

AGENDA

Herefordshire Schools Forum

Date: **Tuesday 23 February 2010**

Time: **2.00 pm**

Place: **Council Chamber, Brockington, 35 Hafod Road,
Hereford HR1 1SH**

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

For any further information please contact:

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Agenda for the Meeting of the Herefordshire Schools Forum

Membership

Chairman	Mrs JS Powell	Primary Headteacher (Community)
Vice-Chairman	Mr NPJ Griffiths	Secondary Headteacher (Community)
	Mr J A Chapman	Anglican Church
	Mr P Burbidge	Roman Catholic Church
	Mrs S Catlow-Hawkins	Secondary Schools Headteacher (Community)
	Mr N O'Neil	Secondary Schools Deputy Headteacher (Community)
	Mrs S Woodrow	Secondary Schools Headteacher (Community)
	Vacancy	Secondary Headteachers
	Mr S Pugh	Secondary Schools
	Rev D Hyett	Primary Schools Headteacher (Voluntary Aided)
	Mrs J Cecil	Primary Schools Headteacher (Voluntary Controlled)
	Mr P Box	Primary Schools Headteacher (Foundation)
	Vacancy	Primary Headteachers Small Schools
	Ms T Kneale	Primary School Nursery Class
	Vacancy	Secondary School Governor
	Vacancy	Primary School Governor
	Vacancy	Special School Governor
	Mrs S Bailey	Special Schools Headteacher
	Mrs E Christopher	Pupil Referral Unit Headteacher
	Mr J Docherty	Business Managers Group
	Mrs A Pritchard	Trade Unions Representative Primary Schools
	Mr M Harrison	Trade Unions Representative Secondary Schools
	Mr J Godfrey	14-19 Representative
	Mr A Shaw	14-19 Representative
	Mrs A Jackson	Early Years Representative
	Mrs R Lloyd	Early Years Representative
Non Voting	Councillor JA Hyde	Observer
	Councillor PD Price	Observer
	Councillor WLS Bowen	Observer

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AGENDA

		Pages
1.	APOLOGIES FOR ABSENCE To receive apologies for absence.	
2.	NAMED SUBSTITUTES (IF ANY) To receive any details of Members nominated to attend the meeting in place of a Member of the Forum.	
3.	DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on the Agenda.	
4.	MINUTES To approve and sign the Minutes of the meeting held on 1 February 2010.	1 - 6
5.	LATE ITEMS/ANY OTHER BUSINESS To consider any issues raised as either a late item or any other business.	
6.	HARNESSING TECHNOLOGY GRANT: PERCENTAGE RETENTION BY LOCAL AUTHORITY TO PURCHASE EDUCATIONAL DIGITAL CONTENT AND HARDWARE FOR ALL SCHOOLS That Herefordshire Local Authority retains a proportion of the 2010/11 Harnessing Technology Grant (as permitted under the rules of the grant) for the purchase of digital content and specific hardware at substantial discounts and as part of strategic county-wide, properly supported initiatives for schools.	7 - 16
7.	SCHOOL FUNDING 2010/11 To recommend to the Cabinet member the schools budget for 2010/11.	17 - 26
8.	SCHEME FOR FINANCING SCHOOLS To approve statutory changes to the Herefordshire Scheme for Financing Schools for 2010/11.	27 - 34
9.	REPORT OF BUDGET WORKING GROUP - 22 JANUARY 2010 To consider the recommendations of the Budget Working Group in agreeing a final budget for schools.	35 - 64
10.	WORKPLAN To consider the Schools Forum Work Programme 2010/11.	65 - 66

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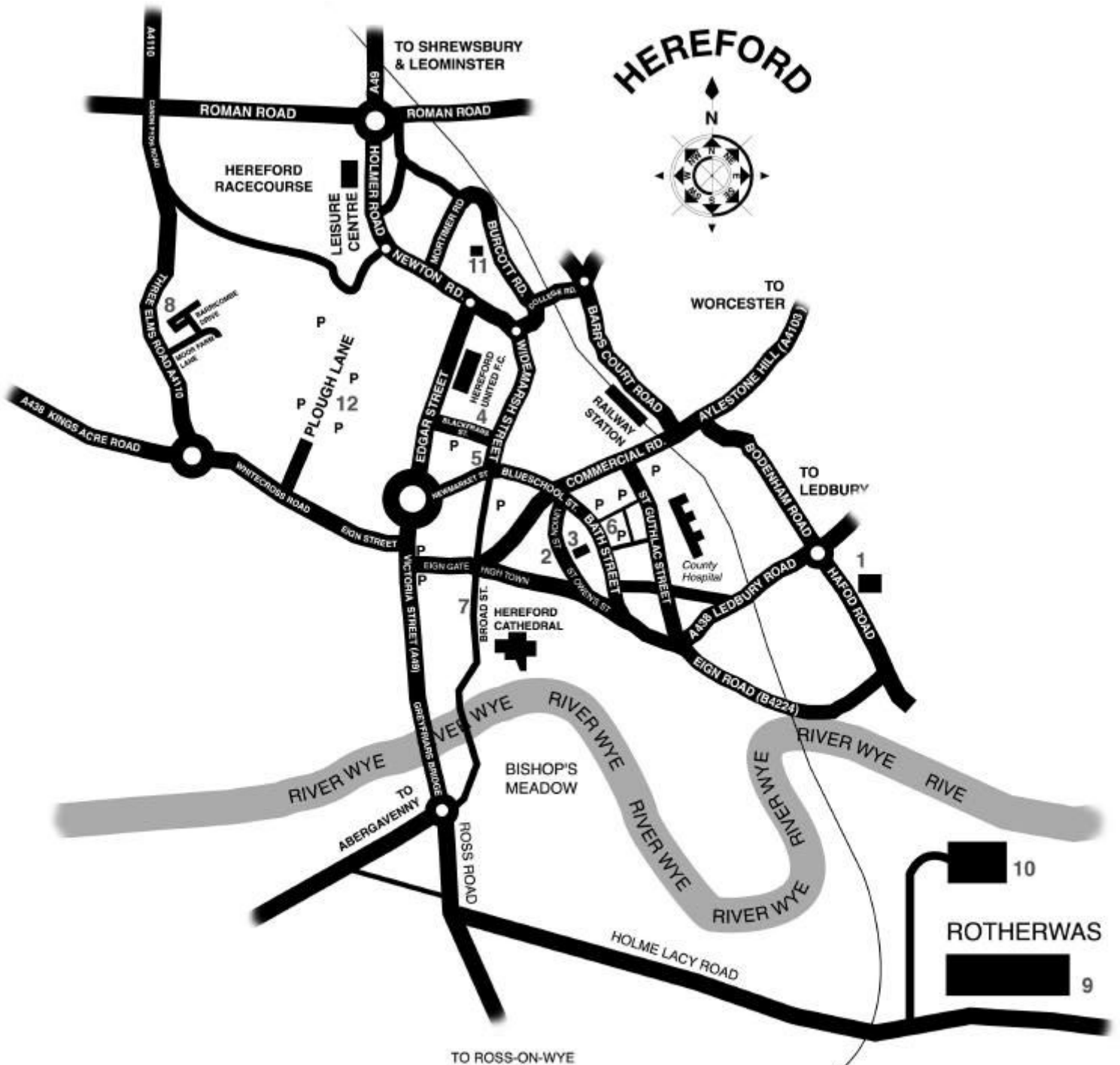
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|---|------------------|----|-----------------------------------|
| 1 | Brockington | 7 | Kemble House |
| 2 | Town Hall | 8 | Trinity House |
| 3 | Shire Hall | 9 | Thorn Office Centre |
| 4 | Education Centre | 10 | Herefordshire Commercial Services |
| 5 | Garrick House | 11 | Merchant House |
| 6 | Bath Street | 12 | Plough Lane |

HEREFORDSHIRE COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Herefordshire Schools Forum held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday 1 February 2010 at 9.30 am

Present: Mrs JS Powell (Chairman)
Mr NPJ Griffiths (Vice Chairman)

Mrs S Bailey , Mr P Box, Mr P Burbidge, Mrs S Catlow-Hawkins, Mrs J Cecil, Mr JA Chapman, Mr T Edwards, Mrs E Christopher, Mr J Docherty, Mr M Harrison, Rev. D Hyett, Ms T Kneale, Mrs R Lloyd, Mr S Pugh, Mr N O'Neil, Mrs A Pritchard and Mrs S Woodrow.

In attendance: Councillor WLS Bowen and PD Price

56. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr A Shaw and Mrs A Jackson.

57. NAMED SUBSTITUTES (IF ANY)

There were no named substitutes.

58. DECLARATIONS OF INTEREST

There were no declarations of interest.

59. MINUTES

RESOLVED: That the Minutes of the meeting held on the 7 December 2009 be approved as a correct record and signed by the Chairman.

60. LATE ITEMS/ANY OTHER BUSINESS

Referring to the Minutes of the meeting held on 7 December 2009, the Finance Manager informed the Forum that the Banded Funding underspend referred to in Minute No. 43 was in respect of 2008/09 actual expenditure and the Banded Funding increase referred to in Minute No.53 was in respect of 2010/11 budget.

The Director of Children's Services informed the Forum that as a consequence of the Governor positions in the constitution not yet being filled, she would be writing to Governors to encourage them to be represented at the Forum. She reminded the Forum that a request had been made at the previous Forum meeting for volunteers from Forum Members to participate in the group reviewing Service Level Agreements. So far none had put their names forward.

With regard to the Business Manager representative, the Forum noted that the Herefordshire Business Managers Group currently comprised Managers from High school only. The Director of Children's Services was hopeful that at some point in the future the Forum could add to its Membership a Business Manager representative from Primary schools.

The Chairman referred to Minute No.53 of the last meeting of the Forum and requested clarity of Resolution (iii) (a) relating to £70,000 and Governor services. She understood that

the original decision in 2009 for funding Governor services was to pump prime the service and was for 2009/10 only. The Assistant Director of Improvement and Inclusion agreed that the 2009 decision was for 2009/10 only and that Governor services would be viewed as a traded service in the future years. She informed the Forum that the £70,000 for 2009/10 had not yet been spent and requested that the money be carried forward for pump priming Governor services in 2020/11.

The Director of Children's Services informed Members that it was intended that the Governor services money would be transferred to school budgets so that they could buy back Governor services. She intended also that traded services would be discussed at the next Headteachers meeting so that they fully understood the way in which traded services worked. She emphasised that if services are not bought back then some services could be lost.

RESOLVED: That Resolution (iii) (a) to Minute 53 of the meeting held on 7 December 2009 be amended to read as follows:

- (i) Service Level Agreements - £70k to provide for a Governor Services Service Level Agreement as a one-off payment for 2010/11, to be funded using the £70,000 carried forward from 2009/10.**

61. REVIEW OF THE SCHOOLS FORUM

The Chairman informed the Forum that it had not been possible for the Vice-Chairman to present a paper with regard to a review of the Schools Forum. She did however want to proceed with a discussion regarding the way in which the Forum conducts its business. She acknowledged that some decisions made by the Forum were not popular with some Members but emphasised the decision making process at the Forum was democratic and that's how decisions should be made.

The Director of Children's Services referred to the need for Forum meetings to be timely so that Primary and Secondary Heads meetings can consider issues which are to be considered before Forum meetings are held and for any views they may have to be reported to the Forum through their representatives. She reminded Members that the Forum was a statutory meeting and therefore, efforts were made to try to dovetail Forum meetings with other Council and Committee meetings. She was of the view that the timing of Forum meetings in relation to the dovetailing issues was getting better. She was also endeavouring to ensure that Forum Members received all the necessary information on what matters to Primary and Secondary schools. She emphasised the need for any matter which is reported to the Forum to be of high quality, accountable with full modelling so all schools could understand the implications of any model or decision for all schools.

The Chairman referred to the fact that the Forum considers all monetary streams and how that money is spent, but emphasised that in doing this that there has to be priorities. She emphasised that it was for the Forum to formulate a vision so that areas can be prioritised. She asked that Members report back to their nominating bodies to consider such a vision and to come to the next Forum meeting with ideas for the Forum to discuss.

The Assistant Director for Improvement and Inclusion stressed that it was also important that Members report back to their nominating bodies following Forum meetings so the bodies are aware of the detail about matters that were discussed and the decisions that were made.

A Member raised some concern that Forum Membership changes were not staggered which would leave some Members in post to achieve some continuity.

It was suggested by a Member that maybe there could be some training for new Members.

RESOLVED: That the discussion be noted.

