average number of children receiving instrumental musical tuition and support in Herefordshire is 8.07% compared to the national average of 7.4%.

6. The income is used to:

- Maintain a relatively low charging structure
- Develop curriculum support
- Organise and develop out of school rehearsals for bands and orchestras
- Expand the bursary programme of free tuition and instrument hire to children from disadvantaged families
- Deliver free concerts to schools
- Offer free individual instrument demonstrations to schools
- Offer free starter lessons on 'Endangered Species' instruments
- Maintain and increase the level and quality of musical instruments in our stock
- Develop greater awareness and participation in music throughout the County
- Develop links with other organisations e.g. visit from Australian school – 160 children to give joint concerts in July 2006 in Herefordshire
- Organise the BBC Hereford and Worcester annual young musicians Showcase concert
- Organise Royal Schools and Trinity Guildhall School of Music Examination centres
- As and when opportunities permit, usually from previous year underspends from the Directorate, as a whole, modest amounts of funding have been made available for investment in the instrument stock.

7. Concerns

From September 2006 the hourly charge for tuition is increasing to £25 per hour, termly charges for instrument hire £34 for wind and brass and £21 for strings. These charges are equivalent to £400 per year for half hour weekly tuition plus £102 per year for the hire of a wind/brass instrument or £63 per year for the hire of a string instrument without any subsidy.

The Head of the Music Service advises that there is a danger that charges are becoming unacceptably high for some families and will exclude low income children from playing an instrument with tuition. The doubling of teaching hours since 1998 suggests that for parents who can afford to pay, there is no shortage in demand for music tuition.

Recommendations

The Forums views are sought on the 3 options for the long term future of the Music Service set out below.

- a) No change: continue as at present by increasing the hourly teaching rate and hire charge for instruments on an annual base in line with increases in costs**
- b) The Service could reduce costs:**
 - 1) Reduce or stop the out of school ensemble activities i.e. no Youth Orchestra;**
 - 2) Stop funding the Music Pool curriculum support to schools (saving £15,000 per year);**
 - 3) Restructure: this would be difficult since the recent 'Best Value Report' of the Music Service already established excellent value for money was established in staffing.**
- c) Subsidy:**
 - 1) A regular annual budget contribution from the Schools Budget of £100,000 plus annual inflation;**
 - 2) Encourage schools to subsidise the provision of music service from school budget at the discretion of governors;**
 - 3) Consider whether the current scheme for bursaries for children from disadvantaged families should be expanded at a cost to be determined.**

SCHOOLS BUDGET 2006/2007

REPORT BY MANAGER OF LMS AND PLANNING

HEREFORDSHIRE SCHOOLS FORUM

7 JUNE, 2006

Schools Affected

All Schools.

Purpose

1. To inform Schools Forum of the Section 52 Education Budget Statement for 2006/07.

Financial Implications

2. None.

Report

3. The Schools Budget has now been finalised and issued to schools. The Section 52 Education Budget Statement has been completed for financial years 2006/2007 and 2007/2008 and submitted to the DfES.
4. The Dedicated Schools Grant (DSG) was provisionally set by DfES as £78,679,000 based on 23,865 pupils. Pupil numbers collected in the January 2006 PLASC were 23,761, 104 lower than estimated by DfES in Autumn 2005. School budgets have been allocated on the revised estimate of Dedicated Schools Grant of £78,335,978, i.e. £343,022 lower than originally planned. DfES have not yet confirmed these pupil numbers nor the amount of finalised Grant. Confirmation is expected by mid-June. Any under or over allocations of budget will have to be carried forward to 2007/2008 unless offset by under-spending of DSG at year end. Any variation in the final DSG allocation is expected to be small.
5. The final increase in the Individual Schools Budget was 9.5% and the increase in central expenditure was 6.5%; growth in central expenditure is limited to the maximum percentage increase as set by growth in the Individual Schools Budget. Schools Forum approved an increase in central expenditure of 9.1% although in the event it was not required after adjustments were made for the permitted increase in nursery education funding and the local authority contribution to devolved standards funds.
6. Copies of the Section 52 Budget Statement, the Schools Budget Summary and Central Expenditure Limit are attached as Appendices.

