

MEETING:	SCHOOLS FORUM
DATE:	24 FEBRUARY 2012
TITLE OF REPORT:	REPORT OF THE BUDGET WORKING GROUP
REPORT BY	DEMOCRATIC SERVICES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To consider a report from the Budget Working Group (BWG) on the following issues: Budget 2012/13; In Year Fair Access Placement Panel and Funding Implications for Schools; Funding Schools Strategic Change; and Service Level Agreements for Energy Savings.

Recommendation(s)

In Year Fair Access Placement Panel and Funding Implications for Schools

- That:**
- (a) when a school receives a pupil through the In Year Fair Access Placement Panel a funding charge is actioned between the two schools affected based on a figure of £1,000 per pupil per full term;**
 - (b) a report be made to the Forum after twelve months reviewing the operation of the Scheme; and**
 - (c) Forum advise when the Scheme is to commence.**

Funding Schools Strategic Change

- (d) That work be commissioned to examine options for retargeting small schools protection and a report made to the Budget Working Group in Autumn 2012.**

Key Points Summary

- The BWG has given further consideration to the outcome of the Budget Consultation 2012/13 and its recommendations and considerations are set out in the separate report by the Schools Finance Manager: Dedicated Schools Grant 2012/13.
- The Forum asked the BWG to consider whether there should be a funding mechanism to

Further information on the subject of this report is available from
Tim Brown, Democratic Services on (01432) 260239

address the funding implications for schools receiving pupils and students through the In Year Fair Access Placement Panel. The BWG proposes that a simple mechanism should be introduced.

- The BWG proposes that work should be commissioned to review the targeting of the small schools protection mechanism.

Alternative Options

- 1 No alternative options are proposed by the BWG at this stage. There is a range of alternatives open to the Forum.

Reasons for Recommendations

- 2 To consider the BWG's views on issues referred to it for consideration by the Forum.

Introduction and Background

- 3 The BWG met on 3 February 2012. Copies of the Notes of that meeting are being circulated separately to Members of the Forum.

- 4 There are three issues for the Forum to consider:

- Budget 2012/13
- In Year Fair Access Placement Panel and Funding Implications for Schools
- Funding Schools Strategic Change

- 5 The Forum is also invited to note one other issue considered by the BWG: Service Level Agreements for Energy Savings.

Budget 2012/13

- 5 On 8 December the Forum considered a report from the BWG that included recommendations for the 2012/13 budget following the BWG's consideration of responses to the budget proposals outlined in the Dedicated Schools Grant 2012/13 budget consultation. The Forum approved a number of recommendations subject to the Department for Education funding Announcement.

- 6 The BWG was reminded at its February meeting of the highlights of the schools financial settlement, as set out in the report to the Schools Forum on 20 January 2012, and the Ministerial Statement on Education Funding. The Schools Finance Manager reported that the assumptions on which the budget consultation paper had been prepared in September 2011 remained valid.

- 7 The BWG's considerations and recommendations on the Budget 2012/13 are summarised in the separate report:

In Year Fair Access Placement Panel and Funding Implications for Schools

- 8 At its meeting in June 2011, Schools Forum received a paper on a proposal for funding following the student from pupil referral units (PRUs). The Forum endorsed the principle that funding would follow a student to their new school. In response to concerns expressed about the financial implications of in-year moves of other pupils it was agreed that a report would be made on the operation of the In Year Fair Access Placement Panel and the funding

implications for schools of in-year transfers.

- 9 A report was made to the Forum in December 2011 on the activity of the In Year Fair Access Placement Panel in 2010/11 and the resulting funding implications for schools. The Forum was advised that ever since the introduction of the Dedicated Schools Grant, the clear advice from the Department for Education and its predecessor had been not to make in year budget adjustments for the ebb and flow of pupils. However, it was acknowledged that Schools Forum had agreed to in year budget transfers for pupils transferring between schools and Pupil Referral Units.
- 10 Members of the Forum suggested that further analysis was needed on the net loss and gain of pupils by individual schools and the movement of children from vulnerable groups. The Forum agreed the Budget Working Group consider funding mechanisms to address the funding implications for schools receiving pupils and students through the In Year Fair Access Placement Panel, for future consideration by Schools Forum.
- 11 The BWG was presented at its February meeting with a chart showing in-year admissions to High Schools in the County 2010/11. This suggested that some schools had admitted more children with additional considerations than they had transferred out to an extent justifying consideration of a funding mechanism. A number of funding options were reported to the Forum in December 2011. The BWG considered it essential that any mechanism was kept simple, managed between schools and its operation reviewed. A fixed tariff of £3,000 calculated on a termly basis is proposed consistent with the Pupil Referral Unit Charges.
- 12 The BWG did not propose an implementation date and this is something that the Forum needs to consider if it wishes to implement a mechanism.

Funding Schools Strategic Change

- 13 The Forum was informed in January that the BWG had received a discussion paper exploring the possible creation of a Schools Financial Strategic Change Fund. The paper explained that it was becoming clear that a significant number of schools in the Herefordshire Learning Community required new and innovative futures in order to sustain high quality educational opportunities for children and young people whilst remaining financially viable. The paper aimed to identify options and opportunities to assist schools and collaborations to move forward with solutions and timescales tailored to meet local needs. The Forum was informed that the BWG was to give further consideration to the proposals at its next meeting before bringing recommendations to the Forum.
- 14 In considering a further draft at its meeting in February the BWG was informed that the content of the document was now more within the remit of the School Strategy Group given that the use of Dedicated Schools Grant to fund the proposals had been removed from the equation. A report will be made to the Schools Strategy Group in late February. A further report will then be made to the BWG and a report made to the Schools Forum if there are any implications for the Dedicated Schools Grant.
- 15 One aspect of the discussion paper focuses on whether schools receiving small schools protection should accept that they had a responsibility to plan for their viability and sustainability. This prompted a discussion within the BWG of whether the small schools protection mechanism could be reviewed and targeting improved to overcome the current anomalies. BWG noted that the National Funding Formula would have a bearing on the issue. The BWG proposes that work to explore options should be commissioned once the Formula is known and proposals drawn up for consideration in the Autumn.

Service Level Agreements for Energy Savings

- 16 The BWG highlights that Service Level Agreements are available to draw on advice on energy saving initiatives. Further information is available from Jane Denny, Sustainability Officer jdenny@herefordshire.gov.uk.

Community Impact

- 17 No direct impact

Financial Implications

- 18 The recommendations, if agreed, will not have an impact on the overall Dedicated Schools Grant as the funding charges will pass directly between schools.

Legal Implications

- 19 These proposals comply with the Council's legal duties.

Risk Management

- 20 The BWG reviews proposals in detail prior to making recommendations to Schools Forum. This two stage process helps to ensure greater scrutiny of budget proposals.

Appendices

None

Background Papers

None