62. EXTENDED SCHOOLS SERVICES

The Children's Centre and Extended Schools Coordinator presented a report which

- updated the Forum on Extended Schools Services progress.
- reported on the use of designated Extended Services funding streams for the development of Extended Services in and around schools for the financial year 2009/10.
- updated the Forum on the indicative funding allocated to the Local Authority for 2010/11.

The Children's Centre and Extended Schools Coordinator informed Members that the report was a summary of the progress of Extended Schools Services. She emphasised that there was no extension of funding beyond March 2010/11. She drew the Forum's attention to the progress on Extended Services being very positive and that they were on target to achieve the target set by government. She emphasised that the primary object was to meet the needs of the community and that most schools were attaining these needs. She reported that the current year was the final year of the Extended School Services Agenda.

Responding to an issue regarding Kids First work, the Children's Centre and Extended Schools Coordinator informed Members that the Kids First had withdrawn from the County. However work was continuing with Children and Disabilities team to fund a replacement service, money for this was in the Standards fund.

In answer to a Member's question, the Children's Centre and Extended Schools Coordinator informed the Forum that extended school funds were partly held centrally with some money going to schools.

The Director of Children's Services referred to the core offer which was made by central government and the need to make sure of the importance that all money which was delegated needed to be discussed and future spending agreed.

The Chairman referred to the £1.3 million allocated through the Standards Fund and asked who was responsible for strategic decisions on that money. The Children's Centre and Extended Schools Coordinator advised that the Forum made the decisions on how the money was split. The Director of Children's Services emphasised that it was important to ensure that any allocations were reported to the Children's Trust together with Children's achievements. Also that the Forum must be more objective with decisions and what has been achieved with those decisions annually.

RESOLVED: That

- (i) the Forum note the update on Extended Schools progress and designated development funding for financial year 2009/10, together with the indicative funding allocated to the Local Authority of Herefordshire for the subsequent financial year 2010/2011; and**
- (ii) a report be submitted to the Forum at the May meeting to agree the 2010/11 allocations.**

63. SINGLE FUNDING FORMULA - EARLY YEARS FUNDING REFORM

The Manager Early Years and Extended Services presented a report to endorse the single funding formula for early years as required by the statutory early years funding reform for the fee entitlement to early education, to be implemented for April 2010 (pilot/pathfinder status). She referred to the Key Points Summary in the report and drew the Forum's attention to the background to the matter also set out in the report. She informed the Forum that the application was put forward outside the time scale but the Department of Children Schools and Families had advised that the application should be submitted after the meeting of the Schools Forum.

In response to a Member's question, the Forum was informed that if the Forum did not implement the new single formula there would be an additional estimated cost of £100,000. The reasons were that all school nursery classes that were less than full would need to be funded in full as in previously place led funding. Also that the Forum sub group had agreed an Abatement to be applied previously which would mean that there would be costs relating to overall school premises would need to be accounted for.

RESOLVED: That Schools Forum endorse the presented single funding formula for Herefordshire and the Local Authority progresses with pilot/pathfinder status from April 2010 on the understanding that the Abatement model is carried forward.

64. WORK PROGRAMME 2010/11

The Forum considered the Forum Work Programme. Circulated at the meeting was an updated Work Programme which is attached to the Minutes as an Appendix.

RESOLVED: That the following items be added to the 17 May Schools Forum Work Programme:

- (i) Estimated School Balances**
- (ii) Dedicated Schools Grant Review.**
- (iii) Extended Schools Review – Allocations**
- (iv) Service Level Agreements**

The meeting ended at 11.03 am

CHAIRMAN

Herefordshire Schools Forum – Work Programme 2009/10

1 February 2010 10.30am Brockington	
Officer Reports	<ul style="list-style-type: none"> • Early Years Funding Formula (Minute No. 29 - 2009/10) • Extended Schools Spending (Minute No. 29 - 2009/10) • Schools Forum The Vice Chairman to present an information item on what the Forum does and how it operates. • Workplan 2010/2011
23 February 2010 2pm Brockington	
	<ul style="list-style-type: none"> • Harnessing Grant Technology (Minute No. 55 - 2009/2010) • Delegation of Banded Funding 2009/10 - Review of the Representation of the Funding for Inclusion Group (Minute No.93 2008/09) • DSG Budget 2010 • LMS Finance Scheme • Report of the Budget Working Group • Workplan 2010/2011
17 May 2010 2pm Brockington	
	<ul style="list-style-type: none"> • Workplan 2010/2011

9 July 2010 10am Brockington	
	<ul style="list-style-type: none">• Workplan 2010/2011
1 October 2010 2pm Brockington	
Officer Reports	<ul style="list-style-type: none">• Performance Outcomes Against Grant Spends• Workplan 2010/2011

MEETING:	SCHOOLS FORUM
DATE:	23RD FEBRUARY 2010
TITLE OF REPORT:	HARNESSING TECHNOLOGY GRANT: % RETENTION BY LA TO PURCHASE EDUCATIONAL DIGITAL CONTENT AND HARDWARE FOR ALL SCHOOLS (REVISED 02/02/2010)
ICT ADVISOR:	MARK SANDERSON

CLASSIFICATION: Open

Wards Affected

County-wide – All Schools (or just Primary, Special and PRUs)

Purpose

That Herefordshire LA retains a proportion of the 2010/11 Harnessing Technology Grant (as permitted under the rules of the grant) for the purchase of digital content and specific hardware at substantial discounts and as part of strategic county-wide, properly supported initiatives for schools.

Key Decision

This is not a Key Decision.

Recommendation

That School Forum approves the retention of

- **27% of the Harnessing Technology Grant for primary schools, special schools and PRUs (£204,672) and**
- **A fixed sum of £3,515 per secondary school (i.e. between 10% and 29% depending on school size)**

for the specific purchases / projects outlined below.

Key Points Summary

An element of retained Harnessing Technology Grant will enable the purchase of:

- Education City – a high quality digital content which will be embedded into the VLE to provide a rich resource on which teachers can draw to support the needs of individual pupils. A bulk purchase will secure this product at half the normal cost. Schools need to ensure pupils have access to learning outside the classroom through some kind of learning platform. The purchase of high quality online digital educational content, such as Education City, for integration into their Virtual Learning Environment (VLE) will:
 - Incentivise schools to fulfil their obligations with regard to the provision of learning outside their classrooms by making the VLE more attractive for all pupils and teachers
 - Provide them with high quality resources - that have been chosen for their suitability for learning at home as well as at school- fully embedded and functional within their particular learning platform (LP).
 - Bring huge financial savings for schools compared with individual school purchases
 - Enable a more effective whole LA approach to training and support with excellent integration into the learning platforms across the county.
- A project with Promethean which will secure a set of Promethean’s new learner response system, ActivExpression for all primary schools, special schools and PRUs and sets for each secondary school. This is a cutting edge product (the market leader in its field) that allows for effective and versatile assessment of pupil attainment. This links into the current emphasis on APP and AfL in schools. The project will not only secure the kit for schools at a greatly reduced price but provide a structured programme for its effective introduction into classrooms. Support for this programme will be provided by Promethean (for secondary schools) and Herefordshire’s School Improvement team (for primaries, specials and PRUs).

Alternative Options

1. Funding could be retained and used in this way by just primary schools, just secondary schools or just special schools and PRUs
2. The Education City content purchase or the ActivExpression project could stand alone.

Reasons for Recommendations

3. Schools currently purchase content and hardware individually. Large discounts are possible through bulk purchases.
4. LA coordinated purchases allow us to develop a proper strategy for ICT across schools and result in improved outcomes for all because
 - a. Common platforms and services means that better sharing of resources and experiences between and across schools can take place.

- b. Extra benefits arise from the providers of centrally purchased resources (such as proper integration into a common Learning Platform) because relationships are developed with the providers of these resources at LA level.
 - c. Providers of technical support for schools work more efficiently when similar core packages are used in the schools they support.
 - d. Support for the core applications and services from LA advisers and consultants (not just ICT) is of a higher quality because core resources can be built into the training and support that is offered to schools.
5. AfL and APP are big issues for schools at present. The proposed ActivExpression project will assist with both as well as helping schools to meet requirements of the Harnessing Technology Grant (see 7 below).

Introduction and Background

6. 2010/11 is the third and final year of a DCSF / Becta programme (supported by £639.5 million of standards grant funding) entitled *Harnessing Technology*. The DCSF has allocated over £3.6 million across three years (2008-11) to Herefordshire Schools to ensure key priorities are addressed in using and applying technology to help support personalisation, closing the attainment gap and the move towards universal access to technology.
7. The Harnessing Technology Grant has particular goals that should be achieved as laid out in the BECTA guidance for local authorities (March 2009):
- Greater flexibility in and choice of learning options – using technology to offer differentiated curricula and learning experiences that help meet children’s and young people’s needs and preferences
 - Tailored and responsive assessment – both formative (for example, more immediate feedback on learning, better information about progress) and summative (for example, flexible end-of-stage assessment)
 - Engaging learning experiences – for learners of all abilities, in all contexts, including children and young people who are hard to reach

The proposed ActivExpression project (below) will help schools to deliver these goals:

- Promethean’s ActivExpression and ActivInspire software will deliver a differentiated curricula and learning experiences designed to meet the needs of teachers and young people.
 - Using ActivExpression and ActivInspire, teachers can easily tailor both formative and summative assessments to produce more immediate feedback on children’s learning and better information about progress
 - ActivExpression will help learners to engage in their learning experience, irrespective of their abilities and contexts and including those children and young people who are hard to reach.
8. A proposal to purchase digital content centrally using DSG was rejected (along with other proposals) in December. At the same time Schools Forum requested a proposal for a similar

approach using HTG retained funding

Key Considerations

9. **Digital Content:** A learning platform, while offering many tools to help learning, does not include much by way of stimulating educational content. Some can be found for free, eg from the BBC, but most of the really exciting and desirable content must be purchased separately. All publishers of quality content have been working hard to ensure it is ready to be embedded into a VLE. It is far more accessible and flexible that way.
10. Many local authorities have used the 25% retained funding recommended by the DCSF to make bulk purchases on behalf of their schools.

- Local authorities are able to retain up to 25 per cent (or more with the explicit agreement of their Schools Forum) of their allocation centrally to undertake collaborative purchasing on behalf of all schools where improved value for money can be achieved. ... With the agreement of schools in their area, local authorities can retain a further proportion of the funding where there is evidence that this will achieve efficiencies from collaborative approaches to procurement such as regionally or local authority wide deployed learning platforms where the majority of local authorities have secured improved value for money.

(Becta guidance)

11. In Herefordshire, for the first two years of the grant, the entire budget has been devolved to schools (except for the retention of £25,000 in year one for the purchase of a server). This has given schools greater autonomy but it has not resulted in best value for money. This proposal is that a certain amount of grant retention be considered to secure better deals for schools through the bulk purchase of subscriptions to high quality digital content and to help schools fulfil certain obligations of the HTG guidance. The two parts of this proposal are:
12. **Education City:** Herefordshire schools currently have an extended free trial of this product. The idea behind the trial is to try to coordinate a bulk purchase and so achieve a discount for schools. In reality we will only manage to secure a 25% discount at best - a county wide purchase will bring 50%. Education City is a vast collection of 10 minute “games” covering English, Maths, Science and PMFL. It is aimed at primary, early secondary and secondary SEN. One of its great strengths will be as a homework resource: it is very engaging for children. There are considerable advantages to using this product embedded in a VLE, most especially that the product will then track individual progress and allocate reinforcement activities where appropriate (precisely what a VLE is about). Schools are already giving very favourable feedback to the trial and many have already placed orders (now on hold).

We have held negotiations with Education City and have an acceptable way forward for reimbursing schools that already subscribe. Our relationship with the company, and therefore the support we can expect from them will be considerably enhanced by a bulk purchase. The terms of the contract we propose with Education City include free full integration into the VLE - this work would normally cost £5000 (no payment will be made for the content until this is achieved).