Recommendation

That the Forum:-

- a) **notes the percentage of 9.5% increase in Individual Schools Budget and Central expenditure 6.5% increase;**

Further information on the subject of this report is available from
Malcolm Green, LMS and Planning Manager on (01432) 260881

b) comments on any of the budget lines in the Section 52 Budget Statement and Annexes as appropriate.

Further information on the subject of this report is available from
Malcolm Green, LMS and Planning Manager on (01432) 260881

NO ERRORS/WARNINGS

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SECTION 52 EDUCATION BUDGET STATEMENT

Table 1 - LEA level information

Year	2006-07	Local Authority Name	Herefordshire	LEA No.	884	Email Address	malcolm.green@herefords
Contact	Malcolm Green	TEL.	01432 260818	Version No.	2	Completion Date	21/4/06

1 Schools Budget

	Nursery (a)	Primary (b)	Secondary (c)	Special (d)	Gross (e)	Income (f)	Net (g)
1.0.1 Individual Schools Budget	0	34,318,526	35,011,230	2,907,361	72,237,117		72,237,117
1.0.2 School Standards Grant - Maintained Schools	0	2,001,288	1,424,370	135,840	3,561,498	3,561,498	0
1.0.3 School Standards Grant - Pupil Referral Units	0	0	0	38,650	38,650	38,650	0
1.0.4 School Development Grant	0	2,873,209	2,641,440	173,413	5,688,062	5,688,062	0
1.0.5 Other Standards Fund Allocation - Devolved	0	153,290	792,111	0	945,401	945,401	0
1.0.6 Devolved School Meals Grant	0	95,173	26,208	7,616	128,997	128,997	0
1.0.7 Targeted School Meals Grant - Devolved	0	0	0	0	0	0	0
1.0.8 Threshold and Performance Pay (Devolved)	0	0	0	0	0	0	0
1.1.1 Support for schools in financial difficulty	0	0	0	0	0	0	0
1.1.2 School-specific contingencies	0	50,377	51,859	4,446	106,682	0	106,682
1.1.3 14 - 16 More Practical Learning Options	0	0	0	0	0	0	0
1.2.1 Provision for pupils with SEN, with and without statements	0	522,300	130,575	0	652,875	0	652,875
1.2.2 Provision for pupils with SEN, with and without statements, not included in line	0	687,011	324,030	100,163	1,111,204	0	1,111,204
1.2.3 Support for inclusion	0	86,351	132,225	16,669	235,245	0	235,245
1.2.4 Fees for pupils at independent special schools & abroad	0	0	0	1,812,945	1,812,945	236,921	1,576,024
1.2.5 Fees to independent schools for pupils without statements of SEN	0	0	0	0	0	0	0
1.2.6 SEN transport	0	0	0	0	0	0	0
1.2.7 Contribution to combined budgets	0	0	0	0	0	0	0
1.2.8 Inter-authority recoupment	0	26,450	30,302	(96,563)	(39,811)	0	(39,811)
1.3.1 Pupil Referral Units	0	0	763,497	0	763,497	39,450	724,047
1.3.2 Behaviour Support Services	0	43,271	66,259	25,692	135,222	0	135,222
1.3.3 Education out of school	0	74,863	291,966	7,486	374,315	0	374,315
1.3.4 Private/voluntary/independent fees for education of children under 5	3,393,203				3,393,203	0	3,393,203
1.4.1 School Meals - nursery, primary and special schools	0	44,536		27,340	71,876	0	71,876
1.4.2 Free School Meals - eligibility	0	11,688	5,844	730	18,262	0	18,262
1.4.3 Milk	0	3,742		0	3,742	0	3,742
1.4.4 School Kitchens - repair and maintenance	0	66,859		0	66,859	0	66,859
1.5.1 Insurance	0	0	0	0	0	0	0
1.5.2 Museum Services	0	0	0	0	0	0	0
1.5.3 Library Services - nursery, primary and special schools	0	2,119		1,059	3,178	0	3,178
1.5.4 School admissions	0	77,075	40,946	2,409	120,430	0	120,430