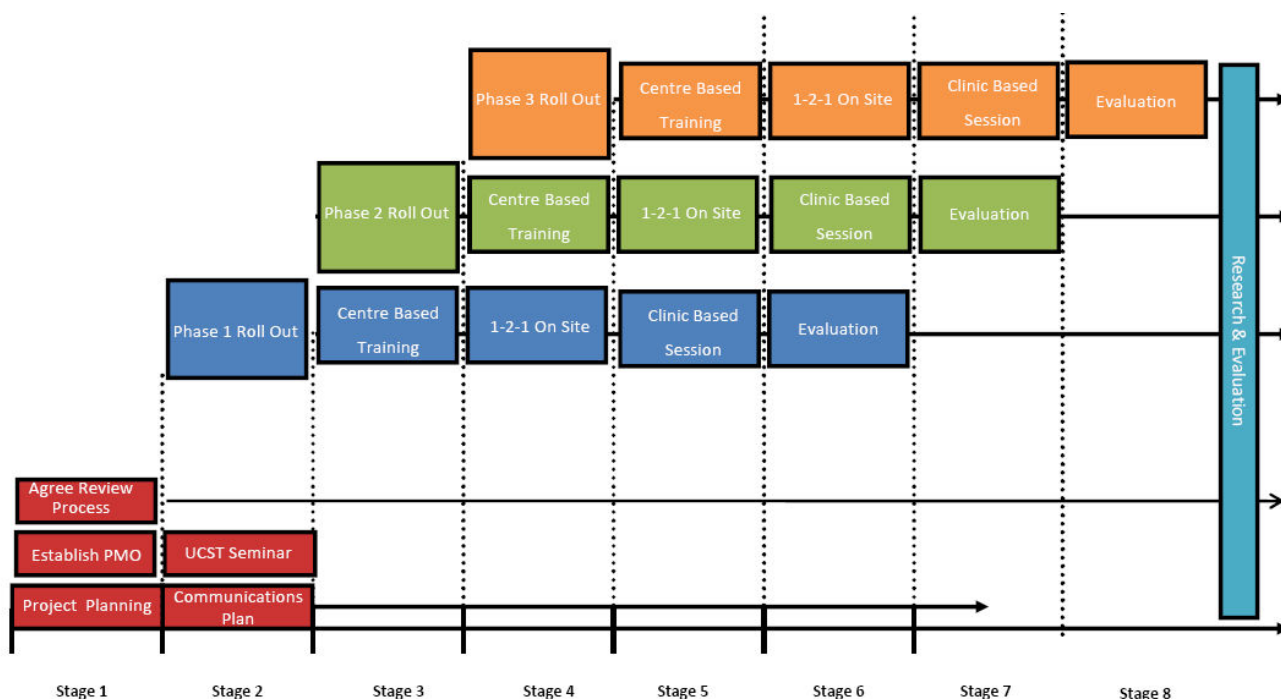
13. **ActivExpression purchase and project:** The aim of this project is to rollout Promethean’s ActivExpression (sets of 32 learner response devices) across all schools. A bulk purchase of the kit will bring considerable cost savings; training and support will ensure maximum

educational benefits. Promethean have achieved a high degree of success with two similar projects (in Southampton and Plymouth) during 2009. Our project will draw on experiences gained and resources developed during these. For secondary schools, a full training and support package has been brokered with *Promethean* and their partner *I3:Learning*. High schools will fund this separately at £462 per school from another budget (it is not possible to cover this cost from the HTG capital grant). Similar training will be provided by the Herefordshire School improvement Service ICT team through *Hands on Support* for primaries, special schools and PRUs.

Project rollout: To ensure smooth delivery of the project, it is proposed to roll out the hardware, software and training in three phases. Each phase will consist of approximately 35 schools in regionally based groups. The project is anticipated to start from April 2010 and extend over the course of a year. Although the final detail is still to be worked through the complete project will consist broadly of the following stages:

1. Orientation Sessions and Hardware Delivery (4 x 1 hr per phase)
 - Designed to provide a demonstration of the technology and outline the roll out project
2. Centre Based Training (4 x 3 hrs per phase)
 - Designed to provide hands on product training to users in a group environment
3. One to one school based training to each school
 - Designed to embed the technology in each schools own environment and set up
4. Clinic / user groups (8 sessions distributed around the county)
 - Designed to provide an opportunity for users to share experiences, best practise, receive updates, new resources and receive additional support with any usage query, technical or application based
5. Online software training throughout the project
 - Designed to provide low touch, high level of support ensuring high skill uptake from the schools using the technology

Outline Project Plan will look like this:



Community Impact

14. A VLE is about “any time any where learning” it means that students can access work started in school, out of school and that teachers can produce content (electronic) to extend children’s learning more effectively to anywhere outside school. It is also about parental engagement with children’s learning and improving communication between school and home. All of this will only happen if schools and teachers engage properly with this new and exciting technology.

Financial Implications

15. The table below is based on costings provided by Education City and Promethean and includes a comparison between schools purchasing individually and a bulk LA purchase.

16. Special schools and PRUs have been deemed primary, precise needs of these schools will need further discussion; this will not have a significant impact on the costings.

17. Many schools already subscribe to Education City and a refund will be due to for the time remaining on their contracts. This will be dealt with on an individual basis by Education City.

18. Content licences are for 2 years to overcome potential revenue / capital issues. A single payment will be made for these based on NOR at October 2009 (as illustrated in this document)

	Primary, Special + PRU (88)	Secondary (15)
Total HTG (2010/11)	£763,701	£327,300
Education City (2 year license)		
LA purchase *	£92,867	£11,881
School purchase *	£185,734	£23,762
Difference	£ 92,867	£11,881
ActivExpression Project		
LA purchase *†	£ 111,805	£38,022 ‡
School purchase *	£167,812	£56,970
Difference	£56,007	£18,948
Total LA spend (prim / sec)	£204,672	£49,883
Total LA spend (all phases)	£254,555	
Total school spend	£433,666	
Total Saving	£179,111	
Percentage of HTG required	26.8%	10 – 29% (depending on size of school)

* **LA purchase** = central purchase for all school, **School purchase** = the same purchase by schools individually

† Costings for secondary include full support and training from Promethean (primary school support will be from SIS ICT team through Hands on Support)

‡ An element of £462 per secondary school will need to be added to this (from other funds) to pay for the training brokered with Promethean and their partners. It is not possible to fund this revenue item from the HTG capital grant. Training will be an important component for the project to be a success.

19. The table below shows costings for the smallest, an average and the largest primary and secondary schools and all specials and PRUs. Please note that these figures are based on NOR October 2009 and are therefore for illustration purposes only.

	NOR (Oct 2009)	HTG	HTG retained (% for highs)	School purchase total	LA bulk purchase total	Difference (between school / bulk purchase)	Net Saving for school
Lord Scudamore Primary	597	£19,400	£ 5,199	£5,923	£3,280	£2,643	£724
Weobley Primary	143	£8,516	£ 2,282	£4,303	£2,470	£1,833	£2,021
Dilwyn CE Primary	31	£5,828	£ 1,562	£3,819	£2,228	£1,591	£2,257
The John Kyrle High	1281	£35,828	10%	£5,758	£3,515	£2,243	£2,243
St Mary's RC High	693	£22,972	15%	£5,758	£3,515	£2,243	£2,243
QE High, Bromyard	299	£12,260	29%	£5,758	£3,515	£2,243	£2,243
Barrs Court Special	79	£6,980	£ 1,871	£3,831	£2,223	£1,608	£1,960
Blackmarston Special	54	£6,380	£ 1,710	£3,903	£2,259	£1,644	£2,193
Westfield Special	30	£5,804	£ 1,555	£3,791	£2,203	£1,588	£2,236
The Brookfield School	62	£6,572	£ 1,761	£3,867	£2,241	£1,626	£2,106
The Aconbury Centre	12	£5,372	£ 1,440	£3,959	£2,287	£1,672	£2,519
St David's PRU	27	£5,732	£ 1,536	£3,959	£2,287	£1,672	£2,423
The Priory PRU	19	£5,540	£ 1,485	£3,959	£2,287	£1,672	£2,474

Legal Implications

20. None known

Risk Management

21. There are no known risks at this stage

Consultees

22. Extensive meetings have been held Education City and Promethean. Proposals and costings in this document are based on the outcomes of those discussions which are ongoing.

23. Schools Forum has already commented on the benefits of bulk purchases through an earlier proposal brought to them in December 2009.

24. The Primary Heads ICT Strategy group have approved this proposal and recommend it to Schools Forum. (See minutes of their meeting on 21st January)
25. ActivExpression has been demonstrated to Secondary Strategy leaders at their meeting on 12th January.
26. Primary ICT coordinators have been briefed on this proposal (with a demonstrations of Education City and ActivExpression (at their conferences in the summer term 2009 and spring term 2010) and are enthusiastic about the possibilities.
27. Consultation has taken place with both primary and strategy teams within the School Improvement Service. Both teams support this proposal. Individual consultants have expressed a desire to be involved in supporting the ActivExpression project from their own subject areas.

Appendices

28. *None*

Background Papers

Detailed proposals from Education City, Promethean an i3:Learning are available if required.
Detailed costings and savings per school available if required.

MEETING:	SCHOOLS FORUM
DATE:	23RD FEBRUARY 2010
TITLE OF REPORT:	SCHOOL FUNDING 2010/11
SCHOOLS FINANCE MANAGER:	MALCOLM GREEN

CLASSIFICATION: Open

Wards Affected

All schools

Purpose

To recommend to the Cabinet member the schools budget for 2010/11.

Key Decision

This is not a Key Decision.

Recommendations

THAT School Forum recommends to the Cabinet Member for ICT, Education and Achievement the basis for the schools budget 2010/11 as set out below:

(a) The existing budget strategy be confirmed as

- a. Minimum Funding Guarantee (MFG) of 2.1%;
- b. Headroom distribution of 50% on pupil numbers and 50% social deprivation;
- c. Small Schools Protection remains frozen at 06/07 level;
- d. The continued cash freeze of the PVI nursery budget until parity with Worcestershire, Shropshire and Gloucestershire is achieved
- e. Changes to Dedicated Schools Grant (DSG) funded budgets to reflect known budget pressures/savings

(b) That budget planning be approved on estimated pupil numbers of 22,580;

(c) Budget increases be approved as set out in the report

a. Banded Funding £260,000

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

b. Special Schools in year admissions £75,000

c. Out County placements £136,000

d. Inter-authority recoupment £100,000

e. Introduction of PRU charges of a fixed £6,500 per excluded pupil in 2010/11 and the £58,500 budget shortfall in 2011/12 be considered further;

f. Schools Forum approves these increases in the central expenditure limit to meet these demands;

(d) Increases in school budgets in paragraph 9d be noted;

(e) School budgets be subject to final adjustments when pupil numbers are confirmed from the January 2010 census and when banded funding allocations from the February panel are known.

Key Points Summary

- Given the expected reductions in DSG a strategic review of expenditure between schools and DSG funded services will be necessary for 2011/12.
- Budget pressures in DSG of £571,000
- Savings previously agreed of £290,000
- Increases in school budgets of £734,000
- Total budget pressures of £1,015,000 is fractionally above the available budget headroom of £1,014,000.
- Final pupil numbers not yet available which will change the available DSG income. Final details of the income from the Learning Skills Council are also still awaited.
- Final costs for Banded funding and free school meals not yet available which will change the expenditure.

Alternative Options

- 1 Alternative budget options could fully fund the budget pressures for PRUs (£100k) and Trade union facilities (£30k). This would require further reductions of £130k in the budget headroom allocated to schools in December 2009.

Reasons for Recommendations

- 2 Final Budgets must be issued to schools before 31st March 2010.

Introduction and Background

Budget Strategy

- 3 Schools Forum in December 2009 approved issue of draft budgets for schools based on the existing budget strategy as follows

- a. Minimum Funding Guarantee (MFG) of 2.1%;
 - b. Headroom distribution of 50% on pupil numbers and 50% social deprivation;
 - c. Small Schools Protection remains frozen at 06/07 level;
 - d. The continued cash freeze of the PVI nursery budget until parity with Worcestershire, Shropshire and Gloucestershire is achieved
 - e. Changes to Dedicated Schools Grant (DSG) funded budgets to reflect known budget pressures/savings
- 4 Additionally Forum approved the application of a budget abatement for schools with nursery classes in response to revised early years funding formula.

Indicative DSG 10/11

- 5 The indicative DSG Budget on the Department for Children, Schools and Families (DCSF) website Teachernet (updated 21st December 2009) compared with the final 2009/10 DSG allocation and the Council’s own projection is set out in the table below:

	Final DSG 09/10	DCSF Indicative 10/11	Hereford Projected 10/11
Pupil numbers	22,752	22,703	22,580
Per pupil funding rate (£)	£3,830.40	£4,002.11	£4,002.11
Total (£'000)	£87,149	£90,860	£90,368
Less Academy recoupment (£'000)	-£2,623	-£2,623	-£2,963
Less Academy LA Services (£'000)	Included above	Included above	-£83
Total DSG Budget (£'000)	£84,526	£88,237	£87,322
per pupil increase	+3.9%	+4.5%	+4.5%
cash increase	+2.3%	+4.3%	+3.3%

Table 1 Estimated 2010/11 DSG Allocation

Pupil Numbers

- 6 September pupil numbers (and updated where schools have informed us of revised pupil numbers in December/January) show a reduction of primary numbers by -119 and high school numbers -43 and an increase in special school numbers of +14. The overall reduction in pupil numbers is -172. These changes are set out in the table below;

Pupil Numbers	Actual	Estimated	Change	Percent
	Jan 09	Jan 10		
Primary	12,319	12,200	-119	-1.0%
High	9,267	9,224	-43	-0.5%
Special	219	233	+14	+6.4%
Schools Total	21,805	21,657	-148	-0.7%
Early years/others	947	937	-10	-1.0%
Duplicate pupils in PRU census	0	-14	-14	
Total DSG funded	22,752	22,580	-172	-0.8%

Table 2 Change in pupil numbers from 2009 to 2010

DSG Planning Total

- 7 There is a difference of £0.9m between the DCSF indicative DSG allocation and the projection prepared by LMS. This difference arises from
- a. 119 pupils fewer pupils in the Council's estimate and the DCSF estimate. The differences in schools can be traced back to individual schools and there is no reason to change our estimates. (£477K)
 - b. The Academy recoupment has been revised to reflect the predicted Hereford Academy 10/11 budget. The recoupment figure used by DCSF is the same as last year which is not up to date because of the budget increases mainly due to increases in the number of pupils entitled to free school meals. (£423K)
- 8 School budgets will be prepared on the basis of the 22,580 pupils estimated by LMS. This figure can be validated against the January PLASC numbers when available towards the end of February but cannot be confirmed until June 2010 when DCSF finalise the DSG grant.

Assessment

- 9 The reduction of an estimated 172 pupils since January 2009 means that the DSG has reduced by £688,000. School budgets are automatically reduced by the Age Weighted Pupil Unit (AWPU) which accounts for £458,000 however the remaining cuts effectively reduce the budget headroom. This can be explained by the difference between the DSG funding rate of £4,002 per pupil and the average Age Weighted Pupil Unit funding amounts for primary (£2,350) and secondary (£3,233) as set out below. This explains the difference between the per pupil increase of 4.5% and the smaller cash increase of 3.3%. The reduction in budget headroom can be calculated as follows:

a) Reduction in headroom (already accounted for)

Primary (119 fewer pupils at £1,652)	£197,000
Secondary (43 fewer pupil at £769)	£33,000
Total reduction in budget headroom (already Included in the Cash DSG allocation)	£230,000

b) Identified Budget pressures in DSG

The budget working group considered these items and further detail is listed in paragraph 11 below.

Provisional Banded Funding*	£260,000	
Provisional PRUs*	£0	(previously identified at £100,000 but note £58,500 cost in 11/12)
Governor Services SLA*	£0	(previously inc. in schools at £70,000)
Special Schools in year admissions*	£75,000	
TU facilities agreement*	£0	(previously identified as £30,000)
Out County placements*	£136,000	
Inter-authority recoupment	£100,000	Budget shortfall identified since the budget working group due to reduced income from fewer pupils.
Total DSG Budget pressures	£571,000	

c) **Less savings previously agreed by Forum**

Academies SEN	-£106,000
Contingencies	-£80,000
LEA Pool	-£90,000
Travellers	-£14,000
Total DSG Savings	-£290,000
Total Net increase in non school budgets (b-c)	£281,000

d) **Increases in school budgets (excluding the 2.1% MFG inflation)**

Increase in cost of Guarantee	£92,000	
Increase KS1 class size funding	£41,000	
14% increase in free meals	£161,000	
Increase in UPS teachers (69)	£265,000	
Increase in special schools (an overall increase of 3 pupils and a change in the mix of pupil needs for enhanced pupils)	£228,000	
Increase in Band 1 & 2	£148,000	
Savings in business rates and shared use	-£43,000	
Savings in nursery classes	-£91,000	
Savings in Band 3 & 4 commitments in school budgets	-£67,000	
Increase in school budgets	£734,000	
Total cost increases (c+d)	£1,015,000	

Financial Impact

- 10 The available budget head room within DSG can be estimated by the difference between the DSG cash increase of 3.3% and the 2.1% MFG, which is 1.2%. In financial terms this amounts to £1,014,000 (i.e. 2009/10 DSG of £84.526m multiplied by 1.2%). The total cost increases set out above, at £1,015,000 is just fractionally above the amount of budget headroom available.
- 11 The Budget Working Group have questioned the need for some of the budget pressures identified above in section 10b marked (*) or suggested alternative funding methods. These suggestions have been included where possible.
- a. Banded Funding – query double counting of applications – these have been investigated further – see below.
 - b. Trade Union facilities – instigate revised allocation and financial control to stay within budget
 - c. PRUs – charge schools fixed fee of £6,500 per excluded pupil admitted to PRUs. There were 18 pupils permanently excluded from school in the academic year 08/09, 15 of which were admitted to PRUs. If numbers continued at a similar level in 10/11 this would generate sufficient funding for the part year September 10 to March 11. However this leaves the full year cost of £156,000 unfunded in 2011/12 by £58,500 and this will have to be considered again as part of the 11/12 budget. If numbers were significantly less then a further review would be necessary with adjustments to the DSG accordingly.
 - d. Out county placements – seek other funding such as ABG.
 - e. Governor Services SLA – working group queried approval by Forum
- 12 Further investigations have identified the “double counting” of 2 new banded funding applications which would reduce the increase in banded funding from 43% to 40% which is still in excess of the 34% increase of the £260,000 proposal. Currently the ABG will not fund the £136,000 for Out county placements as it is not included in the programme.
- 13 It is not proposed to change the per pupil allocations included in the initial school budgets issued in December 2009 unless final pupil numbers and confirmation of the remaining budget assumptions (LSC income and banded funding) require final budget adjustments to balance the DSG.
- 14 Until final pupil numbers are confirmed from PLASC it will not be possible to finalise the cost increases in the school budget. Banded Funding commitments in school budgets cannot be finalised until the end of February and after the funding panel on 10th February (£150,000 has been reserved in school budgets for 10/11 to meet the expected cost).
- 15 In addition Schools Forum is asked to note the free meals price at £2.00 maintains parity with Worcestershire in accordance with School Forum’s decisions in recent past years.

Central Expenditure Limit

- 16 Based on the estimated budgets issued to schools in December (and updated by changes in pupil numbers since) the overall increase in individual school budgets is 2.5%.
- 17 As the overall increase in DSG is expected to be 3.3% then the increase in central expenditure, due to banded funding, PRUs and special school in-year placements, will be a greater percentage increase than the increase in school budgets. This requires Schools

Forum to approve an increase in the central expenditure limit. Precise calculations can only be confirmed when the section 52 budget statement is completed once school budgets have been issued in March.

Summary

- 18 Herefordshire schools will be facing significant financial pressures in 10/11 due to the impact of falling rolls on DSG funding. The DSG settlement for 2010/11 seems relatively generous at 4.5% per pupil but in reality it is only 3.3% in cash terms.
- 19 Early indications suggest that when comparing the draft 10/11 budget to school budgets for 09/10
- 34 primary schools will receive a reduction compared to 09/10
 - 9 primary schools will receive a budget increase of less than 2.3% i.e. teachers pay increase in September 10.
 - 5 high schools will receive a reduction when compared to 09/10
 - 3 high schools will receive a budget increase of less than 2.3%.
- 20 Schools receiving less than a 2.3% budget increase will only be able to meet increasing pay commitments by making budget cuts to compensate.
- 21 The number of primary schools on the Minimum Funding Guarantee has increased significantly from 19 to 34 schools in 2010/11. The MFG will cost £326,000 in 2010/11 and is expected to rise to above £400,000 in 2011/12.
- 22 Early indications from DCSF for 2011/12 are for a much tighter settlement for schools, No funding rate per pupil has been published for 2011/12 by DCSF however the Chancellor's pre-budget announcement before Christmas indicated a 0.7% real increase for front line schools and 0.9% efficiency savings to meet cost increases in schools of 1.6%. Much more information is necessary in order to be clear on exactly what this will mean for schools.
- 23 In general in 2010/11 schools with increasing pupil numbers should be able to deliver the service within their budget without making staffing or other budget cuts. Schools with static or falling rolls will increasingly have to take measures to make the budget balance. It is likely that as the Minimum Funding Guarantee in general protects smaller schools the larger schools will find their budgets squeezed.

Key Considerations

- 24 The Council is required to set Dedicated Schools Grant budget within the funding allocated by government. The proposals within this report provide proper budget provision for the estimated increases in central expenditure which is properly funded from DSG.

Community Impact

- 25 None directly identified.

Financial Implications

- 26 The Budget agreed for DSG for 2010/11 must balance. The proposals set out in this report achieve this. Additional budget pressures can only be agreed if compensating cuts are made elsewhere.

Legal Implications

27 These proposals comply with the Council's legal duties.

Risk Management

28 The Budget Working Group has considered detailed budget proposals for 2010/11 and this report reflects their views. Budget will not be issued to schools until pupil numbers have been confirmed and adjusted as necessary. Any small under or overspend on Dedicated Schools grant can be carried forward to 2011/12. Any significant overspend will require the re-issue of school budgets.

Consultees

29 None assessed.

Appendices

30 None

Background Papers

Working papers considered by the Budget Working Group on 22nd January 2010.

MEETING:	SCHOOLS FORUM
DATE:	23RD FEBRUARY 2010
TITLE OF REPORT:	SCHEME FOR FINANCING SCHOOLS
SCHOOLS FINANCE MANAGER:	MALCOLM GREEN

CLASSIFICATION: Open

Wards Affected

County-wide – All Schools

Purpose

To approve statutory changes to the Herefordshire Scheme for Financing Schools for 2010/11.

Key Decision

This is not a Key Decision.

Recommendation

THAT School Forum is asked to:

approve the inclusion of paragraphs 2.15, 2.16 and 2.3.1 in the Appendix attached to the report into the Herefordshire Scheme for Financing Schools from April 2010.

Key Points Summary

- Additional paragraphs regarding the Submission of Financial forecast, the Financial Management Standard and the Notice of concern are to be adopted into the Herefordshire Scheme for Financing Schools. This is a Department for Children, Schools and Families (DCSF) requirement nationally.
- Further changes relating to the early years formula, web-site publication of schemes, a technical adjustment regarding diplomas and carbon trading are expected for implementation in April 2011 following a DCSF consultation summer 2009.

Alternative Options

1. There are no alternative options for consideration.

Further information on the subject of this report is available from
Malcolm Green, Schools Finance Manager on (01432) 260818

Reasons for Recommendations

2. The Herefordshire Scheme for Financing Schools needs to be updated in accordance with legislation to include three additional paragraphs on Financial Forecasts (2.3.1), the Financial Management Standard (2.15) and the Financial Notice of Concern (2.16).

Introduction and Background

3. School Funding Regulations have been updated by the Department for Children, Schools and Families and require the inclusion of additional standard paragraphs within the Scheme for Financing Schools. The standard paragraphs as set out by DCSF are detailed in the appendix. It is usual to adopt the standard wording recommended by DCSF. The additional requirements cover the
 - a. Financial Management Standard
 - b. Notice of Concern
 - c. Submission of Financial Forecasts
4. Schools Forum considered the draft wording in October 2008 and recommended that schools be consulted. A copy of the suggested paragraphs were included within Schools On-line on 6th November 2009 and no comments have been received from schools.
5. DCSF is also consulting local authorities on scheme changes relating to the
 1. the requirement for all local authorities to implement from 1 April 2010 a single funding formula; to fund, using the same principles, all providers of the free entitlement to nursery education for three and four year olds.
 2. to require local authorities to publish schemes of financial management on a public website showing the date of revision;
 3. And to consider a recent matter brought to our attention by a local authority that the regulations require local authorities, where pupils are attending two schools to undertake diplomas, to fund both schools as if the pupil attends each full time. The regulations are amended to allow LAs to discount the secondary registration of pupils in Key Stage 4 where they are undertaking diplomas if that is the only reason they attend the second school.

The DCSF consultation closed on 29th October 2009 but no further details of the proposed scheme amendments have been received from DCSF. The national implementation of the early year's single funding formula has been delayed until April 2011 as local authorities are now being asked to submit "pathfinder applications" for approval on an individual basis. It is proposed to delay these scheme changes until final details are received from DCSF, most likely for implementation in April 2011.