1.5.5	Licences/subscriptions	0	2,033	1,081	64	3,178	0	3,178
1.5.6	Miscellaneous (not more than 0.1% total net SB)	0	51,568	27,396	1,611	80,575	0	80,575
1.5.7	Servicing of schools forums	0	3,292	1,749	102	5,143	0	5,143
1.5.8	Staff costs - supply cover (not sickness)	0	19,908	10,576	622	31,106	0	31,106
1.5.9	Supply cover - long term sickness	0	0	0	0	0	0	0
1.5.10	Termination of Employment Costs	0	0	0	0	0	0	0
1.6.1	School Development Grant - Non-Devolved	0	135,799	74,471	8,761	219,031	219,031	0
1.6.2	Other Standards Fund Allocation - Non-Devolved	0	617,310	338,525	39,826	995,661	787,328	208,333
1.6.3	Non-Standards Fund specific grant	0	0	0	0	0	0	0
1.6.4	Targeted School Meals Grant - Non-Devolved	0	55,607	30,494	3,588	89,689	89,689	0
1.6.5	Performance Reward Grant	0	0	0	0	0		0
1.7.1	Capital Expenditure from Revenue (CERA) (Schools)	0	206,376	113,174	13,315	332,865	194,171	138,694
1.7.2	Prudential borrowing costs	0	0	0	0	0	0	0
1.8.1	TOTAL SCHOOLS BUDGET	3,393,203	42,230,021	42,330,328	5,233,145	93,186,697	11,929,198	81,257,499

2 LEA BUDGET

STRATEGIC MANAGEMENT

2.0.1	Statutory / regulatory duties	1,420,539	0	1,420,539
2.0.2	Premature retirement costs / redundancy costs	335,812	0	335,812
2.0.3	Existing early retirement costs (commitments entered into by 31/3/99)	118,593	0	118,593
2.0.4	Residual pension liability (eg FE, Careers Service, etc.)	29,300	0	29,300
2.0.5	Joint use arrangements	0	0	0
2.0.6	Insurance	0	0	0
2.0.7	Monitoring National Curriculum Assessment	33,154	0	33,154
2.0.8	Total Strategic Management	1,937,398	0	1,937,398

SPECIFIC GRANTS AND SPECIFIC FORMULA GRANTS

2.1.1	School Development Grant - non-devolved	0	0	0
2.1.2	Other Standards Fund - non-devolved	942,151	635,030	307,121
2.1.3	Non-Standards Fund specific grant	0	0	0
2.1.4	Total Specific Grants	942,151	635,030	307,121

SPECIAL EDUCATION

2.2.1	Educational Psychology Service	456,375	0	456,375
2.2.2	SEN administration, assessment and co-ordination	424,357	0	424,357
2.2.3	LEA functions in relation to child protection	259,918	0	259,918
2.2.4	Therapies and other Health Related Services	33,426	0	33,426
2.2.5	Parent partnership, guidance and information	55,963	0	55,963
2.2.6	Monitoring of SEN provision	45,134	0	45,134
2.2.7	Total Special Education	1,275,173	0	1,275,173