6. DCSF have also given advance notification of potential changes to the School Finance Regulations in 2011/12 as a result of the introduction of carbon trading in 2010/11. The proposed changes to the regulations will be consulted upon nearer the time.
7. The Scheme for Financing Schools is supported by 18 annexes providing further

information and also clarification in areas where the regulations are perceived as complex. The annexes change from time to time as needs change. The annexes have been updated during the summer 2009 and only minor revisions will be necessary for 2010/11. The intention is to issue a complete new booklet of the Scheme for Financing Schools and the annexes for 2010/11. The Finance Scheme was last updated in April 2006 and the Annexes in April 2004.

8. The annexes are

- A – Directory of Annexes
- B – Schedule of schools in the Scheme
- C – Expenditure covered by the Funding Formula
- D – Funding Managed Centrally
- E – The underlying elements of the funding formula
- F – Central Funding Support Scheme
- G – Local school bank accounts and enhanced imprest accounts
- H – Schools Loans Scheme
- I – Legal Liabilities and Suspension of Delegation
- J – Policy on permitted charging of parents
- K – Arrangements for providing meals services in schools
- L – Health and Safety
- M - Council's scheme for Community Facilities in Schools
- N - Shared and Community use of Premises
- O – Property Management and Maintenance
- P – Supplies and Services Responsibilities
- Q – Staff Absence Arrangement
- R – Best Value

Key Considerations

9. None

Community Impact

10. None.

Financial Implications

11. No financial implications.

Legal Implications

12. It is confirmed that these proposals are consistent with the Council's legal duties

Risk Management

13. If the amendments to the Scheme are not adopted the Council is at risk of DCSF taking action to impose the amendments.

Consultees

14. None.

Appendices

15. Extract of DCSF Scheme for Financing Schools

Background Papers

None

2.3.1 Submission of Financial Forecasts

The authority may require schools to submit a financial forecast covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year.

LAs should consider the extent to which such forecasts may be used for more than just confirming schools are undertaking effective financial planning or not. For instance: they could be used as evidence to support the LA's responsibility for declaring their schools' adherence to the Financial Management Standard in Schools and/or used in support of the LA's balance control mechanism. However, the requirement to submit a financial forecast should not place undue burdens on schools and should be proportionate to need. In requesting such forecasts LAs should state the purposes for which they intend to use this forecast: such a forecast may be used in conjunction with a LA's balance control mechanism.

2.15 Financial Management Standard

The scheme must include a provision that imposes a requirement on specific phases/groups of schools, as defined from time to time by the authority, to demonstrate achievement of and maintain the Financial Management Standard in Schools (FMSiS) as published by the DfES. Such demonstration may be by compulsory external assessment or by a local authority defined process.

The text for this provision is set out below. The Department will be willing to consider variants on this.

All maintained schools must demonstrate compliance with the DfES' Financial Management Standard in Schools in line with the timetable determined by the authority, and at any time thereafter.

The authority may require schools to demonstrate compliance through the submission of evidence showing that the school has undergone an external assessment. External assessment must be carried out by the authority or by a third party that has been approved to carry out such assessment by either the DfES or the local authority.

This model scheme allows a local authority to set out clearly the expectations on schools and to require external assessment where necessary. The scheme may also describe how the costs of such external assessment must be met including stating that such costs must be met from school budget shares.

The Financial Management Standard & Toolkit (FMS&T) was developed and released to schools as a self-management package in June 2004. The standard and toolkit is available at:

http://www.ipfbenchmarking.net/consultancy_dfes_update/

As local authorities will be responsible for declaring their schools' adherence to the Standard, it will be up to them to decide how that compliance is delivered. The evidence to support the declaration is a matter for the CFO's judgement - it need not rely on formal FMSiS assessment of every individual school.

This provision is designed to assist local authorities in getting compliance with FMSiS, by allowing them to impose a requirement on schools to demonstrate achievement of and maintain the FMSiS, and to declare external assessment of the standard compulsory for their schools.

If schools do not have an external assessment, a review of their self-assessment may provide the LA with the appropriate information to make a judgement. CFOs will of course also take account of relevant comments in the reports of auditors, advisers and inspectors, of budgetary and accounting performance, and of any other relevant information available. Where schools are subject to a local authority-led assessment of the standard the local authority should set out clearly what such an assessment will entail. Where a school chooses to gain external assessment of the standard, despite it not being a requirement of the local scheme, such external assessment should, unless there are exceptional circumstances, be accepted in place of the local authority led assessment.

2.16 Notice of concern

The scheme must include a provision that allows the authority to issue a notice of concern to any of its maintained schools. Model text is provided below but the Department will be willing to consider alternative wording, including any additional conditions, prohibitions or limitations a local authority considers to be relevant in support of a notice of concern.

The authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer and the Chief Education Officer/Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.

Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it.

These may include:

- **insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;**
- **insisting that an appropriately trained/qualified person chairs the**

finance committee of the governing body;

- **placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the local authority;**
- **insisting on regular financial monitoring meetings at the school attended by local authority officers;**
- **requiring a governing body to buy into a local authority’s financial management systems; and**
- **imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.**

The notice will clearly state what these requirements are and the way in which and the time by which such requirements must be complied with in order for the notice to be withdrawn. It will also state the actions that the authority may take where the governing body does not comply with the notice.

The purpose of this provision is to enable a local authority to set out formally any concerns it has regarding the financial management of a school it maintains and require a governing body to comply with any requirements it deems necessary. The principal criterion for issuing a notice, and determining the requirements included within it, must be to safeguard the financial position of the local authority or school.

It should not be used in place of withdrawal of financial delegation where that is the appropriate action to take; however, it may provide a way of making a governing body aware of the authority’s concerns short of withdrawing delegation and identifying the actions a governing body should take in order to improve their financial management to avoid withdrawal.

Where a local authority issues a notice of concern the scheme must provide for the notice to be withdrawn once the governing body has complied with the requirements it imposes.

In placing this provision in their scheme, a local authority may wish to consider the way in which a dispute between it and the school it is issuing a notice to regarding any aspect of the notice may be resolved.

MEETING:	SCHOOLS FORUM
DATE:	23RD FEBRUARY 2010
TITLE OF REPORT:	REPORT OF BUDGET WORKING GROUP - 22ND JANUARY 2010
SCHOOLS FINANCE MANAGER:	MALCOLM GREEN

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To consider the recommendations of the Budget Working Group in agreeing a final budget for schools.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT Schools Forum considers the recommendations of the Budget Working Party as follows;

- a The trade union facilities budget be cash limited at £32,000 for 10/11 and measures be introduced for improved financial control**
- b Subject to further investigations on the possible “double counting” of pupils in the 43% increase in banded funding and statements then the budget increase of £260,000 be recommended for approval**
- c That a fixed charge be introduced (£6,000 is suggested) for excluded pupils referred to all PRUs**
- d In –year special school pupil admissions – that additional budget of £75,000 be recommended**
- e Out of County placements – that the estimated additional funding of £138,000 be sought from other funding sources such as the Area Based Grant**
- f That sixth form free school meals be funded from the LSC funding allocated to schools and excluded from the percentage used to calculate all other factors relating to pre-16 pupils**

Further information on the subject of this report is available from
Malcolm Green on (01432) 260818

g That the changes contained in Proposal B of the Balance claw-back scheme i.e. the minimum amount for the primary schools and high schools be reduced by £5,000 i.e. primary £25,000 and high schools £45,000 for financial year 2010/11.

h Approve the rates rebates funding be distributed to schools as follows;

- Primary and High schools to receive £46.65 per pupil
- Special schools to receive £208.79 per pupil
- PRUs to receive £183.47 per pupil

And schools be given the choice of either full payment in 2010/11 or equal payment over the three years 2010/11-2012/13.

Key Points Summary

The Budget Working Group has considered the important budget issues for the 2010/11 Schools Budget and the key points are included in the report clearly listed in from paragraph 5 onwards. The report lists the Working Group's views in the Recommendations to Schools Forum.

Alternative Options

- 1 Schools will need to absorb any reductions in DSG through lower pupil numbers if the current level of central budgets is maintained.

Reasons for Recommendations

- 2 Recommendations of the Budget Working Group from meetings on 22nd January 2010.

Introduction and Background

- 3 The Budget Working Group met on 22nd January to consider final adjustments to the budget proposals that had been provisionally agreed at Schools Forum in December and other more recently identified budget pressures for 2010/11. .
- 4 Schools Budget Strategy – the working party was reminded of the existing budget strategy
 - a. Apply Minimum Funding Guarantee increase of 2.1%
 - b. Amend the DSG central budgets for individual budget changes
 - c. Any headroom to be distributed to schools, half on pupil numbers and half on deprivation
 - d. Small schools protection remains frozen at the 2006/07 funding levels
 - e. Changes to DSG funded budgets to reflect known budget pressures/savings

The draft budget strategy paper, including all the suggested budget amendments was considered. The working party did not think that the Governor Services SLA had been approved by Schools Forum and this would need to be checked before the budget meeting of Forum on the 23rd February. The draft budget paper indicated that DSG budget would potentially be £200,000 overspend if all the proposed budget increases were accepted

although the budget could not be finalised until pupil numbers from the January PLASC were available.

5 Budget Adjustments for 2010/11

The Working Party considered the following budget adjustments.

a) Trade Union (TU) Facilities Agreement (£32k) - considered a report from Mel Ganderton, HR Manager that set out the reasons for the estimated overspend of £30K in 2009/10 and the need for additional budget to cover the increasing cost and demand for TU meetings. The reasons for the overspend were presented as due to

- The issue of 300 vouchers (150 for trade union time and 150 for learning representative time) for use by the trade unions at £150 each, which if all used would cost £45,000 and well in excess of the existing budget
- The funding directly from payroll of two 0.2 fte trade union representatives for NUT and NASUWT in addition to the issued vouchers
- The payment to trade union representatives at actual pay rates which are in excess of the nominal value of the vouchers
- The back payment of a full year's worth of vouchers by one TU

The budget working group requested that the HR manager write to the TUs to advise that the learning time vouchers should be withdrawn. The Budget Working Group was firmly of the view that the TUs budget should be cash limited and control procedures be implemented to ensure that spend did not exceed the budget allocation. No additional budget allocation was accepted and improvements in joint representation and financial control were requested.

b) SEN Banded Funding - Schools Forum agreed a provisional budget increase of £260,000 for new allocations Banded Funding 3 and 4 (including banded funding and statements). The working party considered a report that set out a projected 43% increase in the number of approvals for banded funding and statements for 2009/10. The budget requirement for a further £260,000 was based on this trend continuing in 2010/11. The continued increasing trend was doubted by some Headteachers on the group who considered that the statistics for new approvals contained pupils receiving 3 applications each of one term. Other Headteachers considered that the percentage increase reflected the increased trends for SEN in society in general. Further information on the validity of the % increase was requested.

c) Pupil Referral Units - School Forum in December had provisionally reserved £100,000 additional budget on behalf of Pupil Referral Units pending further discussion at the budget working group. The Headteacher of Brookfield, who chairs the PRU management committee, had indicated that the extension to statutory 25 hours of teaching provision for all pupils in PRUs from September 10 would increase costs by £91k in 2010/11 (full year cost in 2011/12 £156k). The Budget Working group did not want to top slice this funding from DSG and strongly preferred a charging system whereby the required funding could be raised by charging the schools who exclude pupils. It is estimated that a fixed £6,000 charge per excluded pupil would be necessary. It was considered that the introduction of the new high school intervention units would reduce the need to exclude pupils.

d) In Year Pupil Admissions for Special Schools - The working party accepted in principle the need for additional budget to cover the estimated cost (based on spend in 09/10) of £75,000 for revisions to special school pupils both at the start of the autumn term in September and during the year. The working party accepted that the high cost of educating these pupils had to be provided for in the budget.

e) Out County Placements - Budget projections only recently available indicated that an additional £138,000 would be required to meet a projected shortfall in the 2010/11 budget for education out county placements. The Budget working party considered in view of the very difficult budget position within DSG that additional funding should be sought from the Area Based Grant

e) Sixth Form Free School Meals - In previous financial years the free school meals numbers provided through PLASC have not been separated into pre and post -16. Given the increasing use of free school meals as a funding factor for social deprivation, SEN and personalised learning the working party supported the authority's proposal to only use the pre-16 free school meals numbers in the schools funding formula. The DSG does not provide any funding for post-16 pupils; this is provided by the LSC. Other local authorities exclude the post-16 free meals numbers from their funding formula. It is estimated the restricting the free school meals will release £60,000 to help balance the budget.

6. Balance Clawback Scheme

The working party accepted the parity of the proposals for 2010/11 in regards of equal treatment for primary and high schools of equal budget size. Further details are set out in item 5 of the budget working party agenda attached as an appendix.

7. Capital Transfers from Revenue

An initial analysis from 2007/08 and 2008/09 showed that from the non VA school Capital plans submitted, plans were generally affordable from existing Capital sources. The working group agreed to recommend Proposal A to Schools Forum for implementation from 1st April 2010 i.e. that schools should not be able to transfer Revenue funding to Capital unless a Capital scheme had been approved by the local authority or in the case of a VA schools the Locally Controlled Voluntary Aided Programme (LCVAP) committee.

8. Rates Rebates

Two models were considered in detail by the working party at the meeting in November 2009 -

- a. Model 1 which allocated £965k at £45.17 per pupil to all pupils and £90k allocated pro-rata to the social deprivation funding received in 09/10.
- b. Model 2 which allocated £965k in proportion to the school budget allocations phase by phase with the same £90k social deprivation allocation as above. The phase allocation gave £38.76 per pupil to primary schools, £47.32 to high schools, £208.79 to special schools and £183.47 to PRUs.

The working party felt that the allocations to special schools and PRUs proposed in model 2 were fair but requested a revised model 3 which allocates the remaining money at an equal per pupil amount for primary and high school pupils.

The third model with a table setting out allocations to all schools was discussed by the working group and it was agreed to recommend the third model to Schools Forum

- Primary and High schools to receive £46.65 per pupil
- Special schools to receive £208.79 per pupil
- PRUs to receive £183.47 per pupil

The proposal to give schools the choice of either full payment in 2010/11 or equal payment over the three years 2010/11-2012/13 was accepted. The amounts to be paid will be based on January 2009 pupil numbers and will not be altered for changing rolls.

9 Review of Herefordshire Schools Funding Formula

It was agreed by the working party to review the factors used to allocate social deprivation funding at the next meeting on April 20th. This would include progress against the government's social deprivation target. This would be followed by school specific factors (including management flat rates, small schools protection and teachers pay grant) on the 25th June

School Lunch Grant – to be considered at the next meeting – April 20th

Key Considerations

- 10 The proposals represent the final adjustments to the 2010/11 DSG budget recommended by the Budget Working Party.

Community Impact

- 11 None assessed

Financial Implications

- 12 The financial implications are considered in the DSG Budget Strategy item on the agenda

Legal Implications

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

Risk Management

- 14 The Budget Working Group's proposals for the 2010/11 Budget will be fully considered by Schools Forum on 23rd February prior to recommending to the Cabinet Member a DSG Budget for 2010/11.

Consultees

- 15 There is a statutory requirement that Schools Forum is consulted on proposed changes to centrally held DSG budgets. No further consultation other than Schools Forum is required.

Appendices

None

Background Papers

Working papers considered by the Budget Working Party on 22 January 2010.

Schools Forum Budget Working Group 22 January 2010

At WRVS, 26 Vicarage Road, Hereford, HR1 2QN

Meeting 1.30pm - 4pm (latest) Sandwiches from 1pm.

Agenda

1. 2010/11 Budget Overview/Summary – paper for Forum on 23rd Feb
2. Finalise Provisional Budgets for 10/11
 - a. Banded Funding +£260k
 - b. PRUs +£100k
 - c. Special Schools
In-year admission +£75k
3. Outstanding items from 16 November 2009
 - a. TU Budgets/meetings
 - b. Early Years services
4. Schools Rates rebates – agree model C
5. Balance clawback scheme – revisions for 10/11 – minor adjustments to be revisited as already discussed at Forum some 12 months ago.
6. Capital transfers
To consider no transfers unless LA agreed scheme in place
7. School Lunch grant - item for next meeting
8. LMS Formula Review
 - a. What factors to review next?
9. AOB
 - a. LSC – Sixth form free meals
 - b. Out county placements
10. Dates of next meetings
 - a. 20 April 2010
 - b. 25 June 2010

Schools Forum Budget Working Party 22 January 2010

Discussion Draft

Item 1

School Budget Strategy 2010/11

Budget Strategy

1. Schools Forum in December 09 approved issue of draft budgets for schools based on existing budget strategy as follows
 - a. Minimum Funding Guarantee (MFG) of 2.1%;
 - b. Headroom distribution of 50% on pupil numbers and 50% social deprivation;
 - c. Small Schools Protection remains frozen at 06/07 level;
 - d. The continued cash freeze of the PVI nursery budget until parity with Worcestershire, Shropshire and Gloucestershire is achieved
 - e. Changes to Dedicated Schools Grant (DSG) funded budgets to reflect known budget pressures/savings
2. Additionally Forum approved the application of a budget abatement for schools with nursery classes in response to revised early years funding formula.

Indicative DSG 10/11

3. The indicative DCSF Budget on Teachernet updated 21st December 2009 compared with the final 2009/10 is set out in the table below

	2009/10 Final DSG	DCSF Indicative 10/11	LMS Projected 10/11
Pupil numbers	22,752	22,703	22,502
Per pupil funding rate	£3,830.40	£4,002.11	£4,002.11
Total (£'000)	£87,149	£90,860	£90,055
Less Academy recoupment (£'000)	-£2,623	-£2,623	-£2,949
Less Academy LACSEG (£'000)			-£83
Total DSG Budget (£'000)	£84,526	£88,237	£87,023
per pupil increase	3.9%	+4.5%	+4.5%
cash increase	2.3%	+4.3%	+3.0%

Table 1 Estimated 2010/11 DSG

For more information about the subject of this report please contact
Malcolm Green, Finance Manager, Extension 0818

Pupil Numbers

4. September pupil numbers (updated where schools have informed us of revised pupil numbers in December/January) show a reduction of primary numbers by -193 and high school numbers -49 and an increase in special school numbers of +6. The overall reduction in pupil numbers is -236.

Pupil Numbers	Jan 09	Jan 10	Change	Percent
Primary	12,319	12,126	-193	-1.6%
High	9,267	9,218	-49	-0.5%
Special	219	225	+6	+2.7%
Schools Total	21,805	21,569	-236	-1.1%
Early years/others	947	933	-14	-1.6%
Total DSG funded	22,752	22,502	-250	-1.1

Table 2 Change in pupil numbers from 2009 to 2010

DSG Planning Total

- 5 There is a difference of £1.2m between the DCSF indicative DSG allocation and the projection prepared by LMS. This difference arises from
- 201 pupils fewer pupils in the Council's estimate and the DCSF estimate. The differences in schools can be traced back to individual schools and there is no reason to change our estimates.
 - The reduction in the early years numbers assumes the same 1.6% reduction as in primary schools – this seems realistic.
 - The Academy recoupment has been revised to reflect the predicted Hereford Academy 10/11 budget – this has increased because of an increase in free school meals.

School budgets will be prepared on the basis of the 22,502 pupils estimated by LMS. This figure can be validated against the January PLASC numbers when available towards the end of February but cannot be confirmed until June 2010 when DCSF finalise the DSG grant.

Assessment

6. Given the difference between the DSG funding rate of £4,002 per pupil and the average Age Weighted Pupil Unit funding amounts (£2,350 primary, £3,233 high) and including the increase in special pupils then the loss in funding to be found is

Loss on primary (193 fewer pupils)	£318,836
Loss on secondary (49 fewer pupil)	£37,681
Increase in special (6 extra pupils)	£55,206

Total funding changes for schools £411,723

For more information about the subject of this report please contact
Malcolm Green, Finance Manager, Extension 0818

Other non schools funding changes agreed by Schools Forum in December and funded by DSG

Provisional Banded Funding	£260,000
Provisional PRUs	£100,000
Governor SLA	£70,000
Special Schools –admissions	£75,000
TU agreement - not yet agreed	£30,000
Out County placements	??
Less savings	
Academies SEN	-£106,000
Contingencies	-£80,000
LEA Pool	-£90,000
Travellers	-£14,000
Net increase	£225,000
Increase in MFG	£88,000
Increase in KS1 class sizes	£30,000
Increase in free meals at 14%	£133,000
Increase in UPS teachers (40)	£155,000
Total Cost increases	£1,057,723

Financial Impact

7. The available budget head room within DSG can be estimated by the difference between the DSG cash increase of 3.0% and the 2.1% MFG, which is 0.9%. In financial terms this amounts to £783,000 (i.e. Estimated DSG is £87,023 multiplied by 0.9% is equivalent to £783,000). The cost increases set out above, at £1,057,000 exceeds the amount of budget headroom available by approximately £250,000. This will inevitably mean a difficult budget settlement for schools in 2010/11.

8. Early indications suggest that when comparing the draft 10/11 budget to school budgets for 09/10

34 primary schools will receive a reduction compared to 09/10
 9 primary schools will receive a budget increase of less than 2.3% i.e. teachers pay increase in September 10.

5 high schools will receive a reduction when compared to 09/10
 3 high schools will receive a budget increase of less than 2.3%.

Schools receiving less than a 2.3% budget increase will only be able to meet increasing pay commitments by making budget cuts to compensate.

Please note - This analysis will be revised when final pupils are known following the January PLASC Census when school budgets are finalised.

For more information about the subject of this report please contact
Malcolm Green, Finance Manager, Extension 0818

9. The number of primary schools on the Minimum Funding Guarantee has increased significantly from 19 to 34 schools in 2010/11. The MFG will cost £300,000 in 2010/11 and is expected to rise to £400,000 in 2011/12.

Central Expenditure Limit

10. Based on the estimated budgets issued to schools in December (and updated by changes in pupil numbers since) the overall increase in individual school budgets is 2.5%.
11. As the overall increase in DSG is expected to be 3% then the increase in central expenditure, due to banded funding, PRUs and special school in-year placements, must be a greater percentage increase than the increase in school budgets. This is likely to require Schools Forum to approve an increase in the central expenditure limit. Schools Forum will be asked to approve the increase in central expenditure at the meeting in February as the precise calculations can only be confirmed when the section 52 budget statement is completed in March.

Summary

12. Herefordshire schools will be facing significant financial pressures in 10/11 due to the impact of falling rolls on DSG funding. The DSG settlement for 2010/11 seems relatively generous at 4.5% per pupil but in reality it is only 3.0% in cash terms.
13. Early indications from DCSF for 2011/12 are for a much tighter settlement for schools, No funding rate per pupil has been published for 2011/12 by DCSF however the Chancellor's pre-budget announcement before Christmas indicated a 0.7% real-terms increase for front line schools and 0.9% efficiency savings to meet cost increases in schools of 1.6%. Much more information is necessary in order to be clear on exactly what this will mean for schools.
14. In general in 2010/11 schools with increasing pupil numbers should be able to deliver the service within their budget without making staffing or other budget cuts. Schools with static or falling rolls will increasingly have to make redundancies to make the budget balance. It is likely that as the Minimum Funding Guarantee in general protects smaller schools particularly with falling rolls that the larger schools will find their budgets squeezed.
15. and 2011/12 promises to be much more difficult.

For more information about the subject of this report please contact
Malcolm Green, Finance Manager, Extension 0818

Analysis of Allocation of Bands 3 & 4 with or without a Statement.

Table A

Level 3 Allocations April – September (08/09)		October - March	Level 4 Allocations April September	October - March	Total - All allocations
Banded funding	16 (53%)	14 (47%)	7 (78%)	2 (22%)	39
Statement	12 (57%)	9 (43%)	14 (54%)	12 (46%)	47
Total by level	28	23	21	14	86

Table B

Level 3 Allocations April – September (09/10)		Predicted October - March	Level 4 Allocations April September	Predicted October - March	Total – All allocations
Banded funding	25	24	7	2	58
Statement	17	13	19	16	65
Total	42	37	26	18	123

- This represents a predicted overall 43% increase in allocations at levels 3 & 4 through Banded funding **and** statements.
- The increase in number of allocations through statements is equivalent to 38%
- The increase in the number of banded funding allocations is equivalent to 49%

Banded Funding & Statements 2010/11 Budget Estimate

Expenditure £'000

Spend as at 21st December	275
add December Banding Panel	25
add estimate January Panel	20
add estimate February Panel	15

Projected additional Statements	
3x Band 3 & 2 x Band 4 January	12
3xBand 3 & 2x Band 4 February	8
3x Band 3 & 2 Band 4 March	4

Total Expenditure Forecast 2009/10	359
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Budget available 09/10	217
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Overspend	142
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Assume +43% increase on 09/10 spend

Projected spend for 10/11	513
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Budget

09/10 Budget	217
MFG 2.1% increase	4
10/11 Budget	221
add provisional agreed increase £260k	260
Proposed Budget 10/11	481

increase over existing spend	34%
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Proposal - The working Party is asked the confirm the provisional increase as final for 2010/11

PUPIL REFERRAL UNITS – Statutory teaching provision (increase budget)

Reason for Budget growth request

The core entitlement for all students in the KS3&4 PRUs from September 2010 - includes the curriculum that students should receive, which is 25hours each week. Each student should have a broad, balanced curriculum which should mean accessing the full National Curriculum. Included in this in years 9,10 & 11 the PRUs need to work in partnership with schools, colleges, training providers and employers on engagement pilots which provide work-focused alternative provision which should lead to accreditation within the qualification framework.