SCHOOL IMPROVEMENT

2.3.1	School improvement	1,507,129	158,100	1,349,029
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ACCESS

2.4.1	Asset management				680,100	0	680,100
2.4.2	Supply of school places				101,540	0	101,540
2.4.3	Excluded pupils				61,952	0	61,952
2.4.4	Behaviour support Plans				17,342	0	17,342
2.4.5	Pupil support	0	1,456	3,735	0	5,191	5,191
2.4.6	Home to school transport: SEN transport expenditure	0	0	0	1,433,606	3,481	1,430,125
2.4.7	Home to school transport: other home to school transport expenditure	0	1,352,818	2,442,408	0	3,795,226	3,743,438
2.4.8	Home to college transport: SEN transport expenditure				0	0	0
2.4.9	Home to college transport: other home to college transport expenditure				646,420	206,954	439,466
2.4.10	Education Welfare Service				198,848	1,200	197,648
2.4.11	Music Service (not Standards Fund supported)				0	0	0
2.4.12	Visual and Performing Arts (other than music)				49,731	0	49,731
2.4.13	Outdoor Education including Environmental and Field Studies (not sports)				19,739	0	19,739
2.4.14	Total Access				7,009,695	263,423	6,746,272
2.5.1	Capital Expenditure from Revenue (CERA) (LEA Central Functions)				690,000	0	690,000
2.6.1	Total LEA Central Functions				13,361,546	1,056,553	12,304,993
YOUTH AND COMMUNITY							
2.7.1	Youth Service				1,180,855	77,250	1,103,605
2.7.2	Adult and Community learning				0	0	0
2.7.3	Mandatory Awards				0	0	0
2.7.4	Student Support under new arrangements				170,721	0	170,721
2.7.5	Discretionary Awards				0	0	0
2.7.6	Capital Expenditure from Revenue (CERA) (Youth & Community)				0	0	0
2.7.7	Total Youth and Community				1,351,576	77,250	1,274,326
2.8.1	TOTAL LEA BUDGET				14,713,122	1,133,803	13,579,319
3	TOTAL EDUCATION REVENUE EXPENDITURE				107,899,819	13,063,001	94,836,818
4	CAPITAL EXPENDITURE (excl. CERA)	0	6,957,547	3,736,798	152,864	10,847,209	3,603,716

MEMORANDUM ITEMS

5	Expenditure covered by LSC Grant - Include below the part of the expenditure recorded in individual lines of section 52 budget that is supported by the Learning and Skills Council.						
5a.1	SIXTH FORM - Allocation from LSC for 16+ funding for secondary schools	2,146,962			2,146,962	2,146,962	0
5a.2	SIXTH FORM - Allocation from LSC for 16+ funding for special schools		381,775		381,775	77,675	304,100
5b.1	Sixth form element included at 1.2.1 above for pupils with and without	0	0	0	0	0	0
5b.2	Sixth form element included at 1.2.2 above for pupils with and without	0	0	0	0	0	0
5b.3	Sixth form element included at 1.2.4 above for pupils at independent special	0	1,178,373		1,178,373	239,751	938,622
5b.4	Sixth form element included at 1.2.5 above for pupils at independent schools	0	0	0	0	0	0
5c.1	LSC Threshold and Performance Pay Costs (included in expenditure at 1.0.1	110,106	0		110,106	110,106	0

TABLE 1 NOTES

Note that the information you provide in this section will be taken into account when returned to DFES.

Line 1.0.5. There is currently no plan to delegate any further Standards Fund to special schools from primary and secondary strategy monies.

Line 2.2.5. There is no income for parent partnerships.

Line 5a.2 + line 5b.3. Insufficient LSC grant received to meet SEN costs.

NO ERRORS/WARNINGS

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SECTION 52 EDUCATION BUDGET STATEMENT

Schools Budget Summary Table

Year	2006-07	Local Authority Name	Herefordshire	LEA No.	884	Email Address	malcolm.green@herefordshire.gov.uk
Contact	Malcolm Green	TEL.	01432 260818	Version No.	2	Completion Date	21/4/06

This table provides an account of the main sources of funding available to LEAs to support for their Schools Budget, including any additional funding provided by the authority.