Under the current provision within the PRUs they cannot provide this level of Statutory teaching, on the existing amount of teachers/teaching assistant in place at present or be able to fund and sustain work related learning.

Date: Monday 16th November

Venue: Brookfield Centre

Present at meeting:

- Oremi Evans
- Pauline Healey
- Malcolm Green
- Christine Bryan

The previously offered educational support of 25 hours per week has become statutory from September 2009 and is to be implemented from September 2010.

Under the current provision within the Pupil Referral Units (PRU) they cannot provide this level of statutory teaching, on the existing amount of teachers/teaching assistants in place.

With the level of support now required, a budget revision is required.

Provision devised – enhanced budget

	St. David's	Aconbury	The Priory
Keg Stage Level	KS 4	KS 3	KS 4
Max Pupil No's	40	32	25
Teacher to Pupil Ratio	1: 6	1: 8	1:6

Teacher Provision	6.7	4	3
10% Teacher PPA	0.7	0.4	0.3
Head Teacher	1	1	1
Teaching & Learning Responsibility	2 x TLR2	1 x TLR2	1x TLR2
Total of Teaching Staff Required	8.4	5.4	4.3

Teaching Assistant to Pupil Ratio	1:10	1:6	1:10
Teaching Assistant Provision	4	5.4	2

Provisional Budget

	St. David's	Aconbury	The Priory
Current Teaching Staff (budget)	232,230	194,589	196,144
Revised Teaching Staff projections (based on budget)	254,318	209,048	196,144
Budget Increase	24,000	15,000	0

Current Education Support Staff (budget)	42,925	40,000	57,132
Revised Education Support Staff projections (based on budget)	74,652	125,581	57,132
Budget Increase	32,000	86,000	0

Total Budget Increase for the year	56,000	100,000	0
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7 / 12ths	32,667	58,334	0
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Cost of Special Schools' September Pupil Number Adjustments and Additional In Year Allocations

Funding for special schools is currently adjusted to reflect the autumn census pupil numbers and funding for additional pupils is also being authorised throughout the year.

Adjustments are funded from DSG contingency cost centres and consequently there is no transparent record of the costs associated with the in year adjustments.

September adjustments made from 2007/8 to date are

	2007/08	2008/09	2009/10
Hereford Barrs Court School	34,509	23,349	36,872
Hereford Blackmarston School	66,881	13,196	48,726
Hereford The Brookfield School	(7,653)	26,548	(31,743)
Leominster Westfield School	47,143	(22,586)	(30,845)
Total	140,880	40,507	23,010

Additional in year adjustments made in the same period

	2007/08	2008/09	2009/10
Hereford Barrs Court School	0	0	0
Hereford Blackmarston School	0	5,110	25,945
Hereford The Brookfield School	0	1,948	26,067
Leominster Westfield School	0	0	0
Total	0	7,058	52,012

For Consideration

Set up a new cost centre for 2010/11 with a budget of £75,000 to enable more effective monitoring of the costs associated with in year adjustments

Model 3
 Amounts Per Pupil
 Primary & High
 Special (per model 2)
 PRU (per model 2)

Rates Rebates

1,054,205

Agenda item 4
 22.01.10

£46.65
 £208.79
 £183.47

School	09/10 NOR Excluding Nursery & 6th Form	Full Allocation Amount	3 Year Allocation		
			2010/11	2011/12	2012/13
ALMELEY PRIMARY	69	3,219	1,073	1,073	1,073
ASHPERTON PRIMARY	152	7,091	2,364	2,364	2,364
BODENHAM, ST. MICHAEL'S C.E. PRIMARY	98	4,572	1,524	1,524	1,524
BOSBURY C.E. PRIMARY	128	5,971	1,990	1,990	1,990
BRAMPTON ABBOTTS C.E. PRIMARY	116	5,411	1,804	1,804	1,804
BREDENBURY PRIMARY	77	3,592	1,197	1,197	1,197
BRIDSTOW C.E. PRIMARY	88	4,105	1,368	1,368	1,368
BROCKHAMPTON (BROMYARD) PRIMARY	122	5,691	1,897	1,897	1,897
BROMYARD, ST. PETER'S PRIMARY	189	8,817	2,939	2,939	2,939
BURGHILL PRIMARY	86	4,012	1,337	1,337	1,337
BURLEY GATE C.E. PRIMARY	102	4,758	1,586	1,586	1,586
CANON PYON C.E. PRIMARY	76	3,545	1,182	1,182	1,182
CLEHONGER C.E. PRIMARY	125	5,831	1,944	1,944	1,944
CLIFFORD PRIMARY	59	2,752	917	917	917
COLWALL C.E. PRIMARY	177	8,257	2,752	2,752	2,752
CRADLEY C.E. PRIMARY	107	4,992	1,664	1,664	1,664
ST.MARY'S C.E, CREDENHILL PRIMARY	181	8,444	2,815	2,815	2,815
DILWYN C.E PRIMARY	30	1,400	467	467	467
EARDISLEY C.E. PRIMARY	68	3,172	1,057	1,057	1,057
EASTNOR PAROCHIAL PRIMARY	79	3,685	1,228	1,228	1,228
EWYAS HAROLD	132	6,158	2,053	2,053	2,053
FOWNHOPE, ST. MARY'S C.E. PRIMARY	88	4,105	1,368	1,368	1,368
GARWAY PRIMARY	65	3,032	1,011	1,011	1,011
GOODRICH C.E. PRIMARY	117	5,458	1,819	1,819	1,819
GORSLEY GOFFS PRIMARY	160	7,464	2,488	2,488	2,488
BROADLANDS PRIMARY	247	11,523	3,841	3,841	3,841
HAMPTON DENE PRIMARY	236	11,009	3,670	3,670	3,670
HOLMER C.E. PRIMARY	278	12,969	4,323	4,323	4,323
LORD SCUDAMORE PRIMARY	556.5	25,961	8,654	8,654	8,654
MARLBROOK PRIMARY	386	18,007	6,002	6,002	6,002
OUR LADY'S R.C. PRIMARY	210	9,797	3,266	3,266	3,266
ST. FRANCIS XAVIER'S R.C. PRIMARY	206	9,610	3,203	3,203	3,203
ST. JAMES' C.E. PRIMARY	201	9,377	3,126	3,126	3,126
ST. MARTIN'S PRIMARY	338	15,768	5,256	5,256	5,256
ST. PAUL'S C.E. PRIMARY	433	20,199	6,733	6,733	6,733
TRINITY PRIMARY	553.5	25,821	8,607	8,607	8,607
ST. THOMAS CANTILUPE C.E. PRIMARY	212	9,890	3,297	3,297	3,297
HOLME LACY PRIMARY	57	2,659	886	886	886
KIMBOLTON, ST. JAMES' C.E. PRIMARY	83	3,872	1,291	1,291	1,291
KING'S CAPLE PRIMARY	40	1,866	622	622	622
KINGSLAND C.E. PRIMARY	139	6,484	2,161	2,161	2,161
KINGSTONE AND THRUXTON PRIMARY	182	8,490	2,830	2,830	2,830
KINGTON PRIMARY	195	9,097	3,032	3,032	3,032
LEA C.E. PRIMARY	78	3,639	1,213	1,213	1,213
LEDBURY PRIMARY	444.5	20,736	6,912	6,912	6,912
LEINTWARDINE ENDOWED PRIMARY	104	4,852	1,617	1,617	1,617
LEOMINSTER INFANTS'	224	10,450	3,483	3,483	3,483
LEOMINSTER JUNIOR	337	15,721	5,240	5,240	5,240
LEOMINSTER, IVINGTON C.E. PRIMARY	88	4,105	1,368	1,368	1,368
LITTLE DEWCHURCH C.E. PRIMARY	47	2,193	731	731	731
LLANGROVE C.E. PRIMARY	55	2,566	855	855	855
LONGTOWN PRIMARY	52	2,426	809	809	809
LUGWARDINE PRIMARY	158	7,371	2,457	2,457	2,457
LUSTON PRIMARY	109	5,085	1,695	1,695	1,695
MADLEY PRIMARY	172	8,024	2,675	2,675	2,675
MARDEN PRIMARY	88	4,105	1,368	1,368	1,368
MICHAELCHURCH ESCLEY PRIMARY	60	2,799	933	933	933
MORDIFORD C.E. PRIMARY	123	5,738	1,913	1,913	1,913
MUCH BIRCH C.E. PRIMARY	181	8,444	2,815	2,815	2,815
MUCH MARCLE C.E. PRIMARY	101	4,712	1,571	1,571	1,571

ORLETON C.E. PRIMARY	191	8,910	2,970	2,970	2,970
PEMBRIDGE C.E. PRIMARY	101	4,712	1,571	1,571	1,571
PENCOMBE C.E. PRIMARY	53	2,472	824	824	824
PETERCHURCH PRIMARY	66	3,079	1,026	1,026	1,026
ROSS-ON-WYE, ASHFIELD PARK PRIMARY	312	14,555	4,852	4,852	4,852
ROSS-ON-WYE, ST. JOSEPH'S R.C. PRIMARY	103	4,805	1,602	1,602	1,602
ST. WEONARD'S PRIMARY	48	2,239	746	746	746
SHOBDON PRIMARY	52	2,426	809	809	809
STAUNTON-ON-WYE ENDOWED PRIMARY	67	3,126	1,042	1,042	1,042
STOKE PRIOR (LEOMINSTER) PRIMARY	79	3,685	1,228	1,228	1,228
STRETTON SUGWAS C.E. PRIMARY	103	4,805	1,602	1,602	1,602
SUTTON PRIMARY	61	2,846	949	949	949
WALFORD PRIMARY	186	8,677	2,892	2,892	2,892
WELLINGTON PRIMARY	98	4,572	1,524	1,524	1,524
WEOBLEY PRIMARY	151	7,044	2,348	2,348	2,348
WESTON-UNDER-PENYARD C.E. PRIMARY	87	4,059	1,353	1,353	1,353
WHITBOURNE C.E. PRIMARY	57	2,659	886	886	886
WHITCHURCH C.E. PRIMARY	110	5,132	1,711	1,711	1,711
WIGMORE PRIMARY	132	6,158	2,053	2,053	2,053
WITHINGTON PRIMARY	66	3,079	1,026	1,026	1,026
RIVERSIDE PRIMARY	330.5	15,418	5,139	5,139	5,139
(BROMYARD) QUEEN ELIZABETH HIGH	310	14,462	4,821	4,821	4,821
AYLESTONE HIGH	856	39,932	13,311	13,311	13,311
BISHOP OF HEREFORD'S BLUECOAT	1179	55,000	18,333	18,333	18,333
HEREFORD ACADEMY	661	30,836	10,279	10,279	10,279
ST MARY'S R.C. HIGH	689.5	32,165	10,722	10,722	10,722
WHITECROSS HIGH	893	41,658	13,886	13,886	13,886
KINGSTONE HIGH	651	30,369	10,123	10,123	10,123
KINGTON, LADY HAWKINS	406	18,940	6,313	6,313	6,313
LEDBURY, THE JOHN MASEFIELD HIGH	763	35,594	11,865	11,865	11,865
LEOMINSTER, THE MINSTER COLLEGE	582	27,150	9,050	9,050	9,050
PETERCHURCH, FAIRFIELD HIGH	371	17,307	5,769	5,769	5,769
ROSS-ON-WYE, THE JOHN KYRLE HIGH	995	46,417	15,472	15,472	15,472
WEOBLEY HIGH	458	21,366	7,122	7,122	7,122
WIGMORE HIGH	452	21,086	7,029	7,029	7,029
BARRS COURT SPECIAL	76	15,868	5,289	5,289	5,289
BLACKMARSTON SPECIAL	46	9,604	3,201	3,201	3,201
WESTFIELD SPECIAL	34	7,099	2,366	2,366	2,366
THE BROOKFIELD SPECIAL	63	13,154	4,385	4,385	4,385
ACONBURY CENTRE PRU	12	2,202	734	734	734
ST. DAVIDS PRU	27	4,954	1,651	1,651	1,651
THE PRIORY PRU	19	3,486	1,162	1,162	1,162
	21,663	1,054,000	351,335	351,335	351,335

Revised Claw-back Scheme

Item 5

At February 2009 Schools Forum was referred back to the Budget Working Group to reconsider the parity of staffing at all schools included in the revised base allowance. This followed the Group's recommendation that the limits be changed for 2010/11 – the Working Group's proposal for 2009/10 was approved.