	2005-06 DSG Baseline (Actuals) (a)	2006-07 (b)	2007-08 (c)
1 Dedicated Schools Grant - LEA's estimate of pupil numbers (from 2006-07)	24,244	23,761	23,284
2 Dedicated Schools Grant - Guaranteed Funding of Per Pupil (from 2006-07)	3,078	3,297	3,523
3 Estimated Dedicated Schools Grant (from 2006-07)	74,632,661	78,335,978	82,021,150
4 School Standards Grant		3,600,148	3,607,710
5 School Development Grant		5,907,093	6,010,432
6 Other Standards Fund Grants		1,951,415	1,985,807
7 LSC funding		2,574,494	2,642,204
8 LEA additional contribution		347,027	357,438
9 Total funding supporting the Schools Budget (lines 3 to 8)		92,716,155	96,624,741

NO ERRORS/WARNINGS

*

SECTION 52 EDUCATION BUDGET STATEMENT

Annex to Table 1: Central Expenditure Limit

YEAR	2006-07	Local Authority Name	Herefordshire	LEA No.	884	E-Mail Address:	mhobbs@herefordshir
CONTACT	Malcolm Green	TEL.	01432 260818	Version No.	1	Completion Date:	31/3/06

CENTRAL EXPENDITURE LIMIT

All LSC grant-funded expenditure to be excluded

Calculation of adjustment to Central Expenditure

1.0 2005-06 adjusted Central Expenditure (or legal limit if lower) (A) 7,394,801

Increase in adjusted ISB 2005-06 to 2006-07

2.1 Adjusted ISB 2006-07 (B) 69,902,374

2.2 Adjusted ISB 2005-06 (C) 63,841,615

Calculation of Central Expenditure Limit

3.1 Value of A × (B/C) 8,096,821

3.2 Approved addition to limit 0

T1

3.3 Approved higher limit (if applicable) 8,096,821

4.1 2006-07 Central Expenditure to which limit applies 7,872,078

5.1 Is the Limit breached? No

NOTE:

If approved higher limit granted please enter reference to Schools Forum approval (minute number/date of meeting etc):

SCHOOL BALANCES MARCH 2006

REPORT BY MANAGER OF LMS AND PLANNING

HEREFORDSHIRE SCHOOLS FORUM

7 JUNE, 2006

Schools Affected

All Schools

Purpose

- To report on school balances at the end of the financial year 2005/2006.

Report

- The Council and Schools Forum have been concerned about the increasing levels of balances within Herefordshire schools.
- Provisional school balances at the end of the financial year 2005/2006 have now been calculated and are compared to the balances at the end of 2004/2005 in the following table.

Revenue	Balances as at March 05 £	Balances as at March 06 £	Difference £	%
Primary	4,930,193	4,422,064	-508,129	-10.3%
Secondary	1,992,903	2,442,006	+449,103	+22.5%
Specials	336,417	217,424	-118,993	-35.4%
Total	7,259,513	7,081,494	-178,019	-2.5%

Capital	Balances as at March 05 £	Balances as at March 06 £	Difference £	%
Primary	1,056,839	790,569	-266,270	-25.2%
Secondary	442,567	233,369	-209,567	-47.4%
Specials	76,622	107,593	+30,971	+40.4%
Total	1,576,028	1,131,531	-444,866	-28.2%

Further information on the subject of this report is available from
Malcolm Green, LMS and Planning Manager on (01432) 260881

Extended Schools	Balances as at March 05 £	Balances as at March 06 £	Difference £	%
Primary	55,256	75,704	+20,448	+37%
Secondary	72,349	364,579	+292,230	+404%
Special	-	-	-	-
Total	127,604	440,283	+312,678	245%
TOTAL	8,963,145	8,653,308	-309,837	-3.5%

2. Overall balances have reduced by £309,837, or – 3.5% from the total balance as at March 2005.
3. Primary School balances have **reduced** by £753,951 or -12.5%.
4. Secondary schools have **increased** by £531,766 or + 21.2%
5. Special School balances **reduced** by £88,023 or –21.3%.

Recommendation

That, subject to any comments the Forum may wish to make, the overall reduction in school balances be noted.

Further information on the subject of this report is available from
Malcolm Green, LMS and Planning Manager on (01432) 260881