R3 That the School Balance Claw-back scheme be amended for the 2010/11 financial year, Proposal B, as follows;

- a. **The General Reserve calculation for primary and special schools be reduced to £25,000 or 5% whichever is the greater (down from £30,000)**
- b. **The General Reserve calculation for high schools be reduced to £45,000 or 5% whichever is the greater (down from £50,000)**

The basis of this calculation is to allow the carry forward of £5k plus sufficient balances for Primary and Special schools to afford a teacher and support assistant for the Summer term (at a cost of £15k and £5k respectively), with High schools able to afford two (subject to availability of balances).

The concern seemed to be relating to a possible mis-match between the £25,000 base for a large primary school and the £45,000 for a small high school. However this is only a minimum amount as in both cases the 5% allowance is greater than the minimum base and is always the same in both large primaries and all high schools. This is set out in the table below.

School type	Budget (£'000)	09/10 Scheme (£'000)	Original proposal B (£'000)	Parity Proposal (£'000)
Small primary A	300	30	25	25
Medium Primary B	800	40	40	40
Large Primary C	1,285	64	64	64
Large Primary D	1,350	68	68	68
Small High	1,350	68	68	80
Large High	4,800	240	240	240

Based on 2009/10 budgets, all primary schools with under 210 pupils would be entitled to the minimum £25,000 allowance.

Primary schools between 210 and 300 on roll would be permitted a balance in excess of £25,000 but below £45,000.

Primary schools above 300 on roll would be permitted balances in excess of the £45,000 as generally their budgets are greater than £900,000. (i.e. the point at which 5% becomes greater than £45,000).

For consideration

The Budget Working Group is invited to recommend Proposal B for 2010/11 as it achieves the required parity between large primary and small high schools.

Capital Balances

Capital balances held by schools have almost doubled in the past three years from £1.7m in 2007/8 to £3.3m in 2009/10 (based on brought forward balances).

Since 2007/08 schools have moved £2m of revenue balances to capital. Transfers made in period 13 amount to £1.3m and it is assumed that these balances were moved to avoid claw-back.

Capital Plans Submitted 2009/10

Excluding voluntary aided schools and accepting that some plans are still outstanding or not fully completed, the capital plans submitted for the three year period 2009/10 to 2011/12 total £6.9m. The grants and balances available for the same period are estimated to be £11m, indicating that the majority of schools will not need additional funding from revenue to complete their plans.

For Consideration

The group is asked to consider the below options – proposal A will increase revenue balances available for redistribution and proposals B and C increase capital available.

Proposal A

- Revenue balances can only be transferred to Capital where a Capital plan has been approved by the local authority.

Proposal B

- Balances may continue to be transferred however a plan will need to be submitted within the following financial year (or the balances spent).
- If no suitable plan is submitted the balances can be clawed back for use on local authority capital schemes generally e.g. the general school maintenance programme. This would mean that any balances moved to avoid claw-back in 2010/11 would require a plan or spending by March 2012.

Further discussion at the Working party will be needed if either of these options is to be implemented from 1st April 2010 for the financial year 2010/11.

Schools Forum Budget Working Group

22 January 2010

REVIEW OF HEREFORDSHIRE SCHOOLS FUNDING FORMULA**What Factors to review next??****Schools Affected**

All schools

Purpose

To provide an overview of the current funding formula to facilitate a review of the formula used, with a view to presenting recommendations to Schools Forum for implementation by April 2011 (as agreed at Schools Forum in February 2009). All amounts are draft 2010-11 so may not be final.

Report**1. Age Weighted Pupil Unit (AWPU). £57.7m – 74.5% of allocation**

The AWPU is made up of the elements shown below (figures are rounded). Where funding available exceeds the amount allocated any 'headroom' is distributed 50% based on pupil numbers and 50% social deprivation – the pupil number element is included in the AWPU.

Level	AWPU	Headroom	SLAs	Social Inclusion	14-16 Practical Learning	Personalised Learning	Total
KS1	2,337	6	54	0	0	13	2,410
KS2	2,210	6	54	0	0	13	2,283
KS3	2,729	6	58	42	38	24	2,897
KS4	3,543	6	58	42	38	24	3,711

2. Additional Pupil Led Funding. £1.7m – 2% of allocation**Nursery Funding in hand via new early years single funding formula**

Subject to DCSF agreement single funding formula will be implemented from 2010.

Class Size Based Funding (Class Size Grant)

Allocated to primary schools to ensure sufficient funding for teachers at Key Stage 1. The calculation determines how many classes are required based on the pupil numbers across the Key Stage 1 years and then provides funding to a minimum of 27 pupils per class (with an adjustment for Small Schools' Protection (SSP) already included in the KS1 formula, based on number of places below 450). 10/11 funding is £1,130 per pupil with the SSP adjustment £26.

Pupil Numbers	Classes of up to 30	Classes of 27	Funded Pupils Less Actual	Funding	KS1 SSP Adj	Class Based Funding
37	2	54	17	19,210	(9,724)	9,486

Free School Meals

Based on pupils taking free school meals not actual entitlement - £361.10 per pupil being £2.00 per day plus £3.10 for Christmas meal for 179 days only.

3. SEN. £4.1m – 5.3% of allocation**Administration of Statemented Pupils**

Amount per statement – currently £225

Bands 1 and 2 – delegated in April 2009

Delegated formula now uses a basket of social deprivation indicators. In 2010/11 allocations will be based on 25% of 2007/08 per pupil allocation uplifted to current values and 75% of the revised basket. Protection will be paid at 50% of the difference between the two calculations. In 2011/12 the allocation will be 100% based on the basket of indicators with protection being paid at 25%. 2011/12 is the last year that protection will be paid.

Bands 3 and 4

Need is calculated in days – Band 3 currently £7,350 for a full year and Band 4 £11,500. Figures in the draft allocation only include allocations where 2010/11 needs are known and the allocation required will therefore increase when the February figures are input.

Physical Impairment and Autism Centre (Bishops)

Physical Impairment Centre - £6,929 per pupil (currently 2)

Autism Centre – lump sum £66,376

Hampton Dene Special Centre

Hampton Dene is funded for 20 standard and 9 enhanced places, with the calculation based on the average estimated pupil numbers across the year. Funding is adjusted in year if pupil numbers change. As well as pupil based funding, vacant places are subsidised to protect the availability of places. Funding amounts are currently:

Standard - £8,468 per pupil

Enhanced - £13,218 per pupil

Standard vacant places - £3,158

Enhanced vacant places - £4,930

4. AEN. £1.5m – 1.9% of allocation**Personalised Learning**

Low Prior Attainment score (LPA proportion x NOR) x £394.15 for Primary and £460.06 for High schools

5. Social Deprivation. £2.8m – 3.6% of allocation**Free School Meals % factor**

For FSM as a percentage of NOR up to 10% then an allocation of £5.56 per FSM made.

Eg. FSM as % of NOR = 8.36 the school would get 8.36 x 5.56 x number of FSM

For FSM as a percentage of NOR over 10% a similar calculation is performed but with a higher amount of £23.95 for the % over 10%.

In recent years the DCSF has asked Authorities to allocate more funding on Social Deprivation factors. In common with other West Midlands' Authorities, Hereford has used a 'basket' of factors and allocated similar amounts of funding to each factor.

FSM per Pupil - £309k (cash limited to 271k but headroom currently applied)

Equates to £143.47 per FSM pupil

IDACI (Income Deprivation Affecting Children Index) - £303k (cash limited to 271k but headroom currently applied)

IDACI Ofsted proportion data is multiplied by pupil numbers to find the estimated number of pupils affected and £100.15 per pupil affected was then allocated.

Low Prior Attainment - £309k (cash limited to 271k but headroom currently applied)

LPA score multiplied by number of pupils to find number of pupils in this category to which £91.19 per pupil is allocated.

Personalised Learning FSM % - £1.5m (fixed budget inflated annually)

Calculation is the same as that for Free School Meals (without the 10% threshold) – Primary schools are allocated £24.64 and High schools £90.33.

The use of FSM% means that there can be big changes in the annual allocation as FSM numbers fluctuate.

6. Site Specific - £163k

Grassed and Planted

Primary schools – 17.1p per m²

High schools – 9.6p per m²

7. School Specific. £9.4m – 12% of allocation

Management Flat Rate £3.1m

Sum of the SLA flat rates, Heads' management allowance and invigilators for high schools.

	SLAs	Management	Invigilators	Total
Primary	8,050	26,710	-	34,760
High	8,569	8,419	3,293	16,988

Premises Flat Rate £407k

Primary - £4,004

High - £5,927

Curriculum Protection – currently frozen at 07/08 level of £965k

This was changed in 2006 – the size of school was reduced and the management flat rate increased. The Curriculum Protection school size funding in 2004/5 was based on 360 pupils for Primary schools and 750 for High schools and cost £2m.

For the 2010/11 draft budgets £965k has been allocated per the frozen amount. If the formula factors had been uplifted each year we would be allocating £1.03m in 2010/11. As the number of pupils reduces the amount per pupil allocated reduces.

Primary – where schools have fewer than 200 pupils (excluding nursery) they receive £107.97 per pupil for the difference between their NOR and 200. In 2009/10 this figure was £109.75.

Where a school has fewer than 30 pupils the formula also allows for an allocation of £610 for each pupil below 30 although this is not applicable to any schools in the 2010/11 draft budgets. Two schools are near this threshold though with 31 and 32 pupils.

High – where schools have fewer than 655 pupils (excluding 6th form) they receive £208.91 per pupil for the difference between NOR and 655.

Energy £1m

Peak Electric – £7k allocated

Off Peak Electric – £12k allocated

LPG – £18k allocated

Rates £1.1m

An estimated amount is input for rates in the budget allocation and then the amount is adjusted once the actual cost is known.

Shared Use

Only affects two schools – Minster are receiving £45k for use of the sports centre and Fairfield £2.5k for hire of a sports field.

Premises Insurance £320k

Funded at cost

Teachers' Pay Grant £3.2m

£3,874 per eligible teacher on upper threshold pay scale. This is a continuation of the Teachers' Pay Grant which was incorporated a few years ago. The number of teachers on the upper pay scale has increased by 40 FTE since the 2009/10 budgets, increasing the allocation required by £155k.

PFI Factor

Applies to Whitecross - £178k

LSC Sixth Form Reduction

A budget reduction to reflect the share of premises and fixed costs included in sixth form LSC funding.

Nursery Abatement

Schools Forum have agreed that the formula funding model can apply a budget reduction to schools with nurseries in a similar way to schools with sixth forms to account for the single funding formula.

For Consideration

It is suggested that the next factor to be reviewed is either a or b below.

- a. Social deprivation/personalised learning - spend £4.3m

this would be useful in updating progress against the Government's social deprivation target as this has been a key strand of Forum's budget strategy in the last 3 years.

- b. school specific factors - spend £9.4m

Herefordshire Schools Forum – Work Programme 2009/10

23 February 2010 2pm Brockington	
Officer Reports	<ul style="list-style-type: none"> • Harnessing Grant Technology (Minute No. 55 - 2009/2010) • Delegation of Banded Funding 2009/10 - Review of the Representation of the Funding for Inclusion Group (Minute No.93 2008/09) • DSG Budget 2010 • LMS Finance Scheme • Report of the Budget Working Group • Workplan 2010/2011
17 May 2010 2pm Brockington	
	<ul style="list-style-type: none"> • DSG Review • Estimated School Balances • Extended Schools Review Re-Allocations • Service Level Agreements • Workplan 2010/2011
9 July 2010 10am Brockington	
	<ul style="list-style-type: none"> • Workplan 2010/2011

1 October 2010 2pm Brockington	
Officer Reports	<ul style="list-style-type: none">• Performance Outcomes Against Grant Spends• Workplan 2010/2011